

UNIVERSAL REGISTRATION DOCUMENT

Including the Annual Financial Report

2021

Guerbet | 

CONTENTS

Our purpose	2
Interview with David Hale, Chief Executive	4
Guerbet in brief	6

1	THE GUERBET GROUP	9	5	STATEMENT OF NON-FINANCIAL PERFORMANCE	113
	1.1 Our business model	10		5.1 CSR governance, strategy, risks, and opportunities	114
	1.2 History of the Company	12		5.2 Human Resources	117
	1.3 Main consolidated data	14		5.3 Keeping people safe and healthy	128
	1.4 Overview of activities	15		5.4 Minimizing the environmental impacts of our activities	132
	1.5 Industrial and logistics activity	25		5.5 Business ethics	145
	1.6 Research and Development	26		5.6 Quality products and services with societal value added	151
	1.7 The Group's governance structure at December 31, 2021	32		5.7 Guerbet's contribution to the Sustainable Development Goals	153
2	CORPORATE GOVERNANCE	35		5.8 External recognition of Guerbet's CSR performance	154
	2.1 Report of the Board of Directors on corporate governance	36		5.9 CSR data consolidation methodology	157
	2.2 Board of Directors	36		5.10 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement	162
	2.3 General Management	62	6	FINANCIAL STATEMENTS AND RELATED NOTES	165
	2.4 Compensation of company officers	64		6.1 Consolidated financial statements and notes	166
	2.5 Exceptions to the AfeP-Medef Code	80		6.2 Statutory Auditors' report on the consolidated financial statements	210
	2.6 Agreements referred to in Article L. 225-37-4-2° of the French Commercial Code	80		6.3 Individual financial statements and notes	215
	2.7 Delegations of authority regarding capital increases	80		6.4 Statutory Auditors' report on the annual financial statements	236
	2.8 Provisions in the articles of association relating to General Meetings	81		6.5 Statutory Auditors' special report on regulated agreements	240
	2.9 Factors that could have an impact in the event of a takeover or exchange offer referred to in Article L. 225-37-5 of the French Commercial Code	82	7	ADDITIONAL INFORMATION	241
3	CAPITAL AND SHARE OWNERSHIP	83		7.1 Person responsible for the accuracy of the Universal Registration Document	242
	3.1 Stock market data	84		7.2 Statement by the person responsible for the accuracy of the Document	242
	3.2 Relations with the financial community	85		7.3 Statutory Auditors	242
	3.3 Distributed dividends	85		7.4 Share capital	243
	3.4 Shareholding structure	86		7.5 Public access to this document	243
	3.5 Share buyback program	87		7.6 General information about the Company	244
	3.6 Additional information about the capital	87		7.7 Articles of association (excerpts)	245
4	MANAGEMENT REPORT	95		7.8 Concordance tables	247
	4.1 Analysis of the Group's activity and results	96			
	4.2 Major events since the start of the 2022 fiscal year	99			
	4.3 Consolidated companies	99			
	4.4 Results of subsidiaries held by Guerbet S.A.	99			
	4.5 Companies directly or indirectly controlled by Guerbet S.A.	99			
	4.6 Transactions in treasury shares of Guerbet S.A.	100			
	4.7 Statement of non-financial performance	100			
	4.8 Risk management, internal control, and internal audit	100			
	4.9 Risk factors	104			
	4.10 Other legal information	109			

UNIVERSAL REGISTRATION DOCUMENT

Including the Annual Financial Report

2021

This Universal Registration Document was filed on Tuesday, April 5, 2022, with the AMF in its capacity as the competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of a public offering of financial securities or the admission of financial securities for trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary and all amendments made to the Universal Registration Document. The resulting set of documents is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following documents are included by reference in this Universal Registration Document:

- the consolidated financial statements for the fiscal year ended December 31, 2020, as well as the related report of the Statutory Auditors, contained in sections 6.1 and 6.2 of the Registration Document filed with the AMF on April 27, 2021, under number D.21-0360 (https://www.guerbet.com/media/gr2bh2hw/guerbet_deu2020.html);
- the consolidated financial statements for the fiscal year ended December 31, 2019, as well as the related report of the Statutory Auditors, contained in sections 6.1 and 6.2 of the Registration Document filed with the AMF on April 28, 2020, under number D.20-0369 (https://www.guerbet.com/media/yyoamg3l/guerbet_deu2019.html).

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version prepared in ESEF format and available at <https://www.guerbet.com>.

GUERBET'S PURPOSE

Guerbet is a French healthcare company that has been supporting healthcare professionals specialized in Diagnostic and Interventional Medical Imaging since 1926. Guerbet develops and markets contrast media, delivery systems, medical devices, and related solutions adapted to their needs.

**AT GUERBET,
WE BUILD LASTING
RELATIONSHIPS SO THAT
WE ENABLE PEOPLE
TO LIVE BETTER**

*By focusing
on patient
outcomes*

*By daring
to make bold
choices*

*By caring
for people*

*By continuously
providing
innovative
solutions*

*By advancing
through
knowledge-sharing*

THIS IS OUR PURPOSE

Guerbet | 

> OUR MISSION

Guerbet's employees are committed to providing healthcare professionals with the contrast media, **medical devices and innovative solutions** that are vital for Diagnostic and Interventional Imaging to improve patient prognosis and quality of life.

Driven by passion for their work, every day they strive to combine performance, quality, and sustainable development.



> OUR VALUES



CARE

Respect everyone in Guerbet's ecosystem and its environment.



INNOVATE

Be a source of new thinking to improve Guerbet's performance.



COOPERATE

Cooperate with others and venture beyond our comfort zone for collective success.



ACHIEVE

Achieve our objectives and ensure the satisfaction of our partners.

INTERVIEW

David Hale,
Chief Executive Officer

//

Building lasting relationships to help people live better. This is our purpose at Guerbet and we undertake to implement it every day.

//



You unveiled Guerbet's corporate purpose in 2021. What is it?

Building lasting relationships to help people live better. That's our purpose. It's what we believe in at Guerbet and why we take such a unique approach. Cooperation and long-term commitment are strong convictions we live by every day. Human cooperation is at the heart of our relationships with our stakeholders: patients, healthcare professionals, employees, public authorities, partners, shareholders, and so on. Our relationships are based on respect and integrity, which is the key to truly value-creating cooperation.

Of course, the patients are our top priority. We strive to make their lives better through a diagnosis or treatment that we aim to make constantly more effective. We pay attention to each human being in our environment and aim to act consciously to have a positive influence on them.

How do we put this into practice? By taking care of others, by giving priority to the patient's benefit, by continuously providing innovative solutions, by daring to make bold choices, and by sharing knowledge to move forward.

Why did you decide to define a corporate purpose this year?

We chose to identify and express our purpose to give even more meaning and clarity to our daily commitment. It's our way of clearly expressing the deep meaning we give to our activity and how we define our value. This purpose is a driving force for our actions and a source of inspiration for our initiatives and innovations. It's a new shared energy that will foster the expansion of our company. This is a unique opportunity to contribute to something bigger than ourselves.

The Covid-19 crisis was a kind of eye-opener for us. It highlighted our common strength and the obvious fluidity in our decision making and defined our objectives – above all, the protection of our employees. With this corporate purpose, we’re living up to our pioneering spirit and joining companies convinced that their activity and their impact on society go hand in hand.

What will this purpose change for Guerbet?

It’s amazing. On the one hand, it doesn’t change anything, since our purpose is our essence. It has always been there. It’s not a new invention but rather a link-up with what is already in place. On the other hand, it changes everything. Now that it’s finally formulated, it’s a North Star guiding our future actions and a strategic filter for our future decisions. We’ll be able to look to it constantly. Is this strategic guideline or business decision in keeping with the contribution and impact we’re looking to make? Are these choices consistent with our values? All these questions will help us make the right choices!

You have continued the development of Gadopichlenol, a product for MRI. How far along are you, and what are the next steps?

In March 2021, we announced positive results from two phase III studies comparing the diagnostic efficacy and safety of Gadopichlenol, with half the gadolinium dose of Gadobutrol, in a wide range of indications covering the central nervous system and various other anatomical areas (head and neck, chest, breast, abdomen, pelvis, and musculoskeletal system).

Gadopichlenol will be an excellent extension of our MRI solutions with our contrast media, injectors, consumables, services and software. It will allow our customers to use a lower dose of gadolinium in their daily clinical practice. Our ambition is to make it accessible to the greatest number of patients as early as possible.

With this in mind, we signed a global collaboration agreement for Gadopichlenol in December 2021, with regard to manufacturing and research and development on future indications. This global collaboration will allow two companies to market the product independently under separate brands.

This bold decision will enable Gadopichlenol to be developed more rapidly and widely and will bring significant health benefits worldwide.

2021 also marks an important step in your development in new geographical regions. What are your ambitions?

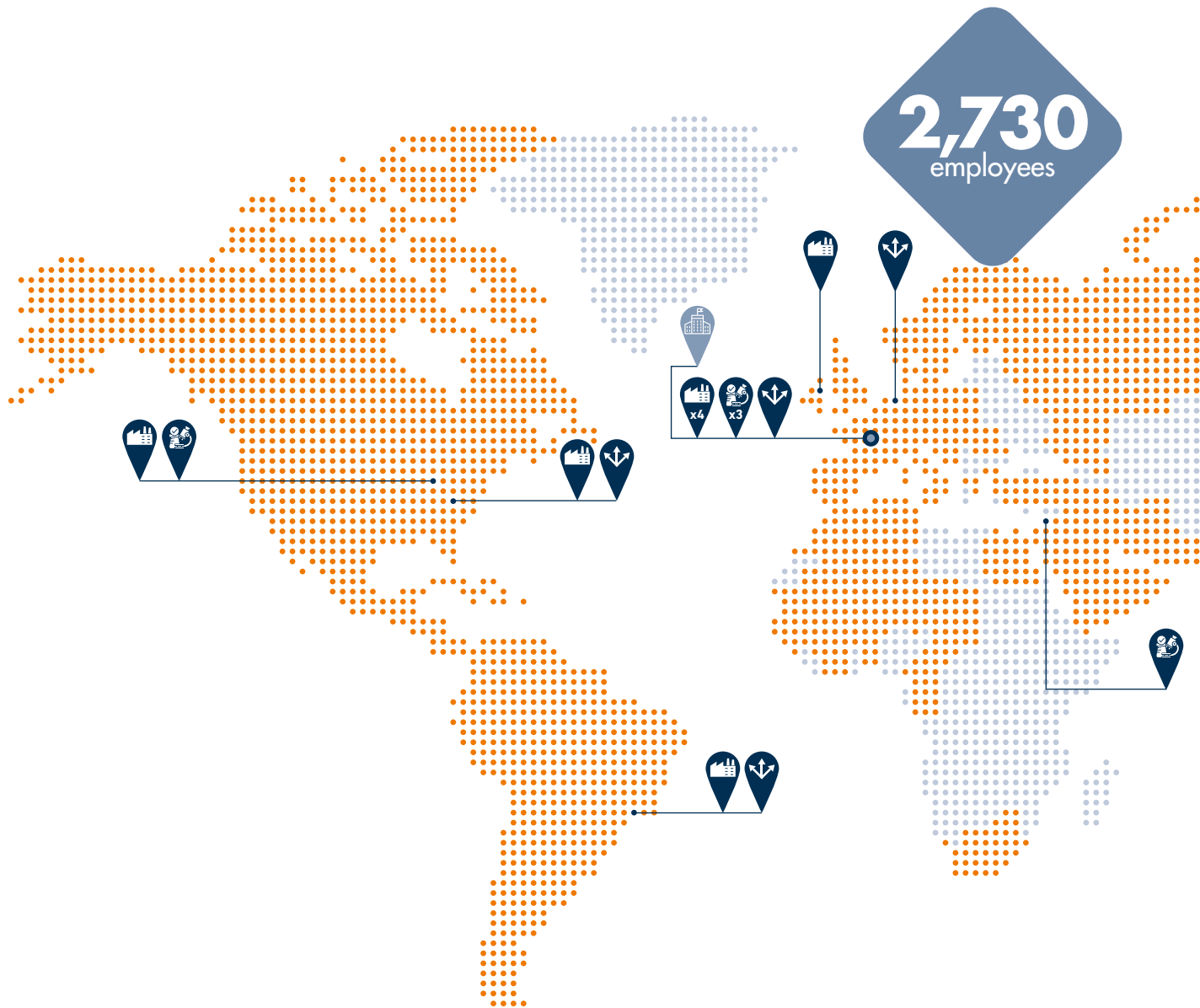
Absolutely. We picked up the pace of our development in Asia this year. We created two new subsidiaries, one in India and the other in China. These two countries represent an incredible growth opportunity for Guerbet. Our projects are already on the market there, but our ambition is now to have a direct presence in order to expand further. So, we will continue our structuring in India and China in order to be fully operational in 2022.

What is your outlook for 2022?

We’ll continue to live with many uncertainties related to the pandemic, which will probably still be around. But our strategy is still based on four pillars: Diagnostic Imaging, our core business, where we offer our customers a portfolio of interconnected solutions for easier decisions at each stage of the patient’s treatment, including contrast media, delivery systems, and technical services & digital solutions. Interventional Imaging is still a promising source of growth for us. We still expect the use of minimally invasive image-guided procedures to increase. Digital solutions, where we are a pioneer, will enable us to offer new tools for safer diagnostics: we’ll continue our distribution partnerships, joint development of artificial intelligence solutions with IBM Watson, as well as our internal research projects to develop our own Artificial Intelligence tools for poorly diagnosed pathologies such as pancreatic cancer. Last but not least, the fourth pillar of our growth is CSR. Our priorities in this area are fully integrated into our sustainable growth strategy. In particular, to reduce the environmental impact of our activities, we want to speed up our efforts by defining a plan to combat climate change.

GUERBET IN BREF

The Guerbet Group supports healthcare professionals specializing in “Diagnostic” and “Interventional” medical imaging. Guerbet develops and markets contrast media, delivery systems, medical devices and digital solutions adapted to the needs of healthcare professionals.



 Registered office  Manufacturing plant  R&D  Distribution

Presence in
80
countries

80%
in direct
sales

20%
in indirect
sales

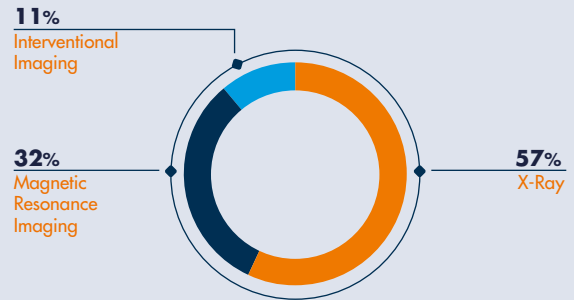


KEY FIGURES

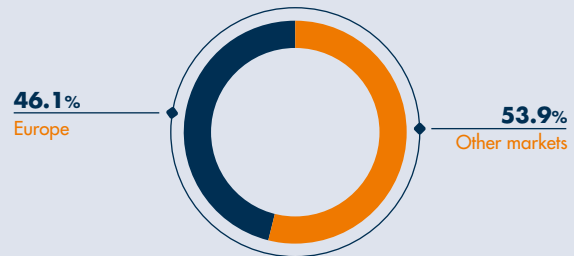
2021 REVENUE

€732.1_M

> **Breakdown of revenue by product range**



> **Breakdown of revenue by geographic region**



> **Net income**
€32.6_M

> **Net earnings per share**
€2.59

> **EBITDA**
€105.1_M

> **Operating result**
€38.7_M

> **Gross investments restated for debts on fixed assets**

€55.1_M



1

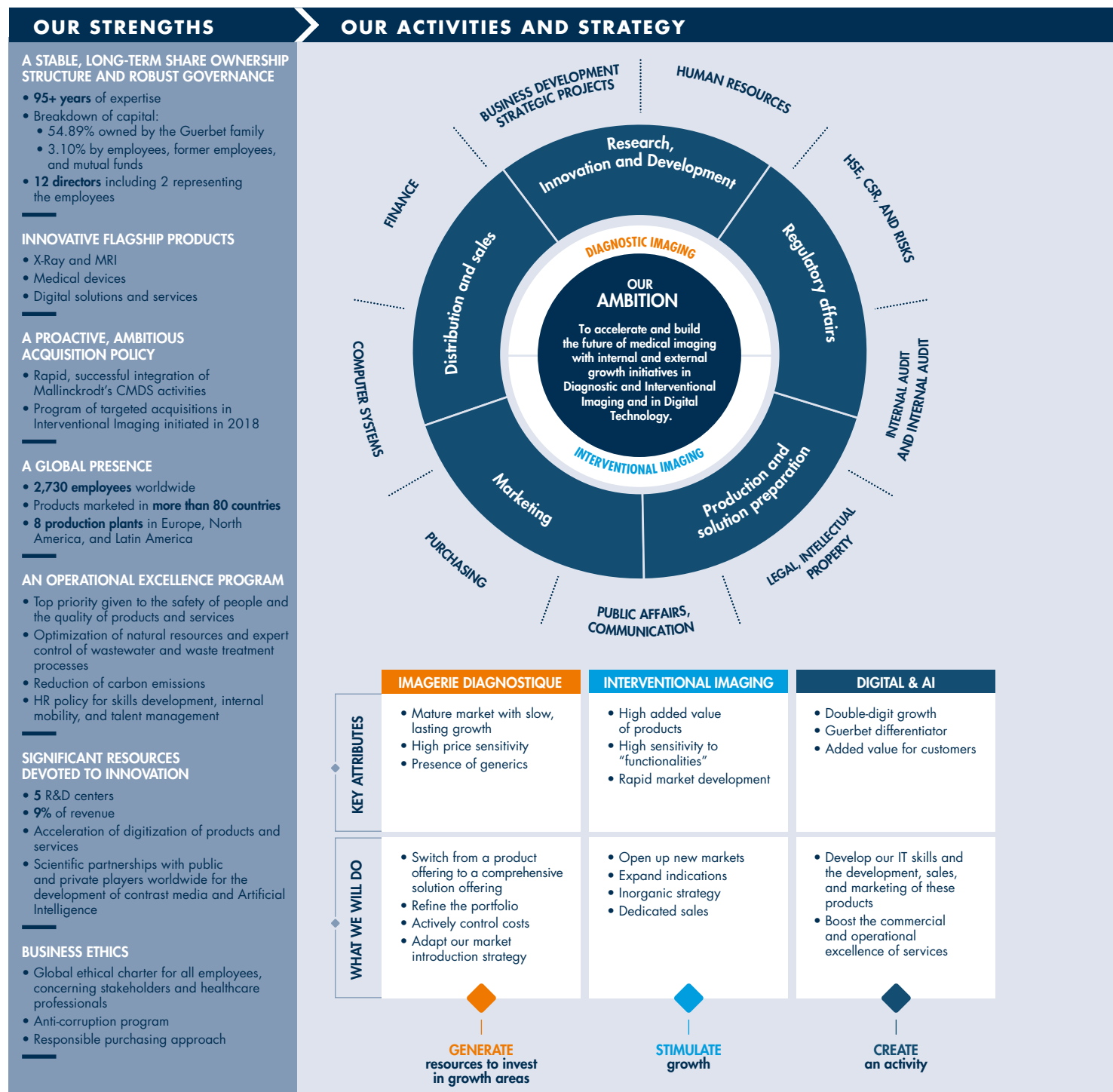
THE GUERBET GROUP

1.1 Our business model	10	1.6 Research and Development	26
1.2 History of the Company	12	1.6.1 Organization	26
1.3 Main consolidated data	14	1.6.2 Therapeutic areas	27
1.3.1 Revenue	14	1.6.3 Diagnostic Imaging	28
1.3.2 Main consolidated data	14	1.6.4 Interventional Imaging	29
1.4 Overview of activities	15	1.6.5 Public/private partnerships	29
1.4.1 Medical imaging techniques	15	1.6.6 Research and Development costs	30
1.4.2 Markets	22	1.6.7 Research and Development portfolio	30
1.4.3 Main competitors	24	1.6.8 Intellectual property	31
1.5 Industrial and logistics activity	25	1.6.9 Clinical data protection	31
1.5.1 An integrated network of plants	25	1.7 The Group's governance structure at December 31, 2021	32
1.5.2 A regionalized logistics platform	25	1.7.1 A global presence	32
1.5.3 Development based on investment and continuous improvement	26	1.7.2 Property owned	34
		1.7.3 Distribution	34

1.1 Our business model

OUR MISSION

Guerbet's employees are committed to providing healthcare professionals with the contrast media, medical devices and innovative solutions that are vital for Diagnostic and Interventional Imaging to **improve patient prognosis and quality of life**. Driven by passion for their work, every day they strive to combine **performance, quality, and sustainable development**.



OUR VALUES

ACHIEVE: achieve our objectives and ensure the satisfaction of our partners.

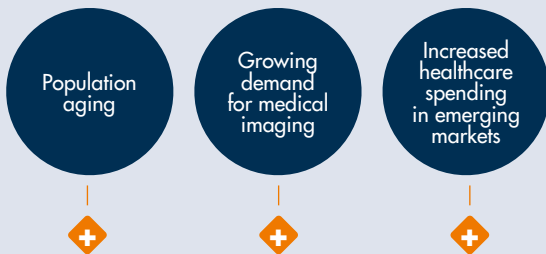
COOPERATE: cooperate with others and venture beyond our comfort zone for collective success.

CARE: respect everyone in Guerbet’s ecosystem and environment.

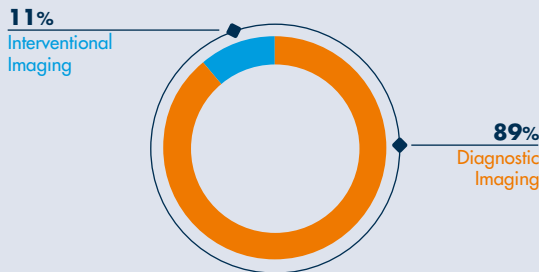
INNOVATE: be a source of new thinking to improve Guerbet’s performance.

GENERATING POSITIVE RESULTS FOR OUR STAKEHOLDERS

GROWING GLOBAL DEMAND



Breakdown of revenue by imaging



DIAGNOSTIC IMAGING	INTERVENTIONAL IMAGING
<ul style="list-style-type: none"> MARKET CHANGES <ul style="list-style-type: none"> Mature market Single-digit growth CUSTOMER FOCUS <ul style="list-style-type: none"> Reduction of costs Increased productivity 	<ul style="list-style-type: none"> MARKET CHANGES <ul style="list-style-type: none"> Double-digit growth CUSTOMER FOCUS <ul style="list-style-type: none"> Improvement of clinical results
<p>MRI #2 globally</p> <hr/> <p>X-Ray #4 globally</p> <hr/> <p>Digital Services and Solutions</p> <hr/> <p>Artificial Intelligence</p>	<p>Contrast media Lipiodol® and Patent Blue V</p> <hr/> <p>Innovative medical devices including micro-catheters</p>

1s
Every second, a patient undergoes an imaging procedure with a Guerbet product

+7.9%
Increase in revenue on a like-for-like basis and at constant exchange rates

14.4%
EBITDA margin

EFFECTIVE R&D
More than **456 patents** owned and patents pending
21 industrial models
Continuous launch of new products, extensions of ranges

IMPROVED SAFETY RESULTS
Accident rate decreased by **61 %** (vs 2017^(a))

CLIMATE COMMITMENT
Decision to commit to a minimum **WB2°C** ^(b) trajectory by 2032



PATIENT IMPACTS

- Accurate diagnosis
- Personalized treatment
- Minimally invasive procedures



IMPACTS ON HEALTH PROFESSIONALS

- Improved efficacy
- Greater intervention accuracy
- Innovative new devices addressing identified medical needs



SOCIETAL IMPACT

- Promote outpatient treatment to limit health system spending
- Economic impact on the territories where Guerbet operates (direct and indirect jobs)
- An approach of promoting its social and environmental values among its key suppliers
- Recognized CSR performance: Number 1 healthcare company in the Gaia Index ranking, B rating from CDP, and A++ rating on the CAHPP green index ^(c)
- Launch of the “Guerbet Positive” volunteer program in France and the United States
- Commitment to the access of young people to sustainable employment and their integration, especially for young people from priority neighborhoods

(a) 2017 is the reference year of our five-year HSE performance plan.

(b) Well below 2 °C.

(c) Purchasing center.

1.2 History of the Company

Guerbet is a French healthcare company that has been supporting healthcare professionals specialized in Diagnostic and Interventional Medical Imaging since 1926. Guerbet develops and markets contrast media, delivery systems, medical devices, and related solutions adapted to their needs.

The Company originated with Marcel Guerbet's discovery of the first iodinated organic contrast medium in 1901.

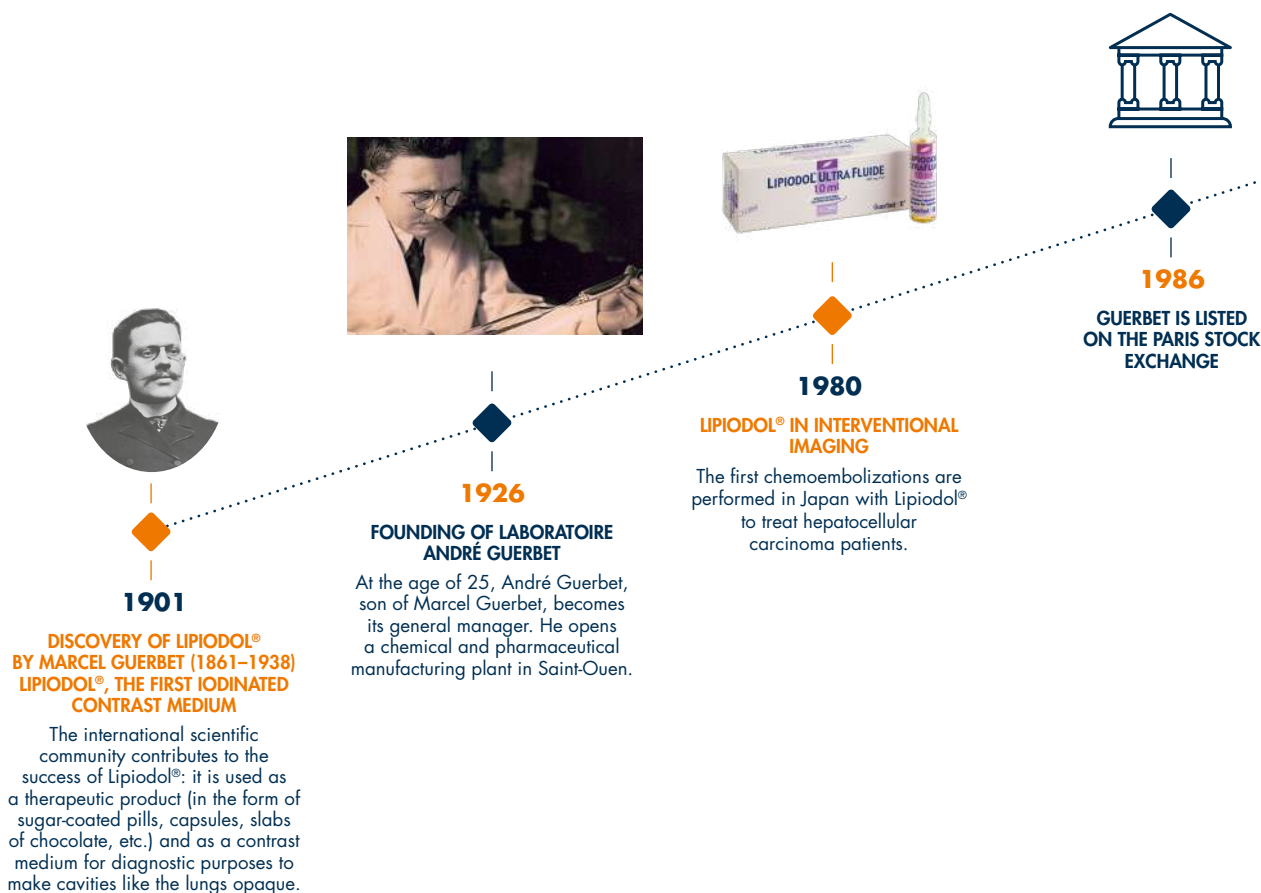
In 1926, his son André Guerbet founded the Guerbet company, which has expanded significantly since then thanks to the discovery of innovations that have left their mark on medical imaging technologies and the contrast media associated with them.

The Guerbet group now sells a comprehensive range of products suitable for X-Ray and magnetic resonance imaging (MRI).

Thanks to the products provided by the Group, images are used to guide radiologists when administering treatments, give insight into the functioning of organs, speed up diagnoses, assess the severity of an illness and enable early validation of the efficacy of treatments.

The Guerbet group recently developed a new activity based on digital technologies and Artificial Intelligence with two objectives: first, to improve the productivity of radiologists, e.g. with diagnostic assistance tools, and second, to obtain a tumor tissue characterization through imaging to better guide treatments or even eventually replace a biopsy.

The Guerbet group is listed in Euronext Segment B, and a majority of its shares are owned by the Guerbet family.



2021

This year marks the formulation of the Group's Purpose.

Guerbet is pursuing the development of Gadopichlenol with the announcement of positive results from two phase III studies comparing the diagnostic efficacy and safety of this product.

The Group is entering into a strategic global collaboration with Bracco Imaging for Gadopichlenol, on manufacturing, as well as for research and development of future indications.

Guerbet is accelerating its development in Asia with the creation of two new subsidiaries: one in India and the other in China.



1989

DOTAREM® IS LAUNCHED IN FRANCE

Dotarem® is the only macrocyclic and ionic contrast medium.



1995

XENETIX®, A NEW PRODUCT FOR X-RAYS

2002 ET 2005

OPTISTAR® ELITE, OPTIVANTAGE®, AND ANGIOMAT ILLUMENA®

These three injectors by Mallinckrodt are marketed by Guerbet in France, Belgium, and Switzerland.

2015

ACQUISITION OF MALLINCKRODT'S "CONTRAST MEDIA AND DELIVERY SYSTEMS" ACTIVITY

Guerbet takes on a new international dimension and expands its product portfolio. The workforce increases from 1,500 to more than 2,500 employees.



2017

VECTORIO® AND CONTRAST&CARE®

Launches of Vectorio® for Interventional Imaging and Contrast&Care® for digital services.



2018

PARTNERSHIP WITH IBM WATSON HEALTH

Co-development of Augmented Intelligence solutions to help diagnose and treat liver cancer.

2019

IA

2nd co-development with IBM Watson Health (prostate cancer). Agreement with icometrix to distribute Icobrain (France, Italy, Brazil).

DIGITAL

Partnership with InterSystems for Contrast&Care®.

2020

COVID-19

Mobilization of all our teams to ensure continuity of our business and our deliveries to our customers during the pandemic.

GADOPICLENOL

End of phase III clinical trials.

1.3 Main consolidated data

1.3.1 Revenue

<i>(in € thousands – IFRS)</i>	2021	2020
Revenue	732,071	712,295
Breakdown of revenue by geographic region	2021	2020
Europe	46.1%	40.8%
Other markets	53.9%	59.2%
Breakdown of revenue by product range	2021	2020
X-Ray	57.0%	55.1%
MRI	32.0%	31.9%
TOTAL DIAGNOSTIC IMAGING	89.0%	87.1%
INTERVENTIONAL IMAGING	11.0%	10.3%
OTHER	—%	2.6%

In the new presentation of revenue by product range, delivery systems and services have been divided between X-Ray and MRI. Among the “Other” activities, the share presented here

corresponds to activities ceased in 2020 (Cardinal Health). Other continuing activities are now included in X-Rays.

1.3.2 Main consolidated data

<i>(in € thousands – IFRS)</i>	2021	2020*
Revenue	732,071	712,295
EBITDA ^(a)	105,065	100,689
Operating result	38,685	41,872
Net income	32,637	18,240
Net income per share <i>(in €)</i>	2.59	1.45
Dividend per share <i>(in €)</i>	0.85 ^(b)	0.70
Cash flow	100,612	81,251
Shareholders’ equity	405,092	367,754
Net financial debt	217,811	256,588
Gross investments restated for amounts payable on fixed assets	55,092	67,108
Net financial debt/EBITDA	2.1	2.5

^(a) EBITDA refers to operating income plus net amortization, depreciation and provisions.

^(b) Amount to be proposed to the General Meeting of Shareholders for the 2021 fiscal year.

* Includes the impact of the IFRIC final decision of April 2021 on retirement obligations.

1.4 Overview of activities

1.4.1 Medical imaging techniques



Medical imaging is a medical specialty that aims to orientate or confirm a diagnosis and/or guide treatment. It explores the inside of the human body mainly through four techniques:

- X-Rays;
- magnetic resonance imaging (MRI);
- ultrasound;
- nuclear medicine.

Discovered in 1885, X-ray radiography is the oldest form. Its development was revolutionized by the invention of CT (computerized tomography) scanners.

These methods and any associated products play a role at various stages of patient diagnosis and treatment:

- diagnostic support;
- assessing the severity/seriousness of an illness;
- intervention support;
- treatment and therapeutic monitoring support;
- advancement of knowledge of research teams.

In Interventional Imaging, image capture guides a medical or surgical procedure.

By encompassing all of the techniques used in medicine for the diagnosis and treatment of a large number of illnesses, medical imaging has revolutionized medicine and provided immediate and reliable access to information essential to clinical diagnostics, revealing new anatomical characteristics in terms of both the metabolism and the actual functioning of organs.

Medical imaging techniques no longer just provide a “snapshot” of the tissue or organ being examined. They give a visual representation based on specific physical or chemical characteristics. These examinations have been made possible by contrast media adapted to imaging techniques and equipment that are pushing back the boundaries of knowledge concerning the human body.

Technological and IT developments in the 21st century have ushered in a new era for medical imaging.

Rapid scanning, high-definition images and the advent of big data are factors that are further improving early diagnosis and therapeutic monitoring.

We are currently witnessing a revolution in radiologists’ practice thanks to the introduction of Artificial Intelligence solutions. This revolution has been made possible by, among other things, advances in the field of deep learning. These solutions should help radiologists by improving their productivity and the quality of diagnoses. Examples of potential applications include automatic segmentation or reset, patient prioritization based on algorithm-assessed severity, preliminary reading with identification and segmentation of lesions of interest, automatic second reading, decision support to guide treatment, and tumor tissue characterization to avoid biopsies. This revolution will not occur overnight and will probably take a few years, but the significant level of current investments and communications about new solutions at radiology conferences indicate that it is underway.

The products and solutions developed and marketed by Guerbet are part of a complex approach with many challenges:

- **Regulatory issues:**
 - contrast media are drugs, and delivery solutions/systems and Artificial Intelligence tools are medical devices. Guerbet products are therefore regulated by two of the most stringent regulatory systems in the world. This explains the development time (several years) for new products or improvements on existing products, in order to demonstrate their quality, efficacy and safety. These regulations are constantly evolving, and the products marketed by Guerbet must adapt and comply with these regulatory changes on an ongoing basis.
 - The diagnostic examinations to be performed for different types of pathologies and their methods of implementation (including the use of contrast media) are governed by recommendations issued by international scientific societies or by commissions/committees of experts at the national level. These recommendations change frequently with technological improvements in imaging techniques and influence how and how much patients or hospitals/radiology centers are reimbursed for examinations and products.
- **Technological issues:**
 - unlike “conventional” drugs, contrast media are never used alone but always in conjunction with an imaging technique, which is itself constantly evolving and improving. As such, acquisition sequences for scanners and MRIs have undergone considerable changes since their creation, allowing for images and diagnostic information of ever higher quality. The products and solutions offered by Guerbet must support and adapt continuously to these changes in associated imaging techniques.
- **Societal issues:**
 - Guerbet has an obligation to offer products and solutions in line with societal expectations and challenges such as the protection of the environment and biodiversity. These actions can cover various complementary approaches such as manufacturing processes and the use of more environmentally friendly materials/compounds, a responsible purchasing policy, and packaging that limits the amount of unused product leftovers, thus avoiding the risk of uncontrolled releases into the environment.

1.4.1.1 Diagnostic Imaging



X-RAYS



OptiRay® Xenetix®

OptiVantage® Consumables

MRI



Dotarem® Artirem®

OptiStar® Consumables

TECHNICAL SERVICES & DIGITAL SOLUTIONS

OptiProtect^{3S}

 Your needs. Your performance. Our Smart Service Solutions.

Dose&Care[®]

Contrast&Care⁺

A) Contrast media

Contrast media are drugs that are suited to the imaging techniques used, due to their nature and method of action:

- the medium of choice for X-Ray Imaging is iodine or barium due to their ability to absorb this radiation;
- in magnetic resonance imaging (MRI), gadolinium in its complexed form is the raw material most commonly used, being chosen for its paramagnetic properties. The injection of a gadolinium complex in response to a radiofrequency wave in a magnetic field speeds up the paramagnetic relaxation of the protons in water molecules, enhancing the contrast of the signal observed through MRI in the organs where the product is present;
- the contrast media used for ultrasound scans consist of microbubbles of gas that interact with the ultrasound waves and boost the ultrasound signal;
- in nuclear medicine, the radioactive agent or tracer is the source of the radiation that is then detected.

These products are used to reveal the invisible. They are useful for medical purposes, as they increase the contrast so that an anatomical structure can be viewed separately from the surrounding tissues. These agents play a crucial role in, for example, assessing the functioning of an organ such as the kidney or a tissue such as the heart when measuring the myocardial perfusion of the heart.

The diagnostic efficacy sought by radiologists and clinicians is therefore very closely linked to the suitability of the information received as a result of the contrast medium's enhancing properties and its development over time after injection. This translates into high-quality static or dynamic images that provide data about the anatomy and functioning of organs, the structure of arterial and venous blood vessels, and perfusion parameters. Diagnostic quality is now a key factor in clinicians' decisions regarding treatment and surgery.

These rapid advances also have a direct impact on patients' quality of life. Because they result in earlier diagnoses and improved selection of treatment options suited to each patient's profile, these drugs now play a decisive role in the development of personalized medicine while meeting the economic imperative of reducing healthcare costs to the community.

B) Our range of contrast media

CT & Cath Lab

Guerbet's range of CT & Cath Lab contrast media consists mainly of two non ionic iodinated low-osmolar contrast media (LOCM):



- **Optiray®**, available in four concentrations: 240, 300, 320 and 350 mg of iodine/ml. It comes in vials and pre-filled syringes, a form of packaging that is especially appropriate for single-patient injections.

The product is used in CT examinations, and its physicochemical profile is especially suited to arterial investigations (Cath Lab).



- **Xenetix®**, available in three concentrations: 200, 300 and 350 mg of iodine/ml. It comes in vials and polypropylene bags (ScanBag® by Xenetix®).

This innovative packaging preserves the properties of Xenetix® while making it simpler to use, enhancing the safety of patients and medical staff and representing a major step forward in waste management. This packaging is one of Guerbet's solutions to sustainable development challenges. The 350 mg/ml concentration should preferably be used for cardiovascular disorders, and the 300 mg/ml concentration for the investigation of parenchymal conditions (e.g. diseases of the liver or kidneys). Xenetix® was granted a new indication in 2021 in France and Italy for use in spectral mammography with contrast enhancement to identify known or suspected breast lesions. This technique is being developed in many countries as part of breast cancer screening campaigns. This new indication is expected to obtain approval in additional countries in 2022.

In the X-ray contrast media line, Guerbet also markets three high-osmolality iodinated agents and a range of baryta media:



- **Telebrix® Gastro** and **MD Gastroview®**, iodinated media used in drinkable form that are particularly useful in the examination of digestive pathologies, especially in colorectal cancer screening with virtual colonoscopy.

MD Gastroview® is available for sale only in the United States and Central America.



- **Conray®** and **Cysto-Conray®**, iodinated media used for various vascular or intravesical radiological examinations.

They are available for sale only in North and Central America.

- **Micropaque®**, **Micropaque® Scanner** and **Microtrast**, are barium sulfate-based media used for the examination of digestive pathologies. These media are available for sale in certain European countries.

MRI

Guerbet's MRI range includes:



- **Dotarem®**, a non-specific gadolinium-based macrocyclic contrast medium, is the leader in many markets around the world.

Thanks to its physicochemical properties and its safety profile, it is the benchmark MRI agent. Dotarem® is used for the MRI examination of many diseases, in particular conditions affecting the central nervous system as well as abdominal, bone and joint, and vascular disorders.



- **Artirem®**, an MRI medium specifically used for bone and joint examinations, is available in nine countries, mostly in Europe.

It was the first ready-to-use medium indicated for such conditions that can be injected directly into the joints. It expands Guerbet's MRI range and sets it apart from the competition.

C) Injectors and contrast media delivery systems

Injection devices are divided into two main categories: injectors, which are permanent devices connected to a power source that enable the completely safe programming, management, and monitoring of contrast media injections, and the associated consumables. These consumables are single- or multiple-use sterile medical devices that deliver the contrast medium to the patient from receptacles in the form of vials, pre-filled syringes, or pouches.

Iodinated contrast media injectors are now essential devices. Scanners have such high computing power that they can produce images of the whole body in just a few seconds. These rapid scanning sequences therefore require a highly accurate injection rate that can only be provided by electromechanical devices to synchronize signal acquisition with the arrival of the contrast medium. The use of injectors also

protects radiology technicians from the ionizing radiation emitted during examinations using X-ray imaging, because the injector can be controlled remotely. Lastly, high injection flow rates are sensitive to the viscosity of injected solutions, which results in high injection pressures and therefore mechanical power that only a machine can provide. In MRI, the use of injectors is also growing significantly. Just as with X-ray scanners, technological development is leading to faster image acquisition and requires more complex and precise injection protocols that only an injector can perform.

Both injectors and the associated consumables are vital to the daily work of radiology technicians and must be easy, intuitive, quick, and safe to handle. There are also considerable economic challenges for imaging plates, and Guerbet is responding to them by offering competitive solutions.

D) Our range of delivery systems

Guerbet has a portfolio of syringe and softbag injectors. Delivery Systems and Services are a major growth driver.

Medical Device	Trademarks	MRI	Scanner X-Ray	Interventional Imaging
Injectors	OptiVantage®/OptiVantage® Multi-use Dual-head CT scan injector		✓	
	Illumena® Néo Cath Lab injector (new Néo version)		✓	✓
	OptiOne® Single-head CT scan injector		✓	
	FlowSens® CT scan injector compatible with ScanBag® by Xenetix® and other receptacles			✓
	OptiStar® Elite MRI injector	✓		
Consumables for all types of injectors	Complete range of extension lines	✓	✓	✓
	Secufill® Patient-side connector with secure double-check valve	✓	✓	
	Manyfill® Filling system for syringe injectors (multi-patient use)	✓	✓	

OptiVantage® is a syringe injector dedicated to CT scan imaging studies, available in a multi-use version.

FlowSens® consists of a dual softbag injector for scanner (CT) examinations, consumables, and a full range of associated services. The FlowSens® solution is the only solution on the

market to combine a syringe-free hydraulic injection technique with procedure safety at every stage of the injection process. FlowSens® is compatible with ScanBag® and all the X-Ray contrast media available on the market.

OptiStar® is a dedicated syringe injector for MRI.

E) Digital and Augmented Intelligence solutions

I) Augmented Intelligence

Augmented Intelligence refers to diagnostic support solutions or, more generally, medical decision support solutions, which can be provided by software using Artificial Intelligence technologies. This is an area where strong growth is expected in radiology for several reasons: firstly, the need is enormous given the lack of radiologists worldwide to cope with population aging and the development of chronic diseases; secondly, machine learning technologies, in particular those using deep learning networks, have made spectacular progress in recent years and allow high-performance tools to be developed relatively quickly. Lastly, there is a strong promise of improved health thanks to these solutions, which should reduce variability in image interpretation, increase radiologist productivity, and ultimately identify new predictive biomarkers of disease progression (cancers and neurodegenerative diseases in particular) and thus reduce the number of biopsies required thanks to characterization of lesions by imaging.

An initiative to explore new opportunities related to Augmented Intelligence was implemented at Guerbet with the recruitment of a Chief Digital Officer in September 2017. In June 2018, a significant first milestone was achieved with the signing of a strategic partnership with IBM Watson Health to co-develop innovative clinical decision support solutions. The first, Watson Imaging Care Advisor for Liver, is designed to be a diagnostic aid that will use Artificial Intelligence to automate the detection, characterization, monitoring, surveillance, and prediction of the therapeutic response of primary and secondary liver cancer.

The partnership with IBM Watson Health was supplemented by a second co-development project in September 2019, the Watson Imaging Care Advisor for Prostate project. Its purpose is to help diagnose prostate cancers through MRI imaging. This procedure is expanding rapidly worldwide because it allows much more precisely targeted and appropriate biopsies to be performed. However, reading prostate MRI images is complex and therefore requires highly specialized radiologists, who are not available in sufficient numbers, which creates a significant need for AI solutions to provide diagnostic support.

IBM recently announced plans to sell part of its healthcare activity to the Francisco Partners fund. If this deal is confirmed,

it will have no impact on the strategic partnership with Guerbet, which will continue under the same terms.

Guerbet has also established a strategic partnership with Icometrix, a leading start-up in the field of Artificial Intelligence to help diagnose brain imaging. Guerbet has become the exclusive distributor of Icometrix products in France, Italy, and Brazil. The four products certified in these countries are used for dementia, multiple sclerosis, head trauma and epilepsy.

Lastly, Guerbet has initiated internal research activities to assist in the detection of bone metastases and pancreatic cancer. The long-term objective is to develop products that would complement the range jointly developed with IBM.

II) Digital solutions related to injection

Guerbet has developed Contrast&Care[®], a software solution for contrast medium injection management.

Contrast&Care[®] is an integrated IT solution that stores all injected examination information (contrast medium, injection protocol, patient data, etc.) and interfaces with information systems used in radiology such as RIS (Radiology Information System), PACS (Picture Archiving and Communication System), and EMR (Electronic Medical Records).

This solution improves efficiency and traceability while simplifying the decision-making process in imaging centers.

Contrast&Care[®] is compatible with the main Guerbet injectors.

Contrast&Care[®] was first presented at the RSNA (Radiological Society of North America) in 2017. In 2018, a second version was presented at the RSNA; it complies with the US HIPAA (Health Insurance Portability and Accountability Act) and includes advances in cybersecurity. In 2019, a strategic partnership with InterSystems (one of the world leaders in information technology, particularly for healthcare) was established to develop a new version. The InterSystems technology will ensure interoperability and enable optimal integration of the Contrast&Care solution[®] with hospital information systems. Guerbet presented the new version of its solution, Contrast&Care[®]+, at the RSNA 2020. This version is more efficient thanks to the addition of injection protocol library management and the possibility of sending an injection protocol directly to a compatible injector.

Guerbet also markets **Dose&Care®**, an operational IT solution for monitoring patient exposure to ionizing radiation. It collects data from a variety of methods (CT, X-ray tables, fluoroscopy, mammography, etc.), creates a history of examinations for each patient, and helps imaging centers implement good practice policies and meet regulatory requirements. Dose&Care® collects data in a centralized library and presents

the X-ray dosage history for each patient with options to display information graphically and digitally and as an effective dose. Dose&Care® interfaces with information systems used in radiology such as RIS (Radiology Information System), PACS (Picture Archiving and Communication System), and HIS (Hospital Information System) using DICOM and HL7 communication standards.

1.4.1.2 Interventional Imaging



Interventional Imaging covers any invasive medical procedure whose purpose is to diagnose and/or treat a disease. The process is guided and controlled by an imaging method (X-ray, ultrasound, or MRI), where the contrast medium is used to guide the hand of the interventional radiologist and trace the drugs used during the procedure as close as possible to the lesion to be treated. It is used in innovative ways for many indications.

Interventional Imaging therefore allows diagnosis and treatment to be combined in a single procedure thanks to radiological techniques. These minimally invasive procedures, often considered an alternative to surgery, shorten hospitalization times and limit post-procedure complications. The best-known of these therapies are vascular angioplasty, embolization, and percutaneous (radiofrequency, cryotherapy, electroporation) or chemical (in situ chemoembolization or radioembolization) tumor ablations.

- **Lipiodol®** (ethyl esters of iodinated fatty acids of poppy seed oil) was initially developed for Diagnostic Imaging, lymphography, and hysterosalpingography.

It is now often used in Interventional Imaging for conventional transarterial chemoembolization (cTACE) in the treatment of hepatocellular carcinoma (HCC), where Lipiodol® is used as a visualizer (contrast medium), an antineoplastic drug carrier, and an embolic agent. cTACE is recommended by many scientific societies for the treatment of patients suffering from intermediate-stage HCC in Europe, Japan, China and the United States.

Recently (2020-2021), scientific recommendations from several scientific societies have expanded the population of HCC patients eligible for cTACE treatment in certain early stages of the disease.

To date, Lipiodol® is indicated for lymphography in 52 countries, cTACE and liver cancer imaging in 45 countries, and selective vascular embolization in combination with surgical adhesives in 22 countries. Lipiodol® is also indicated for hysterosalpingography in 25 countries, including eight with an indication in women undergoing an infertility assessment. Guerbet expects an extension and approval of the indication in women undergoing an infertility assessment in several countries in Europe, Asia-Pacific, and Latin America.



- **Vectorio®**, cTACE Mixing & Injection System, specifically developed for Lipiodol® in connection with cTACE, is now approved in 43 countries.



- **Bleu Patented V** is a sterile injectable dye.

It is used for imaging of the lymphatic system, mainly for intraoperative sentinel lymph node mapping in breast cancer surgery.

1.4.2 Markets

1.4.2.1 Interventional Imaging market

For Guerbet, the Diagnostic Imaging market is divided between contrast media for X-ray imaging, MRI, and injection solutions:

X-Ray imaging contrast media

Guerbet is number 4 worldwide in X-ray imaging contrast media with an estimated value of €2.8 billion in 2021 ⁽¹⁾. This estimated market value is based on sustained volume growth compared with 2020, offset by a decline in prices due to pressure from generics ⁽¹⁾.

This indication makes it possible to decide whether to perform aggressive surgery concerning the extent of lymph node dissection.



- **SeQure®** and **DraKon™** are two microcatheters for peripheral embolization procedures.

They provide interventional radiologists with improved navigational capabilities to access complex anatomies and more remote areas. While both are designed to optimize navigation performance, SeQure® differs from DraKon™ in the presence of lateral perforations. With this unique design, SeQure® uses the flow to form a fluid barrier that will control reflux, reducing the risk of non-target embolization and allowing more treatment to be delivered into the target vessel.

SeQure® and DraKon™ were added to the Guerbet portfolio following the acquisition of Accurate Medical Therapeutics in January 2018. These two microcatheters are marketed in the United States and in several European countries.

MRI contrast media

Guerbet is number 2 worldwide in MRI contrast media, with an estimated value of more than €0.9 billion in 2021 ⁽¹⁾.

This estimated market value is based on sustained volume growth compared with 2020, offset by a decline in prices due to pressure from generics ⁽¹⁾.

Injectors and medical injection devices

Guerbet is number 3 worldwide in the market for injectors and medical devices for Diagnostic Imaging injection, with an estimated value of €1.4 billion in 2021 ⁽¹⁾.

This market is supported by the increased number of examinations involving injections and installations of CT and MRI equipment.

⁽¹⁾ Sources: financial reports and specific market studies.

Trends in these markets

Compared with 2020, when the Covid-19 pandemic had a dramatic, immediate impact on these markets, 2021 saw a full recovery of the markets in terms of volume despite the aftermath of the pandemic. The following factors influence these markets:

- a. the resumption of CT/MRI equipment installations, with even additional healthcare investment in some countries due to the pandemic, leading to growth in injector installations;
- b. the greater number of procedures and therefore examinations involving injections due to the increase in the installed equipment base, the improved productivity of examinations, reinforced by a backlog of examinations following the cancellation of some of them, and even the temporary closure of imaging centers in 2020;
- c. conversely, lower prices of contrast media due to growth in generics.

In addition, the services market is burgeoning due to the development of digital technologies.

1.4.2.2 Interventional Imaging market

The transarterial embolization market is valued at €2.6 billion, including €1.2 billion for the neurovascular part and €1.4 billion for the peripheral part (rest of the body including interventional oncology and excluding interventional cardiology). Today, Guerbet's development is mainly in the peripheral segment due to the strong position of Lipiodol in liver cancer treatment and the acquisition of microcatheters from the Accurate platform. However, Lipiodol® is already used in neurovascular medicine, in particular for glue embolization of arteriovenous malformations.

The market for peripheral transarterial embolization can be analyzed as follows:

- a. **Oncology** (mainly in liver cancer treatment) with a market estimated at €500 million in 2019 (excluding Covid-19). Today, cTACE represents almost three out of four procedures worldwide (dominant in Asia), the main alternatives being DEBTACE and Radioembolization.
- b. **Embolization** (excluding oncology), with a market estimated at €560 million in 2019 (excluding Covid-19). This market includes procedures such as the treatment of benign tumors (uterine fibroids, prostate hyperplasia), hemorrhages, vascular malformations, or aneurysms using a portfolio of products including coils, plugs, particles and embolic fluids. Guerbet is present in this market today through the use of Lipiodol® in glue embolization, which can exceed its use in oncology in terms of volume especially in certain European countries.
- c. **Access**, with a market estimated at €340 million in 2019 (excluding Covid-19). It includes all medical devices allowing practitioners to access the area to be treated (guidewire, microcatheters etc.). Microcatheters account for a large part of this market where Guerbet wants to play a significant role with its innovative Accurate platform.

The expected growth of these markets depends on the indications and respective development of practices within the countries. The market for transarterial embolization in the periphery is seeing robust growth of 3% to 9%, supported by the demonstrated benefits of minimally invasive treatments (efficacy, patient quality of life, and cost). The development of new practices, still in clinical studies, could accelerate the use of interventional radiology in the coming years.

1.4.3 Main competitors

Guerbet's portfolio consists of:

- MRI and X-Ray contrast media for Diagnostic Imaging;
- delivery Systems and Services;
- media for Interventional Imaging.

Its main competitors differ according to the activities – Diagnostic or Interventional Imaging – some of which are not present in these two markets.

Company	Diagnostic Imaging		Delivery Systems and Services	Interventional Imaging
	MRI	X-Ray		
Guerbet	✓	✓	✓	✓
Bayer Healthcare	✓	✓	Medrad	✓
GE Healthcare	✓	✓		✓
Bracco	✓	✓		✓
Nemoto			✓	
Medtron			✓	
Ulrich Medical			✓	
Merit Medical				✓
Sirtex Medical				✓
Terumo				✓
Boston Scientific/BTG				✓
Medtronic				✓
Siemens Healthineers/Varian				✓

The leading companies selling X-Ray and MRI contrast media worldwide are Guerbet, Bayer Healthcare, General Electric Healthcare, and Bracco, which offer the following main products:

Company	Nationality	MRI	X-Ray
Guerbet	France	Dotarem® (Magnescope® in Japan) Artirem®	Optiray® Optiject® Xenetix® Telebrix® Conray® Gastroview®
Bayer Healthcare	Germany	Gadovist® (Gadavist® in the US) Magnevist® Primovist® Generic of Dotarem®	Ultravist® Radioselectan®
GE Healthcare	United States	Omniscan™ Generic of Dotarem®	Visipaque® Omnipaque®
Bracco	Italy	Multihance® Prohance®	Lomeron® Lopamiron®

In addition, generics of Dotarem® are available for sale in many countries, including the United States, Europe, South Korea, China and India, by GE Healthcare, Sanochemia, Bayer Healthcare and its subsidiaries, T2Pharma, b.e. imaging, DongKook Pharmaceutical, Jiangsu Hengrui Medicine, and others.

1.5 Industrial and logistics activity

This activity is under the responsibility of the Technical Operations Division, which manages the entire supply chain, from raw materials to delivery to end customers, so as to optimize turnaround times and costs while guaranteeing the highest quality from one end of the chain to the other.

1.5.1 An integrated network of plants

Guerbet develops, industrializes and manufactures most of its products in its integrated network of specialized plants.

The active ingredients used as raw materials in contrast media are mainly produced in Europe (France and Ireland) in the Group's three specialized chemical plants:

- Lanester and Dublin, which are plants specialized in the production of active ingredients for the X-Ray activity with a common goal of increasing production volumes and reducing manufacturing costs through a policy of continuous improvement of industrial performance and synthesis processes;
- the Marans plant produces the active ingredients of Dotarem® and Lipiodol®. This plant's strategy was refocused in 2015 to concentrate on these two strategic active substances while phasing out the custom production of active substances for other producers in the sector. This refocusing has improved the security of supply for Dotarem® while significantly increasing the available capacities.

Active ingredient formulation, solution preparation and filling activities take place at the Group's three pharmaceutical plants located on three continents:

- the Aulnay-sous-Bois plant (in France), Guerbet's long-standing filling plant for X-Ray media and Dotarem®, mainly serves the European and Asian markets;

1.5.2 A regionalized logistics platform

The acquisition of CMDS, doubling the volumes to be transported to customers, also enabled Guerbet, as of 2017, to reach a sufficient global critical mass to capture significant synergies in transport and storage.

In all its decisions, Guerbet pays particular attention to fulfilling its CSR commitments. They are set out in Chapter 5.

- the Rio de Janeiro plant (in Brazil), specialized in X-Ray media and Dotarem®, serves the Latin American markets; and
- the Raleigh plant in North Carolina (USA) is a filling site for X-ray and Dotarem® products. These products are packaged in syringes for all world markets and in vials for the North and South American markets.

In order to register and prepare for the launch of Gadopiclenol (a new MRI medium), investments were made at the Marans, Lanester, Aulnay-sous-Bois and Raleigh sites. The first industrial-sized batches were produced in 2021.

The support of external partners, specialized in Europe but also in Asia, is required for certain targeted productions, such as the filling of Lipiodol® for all the markets served, and for a limited number of X-ray media for specific markets.

Injectors and the associated medical devices are produced mainly at the Guerbet plant in Cincinnati (in the United States), the birthplace of the Liebel-Flarsheim brand, and the Guerbet plant in Lyon (France). These plants handle design and assembly of injectors, while the production of components and consumables is subcontracted to specialized partners.

Lastly, the manufacture of the microcatheters recently included in the Guerbet product range is entrusted to a partner outside the United States for all the markets served.

These synergies were made possible by revamping our distribution and transport network in all regions.

1.5.3 Development based on investment and continuous improvement

Guerbet is continuing with its program of industrial investments and expansion of its network in order to ensure:

- the safety and compliance of operations by harmonizing the production and quality management systems;
- a high-quality service and reliable supplies by increasing capacity, and by improving plant reliability and supply chain planning;

- the competitiveness of our industrial platform, and especially its environmental performance, by modernizing plants and improving production processes.

This investment program was reinforced by a global Operational Excellence program aimed at rolling out best practices from the Group or external benchmarks in all the plants and strengthening the Group's continuous improvement culture.

1.6 Research and Development

Guerbet's research ambition is to offer radiology professionals and patients safe and innovative solutions consisting of drugs and medical devices (including software solutions) that meet their needs.

Guerbet's work is focused on two medical imaging segments: Diagnostic Imaging and Interventional Imaging.

1.6.1 Organization

The Research team involved in the Diagnostic Imaging and Interventional Imaging activities has scientific and technical expertise organized in five departments to investigate and validate areas of research:

- *Development & Engineering (D&E)*: engineering team specialized in the development of medical devices (injectors and consumables);
- *Digital*: engineering team specialized in the development of medical devices (software, health IT);
- *Accurate*: engineering team specialized in the development of interventional medical devices (catheters, etc.);
- *Augmented Intelligence (AI)*: research and development team for Augmented Intelligence solutions;
- *Research & Innovation (R&I)*: research and innovation in pharmaceuticals and medical devices (chemistry, physicochemistry, formulation, mass spectrometry – bio-analysis, exploratory and regulatory preclinical studies, public and/or private partnerships) and Patents department (patent portfolio management, patent filing, industrial property studies, etc.).

The Development and Medical and Regulatory Affairs team is organized in four main sections:

- *clinical development*: all the activities involved in conducting clinical studies for Medical Devices and drugs, from phase I to phase IV, from designing the protocol to writing the final research report, including publication of the results by scientific journals;

- *regulatory affairs*: all the activities involved in managing the portfolio of product registrations, including medical devices, for every country;
- *drug and medical device safety monitoring*: all the activities involved in collecting side effects and/or post-marketing data and writing periodic summary reports (or PMS for Medical Devices) on risk/benefit analysis, to be submitted (for drugs) to the regulatory authorities;
- *medical affairs*: all activities aimed at developing scientific partnerships to optimize patient care through the organization of symposiums, expert committees, and scientific exchanges with health professionals.

This head-office organization is backed up by a Quality Assurance Department and regional structures in Europe, North America, Latin America and the Asia-Pacific region to allow faster response times in order to meet the local demands of patients, radiologists or the authorities.

The discovery of a new product, whether in Diagnostic Imaging or Interventional Imaging, follows a precise procedure:

- identification and analysis of a medical need;
- defining the product(s) meeting the need;
- developing and validating a prototype (formulation and characterization);
- developing and validating the product's manufacturing processes;
- validating the concept in preclinical experimentation;
- validating the technical solution with the end user;
- developing the product in pre-clinical and clinical experimentation according to the regulatory guidelines.

New contrast media or new chemical entities (NCEs) are developed in several successive phases in the same way as for therapeutic drugs:

- phase I to study the clinical and biological tolerance in healthy volunteers and the pharmacokinetics (how the product is distributed, metabolized and eliminated within the organism) of increasing doses of the product, and thereby determine the maximum tolerated dose;
- phase II to study, in patients, the diagnostic efficacy of different doses of the product, usually compared with a baseline product already approved or a baseline technique;
- phase III to confirm, for a large cohort of patients, the diagnostic effectiveness and tolerance profile of the product compared with a baseline product or technique.

1.6.2 Therapeutic areas

The two radiology activities, Diagnostic Imaging and Interventional Imaging, are researched in the three main therapeutic areas of oncology, cardiology and neurology.

In oncology, the incidence of the most common forms of cancer (lung, breast, prostate, colorectal and liver) is constantly growing. For example, injections with contrast media are used in more than 14 million examinations each year in the five largest European countries. This increase is due to a combination of longer life expectancy and known risk factors, such as smoking, unhealthy eating, stress, environmental risks, etc. This is resulting in a greater number of diagnostic examinations at increasingly early stages aimed at improving patient care and quality of life and the monitoring of patient treatment. The trend in the treatment of breast cancer is a perfect example of the role played by the various types of medical imaging, as MRI plays a vital role in screening for and/or monitoring the disease. European data indicate that more than 40 million women aged over 50 should benefit from systematic radiographic screening. This procedure makes earlier diagnosis easier, radically changing the treatment strategy and allowing disease-free remission from the condition. Furthermore, sentinel lymph node mapping can be used in this same disease to limit surgical intervention to what is strictly necessary.

For some types of cancer, such as hepatocellular carcinoma (HCC), Interventional Imaging is of great benefit as it enables the precise imaging and mapping of hepatic lesions and even the administering of anti-cancer drugs within these tumor lesions through transarterial chemoembolization, usually as an outpatient procedure.

Some medical devices also require one or more clinical investigations to validate their development:

- clinical feasibility investigation: the results are used to refine design inputs;
- pivotal study: confirms safety and performance.

An authorization for clinical investigation is given by the issuing authority (for example, the Agence nationale de sécurité des médicaments et des produits de santé – ANSM in France) on the basis of the design dossier. All the results of the clinical studies are then summarized in the clinical evaluation report including the data from the literature.

The main objective of Life Cycle Management (LCM) activities is to manage the life cycle of products that are already on sale. Typical LCM activities include obtaining approval for new indications, the development of new formulations or presentations, securing registrations in new geographic regions, and the clinical studies that take place in the final phase (phase IV).

In cardiology, the assessment of cardiovascular diseases through imaging by injecting contrast media is vital for investigating the consequences of serious diseases for patients who are symptomatic and/or present associated risk factors (such as obesity, diabetes, high cholesterol, stress, high blood pressure and smoking).

More than seven million examinations are carried out worldwide to analyze the condition of blood vessels (detecting significant narrowing of vessels due to arterial plaque) and the impact on the blood flow rate needed to adequately supply essential tissues such as the heart (risk of a heart attack) or the brain (risk of stroke).

Effective diagnosis allows patients to be categorized according to their risk profile and the presence or absence of clinical signs to determine the most appropriate treatment options: preventive monitoring, choice of one drug alone or several drugs in combination, or a strategy of major or interventional surgery. In this specialty, for example, Interventional Imaging provides a view of the narrowed part of blood vessels that needs medical attention, guides endovascular procedures and provides an immediate check on the effectiveness of the resulting dilation. This type of treatment, which is less invasive for the patient and less costly for the community in terms of hospitalization time and patient monitoring, has replaced surgery in many cases.

In **neurology**, MRI has proven its worth through central nervous system (CNS) imaging, by making it possible, for the first time, to diagnose lesions that cannot be seen using an X-Ray scanner. Injections of contrast media during CNS imaging allow the investigation of tumor diseases (primary brain tumors or brain metastases linked to a primary cancer), inflammatory diseases (such as multiple sclerosis), degenerative conditions (such as Alzheimer's disease), vascular disorders (such as strokes), and infectious diseases (such as brain abscesses).

1.6.3 Diagnostic Imaging

In the **MRI segment**, the aim of recent research on Dotarem[®] has been to confirm its diagnostic effectiveness compared with other products, to confirm its safety profile, and to document its pharmacokinetic profile for children under the age of 2 (at the FDA's request). An application to extend the indication for children under the age of 2 was approved in August 2017 by the FDA. At the same time, in response to requests from the US, Japanese and European authorities, Guerbet has provided all of the available preclinical and clinical data on Dotarem[®] regarding the potential risk of brain deposits with repeated use of gadolinium. Deposits have been reported with linear gadolinium chelates, but far less so or not at all with macrocyclic gadolinium chelates like Dotarem[®]. After the EMA began interim proceedings (Article 31) that led to a reassessment of the risk/benefit analysis for all gadolinium chelates, the European Commission confirmed in November 2017 the EMA's decision to suspend non-specific linear gadolinium chelates, to restrict MultiHance[®] and Primovist[®] to liver imaging only, and to maintain gadolinium macrocycle chelates in all their indications. Also in November 2017, the authorities in Japan decided to maintain first-line gadolinium macrocycle chelates and to restrict the use of second-line linear products. In December 2017, the FDA officially recognized that linear gadolinium chelates cause greater gadolinium deposits than macrocycles and requested changes to the legal notices for all products.

Most of these pathologies are chronic, and the drugs available to stop their progression are still insufficient. They are therefore a major public health issue due to population aging, longer life expectancy and the high cost of caring for these dependent patients. Interventional Imaging can also be used to successfully treat a large number of cerebral arteriovenous malformations without surgery.

Guerbet LLC, like other laboratories marketing this type of product, therefore received a request from the FDA to carry out preclinical studies and a clinical study for Dotarem[®], marketed in the United States (approval obtained in 2013). These studies examine the potential long-term neurobehavioral effects of gadolinium chelates and in vivo gadolinium deposition. Preclinical and clinical programs are underway, and progress is reported regularly to the FDA. Some studies are being conducted in a consortium with other laboratories marketing gadolinium chelates in the United States.

Guerbet is continuing to develop NCE Gadopiclenol, a gadolinium chelate-based molecule for use in MRI. As preclinical studies have shown, this particularly effective product is suitable for the high magnetic fields (1.5 T and 3 T) used in routine clinical practice. Phases I, II and III have been completed. Clinical studies in specific populations and/or populations at risk, such as renal failure patients and children, were also conducted. The registration dossier is ready to be submitted to the European and US agencies.

With regard to Delivery Systems and Services, the Research and Development engineers are currently focusing on three strategic areas:

- connecting injectors to imaging equipment;
- developing solutions for the tracing of injected doses (Contrast&Care[®]);
- ensuring the safety of medical procedures through innovative injection devices, whether single-use or designed for safer multi-use practices.

1.6.4 Interventional Imaging

In 2018, Guerbet acquired Accurate Medical Therapeutics ("Accurate").

Accurate has developed a range of microcatheters for embolization procedures on tumors or vascular aneurysms based on a new technology that makes it possible to administer more embolization microparticles to the targeted treatment area while preventing them from refluxing upstream to arteries irrigating healthy tissues (non-targeted areas are unaffected).

This range consists of two series of SeQure® and DraKon™ microcatheters in the United States and Europe as well as in many other countries in Latin America and the Asia-Pacific region. An expansion of the range of these SeQure® and DraKon™ microcatheters covering new references in 1.7Fr, 1.9Fr, and 3.0Fr was approved in October 2020 in the United States. Further expansions of the range are under examination. At the same time, scientific collaborations are being established with the expert centers in HCC chemoembolization, arterial embolization of prostatic adenoma in men, and uterine fibroma in women.

1.6.5 Public/private partnerships

To meet its Research and Development targets, Guerbet is building a strategy of partnership and collaboration agreements. Thanks to this outward-looking approach, it is able to benefit from international scientific expertise. Medical imaging is a multi-disciplinary field requiring expertise in chemistry, physics, computing, image processing, electronics, biology and medicine.

Several collaborative research programs are being conducted. One of the most important projects, Iseult, financed by Bpifrance (Banque publique d'investissement), was completed in 2020. The expected benefit of these new technologies is improved sensitivity in the detection of small brain lesions that cannot be detected using standard techniques. Gadopiclenol was developed as part of this program.

During 2018, Guerbet acquired a technology developed by Occlugel, a company specialized in the R&D of microspheres used in embolization. This technology is available in several ranges of microspheres for use in vascular embolization of benign tumors such as uterine fibroma or prostate adenoma and in vascular chemoembolization of malignant tumors such as certain liver, lung or kidney cancers. The technology will supplement Guerbet's existing Interventional Imaging solutions and will especially offer significant synergies with Accurate's range of anti-reflux microcatheters.

Numerous scientific collaborations have been established in Europe, the Asia region and America, with renowned teams to conduct studies on the efficacy and safety of Lipiodol® UltraFluid in various uses in interventional radiology.

Lastly, Guerbet is continuing the international deployment of Vectorio®, the only medical device dedicated to conventional transarterial chemoembolization (cTACE). This device can be used to produce a homogeneous mixture of Lipiodol® UltraFluid and anticancer agents in complete safety.

Some collaborative research partnerships involve two types of financial clauses:

- repayment of advances if product sales are successful;
- payment of a share of the profits based on the revenue and/or operating profit generated by the products resulting from these projects.

Investments continue to be made in the BioMedTech FPCI fund, initiated in 2017. This fund is managed by Truffle Capital, a specialist investor in start-ups developing breakthrough technologies and products in the life sciences sector. This investment is part of the Group's innovation strategy and also illustrates its diversification strategy to seek growth beyond contrast media, by linking up with high-potential French MedTech or BioTech start-ups, in the field of interventional medicine.

1.6.6 Research and Development costs

The table below presents the Research and Development costs incurred by Guerbet group over the last two years.

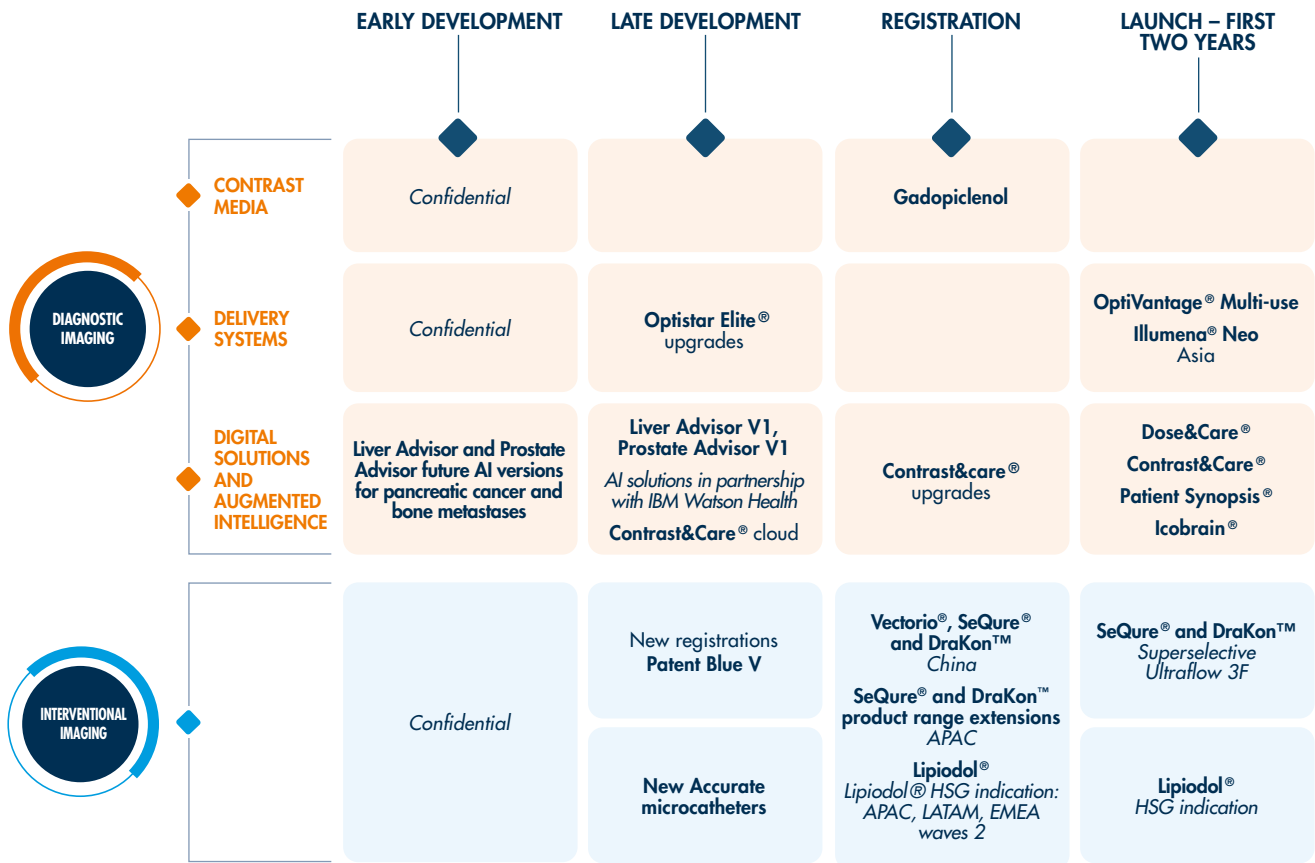
	2021*	2020*
Research and Development costs (in € thousands)	64,997	71,420
Research and Development costs (as % of revenue)	8.9%	10.0%

* Including the Research Tax Credit (CIR).

Guerbet is stepping up its investments:

- in Diagnostic Imaging with the continuation of the development plan for Gadopiclenol in MRI;
- in Interventional Imaging with increased research related to the microcatheter range following the acquisition of Accurate Medical Therapeutics and registration of a new range of microcatheters in the United States;
- in the digital sector, by developing imaging solutions coupled with Artificial Intelligence, in particular as part of a partnership with IBM.

1.6.7 Research and Development portfolio



1.6.8 Intellectual property

Intellectual property is vital, as it compensates for part of the time and cost involved in innovation, while allowing companies to reap the benefits of researchers' work. The patent has a term of 20 years from the date on which the application is submitted. In practice, product development times, especially for drugs, are such that the exclusivity period is often considerably reduced. The expiration of a patent may lead to the emergence of very strong competition due to the arrival of generic products.

In some cases, and where the patent relates to the active ingredient of a drug, it may be extended for up to an additional five years through an additional protection certificate, known as a "Patent Term Extension" in the United States or a "Supplementary Protection Certificate" in other countries.

1.6.9 Clinical data protection

Clinical data protection is a complement to protection by patent. This is a period of exclusivity during which a regulatory administrative authority will refuse:

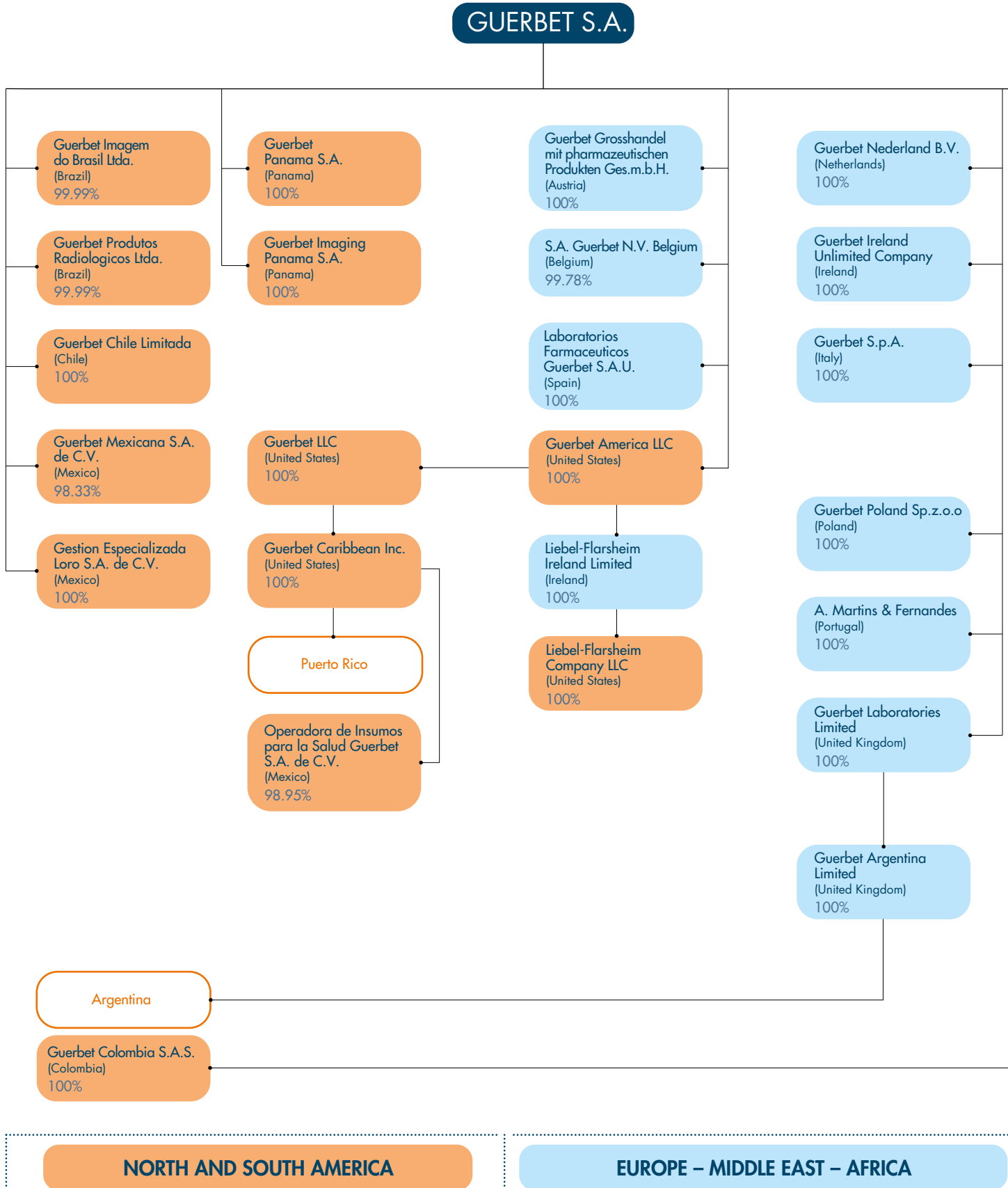
Products may also be protected by other patents during the development and/or marketing phase. Guerbet has a portfolio of patents covering active ingredients (e.g., contrast and radiotherapy media), new pharmaceutical formulations, emulsions, formulation and manufacturing processes, delivery systems and medical devices (syringes, tubing, microcatheters, etc.).

The Guerbet group and its subsidiaries have 456 patents and patents pending (mainly in the names of Guerbet, Liebel-Flarsheim Company LLC, Accurate Medical Therapeutics, and Medex), 1,631 trademarks registered or pending registration, and 20 industrial models. The portfolio of patents, trademarks and 21 industrial models contributes to the Group's valuation and strengthens its position in the growing market for contrast media combined with medical devices.

- either submissions of marketing authorization applications for a competing product;
- or the granting of marketing authorization for generics developed on the basis of the clinical data covered by this protection relating to an originator drug.

1.7 The Group's governance structure at December 31, 2021

1.7.1 A global presence



GUERBET S.A.

Guerbet Czech Republic s.r.o. (Czech Republic) 100%

Guerbet Sweden AB (Sweden) 100%

Guerbet Imaging Switzerland AG (Switzerland) 100%

Guerbet AG (Switzerland) 100%

Guerbet GmbH (Germany) 100%

Guerbet France (France) 100%

Medex (France) 100%

Simafex (France) 100%

Abalux (France) 100%

Abarem (France) 100%

Guerbet İlaç Tibbi A.S. (Turkey) 100%

Guerbet South Africa (Pty) Ltd. (South Africa) 100%

Accurate Medical Therapeutics Ltd. (Israel) 100%

Guerbet Japan KK (Japan) 100%

Guerbet Taiwan Co., Ltd. (Taiwan) 100%

Guerbet Korea Ltd. (South Korea) 100%

Imaging Solutions Korea Ltd. (South Korea) 100%

India

Guerbet Pharmaceutical (Wenzhou) Co., Ltd. (China) 100%

Guerbet Asia Pacific Limited (Hong Kong) 100%

Guerbet Medical Devices Consulting (Shanghai) Co., Ltd. (China) 100%

China

Guerbet Australia Pty Ltd. (Australia) 100%

Guerbet India Private Limited (India) 99%

Subsidiary

Branch office

Representative office

% of holding

EUROPE – MIDDLE EAST – AFRICA

ASIA-PACIFIC

1.7.2 Property owned

Country	Town/City	Address
Brazil	Rio de Janeiro	Rua André Rocha, 3000, Jacarepaguá, CEP 22710, 568 – Rio de Janeiro
United States	Cincinnati	2111 E Galbraith Road, Cincinnati, Ohio 45237
	Raleigh	8800 Durant Road, Raleigh, North Carolina 27616
France	Aulnay-sous-Bois	16/24, rue Jean-Chaptal et 1, rue Nicéphore-Niepce – 93600 Aulnay-sous-Bois
	Marans	16, rue des Fours-à-Chaux – 17320 Marans
	Lanester	ZI de Kerpont, 705, rue Denis-Papin – 56600 Lanester
	Villepinte	15, rue des Vanesses – 93420 Villepinte
Ireland	Dublin	Damastown Mulhuddart – Dublin 15
Portugal	Lisbon	Rua Raul Mesnier – Ponsard 4B 1750 Lisboa

1.7.3 Distribution

Guerbet markets its products in more than 80 countries on all continents in several ways:

- directly through its subsidiaries and branches;
- through distributors;
- through license-holders.

Direct operations

The Group has direct operations in more than 20 countries in Europe, Asia, Oceania, North America and Latin America.

Distribution agreements

For markets in which Guerbet does not have direct operations or a licensing agreement, it has agreements with distributors. The main agreements cover Scandinavia, Eastern Europe, Greece, Africa and the Middle East, Canada and some

countries in South America, Asia and Oceania. These distributors are now joined by a network of companies dedicated to providing after-sales services for injectors.

Customer types

Guerbet's local customer structure in each of its national markets, excluding distributors and licensees, differs from one country to the next. Nevertheless, there are two factors common to most countries::

- a large proportion of sales are made to hospitals, clinics, radiology centers and purchasing pools. In the vast majority of cases, such sales are based on negotiated contracts or calls for tenders;
- a second major category of customers consists of wholesale distributors that in turn supply pharmacies.

2

CORPORATE GOVERNANCE

2.1	Report of the Board of Directors on corporate governance	36		
2.2	Board of Directors	36		
2.2.1	Composition of the Board of Directors	36		
2.2.2	Operation and powers of the Board of Directors	58		
2.2.3	Organization of the work of the Board of Directors and the Committees	59		
2.2.4	Assessment of the Board of Directors and its Committees	61		
2.3	General Management	62		
2.3.1	Chief Executive Officer	62		
2.3.2	Deputy CEO – Chief Pharmacist	62		
2.3.3	Executive Committee	63		
2.4	Compensation of company officers	64		
2.4.1	Company officer compensation policy	64		
2.4.2	Compensation of the Chairperson of the Board of Directors, Marie-Claire Janailhac-Fritsch	69		
2.4.3	Compensation of the Chief Executive Officer, David Hale	71		
2.4.4	Compensation of Deputy Chief Executive Officer Philippe Bourrinet	73		
2.4.5	Compensation of the Directors	75		
2.4.6	Equity ratios	76		
2.4.7	Annual changes in compensation and company performance	77		
2.4.8	Commitments made to company officers on assuming, changing, or terminating their duties	78		
2.4.9	Stock option and performance share plans for company officers	78		
2.5	Exceptions to the Afep-Medef Code	80		
2.6	Agreements referred to in Article L. 225-37-4-2° of the French Commercial Code	80		
2.7	Delegations of authority regarding capital increases	80		
2.8	Provisions in the articles of association relating to General Meetings	81		
2.9	Factors that could have an impact in the event of a takeover or exchange offer referred to in Article L. 225-37-5 of the French Commercial Code	82		

2.1 Report of the Board of Directors on corporate governance

In accordance with Article L. 225-37, paragraph 6 of the French commercial code, we are pleased to present to you the report of the Board of Directors on Guerbet's corporate governance. In particular, this report gives an account of the composition, conditions for preparation and organization of the Board's work, the organization of the General Management, as well as the principles and rules for determining the compensation and benefits of any kind granted to the company officers. This report was approved by the Board of Directors on March 23, 2022.

Guerbet has adopted the Corporate Governance Code published by Afep-Medef (French Association of Private-Sector Companies/French Business Confederation). Any deviations

from this Code are referred to in the summary table at the end of this report. This Code is available at <https://afep.com/wp-content/uploads/2020/01/Code-Afep-Medef-r%C3%A9vision-janvier-2020-002.pdf>.

Guerbet is a French public limited company (société anonyme) with a Board of Directors and a separate Chairperson of the Board and CEO. The separation of the functions of Chairperson of the Board of Directors and Chief Executive Officer has been in place at Guerbet since the form of the company was changed to an S.A with a board of directors (it was previously in the form of an S.A with an executive board and a supervisory board) by its Board of Directors on May 21, 2010.

2.2 Board of Directors

2.2.1 Composition of the Board of Directors

2.2.1.1 General principles governing the composition of the Board of Directors

The operation of the Board of Directors is governed by the Company's articles of association and the law. It also has internal regulations that clarify and supplement the procedures governing its operation and the operation of its Committees. The articles of association and the internal regulations are available on the Guerbet group's website (under "Investors" – "Corporate Governance" section).

The main principles governing the composition of the Board of Directors are as follows:

- the Board of Directors is composed of: i) three (3) to eighteen (18) Directors appointed by the Ordinary General Meeting and ii) one (1) to two (2) Directors representing the employees, elected from and by the staff of the Company and that of its direct or indirect subsidiaries whose head office is located on French territory depending on whether the Board of Directors is composed of fewer than eight (8) Directors or more than eight (8) Directors. It should be noted that in accordance with French Law No. 2019-486 of May 22, 2019, on business growth and transformation, the

Company's articles of association were amended at the General Meeting of May 29, 2020. As such, article 9.c) of the Company's articles of association now provide that a second Director representing the employees must be appointed in the event that the Board of Directors is made up of more than eight (8) Directors;

- directors, whether they are individuals or legal entities, are appointed by the General Meeting, upon the proposal of the Board of Directors following approval by the Appointment and Compensation Committee, for a term of six (6) years. Each Board member, with the exception of the Directors representing the employees, must own at least 200 Company shares (as provided for in article 9.b of the articles of association). If, on the day of his or her appointment, a Board member does not hold the requisite number of shares, or if, during his or her term of office, a Board member ceases to own them, the Board member is automatically deemed to have resigned if the situation is not rectified within six (6) months;
- board members are reappointed, resign, are co-opted if a vacancy arises and are dismissed under the conditions provided for by law.

2.2.1.2 Current composition of the Board of Directors

As of December 31, 2021, the Board of Directors had twelve members, including two members representing the employees:

	Position	Independence	Audit Committee	Appointment and Compensation Committee	Ethics, Governance, and CSR Committee	Strategy and Innovation Committee	Date of first appointment	End of term
Marie-Claire Janailhac-Fritsch	Chairperson	Yes	Member	Member		Chairperson	May 27, 2011	2023 GM
Carine Dagommer ^(a)	Director	No						2023 GM ^(a)
Olivier Fougère ^(b)	Employee Board member	No				Member	March 24, 2021	November 24, 2023 ^(b)
Mark Fouquet	Director	No	Member			Member	May 23, 2014	2026 GM
Éric Guerbet	Director	No		Member		Member	May 19, 2017	2023 GM
Didier Izabel	Director	Yes	Chairperson	Member		Member	May 23, 2014	2026 GM
Céline Lamort	Director	No	Member		Member		May 29, 2015	2027 GM
Nicolas Louvet	Director	No			Chairperson	Member	May 27, 2016	2022 GM
Marc Massiot	Director	No					May 28, 2021	2027 GM
Claire Massiot-Jouvault	Director	No		Member		Member	May 24, 2013	2025 GM
Jean-Sébastien Raynaud	Employee Board member	No		Member			October 27, 2020	October 26, 2026
Thibault Viort	Director	Yes	Member	Chairperson	Member	Member	May 19, 2017	2023 GM

^(a) Carine Dagommer was co-opted by the Board of Directors on September 22, 2021, to replace Marion Barbier, who resigned.

^(b) Following the resignation of Isabelle Raynal, replacement by her alternate, Olivier Fougère, by the Board of Directors on March 24, 2021, in accordance with Article L. 225-34 of the French commercial code and French Decree No. 2020-1359 of November 5, 2020, art. 5.

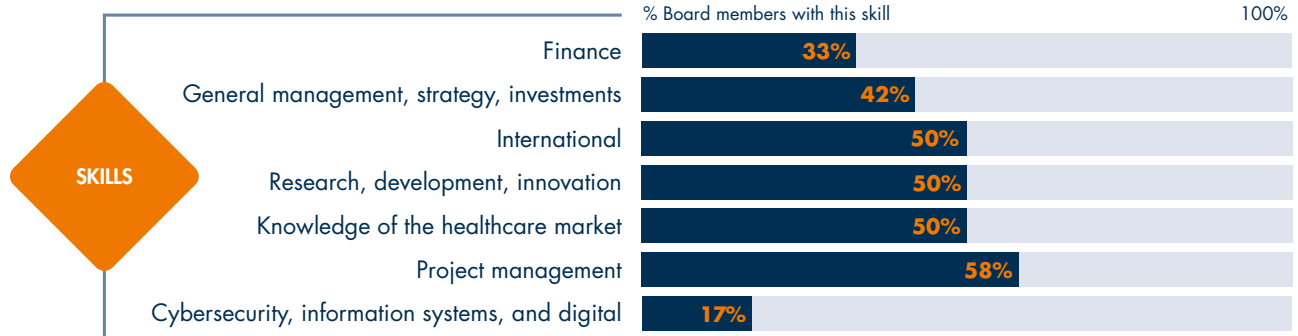
Marie-Claire Janailhac-Fritsch has chaired the Board since September 30, 2013.

Michel Guerbet is honorary Company Chairperson.

In view of its reference shareholding structure, the Board of Directors has a majority proportion of Directors representing the Shareholder Agreement. In general, the Board of Directors and the Appointment and Compensation Committee seek to balance the composition of the bodies in the selection of Directors and to pursue a strong diversity policy. This is reflected in the following factors monitored annually by the Board:

- 40% women on the Board and a balanced representation of women and men on each Committee. The Board of Directors is chaired by Marie-Claire Janailhac-Fritsch, who also chairs the strategy and innovation Committee;
- 54 years old on average; one third of the directors are under 50 years old, one fourth are between 50 and 59 years old, and 40% are 60 or over;
- a diversity of skills and professional experience to best meet its needs and carry out its work:

COMPETENCE OF THE BOARD OF DIRECTORS



The Directors have been appointed for a six-year term, in accordance with the law and the articles of association. Note that the Afep-Medef Code’s recommendation that Directors’ terms of office should last for four years has not been adopted. The Company strives to meet the criteria of the Afep-Medef Code whenever this is compatible with its organizational structure and operating procedures. However, due to the Company’s size, its capital-intensive nature, and the Board’s desire to adopt a long-term perspective while drawing on past experience, it has decided not to follow this recommendation.

2.2.1.3 Director Declarations

No conviction for fraud, involvement in bankruptcy, or incrimination and/or official public sanction

To Guerbet’s knowledge, as of the date of preparation of this document, none of the Directors has been convicted of fraud or is subject to government proceedings or involved in bankruptcy, receivership, or liquidation proceedings.

Conflicts of interest

In 2021, the Board of Directors was not informed of any potential conflict of interest that would prevent the performance of a director’s duties throughout the year. General declarations of non-conflict of interest are made in writing and signed by each Director each year, in accordance with the conflict of interest management procedure validated by the Board of Directors.

During the year, one director had a conflict of interest with regard to a matter dealt with by the Board of Directors and subject to a decision by it. The director in question did not take part in the discussion or the decision on this matter.

Service contracts

No member of the Board of Directors or the General Management is bound by a service contract with Guerbet S.A. or any of its subsidiaries that would provide for the granting of benefits under such a contract.

Internal procedure of regulated agreements and “open” agreements

The Procedure was established in accordance with:

- i) the regulations applicable to open and regulated agreements and commitments, as in force following the promulgation of French No. 2019-486 of May 22, 2019, known as the PACTE Law;
- ii) the recommendations of the Autorité des Marchés Financiers. The purpose of the Procedure is to:
 - a. recap the regulatory framework applicable to regulated agreements and commitments and clarify the methodology applied internally to describe the various agreements entered into; and
 - b. implement, in accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, a procedure for regularly assessing open agreements.

The Procedure was approved by Guerbet’s Board of Directors on March 24, 2020, and is available on Guerbet’s website.

2.2.1.4 Independent Directors

Each year, after consulting the Appointment and Compensation Committee, the Board of Directors reviews the individual situation of each Director with regard to all the independence rules of the Afep-Medef Code (Article 9). The Code considers a Director independent “where the Director has no ties of any kind to the Company, its Group or its Management that might compromise the independent exercising of his or her judgment. The term “Independent Director” therefore refers to any non-executive officer of the Company or its Group who has no links of particular interest (significant Shareholder, employee, other) with them.” In view of these criteria, at its meeting on December 16, 2021, and on the recommendation of the Appointment and Compensation Committee, the Board of Directors deemed that the three Independent Directors are still eligible for such status. They are Marie-Claire Janailhac-Fritsch, Chairperson of the Board of Directors, Didier Izabel, Chairperson of the Audit Committee, and Thibault Vior, Chairperson of the Appointment and Compensation Committee.

The criteria used to assess the independence of the Directors are as follows:

- criterion 1: not be or not have been during the preceding five years:
 - an employee or executive officer of the Company,
 - an employee, executive officer or Director of a company that the Company consolidates,
 - an employee, executive officer or Director of the parent company of the Company or of a company consolidated by that parent company;
- criterion 2: not be an executive officer of a company in which the Company holds, either directly or indirectly, a Directorship or in which a Directorship is held or has been held within the past five years by an employee designated as such or an executive officer of the Company;
- criterion 3: not be a significant customer, supplier, investment banker or commercial banker or consultant of the Company or its Group or for which the Company or its Group represents a significant proportion of its business. The assessment of whether the relationship with the Company or

its Group is significant is discussed by the Board, and the quantitative and qualitative criteria that led to this assessment (continuity, economic dependence, exclusivity, etc.) are explained in the corporate governance report;

- criterion 4: not have close family ties with a corporate officer;
- criterion 5: not have been a Statutory Auditor for the Company in the past five years;
- criterion 6: not have been a Director of the Company for more than 12 years;
- criterion 7: Directors representing significant Shareholders of the Company or of its parent company may be considered independent if such Shareholders do not participate in the control of the Company. However, beyond a threshold of 10% in capital or voting rights, the Board, on the basis of a report by the Appointment Committee, systematically questions the classification as independent by taking into account the composition of the Company's capital and the existence of a potential conflict of interest.

Board Members	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7
Independent Directors							
Marie-Claire Janailhac-Fritsch	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Didier Izabel	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Thibault Viort	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Non-independent Directors							
Carine Dagommer	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Mark Fouquet	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Éric Guerbet	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Céline Lamort	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Nicolas Louvet	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Marc Massiot	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Claire Massiot-Jouvault	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Olivier Fougère (director representing the employees)	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Jean-Sébastien Raynaud (director representing the employees)	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

As of December 31, 2021, 30% of the Board of Directors were independent (employee Board member are not included in this calculation in accordance with the Afep-Medef Code).

2.2.1.5 Changes to the Board of Directors during the 2021 fiscal year

On March 24, 2021, the Board of Directors accepted the resignation of Ms. Isabelle Raynal from her position as an employee Board member and her replacement by her alternate, Mr. Olivier Fougère.

The 2021 General Meeting reappointed Ms. Céline Lamort and appointed a new director, Marc Massiot.

On September 22, 2021, the Board of Directors co-opted a new director, Carine Dagommer, to replace Marion Barbier, who resigned.

As of December 31, 2021, the Board of Directors had twelve members, including two members representing the employees.

2.2.1.6 Training and integration of directors

Any new director undergoes a dedicated integration process. Information sessions prior to the first Board meeting are held with the Chairperson of the Board of Directors and the Corporate Secretary. This program enables new directors to quickly understand the Guerbet Group and its challenges. It includes a review of the Group's strategy, current projects, the company's internal organization and the challenges facing the main departments, the competitive environment, the medium- and long-term outlook, and corporate governance. Whenever possible, this integration process includes visits to industrial plants.

In addition, any director can receive ad hoc training on topics of interest to the company or to expand certain knowledge.

2.2.1.7 Expiring terms of office

The term of office of Mr. Nicolas Louvet will expire at the General Meeting to be held on May 20, 2022.

The terms of office of the other Directors will expire at the following General Meetings:

2023 GM	Carine Dagommer
	Éric Guerbet
	Marie-Claire Janailhac-Fritsch
	Thibault Viort
2025 GM	Claire MassiotJouvault
2026 GM	Mark Fouquet
	Didier Izabel
2027 GM	Céline Lamort
	Marc Massiot

The renewal date of the term of office of Mr. Olivier Fougère, Director representing the employees, is Friday, November 24, 2023.

The renewal date of the term of office of Mr. Jean-Sébastien Raynaud, Director representing the employees, is October 26, 2026.

2.2.1.8 Offices and positions held by members of the Board of Directors

As of December 31, 2021, the Board of Directors consisted of the following members:



Date of birth:
July 3, 1955

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:
May 27, 2011

Date of last reappointment:
May 19, 2017

End of term of office:
2023 General Meeting

Marie-Claire JANAILHAC-FRITSCH

CHAIRPERSON OF THE BOARD OF DIRECTORS

Independent

CAREER HISTORY

- Consultant in the cosmetics sector at Hellébore since 2003
- Professional activity in the cosmetics industry since 1987; creation, development and sale of start-ups in this field
- Sales and marketing positions held in the pharmaceutical industry at Eurorga and Smith Kline from 1978 to 1987
- Member of the Institut français des administrateurs (French Institute of Directors) since 2007 and member of the IFA Training Commission from 2007 to 2013

EDUCATION

- HEC Paris 1978

Current offices held

AT GUERBET

- Chairperson of the Board of Directors
- Chairperson of the Strategy and Innovation Committee
- Audit Committee member
- Member of the Appointment and Compensation Committee

2021 meeting attendance rate

Board of Directors: 100%

Audit Committee: 100%

Strategy and Innovation Committee: 100%

Appointment and Compensation Committee: 100%

Current offices held in French companies

- Chairperson of Hellébore SAS (not listed)

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

- Director and Vice-Chairperson of Biom'up (listed on Euronext) (end of term in 2019)
- Director of Biophytis (listed on Euronext Growth) (end of term in 2018)

FOREIGN COMPANIES

None

**Date of birth:**

October 14, 1958

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:

July 27, 2011

Date of last reappointment:

May 19, 2017

End of term of office:

2023 General Meeting, end of term
on September 20, 2021

Marion BARBIER

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Partner in the law firm Bird&Bird since 2000
- Lawyer at the law firm Jeantet & Associés from 1984 to 2000

EDUCATION

- Graduate of Panthéon-Sorbonne University in international law
- Admitted to the Paris Bar

Current offices held

AT GUERBET

- Director
- Chairperson of the Ethics, Governance, and CSR Committee
- Member of the Appointment and Compensation Committee

2021 meeting attendance rate

Board of Directors: 100%

Ethics, Governance, and CSR Committee: 100%

Current offices held in French companies

Manager of SCI Les Fous de Kerio

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Marion Barbier resigned from her office on September 20, 2021. This is reflected in the attendance rates shown.



Date of birth:
July 10, 1970

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:
September 22, 2021

Date of last reappointment:
Not applicable

End of term of office:
2023 General Meeting

Carine DAGOMMER

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Marketing management functions in the Uriage, Puresentiel, and Nuxe dermo-cosmetic laboratories (Paris) since 2018
- Head of sales and marketing – Valeur Absolue Parfums (Geneva) 2014-2015
- International marketing manager for make-up and fragrance – Elizabeth Arden International (Geneva) 2001-2011
- Export manager for the Latin America & Caribbean region, then key accounts manager for France & Belgium – Escada Beauté Group (Paris) 1998-2001
- Department store manager – Parfums Grès (Paris) 1996-1998

EDUCATION

- Master 2 (DESS) International Business (Université R. Schuman, Strasbourg)
- ESSEC Global BBA

Current offices held

AT GUERBET

- Director

2021 meeting attendance rate

Board of Directors: 100%

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Carine Dagommer was co-opted by the Board of Directors on September 21, 2021, following Marion Barbier's resignation. This is reflected in the attendance rate of the Board of Directors.



Date of birth:
September 29, 1964

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:
March 24, 2021

Date of last reappointment:
Not applicable

End of term of office:
November 24, 2023

Olivier FOUGÈRE

DIRECTOR REPRESENTING THE EMPLOYEES

Non-independent: Guerbet employee

CAREER HISTORY

- Shared position as manager of the Deliver program in R&I (2021)
- Research Specialist (since 2017)
- Scientific Officer (2011)
- Chemical Technician in R&DI (1989-2011)

EDUCATION

- Master's degree in chemistry (Faculté de Poitiers)
- Qualified expert in radiation protection

Current offices held

AT GUERBET

- Director representing the employees
- Member of the Strategy and Innovation Committee

2021 meeting attendance rate

Board of Directors: 100%

Strategy and Innovation Committee: 100%

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Date of birth:**

July 6, 1959

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:

May 23, 2014

Date of last reappointment:

May 29, 2020

End of term of office:

2026 General Meeting

Mark FOUQUET

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Corporate Secretary, assisting with and arranging industrial and financial partnerships at MGF Easybike from 2011 to 2016
- Financial engineering key account manager for Paris and Abidjan at Maréchal & Associés Finance, from 2010 to 2011
- CEO and Partner, consultant in financial engineering and arranging financial deals at FG Partner SAS from 2007 to 2010
- Consultant in financial engineering and arranging financial deals at SimplFi from 2003 to present
- Seller of French and European equities to institutional clients and IPO financing at KBC Securities France from 1999 to 2003

EDUCATION

- European Business School

Current offices held**AT GUERBET**

- Director
- Audit Committee member
- Member of the Strategy and Innovation Committee

2021 meeting attendance rate

Board of Directors: 100%

Audit Committee: 100%

Strategy and Innovation Committee: 100%

Current offices held in French companies

- CEO of SimplFi
- Lucibel SA (listed on Euronext Growth, Paris), end of term June 30, 2021

Current offices held in foreign companies

None

Offices held over the last five years**FRENCH COMPANIES**

- Chairperson of the Supervisory Board of Terranere – Ixow (end of term in 2016)
- Chairperson of Calenzane (end of term in 2016)
- Chairperson of SAS Xelos (end of term in 2016)

FOREIGN COMPANIES

None

**Date of birth:**

August 4, 1976

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:

May 19, 2017

Date of last reappointment:

Not applicable

End of term of office:

2023 General Meeting

Éric GUERBET

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Head of the IT Global Regulatory & Transaction Reporting program at BNP Paribas – Corporate & Institutional Banking – Global Markets (Paris) since June 2021
- Head of the IT Global P&L (Profit & Loss) program at BNP Paribas – Corporate & Institutional Banking – Global Markets (Paris) 2016-2021
- Head of the IT Murex BO Settlement/Interest Rate & Credit Derivatives program at BNP Paribas – Corporate & Institutional Banking – Global Markets (Paris) 2010-2015
- IT Project Manager at BNP Paribas (London) from 2003 to 2009
- IT Project Manager at BNP Paribas (Singapore) from 2000 to 2003

EDUCATION

- Information Systems Engineer (ESME engineering school)

Current offices held

AT GUERBET

- Director
- Member of the Strategy and Innovation Committee
- Member of the Appointment and Compensation Committee

2021 meeting attendance rate

Board of Directors: 100%

Appointment and Compensation Committee: 100%

Strategy and Innovation Committee: 100%

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None



Date of birth:
December 6, 1955

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:
May 23, 2014

Date of last reappointment:
May 29, 2020

End of term of office:
2026 General Meeting

Didier IZABEL

DIRECTOR

Independent

CAREER HISTORY

- Senior Partner at Axyx Finance since 2009
- Managing Director at Group Banca Leonardo (2006-2009)
- Partner at Toulouse & Associés (2003-2006)
- Head of Mergers and Acquisitions at Compagnie Financière Edmond de Rothschild (1994–2003)
- Head of the Financial Engineering Department at Banexi (BNP Group) (1989-1994) Ministry for Industry:
- General Directorate for Industry, in charge of the Pharmaceutical Industry (1985-1989)
- Provence-Alpes-Côte d'Azur Region DRIR (Regional Directorate for Industry and Research), in charge of the Industrial Environment (1982–1985)

EDUCATION

- École polytechnique (1976)
- École Nationale des Mines de Paris (1981)
- Member of the Corps des Mines

Current offices held

AT GUERBET

- Director
- Chairperson of the Audit Committee
- Member of the Appointment and Compensation Committee
- Member of the Strategy and Innovation Committee

2021 meeting attendance rate

Board of Directors: 100%

Audit Committee: 100%

Strategy and Innovation Committee: 100%

Appointment and Compensation Committee: 100%

Current offices held in French companies

- CEO of Axyx Finance since March 2009

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

- CEO of SARL IMP 07 (until 2017)
- Manager of SARL Financière des pins (until 2016)

FOREIGN COMPANIES

None

**Date of birth:**

March 30, 1982

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:

May 29, 2015

Date of last reappointment:

2021 General Meeting

End of term of office:

2027 General Meeting

Céline LAMORT

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Director of Operations at Cartamundi from 2021
- Head of strategic projects at Barry Callebaut from 2016 to 2021
- Head of Operations in the Food and Crop Protection division of Royal DSM N.V. from 2013 to 2016
- Head of Supply Chain in the Food and Crop Protection division of Royal DSM N.V. from 2011 to 2013
- Head of Logistics at Royal DSM N.V. in 2011
- Head of continuous improvement/operational excellence projects at Royal DSM N.V. from 2008 to 2011
- Process Engineer at Royal DSM N.V. from 2006 to 2008

EDUCATION

- IFA/Sciences Po Paris – Company Director Certificate
- Unitech International Program
- École Nationale Supérieure de Chimie de Paris (ENSCP)

Current offices held**AT GUERBET**

- Director
- Audit Committee member
- Member of the Ethics, Governance, and CSR Committee

2021 meeting attendance rate

Board of Directors: 100%

Audit Committee: 100%

Ethics, Governance, and CSR Committee: 100%

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years**FRENCH COMPANIES**

None

FOREIGN COMPANIES

None



Date of birth:
June 27, 1976

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:
May 27, 2016

Date of last reappointment:
Not applicable

End of term of office:
2022 General Meeting

Nicolas LOUVET

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Head of the BU improvement plan at Yazaki Europe Limited since 2013
- Head of component key accounts at Yazaki Europe Limited from 2012 to 2015
- Head of Strategic Projects at Yazaki Europe Limited from 2007 to 2012
- Project Manager at Valeo Éclairage et Signalisation from 2005 to 2007
- Engineer, then R&D Project Manager at Valeo Éclairage et Signalisation from 2001 to 2005

EDUCATION

- Graduate of the UTC (Université de Technologie de Compiègne)

Current offices held

AT GUERBET

- Director
- Chairperson of the Ethics, Governance, and CSR Committee
- Member of the Strategy and Innovation Committee

2021 meeting attendance rate

- Board of Directors: 100%
- Strategy and Innovation Committee: 100%
- Ethics, Governance, and CSR Committee: 100%

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None



Date of birth:
August 27, 1961

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:
May 28, 2021

Date of last reappointment:
Not applicable

End of term of office:
2027 General Meeting

Marc MASSIOT

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Founding Director, Enaxante, Business consulting in the health sector (since 2007)
- Director, Espace Santé Saint-Bernard – Physiotherapy, Osteopathy, Sports Health (since 2017)
- Chief Executive Officer, Indiba France, medical device manufacturing (2013–2016)
- Director or Training and Evaluation, Executive Committee member, LPG System, medical device manufacturer (2000–2007)
- Member of the high council of paramedical professions (MK Commission) with the French ministry of health (1996-2000)
- Instructor, Institut de Formation des Cadres de Santé at CRF and in the Paris and Rouen FMK
- Publications of books, articles, and communications in health and human sciences

EDUCATION

- EM Lyon Business School – ILL: General Management & Budget program (2007)
- Research master's degree in Education Sciences, Université de Provence, Aix-Marseille 1 (2006)
- Health executive diploma (1993), Osteopathy degree (1992), State diploma in physiotherapy (1984)

Current offices held

AT GUERBET

- Director
- Secretary of the Shareholders' Agreement

2021 meeting attendance rate

- Board of Directors: 100%

Current offices held in French companies

- Manager of Société Enaxante SARL
- Co-manager of Société Civile RFDC

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

Marc Massiot joined the Board of Directors in May 2021. This is reflected in the attendance rate of the Board of Directors.

**Date of birth:**

August 27, 1961

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:

May 24, 2013

Date of last reappointment:

May 24, 2019

End of term of office:

2025 General Meeting

Claire MASSIOT-JOUAULT

DIRECTOR

Non-independent: member of the Guerbet family

CAREER HISTORY

- Head of Operational Excellence and Lean Manufacturing at Sanofi R&D (2016-2020)
- Head of Clinical and Medical Quality at Sanofi R&D (2010–2015)
- Quality assurance/good clinical practices and drug safety monitoring at Sanofi R&D (1992-2010)
- Biotech research at Advanced Magnetix, Cambridge, the United States (1990-1991)
- Clinical research, Glaxo Laboratories (1989-1990)
- Hospital pharmacy intern at Assistance publique des hôpitaux de Paris (Paris Public Hospital Authority) (1985-1989)

EDUCATION

- Advanced diploma in hospital pharmacy – Paris V
- Master's degree in biological and medical sciences – Paris VI
- PhD in pharmacy – René-Descartes University – Paris V

Current offices held**AT GUERBET**

- Director
- Member of the Appointment and Compensation Committee
- Member of the Strategy and Innovation Committee

2021 meeting attendance rate

Board of Directors: 100%

Strategy and Innovation Committee: 100%

Appointment and Compensation Committee: 100%

Current offices held in French companies

Manager of non-commercial partnership RFDC

Current offices held in foreign companies

None

Offices held over the last five years**FRENCH COMPANIES**

None

FOREIGN COMPANIES

None

**Date of birth:**

May 3, 1968

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:

November 25, 2017

Date of last reappointment:

Not applicable

End of term of office:

November 24, 2023, end of term
on March 24, 2021

Isabelle RAYNAL

DIRECTOR REPRESENTING THE EMPLOYEES

Non-independent: Guerbet employee

CAREER HISTORY

- Director of Strategic Projects, Guerbet, since 2018
- Portfolio Manager and Project Manager in Strategic Projects, Guerbet (2011-2017)
- R&D Program Manager (Central Nervous System, Oncology) and Analytical Chemistry Specialist in Research/Innovation at Guerbet (1995-2011)
- Engineer and PhD student in life sciences at CEA Saclay (1992-1994)

EDUCATION

- PhD in pharmaco-chemistry (Faculty of Pharmacy – Paris V)
- ESPCI-Paris Tech engineering degree

Current offices held**AT GUERBET**

- Director representing the employees
- Member of the Ethics, Governance, and CSR Committee
- Member of the Strategy and Innovation Committee

2021 meeting attendance rate

Board of Directors: 100%

Strategy and Innovation Committee: 100%

Ethics, Governance, and CSR Committee: 100%

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years**FRENCH COMPANIES**

None

FOREIGN COMPANIES

None



Date of birth:
July 2, 1971

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:
October 27, 2020

Date of last reappointment:
Not applicable

End of term of office:
October 26, 2026

Jean-Sébastien RAYNAUD

DIRECTOR REPRESENTING THE EMPLOYEES

Non-independent: Guerbet employee

CAREER HISTORY

- Global Head of Medical Affairs in medical imaging and Head of Medical Affairs EMEA Guerbet Group since 2021
- Head of Medical Affairs France, Guerbet France (2019-2020)
- International Scientific Advisor and Head of the KOL International network, Guerbet S.A. (2012-2019)
- MRI Specialist in the Research and Innovation Division, Guerbet S.A. (2002-2012)
- Road construction and maintenance engineer, LCPC, on analysis of materials by MRI, Paris (2000)

EDUCATION

- Doctorate in Physics in Medical Imaging at Institut de Myologie, Pitié-Salpêtrière, Paris

Current offices held

AT GUERBET

- Director representing the employees
- Member of the Appointment and Compensation Committee

2021 meeting attendance rate

- Board of Directors: 87%
- Appointment and Compensation Committee: 100%

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Date of birth:**

September 24, 1972

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

First appointment to the Board:

May 19, 2017

Date of last reappointment:

Not applicable

End of term of office:

2023 General Meeting

Thibault VIORT

DIRECTOR

Independent

CAREER HISTORY

- CEO New Business of AccorHotels and member of the Executive Committee from 2018 to 2020
- Chief Disruption and Growth Officer of AccorHotels (2016–2018)
- Creation and development of several companies (Novao, Abileo, Ysance, IsCool, Actimos, LaTeam AI)
- Teaching at École Polytechnique and Sciences Po Paris
- Mentoring for several start-ups (Openclassrooms, Des bras en plus)

EDUCATION

- Information Systems Engineer (EPITA 1996)

Current offices held

AT GUERBET

- Director
- Chairperson of the Appointment and Compensation Committee
- Member of the Strategy and Innovation Committee
- Audit Committee member
- Member of the Ethics, Governance, and CSR Committee

2021 meeting attendance rate

Board of Directors: 100%

Strategy and Innovation Committee: 100%

Audit Committee: 100%

Ethics, Governance, and CSR Committee: 100%

Appointment and Compensation Committee: 100%

Current offices held in French companies

- Chairperson of FASAB SASU
- Chairperson of LATEAM AI SAS
- Chairperson of SMACH SAS
- Chairperson of Recruiters Club SAS
- Director, CodingGame SA
- Director, Studapart
- Director, Swile (formerly LunchR)

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

- Chairperson of the Board of Directors of Hotel Homes SAS (end of term in 2019)
- Chairperson of the Managing Committee of NDH SAS (end of term in 2019)
- Chairperson of the Supervisory Board of GEKKO SAS (end of term in 2020)
- Chairperson of the Supervisory Board of VeryChic SA (end of term in 2020)
- Chairperson of Dedge (end of term in 2020)

FOREIGN COMPANIES

None

2.2.1.9 Offices and positions held by executive directors: CEO and Deputy CEO



Date of birth:
July 2, 1968

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte – France

Appointed Chief Executive Officer
of Guerbet:
January 1, 2020

David HALE

CHIEF EXECUTIVE OFFICER

CAREER HISTORY

- Chief Commercial Officer, Guerbet (2018-2019)
- Chairperson of GE Healthcare Digital Imaging and Care Area Solutions
- Management positions in Europe, for the EMEA region, the United States and Canada at GE Healthcare
- Management of commercial initiatives and services across European companies in GE's Corporate Initiatives Group in 2000
- Product and service management at Milliken Textiles, Eastman Kodak, and Ascom (Switzerland)
- Project management at Boston Consulting Group in Germany

EDUCATION

- MBA – Institute of Management Development (IMD), Switzerland
- Degree in industrial and systems engineering – Georgia Institute of Technology (United States)

Current offices held

AT GUERBET

- Chief Executive Officer since January 1, 2020

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

The Chief Executive Officer is not a member of the Board of Directors.



Date of birth:

February 11, 1969

Professional address:

Guerbet

15, rue des Vanesses
93420 Villepinte – France

Appointed Deputy CEO
and Chief Pharmacist:

May 24, 2016

End of term on March 24, 2021

Pierre ANDRÉ

DEPUTY MANAGING DIRECTOR

Chief Pharmacist

Group Head of Quality, Technical Operations

CAREER HISTORY

- Head of Quality, Technical Operations, Guerbet (since 2016)
- Group Head of Quality, Regulatory Affairs and Regulatory Compliance – Member of the board of the Technical/R&D Committee – Chief Pharmacist at FAMAR laboratories from 2009 to 2016
- EMEA Quality Director and Chief Pharmacist at Capsugel/Pfizer laboratories from 2004 to 2009
- International Quality Director at Johnson & Johnson Laboratories from 1999 to 2004
- Quality management functions at transfusion centers in France and at an R&D center in the Netherlands, and director of a pharmaceutical distribution plant in France

EDUCATION

- Transcultural Leadership – Insead, 2007–2008
- Operational Excellence – Certified Six Sigma Black Belt in 2001
- Doctor of Pharmacy – Faculty of Pharmacy of Clermont Auvergne in 1996
- Master's degree in Biological and Medical Sciences, 1995

Current offices held

AT GUERBET

- Deputy Chief Executive Officer
- Chief Pharmacist

Current offices held in French companies

- Director of A3P (Association pour les Produits Propres et Parentéraux – Association for sterile parenteral products)

Current offices held in foreign companies

None

Offices held over the last five years

FRENCH COMPANIES

None

FOREIGN COMPANIES

None

**Date of birth:**

October 29, 1968

Professional address:

Guerbet
15, rue des Vanesses
93420 Villepinte – France

**Appointed Deputy CEO
and Chief Pharmacist:**

March 24, 2021

Philippe BOURRINET

DEPUTY MANAGING DIRECTOR

Chief Pharmacist

Senior VP of Development, Medical & Regulatory Affairs

CAREER HISTORY**Guerbet :**

- Senior VP of Development, Medical & Regulatory Affairs (since January 2020)
- Chief Pharmacist – Deputy Chief Executive Officer (since March 2021)
- Head of Group Regulatory Affairs (2006–2019)
- Head of Preclinical Development (1998–2019)
- Development Project Manager (1997–2005)
- Head of Pharmacokinetics, then Biological Screening (1994–1997)
- Study director in Pharmacokinetics (1993-1994), UPSA
- Honorary Chair of the French Society of Toxicology

EDUCATION

- Doctorate in Pharmacy 1992 – Université Paris V
- DSP in Biodynamics and Biopharmacy 1993 – Université Paris V
- Post-graduate diploma in Pharmacokinetics and Metabolism of Medicines 1993 – Université Paris XI

Current offices held**AT GUERBET**

- Deputy Chief Executive Officer
- Chief Pharmacist

Current offices held in French companies

None

Current offices held in foreign companies

None

Offices held over the last five years**FRENCH COMPANIES**

None

FOREIGN COMPANIES

None

2.2.2 Operation and powers of the Board of Directors

In accordance with Article L. 225-35 of the French Commercial Code, the Board of Directors sets the guidelines for the Company's activity and oversees their implementation in keeping with its corporate interest, taking into consideration the social and environmental implications of its activity. Within the powers expressly granted by law to General Meetings of Shareholders and within the limits of the Company's purpose, it deals with all issues affecting the Company's operations and regulates the Company's affairs.

It performs the controls and verifications it deems appropriate.

All Directors each receive all the information necessary to carry out their duties and can obtain the documents that they deem useful for this purpose.

The Board of Directors grants the authorizations provided for by law (particularly those foreseen under the provisions of Article L. 225-38 of the French commercial code).

The Board of Directors can decide to create committees. It determines the composition and duties of such committees that carry out their activity under its responsibility, although without delegating to said committees the powers that are assigned to the Board of Directors itself by law or the articles of association and without reducing or limiting the powers of the Board of Directors.

The Board of Directors can grant special mandates to one or several of its members for one or more specific purposes.



Marie-Claire JANAILHAC-FRITSCH
Chairperson



Carine DAGOMMER ^(a)
Director



Olivier FOUGÈRE ^(b)
Director representing the employees



Mark FOUQUET
Director



Éric GUERBET
Director



Didier IZABEL
Independent Director



Céline LAMORT
Director



Nicolas LOUVET
Director



Marc MASSIOT
Director



Claire MASSIOT-JOUAULT
Director



Jean-Sébastien RAYNAUD
Director representing the employees



Thibault VIORT
Director indépendant



Chair of the Committee



Audit Committee



Appointment and Compensation Committee



Ethics, Governance, and CSR Committee

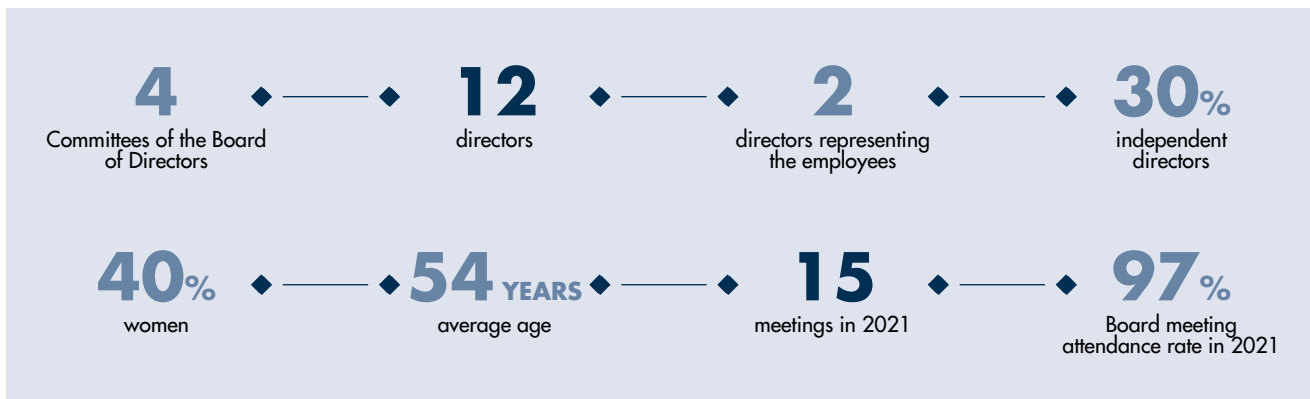


Strategy and Innovation Committee



(a) Replacing Marion Barbier.
(b) Replacing Isabelle Raynal.

FIGURES ON THE BOARD OF DIRECTORS



In 2021, the Board of Directors met nine times with an average attendance rate of 97%. The following people participated in these meetings:

- the Directors;
- the Secretary of the Board;
- three representatives of the Central Social and Economic Committee in an advisory capacity, except in the case of Board of Directors meetings organized without the executive;
- the CEO.

Since the start of 2022, the Board of Directors has met three times, including to review the annual financial statements for the 2021 fiscal year. In 2021, two meetings were held without the CEO in attendance.

2.2.3 Organization of the work of the Board of Directors and the Committees

The Board of Directors met 15 times in 2021 and worked on:

- financial topics (examination and approval of accounts, budget);
- strategy and growth operations topics;
- monitoring of the Company's risks;
- appointment and human resources topics;
- corporate social responsibility topics;
- topics related to cybersecurity and the Company's information systems.

The Board of Directors relies on the work of four Committees: the Strategy and Innovation Committee, the Appointment and Compensation Committee, the Audit Committee and the Ethics, Governance, and CSR Committee.

The Committees are forums for analysis and reflection. They issue opinions and recommendations but are not decision-making bodies. They report on their work at each meeting of the Board of Directors. The Directors have a digital platform for secure access to the documents necessary to perform their duties for the Board of Directors and its Committees.

COMPOSITION OF THE COMMITTEES AT DECEMBER 31, 2021

AUDIT COMMITTEE

Didier Izabel* (Chair)
Mark Fouquet
Marie-Claire Janailhac-Fritsch*
Céline Lamort
Thibault Viort*

STRATEGY AND INNOVATION COMMITTEE

Marie-Claire Janailhac-Fritsch* (Chair)
Olivier Fougère
Mark Fouquet
Éric Guerbet
Didier Izabel*
Claire Massiot-Jouault
Nicolas Louvet
Thibault Viort*

APPOINTMENT AND COMPENSATION COMMITTEE

Thibault Viort* (Chair)
Éric Guerbet
Didier Izabel*
Marie-Claire Janailhac-Fritsch*
Claire Massiot-Jouault
Jean-Sébastien Raynaud

ETHICS, GOVERNANCE, AND CSR COMMITTEE

Nicolas Louvet (Chair)
Céline Lamort
Thibault Viort*

* Independent Director.

2.2.3.1 Audit Committee

The Committee met five times in 2021. It is chaired by Didier Izabel, Independent Director, and is composed of five members. The Internal Regulations of the Board of Directors set the minimum number of independent directors on the Committee and provide that the Chairperson of the Audit Committee must be an independent director. Note that the Afep-Medef Code's recommendation providing that at least two thirds of the Committee's members should be Independent Directors was therefore not complied with. This Committee composition rule was not adopted due to the significant proportion of members representing the Shareholder Agreement on the Board. However, with the inclusion of a new independent director, the Audit Committee is now made up of 60% independent members.

In accordance with Article L. 823-19 of the French Commercial Code, the Audit Committee, under the sole collective responsibility of the Board's members, oversees issues relating to (i) the preparation and examination of the parent-company financial statements and, where applicable, the consolidated financial statements; (ii) the independence and objectiveness of the Statutory Auditors, and (iii) the effectiveness of the internal control, audit, and risk management systems. It makes a recommendation to the Board of Directors on the Statutory Auditors, whose appointment and reappointment will be proposed to the General Meeting. The Committee questions the CEO, the CFO and the Statutory Auditors. It also regularly questioned the Director of Internal Control, the Heads of Internal Audit and Internal Control, and the Head of Risks.

In 2021, the Committee devoted its meetings in particular to:

- an examination of the Company's accounts;
- internal audit topics (review of the previous year's internal audit, follow-up on the audit recommendations, and presentation of internal audit reports);

- development and improvement of internal control;
- analysis and control of the Group's risks;
- the audits and reports, review of independence, and reappointment of the Statutory Auditors.

The Audit Committee participation rate in 2021 was 100%.

2.2.3.2 Strategy and Innovation Committee

This Committee met five times in 2021. It is chaired by Marie-Claire Janailhac-Fritsch, Chairperson of the Board of Directors and Independent Director. It has eight members.

The mission of the Strategy and Innovation Committee is to prepare the work of the Board of Directors on topics of major strategic interest, in particular the examination of medium-term strategic directions, changes in the competitive environment, the annual budget, the industrial strategy, research and development priorities and projects, investment, divestment, cooperation, and external growth operations, stock market financial strategies, and compliance with major financial balances. The agendas notably included:

- the 2022-2026 medium-term plan;
- the 2022 budget;
- business Development plans;
- the Augmented Intelligence strategy;
- the Group's development in certain regions, particularly in the Asia-Pacific region;
- discussions with healthcare professionals in the sector on innovation topics.

The participation rate in the Strategy and Innovation Committee in 2021 was 100%.

Since July 2020, the Committee has benefited from the insight of an advisory board made up of five experts from various professional and international backgrounds.

2.2.3.3 Appointment and Compensation Committee

The Committee met five times in 2021. It is chaired by Thibault Viort, Independent Director, and is composed of six members.

The current proportion of Independent Directors on this Committee is 50%. The Afep-Medef Code's recommendation providing for a majority of Independent Directors on this Board was therefore complied with. A director representing the employees is a member of this Committee, as recommended by the Afep-Medef Code.

The role of the Appointment and Compensation Committee is to make recommendations or proposals to the Board of Directors on:

- appointment and reappointment of Directors and appointment, dismissal and compensation of the Chief Executive Officer and the Deputy Chief Executive Officers;
- the Group's compensation policy and long-term compensation policy;
- the compensation policy for company officers;
- succession planning for the Chief Executive Officer, senior executives, and people holding key positions within the Group.

The Committee specifically:

- made recommendations for reappointment of current directors and appointment of new directors;
- reviewed the priorities of the Human Resources Department's road map;
- established a new performance bonus share allocation plan;
- specified the succession plan for members of the Executive Committee;
- discussed the qualification as Independent Director in view of the criteria of the Afep-Medef Code.

2.2.4 Assessment of the Board of Directors and its Committees

2.2.4.1 Assessment of the Board of Directors

The Board of Directors conducted a self-assessment of its operations and work this year. It was carried out using an online questionnaire sent by the Corporate Secretary of the Board at the end of the year to the Board members and to the representatives of the Social and Economic Committee to the Board. This detailed questionnaire, with open and closed questions, allows participants to explain their answers and add

The participation rate in the Appointment and Compensation Committee in 2021 was 100%.

2.2.3.4 Ethics, Governance, and CSR Committee

The Committee met three times in 2021. It is chaired by Nicolas Louvet, a Non-Independent Director.

This Committee prepares the work of the Board of Directors with regard to ethics, governance and CSR within the Group. As such, the Committee handles and monitors all issues relating to:

- compliance of the Company's values, actions and projects with social, legal and regulatory standards;
- management integrity;
- the definition of and compliance with good governance rules;
- prevention of corruption and fraud and compliance with the Ethics Charter;
- the Company's Articles of Association and the Internal Regulations of the Board of Directors;
- the CSR strategy and the implementation of CSR actions.

In general, the Committee also ensures that the Board and the Board's Committees are operating effectively.

The agendas covered:

- formulation and deployment of the company's corporate purpose;
- the Group's draft Climate Strategy;
- the mid-term review of the Group's CSR road map;
- compliance issues, especially anti-corruption;
- deployment of the Ethics Charter within the Group;
- revision of the Internal Regulations.

The participation rate in the Ethics, Governance, and CSR Committee in 2021 was 100%.

comments. It covers the operation of the Board of Directors, its work, and the training and responsibilities of the directors. The self-evaluation includes a review of the past year and the responses to objectives set at the beginning of the year. Lastly, it looks ahead to the coming year with questions about the objectives for the Board and the topics to be explored further.

The reporting on this evaluation took place at the Board meeting of December 16, 2021.

The Board's operation and governance practices were assessed as very satisfactory. Among the strengths identified were truly independent governance, recognition of the contribution of the Board's secretarial function, the work of the Committees, and the significant involvement of the Chairperson. However, one area for improvement is rebalancing between presentation time and discussion time. The dashboard for monitoring the company's key indicators is an appreciated internal tool that meets the Board's expectations. The directors would like to enhance their knowledge of the competitive environment and to have regular follow-ups on developments in the company's various sectors of activity.

In the internal self-assessment questionnaire, the Directors also identified topics to be addressed and dealt with:

- the medium-term plan and deployment of the Group's strategy, including risks and opportunities, areas of internal development, external growth, AI strategy, and the medium- and long-term industrial strategy;
- monitoring of major strategic actions (such as development in Asia and the Transformation, etc.);

2.3 General Management

2.3.1 Chief Executive Officer

David Hale, appointed on January 1, 2020, served as Chief Executive Officer, a position separate from Chairperson of the Board of Directors, throughout the 2021 fiscal year.

In accordance with the provisions of the French Commercial Code and the Company's articles of association, Guerbet's Chief Executive Officer is appointed by the Board of Directors on the proposal of the Appointment and Compensation Committee. This officer may be dismissed at any time by the Board of Directors.

Pursuant to Article L. 225-56 of the French Commercial Code, the CEO has the broadest powers to act in all circumstances

2.3.2 Deputy CEO – Chief Pharmacist

On the proposal of the CEO, the Board of Directors may appoint a Deputy CEO to assist the CEO in performing his duties. Pursuant to Articles L. 5124-2 and R. 5124-34 of the French public health code, the Company has a Chief Pharmacist with the role of Deputy CEO, whose duties are performed with the same authority as the CEO with respect to third parties.

In accordance with the provisions of the law on simplification, clarification, and modernization of corporate law of July 19, 2019, amending Article L. 225-53 of the French Commercial Code, Article 14 of the Company's articles of association was amended to specify that in the event of the appointment of a Deputy Chief Executive Officer, the Board of Directors shall

- governance (succession of the Chairman of the Board of Directors, who does not wish to serve a third term beyond 2023, and balance within the Board and the Committees).

2.2.4.2 Assessment of the Committees

For the third year, each Board Committee conducted its own self-assessment using specific questionnaires sent to the members of each Committee.

In general, Director attendance at Committee meetings is very high (100% for all the Committees in 2021). Each Committee member has been particularly active and effective, contributing according to his or her expertise.

The self-assessment of each Committee indicates a high level of satisfaction with the appropriateness of the Committees' composition, with regard to both the number of members and competencies and the allocation of roles. The role of some of these committees will be strengthened, in particular the Ethics, Governance, and CSR Committee. The Directors then outlined the priority themes to be explored by each Committee.

on the Company's behalf. The Chief Executive Officer's powers are exercised within the scope of the corporate purposes and subject to those powers expressly granted to Shareholders' meetings and to the Board of Directors by law. The CEO represents the Company in its relations with third parties.

The provisions relating to the CEO's compensation, detailing the rules and principles for determining the CEO's compensation and the compensation paid and awarded during the 2021 fiscal year, are specified in section 2.4 of this report.

determine a selection process that guarantees the presence of at least one person of each sex among the candidates until the end of the process.

This officer may be dismissed at any time by the Board of Directors.

Pierre André has held the position of Deputy CEO – Chief Pharmacist since June 1, 2016. Due to his resignation from the company, Pierre André's term of office ended on March 24, 2021. Philippe Bourrinet was appointed Deputy Chief Executive Officer – Chief Pharmacist by the Board of Directors on March 24, 2021.

The Deputy CEO receives compensation for performing the duties of Chief Pharmacist. Pierre André had an employment contract for which he received compensation as Group Head of Quality, Technical Operations. Philippe Bourrinet has an employment contract for which he receives compensation as Head of Development and Medical and Regulatory Affairs.

2.3.3 Executive Committee

Guerbet's Executive Committee is chaired by the Chief Executive Officer and includes the Directors of the main operational and financial functions of Guerbet. The Executive Committee meets once a month.

This body supports the Chief Executive Officer in implementing the strategy defined by the Board of Directors, and provides operational guidance for decision-making. Its main tasks are as follows:

- determine the Group's budget lines according to the medium-term strategic priorities determined with the Board of Directors;

The provisions relating to the Deputy CEO's compensation, detailing the rules and principles for determining the CEO's compensation and the compensation paid and awarded during the 2021 fiscal year, are specified in section 2.4 of this report.

- propose annual qualitative and quantitative objectives to the Board of Directors;
- guide and monitor operational performance;
- issue opinions on the Company's guidelines and decide on reallocations of resources if necessary;
- manage critical risks.

As of December 31, 2021, the members of the Executive Committee are:



David Hale
Chief Executive Officer



Jean-François Blanc
Senior Vice President,
Interventional Imagin



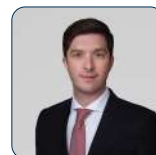
Philippe Bourrinet
Senior Vice President,
Development, Medical &
Regulatory Affairs and
Group Chief Pharmacist



Valérie Brissart
Senior Vice President,
Diagnostic Imaging



Sarah Dayre
Senior Vice President,
Technical Operations and
Interim Chief Pharmacist



Mathieu Élie
Senior Vice President,
Commercial Operations –
Asia-Pacific



Jérôme Estampes
Chief Financial Officer and
Senior Vice President, Business
Development and Licensing



Gitte Hesselholt
Senior Vice President,
Commercial Operations –
Americas & EMEA



François Nicolas
Senior Vice President,
R&D and R&I, and
Chief Digital Officer



Pétra Zalabak
Senior Vice President,
Human Resources
and Corporate Social
Responsibility

2.3.3.1 Equality on the Executive Committee

Guerbet is committed to the implementation of a gender equality policy in its Executive Committee and more broadly within its senior management. The Executive Committee is composed of 40% women and 60% men.

The addition of new Executive Committee members increased the diversity of its members, both in terms of nationality and age, and improved the gender balance.

2.4 Compensation of company officers

2.4.1 Company officer compensation policy

The information set forth below is part of the compensation policy for company officers established in accordance with Article L. 225-37-2 of the French Commercial Code. This policy describes all the components of the fixed, variable, and, where applicable, exceptional compensation of Guerbet's company officers, including its Chairperson of the Board of Directors, its Chief Executive Officer, its Deputy Chief Executive Officer, and its Directors, and explains the decision-making process for its determination, review and implementation.

The payment and award in year N of the variable compensation components for fiscal year N-1, which are set out below, are conditional on the approval by the Ordinary General Meeting in year N of the compensation components for the company officer concerned under the conditions provided for in Article L. 225-100 of the French Commercial Code.

The compensation policy applicable to company officers is determined by the Board of Directors on the basis of recommendations made by the Appointments and Compensation Committee and is reviewed annually. Guerbet's Appointments and Compensation Committee has no corporate officers and is composed of a majority of independent Directors and chaired by one of them in accordance with the recommendations of Article 18.1 of the Afep-Medef code on the composition of this committee.

The Committee may call upon external advisors specializing in executive compensation.

The Board of Directors ensures that the compensation policy is appropriate for the Company's strategy and context and aims to promote its performance and competitiveness in the short, medium, and long term. It is based on the following principles:

- compliance with the recommendations of the Afep-Medef Code;
- consistency with compensation policies within the market in order to remain competitive. Benchmarks are periodically produced to measure compensation levels and structures against panels of comparable companies in the healthcare sector;

- overall consistency, reviewed annually, to respect the principle of balance between the various compensation components (annual fixed, annual variable, multi-year variable) and in view of the compensation in force in the Company;
- a concern for attractiveness and retention to attract, motivate, and retain talent, while taking into account the requirements of stakeholders, including shareholders, in terms of social and environmental responsibility, transparency, and performance;
- an alignment of performance conditions with the Company's interests and objectives in terms of sustainable and profitable growth in the short, medium, and long term;
- transparency and clarity of the compensation policy.

The Appointments and Compensation Committee ensures that these principles are correctly applied in connection with recommendations to the Board of Directors, both in the development of the compensation policy and in its implementation and in the establishment of the amounts or valuations of compensation or benefits.

The compensation policy for corporate officers, in particular their variable compensation, is part of the Company's short-, medium-, and long-term strategy. The objectives for the Chief Executive Officer are based on the Company's medium- and long-term strategic plans. The annual variable compensation criteria are the short-term (one year) version of the objectives of the medium- and long-term strategic plan. The Chairperson of the Board does not receive variable compensation. The Deputy Chief Executive Officer may receive variable compensation for the employment contract and not for the corporate office. The performance criteria for determining multi-year variable compensation are set out in the medium- and long-term strategic plans.

The criteria for awarding compensation are determined in order to be consistent with the corporate interest of the Guerbet group and to help ensure its sustainability. The compensation of corporate officers also depends on their responsibilities, the results achieved, and the work completed. It depends, particularly for the Chief Executive Officer and the Deputy Chief Executive Officer, on the type of duties entrusted to them, or on exceptional situations.

In addition, to make sure that the compensation is competitive, the principle of Comparability is also applied so that the awarded compensation can be compared with the reference market of healthcare. A benchmark was established in 2020 for the Chief Executive Officer and members of the Executive Committee. Changes in the compensation of corporate officers are decided in accordance with the labor policy and the compensation policy applicable to all employees, including other executives and employees of the Company.

2.4.1.1 Policy on compensation of the Chairperson of the Board of Directors

Compensation structure

The Chairperson of the Board of Directors receives total compensation consisting of:

- fixed compensation for serving as Chairperson;
- compensation for her activity as a director;
- group welfare insurance and health insurance plans;
- a supplementary pension plan.

Consistent with her non-executive role, and in line with market practices in France, the Chairperson of the Board of Directors does not receive any short-term annual variable compensation or any multi-year variable compensation and is not part of any long-term incentive plan.

In accordance with the recommendations of the Afep-Medef Code, the fixed compensation of the Chairperson of the Board of Directors, a company officer, is reviewed periodically. It may be subject to change according to changes in the company's scope as well as market compensation trends so that it remains competitive.

The Chairperson does not receive variable compensation in cash or securities or any other compensation based on the performance of the Company or Group.

Fixed annual compensation

The fixed annual compensation of the Chairperson of the Board of Directors is determined in view of market studies and is awarded as payment for the responsibilities inherent to this type of corporate office.

Accordingly, the following factors are taken into account in its determination:

- the responsibilities and duties specific to this corporate office, as provided for by law and the internal regulations of the Board of Directors, which notably involve ensuring that the Company is properly governed and that its governance bodies (Board of Directors and its Committees, General Meeting of Shareholders) function effectively;

- the skills, experience, expertise, and professional profile of the holder of this position;
- market benchmarks on compensation granted to a non-executive chairperson in comparable companies of the healthcare market in France.

The compensation policy may be changed during the term of the corporate office and prior to its renewal if there is a significant change in the company's scope and in the responsibilities entailed by this position or if it diverges further away from the benchmark market. In such specific situations the nature of any adjustment to the fixed compensation and the associated reasons are publicly disclosed.

For the 2021 fiscal year, the fixed annual compensation of the Chairperson of the Board of Directors was maintained at €110,000. On the recommendation of the Appointments and Compensation Committee, the Board of Directors will propose maintaining this compensation for the 2022 fiscal year at the General Meeting of Shareholders of May 20, 2022.

Fixed annual compensation for 2022

On the proposal of the Appointments and Compensation Committee and after deliberation by the Board of Directors on March 23, 2022, the annual fixed compensation of the Chairperson of the Board of Directors for the 2022 fiscal year is maintained at €110,000, subject to approval by the Annual General Meeting called to approve the financial statements for the 2021 fiscal year to be held on May 20, 2022.

Compensation for her activity as a director

As a Director, the Chairperson of the Board of Directors receives compensation for this role. Details of this compensation (fixed portion and variable portion) are provided in section 2.4.2. below.

Benefits in kind

Group welfare insurance and health insurance plans

Since 2015, the Chairperson of the Board of Directors has been a beneficiary under the following plans, subject to the same conditions applicable to all employees of the Group's French entities:

- an "incapacity, disability, or death" benefit plan;
- a supplementary health insurance plan.

Supplementary pension plan

In accordance with the decision of the Board of Directors on March 27, 2018, the Chairperson of the Board of Directors is covered by Guerbet S.A.'s funded supplementary pension plan ("Article 83") starting in 2018, subject to the same conditions as Guerbet's executives.

Other compensation components

The Chairperson of the Board of Directors does not have use of a company car.

She will not receive severance pay if her corporate office is terminated.

2.4.1.2 Compensation policy for the Chief Executive Officer (executive company officer)

Compensation structure

The policy on the Chief Executive Officer’s compensation aims to strike a balance between long-term and short-term performance in order to promote the development of the company for all its stakeholders.

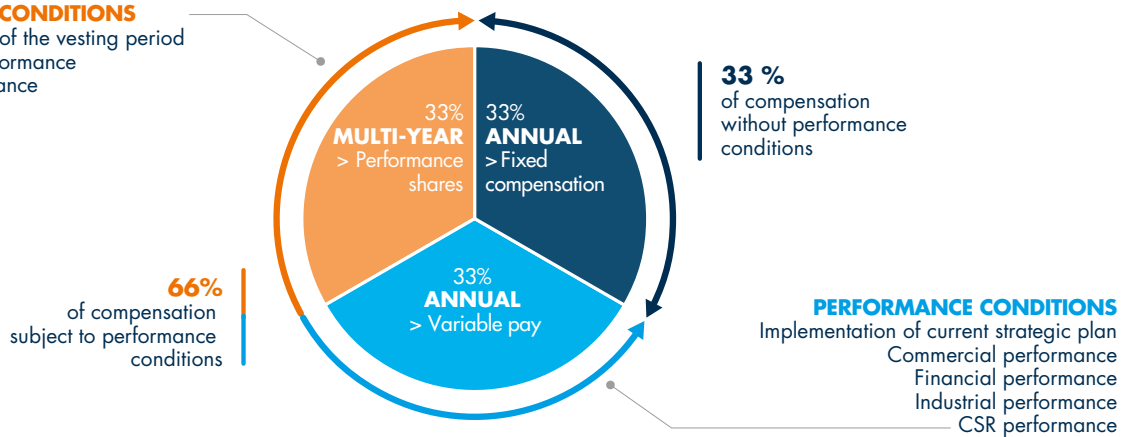
As such, in order to safeguard their interests, the Company endeavors to maintain consistency between the Chief Executive Officer’s total compensation and the evolution of the Company’s performance.

The structure of the Chief Executive Officer’s compensation is broken down as follows:

- 1/3 fixed annual compensation, not subject to performance conditions;
- 1/3 variable annual compensation, subject to performance conditions;
- 1/3 multi-year variable compensation, subject to performance conditions.

PERFORMANCE CONDITIONS

Present at the end of the vesting period
 70% financial performance
 30% CSR performance



Fixed annual compensation

The Chief Executive Officer’s fixed annual compensation is awarded as payment for the responsibilities inherent to such a position.

The following factors are among those considered:

- the level and complexity of the duties and responsibilities attributed to this position;
- the skills, experience, expertise, and professional profile of the holder of the position;
- market analyses and studies on the compensation of international executives in comparable companies of the healthcare industry in France to ensure attractive, competitive compensation levels.

For the 2021 fiscal year, the Chief Executive Officer’s annual fixed compensation was maintained at €469,500. On the recommendation of the Appointments and Compensation Committee, the Board of Directors will propose maintaining this compensation for the 2022 fiscal year at the General Meeting of Shareholders of May 20, 2022.

Fixed annual compensation for 2022

On the proposal of the Appointments and Compensation Committee and after deliberation by the Board of Directors on March 23, 2022, the Chief Executive Officer’s annual fixed compensation for the 2022 fiscal year is maintained at €469,500, subject to approval by the Annual General Meeting called to approve the financial statements for the 2021 fiscal year to be held on May 20, 2022.

Variable annual compensation

Calculation

The Chief Executive Officer’s annual variable compensation is intended to encourage the achievement of the annual performance objectives determined by the Board of Directors in line with the implementation of the company’s strategy. Provided that all the applicable objectives are achieved, this variable compensation equals 100% of the fixed annual compensation. If the objectives are exceeded, it may amount to a maximum of 150% of the fixed annual compensation.

Its calculation is based on quantitative and qualitative criteria that cover Guerbet's short-term strategy and objectives, in particular the implementation of the current strategic plan, Guerbet's financial, industrial, and commercial performance, as well as Corporate Social Responsibility.

The financial performance objectives based on financial indicators are determined in a specific manner on the basis of the budget pre-approved by the Board of Directors and are subject to the performance thresholds mentioned above.

The variable annual compensation is calculated and set by the Board of Directors following the close of the fiscal year to which it applies. On the recommendation of the Appointments and Compensation Committee, the Board of Directors determines the various objectives, their weightings, and the expected performance levels. It thus sets:

- the trigger threshold under which no variable compensation is paid;
- the variable compensation target level, corresponding to the amount due when each objective is achieved; and
- the criteria for assessing quantitative and qualitative performance.

Therefore:

- 0% of the bonus below a minimum threshold of achievement of the objectives;
- 100% of the bonus is paid if the objectives are achieved;
- 150% of the bonus may be paid if these objectives are exceeded.

Payment condition

In accordance with French law, payment of the compensation is subject to approval at the Ordinary General Meeting.

Appointment to or termination of office

If a new Chief Executive Officer is appointed or the existing Chief Executive Officer's term of office is terminated during the course of a year, the same principles as above will apply on a pro rata basis for the period during which the Chief Executive Officer in question actually holds the office.

2022 Objectives

The Chief Executive Officer's variable compensation for 2022 will be based on quantitative, financial, non-financial, and qualitative criteria tied to the progress of key projects for the Group's development. The performance conditions are detailed as follows:

1. Company performance (sales, EBITDA, free cash flow);
2. Corporate Social Responsibility with the objectives of reducing the number of accidents recorded at the group level, reducing relative energy (electricity, gas) and water consumption, and providing the staff with professional development opportunities;
3. The progress of the company's key and strategic projects.

Multi-year variable compensation

Objective

Since 2016, Guerbet's Board of Directors has included the awarding of performance shares in the Group's compensation policy. The Board of Directors considers that this mechanism, which also applies to other key positions within the Company, is particularly suited to the position of Chief Executive Officer in view of the role's expected level of direct contribution to the company's medium- and long-term performance in line with the objectives communicated to the market. The compensation helps to increase the company officer's motivation and loyalty while aligning the company officer's interests with those of the Company's stakeholders and its corporate interest.

System and conditions

Guerbet's multi-year compensation system currently consists solely of the award of performance shares.

On the recommendation of the Appointment and Compensation Committee, the Board of Directors defines the performance conditions pertaining to compensation in performance shares for all beneficiaries of Guerbet and its subsidiaries throughout the world. Failure to meet the performance conditions over the assessment period results in the loss of all or part of the initial award.

These awards are also subject to a condition of presence in the Group at the end of the vesting period and entail an obligation for the Chief Executive Officer to hold these shares until the end of the term of office (see below). On the proposal of the Appointments and Compensation Committee, the Board of Directors validates the achievement of the defined criteria at the end of the vesting period.

Compulsory holding period

Pursuant to the provisions of Article L. 225-197-1 of the French Commercial Code, and as determined by the Board of Directors, the Chief Executive Officer must keep 20% of the awarded shares in registered form for their entire term of office.

In the event of retirement upon reaching the legal retirement age before the end of the performance share vesting period, the Chief Executive Officer continues to benefit from the performance shares initially awarded but remains subject to the other conditions of the Plan, including performance conditions. In the event of a departure from the Group for reasons other than retirement, the Chief Executive Officer loses the benefit of the awarded performance shares.

Welcome compensation

Welcome compensation may be granted to a new Chief Executive Officer arriving from a company outside the Group. This is intended to compensate for the loss of benefits previously enjoyed. This compensation and its payment are disclosed in the Company's annual report.

It may take several forms. In particular, it may be granted in the form of shares, 20% of which fully vested must be retained in registered form until the end of the term of office.

Exceptional compensation

Exceptional compensation may also be awarded in exceptional circumstances.

Benefits in kind

Group welfare insurance and health insurance plans

The Chief Executive Officer is a beneficiary under the following plans, subject to the same terms and conditions applicable to all employees of the Group's French entities:

- an "incapacity, disability, or death" benefit plan;
- a supplementary health insurance plan.

Pension commitments

The Chief Executive Officer is covered by a pension plan offered pursuant to "Article 83." This is a mandatory Group insurance policy for the executive category, governed by the French insurance code and in particular Article L. 141-1 *et seq.* It is a retirement savings policy in accordance with Article 107 of Act No. 2010-1330 of November 9, 2010. Contributions are based on the annual gross compensation of policyholders for the insurance period in question, limited to Social Security bracket C. The contribution rate is exclusively employer-based. The employer contributions of 4.5% are monthly. There are no tax charges associated with the policies.

Unemployment insurance coverage

Guerbet has taken out a private unemployment insurance policy with the French association of unemployment insurance for corporate officers (Association pour la garantie sociale des chefs et dirigeants d'entreprises – GSC). Under this policy, benefits would be payable if the Chief Executive Officer were to lose this office.

Company car

The Chief Executive Officer has use of a company vehicle.

Legal and tax assistance

If necessary, the Chief Executive Officer may receive assistance for the preparation of personal tax returns with French and foreign authorities (for example, US authorities).

Compensation for serving as a Director

A Chief Executive Officer who is also a Director receives compensation for that role, including for participating in meetings of the Board of Directors.

Currently, the Chief Executive Officer is not a Director and therefore does not receive any compensation in this respect.

Termination compensation

The Chief Executive Officer does not receive any commitment from the Company regarding compensation or benefits owed due to the termination or change of his office.

2.4.1.3 Policy on the compensation of Deputy Chief Executive Officer (Group Chief Pharmacist)

Fixed annual compensation for the Deputy Chief Executive Officer, Chief Pharmacist

The Deputy Chief Executive Officer receives "Chief Pharmacist" compensation for serving in this role for the Guerbet group. The Appointments and Compensation Committee proposes to the Board of Directors the amount of the Chief Pharmacist premium for the Deputy Chief Executive Officer, which is then submitted to the General Meeting.

The Deputy Chief Executive Officer may also be an employee of the Company with an employment contract for the position that he holds. In that case, the Deputy Chief Executive Officer receives fixed annual compensation and variable annual compensation according to the conditions in force for Group employees.

Compensation for 2022

On the proposal of the Appointments and Compensation Committee and after deliberation by the Board of Directors on March 24, 2021, the annual fixed compensation of the Deputy Chief Executive Officer – Chief Pharmacist – for the 2022 fiscal year is set to €11,800, subject to approval by the Annual General Meeting called to approve the financial statements for the 2021 fiscal year to be held on May 20, 2022.

Multi-year variable compensation

The Deputy Chief Executive Officer does not receive multi-year variable compensation.

Compensation for serving as a Director

A Deputy Chief Executive Officer who is also a Director receives compensation for that role, including for participating in meetings of the Board of Directors.

Currently, the Deputy Chief Executive Officer is not a Director and therefore does not receive any compensation in this respect.

Termination compensation

The Deputy Chief Executive Officer does not receive any commitment from the Company regarding compensation or benefits owed due to the termination or change of his office.

Exceptional compensation

Exceptional compensation may also be awarded in exceptional circumstances.

Other compensation components

The Deputy Chief Executive Officer does not receive any other form of compensation for this office.

2.4.2 Compensation of the Chairperson of the Board of Directors, Marie-Claire Janailhac-Fritsch

2.4.2.1 Summary table of the compensation awarded to Marie-Claire Janailhac-Fritsch, Chairperson of the Board of Directors

(in €)	2021	2020
Compensation granted for the fiscal year (including payroll taxes and benefits in kind)	117,416	117,416
Compensation for serving as a Director ^(a)	45,600	48,000
TOTAL COMPENSATION	163,016 ^(b)	165,416

(a) Given that directors' compensation is considered investment income, it is not subject to payroll taxes.

(b) Amount proposed for a vote at the General Meeting of shareholders of May 20, 2022.

2.4.2.2 Detailed table of the compensation awarded to Marie-Claire Janailhac-Fritsch, Chairperson of the Board of Directors

(in €)	Amounts due for the fiscal year		Amounts paid during the fiscal year	
	2021	2020	2021	2020
Fixed compensation as Chairperson of the Board of Directors (including payroll taxes)	110,000	110,000	110,000	110,000
Compensation as a Director ^(a)	45,600	48,000	48,000	50,400
Benefits in kind ^(b)	7,416	7,416	7,416	7,416
TOTAL COMPENSATION	163,016 ^(c)	165,416	165,416	156,069

(a) Given that directors' compensation is considered investment income, it is not subject to payroll taxes.

(b) The Chairperson of the Board of Directors has health coverage and a welfare insurance policy. Contributions paid by Guerbet in 2021 totaled €2,466. She is also covered by the "Article 83" funded pension plan. Contributions for 2021 totaled €4,950.

(c) Amount proposed for a vote at the General Meeting of shareholders of May 20, 2022.

2.4.2.3 Compensation components paid or awarded for the 2021 fiscal year (ex post vote at the General Meeting of May 20, 2022)

Compensation components subject to a vote	Amounts paid during the past fiscal year	Amounts granted for the past fiscal year or book valuation	Comments
2021 fixed compensation	€110,000	€110,000	Section 2.4.1.1 "Policy on compensation of the Chairperson of the Board of Directors." The amount was determined based on: <ul style="list-style-type: none"> the responsibilities and duties specific to this corporate office, as provided for by law and the internal regulations of the Board of Directors, which notably involve ensuring that the Company is properly governed and that its governance bodies (Board of Directors and its Committees, General Meeting of Shareholders) function effectively; the skills, experience, expertise, and professional profile of the holder of this position; market benchmarks on compensation granted to a non-executive chairperson in comparable companies of the healthcare market in France. The last benchmarking was in 2018.
Directorship compensation	€48,000	€45,600	Section 2.4.5 "Compensation of the Directors." The compensation of the Directors consists of a fixed portion and a variable portion. The variable portion is the main part of the Directors' compensation.
Benefits of all kinds – Welfare and Mutual Health Insurance	€ 2,466	€2,466	Section 2.4.1.1 "Compensation policy for the Chairperson of the Board of Directors." Contributions paid by Guerbet for mutual health insurance and welfare insurance. The Chairperson has health coverage and a welfare insurance policy, taken out by Guerbet, under the same conditions as for Guerbet employees. The contributions paid by Guerbet totaled €2,466 in 2021, of which €1,217 for the welfare insurance and €1,249 for the mutual health insurance.
Benefits of any kind – Supplementary pension	€ 4,950	€4,950	Section 2.4.1.1 "Compensation policy for the Chairperson of the Board of Directors." Marie-Claire Janailhac-Fritsch is covered by the "Article 83" funded pension plan, a mandatory Group insurance policy for the executive category. Contributions for 2021 totaled €4,950.

2.4.2.4 Summary of benefits of the Chairperson of the Board of Directors

TABLE 11 ACCORDING TO THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE AND ACCORDING TO AMF POSITION/ RECOMMENDATION NO. 2009-16

Chairperson of the Board of Directors	Employment contract		Supplementary pension plan		Compensation or benefits due or liable to be due following a termination or change of duties		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Marie-Claire Janailhac-Fritsch		X	X				X	

Start of term: May 27, 2011, reappointed on May 19, 2017.
Expiration date: at the end of the 2023 General Meeting called to approve the 2022 financial statements.

2.4.3 Compensation of the Chief Executive Officer, David Hale

2.4.3.1 Summary of compensation awarded to the Chief Executive Officer, David Hale

(in €)	2021	2020
Compensation due for the fiscal year (including payroll taxes)	1,056,375 ^(a)	932,678
Multi-year compensation due:		
• Value of performance shares awarded during the fiscal year	512,240 ^(b)	—
• Value of performance shares awarded previously		
• Value of performance shares distributed during the fiscal year		—
TOTAL	1,568,615	932,678

(a) Including the variable annual compensation that will be submitted to the General Meeting of Shareholders of May 20, 2022, for a vote.

(b) Valuation based on the market price on the day before the award dates (€33.70). In 2020, David Hale waived the payment of his multi-year compensation due to the Covid-19 crisis.

2.4.3.2 Details of compensation awarded to the Chief Executive Officer, David Hale

(in €)	Amounts due for the fiscal year	Amounts due for the fiscal year	Amounts paid during the fiscal year	Amounts paid during the fiscal year
	2021	2020	2021	2020
Fixed compensation (including payroll taxes)	469,500	469,500	469,500	469,500
Variable compensation (including payroll taxes)	586,875 ^(a)	406,731	406,731	—
Exceptional compensation (including payroll taxes)	—	—	—	—
Benefits in kind ^(b)	56,447		56,539	56,447
TOTAL COMPENSATION	1,112,822	876,231	932,770	525,947

(a) Gross amount submitted for a vote to the General Meeting of shareholders of May 20, 2022.

(b) David Hale received €56,447 in benefits in kind in 2021. These benefits comprise:

- the same supplementary health and death insurance system as Group employees in France: €1,720;
- the same welfare insurance and health insurance plan as Group employees in France: €4,422;
- GSC unemployment insurance: €29,799;
- a company car: €5,790;
- the "Article 83" funded pension plan: €14,808.

2.4.3.3 Performance shares awarded to the Chief Executive Officer during the 2021 fiscal year

	Plan date (Board of Directors)	Number of shares awarded during the fiscal year	Value of shares (in €)	Vesting date	Availability date	Performance condition
David Hale	March 21, 2021	15,200	512,240 ^(a)	May 1, 2021	May 1, 2024	100%

(a) Unit value of €33.70 corresponding to the opening price on the award date for 15,200 shares.

The performance conditions for this award are as follows:

- acquisition of 40% of the performance shares is subject to a performance condition based on Guerbet's Relative TSR compared with the TSR on the CAC Mid & Small's relative benchmark;
- acquisition of 30% of the performance shares is subject to a performance condition based on operating WCR expressed as a percentage of revenue at current exchange rates;
- acquisition of 30% of the performance shares is subject to a performance condition based on fulfilling CSR criteria (proportion of women in management positions, reduction in the number of accidents at work, reduction in relative energy consumption).

2.4.3.4 Compensation components paid or awarded for the 2021 fiscal year (ex post vote at the General Meeting of May 20, 2022)

Compensation components subject to a vote	Amounts paid during the past fiscal year	Amounts granted for the past fiscal year or book valuation	Comments
Fixed compensation	€469,500	€469,500	<p>Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."</p> <p>The following factors are considered in determining his fixed compensation:</p> <ul style="list-style-type: none"> • the level and complexity of the duties and responsibilities attributed to this position; • the skills, experience, expertise, and professional profile of the holder of the position; • market analyses and studies on the compensation of international executives in comparable companies of the healthcare industry in France to ensure attractive, competitive compensation levels.
Annual variable compensation	€406,731	€586,875	<p>Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."</p> <p>The variable compensation for this position for 2021 was based on quantitative criteria (gross margin, EBITDA, free cash flow, several CSR criteria) and qualitative criteria (progress on projects related to the integration of acquisitions and progress on business development and licensing projects). These criteria were aligned with the Company's objectives.</p> <p>For confidentiality reasons, the level of achievement required for the quantitative criteria and the details of the qualitative criteria, although pre-established precisely, cannot be disclosed.</p>
Multi-year variable compensation	€0	€512,240	<p>Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."</p> <p>Award of performance shares in 2021.</p> <p>During the 2021 fiscal year, 15,200 shares were awarded to the Chief Executive Officer.</p> <p>As a reminder, in view of the Covid-19 crisis, the CEO waived his multi-year variable compensation in 2020.</p>
Benefits of any kind	€56,539	€56,447	<p>Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."</p> <p>David Hale received €56,539 in benefits in kind in 2021. These benefits comprise:</p> <ul style="list-style-type: none"> • the same supplementary health and death insurance system as Group employees in France: €1,720; • the same welfare insurance and health insurance plan as Group employees in France: €4,422; • GSC unemployment insurance: €29,799; • a company car: €5,790; • a supplementary pension. <p>David Hale was covered by the "Article 83" funded pension plan, a mandatory Group insurance policy for the executive category.</p> <p>Contributions are based on the annual gross compensation of policyholders for the insurance period in question, limited to Social Security bracket C. The monthly contribution rate is exclusively employer-based and is equal to 4.5% of the monthly compensation. There are no tax charges associated with the policies. Contributions for 2021 totaled €14,808.</p>

2.4.3.5 Summary table of benefits of the Chief Executive Officer

TABLE 11 ACCORDING TO THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE AND ACCORDING TO AMF POSITION/ RECOMMENDATION NO. 2009-16

Chief Executive Officer	Employment contract		Supplementary pension plan		Compensation or benefits due or liable to be due following a termination or change of duties		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
David Hale		X	X				X	
Start of term: January 1, 2020.								

2.4.4 Compensation of Deputy Chief Executive Officer Philippe Bourrinet

Philippe Bourrinet's term of office began on March 24, 2021. For 2021, the compensation for his duties as Deputy Chief Executive Officer was valued on a pro rata basis.

The information relating to Philippe Bourrinet's compensation described in this section 2.4.4 details the components received for his corporate office, described in section 2.4.1.3: "Compensation policy for the Deputy Chief Executive Officer (Group Chief Pharmacist)."

He receives compensation (fixed annual, variable annual) associated with his role as Senior Vice President of Development, Medical and Regulatory Affairs, for the Guerbet group, which he receives as an employee. Given that these types of compensation are received under his employment contract, and not for his corporate office, they are not detailed in the tables below.

2.4.4.1 Summary of the compensation awarded to Philippe Bourrinet, Deputy CEO

(in €)	2021	2020
Compensation for corporate office held (including payroll taxes)	10,225	
Value of performance shares distributed during the fiscal year	—	
TOTAL	10,225	—

2.4.4.2 Details of the compensation awarded to Philippe Bourrinet, Deputy CEO

(in €)	Amounts due for the fiscal year		Amounts paid during the fiscal year	
	2021	2020	2021	2020
Compensation for the corporate office (including payroll taxes)	11,500 ^(a)		10,225	
TOTAL COMPENSATION	11,500	—	10,225	—

(a) Theoretical annual premium for the office.

2.4.4.3 Compensation components paid or awarded for the 2021 fiscal year (ex post vote at the General Meeting of May 20, 2022)

Compensation components subject to a vote	Amounts paid during the past fiscal year	Amounts granted for the past fiscal year or book valuation	Comments
Compensation for his duties as Deputy Chief Executive Officer (Chief Pharmacist)	€10,225	€11,500	Section 2.4.1.3: "Compensation policy for the Deputy Chief Executive Officer (Group Chief Pharmacist)." The Deputy Chief Executive Officer receives a "Chief Pharmacist" premium for his responsibilities as Chief Pharmacist for the Guerbet group. On the proposal of the Appointments and Compensation Committee, the gross Chief Pharmacist premium for the Deputy Chief Executive Officer was stipulated as €11,500 for 2021. This premium was paid on a pro rata basis for the duration of Mr. Bourrinet's office in 2021. On the proposal of the Appointments and Compensation Committee, the Board of Directors will submit to the General Meeting a proposal to increase this premium to €11,800 for 2022.

2.4.4.4 Summary table of benefits of the Deputy Chief Executive Officer

TABLE 11 ACCORDING TO THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE AND ACCORDING TO AMF POSITION/ RECOMMENDATION NO. 2009-16

Deputy Chief Executive Officer	Employment contract		Supplementary pension plan		Compensation or benefits due or liable to be due for termination or change of position		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Philippe Bourrinet	X		X			X		X

Start of term: March 24, 2021.

2.4.4.5 Compensation of the outgoing Deputy CEO , Pierre André

Pierre André's term of office ended on March 24, 2021. For 2021, the compensation for his duties as Deputy Chief Executive Officer was valued on a pro rata basis.

The information relating to Pierre André's compensation described in this section 2.4.4 details the components received for his corporate office, described in section 2.4.1.3: "Compensation policy for the Deputy Chief Executive Officer (Group Chief Pharmacist)."

He receives compensation (annual fixed and annual variable) for his position as Quality Director for the Guerbet group as a salaried employee. Given that these types of compensation are received under his employment contract and not for his corporate office, they are not detailed in the tables below.

(in €)	2021	2020
Compensation for corporate office held (including payroll taxes)	2,584	11,500
Value of performance shares distributed during the fiscal year	—	
TOTAL	2,584	11,500

Compensation components subject to a vote	Amounts paid during the past fiscal year	Amounts granted for the past fiscal year or book valuation	Comments
Compensation for his duties as Deputy Chief Executive Officer (Chief Pharmacist)	€2,584	€11,500	Section 2.4.1.3: "Compensation policy for the Deputy Chief Executive Officer (Group Chief Pharmacist)." The Deputy Chief Executive Officer receives a "Chief Pharmacist" premium for his responsibilities as Chief Pharmacist for the Guerbet group. On the proposal of the Appointments and Compensation Committee, the gross Chief Pharmacist premium for the Deputy Chief Executive Officer was stipulated as €11,500 for 2021. This premium was paid on a <i>pro rata</i> basis for the duration of Mr. André's term of office in 2021.

2.4.5 Compensation of the Directors

The compensation policy aims to compensate Directors for their commitment to corporate governance. It incorporates an identical fixed share for all Directors and a variable share according to meeting attendance criteria.

As is the case for company officers, changes in the compensation of Directors are decided in accordance with the labor and compensation policy applicable to all employees.

At the General Meeting scheduled for May 20, 2022, the shareholders will be asked to approve the compensation granted to the Directors for the 2021 fiscal year for a maximum

total amount of €335,000, composed of a fixed portion and a predominantly variable portion calculated according to the participation of each member in their Committee meetings.

The Chairpersons of each of the Committees receive an additional variable portion, justified by the workload and additional responsibility that this function entails.

Isabelle Raynal, then Olivier Fougère, who took over following her resignation, and Jean-Sébastien Raynaud, Directors representing the employees, do not receive any compensation.

AMOUNT OF COMPENSATION TO BE DISTRIBUTED FOR 2021 FOR SERVING AS A DIRECTOR

Director	Annual fixed portion	Variable portion	Net total
M.-C. Janailhac-Fritsch	€6,000	€39,600	€45,600
M. Barbier	€3,600	€10,800	€14,400
C. Dagommer	€2,000	€6,000	€8,000
M. Fouquet	€6,000	€28,800	€34,800
É. Guerbet	€6,000	€26,400	€32,400
D. Izabel	€6,000	€38,400	€44,400
C. Massiot-Jouault	€6,000	€26,400	€32,400
C. Lamort	€6,000	€24,000	€30,000
N. Louvet	€6,000	€24,000	€30,000
M. Massiot	€4,400	€12,000	€16,400
I. Raynal/O. Fougère	€0	€0	€0
J.S. Raynaud	€0	€0	€0
T. Viot	€6,000	€36,000	€42,000
TOTAL	€58,000	€272,400	€330,400

2.4.6 Equity ratios

2.4.6.1 Data used

The data used in determining the ratios calculated on the average and median salary include the following items: salary (including raises for continued service and long-service awards) + objective bonus paid (year N-1) + benefits in kind + compensation for the activity of Directors + performance shares

for officers and employees. All items are in gross amounts. For employees who joined during the year and for part-time employees, the gross amounts have been adjusted to 100%.

Population: employees on a permanent contract with Guerbet S.A., excluding employees whose 100% gross salary is less than €18,000 (e.g. long-term illness or suspension of activity).

2.4.6.2 Ratio calculated on average wages

Year	2021	2020	2019	2018	2017
Chief Executive Officer (David Hale)	15.85	8.68			
Chief Executive Officer (Yves L'Épine)		5.17	17.83	21.14	14.94
Chairperson of the Board of Directors	2.81	2.77	2.66	2.05	2.12
Deputy Chief Executive Officer (2021)*	0.04				
Deputy Chief Executive Officer (2016-2021)*	0.17	0.61	0.20	0.93	0.21

* For the Deputy Chief Executive Officer, his compensation for his corporate office of €11,500 and his variable multi-year compensation are included.

Chief Executive Officer: In 2021, the change in Mr. David Hale's ratio (15.85 compared with 8.68 in 2020) is explained by the payment of the annual variable compensation for 2020, which can only be paid after approval by the General Meeting of the following year.

Deputy Chief Executive Officer: The decrease in Mr. Pierre André's ratio in 2021 (0.17 compared with 0.61 in 2020) is explained by the pro rata payment of his premium as Deputy CEO along with a share-based payment in 2020. As a reminder, Mr. Pierre André left his position on March 24, 2021.

Chairperson of the Board of Directors: The change in the ratio in 2021 (2.81 versus 2.77 in 2020) is stable compared with 2020. The compensation of the Chairperson of the Board of Directors did not change.

Mr. Philippe Bourrinet's term of office began on March 24, 2021, and his ratio (0.04) as Deputy CEO includes a premium of €11,500 paid on a pro rata basis.

2.4.6.3 Ratio calculated on median wages

Year	2021	2020	2019	2018	2017
Chief Executive Officer (David Hale)	18.93	10.60			
Chief Executive Officer (Yves L'Épine)		6.31	21.87	26.54	17.84
Chairperson of the Board of Directors	3.36	3.38	3.26	2.57	2.53
Deputy Chief Executive Officer* (2021)	0.05				
Deputy Chief Executive Officer* (2016-2021)	0.21	0.75	0.24	1.17	0.25

* For the Deputy Chief Executive Officer, his compensation for his corporate office of €11,500 and his variable multi-year compensation are included.

Chief Executive Officer: In 2021, the change in Mr. David Hale's ratio (18.93 compared with 10.60 in 2020) is explained by the payment of the annual variable compensation for 2020, which can only be paid after approval by the General Meeting of the following year.

Deputy Chief Executive Officer: Mr. Pierre André's term of office ended on March 24, 2021. The change in his ratio is due to the payment of his premium as Deputy CEO on a pro rata basis. Moreover, this change is higher due to share-based payments made in 2020. This was not the case in 2021.

Chairperson of the Board of Directors: Given that the compensation of the Chairperson of the Board of Directors remained stable, the ratio did not change (3.36 in 2021 compared with 3.38 in 2020).

Mr. Philippe Bourrinet's term of office took effect on March 24, 2021. Mr. Philippe Bourrinet's ratio corresponds to the amount of his premium as Deputy CEO on a pro rata basis.

2.4.7 Annual changes in compensation and company performance

	Rate of change				
	2021	2020	2019	2018	2017
David Hale	NS*	NS*			
Yves L'Épine	—	NS*	-16.3%	51.1%	-15.9%
Marie-Claire Janailhac-Fritsch	-1.3%	7.6%	28.8%	3.2%	10.1%
Philippe Bourrinet ^(a)	NS*				
Pierre André ^(b) (term expired)	NS*	NS*	79.0%	376.2%	—
Marion Barbier	-4.2%	20.0%	-7.7%	2.0%	8.5%
Mark Fouquet	4.0%	15.4%	—	2.0%	15.9%
Éric Guerbet	5.0%	6.7%	NS*		
Didier Izabel	—	15.2%	-6.3%	8.1%	25.4%
Céline Lamort	26.7%	-21.7%	-4.2%	11.6%	7.5%
Nicolas Louvet	—	15.0%	6.7%	NS*	
Claire MassiotJouvault	—	15.6%	—	3.8%	23.8%
Thibault Viort	3.4%	36.5%	NS*		
Carine Dagommer					
Marc Massiot					NS*
Guerbet S.A. – Average ^(c)	-2.8%	3.4%	-0.7%	6.8%	0.5%
Guerbet S.A. – Median ^(c)	-0.7%	3.7%	1.6%	1.5%	3.7%
EBITDA	4.3%	-9.7%	-8.0%	-14.9%	22.4%
Revenue	2.8%	-12.8%	3.5%	-2.2%	4.0%
Operating result	-6.4%	-20.1%	-26.1%	-11.7%	45.1%
NET INCOME	84.2%	-52.5%	-19.7%	1.3%	59.8%

Comments:

The directors representing the employees, who do not receive compensation for this office, are not included in this table.

Amounts paid: annual gross (including fixed + variable compensation + directors' compensation + benefits in kind + exceptional compensation + miscellaneous bonuses + overtime, etc.).

(a) Appointed Deputy CEO on March 24, 2021. His compensation of €11,500 for his corporate office as well as his variable multi-year compensation are included.

(b) End of term of office: March 24, 2021.

(c) Selected population: Permanent employees of Guerbet S.A. who are part of the staff on December 31 of each year. Excluding expatriate employees, employees whose gross annual salary is less than €18 K (long-term illness, suspension of activity).

* NS: Not Significant.

Chief Executive Officer: Mr. David Hale's compensation increased by 77.4%. The payment of the variable annual compensation for the position of Chief Executive Officer in 2021 explains this change. Mr. David Hale's fixed compensation remained unchanged.

Chairperson of the Board of Directors: March- Ms. Marie-Claire Janailhac-Fritsch's compensation decreases by 1.3% between 2020 and 2021 due to a decrease in her compensation as Director.

Deputy Chief Executive Officer: Between 2020 and 2021, the downward trend in the compensation of the Chief Pharmacist is explained by the end of the term of office in March 2021 with the payment of the compensation on a pro rata basis. In addition, no shares were paid in 2021 unlike in 2020, reducing the total compensation from €37,086 to €2,584.

This was the first year of Mr. Philippe Bourrinet's term as Deputy CEO.

In 2021, the Guerbet's average compensation decreased by 2.8% compared with 2020. This trend is explained by the lower amount of variable compensation than in 2020. In addition, in 2020, the distribution of performance shares to certain employees increased average compensation compared with 2021.

Between 2020 and 2021, Guerbet's median salaries decreased due to lower variable compensation in 2021 than in 2020.

2.4.8 Commitments made to company officers on assuming, changing, or terminating their duties

Not applicable.

2.4.9 Stock option and performance share plans for company officers

2.4.9.1 Options awarded in 2021

N/A.

2.4.9.2 Options exercised in 2021

N/A.

2.4.9.3 Options not exercised at December 31, 2021

N/A.

2.4.9.4 Award and distribution of performance shares to executive company officers

Details of the performance shares awarded to executive company officers	2016 Plan	2016 Plan	2019 Plan	2021 Plan
Date of General Meeting	May 27, 2016	May 27, 2016	May 28, 2018	May 20, 2021
Date of Board of Directors' meeting	September 27, 2016	November 8, 2016	March 26, 2019	March 23, 2021
Share award date	September 28, 2016	December 1, 2016, to November 30, 2018	July 1, 2019	May 1, 2021
Distribution date	September 28, 2018	December 1, 2018, to November 30, 2020	July 1, 2022	May 1, 2024
2016 fiscal year				
Total number of performance shares awarded to company officers under each of the plans:				
• Pierre André	25	800		
2017 fiscal year				
No shares awarded				
No shares distributed				
2018 fiscal year				
Total number of performance shares distributed to company officers under each of the plans:				
• Pierre André	8	732		
• Share distribution date	September 28, 2018	December 1, 2018		
Total number of performance shares awarded to company officers under each of the plans:				
• Pierre André		800		
• Share distribution date		March 1, 2018		
2019 fiscal year				
No shares distributed				
Total number of performance shares awarded to company officers under each of the plans:				
• Pierre André			800	
• Share award date			July 1, 2019	
2020 fiscal year				
Total number of performance shares distributed to company officers under each of the plans:				
• Pierre André		773		
• Share distribution date		March 1, 2020		
No shares awarded				
2021 fiscal year				
Total number of performance shares distributed to company officers under each of the plans:				
• David Hale				15,200
• Share distribution date				May 1, 2021

2.5 Exceptions to the Afep-Medef Code

In accordance with Article L. 225-37-4-8° of the French Commercial Code, the table below lists the Afep-Medef Code's provisions that have not been adopted and the reasons why.

Theme	Afep-Medef Code	Guerbet situation/Comments
Directors' terms of office	Limitation of the term of office of Directors to four years in accordance with the articles of association Article 13 of the Afep-Medef Code	The members of the Board have been appointed for a six-year term, in accordance with the law and the articles of association. Note that the Afep-Medef Code's recommendation that Directors' terms of office should last for four years has not been adopted. The Company strives to meet the criteria of the Afep-Medef Code whenever this is compatible with its organizational structure and operating procedures. However, due to the Company's size, its capital-intensive nature, and the Board's desire to adopt a long-term perspective while drawing on past experience, it has decided not to follow this recommendation.
Proportion of independent directors among the members of the Board of Directors	Independent Directors Article 9.3 of the Afep-Medef Code	Guerbet's Board of Directors currently has 30% independent members, while the Code recommends 33%. The balance on the Board of Directors takes into account the proportion of the majority shareholder's stake. The presence of two employee Board members contributes to the diversification of its membership and the strengthening of its skills.
Composition of the Audit Committee	Two-thirds of the Board's members should be independent Article 15 of the Afep-Medef Code	Note that the Board of Directors' Internal Regulations, setting the minimum number of independent members of the Audit Committee at one-half, deviate from the Afep-Medef Code's recommendation that at least two-thirds of the Committee members should be Independent Directors. This Committee composition rule was introduced due to the majority proportion of members representing the Shareholder Agreement on the Board. However, the proportion of independent members of the Audit Committee is 60%.

2.6 Agreements referred to in Article L. 225-37-4-2° of the French Commercial Code

N/A.

2.7 Delegations of authority regarding capital increases

A summary of the current delegations of authority granted by the General Meeting of Shareholders with regard to capital increases, pursuant to Articles L. 225-129-1 and L. 225-129-2, and showing the use of these delegations during the 2021 fiscal year, is provided in section 3.6.11.

2.8 Provisions in the articles of association relating to General Meetings

There are no specific statutory provisions in relation to the participation of Shareholders in General Meetings. General Meetings are convened and held and resolutions are adopted in accordance with the conditions set by law. However, a double voting right is granted to shares that have been in registered for at least two years.

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General

Meetings, has sole authority to decide on amendments to the articles of association.

The Company's articles pertaining to General Meetings are as follows:

Article 19 – Notices of Meetings – Meetings – Access to General Meetings

Shareholders' Meetings are called under the conditions set by law.

They are held at the head office or in any other location indicated in the notice of meeting.

Any Shareholder who can prove their capacity as such is entitled, regardless of the number of shares that they own, to attend Meetings and participate in the deliberations, in person or by proxy, or to vote by post, under the applicable legal and regulatory conditions.

However, to exercise this right, either the shares must be held in a registered account, by the Shareholder or a registered intermediary, as referred to in Article L. 228-1 of the French

Commercial Code, or a certificate of registration in the account of an authorized financial intermediary attesting to the unavailability of shares held in bearer form must be deposited, at the locations indicated in the notice of meeting, at least three (3) days before the General Meeting.

Note that any Shareholder may also participate in General Meetings by videoconference call or using electronic telecommunication or remote transmission media, subject to the qualifications and conditions set by the current laws and regulations, if this is permitted by the Board of Directors when the General Meeting in question is called. Such a shareholder shall be deemed to be present at this Meeting for the calculation of the quorum and the majority.

Article 20 – Voting right

The voting rights attached to shares are proportional to the percentage of the share capital that they represent, except in cases where shares are disqualified for voting purposes as provided for by law. However, a double voting right shall be awarded to Shareholders for all fully paid-up shares that they have held registered in their name for at least two years, on presentation of proof.

In the event of a capital increase through the capitalization of reserves, profits or issue premiums, this double voting right shall be granted upon issuance of the new free shares to

Shareholders based on the existing shares for which they already enjoy this right.

The voting right belongs to the beneficial owner in ordinary general meetings and to the bare owner in extraordinary general meetings, with the exception of shares that are the subject of a collective holding commitment subscribed for the application of Article 787-B of the French general tax code and are a gift with beneficial ownership. In that case, the beneficial owner's voting right is limited to decisions concerning the allocation of profits.

Article 21 – Competence – Quorum – Majority for General Meetings

The competence of the ordinary and extraordinary general meetings is the competence provided for by law.

The Ordinary General Meeting deliberates validly only if the Shareholders present or represented or having voted by post hold at least, as of the first notice of meeting, one-fifth of the shares having a voting right; on the second notice of meeting, no quorum is required.

The Extraordinary General Meeting deliberates validly only if the Shareholders present or represented or having voted by

post hold at least, as of the first notice of meeting, one-fourth or, as of the second notice of meeting, one-fifth of the shares having a voting right.

The Ordinary General Meeting rules by a majority of the votes of the Shareholders present, represented or having voted by post.

The Extraordinary General Meeting rules by a two-thirds majority of the votes of the Shareholders present, represented or having voted by post.

2.9 Factors that could have an impact in the event of a takeover or exchange offer referred to in Article L. 225-37-5 of the French Commercial Code

Information that could have an impact in the event of a takeover or exchange offer must be included in the corporate governance report in accordance with Article L. 225-37-5 of the French Commercial Code. The table below indicates the section that readers should refer to, for each type of information.

Type of information	Section of the Universal Registration Document
1° The Company's capital structure.	Guerbet and its shareholders – 3.4
2° The restrictions in the articles of association on the exercise of voting rights and transfers of shares or the clauses of agreements brought to the attention of the Company pursuant to Article L. 233-11. There are no such restrictions in Guerbet's articles of association. The provisions of the articles of association relating to General Meetings are set out in this Document. A Shareholder Agreement is in force.	Corporate governance – 2.8 and Guerbet and its shareholders – 3.6.1
3° Direct or indirect holdings in the Company's capital of which it is aware pursuant to Articles L. 233-7 and L. 233-12.	Guerbet and its shareholders – 3.6.4
4° The list of holders of any share with special control rights and a description of such rights. There are no such shares in Guerbet's capital.	N/A
5° Control mechanisms provided for in a potential employee shareholding system when control rights are not exercised by the employees.	Guerbet and its shareholders – 3.6.3
6° Shareholder agreements of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights.	Guerbet and its shareholders – 3.6.1
7° Rules applicable to the appointment and replacement of members of the Board of Directors and to amendments to the Company's articles of association.	Corporate governance – 2.2
8° The powers of the Board of Directors, in particular with regard to share issuance or buybacks.	Guerbet and its shareholders – 3.6.10
9° Agreements entered into by the Company that are amended or terminated in the event of a change in the Company's control, except where such disclosure could cause serious harm to its interests, apart from cases of legal obligation of disclosure. The Group's financing contracts contain change of control clauses.	N/A
10° Agreements providing for the payment of compensation to members of the Board of Directors or employees in the event of their resignation or dismissal without real and serious cause or if their employment were to be terminated as a result of a public buyout or exchange offer. No such agreement exists.	N/A

3

CAPITAL AND SHARE OWNERSHIP

3.1	Stock market data	84		
3.2	Relations with the financial community	85		
3.2.1	financial calendar 2022	85		
3.3	Distributed dividends	85		
3.3.1	Dividends paid over the past three years	85		
3.4	Shareholding structure	86		
3.4.1	Breakdown of capital	86		
3.4.2	Change in the breakdown of the share capital and voting rights over the last three years	86		
3.5	Share buyback program	87		
3.6	Additional information about the capital	87		
3.6.1	Shareholder Agreement	87		
3.6.2	Share lock-in commitments through "Dutrail" agreements	87		
3.6.3	Control mechanisms provided for a potential employee shareholding system when the control rights are not exercised by the employees	87		
3.6.4	Threshold crossings	88		
3.6.5	Transactions by executive officers and similar individuals	88		
3.6.6	Transactions by employees excluding corporate officers	88		
3.6.7	Performance share plans	89		
3.6.8	Stock option plans for the 2021 fiscal year 2021	92		
3.6.9	Limitation of the risk of undue control by the majority shareholder	92		
3.6.10	Powers of the Board of Directors to issue and buy back shares	92		
3.6.11	Summary of granted authorizations that may potentially impact the share capital	93		
3.6.12	Provisions in the articles of association on shares	94		

3.1 Stock market data

Guerbet shares are listed on Euronext Paris – Segment B under ISIN code FR0000032526.

Based on the closing price of €37.30 at December 31, 2021, Guerbet’s market capitalization is €471 million.

SHARE PRICE PERFORMANCE IN 2021*



* Based on daily closing prices.

Data on the share price and monthly transactions for 2021	Highest price in a trading session (in €)	Lowest price in a trading session (in €)	Number of shares traded	Capital traded (in € millions)
January	35.6	32.2	142,377	4.77
February	34.1	29.2	129,117	4.13
March	34.9	28.8	215,850	6.89
April	35.9	32.0	206,318	7.04
May	34.5	30.0	153,375	4.29
June	32.0	29.6	122,251	3.75
July	32.1	27.8	102,863	3.10
August	34.5	30.4	124,315	3.95
September	45.7	33.2	288,902	11.31
October	44.4	36.8	211,857	8.66
November	40.0	35.0	179,326	6.70
December	38.8	33.4	119,810	4.32

3.2 Relations with the financial community

The Finance Division is an interface between the Group and the financial community consisting of individual Shareholders, institutional investors, and financial analysts. It aims to provide all these market players with clear, rigorous, transparent information in real time so as to keep them informed of the Group's strategy, products, activity, financial results and medium-term financial objectives, and the means to achieve them.

Guerbet makes a specific "Investors" section available to the financial community and its Shareholders on its website www.guerbet.com. It provides information about the Company and in particular:

- the Universal Registration Document, including the annual financial report;
- all publications, financial presentations and press releases ("Presentations, Reports and Regulated Information" section);
- information relating to the General Meeting ("General Meeting" section).

3.2.1 2022 financial calendar

Event	Date
Publication of 2021 full-year revenue	February 10, 2022
Presentation of consolidated financial statements – 2021 fiscal year	March 23, 2022
Publication of Q1 2022 revenue	April 21, 2022
Annual general meeting of shareholders for the 2021 fiscal year	May 20, 2022
Publication of Q2 2022 revenue	July 21, 2022
Presentation of half-year consolidated financial statements at June 30, 2022	September 21, 2022
Publication of Q3 2022 revenue	October 20, 2022

All publications will be released after the close of Euronext Paris.

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3.3 Distributed dividends

3.3.1 Dividends paid over the past three years

Fiscal year (in €)	Amount distributed	Gross dividend per share ^(a)
2018	10,694,071.85	0.85
2019	8,817,312.70	0.70
2020	8,821,871.80	0.70

(a) Before taxes and social security contributions.

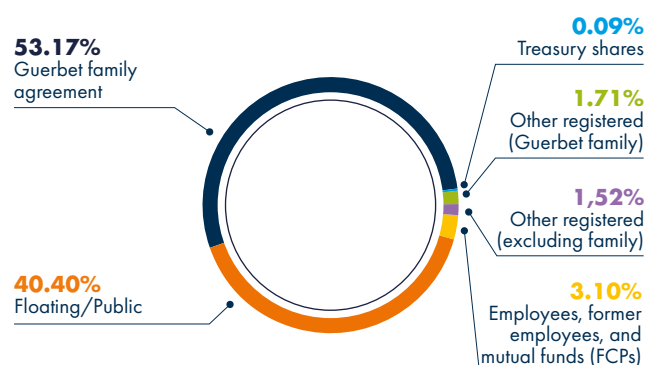
3.4 Shareholding structure

3.4.1 Breakdown of capital

At December 31, 2021, the share capital amounted to €12,641,115 divided into 12,641,115 fully paid-up shares with a par value of €1 each.

None of these 12,641,115 shares are pledged.

Taking into account registered shares, the share capital breaks down as follows:



3.4.2 Change in the breakdown of the share capital and voting rights over the last three years

The breakdown of the share capital presented below corresponds to the shares and voting rights for Ordinary General Meetings.

There is little difference compared with the breakdown of the share capital for Extraordinary General Meetings. This difference is due to divisions of ownership resulting from the gifting of shares within the Guerbet family whose beneficial owners and bare owners do not belong to the same category of Shareholders.

Number of shares	December 31, 2021			December 31, 2020			December 31, 2019		
	Number of shares	% of share capital	% of voting rights ^(a)	Number of shares	% of share capital	% of voting rights ^(a)	Number of shares	% of share capital	% of voting rights ^(a)
Guerbet family agreement	6,721,785	53.17	66.80	6,737,550	53.46	67.00	6,654,824	52.83	66.64
Other registered shareholders – Guerbet family	216,745	1.71	2.17	221,864	1.76	2.22	232,813	1.85	2.33
Employees, former employees and mutual fund (FCP)	391,914	3.10	3.56	367,906	2.92	3.43	338,718	2.69	3.01
Other registered Shareholders – excluding Guerbet family	191,786	1.52	1.91	195,481	1.55	1.95	271,993	2.16	2.71
Treasury shares	11,880	0.09	—	11,880 ^(b)	0.09	—	43,717 ^(c)	0.35	—
Floating shares	5,107,005	40.40	25.56	5,067,993	40.21	25.40	5,054,096	40.12	25.30
TOTAL	12,641,115	100	100	12,602,674	100	100	12,596,161	100	100

(a) The breakdown of the voting rights is presented in terms of effective voting rights. The number of theoretical voting rights was 19,750,352 at December 31, 2021, 19,954,446 at December 31, 2020, and 20,017,038 at December 31, 2019, assuming that each treasury share grants entitlement to one voting right.

(b) Taking into account the 43,717 treasury shares at the beginning of 2020 and the distribution of 31,837 performance shares.

(c) Taking into account the 22,901 treasury shares at the beginning of 2019, the on-market buyback of 30,430 shares, and the distribution of 9,614 performance shares.

3.5 Share buyback program

The Guerbet group did not buy back any shares in 2021.

3.6 Additional information about the capital

3.6.1 Shareholder Agreement

An agreement mainly binding family Shareholders was signed on November 16, 2002. This agreement was published by the Conseil du marché financier or CMF (French Financial Market Council) on December 13, 2002, under number 202C1653. It was updated in September 2013, particularly to take into account Guerbet's current form of governance (French public limited company with a Board of Directors). The updated version of the agreement was duly transmitted to the AMF (Autorité des marchés financiers: French financial markets authority). Its purpose is principally "to act as market-makers for

the group of Shareholders, who are mainly of family origin, to organize trading of the Guerbet shares that each of the members owns and may own in the future and to ensure the cohesiveness and representativeness of the Group that they form within the framework of the current laws and regulations," and also "to involve the signatories to the agreement in the Company's development plans, coordinate sales of shares, actively participate in the selection of any new Guerbet partners, and suggest the appointment of new members of Guerbet's Board of Directors."

3.6.2 Share lock-in commitments through "Dutreil" agreements

The collective share lock-in commitments within the scope of Article 787-B of the French general tax code ⁽¹⁾ are as follows ⁽²⁾:

Registration date	Type of collective share lock-in commitment	Duration
December 30, 2015	Inheritance	Two years, then tacit renewal for an indefinite duration

3.6.3 Control mechanisms provided for a potential employee shareholding system when the control rights are not exercised by the employees

N/A.

⁽¹⁾ Article 787-B of the French general tax code provides that "the shares of companies having industrial operations benefit from a 75% inheritance tax exemption if the shares are covered by a collective share lock-in commitment."

⁽²⁾ The share lock-in commitments pertain to a minimum of 20% of the percentage of the share capital covered by the agreement on its signing date and a minimum of 20% of the percentage of voting rights covered on its signing date.

3.6.4 Threshold crossings

To the best of the Company's knowledge, two of the registered shareholders crossed the thresholds set by law for the number of shares and/or voting rights held.

Shareholder	Ordinary General Meeting		Extraordinary General Meeting	
	Actions	Voting rights	Actions	Voting rights
SC Guerbet Fron	5.91%	7.28%	5.91%	7.28%
Brigitte Lamort	4.41%	5.58%	2.57%	3.25%

3.6.5 Transactions by executive officers and similar individuals

N/A.

3.6.6 Transactions by employees excluding corporate officers

3.6.6.1 Options granted to employees excluding corporate officers in 2021

N/A.

3.6.6.3 Options not exercised by employees excluding corporate officers at December 31, 2021

No stock options remain to be exercised as of the end of the 2021 fiscal year.

3.6.6.2 Options exercised by employees excluding corporate officers in 2021

38,441 stock options were exercised in the 2021 fiscal year.

3.6.7 Performance share plans

Over the past five years, four plans were set up, covering 65,000, 61,000, 50,000 and 50,000 shares respectively. The performance share plans are described in detail in the notes to the consolidated and individual financial statements (see "Financial statements and related notes" section). As at December 31, 2021, Plans 1 and 2 have been closed. The third share allocation plan will remain in force until 2022, when the final distributions will take place based on fulfillment of the selected performance criteria. In 2021, a fourth share allocation plan involving 48,060 shares was set up.

1. **Plan 1:** On September 27, 2016, the Board of Directors approved a performance share allocation plan for all employees and officers of the Company and its French and foreign subsidiaries (Plan 1). Each beneficiary was granted 25 shares on September 28, 2016, including executive corporate officers Yves L'Épine (Chief Executive Officer) and Pierre André (Deputy CEO). Following the assessment of the performance criteria, the Board of Directors decided on September 25, 2018, that eight fully vested performance shares would be distributed to the beneficiaries.

Plan 1 – Decision of the Board of Directors of September 27, 2016 (closed)

Plan 1 summary

Date of the Extraordinary General Meeting:	May 27, 2016
Board meeting date:	September 27, 2016
Vesting period/conditions:	Grant period of two years from September 28, 2016. Vesting of the granted shares is subject to a condition of presence at the end of the grant period and the fulfillment of collective performance criteria. The vested shares will be available without any holding period. However, the Chief Executive Officer and the Deputy Chief Executive Officer must hold respectively 20% and 5% of their vested shares until the termination of their duties in the Company.
Share grant date:	September 28, 2016
Share allocation price:	€62.20
Distribution on September 28, 2018, at the end of the two-year grant period:	Following the assessment of the performance criteria, the Board of Directors decided on September 25, 2018, to set the number of fully allocated performance shares per beneficiary at 8.
Total number of distributed shares at September 28, 2018:	15,896 shares
Opening price on the share distribution day:	€63.60

2. **Plan 2 (2016):** On November 8, 2016, the Board of Directors approved a performance share allocation plan for all employees and officers of the Company and its French and foreign subsidiaries (2016 Plan).

Plan 2 (2016) – Decision of the Board of Directors of November 8, 2016 (closed)

Plan 2 summary (2016)

Date of the Extraordinary General Meeting:	May 27, 2016	
Board meeting date:	November 8, 2016	
Vesting period/conditions:	Grant period of two years from December 1, 2016. Vesting of the granted shares is subject to a condition of presence at the end of the grant period and the fulfillment of collective performance criteria. The vested shares will be available without any holding period. However, the Chief Executive Officer and the Deputy Chief Executive Officer must hold respectively 20% and 5% of their vested shares until the termination of their duties in the Company.	
Share distribution date ^(a) :	February 6, 2020	€37.20
	March 1, 2020	€33.10
	May 2, 2020	€29.50
	June 28, 2020	€36.80
	September 1, 2020	€29.05
	December 1, 2020	€32.20

(a) Opening price on grant date.

3. Plan 3 (2019): On March 26, 2019, the Board of Directors approved a performance share allocation plan for certain employees and officers of the Company and its French and foreign subsidiaries.

Plan 3 (2019) – Decision of the Board of Directors of March 26, 2019 (in effect)

Plan 3 summary (2019)

Date of the Extraordinary General Meeting:	May 28, 2018
Board meeting date:	March 26, 2019
Vesting period/conditions:	Grant period of three years from July 1, 2019. Vesting of the granted shares is subject to a condition of presence at the end of the grant period and the fulfillment of collective performance criteria. The vested shares will be available without any holding period. However, the Chief Executive Officer and the Deputy Chief Executive Officer must hold respectively 20% and 5% of their vested shares until the termination of their duties in the Company.
Share grant date:	July 1, 2019
Shares initially allocated:	47,550 shares
• of which allocated to corporate officers:	10,200 shares
• of which allocated to the Group's top 10 employees excluding corporate officers:	13,800 shares
Share allocation price:	€47.70 ^(a)
2021 fiscal year	
Number of pending share allocations at December 31, 2021:	30,900 shares
Value of pending share allocations at December 31, 2021:	€1,153 K ^(b)

^(a) Opening price on grant date.

^(b) IFRS 2 unit fair value at December 31, 2021 (€ 37.38).

4. Plan 4 (2021): On Sunday, March 21, 2021, the Board of Directors approved a performance share allocation plan for certain employees and officers of the Company and its French and foreign subsidiaries.

Plan 4 (2021) – Decision of the Board of Directors of March 21, 2021 (in effect)

Plan 4 summary (2021)

Date of the Extraordinary General Meeting:	May 29, 2020
Board meeting date:	March 21, 2021
Vesting period/conditions:	Grant period of three years from May 1, 2021. Vesting of the granted shares is subject to a condition of presence at the end of the grant period and the fulfillment of collective performance criteria. The vested shares will be available without any holding period. However, the Chief Executive Officer must retain 20% of the Vested Shares in registered form until leaving office.
Share grant date:	May 1, 2021
Shares initially granted:	48,060 shares
• of which granted to the top 10 recipients:	16,860 shares
Share grant price:	€33.70 ^(a)
2021 fiscal year	
Number of pending share grants at December 31, 2021:	48,060 shares
Value of pending share grants at December 31, 2021:	€1,793 K ^(b)

(a) Opening price on grant date.

(b) IFRS 2 unit fair value at December 31, 2021 (€37.30).

3.6.8 Stock option plans for the 2021 fiscal year

See Note 22 “Stock subscription and purchase options” in the annual financial statements and notes.

3.6.9 Limitation of the risk of undue control by the majority shareholder

The Company has taken measures to limit the risk of undue control by the majority Shareholder by separating the positions of Chairperson of the Board of Directors and Chief Executive Officer and by ensuring that these positions are held by people from outside the Guerbet family.

3.6.10 Powers of the Board of Directors to issue and buy back shares

On May 29, 2020, the General Meeting renewed the authorization for the Board of Directors for 18 months to implement a program to buy back a number of shares of the Company not to exceed (i) 10% of the total number of shares making up the share capital or (ii) 5% of the total number of shares making up the share capital if they are shares acquired

by the Company in view of their holding and their tendering for payment or exchange in connection with a merger, demerger or contribution, with the understanding that acquisitions carried out by the Company may not in any case result in the Company holding more than 10% of the shares making up its share capital at any time whatsoever.

3.6.11 Summary of granted authorizations that may potentially impact the share capital

Purpose of delegation	Maximum nominal amount	Duration of authorization	Expiration
Delegation of authority to the Board of Directors to increase the share capital by capitalization of reserves, profits, or premiums or any other sum eligible for capitalization	€ 2,515,000	26 months	July 29, 2022
Delegation of authority to the Board of Directors to increase the share capital by issuing, with preferential subscription rights, shares and/or debt securities giving access to new shares	Capital increases: €6,295,000 ^(a) Debt security issues: €200,000,000 ^(b)	26 months	July 29, 2022
Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of preferential subscription rights, shares and/or debt securities giving access to new shares through public offerings other than those referred to in Article L. 411-2 II of the French monetary and financial code	Capital increases: €1,255,000 ^{(a) (c)} Debt security issues: €200,000,000 ^(b)	26 months	July 29, 2022
Delegation of authority to the Board of Directors to increase the share capital by issuing, with cancellation of preferential subscription rights, shares and/or debt securities giving access to new shares through public offerings referred to in Article L. 411-2(1) of the French Monetary and Financial Code	Capital increases: €1,255,000 ^{(a) (c)} Debt security issues: €200,000,000 ^(b)	26 months	July 29, 2022
Authorization for the Board of Directors, in the event of an issue with cancellation of preferential subscription rights through public offerings, including public offerings referred to in Article L. 411-2(1) of the French Monetary and Financial Code, to fix the issue price according to the arrangements established by the General Meeting, within the limit of 10% of the capital per year	Capital increases: €1,255,000 ^{(a) (c)} Debt security issues: €200,000,000 ^(b)	26 months	July 29, 2022
Authorization for the Board of Directors to increase the amount of issues with or without preferential subscription rights	Limit provided for in the applicable regulations (currently 15% of the initial issue) ^(a)	26 months	July 29, 2022
Delegation of authority to the Board of Directors to increase the share capital by issuing shares in consideration of contributions in kind within the limit of 10% of the share capital	Capital increases: €1,255,000 ^(a) Debt security issues: €200,000,000 ^(b)	26 months	July 29, 2022
Delegation of authority to the Board of Directors to increase the share capital with cancellation of the preferential subscription right by issuing shares of the Company reserved for members of a Company savings plan	€250,000 ^(a)	26 months	July 29, 2022
Authorization granted to the Board of Directors to award performance shares freely to certain employees and officers of the Company and its affiliates	2% of share capital	24 months	May 29, 2022

(a) Delegation subject to the overall limit for capital increases of €6,295,000 (approximately 49.9% of capital).

(b) A sub-limit of €1,255,000 (approximately 9.9% of capital) applies to these delegations.

(c) Delegation subject to the overall limit for debt security issues of €200,000,000.

No granted authorizations were used during the 2021 fiscal year. A renewal of the financial delegations will be submitted to the shareholders for a vote at the General Meeting of May 20, 2022.

3.6.12 Provisions in the articles of association on shares

3.6.12.1 Identifiable bearer shares (article 8)

The Company is entitled, at any time, to ask the organization responsible for clearing the securities, under the conditions and according to the legal procedures in force, for information concerning the identity of holders of securities that immediately or ultimately grant a right to vote at its Shareholder Meetings and the quantity of securities that each of them holds and, where appropriate, any restrictions to which the securities may be subject.

3.6.12.2 Declaration of threshold crossings

The Company's articles of association do not provide for any additional disclosure obligations if the fraction of the share capital or the voting rights held by a Shareholder represents less than one twentieth of the total, as mentioned in Article L. 233-7, paragraph 1 of the French commercial code.

3.6.12.3 Actions necessary to modify Shareholders' rights

The Group has not laid down any provisions that are stricter than those imposed by the law.

4

MANAGEMENT REPORT

4.1 Analysis of the Group's activity and results	96	4.8 Risk management, internal control, and internal audit	100
4.1.1 Presentation of reported revenue	96	4.8.1 Risk management	101
4.1.2 Revenue analysis	96	4.8.2 Internal control	101
4.1.3 Results	97	4.8.3 Internal audit	103
4.1.4 Analysis of the results	97	4.9 Risk factors	104
4.1.5 Financial position	98	4.9.1 Mapping of main risks	104
4.1.6 Analysis of the financial position	98	4.10 Other legal information	109
4.1.7 Outlook	98	4.10.1 Guerbet S.A.'s results for the last five fiscal years	109
4.2 Major events since the start of the 2022 fiscal year	99	4.10.2 Information regarding the breakdown of Guerbet S.A.'s trade payables and trade receivables by due date	110
4.3 Consolidated companies	99	4.10.3 Information concerning the acquisition of participating and controlling interests (Article L. 233-6 of the French Commercial Code)	111
4.4 Results of subsidiaries held by Guerbet S.A.	99	4.10.4 Information concerning regulated agreements (Article L. 225-38 of the French Commercial Code)	111
4.5 Companies directly or indirectly controlled by Guerbet S.A.	99	4.10.5 Other information from the management report contained in other sections of the Universal Registration Document	112
4.6 Transactions in treasury shares of Guerbet S.A.	100		
4.7 Statement of non-financial performance	100		

4.1 Analysis of the Group's activity and results

4.1.1 Presentation of reported revenue

<i>(in € thousands – IFRS)</i>	2021	2020
Revenue	732,071	712,295
Breakdown of revenue by geographic region	2021	2020
Europe	46.1%	40.8%
Other markets	53.9%	59.2%
Breakdown of revenue by product range	2021	2020
X-Ray	57.0%	55.1%
MRI	32.0%	31.9%
TOTAL DIAGNOSTIC IMAGING	89.0%	87.1%
INTERVENTIONAL IMAGING	11.0%	10.3%
OTHER	—	2.6%

In the new presentation of revenue by product range, delivery systems and services have been divided between X-Ray and MRI. Among the "Other" activities, the share presented here

corresponds to activities ceased in 2020 (Cardinal Health). Other continuing activities are now included in X-Rays.

4.1.2 Revenue analysis

At December 31, 2021, reported sales came to €732.1 million, up 2.8% from December 31, 2020 (€712.3 million), including an unfavorable forex impact of €16.4 million. Excluding forex effects and on a like-for-like basis, 2021 annual revenue was up 7.9% from 2020, and at the top range of the guidance communicated during the first half results presentation.

In **Europe**, the annual increase was on target, affected by continuous price pressure but with a strong rebound in volumes.

In **Other markets**:

- in the Americas, annual sales were up 10.2% like for like (excluding the contribution of the Montreal plant in Canada, which was sold on July 16, 2020) and excluding the unfavorable forex effect of €9.2 million, mainly attributable to Latin American currencies and the US dollar.

- in Asia, Q4 sales were driven by very strong levels of business in China and South Korea. This region's FY 2021 revenue increased by 7.7% on a like for like basis.

Annual turnover of the Diagnostic Imagery business (89% of 2021 sales) grew by 7.5% on a like-for-like basis.

- MRI revenue for 2021 was up 5.4% at €239.9 million.
- X-Ray revenue at CER totaled €426.7 million. This 8.7% gain can be attributed to the remarkable performance of Xenetix® in the second half of 2021.

In **Interventional Imaging**, sales continued their strong growth over the 2021 fiscal year, rising +11.4% like for like to €81.9 million.

4.1.3 Results

IFRS	2021		2020*	
		% of revenue		% of revenue
<i>(in thousands of €)</i>				
+ Revenue	732,071	100	712,295	100
+ Other operating income	4,941	0.7	5,397	0.8
Purchases consumed and change in inventories	(190,934)	(26.1)	(166,552)	(23.4)
- External expenses	(195,565)	(26.7)	(203,975)	(28.6)
- Staff-related costs	(232,789)	(31.8)	(236,500)	(33.2)
+/- Other operating income and expenses	799	0.1	5,876	0.8
- Taxes	(13,459)	(1.8)	(15,852)	(2.2)
EBITDA^(a)	105,065	14.4	100,689	14.1
- Depreciation, amortization, and provisions	(66,379)	(9.1)	(58,817)	(8.3)
Operating result	38,685	5.3	41,872	5.9
- Net financial expenses	(3,183)	(0.4)	(7,156)	(1.0)
+/- Foreign exchange gains or losses and other financial income/ expenses	(6,528)	(0.9)	(12,469)	(1.8)
+/- Tax expense	3,664	0.5	(4,008)	(0.6)
NET INCOME	32,637	4.5	18,240	2.6

(a) EBITDA = operating income + depreciation, amortization, and provisions.

* Includes the impact of the IFRIC final decision of April 2021 on retirement obligations.

4.1.4 Analysis of the results

The consolidated financial statements for 2021 show EBITDA of €105.1 million, compared with €100.7 million in 2020, an increase of 4.3%. The EBITDA margin stood at 14.4%, above the target range for operating profitability announced with the 2021 half-year results. Throughout the year, the Group was able to find a balance between:

- maintaining some of the cost savings achieved in 2020;
- making the sales efforts needed to handle the recovery in demand in 2021, and
- the business and structural expenses incurred for the establishment of Go-Direct in China and preparations for the launch of new products planned in 2023.

As of December 31, 2021, operating income totaled €38.7 million, compared with €41.9 million in 2020. This includes a provision of just under €6 million for the ongoing creation of a new subsidiary for operations in China and the closure of a shared services center in Saint-Louis, USA. This project is part of the strategy of optimizing the Group's operational structure.

Net income came to €32.6 million in 2021, compared with €18.2 million in 2020. As a reminder, 2020 net income included the impairment of the Canadian subsidiary's assets for €4.4 million following the sale of the Montreal production site. In 2021, it includes a deferred tax asset effect in the United States, totaling just over €5.4 million, and a favorable tax effect in France, representing €4.2 million.

4.1.5 Financial position

IFRS (in thousands of €)	2021	2020
Cash flow after finance costs and taxes	100,612	81,251
Change in working capital requirements, of which:	13,095	32,567
Change in inventories	4,578	17,383
Change in trade receivables	(6,644)	14,010
Change in trade payables	16,042	4,614
Change in other assets and liabilities	(881)	(3,439)
Gross investments restated for debts on fixed assets	(55,092)	(67,108)
Dividends paid	(8,814)	(8,825)
Other ^(a)	(11,024)	2,014
Free cash flow ^(b)	38,777	39,899
NET DEBT ^(c)	217,811	256,588

(a) Mainly consisting of tax, the impact of changes in exchange rates, sales of fixed assets, and the capital increases presented in detail in the consolidated cash flow statement.

(b) The free cash flow is equal to the difference between the surplus operating cash flow and investment expenditure. It explains any increase or decrease in the net debt.

(c) The net debt is calculated by adding up current and non-current financial debts and subtracting cash and cash equivalents.

4.1.6 Analysis of the financial position

As of December 31, 2021, shareholders' equity totaled €405 million. Free cash flow was again high, at €38.8 million, reducing the Group's net financial debt to €217.8 million, compared to €256.6 million at the end of 2020. The net debt/EBITDA ratio stood at 2.07 at the end of 2021, compared to 2.55 in 2020.

Given the good financial performance achieved in 2021 and the Group's favorable outlook, the Board of Directors will propose a dividend of €0.85 per share to the shareholders at the General Meeting on May 20, 2022.

4.1.7 Outlook

Growth drivers

New business, marketing, and operational investments designed to prepare for the growth of the business and accelerate the implementation of the strategy will be made in 2022.

- Continuation of the external growth strategy
- Launch of the new line of guidewires and microcatheters for Interventional Imaging and embolization

With Accurate Medical Therapeutics, Guerbet is expanding its portfolio by adding 20 models, taking the total to 38 products, and by launching a new range of Axessio™ guidewires with two diameters. An initial evaluation phase began in the United States in Q4 2021, paving the way for a commercial launch in some markets from Q2 2022. SeQure® is the only reflux control microcatheter enabling fluid barrier technology for flow directed embolization.

- Go-Direct in China in 2022

As announced, the Group has taken a position for "direct" sales in China, one of the world's leading Diagnostic Imaging markets. The final recruitments are in progress, and the distributor's available inventory will soon be sold, allowing Guerbet to benefit from direct sales for almost all its Diagnostic Imaging range from the second half of 2022.

This will allow the Group to strengthen its penetration of a market with annual growth of 9% and to double its revenue in China over three to four years.

- Diagnostic imaging new products

The Group is also preparing the upcoming launch of the Artificial Intelligence solutions, planned for 2023.

After applying for approval of gadopichlenol with the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) in January 2022, the Group confirms its aim to market this product from early 2023.

- Climate change commitment

Guerbet continues to roll out its ambitious Corporate Social Responsibility (CSR) strategy. Ranked #1 amongst healthcare companies for the 3rd time in a row and #10 at country level in France by Gaïa-Index, Ethifinance's subsidiary and one of the most respected players in CSR rating companies, Guerbet announces its commitment to fight against global warming.

Guerbet's objectives in terms of CO₂ tons equivalent emission reduction will cover its direct emissions (scopes 1 and 2) as well as its indirect ones (scope 3). They are consistent with the "Well Below 2°C" target as per the SBT definition. For the company, it implies prior to 2032:

- a reduction by 27.5% (base 2021) of its direct emissions (scopes 1 and 2),
- a reduction by 13.75% (base 2021) of its indirect emissions (scope 3).

Update relating to the armed conflict between Russia and Ukraine

The Group has very little exposure to the conflict between Russia and Ukraine, as it has no physical presence in either country. However, it is suffering from the inflation caused by the conflict, in particular on raw materials prices. The impact on

the Group's financial performance is difficult to assess at present, since the economic environment is particularly volatile. Guerbet's priority remains the safety of its patients and its employees and the uninterrupted supply of its products.

Target of further revenue growth

For 2022, the Group anticipates renewed growth in revenue, with a like-for-like increase between 2% and 4%.

Given the inflationary environment, Guerbet aims to deliver an EBITDA margin at least unchanged from 2021, excluding extraordinary expenses related to the optimization of the Group's operating structure and changes in the sales model in China.

The detailed presentation of the 2021 annual results is available in the Investors section of the Company's website: <https://www.guerbet.com/investors/>.

4.2 Major events since the start of the 2022 fiscal year

Russian-Ukrainian conflict – see detailed point above, section 4.1.7 "Outlook".

4.3 Consolidated companies

The consolidated companies are listed in Note 31 to the consolidated financial statements (see section 6.1: "Consolidated financial statements and notes").

4.4 Results of subsidiaries held by Guerbet S.A.

The results of the subsidiaries controlled by Guerbet S.A. are presented in section 6.3 of the notes to Guerbet S.A.'s financial statements.

4.5 Companies directly or indirectly controlled by Guerbet S.A.

The companies controlled directly or indirectly by Guerbet S.A. within the meaning of Article L. 233-3 and the stake in the Company's capital held by them (treasury shares) are listed in section 6.3 of the notes to the Guerbet S.A. financial statements.

4.6 Transactions in treasury shares of Guerbet S.A.

Number of shares purchased and sold during the fiscal year:

- Number of shares purchased during the year: none (see section 3.5 "Share buyback program").
- Number of shares sold during the year: none.

Number of shares registered in Guerbet S.A.'s name at the close of the fiscal year and their value measured at the purchase price as well as their nominal value:

- Number of shares registered in the Company's name at the close of the fiscal year: 11,880 (see section 3.4: "Shareholding structure").

- Value measured at the purchase price: €550 K.
- Nominal value: €1.
- Fraction of the capital that they represent: 0.09% (see section 3.4: "Shareholding structure").

Authorization to buy back shares and the conditions under which the shares were bought back and used during the last fiscal year ended:

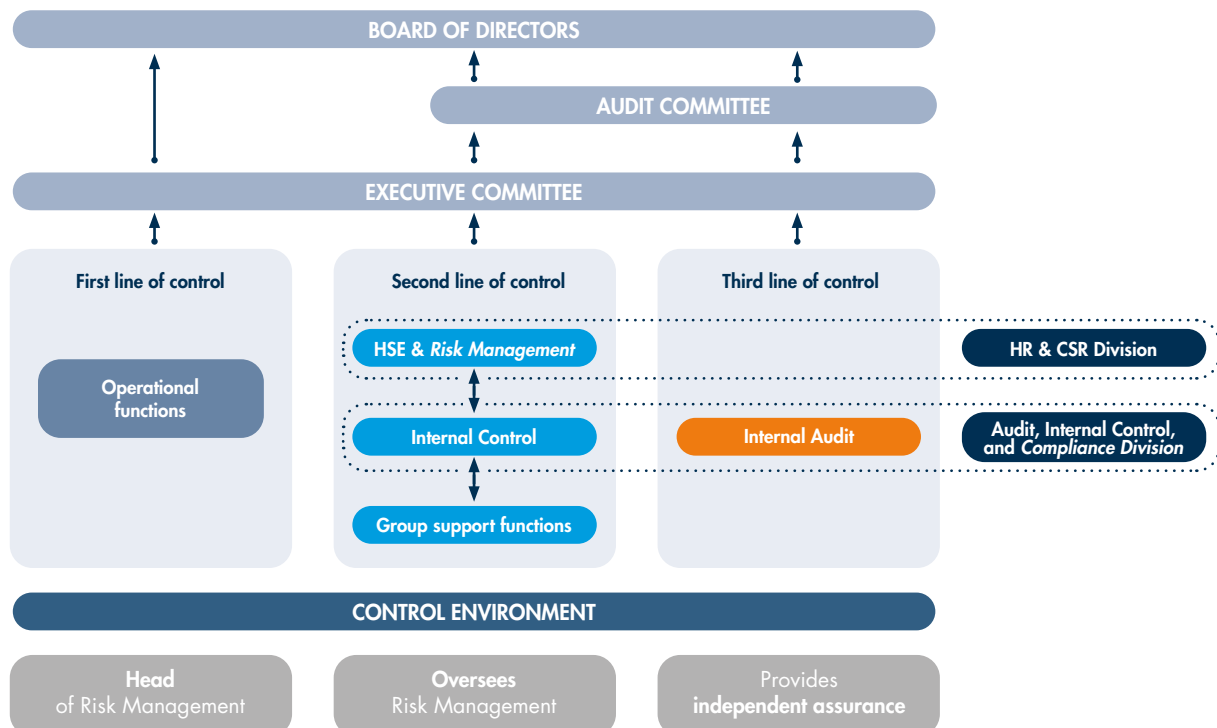
- See section 3.5: "Share buyback program."

4.7 Statement of non-financial performance

Refer to section 5: "Statement of non-financial performance."

4.8 Risk management, internal control, and internal audit

Guerbet's risk management system is structured around the concept of the three lines of control as defined by the IFACI (French institute of auditors and internal controllers), allowing each person's risk management and internal control roles and responsibilities to be distributed clearly and effectively.



Through its Audit Committee, the Board of Directors is responsible for monitoring issues relating to the effectiveness of internal control, internal audit and risk management systems.

Together with the Executive Committee, the Chief Executive Officer is responsible for the risk management, internal control, and internal audit system.

The first line of control is the responsibility of each operational manager and their employees in their day-to-day activities. Each line manager is responsible for putting in place the appropriate preventive controls and means of detection for risks related to their activities or any necessary corrective measures recommended by the second line of control functions.

4.8.1 Risk management

The risks to which the company is exposed are identified, assessed, and ranked. A mapping of the Group’s major risks is thus drawn up and regularly updated. Risks are categorized by theme. Their assessment takes into account the severity of the potential impact, the probability (qualitative or based on feedback) of occurrence, and the current level of control. All sectors of activity are assessed twice a year. Once identified, the Risk Manager meets twice with the “owners” of these risks in order to follow up on the action plan and update it if necessary. A presentation is made to the Executive Committee twice a year to discuss the risks and progress on the action plans.

Risk mapping is discussed and reviewed by the Audit Committee and then by the Board of Directors with the Risk Manager and the Chief Executive Officer once a year. Certain risks, such as cybersecurity risks, are specifically monitored more frequently. At each Audit Committee meeting, a specific risk is reviewed with the Risk Manager.

The Risk Manager, who is responsible for promoting and developing risk management skills, transmits know-how and expertise while providing methodological support to line management and the identified risk “owners.”

The Risk Manager also optimizes the cost of risk by possibly transferring it to the insurance policies that he manages.

4.8.2 Internal control

Definition

Internal control is a process implemented by the Board of Directors, the Executive Committee, and the Group’s officers as well as all employees so that there is reasonable assurance of achieving the objectives relating to:

The second line of control includes:

- the functions that oversee risks, in particular the HSE and Risk Management function (see section 4.8.1) and the Internal Control function (see section 4.8.2); and
- all support functions in their area of expertise (human resources, purchasing, finance, legal, compliance, quality, etc.). They contribute their expertise and make recommendations in their areas of expertise.

The third line of control involves providing the General Management and the Board of Directors with reasonable assurance of the level of risk control independently and objectively. This activity is carried out by the Group’s internal audit function (see section 4.8.3).

During monthly meetings, the Risk Manager communicates and shares with the Internal Control Department in order to discuss the description of risks, their rating, and the control methods. This work refines the perception of risks and strengthens the monitoring and effectiveness of control methods.

Lastly, the Risk Manager is called on by the Internal Audit Department to provide a view of the risks and relevant topics to be audited.

The insurance program allows the Group’s insurable risks to be secured through the purchase of centralized insurance. This program incorporates the various liability and damage insurance policies covering Guerbet and its officers, personnel and assets. The use of a global broker allows all of the Group’s activities to be covered. The broker and our insurers provide support and expertise to the Risk Management Department in the management of insured losses and the Group’s prevention efforts. Our program covers five areas:

- civil liability;
- damage and consequential loss;
- insurance for loss of goods in transit;
- “travel” insurance;
- cyberattacks.

- effectiveness and efficiency of internal processes;
- reliability of financial information;
- compliance with applicable laws and regulations;
- safeguarding of assets and prevention of fraud.

Internal control thus contributes to risk control but cannot provide an absolute guarantee that all risks are completely eliminated or controlled.



Objective

In this context, the objectives of the Internal Control function are to:

- structure, build, and maintain the Group's risk control system according to the process and the roles and responsibilities defined in the Group's Internal Control Charter, validated by the Chief Executive Officer and the Audit Committee, based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework;
- analyze the main processes with the managers concerned to build the Group's internal control guidelines;
- support them in drafting Group policies and procedures;
- maintain a document base accessible to all Group employees containing the main Group policies and procedures (processes outside the scope) and the existing internal control standards;
- maintain the Group's signature delegation system;
- lead a network of specialists to promote internal control and deploy internal control guidelines within the Group's main entities to ensure the existence of appropriate controls within them or to help strengthen them by defining actions to be implemented.

Organization

In 2021, the Internal Control function, which is part of the Audit, Internal Control, and Compliance Department, reporting to the Chief Executive Officer, has evolved by taking responsibility for the Group's anti-corruption program.

It is supported by a network of specialists at various levels:

- the managers of functions/entities/plants within the Group who are responsible for implementing internal control within their scope of responsibility;
- the financial controllers and the Internal Control specialists, who coordinate the implementation of internal control within their scope of responsibility and then report on the progress to Group Internal Control; and
- other regional functions that contribute to the implementation of the Group's anti-corruption program.

Work

In 2021, a software package for risk management, internal control, and internal audit (SIGR) was selected and is being implemented in close collaboration with the Risk Management and Internal Audit functions to strengthen a consolidated, shared view of risks within the Group and their level of control.

Beyond this key project, coordination work with the following functions continued:

- the HSE and Risk Management function in order to ensure the consistency of the Internal Control systems in view of the risks identified in mapping of the Group's major risks;

- the Communications Division in order to establish a communication plan to raise employees' awareness of Internal Control and the anti-corruption program;
- the HR function in order to introduce newcomers to the organization of the function as well as access to essential information and documents (for example, ethics charter, Group policies and procedures, and internal control, etc.).

In addition, the Internal Control function is committed to continuing the projects on its road map within the Group, in particular through the following work:

- building and deploying internal control standards on the control environment and key processes;
- periodic meetings with the specialists of the entities within the Group;
- deploying e-learning to train managers within the Group;
- deploying the segregation of duties policy, in particular on the Purchasing process, in order to identify the risks of potential conflicts and the remedial measures to be implemented;
- monitoring the implementation of the action plans defined following self-assessments or projects;
- coordinating the annual review of access in critical information systems;
- regularly raising Group employees' awareness of the risk of fraud;
- *ad hoc* support on subjects that have an impact on risk control.

In the first quarter of 2021, a review of the internal control activity was presented to the Audit Committee.

The Director of Audit, Internal Control and Compliance also coordinates the deployment of the Ethics Charter by serving as the "ethics" specialist within the Group. The Group's new Ethics Charter was rolled out in 13 languages to all Group employees in 2021.

Procedures for preparing and processing financial and accounting information

Guerbet's consolidated financial statements are prepared in accordance with international accounting standards (IFRS). The Administrative and Financial Division is responsible for preparing the financial statements.

According to a schedule and consolidation instructions sent to the entities by the Administrative and Finance Division, the entities prepare a consolidated monthly report using a single software program.

At each accounting close, the accounting teams perform a review of the accounts, and the Financial Controllers analyze and explain the changes in the results from one period to the next and divergences from the budget.

At the quarterly closing of the accounts, the Audit Committee reviews the accounts.

4.8.3 Internal audit

Within the Group, Internal Audit provides an independent and objective assessment of the effectiveness of the control systems in place relative to the main risks identified in the Company.

Internal Audit governance is defined in an Internal Audit Charter approved by the Chief Executive Officer and the Audit Committee. This charter specifies the duties, areas of operation and responsibilities of Internal Audit, and the methodologies used to carry out Internal Audit tasks.

Internal Audit's scope of responsibility covers all Group operations, functions and legal entities. Internal Audit reports to the Audit, Internal Control and Compliance Division, which reports directly to the Chief Executive Officer and communicates regularly with the Audit Committee. This organizational structure supports the necessary independence of Internal Audit within the organization while promoting coordination with the Internal Control and Compliance departments, which contribute to the control of risks within the Group scope. The team consists of a Senior Internal Auditor and an Internal Audit Manager who reports to the Director of Audit, Internal Control, and Compliance.

Through its work and recommendations, Internal Audit helps to improve the organization's overall performance by regularly and methodically assessing the risk control and governance processes.

This process is supplemented by the Statutory Auditors' operations and certification work for the individual annual financial statements and the consolidated half-year and annual financial statements.

The internal audit plan is presented each year to the Audit Committee, which reviews it, adjusts it if necessary, and issues a positive opinion before it is deployed. This annual internal audit plan is based on the risks identified at the Group level and on various information gathered during interviews with members of the Executive Committee or the Group's sector experts. The Audit Committee issued a positive opinion on the internal audit plan for 2022 at its meeting on November 17, 2021.

Audit reports detailing the recommendations specific to each mission are drafted and circulated to the individuals concerned and to the Executive Committee members responsible for the audited activities. An oral presentation is provided at Audit Committee meetings, and the reports are made available to Audit Committee members. The Audit Committee monitors the progress of the implementation of the action plans defined following the audits.

In 2021, the Director of Audit, Internal Control, and Compliance and the Internal Audit Manager gave presentations at five Audit Committee meetings, including:

- a report on Internal Audit activities for 2020 and the outlook 2021;
- a summary of internal audit findings. In 2021, these findings covered audits conducted in 2020 and 2021 at an industrial plant, two sales entities, and two cross-functional processes of the Group;
- regular monitoring of progress on action plans following the audits;
- proposed internal audit plan for 2022;
- the project to implement risk management, internal control, and internal audit software (SIGR).

4.9 Risk factors

4.9.1 Mapping of main risks

The table below places Guerbet’s main specific risks in three categories: (1) Legal risks, (2) Strategic risks, and (3) Operational risks. In order to determine the significance of each of these risks, they have been rated on a scale of severity and probability from 1 to 4 (“low to major” scale for

severity and “rare to highly probable” for probability), taking into account the effect of risk management measures. For each category, the risks are listed in decreasing order of significance.

Category	Risk description	Ratings	
Legal risks	Dispute and litigation risks	Severity	4
		Probability	3
	Risks relating to regulatory changes	Severity	4
		Probability	2
Strategic risks	Risks relating to the consequences of global warming	Severity	4
		Probability	2
	Information system and cybersecurity risks	Severity	4
		Probability	4
Operational risks	Environmental and safety risks	Severity	4
		Probability	3
	Purchasing and subcontracting risks	Severity	4
		Probability	3
	Risks relating to product quality and safety	Severity	4
		Probability	3
	Supply chain risks associated with logistical difficulties encountered in all sectors of activity	Severity	4
		Probability	2

These main risks specific to Guerbet, as well as their impacts and the measures implemented to manage them, are described below.

Description of risks	Control actions
LEGAL RISKS	
Dispute and litigation risks	
<p>The Group is involved or could be involved in a number of disputes. In some of these disputes, claims for financial damages are made or are likely to be made against the Group. Provisions have been established to cover such claims in accordance with IFRS accounting principles (a description of these provisions is provided in section 6 of note 12 to the consolidated financial statements at December 31, 2021).</p> <p>The Group considers that the provisions established to cover these known or ongoing risks, disputes, or litigation situations are sufficient to ensure that the consolidated financial position is not significantly affected in the event of an unfavorable outcome. However, the Company cannot guarantee that the Group will not be exposed to legal actions, complaints, or government investigations that could prevent or delay the introduction of its products on the market or affect its operations, profitability, or cash flow and have a negative impact on the Group’s activities, situation, or earnings.</p>	<p>The Legal Division has defined a global defense strategy for the Group. It regularly collaborates with the other Group divisions to assess risks and to establish provisions for them where appropriate.</p> <p>In addition, the Legal Division is integrated upstream of major projects to determine the appropriate legal framework as soon as possible.</p> <p>Compliance actions are also implemented to limit the Group’s exposure.</p> <p>A dedicated alert line (Guerbet ethics line) was deployed.</p> <p>The Group’s ethics charter is consistently distributed to its employees via its e-learning software.</p> <p>In 2021, Guerbet drafted its new data privacy and classification policy. This policy will be widely distributed in the first quarter of 2022.</p>

Description of risks	Control actions
<p>Risks relating to regulatory changes</p> <p>As a designer, manufacturer and distributor of drugs, medical devices, and Augmented Intelligence solutions, Guerbet is subject to numerous regulatory requirements in all its markets. With regard to the production of its products' active substances or even the materials used in the production of medical equipment, the Group is subject to the following European regulations:</p> <ul style="list-style-type: none"> • EU MDR: European Medical Devices Regulation, initially applicable in May 2020 and postponed until 2021; • Seveso (identification of industrial plants that use hazardous substances and processes representing risks of major accidents); • REACH (Registration, Evaluation, and Authorization of Chemical substances); • IED (Industrial Emissions Directive). These regulations may prohibit or restrict the use of certain products or limit industrial production activity. <p>These regulations entail regular inspections by the DREALs (regional directorates for the environment, town planning and housing) in France and the EPA (Environmental Protection Agency) in Ireland.</p> <p>Guerbet manufactures and inspects its products in accordance with the conditions defined and approved by the health authorities within the framework of Marketing Authorizations (MAs), and their production is subject to good manufacturing practices for drugs for human use or to quality standards applicable to medical devices.</p>	<p>Any changes in these French or foreign regulations may significantly affect the Group's activity. It cannot guarantee that such changes, particularly in the main markets where it operates, will not have a negative effect on its activity and its operating results.</p> <p>Compliance with the regulations is a part of Guerbet's Quality, Safety and Environment policy, which is applicable to all of its entities.</p> <p>The safety of our plants and compliance with all applicable regulations are our absolute priorities.</p> <p>Regulatory monitoring systems are in place. They make it possible to identify new requirements and to anticipate implementation of the actions necessary to maintain compliance.</p> <p>This anticipation of regulatory developments makes it possible, particularly for industrial plants, to identify organizational or operational changes and anticipate the necessary financial resources to be included in the medium-term budgetary program (five years).</p> <p>In 2021, the Group complied with EU-MDR regulations.</p> <p>After defining the consequences for Guerbet, the company has put in place the appropriate action plan to meet all the new requirements.</p>



Description of risks	Control actions
STRATEGIC RISKS	
Risks relating to the consequences of global warming	
<p>Climate change brings about physical and transition issues such as:</p> <ul style="list-style-type: none"> • physical risks for our industrial plants and main suppliers in our supply chain related to acute and chronic weather phenomena (such as temperature, drought, precipitation, and natural disasters, etc.) and the financial impact of these risks; • transition risks related to the scarcity of resources, the strengthening of market requirements and regulations, reputational issues related to the expectations of internal and external stakeholders, and the financial impact of these risks. <p>In 2021, Guerbet strengthened its climate risk assessment as part of the “Climate Strategy” project on physical and transition risks. Physical risks were analyzed for all of our industrial plants and for key Guerbet suppliers likely to be the most at risk. This assessment was performed using an analytical tool to measure the exposure of assets to climate risk, assess the vulnerability of activities, and define the risk mitigation strategy.</p>	<p>A summary of the risks and opportunities that could have a significant impact on the Group is presented in chapter 5.4.1.1 “Climate risks and opportunities”.</p> <p>The climate project identifies the main risks and opportunities that can have an impact on activities, the supply chain, costs, and competitiveness. This is why Guerbet has implemented action plans such as actions to reduce energy consumption, optimize processes, and control waste, emergency procedures at plants at risk of hurricanes, and stockpiling to compensate for any disruption of a production plant. To strengthen its resilience, Guerbet has identified areas for action in connection with the climate project and the business continuity program for the Group and its industrial plants.</p>
Information system and cybersecurity risks	
<p>The Group is exposed to the risk of failure of its information systems in case of a malfunction, malicious act, or cyberattack. If this risk were to materialize, it could result in the loss or corruption of sensitive data such as product information, customer information, or financial data. Such a risk could also result in partial or total unavailability of certain systems, disrupting the processes involved.</p> <p>In 2020 and 2021, Guerbet saw an increase in cyberattacks especially through attempted phishing in an overall environment of intensification of attacks brought about by the pandemic crisis and the widespread use of teleworking.</p>	<p>In order to protect itself against this risk, the Group applies a series of measures to ensure the protection of sensitive data, including securing of servers in outsourcing plants, streamlining and centralizing of information systems, regularly tested business continuity plans, and vulnerability audits.</p> <p>The Board of Directors reviews the cybersecurity risk analysis several times a year.</p> <p>In 2021, the IT Department stepped up its actions to provide training and information about the risks of cyberattacks (phishing).</p> <p>In 2021, Guerbet focused on:</p> <ol style="list-style-type: none"> 1. strengthening the protection of safeguards; 2. accelerating the deployment of security patches; 3. monitoring network traffic and checking anomalies; 4. increasing the security of IT hardware (authentication and anti-malware).

Description of risks	Control actions
OPERATIONAL RISKS	
Safety and environmental risks	
<p>The production of active chemical ingredients for contrast media entails various safety and environmental risks. These risks, and especially the risks of fire, chemical exposure, and environmental pollution, are due to the dangers inherent in the use of certain raw materials, solvents, and reagents, the use of industrial processes to transform them into active ingredients, and the treatment of production waste.</p> <p>Guerbet's production activity is carried out at eight different industrial plants. The three active ingredient production plants (Lanester, Marans, and Dublin) have the Seveso classification and are therefore subject to the European Union's Seveso Directive. If these operating risks were to materialize, they could harm people and property, pollute the environment, lead to plant shutdowns, and, in some cases, make the Group liable for civil and/or criminal penalties and the payment of damages.</p> <p>The occupational health, safety and environmental conditions at Guerbet's production plants are regularly inspected by the authorities.</p> <p>To control these risks, the Group develops a Health Safety, and Environment (HSE) management system and deploys an HSE policy. Guerbet has defined HSE objectives throughout the Group, especially at the industrial plant level. The Group gives top priority to the safety of its employees. To this end, considerable human and material resources are deployed. At each establishment, the plant director, who is responsible for implementing the HSE policy, appoints a dedicated manager. The administrative authorities work with the plants to define the objectives to be achieved in terms of environmental performance (discharge thresholds, supervision of activities). The Group takes measures to ensure that the targets are reached.</p>	<p>The industrial plants roll out key safety procedures (work permit, lockout, fire permit, etc.) for reinforced accident prevention.</p> <p>HSE risk analyses (including analyses of risks relating to processes in active ingredient production plants) and audits identify the necessary means for continuous improvement of operational safety management.</p> <p>The HSE objectives resulting from risk analyses and audits are documented in regularly monitored action plans. The Group and the plants organize HSE training programs rolled out to all staff.</p> <p>The Group has also developed a system for reporting all HSE events incorporating a systematic search for root causes, including analysis of the human factor.</p> <p>In 2021, in order to strengthen our HSE management system, Guerbet digitized the main processes of its guidelines:</p> <ul style="list-style-type: none"> • accident and incident reporting; • risk analysis; • HSE awareness meetings; • field safety visits; • feedback on hazardous situations and ideas for improvement; • monitoring of preventive and corrective actions. <p>Digitalization will enable us to strengthen our management system in 2022 with better flexibility, responsiveness, and monitoring.</p>

Description of risks	Control actions
<p>Purchasing and subcontracting risks</p> <p>These risks could materialize due to the failure of a supplier, which could lead to the disruption of supply of a strategic raw material or the interruption of a service.</p> <p>In 2020 and 2021, the pandemic crisis severely disrupted economic activity. Despite this context, our suppliers, service providers, and subcontractors managed to maintain their activity to ensure the continuity of Guerbet's activities.</p> <p>The Purchasing Department, together with the main internal users, in particular the industrial plants, assesses the performance of our suppliers and subcontractors several times a year using the "Pestel" method.</p> <p>There is an associated action plan incorporating priority management, taking into account the availability of technical resources. This plan is reviewed quarterly with the plants involved and the Industrial Operations Division. An additional review is also conducted with the support services: Purchasing, Quality, HSE, and the Industrial Operations Division.</p>	<p>Guerbet has developed a service provider selection process. Strategic service providers are included in an audit plan drawn up and implemented annually.</p> <p>Negotiations are conducted to obtain medium- and long-term supply agreements.</p> <p>A plan to qualify a second source for strategic raw materials is implemented based on available technical resources.</p> <p>Lastly, the Group trains its employees in the management and control of subcontractors.</p> <p>In 2021, a review of the financial data of our key suppliers and the incorporation of additional environmental, safety, and sustainable development criteria were added to our risk analysis approach.</p> <p>Lastly, Guerbet conducted "Market" trend analyses to refine its strategic positioning.</p>
<p>Risks relating to product quality and safety</p> <p>Customer satisfaction and patient health are two essential objectives of the Group. Risks relating to product quality and safety may result in the Company being liable for harm caused by its products (drugs or medical devices) and may have financial consequences (loss of revenue), legal consequences (lawsuits brought by patients or class actions in particular), or reputational consequences (damage to the Company's image with customers).</p> <p>To protect itself against these risks, the Group constantly checks, examines and assesses the entire production and distribution chain. It has a drug and medical device safety monitoring system that enables it to watch out for, monitor, and report to the health authorities any side effects arising when its products are used so that their effectiveness can be compared against any risk. The Group develops and provides its customers with products and medical devices whose effectiveness and safety have been proven by tests in accordance with current laws and good practices.</p>	<p>Guerbet provides its customers with reliable, balanced and objective information about its products and makes sure that customers' questions and complaints are handled as quickly as possible by the centralized customer complaint management unit. The Claims unit works closely with the drug and medical device safety departments. Moreover, Guerbet's production and/or distribution facilities are regularly audited by the Group or by notified bodies and inspected by the health authorities.</p> <p>The Guerbet group has introduced a risk management policy based on recognized international standards, such as the ICH Q9 guidelines, making it possible to identify and categorize risks so that risk mitigation plans can be implemented. This approach has been incorporated into our quality management systems as required by current good practices in order to guarantee the quality, efficacy, and safety of our products and the performance of our medical services and devices.</p>
<p>Supply chain risks associated with logistical difficulties encountered in all sectors of activity</p> <p>The transport sector has been significantly disrupted since 2020 due to consequences of the pandemic, particularly on the supply of raw materials from China. The risk can also come from the disorganization of the distribution centers. The risk brought about by these disruptions is a significant increase in transport costs or even delays in the delivery of our products to customers.</p>	<p>Guerbet has adapted the organization of its planning to anticipate order preparation and transportation. Guerbet has also revised its internal organization to be in even closer contact with maritime and air freight professionals.</p> <p>At the same time, the multisourcing strategy has allowed us to strengthen our upstream supply chain.</p> <p>Air freight is the adjustment variable that enables Guerbet to deliver to its customers on the specified date.</p>

4.10 Other legal information

4.10.1 Guerbet S.A.'s results for the last five fiscal years

(in €)	2021	2020	2019	2018	2017
Capital at year-end					
Share capital	12,641,115	12,602,674	12,596,161	12,581,261	12,563,358
Number of existing common shares	12,641,115	12,602,674	12,596,161	12,581,261	12,563,358
Number of existing preferred (non-voting) shares	—	—	—	—	—
Maximum number of future shares to be created					
• Through bond conversions	—	—	—	—	—
• Through exercise of subscription rights	—	62,870	69,383	84,283	62,210
Operations and results of the fiscal year					
Revenue excluding taxes with various services and products	468,989,125	406,835,598	468,197,865	484,408,866	466,919,909
Result before tax, employee profit-sharing, depreciation and amortization, and provisions	39,790,993	29,018,235	28,545,062	127,626,081	41,913,947
Income tax	(7,291,843)	(9,628,972)	(5,724,643)	10,839,528	(5,160,407)
Employee profit sharing due for the fiscal year	484,823	651,990	744,739	1,558,726	804,657
Result after tax, employee profit-sharing, depreciation and amortization, and provisions	19,497,207	(12,699,402)	(15,939,618)	99,304,000	258,067
Distributed result	10,744,948 ^(a)	8,821,872	8,817,313	10,694,072	10,678,854
Earnings per share					
Result after taxes and employee profit sharing but before depreciation, amortization, and provisions	3.69	3.01	2.66	9.15	3.68
Result after tax, employee profit-sharing, depreciation and amortization, and provisions	1.54	(1.01)	(1.27)	7.89	0.02
Diluted net income	2.58	1.40	2.95	3.75	0.02
Gross dividend per share	0.85 ^(a)	0.70	0.70	0.85	0.85
Personnel					
Number of employees at December 31	1,060	1,030	998	981	985
Total wages	66,555,651	66,280,282	63,586,686	60,241,938	55,526,153
Total payroll taxes	31,181,601	32,246,353	30,457,702	31,807,837	25,573,767

(a) This amount will be subject to the approval of the shareholders at the General Meeting of May 20, 2022, called to approve the financial statements for the 2021 fiscal year.

4.10.2 Information regarding the breakdown of Guerbet S.A.'s trade payables and trade receivables by due date

4.10.2.1 Breakdown of trade payables by due date

The French law for the modernization of the economy introduced a limit on payment times of 60 days from the invoice issue date (or 45 days end of the month), effective from January 1, 2009.

At December 31, 2021, the trade payables on the balance sheet of Guerbet S.A.'s individual financial statements broke down as follows:

<i>(in thousands of €)</i>	Past due for more than 120 days	Past due 61 to 120 days	Past due 0 to 60 days	Current	Total
Suppliers of Goods and Services in France	—	—	400	5,999	6,399
Suppliers of Goods and Services outside France	8,005	5,824	10,084	3,060	26,973
Suppliers of Goods and Services	8,005	5,824	10,484	9,059	33,372
Suppliers of Fixed Assets in France	3,497	54	240	2,757	6,548
Suppliers of Fixed Assets outside France	27	—	22	18,024	18,073
Payments outstanding on equity securities	72	—	—	—	72
Suppliers of Fixed Assets	3,596	54	262	20,781	24,693
TOTAL	11,601	5,878	10,746	29,840	58,065

Accrued expenses represented €46,539 K in Guerbet S.A.'s accounts at December 31, 2021.

At December 31, 2020, the trade payables on the balance sheet of Guerbet S.A.'s individual financial statements broke down as follows:

<i>(in thousands of €)</i>	Past due for more than 120 days	Past due 61 to 120 days	Past due 0 to 60 days	Current	Total
Suppliers of Goods and Services in France	—	—	28	4,500	4,528
Suppliers of Goods and Services outside France	1,216	1,713	8,088	11,649	22,666
Suppliers of Goods and Services	1,216	1,713	8,116	16,149	27,194
Suppliers of Fixed Assets in France	93	7	114	2,707	2,921
Suppliers of Fixed Assets outside France	18	1	8	21,012	21,039
Payments outstanding on equity securities	72	—	—	—	72
Suppliers of Fixed Assets	183	8	122	23,719	24,032
TOTAL	1,399	1,721	8,238	39,868	51,226

Invoices not yet received represented €30,330 K in Guerbet S.A.'s accounts at December 31, 2020.

4.10.2.2 Breakdown of trade receivables by due date

At December 31, 2021, the non-Group trade receivables on the balance sheet of Guerbet S.A.'s individual financial statements broke down as follows:

NON-GROUP TRADE RECEIVABLES

	Article D. 441-I-2: Invoices issued and unpaid at the end of the year and in arrears					Total (1 day or more)
	0 days (411 accounts)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	
Late payment ranges						
Number of invoices involved	324	15	5	3	15	38
Total amount, including taxes, of these invoices (<i>in thousands of €</i>)	8,106	956	(29)	40	132	1,099
Invoices relating to disputed receivables or bad debts						
Number of invoices excluded						3
Total amount, excluding taxes, of excluded invoices (<i>in thousands of €</i>)						1.8
Reference payment periods used (contractual or statutory period – Art. L. 441-6 or Art. L. 443-1 of the French Commercial Code)						
Payment periods used to calculate late payments	A vast majority of the payment periods used to calculate late payments are contractual periods.					

Invoices to be issued represented €3 K in Guerbet S.A.'s accounts at December 31, 2021.

4.10.3 Information concerning the acquisition of participating and controlling interests (Article L. 233-6 of the French Commercial Code)

N/A.

4.10.4 Information concerning regulated agreements (Article L. 225-38 of the French Commercial Code)

4.10.4.1 Entered into during the fiscal year ended December 31, 2021

N/A.

4.10.4.2 Agreements entered into previously but continued to be in effect over the last fiscal year

N/A.

4.10.5 Other information from the management report contained in other sections of the Universal Registration Document

Apart from the information already presented in this chapter, the Guerbet group discloses other information that must be included in the management report in accordance with the French Commercial Code. The table below indicates the section that the reader should refer to for each type of information.

Type of information	Associated section of the Universal Registration Document
Research and development activity	The Guerbet group – pages 26 to 31
Allocation of performance shares and stock options to corporate officers	Corporate governance – pages 78 to 79
Allocation of performance shares and stock options	Capital and share ownership – pages 89 to 92
Equity stakes acquired during the fiscal year	The Guerbet group – pages 32 to 33
Compensation of corporate officers:	Corporate governance – pages 64 to 79
• information on compensation	
• information on pension commitments	
Holders of capital and voting rights	Capital and share ownership – page 86
Employee shareholdings	Capital and share ownership – page 86
Total dividends paid for the last three fiscal years	Capital and share ownership – page 85
Total non-deductible expenses referred to in Art. 39-4 of the French General Tax Code	Financial statements and notes to the individual financial statements – page 229
Employee, environmental and social information	Statement of non-financial performance – pages 113 to 164

5

STATEMENT OF NON-FINANCIAL PERFORMANCE

5.1 CSR governance, strategy, risks, and opportunities	114	5.6 Quality products and services with societal value added	151
5.1.1 CSR governance and organization	114	5.6.1 Quality and safety of products and services	151
5.1.2 CSR strategy	115	5.6.2 Responsible use of laboratory animals in research	152
5.1.3 Mapping of CSR risks and opportunities	116	5.7 Guerbet's contribution to the Sustainable Development Goals	153
5.2 Human Resources	117	5.8 External recognition of Guerbet's CSR performance	154
5.2.1 Employment	117	5.9 CSR data consolidation methodology	157
5.2.2 Attractiveness, development and commitment of employees and talents	117	5.9.1 Scope and methods of consolidation	157
5.3 Keeping people safe and healthy	128	5.9.2 Change in scope	158
5.3.1 Background and policy	128	5.9.3 Methodological details and limitations	158
5.3.2 Action plan and results	131	5.9.4 Data responsibilities and controls	158
5.4 Minimizing the environmental impacts of our activities	132	5.9.5 Quality indicators	159
5.4.1 Climate issues	132	5.9.6 Social indicators	159
5.4.2 Sustainable use of resources	141	5.9.7 Safety indicators	160
5.4.3 Innovation approach	143	5.9.8 Environmental indicators	160
5.4.4 Preservation of biodiversity and control of discharges	143	5.10 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement	162
5.5 Business ethics	145		
5.5.1 Human rights	145		
5.5.2 Responsible purchasing	146		
5.5.3 Prevention of corruption and conflicts of interest	148		
5.5.4 Compliance with competition law	149		
5.5.5 Relations with local authorities and communities	150		

This chapter is an integral part of the management report, in accordance with Articles L. 225-102-1, R. 225-105, and R. 225-105-1 of the French Commercial Code relating to companies' transparency obligations. This social, environmental, societal, and human rights information is published as part of a continuous improvement process based on the mapping of risks and opportunities specific to Guerbet.

This chapter has been verified by an independent third-party organization whose moderate assurance report is presented in section 5.9.

A methodological note on data consolidation can be found in section 5.9 "CSR Data Consolidation Methodology," specifying the definitions, methodology and scope of the various indicators.

Against the backdrop of the pandemic, Guerbet maintained its commitment to give top priority to employee health and safety while ensuring business continuity.

5.1 CSR governance, strategy, risks, and opportunities

In 2021, Guerbet formulated its corporate purpose and publicly revealed it both internally to its employees and externally to all its stakeholders. This was an important step for the Group, which now has a strategic compass.

At Guerbet, we build lasting relationships. We believe in the connection between human beings and the positive effects of cooperation. Day after day, since 1926, we have endeavored to ensure that these bonds develop, grow, and last.

We are committed to the long-term thanks to the family origins of our company and the convictions of those who are part of it.

We place "human cooperation" at the heart of all our relationships and actions with patients, healthcare professionals, employees, public authorities, partners, shareholders, society, and the world. We establish our relationships based on respect and integrity to ensure a truly value-driven cooperation.

So that we enable people to live better. We think of each patient, who benefits from our products somewhere in the world every second. We seek to make their lives better through a diagnosis or a treatment that we aim to be ever more effective. We pay attention to each human being in our environment and aim to act consciously to have a positive influence on them. We want, in all humility, to be of service, which is why we make the utmost effort to achieve this goal.

At Guerbet, we believe that we have a role to play in improving society. Our CSR strategy is aligned with our Corporate Purpose, which describes why we do what we do as a company, in such a unique way, and how we contribute to and influence our environment, our society, and the world.

The Group's business model is presented in section 1.1 of this Universal Registration Document.

5.1.1 CSR governance and organization

The Guerbet group has been committed to a proactive CSR approach for many years, historically driven by the Guerbet family, the majority shareholder.

The CSR strategy is proposed by Group Management and validated by the Board of Directors after receiving a recommendation from the Ethics, Governance, and CSR Committee.

At Guerbet, the ambassador team in charge of CSR coordination reports to the SVP, Human Resources and CSR, who is a member of the Executive Committee. The team is responsible for developing the CSR strategy and coordinating implementation of the road map with risk owners.

The current CSR strategy and road map were developed in 2018 for a five-year period with the objective of strengthening Guerbet's CSR strategy. They were worked out based on the mapping of CSR risks and opportunities, designed in particular following interviews with members of the Executive Committee and members of the Board of Directors.

In 2021, CSR was placed on the agenda of the Executive Committee and the Ethics, Governance, and CSR Committee of the Board of Directors, in particular to present the general road map but also the mapping of corruption risks, climate risks and opportunities, and the decarbonization strategy.

Our CSR commitments are integrated into the company's performance by incorporating CSR criteria into our internal management and recognition tools: variable compensation for the CEO, monthly industrial performance indicators, profit-sharing agreement, bonuses, and bonus share allocation plans.

5.1.2 CSR strategy

Guerbet’s mission is to provide healthcare professionals with the contrast media, medical devices and innovative solutions that are vital for diagnostic and interventional imaging, to improve patient prognosis and quality of life. Driven by our passion for our work, every day we strive to combine performance, quality and sustainable development.

Our ambition is to accelerate and build the future of medical imaging with internal and external growth initiatives in Diagnostic and Interventional Imaging and in digital

technology. To achieve this ambition, Guerbet has decided to implement an ambitious strategic plan to better capture growth opportunities in a context of changes in its markets.

In line with our medium-term strategic plan (see section 1.1: “Business model”), we are making our CSR strategy a real performance driver and a differentiating factor.

We organize CSR around four pillars:



This ambition is built around the identified CSR risks and opportunities, taking into account Guerbet’s activities and its specific characteristics, to contribute to the Group’s sustainable performance by supporting the deployment of its development strategy. It is also consistent with the Group’s values: *ACHIEVE, COOPERATE, CARE, INNOVATE*.

5.1.3 Mapping of CSR risks and opportunities

Guerbet has formalized the mapping of non-financial risks and opportunities and the associated road map using the following methodology:

FORMALIZATION OF THE UNIVERSE OF RISKS AND OPPORTUNITIES	IDENTIFICATION OF MAIN RISKS AND OPPORTUNITIES	FORMALIZATION OF THE ROAD MAP
<ul style="list-style-type: none"> • Taking into account the specific characteristics of Guerbet, customer expectations, and requirements of local authorities • Through interviews with Executive Committee members and Key Directors of the Group • Through an interview with the Chairperson of the Board of Directors and the Chairperson of the Ethics, Governance, and CSR Committee 	<ul style="list-style-type: none"> • Taking into account existing control policies/methods • Online rating questionnaire • Workshop to rate and identify the main risks and opportunities • Validation of mapping by the Chief Executive Officer 	<ul style="list-style-type: none"> • Analyses of best practices • Workshops with risk/opportunity owners • Validation of the Executive Committee's road map • Presentation of the road map to the Board of Directors

Guerbet has identified the main CSR risks and opportunities, summarized and grouped under four CSR pillars:

CSR pillars	CSR risks and opportunities
Employees	Attractiveness for talents and employee development to support the Guerbet strategy
Safety	Health and safety impact of persons contributing to the activities
Environment	<ul style="list-style-type: none"> • Environmental impacts on our plants • Environmental impacts of the supply chain • Impacts of climate change on our activities
Ethics	<ul style="list-style-type: none"> • CSR impact of purchasing • Risk of corruption, influence peddling, conflicts of interest, and anti-competitive practices

These risks and opportunities are not limited to these four pillars. We have also identified product quality and safety as one of our CSR risks and opportunities.

The road maps associated with these risks are reviewed annually with the risk owners and presented to the Executive Committee and the Ethics, Governance, and CSR Committee of the Board of Directors.

The main risks and opportunities are identified in the DPEF (statement of non-financial performance) by this logo:



In addition to its response to the main risks, the DPEF presents the Group's policies collective agreements.

Guerbet also presents its animal welfare policy.

The risk of tax evasion has not been identified as a material issue for the Group. The Guerbet group neither encourages nor promotes tax evasion or operations in non-cooperative states and territories, for itself, its subsidiaries or its customers.

Although integrated into our daily actions, the fight against food waste and respect for responsible, fair, and sustainable food supplies has not been identified as a material issue for the Group.

5.2 Human Resources

Guerbet applies a responsible social policy with its employees based on:

- the fundamental principles of Balance, Fairness and Ethics, structured around the following five main themes: Diversity, Prevention, Recognition, Commitment, and Responsibility;
- the Group's values: **ACHIEVE, COOPERATE, CARE, INNOVATE.**

Respecting its employees is one of Guerbet's central concerns, as evidenced in its "CARE" value, applied to all the players in its ecosystem. The Group believes that the people who work at the company are the driving force behind its success. Their well-being and safety are a guarantee of lasting performance. Within this people-friendly framework, Guerbet relies on a strong health and safety culture, promotes diversity, does not tolerate any discrimination or harassment toward others, and bases its sustainable development on listening and social dialog.

5.2.1 Employment

As of December 31, 2021, the Guerbet group had 2,730 employees worldwide.

BREAKDOWN OF WORKFORCE BY REGION

(in %)



5.2.2 Attractiveness, development and commitment of employees and talents



Guerbet has a Human Resources (HR) management policy geared toward social engagement and seeking to attract potential and key skills for its areas of activity. Through a policy of ongoing professional training development, we also promote internal mobility and the development of skills. Human Resources policies around recruitment, development, performance evaluation, and employee recognition are designed to support Guerbet's ambition.

Since 2020 and in the context of the pandemic, notably with the widespread use of telecommuting, Guerbet launched several initiatives to anchor employee commitment. In addition to formulating the Corporate Purpose, we are preparing a Group policy on Diversity and Inclusion, developing initiatives for Managers, setting up a recommendation system for recruitment, integrating questions on values and the Corporate Purpose into candidate interview, reviewing the non-monetary recognition program, (Awards) and setting up a volunteer program.

The implementation of HR policies is supported by a Human Resources Information System (HRIS) for management of all Group HR policies.

5.2.2.1 A recruitment and integration policy to support the strategy

Background and policy

Guerbet favors lasting employment, in line with the long-term vision of its strategy, and applies a recruitment policy to support changes in its business model, highlighting the need to attract strategic skills and scarce profiles. At year end, 94% of employees were on long-term contracts.

As part of its policy of attracting and retaining employees, Guerbet is developing its employer brand, which reflects strategic changes, and aims to make Guerbet more widely known and more attractive to new talent.

Action plan and results

Theme	Objectives and key focuses for 2018–2023	Actions, progress and results in 2021
Recognition and recruitment	<ul style="list-style-type: none"> Strengthen the employer brand globally Recruit key skills at all levels of the company 	<ul style="list-style-type: none"> Enhancement of the employer brand, especially on social networks, to better reflect strategic changes, make Guerbet more widely known, and increase its attractiveness. Review of the recruitment policy: clarification of the process and the roles and responsibilities of each person (manager, HR, recruiter), change of recruitment model by insourcing, improvement of the candidate experience in connection with our employer brand. Continuation of the Editorial Committee to translate the internal and external communication strategy for recruitment. Implementation of an internal referral recruitment program. Participation in recruitment and student fairs, e.g. enhancing communication concerning existing partnerships with associations. Examples of 2021 key skills: <ul style="list-style-type: none"> sales of digital solutions marketing AI pricing strategy business transformation

Since 2020, Guerbet has had a global referral recruitment program encouraging its employees to recommend people they know for vacant positions within the organization.

For newcomers, Guerbet is implementing an induction plan to increase their knowledge of its activities and strengthen their feeling of belonging in the Group. Each plant also adapts these integrations locally. For example, the Aulnay-sous-Bois plant has set up various communications on the Guerbet Inside collaborative platform and uses the plant’s screens to announce newcomers and organize regular plant visits. The industrial plants also set up immersion days for employees from other entities, in particular for head office employees.

5.2.2.2 An employee development policy

Background and policy

The Guerbet group has a job and skills management policy. This policy is based on the continuous training of employees, enabling them to acquire the skills necessary for the development of their position as well as the development of managerial skills. The development of links between sectors permits the acquisition of new skills and therefore employee mobility by enabling them to move to other positions within the company.

Continuing employee training

Guerbet invests in the continuing training of its employees to acquire, develop and strengthen the knowledge and skills necessary to perform their job functions in accordance with applicable regulations and procedures, with a view to achieving full success and continually improving performance.

Guerbet also anticipates skills development needs to respond to expected changes in the sector, thereby supporting the transformation of the company and the achievement of its priority objectives in line with the Group strategy.

The areas of development of skills are built in particular around the areas of Diagnostic Imaging, Interventional Imaging, digital, and Artificial Intelligence in order to succeed in our projects and meet the expectations of our customers in the launching of our new products and solutions.

Particular attention is also given to operational excellence and continuous improvement to implement the strategy as efficiently as possible. Guerbet is also vigilant in its compliance with ongoing changes in applicable regulations and quality and safety requirements.

Lastly, to foster the Group's growth in an international context, Guerbet is continuing its foreign language training effort, including the establishment of an e-learning platform open to all employees this year.

Various educational formats are proposed to meet these objectives: document-based learning, on-the-job training, and other technical training and human skills development sessions, conducted in a working situation, face-to-face, through distance learning or online (preferred format due to the pandemic).

Also noteworthy is the use of the Guerbet Inside collaborative software solution, which promotes co-development and the exchange of information (blog articles, videos, webinars, etc.) good practices and tutorials, contributing to the learning culture within the Group. Webinars for employees have also grown significantly.

This culture of learning between employees is reinforced by the involvement of internal trainers at the various Group plants. During the collective training sessions that they lead, they share their expertise and know-how, contributing to the transfer and capitalization of knowledge and the development of networks within the company. In France, in order to support its in-house trainers, Guerbet launched an initiative offering training in the training profession, including digital training on educational tools and methodologies for distance learning, as well as an in-house portal dedicated to them.

Guerbet also supports the personal initiatives of French employees by mobilizing their personal training account (CPF) through a policy of matching days (possibility of completing all or part of the training on working time) and in euros (possibility of obtaining a financial contribution if the employee's CPF account is not sufficient to pay for the training).

The definition and monitoring of employee skills development plans are part of the annual performance management cycle and are the subject of employee/manager interviews. Managers prepare for this with the help of human resources, in particular by sharing best practices and raising awareness of the main mechanisms that can be mobilized.

Continuing training thus contributes to the company's sustainable development, aiming to increase employees' expertise in order to support its growth.

In 2021, it was decided to set a common objective for all managers and to define development plans for more than 70% of employees. This common objective was also included in the bonus performance share plan for 2021.

Support the development of leaders

Potential Development Program

As part of the preparation of succession plans for key functions, Guerbet offers a specific development program, Guerbet Development Center, open to employees showing potential for advancement into a key position in the company.

Participants in this nine-month program include employees from various countries, of differing professions, ages, gender, and seniority levels, supervised by internal coaches. This is a year full of experiences and learning focused on the development of transformational leader skills. The program offers seminars (including presentations, group workshops, challenges and awards), webinars, in-house and outside speakers, and the performance of a project as a cross-functional international team. The addressed topics focus on the main characteristics of a Guerbet leader: knowing yourself, knowing yourself as a leader, knowing the company (its core business and development strategies), with a focus on the Group's values (**CARE, COOPERATE, INNOVATE, ACHIEVE**), and developing within the Group (network and career path).

This initiative makes it possible to strengthen our succession plans at all levels in key positions in advance. It also contributes to the motivation, commitment and retention of employees as well as to the development of a sense of belonging across the Group.

Global leadership development program

Aware of the pivot role of managers in employee development and with the objective of supporting the Group's permanent transformation and the development of all employees, Guerbet invests in strengthening the managerial and human skills of its managers at all levels of the organization. The Group's objective is to develop 600 leaders by 2023.

One of the objectives of the program is to give Guerbet's managers the tools and attitudes to engage their teams over the long term, strengthen their confidence in this role, and develop their leadership: engage, develop, and recognize the performance of employees.

After a successful pilot program in 2020, the program was rolled out in 2021 at all levels of management (new managers, experienced managers, senior managers, executives) and to all geographical regions (France, Europe, North America, Latin America, and Asia-Pacific).

It is accompanied by a managers' network initiative, the pilot of which was launched this year, with the aim of developing a network of managers for informal sharing of best practices. Voluntary participation in this network is proposed, in particular following the management & leadership training that they will have attended together, to maintain a close link with regular exchanges in a spirit of co-development and cooperation.

Closer look at the internal and international mobility policy

The policy implemented encourages all teams to consider career prospects within a Group scope. It aims to identify new talents and develop and strengthen employee engagement and is part of the skills development policy.

Internal mobility includes moves to another business unit or line management position (promotion), changes of region, or project experience.

Regardless of their seniority and position in the company, all employees are eligible for internal mobility and are encouraged to express their desire to their manager during career discussions. Our teams circulate vacancies to employees to encourage internal mobility and participatory recruitment.

Guerbet has launched the Graduate Program to support the development of young employees in key, critical, or niche positions where skills are in short supply. This program enables young graduates to discover several professions over an 18-month period, accelerating their careers and enabling them to move into strategic positions within Guerbet. For Guerbet, this is also part of a process of preparing succession plans. For example, depending on the challenges, needs, and ambitions of the division, we can propose a program consisting of three six-month rotations/assignment, including one abroad.

The use of Volunteers for International Experience (VIE) in our subsidiaries (outside France) is also encouraged for international mobility by offering the possibility of taking on multiple assignments in various entities for employees under the age of 28.

Closer look at the commitment of Guerbet and its employees to meet societal challenges

The commitment and energy deployed by all employees in 2020 in the face of an unprecedented context led the General Management and the Board of Directors to launch a Group project aimed at identifying and formulating the company's Corporate Purpose. For more than six months, more than 80 people contributed to this collaborative project, led by the Corporate Secretary. Guerbet's Corporate Purpose was

revealed in March 2021 to the entire Group during global communication sessions via videoconference: "At Guerbet, we build lasting relationships so that we enable people to live better." This is our Corporate Purpose, which defines the unique way we act, both internally and with our external stakeholders. Since then, all the teams have been experimenting with it and trying to use it as a strategic compass to guide them in their choices. For example, work has begun on aligning the CSR road map to ensure that it is consistent with the Corporate Purpose. Another pilot, at the Cincinnati plant, made it possible to use the Corporate Purpose in practice to give more meaning to the objectives. A Corporate Purpose Committee, led by the Corporate Secretary, meets monthly. The CEO always participates in these meetings. This Committee regularly reviews the actions related to the Corporate Purpose and the points for improvement to better take the Corporate Purpose into account in decisions.

In the context of its corporate social responsibility, Guerbet is particularly committed to diversity and inclusion, health, the environment, and solidarity through actions supporting local non-profit organizations.

Guerbet provides financial support in various forms (sponsorship, subsidies, training tax, etc.) and encourages initiatives taken by employees.

In 2021, a global skills sponsorship and volunteer program, Guerbet Positive, was launched. Each employee volunteer can devote three days a year of working time to engage in skills-based or field volunteer activities for the benefit of charitable organizations. For the first year, the program was opened to employees in France and the United States as a pilot. It will be gradually deployed to other plants and subsidiaries. This program reflects the commitment of Guerbet and its employees to initiatives in favor of the people with disabilities, health, or efforts to address local needs and issues. Within this framework, collections were carried out at the plants (food collection, hygiene and baby products, year-end gift boxes).

Guerbet also remains committed in France to the organization "Nos quartiers ont des talents" (NQT). Through this partnership, employees mentor young graduates from priority neighborhoods and from disadvantaged social backgrounds. They help them define their career plan and improve their job search tools. They can also give them advice on adapting to corporate culture, prepare them for job interviews, develop their professional network, and help them gain self-confidence. In 2021, some thirty employees signed up as sponsors since the beginning of the partnership with NQT. To date, nearly 250 young people have received support.

Since 2018, Guerbet has been involved with the French government initiative PAQTE (Pacte avec les Quartiers pour Toutes les Entreprises). This pact is a commitment by companies wishing to support inhabitants in priority neighborhoods targeted by the government's policy for the cities, with ambitious, quantified, evaluated objectives. The government has four main areas of commitment "for a targeted, shared and high-impact Pact." Due to its strong historical roots in economically troubled areas, Guerbet's commitment to the PAQTE reflects the Group's societal responsibility and its determination to become actively involved in these areas of activity. Through awareness-raising, training and responsible purchasing actions, this mobilization reinforces the actions already carried out by the Group and strengthens the link

between young people and the business world. Guerbet has set three-year targets in each of these areas. For example, Guerbet has strengthened its policy of recruiting work-study students from priority urban neighborhoods and has developed a program to host students for their third-year internship in partnership with the organization Tous en Stage.

During Industry Week 2021, Guerbet organized a number of events to provide a behind-the-scenes look at our production plants in France, from the manufacture of active ingredients to the delivery of contrast media ready to be shipped to our radiology customers: student visits to active ingredient production plants by the local teams and a virtual tour of a pharmaceutical production plant.

Action plan and results

Theme	Objectives and key focuses for 2018–2023	Actions, progress and results in 2021
Employee development and talent management	<ul style="list-style-type: none"> Gradual deployment of the Guerbet Academy: international employee skills development programs to support the Group's development. Gradual deployment of Learning Management System (LMS), a single management training management tool, throughout the entire Guerbet group to facilitate overall management. Deployment of the development plan as part of the annual performance evaluation. 	<ul style="list-style-type: none"> 2,025 employees underwent at least one training course, including the implementation of international development programs: <ul style="list-style-type: none"> Guerbet Development Center internal potential development program: 3rd international class launched in 2021, with 20 new potentials integrated into the Development Center program, for a total of 66 potentials since its launch in 2019, Management & Leadership program deployed at the international level: 193 managers integrated into the program, a total of 222 managers have participated since the launch in 2020, Training in new skills (medical devices, digital, etc.) through the implementation of international programs in which 335 employees participated; Digitization of training: <ul style="list-style-type: none"> Deployment of a single training management tool for the entire Group (regulatory/quality/safety training management system) and definition of the target model for the future LMS to manage all training, Launch of initiatives to develop in-house e-learning and distance learning skills for trainers, Online language-learning platform made available: 514 employees have registered for the English language-learning platform and 376 for other languages, 2,088 employees active on the Guerbet Inside internal social network with 72 active communities and 248,000 content views over the year.
Internal mobility	<ul style="list-style-type: none"> Continuation of the internal mobility program. 	<ul style="list-style-type: none"> 58 internal transfers in 2021. Internal distribution of vacancies to encourage internal mobility. Continuation of the Graduate Program to support the development of young employees in key positions through mobility and encouragement of VIE recruitment.

5.2.2.3 A recognition policy in line with the company's strategy and development

Background and policy

Global recognition policy

Guerbet's men and women are key to the Group's success. The recognition policy is an essential factor in its long-term performance.

Our global recognition policy covers all compensation components for the company's employees. This policy includes monetary and non-monetary components, such as profit sharing, long-term compensation, and all employee development components. Guerbet's recognition policy has several objectives:

- attract and retain employees;
- equitably recognize the contribution of employees to Guerbet's strategy in a context of transformation;
- regularly analyze the competitiveness and structure of compensation compared with market baselines and country practices.

Direct compensation

We offer our employees attractive compensation tied to the assessment of their contribution to the company's success. Annual increases take into account the employee's individual performance as well as the positioning of the employee's salary relative to the market. In addition to this fixed compensation,

Action plan and results

Theme	Objectives and key focuses for 2018–2023	Actions, progress and results in 2021
Compensation	<ul style="list-style-type: none"> • Involve employees in the company's growth and development, in particular by granting performance shares to enable Group employees to become Shareholders. 	<ul style="list-style-type: none"> • A new performance share plan was created in 2021 based on financial and CSR criteria. • At December 31, 2021, 3.10% of the share capital was held by the Group's employees.

5.2.2.4 Diversity and inclusion

Background and policy

At Guerbet, we are convinced that employee diversity is a source of human wealth. We believe that diversity is an asset as well as an opportunity to develop the Group's sustainable performance, innovation, and creativity.

Around the world, in our offices and at our industrial plants, we foster a culture that encourages and promotes an environment where all people are welcomed, valued, and respected,

there is variable compensation in the form of bonuses and/or profit sharing tied to individual and collective objectives incorporating CSR criteria (such as safety and the environment) and other factors.

Indirect compensation and benefits

In addition to direct compensation, we offer a "Compensation and Benefits" package that includes the following components:

- monetary and non-monetary recognition of individual and collective performance;
- competitive welfare, health and retirement coverage;
- granting of bonus performance shares: since 2016, the General Meeting has authorized the Board of Directors to issue performance share allocation plans. These plans were set up in 2016, 2018, and 2021. The performance share plans include financial and CSR criteria;
- company vehicles available to certain categories of employees;
- certain expenses covered, depending on local laws;
- widespread use of teleworking implementation according to eligibility categories.

Premium

For the third year in a row Guerbet's management has decided to recognize all employees who have been mobilized in the context of the pandemic and reduced purchasing power in the face of inflation by paying a bonus. The company used the "Macron" plan for eligible employees.

regardless of their differences, origins, age, or social background. This is how we build lasting relationships to enable better living, caring for people and growing through shared knowledge.

It is our shared responsibility to build an inclusive workplace where all employees can be themselves, be free to share their perspectives, and feel that their contributions are valued and proactively sought for the success of the company without prejudice.

As indicated in our ethics charter, Guerbet promotes inclusion, applies zero tolerance in the fight against discrimination in all its forms, and incorporates these topics into its managerial training. The Group promotes diversity, regardless of gender, age, marital status, sexual orientation, disability, national or ethnic origin, or religious or political beliefs, in recruitment and career development.

Any act of discrimination can be reported to the manager, the Legal Division, or the Human Resources Division or on the reporting platform (alert line) available to employees. This platform allows any professional alert reported anonymously or otherwise to be collected, recorded, and investigated confidentially (more information is available in the Guerbet Code of Ethics: paragraph 5.5.3 "Prevention of corruption and conflicts of interest").

At Guerbet, we believe in the talents of our employees. We base our recruitment on the skills of the candidates as well as their suitability for our mission and values. We are proud to have employees who are motivated to contribute to Guerbet's success and performance regardless of their background. We promote an equal opportunity workplace for all employees to develop their careers, from recruitment and selection processes to training, development, and internal mobility. The core of Guerbet's compensation and benefits strategy is based on appeal and competitiveness and on equal pay for equal levels of activity and responsibility.

The Human Resources team and managers at all levels of the company are responsible for the application of a policy of diversity, inclusion, and equal opportunities. Guerbet has established major agreements on diversity, via a Non-Discrimination Charter in the United States and agreements in France on gender equality in the workplace, employment of youths and senior workers, and employment of disabled persons.

In addition, in 2021, cognitive bias awareness and training initiatives were deployed at certain plants.

Closer look at professional gender equality

At December 31, 2021, 43.9% of the Guerbet group's employees were women, and 56.1% were men, on both open-ended and fixed-term contracts. The Group aims to have the same proportion among senior executives as exists in the Group overall. The objective by 2023 is to have more than 40% of women in management positions or in middle or senior management. To achieve this, Guerbet has included in the Guerbet Academy a special focus on developing women leaders with the creation of a multidisciplinary working group, Lead'Her, to identify areas of work for 2022. The Guerbet Academy is being deployed gradually under a 2020–2023 plan.

In 2021, the rate of women managers or in middle or senior management was 38.8%, an improvement of 4 points from 2018. At December 31, 2021, 40% of the Executive Committee members were women, up significantly (12.5% at the end of 2019).

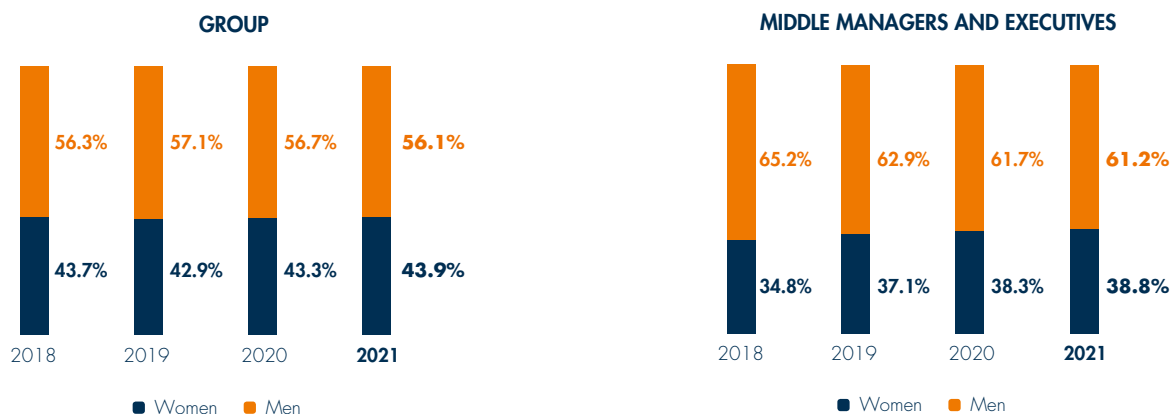
The agreements and action plans signed in all of the Group's companies in France are based on a goal of zero discrimination within the Company, a goal shared by management and the social partners. They refer to results particularly in terms of recruitment, qualifications, training and compensation. They define provisions aimed at maintaining gender equality in the workplace with regard to recruitment, compensation, training and career development.

In 2021, Guerbet achieved the following gender equality scores:

- 86 out of 100 for Guerbet S.A. ;
- 84 out of 100 for the French subsidiary;
- 93 out of 100 for the Marans plant.

This is a system for assessing gender equality within the framework of the "professional future" law, to which Guerbet has replied. The rating is based on five criteria established by the government: gender pay gap, gap in annual pay rises and promotions, return from maternity leave, and presence of women among the company's top ten employees. This score highlights Guerbet's commitment to equality.

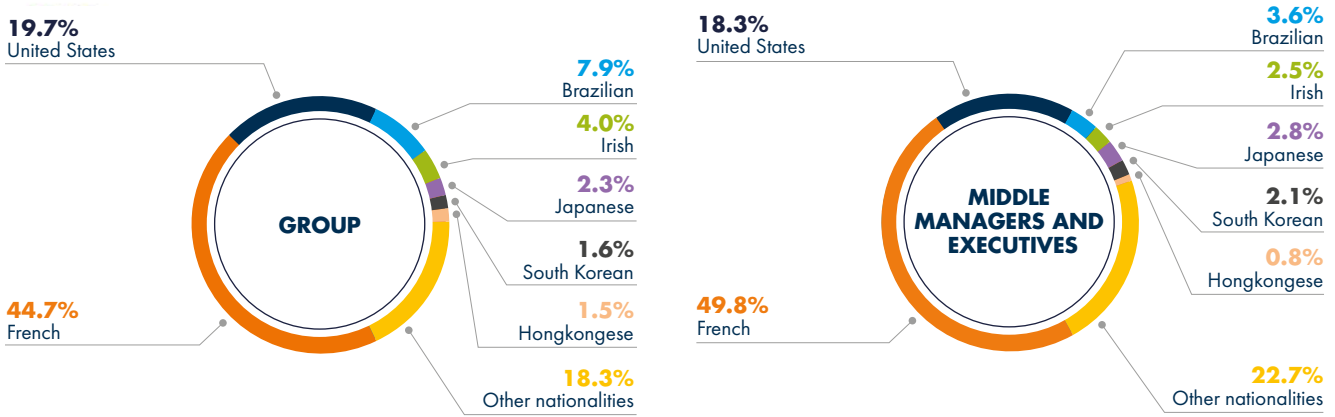
GENDER DISTRIBUTION AT THE GROUP LEVEL AND AMONG MANAGERS AND MIDDLE AND SENIOR MANAGEMENT



Closer look at cultural diversity

In terms of cultural diversity, we monitor indicators on the distribution of nationalities within the group and at the management level. The Guerbet group is present in 31 countries. At the Group level, 68 nationalities are represented, including 36 for managers and middle and senior management.

DISTRIBUTION OF NATIONALITIES AT THE GROUP LEVEL AND IN MIDDLE AND SENIOR MANAGEMENT



Closer look at measures taken to promote access to employment for younger people and to keep older workers employed

The agreements signed in the Group’s French companies contain, in particular, commitments to the employment of senior workers, through measures to improve working time arrangements, actions for the transfer of skills, and end-of-career arrangements.

At Guerbet generally, there is a real desire to keep older workers employed (age 50 and over) and also encourage their recruitment. In 2021, 69 senior employees joined us, representing more than 12% of all new hires. Of these 69 hires, 14% were middle and senior managers.

Guerbet is committed to young people’s access to long-term job opportunities and implements measures to promote the integration of young people.

Through the Graduate Program, Guerbet supports the development of young employees in strategic positions. Guerbet also offers VIE contracts, allowing several assignments to be performed in various entities internationally.

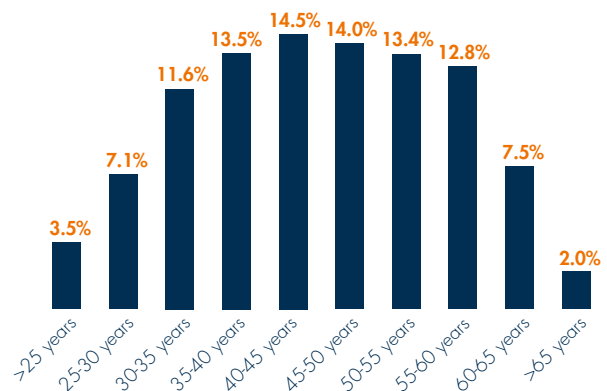
Each year, Guerbet seeks to welcome more and more work-study students and interns of all levels and disciplines at all its plants, thereby contributing to the training of young people and facilitating their access to their first job. Guerbet has maintained this commitment to the maximum extent possible in the context of the pandemic.

In 2021, 16% of interns and work-study students found their first job at Guerbet plants in France permanent or fixed-term contract).

Guerbet is developing partnerships between local schools, colleges, and universities and Group plants. During Industry Week 2021, Guerbet set up a number of events to give students a behind-the-scenes look at its production plants in France.

Guerbet is looking to recruit work-study students from priority urban areas. As indicated in the closer look at the commitment of Guerbet and its employees, in partnership with the organization Tous en stage, Guerbet regularly welcomes ninth-grade students as part of their discovery of the business world.

GUERBET AGE PYRAMID



Closer look at measures taken to promote the employment and integration of disabled persons

The Group is committed to pursuing a policy for the employment of disabled workers by relying on HR contacts and a Disability correspondent in France, who endeavor to adapt work stations, and increase cooperation with the sheltered sector ⁽¹⁾ and the disability-friendly employment sector ⁽²⁾. This policy has materialized in practical initiatives for several years, such as:

- the recruitment of disabled persons is encouraged, and recruiters are trained to recruit them;
- training of managers in the equitable management of a disabled worker;
- use of the sheltered employment sector and the disability-friendly employment sector for certain services (collection and sorting of waste, maintenance of green spaces and roads, packaging activities, etc.);
- initiatives aiming to change perceptions of disability and show people that being different is not a handicap but can in fact create synergies:

- organization of a webinar with 58 participating employees,
- participation of employees in the Special Olympics solidarity race funded by Guerbet,
- regular publication of articles on disability on the Guerbet Inside collaborative platform,
- production of video testimonials from employees,
- participation in Duoday (the company hosts a disabled person on a national day to shadow a volunteer professional);
- a search for personalized job redeployment solutions with the help of disability committees to try to retain employees in the workforce (see section 5.3.1.3 "Occupational health").

Guerbet S.A.'s rate of direct employment of disabled workers is 5.35%; not including subcontractor employees. This rate is calculated according to the new methodology defined in the French social security code (calculation on the average workforce, recognition of beneficiaries aged 50 and over, excluding the sheltered and adapted work sector).

Action plan and results

Theme	Objectives and key focuses for 2018-2023	Actions, progress and results in 2021
Gender equality	<ul style="list-style-type: none"> • Develop gender equality with a view to achieving the same proportion in senior management as in the Group as a whole. 2023 objective: more than 40% female senior executives. 	<ul style="list-style-type: none"> • Rate of 38.8% women managers or middle managers and executives vs. 43.9% all positions included. This rate is up from 34.8% in 2018. • Gender equality indicators: <ul style="list-style-type: none"> • 86 out of 100 for Guerbet S.A., • 94 out of 100 for the French subsidiary, • 93 out of 100 for the Marans plant.
Cultural diversity	<ul style="list-style-type: none"> • Develop cultural diversity. 	<ul style="list-style-type: none"> • At the Group level, at least 68 nationalities are represented, including 36 in middle and senior management.
Employment of young people and seniors	<ul style="list-style-type: none"> • Continue to develop partnerships with schools to integrate young people into the company. 	<ul style="list-style-type: none"> • 87 apprentices at the end of 2021: 3.2% of the workforce. • 46 interns throughout the year. • A VIE for the whole year. • 16% of interns and work-study students found their first job at Guerbet. • Seniors represent 12% of 2021 hires, 14% of whom are middle and senior managers.
Employment of disabled persons	<ul style="list-style-type: none"> • Promote the employment of disabled persons. 	<ul style="list-style-type: none"> • Workers with disabilities account for 5.35% of Guerbet S.A.'s direct employees in France, excluding partnerships with the sheltered and adapted work sector.

⁽¹⁾ Établissements de services d'aide par le travail (ESAT: organizations to help disabled people through work) form the sheltered sector, which allows people with severe disabilities to work in adapted working conditions.

⁽²⁾ Disability-friendly companies have a workforce of at least 80% persons with disabilities.

5.2.2.5 An approach promoting a better quality of life at work

Background and policy

Guerbet's ambition is to promote a good work/life balance by providing a satisfactory working environment for its employees. This approach includes the creation of a safe working environment, attention to the development of management practices promoting proximity with employees, and attention to their well-being.

A safe work environment contributes to the quality of life at work, which is reflected by our key focus on Safety First. Guerbet is a player in healthcare. Internally, this mission is reflected in the priority given to employee safety and health.

To enable employees to learn of and understand progress on the Group's strategic plan, and to make it meaningful, Guerbet regularly organizes information meetings at the head office and in each subsidiary.

Employee information and expression are also promoted by the available digital solutions, such as the collaborative software solution Guerbet Inside, the online collaboration tool that facilitates teamwork, relationships, and dialog.

Guerbet is gradually deploying programs to improve the quality of life at work ("QVT") and for the prevention of psychosocial risks (PSRs), and it conducts targeted employee surveys involving local management:

- the QVT policy is part of the mandatory annual negotiations for all French entities;
- in 2021, Management continued the actions initiated following the survey conducted in 2019 among Guerbet S.A. employees on identified work themes related to communication, work atmosphere, recognition, or working conditions. This collaborative approach has allowed action plans to be built. The social partners are regularly informed of the progress of action plans;
- since 2019, the Dublin plant has conducted an annual employee survey, which is part of the "Great Place to Work" certification process, and continues to roll out the associated action plan.

In 2021, Guerbet continued to implement an action plan to ensure the quality of life at work for employees:

- appointment of two psychosocial risk specialists for Guerbet S.A. to strengthen the concerted efforts of management and employee representatives;
- QWL/PSR surveys conducted locally (e.g. at the Aulnay-sous-Bois plant and at the head office);
- widespread deployment of teleworking to promote work-life balance by providing good-practice guides for organization of working at home and on-screen work;
- maintaining team connections through the managers (virtual coffee breaks, etc.);
- promotion of sports and well-being by setting up a partnership to offer sports and well-being courses to employees of the French plants;
- online training.

Guerbet takes psychosocial risk into account in its management and deploys appropriate plans and programs. As part of this, a concrete action plan has been rolled out in the French plants to:

1. promote the right to disconnect;
2. train managers in objectification of the workload and involve them in co-development sessions;
3. coordinate the internal liaison group made up of volunteer employees, trained and regularly retrained through their participation in joint development sessions; and
4. protect the health of independent executives whose contracts are based on a fixed number of working days through a special annual interview regarding the workload.

Support programs are in place at the Cincinnati, Dublin and Raleigh plants and the sales subsidiaries in North America and Asia-Pacific to help employees with work-related/personal problems, including issues relating to the pandemic.

Guerbet offers all its employees in France access to a remote medical consultation service, including a psychological support unit, through the mutual health insurance company.

In addition, to foster pride in belonging and employee satisfaction, Guerbet encourages employee involvement and the organization of initiatives and events at the local and Group levels.

Action plan and results

Theme	Objectives and key focuses for 2018–2023	Actions, progress and results in 2021
Employee satisfaction	<ul style="list-style-type: none"> Deployment of targeted surveys involving local management. 	<ul style="list-style-type: none"> Continued deployment of action plans, following the survey conducted in 2019, on topics related to communication, work atmosphere, recognition, or working conditions. Gradual implementation of the action plan at the Dublin plant through "Great Place to Work".
Internal communication and employee collaboration	<ul style="list-style-type: none"> Foster communication and collaboration between units, entities and countries. 	<ul style="list-style-type: none"> 72 active communities and 2,088 connected employees on the Guerbet Inside collaborative software solution. Organization of monthly conference calls for all employees.

5.2.2.6 Labor relations

The Group has always encouraged dialog with employee representative bodies, which it considers to be full-fledged partners. For Guerbet, social dialog is conducted on the basis of mutual trust. It can be a lever for performance and a driver of transformation. It is based on transparency, communication, respect, and a shared commitment to achieving results. Similarly, union rights are recognized and respected in all countries where Guerbet operates.

Accordingly, on a proposal from the Board of Directors, the General Meeting of Shareholders in 2017 had proactively organized the early election of a first Employee member of the Board of Directors. A second employee Board member was elected in 2020. For these two elections, Guerbet provided internal communication support to all the candidate employees.

Among other ways, the Group's social responsibility policy is reflected in France in the signing of agreements on gender equality in the workplace, quality of life at work (QVT), working-time arrangements, working conditions, and, more generally, employment. Collective working-time arrangements have been introduced in the production sectors, such as shift work, continuous work, semi-continuous work and on-call duty, in order to meet operating needs.

Against the backdrop of Covid-19, health and social preventive and protective measures have been put in place in consultation with the social partners. Guerbet has implemented Group governance with the exchange of good practices and regular conference calls with all employees.

In a broad sense, labor relations at Guerbet involve:

- promoting communication between all internal stakeholders: dialog between social partners and Management, between managers and their teams, and between the various sectors; and
- preventing conflict by encouraging free expression and being receptive, dealing early with potential situations of conflict, giving attention to working conditions, and gathering proposals for improvements.

For example, in 2021 at the French plants, HR workshops were offered to managers and employees to inform them about the HR systems in place (paid leave, annual appraisal interview, understanding pay slips, housing action, etc.).

5.3 Keeping people safe and healthy



5.3.1 Background and policy

We put our purpose into action every day by taking care of others. Internally, this is reflected in the importance given to employee safety and health. Our ambition is to strengthen our safety culture to achieve the objective of “zero accidents.”

Regarding Health, Safety and Environment (HSE), our approach is based on the Guerbet Operational Excellence Program and the following principles of continuous improvement:

- appropriation and implementation of Group standards;
- strong, visible leadership by managers;
- risk assessment and control;
- consideration of HSE issues from the start of projects;
- commitment by everyone to apply the Guerbet Values (CARE), rules, and safety behaviors;

- commitment by everyone to suggest ideas for improvement and to report hazardous situations;
- reporting of events, root cause analysis, and cross-plant feedback;
- regular training and awareness raising;
- appropriate visual management;
- preparation for emergencies.

In line with the Group’s strategy, Guerbet has formalized its HSE vision and designed the 2023 HSE road map with the objective of reinforcing the safety culture. This vision and the HSE road map were built around the following 10 key points, structuring Guerbet’s HSE management system.

CLOSER LOOK AT SAFETY



Guerbet’s policy aims to preserve the safety and health of people at work through prevention actions and measures to improve working conditions. Safety and health are factors in the monitoring of management performance.

Prevention actions are carried out in conjunction with the occupational health units and local health and safety bodies, such as the Rio internal accident prevention commission (CIPA) and the Social and Economic Committees in France.

Guerbet deploys awareness programs involving employees, for example by setting up teams of Safety Champions and organizing Group HSE awareness days at all the industrial plants and at headquarters led by employees, Safety Champions, and/or managers.

The Group also involves outside companies with, for example, a safety challenge organized for the second year in Lanester and a partnership during the HSE day in Aulnay-sous-Bois.

5.3.1.1 Safety of people

Achieving our safety objectives is the primary responsibility of the management team and requires the commitment of each Group employee.

The Group's objective is to reduce the TRIR ⁽¹⁾ by 64% between 2017 and 2023. This indicator includes injuries with lost time, with medical restrictions, or with medical treatment.

Improving safety results is a key annual objective for all employees:

- for the CEO and COMEX members;
- for industrial managers;
- for employees eligible for the annual bonus, the reduction in the number of accidents is one of the criteria used to calculate compensation;
- for Guerbet employees in France, for whom this indicator is included in the profit-sharing calculation;
- for key managers and talents under the 2019-2021 performance share allocation plan (Long-Term Incentive Plan).

Each industrial plant has a dedicated HSE organization reporting hierarchically to the Plant Manager and functionally to the Group HSE and Risk Manager. Safety correspondents have been identified for the sales subsidiaries.

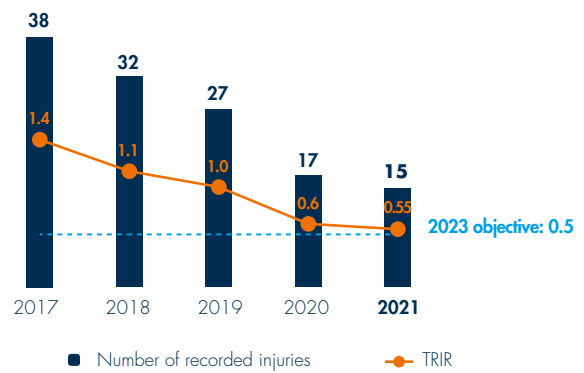
The HSE Operational Excellence Program of the industrial plants is supported by:

- communication on HSE and security events according to standardized definitions within 24 hours at the Group level. This communication by the Director of the plant in question is intended for the Chief Executive Officer, the VP of Technical Operations, the SVP of Human Resources, and the Group HSE and Risk Management team as well as the other Plant Directors and HSE Managers;
- monthly reports from each plant to the Group HSE and Risk Management team on performance, management and action indicators;
- performance reviews conducted quarterly in the industrial plants, including Operational Excellence Programs;

- cross-plant sharing of information and outside feedback through monthly meetings and an annual seminar;
- encouragement of safety leadership by managers (HSE dialog, presence in the field, etc.);
- programs to encourage HSE improvements through reward systems (safety category awards).

Against the backdrop of the pandemic, Guerbet has maintained its commitment to give top priority to employee health and safety while ensuring its business continuity. Teleworking was given maximum priority. Guerbet has also continued to adapt protective and preventive measures to the circumstances of the pandemic to preserve the health of its employees.

CHANGE IN THE GROUP'S SAFETY PERFORMANCE



5.3.1.2 Safety of the industrial plants

The production of active ingredients for contrast media entails safety and environmental risks. These risks are inherent in the hazards involved in manufacturing, transporting, using and disposing of the raw materials, solvents, reactants, synthetic intermediates and other products used.

Three of our industrial plants have the Seveso classification:

- high threshold for the Dublin and Marans plants;
- low threshold for the Lanester plant.

These three plants are subject to special requirements. They regularly conduct and revise hazard studies, resulting in the introduction and monitoring of risk control measures to limit the probability and potential impact of accidents on their surroundings both normal and degraded operating modes. Internal procedures and staff training help to allow for regulatory changes and maintain skills for managing specific risks, such as the transport of hazardous materials and the handling of chemical products, and ensure that abnormal situations can be managed so as to control and mitigate their impact.

⁽¹⁾ Total Recordable Incident Rate: ratio of number of injuries to number of employees.

In consultation with the authorities, the Lanester plant decided to maintain certain requirements relating to its former high-threshold classification, including the organization of emergency response systems, the safety management system guaranteeing the implementation of robust risk prevention processes, and technological risk prevention plan (PPRT) to protect local residents. This decision demonstrates the plant's high level of requirements for continuous improvement in industrial safety areas, to ensure the safety of employees, local residents and the environment.

For the Marans and Lanester plants, the PPRTs manage urban development within defined areas according to the risks. Internal measures and investments to reduce the likelihood and consequences of injuries have been reinforced by regulatory requirements for greater protection of local inhabitants. For example, Guerbet has signed a three-party (central government, local authorities, Guerbet) funding agreement to support the installation of containment facilities for individuals or companies located close to the Lanester plant.

Guerbet's production plants are regularly audited and visited by the Group and inspected by local environmental authorities and fire brigades.

The Marans plant has been a signatory of the Responsible Care® initiative since 2019.



This initiative is the global chemical industry's shared commitment to the safe management of chemicals throughout their life cycle and the promotion of their role in improving the quality of life and their contribution to sustainable development.

Industrial and environmental risks are outlined in section 4.8.2 "Risk factors" in the "Operational risks/Environmental and safety risks" paragraph.

Closer look at the European REACH regulation

The European REACH Regulation (Registration, Evaluation, Authorization and restriction of Chemicals) came into force on June 1, 2007. The objective of this Regulation is to protect human health and the environment by improving the identification of chemical substances and the intrinsic knowledge of their hazardousness. Guerbet organized its activity to comply with the Regulation and ensure its implementation. The Group's HSE and Risk Management team is responsible for coordinating REACH with internal and external contacts and ensuring that all chemicals concerned are registered.

5.3.1.3 Occupational health

With the occupational health units and the local health/safety bodies, Guerbet applies an occupational health and prevention policy, actions to improve working conditions, and appropriate medical monitoring to preserve the physical and mental integrity of its employees.

In the industrial plants, in collaboration with the occupational medicine service, prevention programs are implemented according to the identified risks, such as hearing, vision, and atmospheric tests and training in the use of personal protective equipment. At the Group level, awareness-raising campaigns are carried out to promote health, for example during pink October (302 employees connected to the webinar) and blue November.

Through appropriate medical monitoring, Guerbet is able to anticipate employees' unfitness for work and provide solutions in the form of adapted workstations or organization of working time. Where appropriate, Guerbet looks for personalized job redeployment solutions, with the help of its disability committees, to try to retain employees in the workplace.

Many health initiatives are accordingly implemented in the plants and subsidiaries, such as the introduction of new equipment and/or organizational measures to improve ergonomics, awareness raising concerning health, nutrition and heatwave issues, and vaccination campaigns.

In the context of the pandemic, in addition to the protective and preventive measures deployed for all its employees, Guerbet has continued to give special attention to vulnerable employees in regular coordination with occupational health services by facilitating vaccination.

Guerbet offers all its employees in France access to a remote medical consultation service, including a psychological support unit, through the mutual health insurance company.

5.3.1.4 Closer look at social protection

Guerbet ensures that its employees receive social welfare benefits in accordance with the regulations and practices in force in the various countries in which Guerbet is present.

In France and the United States, given the trends in healthcare expenditures and coverage, Guerbet strives to maintain a good level of healthcare benefits for its employees. With regard to personal protection, Guerbet insures its employees against major personal risks. In 2021, a study was conducted to review the death, health, retirement, and disability coverage across all countries and to adapt the existing plans.

In 2020, against the backdrop of the Covid-19 pandemic, Guerbet created a fund to help heavily impacted employees. The money for this fund had come from all the Directors and the Chief Executive Officer, who each contributed 5% of their annual compensation. The unused portion of this fund set up in 2020 remained available in 2021 to be allocated if necessary to employees hard hit by the crisis.

5.3.2 Action plan and results

As part of its health and safety policy, Guerbet has established the following road map aiming at “zero accidents” in its plants:

Theme	Objectives and key focuses for 2018-2023	Actions, progress and results in 2021
Group safety	<ul style="list-style-type: none"> Decrease the incident rate (TRIR) for Group employees, with an objective of 0.5 in 2023. Improve injury monitoring for outside contractors. 	<ul style="list-style-type: none"> 15 injuries, on a TRIR basis, for the Group as a whole, including 12 lost-time injuries. The TRIR for the Group is 0.55, down 61% from 2017. The occupational injury frequency rate is 3.4. The occupational injury severity rate was 0.10 for the Group as a whole, down 96% from 2017.
Safety of people, industrial safety, and environmental impacts on the industrial plants	<ul style="list-style-type: none"> Implement the 2018–2023 industrial HSE road map. Perform HSE audits every two years in 100% of the industrial plants. Standardize the management and action indicators for all the industrial plants. Roll out the Group HSE policy in each of the industrial plants. 	<ul style="list-style-type: none"> Maintain and adapt protection and prevention measures to preserve employee health and safety in the context of the pandemic. Deploy the 2021 HSE road map for industrial plants: <ul style="list-style-type: none"> reinforce vital procedures (work permit, fire permit, working at height, confined space), strengthen the process risk analysis program (Hazop) at active ingredient production plants, conduct studies of business continuity and emergency response plans, gradually launch the Group’s HSE software at the industrial plants, hold the 1st HSE day at the industrial plants and at headquarters, deploy the guidelines on roles and responsibilities, conduct a cross HSE audit in Marans. Regular visits to the French and Dublin plants by the Risk Manager. Deploy process safety indexes for all the industrial plants manufacturing active ingredients.
Safety of sales subsidiaries and administrative units	<ul style="list-style-type: none"> Deploy the TRIR indicator each month and establish communication within 24 hours of potentially serious injuries. Build the sales and administrative HSE road map on the basis of the actions carried out in the French sales subsidiary and at the head office. 	<ul style="list-style-type: none"> Maintain and adapt protection and prevention measures to preserve employee health and safety in the context of the pandemic. Establish the framework for the online safety awareness project for the field teams.
Healthcare	<ul style="list-style-type: none"> Continue to implement the industrial HSE road map. Continue preventive health initiatives. 	<ul style="list-style-type: none"> No occupational diseases were reported according to the criteria of local regulations. Influenza vaccination campaign at all industrial plants and for certain administrative and sales entities.

5.4 Minimizing the environmental impacts of our activities



Guerbet is fully aware of the environmental challenges facing the world and pursues its development in a sustainable manner. The company is committed to reducing its environmental footprint across all its operations, from raw material sourcing to the production of contrast media and medical devices, through to customer delivery. The Group is committed to controlling its processes and waste while innovating to reduce their impact.

The Group is mindful of the challenges of climate change. All these initiatives are conducted in strict compliance with applicable regulations and standards, wherever Guerbet operates.

Through its HSE policy, Guerbet is committed to implementing solutions in four areas:



The quantitative environmental indicators presented in this report include the data for the industrial facilities, excluding the Guerbet Lyon plant and the administrative and sales units, where the impact is not significant. However, initiatives are

carried out on these plants. In addition, the Group’s carbon footprint assessment takes into account all activities of Guerbet and its suppliers and subcontractors.

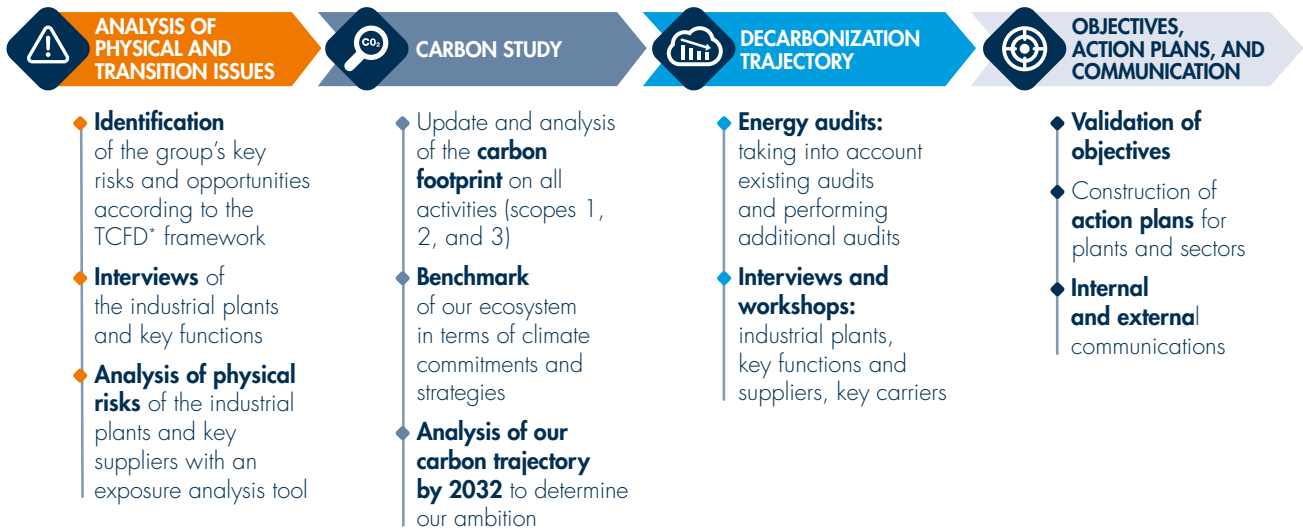
5.4.1 Climate issues

As a responsible company, Guerbet implements programs to address climate change issues and reduce its greenhouse gas emissions.

Guerbet develops actions to help limit climate change and ensures that the associated risks and opportunities are taken

into account. In 2021, Guerbet launched the “Climate Strategy” project to better cope with the issues of sustainable performance and transformation, which will continue in 2022. It was presented to the Ethics, Governance, and CSR Committee of the Board of Directors.

To carry out this project, Guerbet has put together a multidisciplinary team of employees and expert consultants according to the following methodology:



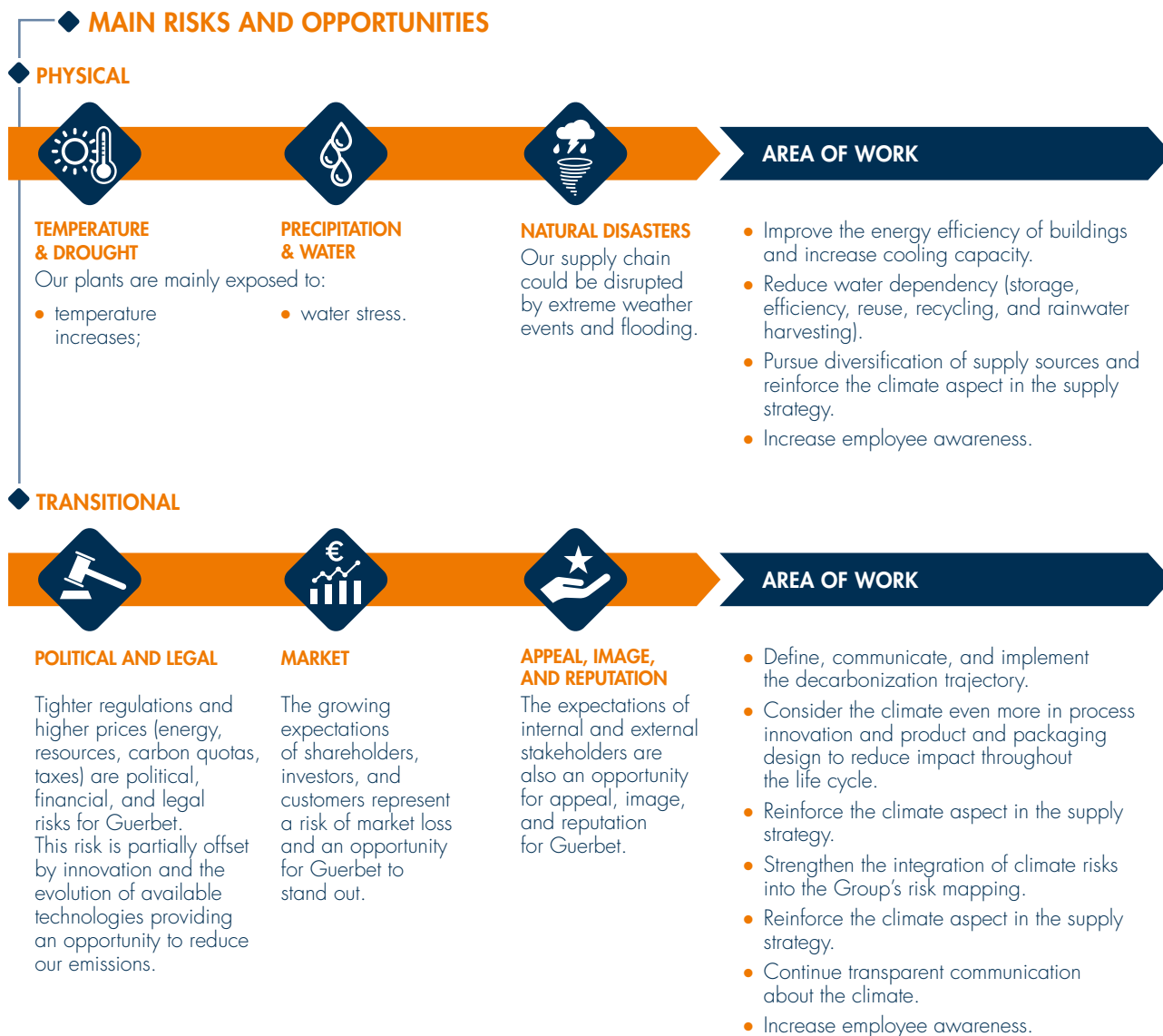
5.4.1.1 Climate risks and opportunities

Climate change brings about physical and transition issues such as:

- physical risks for our industrial plants and main suppliers in our supply chain related to acute and chronic weather phenomena (such as temperature, drought, precipitation, and natural disasters, etc.) and the financial impact of these risks;
- transition risks related to the scarcity of resources, the strengthening of market requirements and regulations, reputational issues related to the expectations of internal and external stakeholders, and the financial impact of these risks.

In 2021, Guerbet strengthened its climate risk assessment as part of the "Climate Strategy" project on physical and transition risks. Physical risks were analyzed for all of our industrial plants and for key Guerbet suppliers likely to be the most at risk. This assessment was performed using an analytical tool to measure the exposure of assets to climate risks and assess the vulnerability of activities to strengthen actions to mitigate physical risks.

The following is a summary of the risks and opportunities that could have a significant impact on the Group:



The climate project has identified the following main risks and opportunities that can have an impact on activities, the supply chain, costs, and competitiveness. This is why Guerbet has implemented action plans such as actions to reduce energy consumption, optimize processes, and control waste, emergency procedures at plants at risk of hurricanes, and stockpiling to compensate for any disruption production plant. To strengthen its resilience, Guerbet has identified the following areas for action in connection with the climate project and the business continuity program for the Group and its industrial plants.

5.4.1.2 Decarbonization

Well aware of the issues of climate change, Guerbet has set the following decarbonization objectives to ensure compatibility with the Science-Based Targets (SBT) ⁽¹⁾. These are greenhouse gas emission reduction targets that provide organizations with a trajectory aligned with climate science; defining an SBT is integral to a credible climate strategy.

⁽¹⁾ The Science Based Targets (SBT) initiative encourages ambitious climate action in the private sector by allowing companies to set science-based emission reduction targets <https://sciencebasedtargets.org/>

STATEMENT OF NON-FINANCIAL PERFORMANCE

Minimizing the environmental impacts of our activities

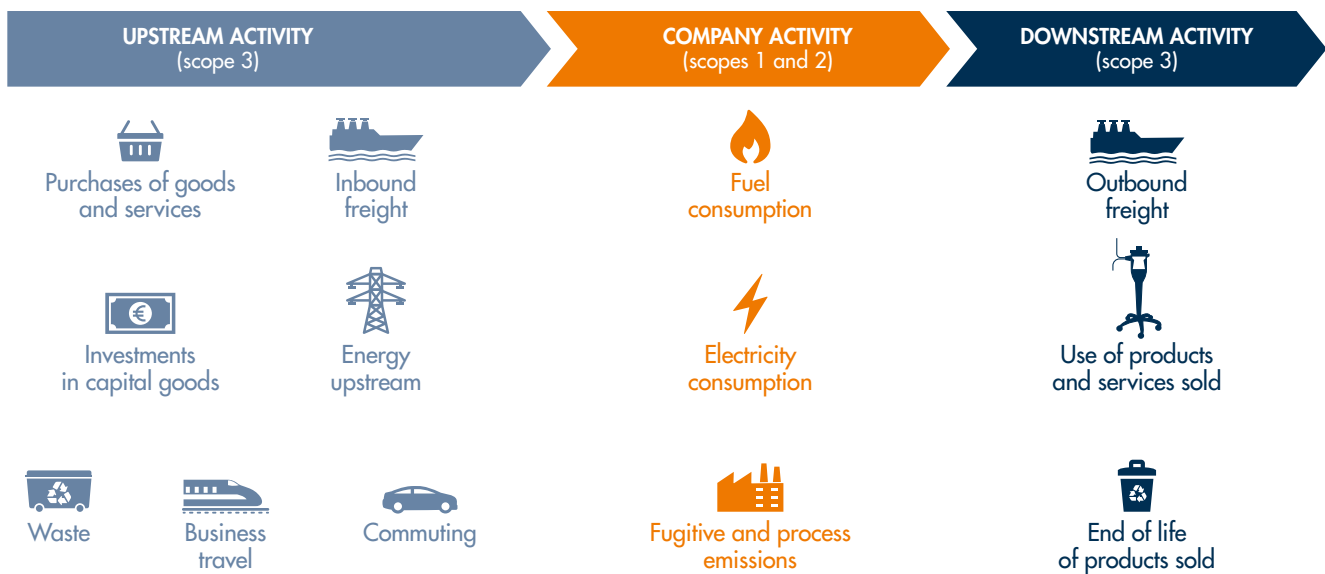
Guerbet has decided to commit to a minimum WB2 °C trajectory ^[2], for 2032, for the reference year 2021; the file will be submitted to the SBT. In concrete terms, this trajectory is broken down as follows by 2032:

- at least 27.5% reduction in absolute terms on scopes 1 and 2 (on average 2.5% reduction per year);
- at least 13.2% reduction in absolute terms on scope 3 (1.2% reduction on average per year).

These objectives take into account the Group's growth strategy, internal reduction actions, innovation and technology developments, exogenous decarbonization factors on electricity, the use of renewable energies, and the commitments of key suppliers and transport companies. They have been validated by the Executive Committee and the Board of Directors.

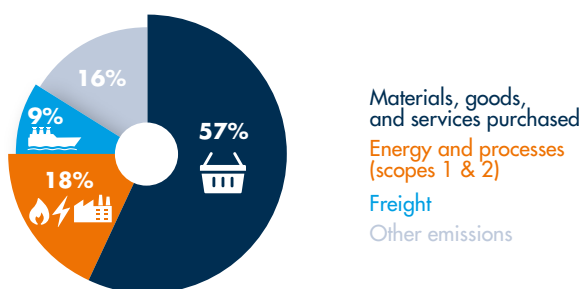
In 2021, Guerbet updated its carbon footprint assessment for all its activities, scopes 1, 2, and 3 for the previous year.

SCOPE OF GUERBET'S CARBON FOOTPRINT ASSESSMENT



This study confirmed the significant items, namely purchases, energy, and transport. These three items account for nearly 85% of the Group's greenhouse gas (GHG) emissions.

BREAKDOWN OF GHG SOURCES



In connection with this carbon footprint assessment and the climate project, Guerbet is strengthening these action plans through the following key areas:

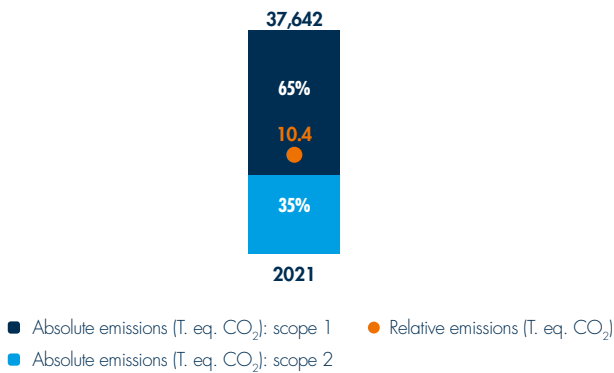
- **Governance:**
 - engage all employees by cascading Group objectives to the individual level in key executive, managerial, and intermediate functions;
 - develop internal expertise in key functions,
 - raise awareness among all employees.
- **Energy and processes** (see paragraph "Minimizing the carbon impact of energy consumption and processes"):
 - continue audits and energy efficiency actions at the industrial plants,
 - set up innovative facilities and breakthrough actions,
 - develop the use of renewable energies,
 - strengthen energy and climate criteria in investments and development.

^[2] Well-below 2°C compared with pre-industrial temperatures, as recommended by the Intergovernmental Panel on Climate Change (IPCC).

- **Research, innovation, and development:**
 - integrate the climate component from the R&I stage
 - systematize the life cycle analysis (LCA) of new products and packaging and progressively conduct LCAs on existing products and packaging with the highest priority.
- **Purchasing, use, and end of life:**
 - strengthen our climate criteria in the choice of suppliers,
 - continue to engage with suppliers with the largest carbon footprint (see section 5.6),
 - strengthen the internal recycling of raw materials and solvents,
 - strengthen eco-design and circular economy approaches for all new products and developments in partnership with our suppliers and customers.
- **Transport:**
 - continue the optimization of our supply chain,
 - give preference to sea transport over air transport for shipping our finished products to customers,
 - strengthen our climate criteria in the choice of transporters,
 - continue to discuss and engage with our main transporters.

Minimizing the carbon impact of energy consumption and processes

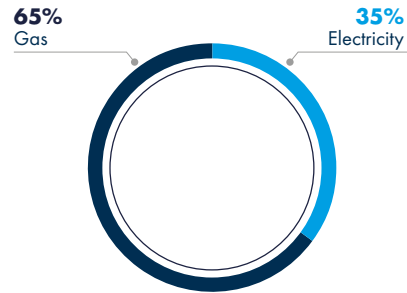
GHG EMISSIONS FOR SCOPES 1 AND 2
(reference year 2021)



In 2021, the relative GHG emissions on scopes 1 and 2 represent 37,642 metric tons of CO₂ equivalent. The energy efficiency measures implemented at the industrial plants are detailed in paragraph 5.4.2 "Sustainable use of resources," closer look at "Energy consumption".

Following the replacement of the oil-fired boiler at the Marans plant by a gas-fired boiler in 2020, none of the boilers at the industrial plants run on oil, which has a positive impact on GHG emissions.

BREAKDOWN OF GHG EMISSIONS BY TYPE OF ENERGY AT THE INDUSTRIAL PLANTS



Minimizing the carbon impact of the supply chain



Transport represents nearly 20% of the Group's GHG emissions. Freight from our plants to our customers has an especially significant impact. The environmental and economic challenge for Guerbet is to limit the use of air transport by using sea transport instead. To this end, Guerbet has identified the following key actions:

- improve the reliability of sales forecasts by:
 - increase our knowledge of local markets,
 - invest in statistical forecasting tools;
- make production more flexible by investing in new industrial tools (shorter cycle times, smaller batches);
- strengthen the relationship with logistics companies through joint engagement with our major transporters;
- strengthen the integration of environmental performance in the selection process and in reporting.

In connection with these key actions, Guerbet's objectives for 2023 are to:

- improve the indicator on available products delivered on time; and
- reduce the proportion of finished products transported by air.

2021 was also a special year due to the Covid-19 crisis. However, shared values and the collaboration established with transporters and suppliers made it possible to get through the year without any major break in supply with greater use of air transport. The use of air transport is an adjustment variable to deliver to our customers on time. The air transport indicator is therefore higher than in 2020.

Guerbet is continuing to deploy the actions undertaken:

- optimize locations and operation of distribution centers, contributing to the reliability of sales and reducing the carbon impact of supply;
- improve the plants' service ratio relative to the sales and inventory forecasts;
- make efforts to streamline the number of product references and presentations.

Other actions

In addition to energy and waste optimization measures, other measures are being taken to limit the impact of business travel and commuting:

- the Group's travel policy includes measures to reduce the carbon impact of business-related travel by promoting the use of alternatives to traveling;
- the Group encourages the use of remote communication facilities and public transport, especially rail transport;
- the use of electric and hybrid vehicles is encouraged by the policy concerning company vehicles; by the end of 2021, 19% of company vehicles in France will be hybrid or electric; in addition, we will no longer order diesel vehicles;
- the plants are being equipped with charging stations for electric vehicles, for example in Aulnay-sous-Bois, Dublin, and at the head office in Villepinte;
- to reduce the impact of commuting, various actions have been implemented in recent years: electric charging stations,

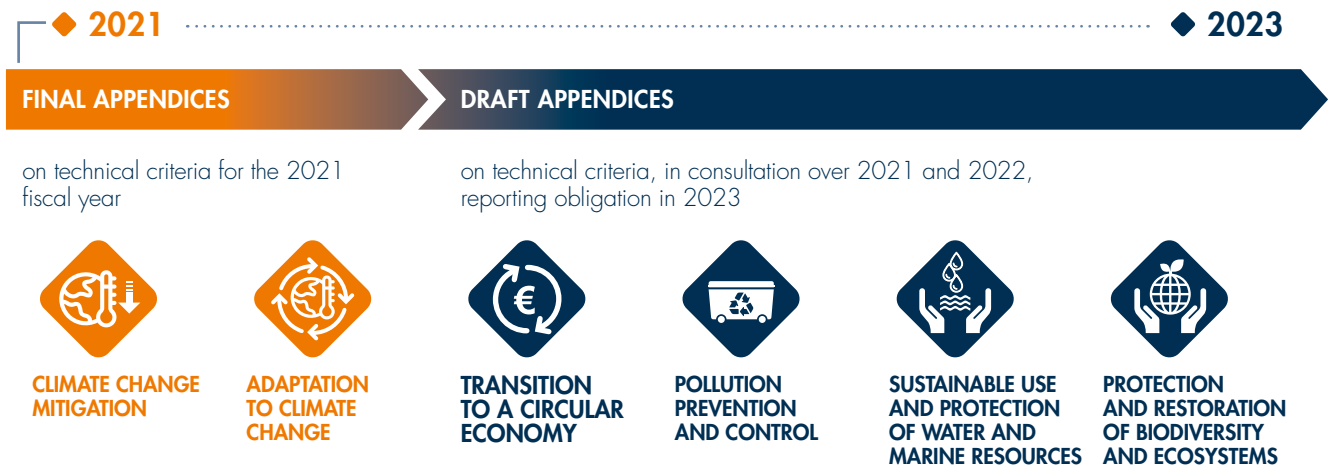
car-sharing services, promotion of soft means of transportation (improvement of non-motorized two-wheeler parking facilities, home-work bicycle challenge, bicycle allowance), promotion of carpooling, and the widespread implementation of teleworking.

Moreover, the pandemic has severely limited employee travel in the past two years, whether business-related or commuting, which were dramatically reduced as given the preference for teleworking throughout the crisis.

5.4.1.3 Green taxonomy

Context of the European taxonomy

Guerbet has analyzed its eligible activities under the two climate objectives concerned for the year 2021 in accordance with European regulation 2020/852 defining the environmental sustainability of economic activities of June 18, 2020 (the European regulation, known as the "Taxonomy" regulation, was adopted on June 4, 2021, by the European Commission) relating to the establishment of a framework to promote sustainable investments within the European Union. For the 2021 fiscal year, sustainable activities are described in terms of the first two objectives concerned, namely climate change mitigation and climate change adaptation (Annexes I and II of the Climate Delegated Acts). Sustainable activities will be extended to the other four objectives with reporting required in the 2023 fiscal year:



According to the delegated act adopted on June 4, 2021, an activity is considered eligible if it is included in the list of activities in Annexes I and II. Activities that do not meet the definitions in these annexes are considered ineligible.

In accordance with the Taxonomy regulation and the procedures defined by the delegated act "Article 8," Guerbet is required to publish three performance indicators, based on the Group's consolidated financial statements, resulting from

products and/or services associated with economic activities considered as sustainable within the meaning of this regulation and delegated acts under the first two climate objectives:

- share of eligible revenue;
- share of eligible capital expenditures (CAPEX);
- share of eligible operating expenditures (OPEX).

Performance indicators

Revenue

The revenue ratio according to Article 8 of the Regulation (paragraph 2, point a.) is calculated as the share of net revenue from products or services associated with economic activities eligible for the Taxonomy (numerator) divided by net revenue (denominator).

Guerbet’s activities are focused on the manufacture and marketing of contrast media, medical devices, and innovative solutions essential for Diagnostic and Interventional Imaging.

The portion of Guerbet’s revenue eligible for the 2021 financial year with respect to the climate objectives is limited to the marketing of innovative solutions under category “8.1. Data processing, hosting, and related activities,” in connection with Guerbet’s activities in Artificial Intelligence and digital solutions.

Guerbet’s other activities are not directly concerned by climate objectives. They are not considered by the taxonomy as having a substantial contribution to climate objectives, as the regulation has targeted the sectors of activity that emit the most greenhouse gases.

The Group has performed a detailed analysis of the activity “3.14 Manufacture of organic basic chemicals” covered by the taxonomy. This analysis did not reveal any sales related to

the activity “3.14 Manufacture of basic organic chemicals,” as the products manufactured by Guerbet are not listed in the targeted products.

In 2021, the share of Guerbet’s revenue eligible under category “8.1. Data processing, hosting, and related activities” was 0.068%.

CAPEX

In 2021, Guerbet’s eligible CAPEX include:

- a. capital expenditures on assets or processes associated with economic activities eligible for the taxonomy, i.e. R&D of Artificial Intelligence and digital solutions under category “8. Information and communication”, paragraph “8.1. Data processing, hosting, and related activities”.
- b. capital expenditures related to the purchase of taxonomy-eligible economic activities and individual measures that enable target activities to become low-carbon or result in GHG reductions, namely tangible fixed assets of buildings and warehouses and the acquisition of right-of-use assets related to long-term real estate leases and vehicle fleet leases, and real estate construction and activities (7).

These eligible CAPEX constitute the numerator for calculating the share of eligible CAPEX.

Investments related to:	Standards	Amount <i>(in thousands of €)</i>	Cross reference to the 2021 consolidated financial statements
R&D on Artificial Intelligence and digital solutions	IAS 38	3,329	Not available for direct reading in the URD
Plant, property, and equipment	IAS 16	0	Not available for direct reading in the URD
Rights of use – long-term real estate leases	IFRS 16	7,808	Chapter 6.1.2, Note 6.1
Rights of use – Fleet rental rights	IFRS 16	2,617	Not available for direct reading in the URD
Construction and real estate activities	IAS 16 IFRS 16	2	Not available for direct reading in the URD
TOTAL ELIGIBLE CAPEX (NUMERATOR)		13,756	

In 2021, the amount of eligible CAPEX (numerator) was €13,756 K, as detailed above.

In accordance with the taxonomy regulation, the denominator of CAPEX includes R&D acquisitions, gross additions to property, plant, and equipment and intangible assets and rights of use (IFRS 16 – Leases).

Investments related to:	Standards	Amount (in thousands of €)	Cross reference to the 2021 consolidated financial statements
R&D	IAS 38	7,976	Not available for direct reading in the URD
Plant, property, and equipment	IAS 16	37,349	Chapter 6.1.2, Note 6.1
Rights of use	IFRS 16	12,334	Chapter 6.1.2, Note 6.1
Intangible assets	IAS 38	3,455	Not available for direct reading in the URD
TOTAL CAPEX (DENOMINATOR)		61,114	

In 2021, the denominator amount was €61,114 K, as detailed above.

The eligible CAPEX ratio was 22.5% in 2021.

OPEX

In 2021, Guerbet's eligible OPEX include direct non-capitalized costs related to:

- assets or processes that are associated with eligible economic activities, i.e. R&D, Artificial Intelligence, and digital solutions;
- the purchase of eligible economic activities, i.e. construction and real estate activities.

Direct non-capitalized costs related to:	Amount (in thousands of €)	Cross reference to the 2021 consolidated financial statements
R&D on Artificial Intelligence and digital solutions	10,220	Not available for direct reading in the URD
Construction and real estate activities*	0	Not available for direct reading in the URD
TOTAL ELIGIBLE OPEX (NUMERATOR)	10,220	

* Three potentially eligible items in our OPEX: the renovation of our buildings, the maintenance of energy-efficiency equipment, and electrical terminals.

In 2021, the amount of eligible OPEX (numerator) was €10,220 K, as detailed above.

In accordance with the taxonomy regulation, the denominator of OPEX consists of direct non-capitalized costs related to R&D and maintenance costs, which amounted to €85,662 K.

Direct non-capitalized costs related to:	Amount (in thousands of €)	Cross reference to the 2021 consolidated financial statements
R&D	64,997	Chapter 1.6.6
Maintenance	20,665	Not available for direct reading in the URD
TOTAL OPEX (DENOMINATOR)	85,662	

The eligible OPEX ratio was 11.9% in 2021.

Conclusion and outlook

The ratios of eligible revenues, CAPEX, and OPEX calculated in 2021 do not reflect Guerbet's decarbonization objectives for 2032 or the investments made by Guerbet to reduce the impact of its activities on the climate as described in paragraph 5.4.1 "Climate issues."

In the context of achieving the other four environmental objectives, Guerbet's environmental activities are expected to be targeted by the draft supplementary Delegated Act, which

could extend the list of eligible activities to Guerbet's activities such as:

- the manufacture of basic pharmaceutical products and basic pharmaceutical preparations involving the manufacture of durable APIs and the manufacture of durable pharmaceutical preparations;
- the manufacture of sustainable and circular electrical and electronic equipment and its resale and/or refabrication.

5.4.1.4 Action plan and results

In the interest of transparency, Guerbet has published for the third consecutive year information and data concerning its climate strategy by responding to the Climate Questionnaire of CDP, a non-profit organization that recognizes the world's most active companies in the fight against climate change. In 2021, Guerbet received a rating of B for the 2020 information and data out of a range of A to D. The previous year, Guerbet received a rating of A. This result reflects our level of awareness of climate issues in 2020 but does not yet reflect the climate strategy and decarbonization objectives defined by Guerbet in 2021. Guerbet is implementing actions to help limit climate change in key emission areas:

- HSE and CSR improvement approach with suppliers most at risk;
- sea transport preferred over air transport for shipping finished products to our customers;
- reduction in energy consumption in the industrial plants. This CDP result is an international non-profit organization,

formerly known as the Carbon Disclosure Project. It has the largest global database on the environmental performance of cities and businesses.

CDP encourages investors, businesses and cities to take action to build a truly sustainable economy by measuring and understanding their impact on the environment.

In 2021, CDP had more than 590 investors for total assets of \$110 trillion. It provides investors with a view of environmental data that are critical for measuring the sustainability of investments by enabling them to analyze risks and opportunities and corporate environmental strategies.

For Guerbet, in addition to contributing to its reputation and reinforcing shareholder confidence and attracting new investors, responding to this questionnaire makes it possible to improve the analysis of risks and opportunities and is a source of progress. This approach provides enhanced preparation for regulatory changes, improved risk awareness, long-term resilience, and a means of benchmarking.

Theme	Objectives and key focuses for 2018-2023	Actions, progress and results in 2021
Consideration of climate issues	Identify risks and opportunities related to climate change.	<ul style="list-style-type: none"> • Implement the climate project to evaluate the risks and opportunities related to climate change. • Guerbet received a score of B on CDP's Climate Change questionnaire (on a rating scale from A to D) for 2020 actions and results.
Challenge of decarbonization	Define and implement the decarbonization strategy.	<ul style="list-style-type: none"> • The relative GHG emissions on scopes 1 and 2 represent 37,642 metric tons of CO2 equivalent. • All the energy efficiency actions implemented, identified, or planned have been consolidated with a view to being integrated into the action plans of the industrial plants. • Definition of decarbonization targets, aligned with a WB2 °C trajectory, i.e. an absolute reduction between 2021 and 2032 of: <ul style="list-style-type: none"> • 27.5% on scopes 1 and 2; • 13.2% on scope 3.
Closer look at supply and climate	<p>Objectives:</p> <ul style="list-style-type: none"> • Improve the proportion of available products delivered on time. • Reduction in the share of air transport. <p>Priorities:</p> <ul style="list-style-type: none"> • Improve the reliability of sales forecasts and: <ul style="list-style-type: none"> • make production more flexible by investing in new industrial tools. • strengthen the relationship with logistics companies. 	<ul style="list-style-type: none"> • The air transport indicator is higher than in 2019, partly due to the Covid-19 crisis and occasional disruptions. • Ongoing stabilization of distribution-center structures. • Continued actions to improve the service rate of the industrial plants, in particular through the deployment of new planning/scheduling software. • Engagement in discussions with a logistics company to strengthen the relationship and make mutual progress.

5.4.2 Sustainable use of resources

The Guerbet group aims for the optimal use of natural resources through actions such as:

- reduction of water and energy consumption;
- optimization of raw materials used in manufacturing its products;
- process innovation.

These actions contribute to reducing our impact on the climate (e.g. reducing greenhouse gas emissions through energy optimization) and strengthening our resilience to climate change (e.g., optimizing water consumption).



The industrial plants have HSE management systems, organized around the HSE Operational Excellence Program. In addition, the active ingredient production plant in Dublin is ISO 14001 certified and is the largest contributor to energy and water consumption.

Water consumption

OBJECTIVE **WATER CONSUMPTION**

> **-25%** at the industrial plants between 2017 and 2023, in relative terms

The reduction of relative water consumption at our industrial plants is a criterion used to calculate the variable compensation of employees receiving a variable portion.

In 2021, water consumption at our industrial plants was 921,892 m³, down 9% in relative terms and 1% in absolute terms compared with 2020. Relative consumption was stagnant compared with 2017 and is increasing in absolute terms. This result is not as good as expected, particularly following the commissioning of new equipment since 2017, the manufacture of technical lots of Gadopichlenol, and technical hazards on water treatment in Dublin. The increase in absolute terms is linked to the increase in quantities produced at the plants in a context of internationalization.

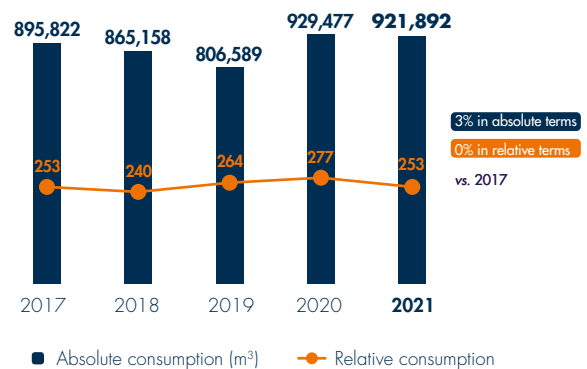
The industrial plants implement programs to control water consumption. Here are some illustrations of actions carried out during the year:

- in Aulnay-sous-Bois, appointment of a utilities and energy manager, installation of a new distiller with recycling of condensates and water meters, which allows a 15% gain in purified water;
- installation of a condensate tank in Dublin allowing the reduction of the plant's water consumption by 7,000 m³/year;
- implementation of a cooling water recirculation system in Raleigh for commissioning in 2022;
- in Rio, installation of a closed circuit to maintain the temperature of the distiller and a system to reuse rejected osmosis water for the maintenance of green spaces;

- installation of presence-detection taps in Lyon;
- participation of the Lanester plant in an initiative led by the Morbihan Chamber of Commerce and Industry, which involves carrying out diagnostics, promoting good practices, organizing thematic workshops, mapping wastewater reuse potential, etc.; in connection with this, the plant has participated in the development of a guide to good practices, including actions taken by the plant. The plant won the 2021 Loire Bretagne water trophy for an action implemented to recycle process water internally as cooling water for the incinerator (see section 5.8. External recognition of Guerbet's CSR performance).

CHANGE IN WATER CONSUMPTION

(reference year 2017)



Energy consumption

OBJECTIVE



POWER CONSUMPTION

> **-25%** energy at the industrial plants between 2017 and 2023 in relative terms

The reduction of relative energy consumption at our industrial plants is a criterion used to calculate the variable compensation of employees receiving a variable portion (annual bonus).

In 2021, energy consumption at our industrial plants was 188,674 MWh, down 4% in relative terms and up 2% in absolute terms compared with 2020. The increase in absolute terms in 2021 compared with 2020 is explained in particular by an increase in activity in 2021 (taking into account the Covid-19 crisis in 2020). This result is an improvement of 4% in relative terms and 2% in absolute terms compared with 2017, thanks to the actions implemented in recent years (such as boiler replacement in Marans and Raleigh and gas savings on the incinerator in Lanester, etc.). This decrease is less than expected, in particular following the commissioning of new equipment since 2017, the manufacture of technical batches of Gadopipiclenol, and a context of internationalization.

The industrial plants deploy programs to manage energy consumption in order to limit the environmental impact and optimize production costs. The plants are working to improve the energy performance of new equipment and in projects. Actions are also carried out at the head office and by the sales subsidiaries (e.g. low-consumption light fixtures). Here are some examples of actions carried out during the year at the industrial plants:

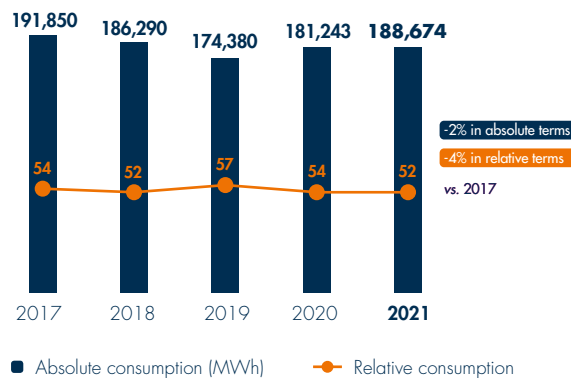
- in Dublin, elimination of a treatment stage in agreement with the authorities, installation of reverse osmosis units to reduce the need for heat during a purification stage, steam condensate recovery system, connection work for a new, more efficient boiler: approximately 3,800 MWh saved over the year; in addition, the plant is continuing its leak detection campaigns;
- in Aulnay-sous-Bois, installation of condensate heat recovery systems, installation of double-jacketed sterilization equipment sized to sterilize more bottles (less energy consumed for the same number of bottles), energy optimization in the design of a new workshop, audit of the

steam network, and replacement of burners in the boiler room; the plant is continuing with the energy efficiency actions that it has already initiated (LED lighting, variable speed drives, addition of meters, insulation, and replacement of blanket insulation);

- in Rio, installation of a reduced-power compressor for use outside production hours, replacement of the boiler with more efficient equipment;
- in Lyon, replacement of the lighting with LEDs and a 35% reduction of the area of the premises;
- the Lanester plant replaced a cooling tower with high-efficiency equipment and rolled out a campaign to replace lighting with LEDs; the plant has continued to recycle a solvent with a high caloric value to replace gas in the incinerator, reducing gas consumption by around 14,000 MWh. This project was given the LEEM (Les Entreprises du Médicament) CSR award in the "environment" category, see section 5.8 "External recognition of Guerbet's CSR performance".

CHANGE IN ENERGY CONSUMPTION

(reference year 2017)



5.4.3 Innovation approach

A few years ago, the Group embarked on process innovation through the use of solvents resulting from regeneration, the recycling of iodine in processes, and the replacement of solvents with others that are less harmful to the environment.

These actions are led by the Group's chemical industrial development teams through monthly "Sustainable Development" meetings. The teams' sustainable development guidelines are as follows:

- new processes using water or solvents which limit the environmental impact;
- new chemical processes eliminating hazardous materials;
- new online analytical methods to detect problems at source;
- new practices/lean engineering to prevent waste.

The recovery of iodine at the Lanester plant and Ioversol (active ingredient) at the Dublin plant illustrates our sustainable development and circular economy approach, since this recycling not only improves competitiveness and mitigates the environmental impact (preservation of the global iodine resource, circular economy by recycling and reuse in the plant).

5.4.4 Preservation of biodiversity and control of discharges

The HSE policy reflects Guerbet's commitment to minimizing the Group's environmental impact across all of its activities, in particular by optimizing effluent and waste treatment systems.

The active ingredient production plants in Dublin, Lanester and Marans are the largest contributors of effluent and waste.

Actions to control emissions help reduce our carbon footprint, strengthen our resilience to climate change, and preserve biodiversity.

5.4.4.1 Preservation of biodiversity

The Group is committed to preserving biodiversity. This commitment is first and foremost reflected in the control of discharges from industrial plants:

- effluent optimization (see section 5.4.4.2);
- waste management.

Actions taken by Guerbet to limit its impact on climate change and to ensure a more sustainable use of natural resources also contribute to the preservation of biodiversity.

In addition, Guerbet's industrial plants and headquarters are committed to rational management of green spaces. For example, the Marans and Lanester plants are pursuing eco-pasture and beehive initiatives in Lanester. The Dublin plant has selected an area on its green spaces to plant wildflowers.

Since 2020, the establishment at the Lanester plant of a process for separating a solvent with a high calorific value from wastewater and then injecting it into the plant's incinerator has reduced the amount of gas used in the incinerator and increased the proportion of iodine recovered at the plant. Approximately 160 metric tons of iodine are recycled internally at the plant, as it is a non-renewable material.

The Dublin plant has facilities for the recovery of two solvents, and the plant recycles internally approximately 96% of the tonnages for these two solvents each year.

Guerbet also has eco-designed packaging. Xenetix[®], initially contained in vials, is also available in polypropylene bags (Scanbag[®] by Xenetix[®]). This original packaging preserves the properties of Xenetix[®] while making it simpler to use, enhancing the safety of patients and medical staff and representing a major step forward in waste management (decreased weight and volume). This packaging is one of Guerbet's solutions to sustainable development challenges and was the subject of an LCA (Life Cycle Analysis) demonstrating its positive impact on the environment compared with the vial format.

5.4.4.2 Effluent optimization

Effluent treatment process optimization programs are in place, in particular at the top three contributing plants:

- in Dublin, the program to monitor and optimize the wastewater treatment plant is continuing with, for example, projects to reduce the quantities of solvents sent to the plant's wastewater treatment plant and anaerobic treatment of wastewater;
- the Lanester plant prioritizes the in-house treatment of effluents, using biological treatment for biodegradable effluents and incineration for non-biodegradable hazardous liquid residues. In this context, the pretreatment of part of the wastewater by nanofiltration makes it possible to reduce the amount of effluents incinerated, reduce the amount of gas on the incinerator, and increase the recycling of water through the reuse of effluents after treatment on the biological station. In addition, an iodine recovery facility allows for internal recycling of this resource with 160 tons of iodine recycled on plant and reused to preserve the global resource. In 2021, the plant implemented on-line measurements of total hydrocarbons in its damage basin, conducted a project to qualify the treatment of an organic compound present in the plant's effluents, and initiated the regulatory framework for a project to treat iodine by-products to recover larger quantities of iodine;
- in Marans, actions are continuing to optimize the operation of the effluent treatment line.

The discharge thresholds were defined in consultation with the local authorities on the basis of receiving-environment acceptability studies. These studies also improve knowledge of the environments into which effluents are discharged and make it possible to measure environmental impacts in terms of ecotoxicity or bioaccumulation; they also help limit Guerbet’s impact on biodiversity.

5.4.4.3 Waste management



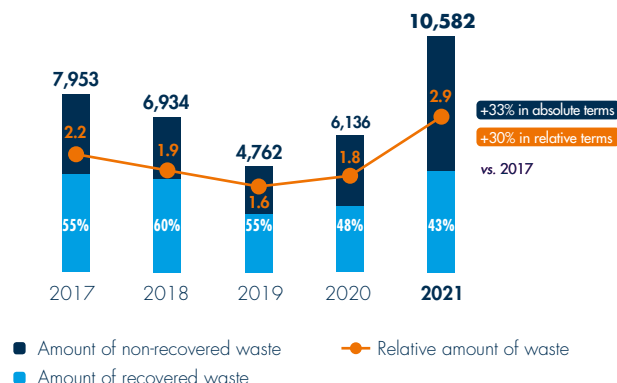
In 2021, the total amount of waste generated by the Group’s industrial plants and treated externally was 10,582 metric tons, an increase of 30% in relative terms and 33% in absolute terms ⁽¹⁾ compared with 2017, despite the implemented actions, especially in the context of increased capacity of the Lanester plant.

All the industrial plants have programs for optimizing and recovering waste, either in-house or externally. 43% of waste from the industrial plants treated externally is recovered. This result is lower than in previous years, which can be explained by, among other factors, the increase in external treatment at the Lanester plant in the context of the plant’s increased capacity. Waste sorting and recovery programs are also in place at the head office and in some subsidiaries, e.g. in Prague.

The Dublin and Lanester plants have in-house iodine recovery and recycling facilities, and the Dublin plant has solvent recycling facilities (see section 5.4.3 “Innovation approach”). Approximately 160 metric tons of iodine are recycled internally at the Lanester plant, making it possible to preserve the world’s resources and limit the quantities of waste and effluents. The Dublin plant performs in-house recycling of more than 70% of the main solvents used in the manufacture of active ingredients.

In addition, with its eco-designed polypropylene bag packaging (Scanbag® by Xenetix®), Guerbet limits the weight and volume of waste for its customers.

CHANGE IN AMOUNT OF WASTE TREATED EXTERNALLY* (reference year 2017)



In addition to the actions in place, new initiatives are being taken in the industrial plants and administrative units and the sales subsidiaries. Examples include:

- setting up a drum recycling facility in Raleigh;
- replacing drums with containers in Dublin.

Other discharges

The discharge standards applicable to the industrial plants, in particular the active ingredient manufacturing plants in Lanester, Seveso, Marans, and Dublin, require numerous measurements of parameters covering atmospheric emissions (volatile organic compounds, nitrogen oxides, dust, etc.), liquid discharges, and soil quality monitoring.

All these results are used for operational management of the plants, with alert thresholds that allow any fluctuations to be detected and resolved. The results of this monitoring are reported to the local authorities for the Seveso plants, in periodic reports or specific studies such as the solvent management plan or annual environmental review.

For example, the replacement of burners in the boiler room at the Aulnay-sous-Bois plant has also enabled the plant to reduce nitrogen oxide emissions in anticipation of future regulatory changes.

The Lanester plant has reduced its atmospheric emissions by linking the emissions of an organic compound to its VOC (volatile organic compound) network.

⁽¹⁾ The relative amount of waste is the amount of waste relative to production.

5.4.4.4 Action plan and results

Theme	Objectives and key focuses for 2018-2023	Actions, progress and results in 2021
Water	<ul style="list-style-type: none"> Objective of reducing relative water consumption (a) by 25% by 2023. Deployment of action plans to reduce water consumption in the industrial plants. 	<ul style="list-style-type: none"> Water consumption of 921,892 m³, down 9% in relative terms and 1% in absolute terms from 2020. Relative consumption was stagnant compared with 2017 and is increasing in absolute terms. This result is not as good as expected, particularly following the commissioning of new equipment since 2017, the manufacture of technical lots of Gadopicolenol, and technical hazards on water treatment in Dublin. The increase in absolute terms is linked to the increase in quantities produced at the plants in a context of internationalization.
Energy	<ul style="list-style-type: none"> Objective of reducing relative energy consumption (a) by 25% by 2023. Deployment of action plans to reduce energy consumption in the industrial plants. 	<ul style="list-style-type: none"> Energy consumption at the industrial plants was 188,674 MWh, down 4% in relative terms and up 2% in absolute terms compared with 2020. The increase in absolute terms in 2021 compared with 2020 is explained in particular by an increase in activity in 2021 (taking into account the Covid-19 crisis in 2020). This result is an improvement of 4% in relative terms and 2% in absolute terms compared with 2017, thanks to the actions implemented in recent years. This decrease is less than expected, in particular following the commissioning of new equipment since 2017, the manufacture of technical batches of Gadopicolenol, and a context of internationalization.

(a) Relative consumption corresponds to consumption compared with production.

5.5 Business ethics

5.5.1 Human rights

The Guerbet group is committed to ensuring that its entities comply with the fundamental conventions of the International Labour Organization (ILO), namely:

- recognition of freedom of association and collective bargaining rights;
- elimination of discrimination with regard to employment and occupation;
- elimination of forced or compulsory labor;
- the effective abolition of child labor.

Guerbet must also ensure respect for human rights throughout its value chain. Guerbet incorporates human rights into its internal management systems, policies and tools such as its ethical charter, secure reporting platform, and its Supplier Code of Ethics. Guerbet only works with suppliers who respect human rights, labor laws, the environment, and business ethics (see chapter 5.5.2 "Responsible purchasing"). Guerbet makes patient safety a top priority and protects the rights of patients who take part in clinical trials. Collaborations between Guerbet and patient organizations are established according to principles that guarantee the transparency and ethics of these collaborations (see chapter 5.5.5 "Relations with local authorities", "Closer look at interaction with patient organizations").

5.5.2 Responsible purchasing



5.5.2.1 Background and policy

Guerbet pursues a responsible purchasing policy that seeks to cultivate collaborative, balanced, and healthy relationships with its suppliers.

Guerbet asks its procurement employees to act in accordance with an Ethical Purchasing Charter. The selection criteria for our providers rely on open and fair competitive bidding rules. Moreover, Guerbet only works with suppliers who respect human rights, labor laws, the environment and business ethics.

Guerbet has decided to promote its social and environmental values to its suppliers and to ask them to do the same with their own economic partners.

The selection of partners and suppliers has a major impact on the quality and sustainability of products and services, and a significant social and environmental impact. The Group therefore attaches particular importance to choosing the right suppliers and the quality of the relations that it has with them.

In selecting suppliers, Guerbet verifies their financial soundness and relies on open and fair competition to ensure efficiency, based on the following rules:

- free access to calls for tenders;
- equal treatment of applicants;
- transparent, traceable procedures;
- consideration of the total cost;
- comparison of suppliers on the basis of uniform criteria.

Among the criteria, Guerbet includes an ethics and environmental and social impact criterion.

The Purchasing Policy also has a socially responsible aspect in the form of purchasing practices based on integrity and honesty. The Guerbet group undertakes to only work with suppliers who comply with international standards and social and environmental laws and regulations. Therefore, suppliers must not use forced labor, child labor or illegal workers under any circumstances, and must also ensure safe and healthful working conditions. Guerbet is committed to treating suppliers respectfully in all circumstances.

Guerbet has established an Ethical Purchasing Charter for all Group buyers. This Charter has three components: a reminder of the Group's Ethical Charter, purchasing values, and rules of behavior.

It defines, highlights and recaps the key values and main rules of conduct that must be put in place and respected by all those involved in purchasing at Guerbet.

In addition, Guerbet has formalized a Code of Ethics for its suppliers. This Code aims to promote societal and environmental values among our suppliers, and defines the principles that they must obey. Guerbet is continuing to deploy the Code of Ethics with new suppliers representing a risk (types of purchases and regions of origin). By 2023, all suppliers identified as presenting an ESG (Environmental, Social and Governance) risk must also have signed the Supplier Code of Ethics or provided at least equivalent guarantees.

In 2021, Guerbet:

- set up a new continuous supplier risk assessment process covering all criteria that can be assessed by the parties involved, including an HSE component for suppliers identified as potentially presenting the greatest ESG risk; this process is part of the quality audits conducted;
- reaffirmed its desire for ethical and honest relations in the management of purchases at the Group level and in its relations with its suppliers with the revision of the ethics charter in 2021;
- raised awareness of corruption risk scenarios among all of the Group's purchasing functions.

The Supplier Code of Ethics is divided into 10 principles around the following four aspects:

Human rights

1. Support and respect for the protection of internationally proclaimed human rights
2. No complicity in human rights violations

Employment

3. Respect for workers' rights, health and safety
4. Elimination of all forms of forced or compulsory labor
5. Effective abolition of child labor
6. Elimination of discrimination with regard to employment and occupation

Environment

7. Approach to environmental challenges
8. Development of initiatives to promote greater environmental responsibility

Business ethics

9. Fight against corruption in all its forms
10. Confidentiality

The “conflict of interest” aspect for procurement is addressed in section 5.5.3 “Prevention of corruption and conflicts of interest.”

With regard to the environment, Guerbet has identified a significant weighting of materials, goods, and services purchased, which account for more than 50% of the Group’s GHG emissions, as indicated in section 5.4.1: “Climate issues.” In 2021, the Group updated the analysis of the CSR/ climate policies of 20 of its suppliers with the largest carbon footprint of the raw material suppliers. Eighty percent of these major suppliers communicate their CSR and/or climate program externally. More than 50% respond to the CDP and/ or EcoVadis. Some examples of these suppliers’ climate-related focuses and actions:

- commitment to carbon neutrality and/or reduction of the carbon footprint for 55% of these suppliers;
- energy efficiency;
- investment in low-carbon production technologies;
- use of low-carbon or decarbonized energy;
- transformation of activities;
- eco-design;
- recycling of products;

5.5.2.2 Action plan and results

- domestic carbon tax;
- compensation mechanisms.

In 2021, Guerbet completed this analysis with an assessment of the physical climate risks of its main suppliers.

As part of its commitment to the PAQTE (French government initiative described in section 5.2.2.4 “Diversity and inclusion” in the “Closer look at the commitment of Guerbet and its employees to meet societal challenges” paragraph), Guerbet conducts a proactive policy of developing our responsible purchasing. The criterion of “impactful” suppliers, i.e. those located in priority districts of the city or committed to a responsible approach to their employees, will be given particular attention in the analysis grid used to select a supplier.

The Guerbet group is a signatory to the Responsible Supplier Relations Charter.

2021 was also a peculiar year due to the Covid-19 crisis. Tensions on raw materials and international have led us to rely more and more on the sharing of values and the collaboration established with suppliers. This has allowed us to contain supply difficulties.

Theme	Objectives and key focuses for 2018–2023	Actions, progress and results in 2021
Responsible purchasing	<ul style="list-style-type: none"> • Continue to deploy the Ethical Purchasing Charter for employees involved in purchasing at Guerbet in addition to the Group’s buyers who have already signed this Charter. • Deploy the Supplier Code of Ethics with all new suppliers representing an ESG risk (or at least equivalent guarantees). • 100% of suppliers at risk identified as presenting a risk in the ESG mapping are subject to a self-assessment questionnaire, sign the Supplier Code of Ethics, or provide at least equivalent guarantees and are audited. • Pursue the climate commitment initiative with the major greenhouse gas emitters among the Group’s raw material suppliers. • Anticipate the “Conflict Minerals Regulation” (a); Guerbet is indirectly concerned through the purchase of electronic equipment. • Roll out actions in France in collaboration with PAQTE: <ul style="list-style-type: none"> • participation of the company’s buyers in one or more events promoting responsible purchasing; • promoting purchases from companies from priority districts of the city (“QPVs”) and local companies, and the supplier’s CSR commitment. 	<ul style="list-style-type: none"> • Designing a training module on the purchasing policy for deployment in 2022 in the single training management tool. • Guerbet continued to deploy the Code of Ethics with new suppliers presenting ESG risks. • Guerbet has conducted an analysis of the physical climate risks of its main suppliers. • Guerbet has deployed the HSE evaluation table for one of its suppliers. • Guerbet consumes rare earths. In a context of geopolitical risk, we decided on a first medium-term security action.

(a) On January 1, 2021, a new law came into force across the EU: the Conflict Minerals Regulation. This regulation aims to help stem trade in four minerals – tin, tantalum, tungsten, and gold – which sometimes finance armed conflict or are mined using forced labor. The regulation requires EU companies in the supply chain to ensure they import these minerals and metals from responsible and conflict-free sources only.

5.5.3 Prevention of corruption and conflicts of interest

Guerbet's ambition is to promote a strong culture of ethics and integrity within the Group and its value chain in order to prevent and detect risks of corruption and influence peddling to support Guerbet's sustainable and responsible growth.

As specified in the Group's Ethics Charter, Guerbet does not tolerate any form of corruption or influence peddling. The trust of our stakeholders and our long-term success depend on it. Vigilance is therefore essential for everyone, regardless of hierarchical level or workplace, particularly in relations with customers, suppliers, prescribers, public officials, and intermediaries.

The Group's Audit, Internal Control, and Compliance Department, which reports directly to General Management, has established measures for preventing corruption and influence peddling in accordance with the Sapin 2 law. The Group Internal Control and Anti-Corruption Department is responsible for deploying these measures within the Group with the support of the regional or local managers, who constitute a network of correspondents.

5.5.3.1 Risk mapping

Guerbet has developed a mapping of corruption and influence peddling risk scenarios based on a methodology that combines internal and external data in accordance with the recommendations of the AFA (French anti-corruption agency).

Guerbet thus uses a risk-based approach to continuously strengthen its internal controls with regard to specific identified risks and implements additional action plans when necessary with the managers of the functions in question to improve the prevention and detection of corruption risks.

In 2021, the mapping of corruption risks and associated priority prevention actions were presented to the Executive Committee and the Ethics, Governance, and CSR Committee.

5.5.3.2 Preventive measures

Ethics Charter and policies

Through the revision and distribution of the Group's ethics charter to all employees, Guerbet has reiterated its commitment to combat all forms of corruption, influence peddling, conflicts of interest, and any practices that do not comply with the law or are not in keeping with the integrity of its business affairs. The chapter "Acting with integrity in conducting business" of this charter addresses the standards of conduct expected in the prevention of conflicts of interest, representation of interests, compliance with competition law, and responsible purchasing.

The chapter "Respecting patients and healthcare players" covers product information, interactions with healthcare professionals, and interactions with patient organizations. Interaction with players in healthcare is essential to achieving Guerbet's missions. These include exchanges of information on the efficacy and safety of contrast media and medical devices, through collaboration with these players for training in diagnostic and interventional radiology practices, and research and development programs. Long subject to these national and international regulatory requirements and strict internal rules, the Group applies them to allow these relationships to be maintained with integrity, fairness, and transparency in accordance with national and international ethical standards.

In addition to an anti-corruption policy currently under review, Guerbet also has a policy for managing conflicts of interest, accompanied by an individual questionnaire designed to identify situations that could lead to conflicts of interest. This questionnaire is sent to the Group's managers and executives, who make up the Global Leadership Team.

Training

An e-learning module on the prevention of corruption was set up in 2020 in French and English and repeated this year. Although initially aimed primarily at the Group's key managers and executives, the module has been translated into three other languages to expand its reach. It is currently being translated into five other languages to reach a larger number of exposed employees according to their geographical region or function.

Ad hoc awareness raising sessions have also been held for exposed employees and all Group buyers and sales managers as well as our commercial partners in certain sensitive geographical regions.

Evaluation of third parties

Given its business activity and the analysis of corruption risks through third parties, Guerbet has put in place a procedure to evaluate third parties with an initial focus on the evaluation of its commercial partners such as distributors based on prioritization criteria such as country risk and the type of third party. Commercial intermediaries are therefore subject to a specific procedure under which they contractually commit to comply with anti-corruption clauses.

5.5.3.3 Reporting

Guerbet encourages its employees to report any act that may amount to corruption to their line manager or a designated official. In 2019, a secure reporting platform independent of

the Guerbet IT network was made available to employees in 11 languages used in the Group. It allows any whistleblowing issues reported anonymously or otherwise to be collected, recorded, and investigated confidentially.

5.5.3.4 Action plans and results

Theme	Objectives and key focuses for 2018-2023	Actions, progress and results in 2021
Combating corruption and preventing conflicts of interest	<ul style="list-style-type: none"> Updating the Group's anti-corruption and conflict of interest policies and related procedures Reinforcing the control measures based on the corruption risk mapping established within the Group Training and raising awareness: extending anti-corruption awareness among employees and providing periodic training for those who are most at risk as well as external stakeholders Evaluating third parties: applying the procedure for evaluating third parties to all of the Group's third parties on the basis of the identified risks Promoting the whistleblowing mechanism and encouraging its use within the Group 	<ul style="list-style-type: none"> Revising the Group's ethics charter, available in 13 languages, and distributing it to all employees. Overhauling the mapping of corruption and influence-peddling risks and presenting to the Executive Committee and the Ethics Committee. Identifying priority action plans to be implemented and defining the continuous improvement program. Extending the Group's anti-corruption training to the most exposed functions/geographical regions with more than 500 people trained and a 90% completion rate. Integrating whistleblowing system into the Group's new ethics charter, which are accessible to external stakeholders. Presenting an assessment of reports to the Ethics Committee

5.5.4 Compliance with competition law

Guerbet respects the rules of open, fair, and honest competition wherever the Group operates and promotes it in its ethics charter. As such, it prohibits any price fixing, protects its customers and partners against unfair commercial practices, and is committed to gathering relevant competitive intelligence.

We compete fairly by promoting innovation and quality. The price of our products and solutions is defined in an ethical, objective, balanced, and reliable manner. We ensure compliance with drug promotion rules.

Guerbet's business strategy is based on market and environmental analyses, conducted by our departments using available public data.

In France, the promotion of drugs is governed by the certification standards for information activities aimed at the promotion of medicinal products through direct marketing or sales prospecting, produced by the French national health authority (HAS). Independent certifying bodies ensure that the promotion practices of drug companies comply with the 2014 Charter, which reinforces the quality and transparency of medical examinations.

Action plan and results

Theme	Objectives and key focuses for 2018-2023	Actions, progress and results in 2021
Compliance with competition law	<ul style="list-style-type: none"> Maintaining compliance with competition law by training exposed employees. 	<ul style="list-style-type: none"> In 2021, the Group was subject to no competition proceedings or complaints. Regular training in good practices in competition law for exposed persons.

5.5.5 Relations with local authorities and communities

Guerbet attaches particular importance to the quality of its communication with local and national authorities and undertakes to work with them in a transparent and responsible way, especially through its Public Affairs Division. Guerbet contributes to public debate by providing public institutions, legislators and policymakers with technical expertise at the local, national and international levels. In France, in accordance with the Act of December 9, 2016 on transparency, the fight against corruption and the modernization of economic life (Sapin II), Guerbet is included on the public register of lobbyists.

Guerbet is a member of various professional clusters and associations, especially in France: LEEM, France Chimie, G5 Santé, MedTech In France, French Healthcare, club ETI Île-de-France, and Medicen Paris Region. Guerbet is also a member of trade associations in many other countries.

Guerbet develops research partnerships across all the continents, including the United States, Asia-Pacific and Europe (detailed in section 1.6.5: "Public-Private Partnerships").

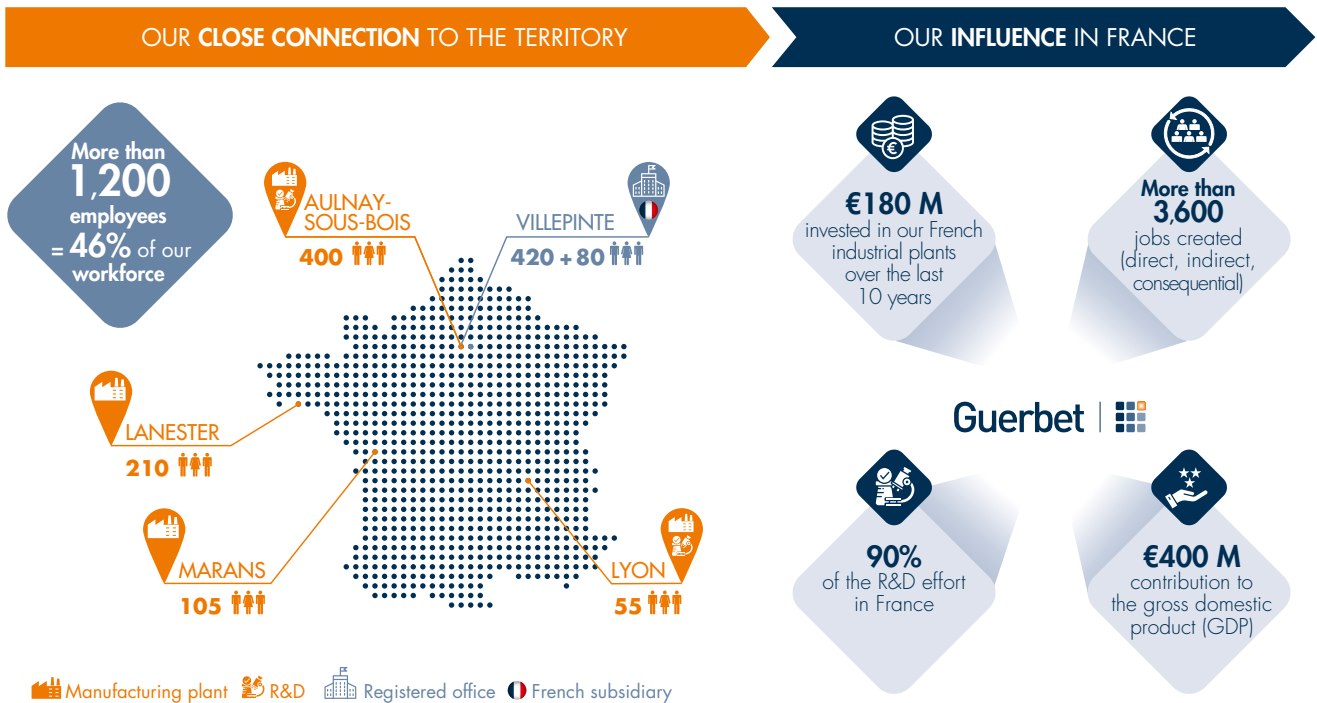
Guerbet also supports various organizations and associations. The fields covered include assistance with occupational integration, general education and organizations with a link to Guerbet's areas of activity. Guerbet encourages employees to mobilize for health, ecology and solidarity through actions supporting local associations as well as partnerships with local high schools and universities (see section 5.2.2.2: "Closer look

at the commitment of Guerbet and its employees to meet societal challenges").

Guerbet develops relationships locally to promote the economic development of the regions in which it is established. Guerbet's industrial plants have close relationships with their local ecosystem and maintain contact with public authorities on issues such as the environment, employment and industrial investments.

Guerbet is in regular contact with local authorities, particularly at its Seveso plants (see section 5.3.1.2: "Safety of industrial installations"). In Marans and Lanester, the Plant Monitoring Committees, composed of five groups (state authorities, local authorities, the operator, local inhabitants and environmental associations and the operator's employees), provide a framework for discussions and exchanges of information with a view to preventing environmental risks, monitoring the activity of safety-classified plants and promoting public information. In Dublin, a commission meets each year, bringing together all the neighbors of the industrial zone and the local authority.

Guerbet is also a committed stakeholder in the regions in which it operates. In 2018, an independent economic study (conducted by Asteres) measured the national and local impacts of Guerbet's activity on the French economy in terms of direct and indirect jobs, investments that contribute more than two-thirds to companies in France, and added value.



Closer look at interaction with patient organizations

Patients are at the heart of what Guerbet does. The Group interacts with patient organizations and patients themselves in a transparent and non-promotional manner. It works with them ethically and legally.

By exchanging views and listening to patients' experiences and the challenges they face, we can shape the future of medical research and disease management, from diagnosis to treatment, to better address patient needs. Only through open and transparent dialog between patients and the company can

we ensure that the patient's perspective becomes an integral part of the way diagnostics, drugs and medical devices are researched, developed and delivered to patients.

Our partnerships with patient organizations help us to improve our knowledge of patient pathologies and information on our products and services available to patients and to optimize the care they receive.

To ensure transparent, ethical relationships, the principles of collaboration between Guerbet, patient organizations, and patients are defined in a dedicated corporate policy established in 2020.

5.6 Quality products and services with societal value added

Guerbet contributes to advancement of the diagnosis of major pathologies and ensures that future needs are anticipated through products with societal value added (see sections 1.4 "Overview of activities" and 1.6 "Research and Development").

The Group develops and provides its customers with innovative products and services that have proven to be effective and safe

to use, enabling healthcare professionals to perform their work in the best conditions for themselves and their patients.

As part of its public health mission, Guerbet continued its activity to provide maximum support to health facilities in the context of the Covid-19 pandemic.

5.6.1 Quality and safety of products and services



Background and policy

Guerbet will be able to accelerate and build the future of medical imaging by relying on its Quality Vision, which places patient safety as its top priority.

The Group aims to meet the expectations of patients and healthcare professionals by ensuring the availability of safe, high-quality products. With several hundred employees dedicated to Quality, Guerbet develops and provides its customers with health products, medical devices and services whose effectiveness and safety have been proven.

Our Quality policy is based on the following fundamentals:

1. Customer needs and expectations are our driving force.
2. Quality applies to all of our activities.
3. All Guerbet employees are responsible for the quality and performance of the product or service as well as for patient safety.

4. Quality employees make for quality companies. For this reason, all Guerbet employees have the training, learning, abilities and experience required to allow them to perform their work competently.
5. A commitment to constantly improve the quality of products and services. Our continuous improvement initiative is based on the Guerbet Operational Excellence Program. As part of this, performance reviews are conducted on a quarterly basis at each industrial plant.
6. Achieving our Quality objectives is the primary responsibility of the management team and requires the active participation of all Group employees in keeping with Guerbet's ethical principles and values.

Action plan and results

The Group has adapted to ensure business continuity and market supplies of essential products in the context of the Covid-19 pandemic.

To support the Quality Vision, which places patient safety as our top priority, to comply with the new requirements of the health authorities and to support the Group’s strategic guidelines, Guerbet has defined the following road map:

Theme	Objectives and key focuses for 2018-2023	Actions, progress and results in 2021
Quality Performance	<ul style="list-style-type: none"> • “Right the first time.” • Improve the batch release cycle time. • Improve the Quality Index. • Develop the performance of quality control laboratories through operational excellence. 	<ul style="list-style-type: none"> • “Right the first time” objective achieved in 2021. • Improve the quality index compared with 2020.
Quality culture	<ul style="list-style-type: none"> • Continue implementation/revision of the standardized Quality policy. • Continue to promote a common Quality culture by: <ul style="list-style-type: none"> • organizing training for the employees concerned; • describing the Quality Management System in a formalized global Quality Manual. • Strengthen the skills of the Quality Division by recruiting medical device Quality experts. 	<ul style="list-style-type: none"> • Implementation of the Group Quality Manual and updating of policies and guidelines to reflect changes in global regulations. • Continuation of the process of simplifying Quality Management Systems in the industrial plants. • Training in Good Manufacturing Practices (GMP) and knowledge maintenance • Deployment of a training program on reducing human error. • Implementation of the new EU Medical Device Regulation (MDR).
Compliance	<ul style="list-style-type: none"> • Continue the deployment of Quality audits. • Preparation for inspections 	<ul style="list-style-type: none"> • Five inspections by health authorities at the industrial plants with renewal of the certificate.

5.6.2 Responsible use of laboratory animals in research

In research and innovation, Guerbet’s work is focused on two key medical imaging segments: Diagnostic Imaging – including Magnetic Resonance Imaging (MRI), X-Ray Imaging, and Imaging Solutions and Services (ISS) – and Interventional Imaging.

Where the use of animals is imperative, studies are supervised by professionals who are trained continually, and using procedures in compliance with the regulations. Experiments are conducted with a concern for preventing animal suffering as much as possible. These precautions, which are an integral part of our procedures, are applied throughout the life of the animals, from accommodation to care, and all the way to scientific experimentation.

Since 1996, Guerbet has voluntarily committed to the international principles of the “3Rs” of Replacement, Reduction and Refinement:

- replacement: give preference to other methods over animal testing. Laboratory animals are used only when absolutely necessary, i.e. when the objective of the study cannot be achieved by other means, particularly *in vitro* testing;

- reduction: use animal testing as little as possible in a research study, bearing in mind that a representative panel is necessary;
- refinement: improve the animals’ comfort and prevent animal suffering by using appropriate analgesia and anesthesia methods.

In accordance with the regulations, Guerbet has an Ethics Committee consisting of 10 members, including an independent veterinarian. The Ethics Committee assesses each research project requiring the use of an animal model and gives an opinion which is attached to any application for project authorization submitted to the French Ministry of Higher Education and Research. Guerbet also has an eight-member animal welfare structure, including an independent veterinarian. The animal welfare structure is responsible for advising the professionals on animal welfare issues and for auditing practices and studies. Guerbet may need to subcontract studies, and only works with companies applying the same rules.

Wanting to offer innovative solutions for the future, Guerbet ensures that such work complies with ethical rules and respects animal welfare.

5.7 Guerbet's contribution to the Sustainable Development Goals

The Sustainable Development Goals (SDG) define global sustainable development priorities and aspirations for 2030. As a socially responsible company, Guerbet contributes to 11 of the 17 SDGs, summarized below and previously detailed in the CSR chapter.

ODD

GUERBET'S CONTRIBUTIONS



- > Guerbet promotes **lasting employment** for its employees.



- > Guerbet is a healthcare company, concerned with manufacturing **healthcare products useful to patients**. The health of its own employees is a **key issue for the company**, as reiterated in its HR and HSE policies: an approach to QWL and reducing psychosocial risks, social protection, and an approach to protecting the health and safety of employees and outside stakeholders.



- > Guerbet contributes to **the training of young people** by taking on interns, developing work-study and VIE contracts, and promoting young employees to key, critical, or niche positions where skills are in short supply.



- > At Guerbet, we are convinced that employee diversity is a source of human wealth. We believe that diversity is an asset and an opportunity to develop the Group's sustainable performance, innovation, and creativity. The Group aims to have the same proportion of women in middle and senior management as globally and has set medium-term objectives.



- > Aware of the ecological challenges, Guerbet has set itself an **objective of reducing its water consumption** and implementing measures to reduce and optimize effluents from industrial plants.



- > The Guerbet group is committed to ensuring that its entities comply with the fundamental conventions of the International Labour Organization (ILO). Guerbet implements preventive health and safety policies for its employees and outside stakeholders. In addition, Guerbet only works with **suppliers committed to respecting human rights, labor laws, the environment, and business ethics**.



- > **Guerbet applies a policy of continuous investments** at its plants to ensure modernization of its facilities, in particular by favoring more environmentally efficient facilities.



- > **Guerbet promotes diversity** in recruitment and career development regardless of gender, age, marital status, sexual orientation, disability, national or ethnic origin, or religious or political beliefs.



- > Guerbet is fully aware of the environmental challenges facing the world and pursues its development in a sustainable manner. The company is committed to **reducing its environmental footprint** across its entire scope of activities. The Group takes into account **climate change issues** and is committed to a **WB2°C trajectory for 2032**. Guerbet has also set objectives to reduce water consumption and is developing approaches to the circular economy, waste optimization, and the control of discharges into water and air.



- > Guerbet strives to **develop an ethical environment within the Group**, enabling it to prevent the risks of corruption and influence peddling, and to ensure compliance with competition law.

5.8 External recognition of Guerbet's CSR performance

External awards



In 2021, Guerbet was awarded the 2022 Socially Responsible label among 2,000 companies with offices in France who have more than 500 employees. Guerbet was ranked 147th out of 250 companies awarded the label and 12th in the health and pharmaceutical category out of 20 companies awarded the label in this category.

The ranking is based on an analysis by the Statista Institute of a sample group of 2,000 companies with more than 500 employees, with offices in France and with a CSR or equivalent report. The analysis focused on three areas: environmental, social, and governance. The Statista Institute also conducted a complementary survey of 5,000 French people on their perceptions of these companies. The survey accounts for 30% of the score, and the remaining 70% is based on around 20 indicators.

Guerbet received two awards in 2021 for environmental actions at the Lanester plant:

- Loire-Brittany 2021 water award received in the "Resource protection and pollution reduction" category. This award recognizes the work carried out over many years to save water and reduce pollutants throughout the manufacturing cycle, especially for the actions implemented to reuse process water after treatment to cool incineration flue gases, allowing 20,000 m³ of drinking water to be saved per year.

LAURÉAT DU TROPHÉE DE L'EAU LOIRE-BRETAGNE 2021SM
Catégorie « Préserver l'eau, l'économiser et lutter contre les pollutions »



- CSR award from LEEM (Les Entreprises du Médicament) in the "Environment" category.



The award-winning projects are the same project to convert effluent into cooling water on the incinerator and the recycling of a solvent with a high calorific value to replace gas on the incinerator.

These projects are part of a global CSR approach that the company is proud to carry out. They have enabled us to considerably reduce the consumption of water, gas, and iodine necessary to manufacture our active ingredients. They also help us contribute to addressing climate issues by reducing the consumption of these natural resources.



Regarding water recycling, the plant has invested in a €110 K facility, 40% subsidized by the water agency. In 2020, the plant recycled approximately 20,000 m³ of water potentially saving 30,000 m³ per year. This represents 20% of the plant's total consumption.

For gas reduction, the plant has invested €250 K to develop a unique three-step process. In 2020, this project resulted in savings of approximately €450 K in gas and iodine:

- reuse 1,000 metric tons of solvent internally and reduce the number of waste transport trucks;
- reduce our gas consumption by approximately 14,000 MWh;
- increase the rate of recycled iodine, a rare and non-renewable raw material, by 5% at the plant;
- save about €450 K in gas and iodine and external waste treatment.

External CSR results

Summary

Organization	Scope/context	2019	2020	2021	2021 positioning
 International non-profit organization	Climate COP recognizes the world's most active companies in the fight against climate change More than 13,000 groups publish More than 590 investors, representing over \$110,000 billion in assets.	B	A-	↘ B	Top 33% worldwide Level B management, on a scale from D- to A
 EthiFinance non-financial rating agency	ESG Gaia Research: agency specializing in ESG ratings for companies listed on European markets.	80/100	84/100	↗ 87/100	1/50 sector ranking 10/400 national ranking 15/178 ranking by revenue
 Non-financial rating agency	Social Humpact measures the contribution to employment in France of the 273 main listed companies.	Not applicable	2,8/5	↗ 4,5/5	3/20 sector 18/273 listed companies evaluated
 CAHHP (Central purchasing office for private and public hospitals)	CSR 315 suppliers and service providers evaluated in 2020. The CAHPP supports 3,300 healthcare institutions in their responsible purchasing with the Green Rating system.	A++ 87,5/100	A++ 87,5/100	NA	Not applicable, redesign of the questionnaire
 Purchasing group	CSR Evaluation of suppliers in connection with calls for tenders.	Not applicable	B	↗ A	On a scale from A to E

Closer look at CDP

In the interest of transparency, Guerbet has published for the third consecutive year information and data concerning its climate strategy by responding to the Climate Questionnaire of CDP, a non-profit organization that recognizes the world's most active companies in the fight against climate change. In 2021, Guerbet received a "B" rating for the 2020 information and data. This result does not yet reflect the climate strategy and decarbonization objectives defined by Guerbet in 2021.

CDP is an international non-profit organization, formerly known as the Carbon Disclosure Project. It has the largest global database on the environmental performance of cities and businesses. CDP encourages investors, businesses and cities to take action to build a truly sustainable economy by measuring and understanding their impact on the environment.

In 2021, CDP had more than 590 investors representing more than \$110 trillion of assets. It provides investors with a view of environmental data that are critical for measuring the sustainability of investments by enabling them to analyze risks and opportunities and corporate environmental strategies.

Closer look at the Gaïa Index

In 2021, Guerbet obtained a score of 87/100 on the ESG (Environmental, Social, and Governance) questionnaire from Gaïa ⁽¹⁾, an Ethifinance non-financial rating agency specializing in ESG analysis and rating. Guerbet improved by 4 points and is now:

- 1st in the health category;
- 4th in the industry category;
- 10th in the ranking of companies in the category of revenue exceeding €500 million, up 13 places from the previous year;

- 13th in the ranking of 230 SMEs and midcaps, up one place from the previous year.

These two rankings improved from the previous year and testify to Guerbet's maturity and efforts on ESG issues.

Closer look at Humpact

In 2021, Guerbet received a 4.5/5 rating in the ESG (Environmental, Social and Governance) questionnaire of Humpact, a non-financial rating agency that provides its clients with data, indicators, scores, and impact measures on the contribution of leading listed companies to employment in France (labor market, retention of seniors in employment, professional integration of people with disabilities, and gender equality). Guerbet ranks:

- 3rd in the sector out of 20;
- 18th out of 273 companies.

Closer look at CAHPP

As a supplier, Guerbet obtained an A++ green rating in 2020, the highest awarded by the Centrale d'Achats de l'Hospitalisation Privée et Publique (CAHPP), with a score of 87.5 out of 100. This green rating is a "positive" label designed to incentivize the suppliers listed by this hospital purchasing pool. The A++ rating reflects Guerbet's CSR performance and maturity.

Closer look at Helpévia

As a supplier, Guerbet received an A rating in the sustainable development questionnaire of Helpévia, one of its customers in France. Helpévia is a key player in centralized purchasing, procurement, and consulting for healthcare institutions. Helpévia's CSR policy aims to support healthcare institutions in their approach to the three issues of sustainable development: economic, social, and environmental. Helpévia also deploys this CSR commitment within its teams to make it an everyday work and performance tool.

⁽¹⁾ Gaïa: Ethifinance's non-financial rating agency specializing in ESG (Environment, Social and Governance) analysis and rating of French and European companies. Since 2009, it has established rankings by revenue category to reward the best players from a small panel of 230 SMEs and midcaps listed on the Paris Stock Exchange. The ratings are used by leading asset management companies in their investment management and decision process. Companies are rated on their level of transparency and performance. Ratings are awarded according to 163 criteria (economic, governance, human capital, environment and stakeholders) and are used by leading asset management companies in their management process and investment decisions. Since its creation, this index has outperformed the CAC 40 and the CAC Mid & Small each year.

5.9 CSR data consolidation methodology

5.9.1 Scope and methods of consolidation

5.9.1.1 Quality data

Scope

Quality data are consolidated for the Group's industrial plants. Administrative and commercial units are excluded from the statement of non-financial performance. However, initiatives are also carried out and indicators are monitored at these units.

Methods of consolidation

Monthly quality data reporting is done through internal consolidation files.

The reporting period for the quality indicators for year N is January 1 to December 31 of year N.

To ensure the uniformity and reliability of the quality indicators monitored at all the industrial plants, Guerbet has established a reference framework describing the definitions of the quality indicators and the calculation methods.

5.9.1.2 HR data

Scope

HR data are consolidated for all Guerbet companies worldwide, for all Group activities, from the moment they are included in the HR information systems:

- MyHR, which is the global human resources information system, including workforce monitoring;
- two training management tools (Learning Management System, or "LMS"): the MyHR training module for all French plants and Compliance Wire (a single training management tool "LMS"). The harmonization of these tools is part of the HR road map for 2022.

Methods of consolidation

Consolidation is done using MyHR and Compliance Wire.

The MyHR tool was rolled out in 2017 in a single wave with the main objectives of:

- centralizing data to significantly improve data quality/reliability and HR reporting with a two-level system (global and local) permitting integration/compliance with local requirements. Most of the entities have switched to a global payroll organization, facilitating accounting, control and payment. This step enhances the management of HR data;
- simplifying and aligning HR processes;

- improving skills development through training and conducting annual reviews;
- facilitating employee mobility;
- facilitating talent management and managing succession plans;
- involving employees in their own development;
- strengthening managers' commitment regarding Human Resources;
- managing the recruitment process;
- managing compensation campaigns.

Particular attention is paid to data quality. In 2020, the Group identified the measures and governance to be implemented to ensure data quality.

In terms of scope:

- the MyHR training module has been deployed at all the French plants;
- Compliance Wire has been gradually deployed since 2017 for the management of quality/safety/regulatory training, with the main objective of facilitating the overall management of regulatory training. Data are recorded for the following plants: Cincinnati, Dublin, Princeton, Raleigh and St. Louis.

In terms of project timeline:

- the number of employees for year N is reported at December 31 of year N;
- the reporting period for the training indicators for year N is from January 1 to December 31 of year N.

5.9.1.3 Health and safety data

Scope

Data on occupational injuries and diseases are consolidated globally for all employees of Guerbet companies, for all the Group's businesses. The data currently exclude temporary workers and subcontractors.

Methods of consolidation

To ensure the uniformity and reliability of the occupational injury and disease indicators monitored across all its entities, Guerbet has implemented a Group reporting procedure. This document specifies the methodologies to be followed for the reporting of occupational injuries and diseases throughout the Group: definitions, reporting deadlines, and calculation of indicators.

Each month, Guerbet consolidates the number of incidents at the Group level, the number of days lost, and the Total Recordable Incident Rate (TRIR).

The TRIR is adjusted annually based on the number of staff at December 31 of year N.

The injury frequency rate and severity rate are consolidated annually.

The reporting period for the safety indicators for year N is from January 1 to December 31 of year N.

5.9.1.4 Environmental data

Scope

Environmental data are consolidated for the Group's main industrial and Research and Innovation (R&I) facilities. Guerbet's industrial plant in Lyon is excluded, as are the administrative and sales units whose impact is not significant. However, initiatives are also carried out in these units.

Greenhouse gas emissions are consolidated for scopes 1 and 2 for all Group entities.

5.9.2 Change in scope

No acquisitions or divestments in 2021.

5.9.3 Methodological details and limitations

The HR, health, safety and environment indicators may have limitations due to:

- the lack of official HR definitions at the international level, which can lead to disparities (e.g. types of employment contracts);
- procedures for collecting and entering information;

5.9.4 Data responsibilities and controls

The HR and HSE teams at headquarters are responsible for consolidating the data on the basis of the information provided by the Group's various entities.

The HSE indicators of the industrial plants are consolidated by the HSE managers, who conduct an initial review of the data.

Methods of consolidation

Environmental data reporting is done through internal consolidation files.

The reporting period for the environmental indicators for year N is from January 1 to December 31 of year N.

To ensure the uniformity and reliability of the environmental indicators monitored at the eight main industrial and R&I facilities, Guerbet has defined the various indicators, conversion factors and emission factors.

Guerbet consolidates the energy, water and greenhouse gas emissions indicators on energy sources on a monthly basis.

Guerbet consolidates indicators on externally treated waste on an annual basis, distinguishing between recovered and non-recovered waste.

- changes in certain data (e.g. regulatory changes for calculating the rate of disabled employees in France, inclusion of groundwater or surface water in addition to public water consumption, and updating of greenhouse gas emission factors, which is done in detail in external databases).

Guerbet has therefore clarified the definitions and methodologies used for these indicators.

Consistency reviews are performed by the HR and HSE teams at headquarters during consolidation. These controls include, for example, loopbacks, comparison with data for prior years, and analysis of divergences deemed significant.

5.9.5 Quality indicators

5.9.5.1 Percentage “right the first time”

This is the number of operations on batches released (or certified) without a deviation during the month relative to the total number of operations on batches released (or certified) during the month.

5.9.5.2 Batch release cycle time

This is the number of days between the start of production and the first release of the sub-batch or complete batch.

5.9.6 Social indicators

5.9.6.1 Workforce

The workforce includes all employees having a contract (open-ended or fixed-term) with a Guerbet company, including apprentices and interns who have a contract with Guerbet. Interns are counted if they have a contract with Guerbet. In France, for example, they are excluded from reporting (intern under an internship agreement). Employees are counted over the entire calendar year (from January 1 to December 31 of year N).

It is the workforce as at December 31 of year N.

Employees with a contract ending on December 31 of year N are not counted in the workforce at December 31 of year N.

The workforce is expressed as a number of employees, regardless of working time or starting date, in year N.

Breakdown of workforce by region

The regions are determined as follows:

- France;
- EMEA (Europe, Middle East and Africa – excluding France): Austria, Belgium, the Czech Republic, Germany, Ireland, Israel, Italy, the Netherlands, Poland, Portugal, South Africa, Spain, Switzerland, Turkey and the United Kingdom;
- North America: United States and Canada;
- LATAM (Latin America): Argentina, Brazil, Chile, Colombia, Mexico, Panama and Puerto Rico;
- Asia-Pacific: Australia, China, Hong Kong, India, Japan, South Korea and Taiwan.

5.9.5.3 Quality index

This is a weighted Quality index of all the Quality indicators according to an internal definition.

5.9.5.4 Performance of Quality Control laboratories

This is the number of quality control analyses conducted per full-time-equivalent employee.

5.9.6.2 Diversity

Middle managers and executives

This category includes members of the Executive Committee as well as positions of responsibility and impact on the Group’s strategy, such as positions on the plant management committee, the subsidiary management committee, and the central function management committee. Special attention is given to this category, particularly in connection with an objective of equal gender representation in senior management positions.

Nationality

This indicator comes from MyHR data and has limitations associated in particular with inputting this information into the tool.

Moreover, for employees having several nationalities, only one is entered in the tool.

5.9.6.3 Training

Number of trained employees

The employees counted are those on permanent contracts or fixed-term contracts, apprentices, and paid interns present. An employee who has participated in several training courses is counted as a single trained employee. For year N, the number of trained employees comes from the following training tracking tools:

- compliance Wire for quality, safety, and regulatory training;
- the MyHR tool for the other training (Marans plant data tracked separately).

The training courses counted are those conducted by a trainer and/or in e-learning mode.

The reporting period for training indicators for year N is from January 1 to December 31 of year N. Training courses taking place over several years are counted in the year when the training is completed.

5.9.7 Safety indicators

5.9.7.1 Recorded incidents

For the entire Group, Guerbet consolidates the number of recorded incidents according to the Group's internal reporting procedure, which keeps a record of injuries with lost time, adapted work stations, or medical treatment.

5.9.7.2 Theoretical hours worked

This indicator is used to calculate the injury frequency and severity rates.

The theoretical hours worked are calculated on the basis of the Group's average workforce over year N and the legal annual working time in France (1,607 hours).

Calculation: workforce at December 31 of year N x 1,607 hours.

5.9.7.3 TRIR

Total Recordable Incident Rate for Guerbet employees (permanent contracts, fixed-term contracts, apprentices, interns).

This is the number of recorded incidents (according to the Group's internal procedure) in year N at the Group level per 100 employees.

This indicator has been rolled out across the whole Group.

Calculation: number of recordable incidents in year N x 100 / number of employees at year-end.

5.9.8 Environmental indicators

5.9.8.1 Water consumption

The reporting period for the water indicators for year N is from January 1 to December 31 of year N.

This is the consumption of public water only. Consumption of water recycled in-house is excluded (indicator consolidated separately). Data from previous years have been adjusted to reflect the change in methodology.

The data are measured by the plants through water invoices or, failing that, on the basis of meters with a verification of their consistency with the invoice.

The data are consolidated each month at the Group level in absolute and relative terms.

The objective concerns the relative consumption of water, i.e. compared with production quantities from January 1 to December 31 of year N. Production quantities include the production of the chemical plants and the pharmaceutical plants. The production of injectors is not counted.

Guerbet monitors the change in the TRIR over the period 2017–2023 against the reduction target set for this period.

5.9.7.4 Occupational injury frequency rate

This is the number of lost-time occupational injuries (according to the Group's internal procedure) in year N at the Group level per million theoretical hours worked.

Calculation: number of lost-time occupational injuries in year N x 1,000,000 / theoretical hours worked.

5.9.7.5 Occupational injury severity rate

This is the number of days lost due to an occupational injury in year N per 1,000 theoretical hours worked.

The days lost may relate to injuries that occurred in the current year or during the previous year according to the Group's internal procedure.

This rate does not reflect the actual severity of injuries. For an injury of identical severity, the number of days lost can vary considerably from one country to another depending on the culture, the regulations and the compensation system in place. Moreover, any days lost in year N-1 are recorded according to the Group's internal procedure, within the limit of 365 consecutive days, which does not reflect the performance of year N. Despite this, Guerbet has chosen to disclose the severity rate for the sake of transparency.

5.9.8.2 Energy consumption

Energy includes electricity, gas, and fuel oil used for production or heating. Consumption of gas and fuel oil to operate forklifts or to power backup generators is excluded.

The reporting period for the energy indicators for year N is from January 1 to December 31 of year N.

The data are measured by the plants through energy invoices or, failing that, on the basis of meters with a verification of their consistency with the invoice.

Conversion factors have been established at the Group level and are used automatically in the reporting files to ensure consistency.

The data are consolidated each month at the Group level in absolute and relative terms.

The objective concerns the relative energy consumption, i.e. compared with production quantities from January 1 to December 31 of year N. Production quantities include the production of the chemical plants and the pharmaceutical plants. The production of injectors is not counted.

5.9.8.3 Waste treated externally

The distinction between recovered and non-recovered waste is the distinction made by the European regulations for European Union member countries (Decision 2000/532/EC of May 3, 2000) and the local regulations for other countries.

The reporting period for the waste indicators for year N is from January 1 to December 31 of year N. In other words, waste for external treatment that left the plant between January 1 and December 31 of year N is recorded cumulatively in year N. Waste on the plant awaiting removal by an external company is excluded from this indicator.

When raw data are expressed in cubic meters, in the absence of precise data, a density of 1 is assumed (1 cubic meter is equivalent to 1 metric ton).

The data are recorded by the plants using waste tracking records or local equivalents.

The data are consolidated once a year at the Group level in absolute and relative terms (i.e. compared with production quantities from January 1 to December 31 of year N). Production quantities include the production of the chemical plants and the pharmaceutical plants. The production of injectors is not counted.

5.9.8.4 GHG emissions for scopes 1 and 2

The reporting period for GHG emissions for scopes 1 and 2 is from January 1 to December 31 of year N.

The data are counted on the basis of:

- energy reporting: according to the actual consumption in year N for industrial plants; data from the last carbon footprint assessment were used for the other entities (in

2020) on the basis of actual consumption for the head office and calculation of the surface area of the premises for the other entities;

- reporting of fugitive emissions (refrigerant leaks) for the year of the most recent carbon footprint assessment (2020). Refrigerant emissions were obtained using three methods: actual for all industrial plants excluding Raleigh; calculation based on equipment capacities and annual leakage rate of chemical industrial processes for Raleigh; and calculation based on surface area for the other entities;
- a proportion on the production of the plants concerned for process emissions.

Conversion factors (also called emission factors) are centralized and updated at the Group level and are used automatically in the reporting files to ensure consistency.

The emissions resulting from energy consumption are calculated on the basis of emission factors from the CarbonEM database, the sources of which are mainly ADEME, IEA and ECOINVENT. The emission factors used to calculate greenhouse gas emissions were updated in 2021, while the emission factors for previous years were used to take account of exogenous changes (e.g. energy mix related to the country where our plants are located).

The data are consolidated each year at the Group level in absolute and relative terms.

Guerbet's medium- and long-term objective is to reduce emissions in absolute terms. Guerbet also tracks its emissions in relative terms, i.e. compared with production quantities from January 1 to December 31 of year N. Production quantities include the production of the chemical plants and the pharmaceutical plants. The production of injectors is not counted.

5.10 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2021

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Guerbet SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

The Board of Directors is responsible for:

- electing or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with the fight against corruption and tax evasion);
- the fairness of information set-out in article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of five people between January and March 2022 and took a total of about twelve weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around twenty interviews with people responsible for preparing the Statement.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- we familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement covers each category of information stipulated in section III of article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement provides the information required under article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important⁽¹⁾ and for which our work was carried out on the consolidating entity;
- we verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with article L. 233-16;
- we obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes⁽²⁾ that we considered to be the most important, we implemented:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto,
 - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities⁽³⁾ and covered between 19% and 40% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 29, 2022

One of the Statutory Auditors,
Deloitte & Associés

Jean-François Viat
Partner, Audit

Catherine Saire
Partner, Sustainability Services

⁽¹⁾ *Qualitative information*: recognition policy in line with the company's strategy and development; definition of the corporate purpose; establishment of a mechanism for assessing gender equality; preservation of biodiversity; "Climate strategy" project to better cope with the issues of sustainable performance and transformation; 2021 carbon footprint assessment (scope 3); deployment of the supplier code of ethics.

⁽²⁾ *Quantitative environmental information*: water consumption; quantity of waste processed externally (hazardous and non-hazardous, recovered and non-recovered); energy consumption (electricity, natural gas, fuel oil); greenhouse gas emissions related to energy consumption – Scopes 1 & 2 carbon footprint assessment.
Quantitative social information: period-end total number of employees; total number of hires during the period; total number of departures during the period broken down by reason (including dismissals); number of occupational injuries with lost time, adapted workstations, or medical treatment; occupational injury frequency and severity rates; number of occupational injuries relative to the number of employees ("Total Recordable Incident Rate"); number of employees who completed at least one training or awareness session during the year.

⁽³⁾ *Selected entities*: industrial plants in Marans (France), Rio de Janeiro (Brazil), and Raleigh (USA).



6

FINANCIAL STATEMENTS AND RELATED NOTES

6.1 Consolidated financial statements and notes	166	6.4 Statutory Auditors' report on the annual financial statements	236
6.1.1 Summary financial statements	166	6.5 Statutory Auditors' special report on regulated agreements	240
6.1.2 Notes to the consolidated financial statements	170		
6.2 Statutory Auditors' report on the consolidated financial statements	210		
6.3 Individual financial statements and notes	215		
6.3.1 Annual financial statements	215		
6.3.2 Notes to the annual financial statements	218		

6.1 Consolidated financial statements and notes

6.1.1 Summary financial statements

6.1.1.1 Consolidated balance sheet

ASSETS (net values)

<i>(in thousands of €)</i>	Note	12/31/2021	12/31/2020*
Intangible assets	5	188,618	188,267
Tangible assets	6	274,046	261,294
Other non-current financial assets	1 & 7	23,295	16,540
Deferred taxes - Assets	8	19,419	11,046
Total Non-current assets		505,379	477,147
Inventories	9	201,952	204,587
Trade receivables	10 & 1.1	118,775	111,038
Other current financial assets	1 & 1.1	59,000	56,220
Cash and cash equivalents	1 & 1.2	115,728	96,713
Total Current assets		495,454	468,559
TOTAL ASSETS		1,000,833	945,707

EQUITY & LIABILITIES (net values)

<i>(in thousands of €)</i>	Note	12/31/2021	12/31/2020*
Capital		12,641	12,603
Other reserves		408,234	397,461
Net income		32,637	18,240
Translation adjustment		(48,420)	(60,550)
Shareholders' equity, Group share	11	405,092	367,754
<i>of which Group share</i>		405,092	364,305
Non-current financial liabilities	2.1 & 2.2	299,691	318,377
Other non-current financial liabilities	2	1,947	4,305
Deferred tax liabilities	8	15,246	14,766
Non-current provisions	12	41,988	40,289
Non-current liabilities		358,873	377,736
Trade and other payables	13 & 2.1	81,021	64,413
Current financial liabilities	2.1 & 2.2	33,847	34,925
Other current liabilities	1 & 2.7	97,217	88,438
Current tax liabilities		15,011	8,086
Other short-term provisions	12	9,774	4,355
Total Current liabilities		236,869	200,216
TOTAL EQUITY & LIABILITIES		1,000,833	945,707

* Includes the impact of the final IFRIC decision of April 2021 on pension obligations as described in paragraph 6.1.2.1 b) of the notes.

6.1.1.2 Consolidated income statement

<i>(in thousands of €)</i>	Note	2021	2020*
Revenue	4	732,071	712,295
Usage fees		—	—
Other operating revenue	14	4,941	5,397
Purchases consumed and change in inventories		(190,934)	(166,552)
Payroll expenses	15	(232,789)	(236,500)
External charges	16	(195,565)	(203,975)
Taxes	17	(13,459)	(15,852)
Amortization/depreciation expenses	18	(55,945)	(59,649)
Net allowances for provisions		(10,434)	832
Other operating income and expenses	19	799	5,876
Current operating income		38,685	41,872
<i>of which profit sharing</i>		(591)	(817)
Income from cash and cash equivalents		59	83
Gross finance costs	20	(3,243)	(7,239)
Net finance costs		(3,183)	(7,156)
Currency gains/losses		(3,212)	(7,973)
Other financial income and expenses		(3,316)	(4,495)
Income tax expense	21	3,664	(4,008)
Consolidated net income		32,637	18,240
<i>of which group share</i>		32,637	18,240
Net earnings per share with € 1 face value <i>(in euros)</i>		2.59	1.45
Diluted net earnings per share with € 1 face value <i>(in euros)</i>	27	2.58	1.44

* Includes the impact of the final IFRIC decision of April 2021 on pension obligations as described in paragraph 6.1.2.1 b) of the notes.

6.1.1.3 Consolidated statement of comprehensive income

<i>(in thousands of €)</i>	2021	2020*
Consolidated net income for the period	32,637	18,240
Income and expenses recognized directly in equity		
Non-reclassifiable		
Actuarial gains and losses on IAS 19 obligations	163	(2,367)
Actuarial gains and losses on IFRS 2 obligations	452	(1,307)
Reclassifiable		
Hedging instruments	(751)	(1,012)
Change in translation adjustments	12,137	(30,589)
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	44,637	(17,035)

* Includes the impact of the final IFRIC decision of April 2021 on pension obligations as described in paragraph 6.1.2.1 b) of the notes.

6.1.1.4 Consolidated statement of cash flows

<i>(in thousands of €)</i>	2021	2020*
Net income	32,637	18,240
Change in amortization/depreciation and provisions on fixed assets and other current assets	58,320	57,741
Net allowances for provisions for contingencies	8,316	1,379
Change in fair value of hedging instruments	443	(168)
Costs of stock options and bonus shares	610	(1,307)
Income from sale of fixed assets and other adjustments	286	5,367
Cash flow after net finance costs and taxes	100,612	81,251
Net finance costs	5,343	4,853
Tax expenses (including deferred taxes)	(3,664)	4,008
Cash flow before net finance costs and taxes	102,290	90,112
Taxes paid	586	(2,248)
(Increase)/decrease in inventories	4,578	17,383
(Increase)/decrease in trade and other receivables	(6,644)	14,010
Increase/(decrease) in trade payables	16,042	4,614
(Increase)/decrease in other assets	(8,628)	(6,366)
Increase/(decrease) in other liabilities	7,748	2,927
Change in operating WCR	13,096	32,567
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	115,973	120,432
Investments	(56,359)	(61,185)
<i>intangible assets</i>	(11,431)	(19,890)
<i>tangible assets</i>	(37,500)	(39,792)
<i>financial assets</i>	(7,428)	(1,503)
Asset disposals	2,849	9,820
<i>intangible assets</i>	720	1,038
<i>tangible assets</i>	840	1,644
<i>financial assets</i>	1,289	7,138
Increase/(decrease) in amounts payable on fixed assets	1,267	(5,923)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES (B)	(52,243)	(57,288)
Dividends paid	(8,814)	(8,825)
Capital increase	592	100
Increase in borrowings	6,581	7,337
Repayments of borrowings	(34,392)	(40,607)
Net finance interest paid (including finance lease agreements)	(5,250)	(4,890)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(41,283)	(46,887)
Effect of exchange rate changes (D)	68	(3,699)
NET CHANGE IN CASH (A) + (B) + (C) + (D)	22,515	12,560
STARTING CASH	93,042	80,481
ENDING CASH	115,556	93,042

* Includes the impact of the final IFRIC decision of April 2021 on pension obligations as described in paragraph 6.1.2.1 b) of the notes.

Net cash

<i>(in thousands of €)</i>	2021	2020
Bank credit facilities	(172)	(3,671)
Cash and cash equivalents	115,728	96,713
TOTAL	115,556	93,042

6.1.1.5 Statement of changes in consolidated shareholders' equity

<i>(in thousands of €)</i>	Capital	Consolidated reserves	Result	Change in translation adjustments	Total
Situation at December 31, 2019	12,596	375,746	37,328	(36,477)	389,192
Appropriation of 2019 result		37,328	(37,328)		—
Stock options					
Dividend payments		(8,805)			(8,805)
2020 consolidated result			17,714		17,714
Actuarial gains and losses		(3,308)			(3,308)
Translation adjustments				(30,589)	(30,589)
Capital increase	7	93			100
Other transactions		(6,515)		6,515	—
Impact of IFRIC decision of April 2021 IAS 19*		2,923	526		3,449
Situation at 12/31/2020	12,603	397,461	18,240	(60,551)	367,754
Appropriation of 2020 result		18,240	(18,240)		—
Stock options					
Dividend payments		(8,814)			(8,814)
2021 consolidated result			32,637		32,637
Actuarial gains and losses		809			809
Translation adjustments				12,137	12,137
Capital increase	38	540			578
Other transactions				(8)	(8)
Situation at 12/31/2021	12,641	408,236	32,637	(48,422)	405,092

* Includes the impact of the final IFRIC decision of April 2021 on pension obligations as described in paragraph 6.1.2.1 b) of the notes.

6.1.2 Notes to the consolidated financial statements

The figures presented in these notes are expressed in thousands of euros, unless otherwise indicated.

6.1.2.1 Accounting policies

a) Basis of presentation and statement of compliance

The main accounting methods applied when preparing the consolidated financial statements are described below. Unless otherwise indicated, these methods were applied consistently to all of the periods presented.

In accordance with Regulation 1606/2002 enacted on July 19, 2002, by the European Parliament and the European Council, the consolidated financial statements of Guerbet have been established in accordance with IFRS (International Financial Reporting Standards), as approved by the European Union on the date the financial statements were prepared. The IFRS as adopted by the European Union differ in some respects from the IFRS published by the IASB. However, the Group has ensured that the financial information for the periods presented would not have been materially different if it had applied the IFRS as published by the IASB.

International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and the following interpretations: SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee).

All the texts adopted by the European Union are available on the European Commission's website: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en.

b) New IFRS texts applicable in 2021

On February 12, 2021, the IASB issued an amendment to IAS 1 concerning accounting policy disclosures and an amendment to IAS 8 concerning the definition of accounting estimates. On May 7, 2021, the IASB also issued an amendment to IAS 12 concerning deferred tax related to assets and liabilities arising from a single transaction. The Guerbet group does not expect any material impact from the coming into force of these two amendments applicable no earlier than January 1, 2023. The Group will not apply these amendments early.

On March 31, 2021, the IASB issued a second "Covid-19-Related Rent Concessions" amendment to IFRS 16. This amendment extends by one year the applicability of the May 2020 amendment that relieves lessees of the requirement to assess whether an offered Covid-19 pandemic rent relief constitutes a lease modification. The Guerbet group has not been affected by the coming into force of this amendment.

In its March 2021 update, the IFRS IC (Interpretations Committee) published an agenda decision clarifying how to account for costs of configuring or customizing a supplier's application software in a Software as a Service (SaaS) arrangement. The impact of this decision is not material at the Group level and did not require restatement.

In its April 2021 update, the IFRS IC published an agenda decision clarifying how to calculate the obligation relating to certain defined-benefit plans under which the retirement benefit is contingent on the employee being employed by the entity at the time of retirement and capped at a specified number of years of service. This new method of calculating obligations had an impact only on the provision for retirement benefits for the four French entities. The impact resulted in a decrease in the total obligation of €3.4 million at December 31, 2021. Pursuant to IAS 8, this change in method was recalculated at January 1, 2020, and represents an impact on opening reserves of €2.9 million. The difference with the total impact of €3.4 million, amounting to €0.5 million, represents a reduction in transfers to provisions for the 2020 fiscal year.

c) Estimates and judgments

To establish financial statements in accordance with IFRS standards, the Group makes estimates and assumptions that impact the book value of items in the assets and liabilities, income and expenses, and the information given in certain related notes.

Management evaluates these estimates and assessments continually based on past experience and on various other factors judged to be reasonable, which constitute the basis for these assessments.

The main significant estimates made by the Group Management concern the valuation of goodwill and intangible assets with an indefinite life, impairment of inventory, provisions, legal disputes with third parties, and deferred taxes.

c bis) Impact of climate change issues on the financial statements

In preparing the consolidated financial statements, the Group considered the impact of climate change, particularly in the context of the disclosures required in the statement of non-financial performance of the Universal Registration Document.

This consideration had no material impact on the judgments and estimates made by the Group, in line with the analysis indicating that climate change would not have a major effect on the Group's medium-term viability.

d) Consolidation method

Subsidiaries are consolidated according to the control exercised by the parent company. Guerbet consolidates as follows:

- through the full consolidation method, for companies in which the parent company exercises exclusive control directly or indirectly;
- through the equity method, for companies in which the Group exercises significant influence directly or indirectly, without providing management.

All inter-company transactions are eliminated.

e) Business combinations

Business combinations are recognized using the acquisition method. The assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date.

The residual difference between the acquisition cost and the purchaser's share of the net assets measured at their fair value is recognized as goodwill.

If this difference is positive, it is recognized as an asset in goodwill. If it is negative, it is immediately recognized as income.

f) Translation methods

Recognition of foreign currency transactions in the accounts of consolidated companies

Transactions denominated in foreign currencies are converted by subsidiaries into their working currencies at the rate applying on the day of the transaction.

Monetary items on the balance sheet and the cash flow statement are restated at their closing exchange value at the end of the year. Gains or losses resulting from this valuation are recognized on the income statement in "Other financial income and expenses."

Non-monetary items on the balance sheet measured at historical cost are translated using the exchange rate applying at the date of the transaction.

Income from currency option trading is recognized at the option strike date to the extent that the options hedge commercial operations after the end of the year. The premium paid is recognized as an asset on the balance sheet until the option expires.

Currency translation of statements of foreign subsidiaries outside the euro zone

Shareholders' equity is converted at historic rates. Other items on the balance sheet are converted at the official year-end exchange rates, and items on the income statement at the average exchange rate for the year. The difference resulting from the use of these different rates is entered in shareholders' equity under "Translation adjustments."

Special case: conversion of accounts of foreign subsidiaries with a hyperinflationary functional currency

Based on monitoring by the International Practices Task Force (IPTF), Argentina is identified as a hyperinflationary country with

an estimated cumulative projection of inflation rates over the next three years exceeding 100%.

IAS 29 "Financial Reporting in Hyperinflationary Economies" applies to the financial statements of Guerbet Argentina, a branch of Guerbet Argentina Ltd (UK), a wholly owned subsidiary of Guerbet Laboratories Ltd (UK). Guerbet Argentina's financial statements are translated into euros for the purposes of the Group's consolidated financial statements. Under IAS 21.42B, restatements to be made to non-monetary assets/liabilities as defined in IAS 29.8 apply only to financial statements produced starting from the date on which the currency is identified as hyperinflationary, i.e. consolidated financial statements closed on December 31, 2019. Guerbet Argentina's total of non-monetary assets and liabilities is not significant December 31, 2021. The impact of hyperinflation on monetary items does not affect the interpretation of the Group's financial statements. No specific restatement was therefore made.

g) Intangible assets

Intangible assets are recognized at their acquisition cost or at fair value in the case of a business combination. Trademarks recognized in the assets of the balance sheet relate only to acquired brands that are supported by promotional spending.

Intangible assets are amortized over their useful life. The useful life is the period during which an entity expects to use an asset, or the number of production units or similar units that the entity expects to obtain from the asset. This period is determined on a case-by-case basis according to the nature and characteristics of the items included under this heading.

In general:

- brands are not amortized but undergo an annual impairment test;
- acquired patents and technologies are amortized on a straight-line basis for periods not exceeding their duration of protection;
- computer software is amortized over a 3- to 10-year period using the straight-line method.

h) Research and Development costs

Costs incurred during the research phase are recognized as expenses. Costs incurred during the development phase are recognized as intangible assets only if all of the following criteria can be demonstrated:

- the technical feasibility necessary to complete the intangible asset for commissioning or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate likely future economic benefits;
- the availability of appropriate technical, financial and other resources to complete the development and use or sell the intangible asset; and
- the ability to reliably measure the expenditures attributable to the intangible asset during its development.

Because of the risks and uncertainties involved in regulatory authorizations, the Group considers that contrast media costs incurred before obtaining Marketing Authorization (AMM) do not meet the above criteria. These development costs are therefore recorded as expenses in the year in which they are incurred. Furthermore, costs incurred after obtaining the MA are generally sales costs that cannot be capitalized. Under Post Marketing Requirements (PMR) in the United States, additional studies may be requested after an authorization is obtained. In that case, the costs associated with those studies meet the criteria for recognition as fixed assets (see Note 5 for details).

Research tax credits are recognized as "Other operating income and expenses" on the income statement (see Note 14 "Other operating income and expenses").

i) Tangible assets

Tangible assets are recorded at their historical purchase or production cost. Exceptionally, using the option available under IFRS 1 in the initial IFRS version adopted, the Villepinte plant was recognized at its fair value at January 1, 2004.

Costs that can be allocated directly and that are necessary for the start-up of investments, from engineering drafts (summary and detailed) through to costs for validation and qualification of facilities, are fixed costs.

Borrowing costs are included in the value of fixed assets for strategic investment projects that extend over several months of production and that began after January 1, 2009.

Equipment subsidies received are not deducted from the value of the fixed assets but are presented at their amortized value as deferred income. Depreciation is calculated on a straight-line basis according to the useful lifespan of assets on the basis of their purchase or production cost, possibly restated, less any residual value where applicable. Depreciation periods are calculated according to useful lives that are generally established within the following limits:

- buildings: 20 to 50 years;
- improvements, fittings: 10 to 20 years;
- plant, machinery and equipment: 5 to 10 years;
- other tangible assets: 5 to 10 years.

j) Impairment of fixed assets

Nature of tested assets

Goodwill and intangible assets with an indefinite useful life

Goodwill and intangible assets with an indefinite useful life are subject to an impairment test in accordance with the provisions of IAS 36 "Impairment of Assets" at least once each year or more frequently if there is evidence of impairment. The evidence of impairment may be related in particular to the success of successive phases of clinical development, drug safety monitoring, patent protection, the arrival of competing products and/or generics, or actual revenue generated compared with the projections.

Other fixed assets

Other fixed assets, including tangible and financial assets, are also subject to an individual impairment test whenever events or changes in circumstances indicate that book value may not be recoverable. In addition, all tangible assets as well as current assets included in the definition of working capital requirements are tested each year in the cash-generating units as an item that cannot generate cash inflows highly independent of the other groups of assets attached to said cash-generating units.

Impairment tests – methods adopted by the Group

Impairment tests involve comparing the net book value of the asset or the cash-generating unit with its recoverable value, which is the higher of either its fair value minus the cost of sale, or its value in use.

For goodwill and intangible assets with indefinite useful lives, the Group determines the recoverable value of cash-generating units or groups of cash-generating units according to their value in use, which is based on discounting of the relevant estimated future cash flows. These cash flows are based on short- and medium-term forecasts prepared by the Group's management. The estimated cash flows are discounted using the weighted average cost of capital determined for each cash-generating unit or groups of cash-generating units. For each cash-generating unit or groups of cash-generating units, an impairment loss is recorded on a separate line on the income statement for the difference. Any identified impairment loss on a cash-generating unit or groups of cash-generating units is allocated primarily to goodwill. Impairment losses recognized for goodwill are non-reversible. The key methods and assumptions used in the asset impairment tests performed for the year ended December 31, 2021, are presented for intangible assets with indefinite useful lives and goodwill in Note 5.3.

k) Lease agreements

In accordance with IFRS 16 in force since January 1, 2019, for all leases other than short-term leases (one year or less) or leases for low-value assets (value less than USD 5 K), a right of use is recognized in assets for the same amount as the future lease liability, adjusted, where applicable, for advance payments or provisioned amounts for rent payable.

On the income statement, an amortization expense for the right of use of the asset and an interest expense relating to the lease liability (financial expense) are recognized.

Rents relating to short-term or low-value leases are recognized as expenses on the income statement.

l) Financial assets

Financial assets dating from before 2018 are recognized and measured by the Group in accordance with the former IAS 39 from the date of transition to IFRS (IFRS 1 option); the new IFRS 9 did not have a significant impact on the Group.

Since January 1, 2018, all new financial assets, excluding cash and derivative instruments, are classified in one of the following three accounting categories:

- amortized cost (e.g. loans and receivables);
- fair value in consideration of other comprehensive income (OCI) (there are two types of assets at fair value through OCI: debt securities, which give rise to impairment and recycling, and equities, which do not give rise to impairment or recycling);
- fair value through profit or loss.

The classification of financial assets is determined on initial recognition based on the management model of how the Group manages its financial assets to generate cash flow and create value. IFRS 9 identifies three types of business models:

- hold to collect;
- hold to collect and sell;
- other.

Financial assets are measured at each close. In accordance with IFRS 9, the recognition of impairment of financial assets is based on expected credit losses. This model applies to assets measured at amortized cost or financial assets meeting the SPPI (Solely Payments of Principal and Interest) criteria and measured at fair value through OCI, except for equities for which there is no impairment.

For establishing factoring contracts, disposals of receivables are analyzed according to the three main criteria for derecognition of financial assets according to IFRS 9:

- expiration (IFRS 9.3.2 3a) or transfer (IFRS 9.3.2 4a) of contractual rights to cash flows from the asset;
- transfer of substantially all the risks and rewards of ownership of the asset (IFRS 9.3.2 6a);
- transfer of control of the financial asset (IFRS 9.3.2 6c).

These criteria are assessed successively according to the various analysis steps of the IFRS 9 decision tree.

m) Inventories

Inventories of raw materials and other supplies are measured, like finished products and products in progress, at the standard price. At the end of the period, differences between the

standard costs and the actual manufacturing costs are analyzed for possible capitalization. Inventories of products in progress and finished products are measured at cost including direct and indirect production costs, and excluding administrative, financial and sales costs (IAS 2 "Net Realizable Value"). An impairment provision is created according to inventory turnover rates, use-by dates, and any quality problems.

n) Trade receivables

Trade receivables are assessed at nominal value. They are written down, where appropriate, according to the credit risk assessed on a case-by-case basis in accordance with IFRS 9 and on the basis of expected credit losses.

Debt securitization consists of selling trade receivables to an entity funding the acquisition of these receivables by issuing securities on capital markets. If guarantees granted to that entity mean that real risk cannot be considered as having been transferred to the transferee, the receivables are kept as assets, and a borrowing is recognized in liabilities for the amount of financing provided by the entity.

o) Non-current assets held for sale

A non-current asset, or group of assets and liabilities, is held for sale when its accounting value will be primarily recovered through sale and not through continuous use. For this to be the case, the sale must be highly probable. For the sale to be highly probable, a sales plan for the asset (or for the group to be sold) must have been initiated by an appropriate level of management, and an active program to find a buyer and finalize the plan must have been initiated.

p) Cash and cash equivalents

This item comprises liquid assets in bank current accounts. Short-term investments and deposits that can be liquidated or sold and whose duration is less than three months are classified as cash equivalents if they are easily convertible into cash and are exposed to a limited risk of change in value. Short-term investments are reported at fair value on the income statement.

q) Provisions

Provisions correspond to liabilities meeting the following criteria:

- the amount or the maturity date is not set precisely;
- the economic impact is negative for the Group. This liability is therefore analyzed as an obligation of the Group to a third party, which will probably or certainly lead to an outflow of resources to that third party.

r) Obligations to employees

The Group participates in defined-contribution and defined-benefit plans according to the laws and customs of the countries where the Group operates. Measurement of defined-benefit pension plan obligations is in compliance with the revised IAS 19 standard. The costs of benefits are estimated using the projected unit credit method. This consists of basing the calculation on the compensation that will be paid to employees, taking into account age structure, staff turnover rate, and survival rate using official tables by age group. The amounts obtained are adjusted according to inflation and promotion scenarios and are discounted to take into account the date on which these benefits will actually be paid. When actuarial assumptions are reviewed, any resulting actuarial gains and losses are carried over into shareholders' equity. These valuations are made once a year, for all pension plans. Benefit entitlements are allocated on a straight-line basis from the date on which each year of service is counted toward vesting of the benefit entitlement, i.e. the date before which the employee's service affects neither the amount nor the timing of the benefits.

s) Derivatives

The Group trades in derivative financial instruments in order to manage and reduce its exposure to risks of fluctuation of interest rates and exchange rates. These instruments are traded with leading financial institutions.

The implementation of hedge accounting requires showing and documenting the effectiveness of the hedging relationship during its implementation and throughout its life (IFRS 9.6.4.1). The effectiveness of the hedge from an accounting perspective is verified by the hedge ratio between the hedged item and the hedging instrument. This ratio must be appropriate, i.e. there is no imbalance between the weights of the hedged item and the hedging instrument.

Derivatives are recognized on the balance sheet at their market value, known as fair value, on the closing date. This is determined both by financial institutions and by an independent company.

Changes in the fair value of these derivatives are recognized according to the following principles:

- for documented future cash flow hedges, changes in fair value are recognized in "Other Comprehensive Income" (OCI) for the effective portion. The ineffective portion is recognized in income;
- for documented fair value hedge instruments, and non-documented instruments, changes in fair value are recorded on the income statement.

t) Financial liabilities

Borrowings are initially recognized at fair value. They are then measured at their amortized cost using the effective interest rate method, which consists of reporting on the income statement, over the lifetime of the borrowings, any difference between the loan proceeds net of transaction costs and the repayment value. Borrowings are considered to be current liabilities, except if the Group has an unconditional right to defer repayment of the liability for more than 12 months after closing.

u) Revenue

In accordance with IFRS 15, revenue is recognized when a performance obligation is satisfied, i.e. when the customer obtains control of the good or service (IFRS 15.31 and IFRS 15.32).

v) Government grants

Investment subsidies are not recorded as a reduction in the purchasing cost of fixed assets but instead under deferred income. Their amount is recognized in other operating income at the same rate as for the depreciation of subsidized fixed assets. Innovation and employment grants received are recorded under "Other operating income" in the period in which they become definitively earned.

w) Share-based payments

Stock options: share-based payments relate to option plans granted to employees. The Group applies IFRS 2 for share options granted after November 7, 2002. The binomial model is used to measure the fair value of the options granted. The fair value of the options is recognized in staff costs extending over the time the options are unavailable, with a reverse entry under shareholders' equity.

Bonus shares: the Group applies IFRS 2 for employee bonus-share plans. The fair value of the shares is recognized in staff costs extending over the duration of the vesting period, with a reverse entry under shareholders' equity.

x) Income tax

Income tax expense corresponds to the tax due for each consolidated fiscal entity, adjusted for deferred taxes. The latter are calculated on all the temporary differences between the tax base and the consolidated base of assets and liabilities, in accordance with a balance-sheet-based approach, with variable deferrals applied and based on reliable repayment scheduling. The tax rate and fiscal rules used are those set out in the tax legislation in force and which will be applicable when the transactions in question are completed. Deferred taxes on tax losses will be recognized if they are recoverable in the near future. Deferred taxes, whether assets or liabilities, are offset against one another at the level of each fiscal entity and are carried over in their net amount to liabilities or assets. In France, Guerbet S.A., Guerbet France, Medex, and Simafex are consolidated for tax purposes in accordance with Article 223-A of the French general tax code.

In the United States, Guerbet America, Liebel-Flarsheim Company LLC, Guerbet LLC, Guerbet Caribbean Inc. and Liebel-Flarsheim Ireland Inc. are consolidated for tax purposes.

The Group does not classify the CVAE (business value added contribution) as income tax and presents it under "Taxes and duties" on the income statement.

y) Earnings per share

Earnings per share are calculated by dividing net income by the average number of outstanding shares during the year. Diluted net earnings per share are calculated based on all the shares that could potentially be created and any savings, net of taxes, that would result from converting these instruments giving deferred access to the share capital. At the end of the year, the potential shares were made up entirely of stock options.

z) Cash flow

Cash flow after net finance costs and taxes is calculated by adding:

- net income;
- income and expenses recognized directly in shareholders' equity;
- calculated expenses (depreciation allowance and provisions, etc.), minus calculated expense reversals;
- income from the sale of fixed assets and non-current financial assets;

by subtracting:

- the portion of investment subsidies recognized on the income statement.

6.1.2.2 Major events during 2021

a) Covid-19 health crisis

The Covid-19 global health crisis continued throughout 2021.

The Guerbet group has maintained the level of vigilance for employee protection as defined to date and in accordance with local government rules. As in the previous fiscal year, the Covid-19 crisis and the implemented measures have not had a major impact on plant activity.

The Group saw a gradual recovery of activity across all business sectors, with revenue up 7.9% from December 31, 2020 (excluding forex effects and on a like-for-like basis).

The Group continued its cost control efforts, which enabled it to achieve an EBITDA margin of 14.4%, in line with expectations and an improvement on last year.

Net debt, which amounted to €217.8 million at the end of June 2021, improved sharply with a reduction of approximately €38.8 million compared with December 31, 2020.

b) Closure of the Saint-Louis site

As part of the Guerbet group's transformation project, the Executive Committee decided to consolidate support functions in the Americas region and, on October 21, 2021, announced the closure of the St. Louis (Missouri, USA) site. The services provided from St. Louis will gradually be transferred to the Raleigh, Cincinnati and Princeton sites in the United States, but also outside the United States to Mexico City, Villepinte and Prague. A €4.4 million provision for restructuring was booked at December 31, 2021, to cover these closure costs.

c) Partnership with Bracco

On December 14, 2021, Guerbet announced a global collaboration with Bracco Imaging for Gadopiclenol, a new-generation magnetic resonance imaging (MRI) contrast agent. This collaboration will allow Guerbet and Bracco Imaging to market the product independently under separate brands. The two companies will also collaborate on manufacturing and research and development for future indications.

6.1.2.3 Context of the closing of the accounts

The Guerbet group is closely monitoring the uncertain developments in Ukraine with respect to potential indirect consequences that could impact the economic environment in which the Group operates (cost of raw materials, supply costs, inflation, refinancing conditions, etc.). Given that the Group has no direct interests in Ukraine and the conflict zones, the Group believes that the situation in Ukraine will have limited effects on its operations and financial performance in future periods.

6.1.2.4 Scope of consolidation

All companies are fully consolidated, with ownership interests of 100% (see list of companies in Note 31).

In 2021, all the entities had the same fiscal year duration, 12 months, and closed their fiscal year on December 31.

6.1.2.5 Notes to the consolidated financial statements

INDEX OF NOTES

NOTE 1	Financial assets	177	NOTE 17	Taxes and duties	201
NOTE 2	Financial liabilities	179	NOTE 18	Depreciation and amortization	202
NOTE 3	Management of financial risks	182	NOTE 19	Other operating income and expenses	202
NOTE 4	Additional information (formerly segment information)	184	NOTE 20	Gross finance costs	202
NOTE 5	Intangible assets	186	NOTE 21	Income tax	202
NOTE 6	Tangible assets	190	NOTE 22	Research and development costs	203
NOTE 7	Non-current financial assets	191	NOTE 23	Government grants	203
NOTE 8	Deferred tax assets and liabilities	192	NOTE 24	Information on stock option operations	204
NOTE 9	Inventories	193	NOTE 25	Related-party disclosures	204
NOTE 10	Trade receivables	194	NOTE 26	Off-balance-sheet commitments	205
NOTE 11	Shareholders' equity	194	NOTE 27	Earnings per share and diluted earnings per share	206
NOTE 12	Provisions	195	NOTE 28	Post-closing events	206
NOTE 13	Trade payables	198	NOTE 29	Appropriation of the 2021 result	206
NOTE 14	Other operating revenue	198	NOTE 30	Fees paid to Statutory Auditors	207
NOTE 15	Staff costs	198	NOTE 31	List of consolidated companies	208
NOTE 16	External charges	201			

NOTE 1 Financial assets

2021	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total Balance Sheet
Non-current tax obligations		—		—
Other non-current financial assets	9,874	13,421		23,295
Trade and other receivables		118,775		118,775
Other current financial assets		59,000		59,000
Cash and cash equivalents			115,728	115,728
TOTAL	9,874	191,196	115,728	316,797

2020	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total Balance Sheet
Non-current tax obligations		—		—
Other non-current financial assets	3,500	13,040		16,540
Trade and other receivables		111,038		111,038
Other current financial assets		56,220		56,220
Cash and cash equivalents			96,713	96,713
TOTAL	3,500	180,298	96,713	280,511

CHANGE IN IMPAIRMENT OF FINANCIAL ASSETS

	12/31/2020	Allowances	Writebacks	Translation adjustments and other	12/31/2021
Trade and other receivables	4,492	1,227	(1,484)	73	4,307
Other current financial assets ^(a)	981	841	—	—	1,822
TOTAL	5,473	2,068	(1,484)	73	6,129

(a) Impairment of Truffle Capital units.

	12/31/2019	Allowances	Writebacks	Translation adjustments and other	12/31/2020
Trade and other receivables	5,494	1,694	(2,430)	(266)	4,492
Other current financial assets ^(a)	678	303	—	—	981
TOTAL	6,172	1,997	(2,430)	(266)	5,473

(a) Impairment of Truffle Capital units.

1.1 Loans and receivables at amortized cost

	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Other non-current financial assets	25,117	(1,822)	23,295	17,521	(981)	16,540
receivables	123,222	(4,447)	118,775	115,530	(4,492)	111,038
Other current financial assets	59,559	(559)	59,000	56,919	(699)	56,220
TOTAL	207,898	(6,829)	201,070	189,970	(6,172)	183,798

Other current financial assets at amortized cost	2021	2020
Advance payments made to suppliers	1,859	1,716
State and local authorities	42,895	33,145
Trade payables		
Staff and social security	4	6
Receivable royalties		
Receivable subsidies		
Other current assets	6,017	12,222
Prepaid expenses	8,225	9,132
TOTAL	59,000	56,220

Aged trade receivables at December 31, 2021	Gross value
Receivables not yet due	101,646
Receivables less than 3 months past due	12,077
Receivables less than 6 months past due	2,165
Receivables less than 1 year past due	1,227
Receivables less than 2 years past due	1,246
Receivables more than 2 years past due	1,955
TOTAL	120,316

Outstanding trade receivables at December 31, 2021 are reduced by a non-recourse assignment of receivables in December in France for €5 million. An analysis shows that the risks and benefits relating to the assigned receivables were transferred and that, in this context, the receivables are derecognized from balance sheet assets in accordance with IFRS 9.

Aged trade receivables at December 31, 2020	Gross value
Receivables not yet due	98,493
Receivables less than 3 months past due	6,953
Receivables less than 6 months past due	3,153
Receivables less than 1 year past due	2,684
Receivables less than 2 years past due	1,423
Receivables more than 2 years past due	2,333
TOTAL	115,039

Outstanding trade receivables at December 31, 2020, are reduced by three sales of non-recourse receivables in December: in France for €5 million, Italy for €1 million, and Spain for €1 million.

1.2 Financial assets at fair value through profit or loss

	2021	2020
Financial assets at fair value through profit or loss except derivatives, of which	115,728	96,713
Short-term investments	1,199	1,394
Cash and cash equivalents	114,529	95,319
TOTAL	115,728	96,713

NOTE 2 Financial liabilities

2.1 Details of financial liabilities with distinction of the non-current part of said liabilities

	2021			2020
	Current	Non-current	Total	Total
Financial liabilities (Note 2.2)	33,847	299,691	333,538	353,301
Suppliers	81,021		81,021	64,413
Other financial liabilities (Note 2.7)	97,183		97,183	88,438
Derivatives (Note 3) and other financial instruments	34	1,947	1,981	4,305
TOTAL	212,084	301,638	513,723	510,457

2.2 Details of financial liabilities with distinction of the non-current part of these liabilities

	2021	2020
Non-current liabilities, of which	299,691	318,377
Special investment reserve (frozen current accounts)	555	873
IFRS 16 lease liability	11,212	8,458
Borrowing	274,514	299,063
Other loans ^(a)	13,410	9,983
Current liabilities, of which	8,387	10,106
IFRS 16 lease liability	7,773	6,085
Borrowing	25,461	24,819
Current profit-sharing reserve	442	350
Bank credit facilities	172	3,671
TOTAL FINANCIAL LIABILITIES	308,078	328,483

(a) In December 2008, the request for aid for the French-German "Iseult" research project, filed with OSEO, was approved by the European Commission. The aid agreement provides for the financing of half of the expenditures incurred: 39% in the form of repayable advances and 61% in the form of grants. An amendment to the contract was signed in June 2020 to revise the conditions for reaching the final milestones and the payment of the associated aid, but also to modify the terms on financial returns in the event that a product resulting from the project is released on the market. Given the progress of the project and the negotiation of the repayment clauses with the BPI, the Group updated the fair-value measurement of financial liabilities in accordance with IFRS 9. This led to the recognition of additional repayable advances of €3.4 million for discounting, with an offsetting entry recognized in financial expenses. At December 31, 2021, financial liabilities totaled €13.4 million.

The interest paid on this debt is mostly variable-rate interest.

	2021	2020
Portion of debt at variable rate (before hedging)	96 %	96 %
Portion of debt at fixed rate	4 %	4 %

An interest rate swap hedges 71% of the variable-rate debt.

RECONCILIATION OF CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

	2020	Emission	Repayment	Bank credit facilities	Foreign exchange effect and other gains or losses	Reclassification	2021
Non-current liabilities	318,377	18,959	(10,295)		(103)	(27,247)	299,691
Current liabilities	34,925		(25,000)	(3,588)	244	27,247	33,847
TOTAL	353,301	18,959	(35,295)	(3,588)	142	—	333,538

2.3 Details of financial liabilities by currency

Currency	2021			2020		
	Closing price	Amount	%	Closing price	Amount	%
Euro	1	324,092	97.2%	1	343,561	97.2%
Won	1,346	289	0.1%	1,336	578	0.2%
Hong Kong dollar	8.83	2,116	0.6%	9.51	230	—
US dollar	1.13	2,726	0.8%	1.23	4,561	1.3%
Miscellaneous		4,315	1.3%		4,601	1.3%
TOTAL FINANCIAL LIABILITIES		333,538			353,301	

2.4 Details of financial liabilities by maturity

These financial liabilities have the following maturity dates:

	2021	2020
Due within 1 year	33,847	34,926
Due in 1-5 years	298,678	317,638
Due in more than 5 years	1,013	739
TOTAL	308,078	328,483

2.5 Lease liabilities

The maturities of the lease liabilities are as follows:

	2021	2020
Due within 1 year	7,773	6,085
Due in 1-5 years	11,212	8,458
TOTAL	18,985	14,542

2.6 Change in financial indebtedness

Net financial debt changed as follows during the year:

	2021	2020
Cash and cash equivalents	115,728	96,713
Bank loans and bank credit balances	(172)	(3,671)
Net cash	115,556	93,042
Gross financial debt other than bank credit	333,367	349,630
NET FINANCIAL DEBT	(217,811)	(256,588)

Borrowings include a clause providing for a maximum value of the "Net financial debt/EBITDA ⁽¹⁾" ratio, which varies from year to year.

For the purpose of calculating the covenant, net financial debt and EBITDA are contractually defined as excluding the IFRS 16 impact.

The maximum value of the ratio is 4.0. It was 2.06 at December 31, 2021.

2.7 Other current financial liabilities

	2021	2020
Social liabilities	57,456	53,504
Debt on fixed assets	25,628	24,194
Miscellaneous debt	14,133	10,740
TOTAL	97,217	88,438

⁽¹⁾ EBITDA refers to operating income plus net amortization, depreciation and provisions.

NOTE 3 Management of financial risks

In accordance with its hedging policy, the Guerbet group has hedged a portion of the interest rate risk on its debt, which primarily consists of a variable-rate syndicated credit facility of €300 million at December 31, 2021. The nominal amount of interest rate hedging swaps is €225 million.

Given its international footprint, the Group is exposed to currency risk on several currencies as described below.

3.1 Currency risk

3.1.1 Currency risk exposure and hedging at December 31, 2021

The table below summarizes the Group's main currency risks:

<i>(in € million)</i>	JPY	KRW	BRL	HKD	CAD	USD	GBP	CZK
Accounting risk ^(a)	31.75	9.57	5.87	3.62	(4.67)	1.92	(2.20)	(2.09)
Positions before hedging	31.75	9.57	5.87	3.62	(4.67)	1.92	(2.20)	(2.09)
Currency risk hedging	—	(2.72)	(2.22)	—	1.67	0.47	—	—
Net foreign exchange position	31.75	6.85	3.65	3.62	(3.00)	2.39	(2.20)	(2.09)

(a) Accounting risk includes all assets and liabilities in non-EUR currencies.

The foreign exchange position in yen (JPY) is mainly due to the current account between the parent company and its subsidiary Guerbet Japan (€31 million). Unlike last year, the Group decided not to hedge this accounting exposure in 2021 and is considering the recapitalization of this subsidiary.

The foreign exchange position in Korean won (KRW) also arises mainly from the financing of the Korean subsidiaries by the parent company, whether in the form of an automatic revolving loan or a current account. The amount of this financing decreased by approximately €7 million in 2021.

The net foreign exchange position in Brazilian reais (BRL) increased by €4 million to €3.65 million. This exposure is due to the Group's inter-company flows to distribute its products in Brazil.

The Group's net Hong Kong dollar (HKD) position decreased significantly due to invoicing by the Hong Kong-based subsidiary Guerbet Asia Pacific in euros and dollars, which offset part of the exposure resulting from the current account.

3.1.2 Analysis of sensitivity of the financial result to accounting currency risk at December 31, 2021

Sensitivity is calculated on the net balance not hedged (accounting risk after deducting hedges outstanding) for the main currencies.

The table below summarizes the impact on the financial result of a 10% variation in these currencies against the euro on the net book foreign exchange position at December 31, 2021:

<i>(in thousands of €)</i>	2021	2020
JPY	3,175	1,352
KRW	685	732
BRL	365	(39)
HKD	362	1,055
CAD	(300)	(692)
USD	239	(74)
GBP	(220)	(276)
CZK	(209)	(94)

3.2 Interest rate risk

3.2.1 Interest rate risk exposure and hedging at December 31, 2021

The share of the Group's financial liabilities at variable rates before hedging is 96%.

In March 2019, the choice was made to hedge the syndicated credit facility for €225 million by establishing interest rate swaps with a starting date deferred by two years.

This hedge against an increase in the interest rate was activated at the end of March 2021. Since this activation, interest rates have risen but remain below the benchmark rate at the time when the debt was put in place.

Below is the breakdown of debt due within one year and in more than one year.

	Within 1 year ^(a)	More than 1 year	Total
Fixed-rate financial liabilities	(247)	(13,965)	(14,212)
Variable-rate financial liabilities	(33,600)	(285,726)	(319,326)
Fixed-rate financial assets	90,500		90,500
Variable-rate financial assets	25,228		25,228
Net position before management ^(b)			
• fixed-rate	90,253	(13,965)	76,288
• variable-rate	(8,372)	(285,726)	(294,098)
Off-balance sheet ^(c)	—	(225,000)	(225,000)
Net position after management			
• fixed-rate	90,253	(238,965)	(148,712)
• variable-rate	(8,372)	(60,726)	(69,099)

(a) All maturities of variable-rate financial assets and liabilities and maturities in less than one year of fixed-rate financial assets and liabilities.

(b) Sum of differences (assets – liabilities) at fixed rates and (assets – liabilities) at variable rates.

(c) Interest rate swaps (receive variable rates and pay fixed rates).

3.2.2 Analysis of sensitivity of the financial result to interest rate risk at December 31, 2021

More than 97% of the Group's debt is in euros. The sensitivity calculated in this note therefore relates only to debt in euros.

Sensitivity is calculated on the balance of gross unhedged euro debt, which represents 27.4%.

On the basis of a 3month Euribor of -0.572% at December 31, 2021, an increase of 100 basis points would have resulted in an increase in the cost of debt of around €0.4 million year on year; a decrease of 100 basis points would not have resulted in a decrease in the cost of debt given that the benchmark rates are subject to a floor of 0%.

Gross debt <i>(in € thousands)</i>	3M Euribor +100 bp	3M Euribor -100 bp
333,538	333,902	333,538

3.3 Liquidity risk

In March 2019, the Group set up a five-year €500 million syndicated credit facility, which includes a €150 million confirmed line not drawn as at December 31, 2021.

At the end of the year, the Group also had €115.7 million of available cash.

NOTE 4 Additional information (formerly segment information)

Readers should note that all of the Group's business is carried out in a single area of activity, which is the research, development, production and sale of contrast media for medical imaging. As a result, the Group does not present operating segment information within the meaning of IFRS 8.

However, to provide a detailed analysis of its activity, the Group presents in this paragraph a breakdown of its activity by geographic region. This information corresponds to the internal reporting statements used by Management to run the Group. Additional information is provided on revenue by product range.

4.1 Geographic information

The geographic information is presented below based on a risk and profitability analysis in two subsets, corresponding to the Group's internal organization and Guerbet's various growth models in these markets:

- main European markets where Guerbet group has been able to build sustainable customer relationships and has a strong position due to its own networks of pharmaceutical sales representatives;
- other markets.

Europe includes the European countries where the Group is present via its own networks of pharmaceutical sales representatives, namely: Austria, Belgium, Spain, France, Germany, Israel, Italy, the Netherlands, Portugal, Switzerland, Turkey and the United Kingdom.

The non-allocated portion of operating income corresponds to head office administrative costs, research and development costs, and indirect industrial costs not attributable to the products, components which can only be allocated to the various sectors on an arbitrary basis.

2021	European companies in their markets	Other	Non-allocated	Total
Revenue				
European markets	311,067	26,173		337,240
Other markets	0	394,831		394,831
Total revenue	311,067	421,004		732,071
Depreciation & amortization			(55,945)	(55,945)
Other expenses without cash equivalents			(10,434)	(10,434)
Operating result				38,685
NET INCOME				32,637
Sector assets	903,485	97,348	—	1,000,833
<i>of which fixed assets</i>	379,975	82,689	—	462,664
Sector liabilities other than financial liabilities	589,089	78,206	—	667,295
Financial liabilities	—	—	333,538	333,538
Sector investments				
<i>intangible</i>	11,361	69	—	11,431
<i>tangible</i>	33,570	3,930	—	37,500

2020	European companies in their markets	Other	Non-allocated	Total
Revenue				
European markets	290,293			290,293
Other markets	27,758	394,244		422,002
Total revenue	318,051	394,244		712,295
Depreciation & amortization			(59,649)	(59,649)
Other expenses without cash equivalents			306	306
Operating result				41,346
NET INCOME				17,714
Sector assets	878,898	66,808	—	945,706
<i>of which fixed assets</i>	370,763	78,799	—	449,562
Sector liabilities other than financial liabilities	542,355	50,050	—	592,405
Financial liabilities	—	—	353,301	353,301
Sector investments				
<i>intangible</i>	19,783	107	—	19,890
<i>tangible</i>	33,155	6,642	—	39,798

4.2 Breakdown of revenue by product range

Guerbet group's revenue breaks down by product range as follows:

	2021	2020
X-Ray	57.0%	55.1%
MRI	32.0%	31.9%
TOTAL DIAGNOSTIC IMAGING	89.0%	87.1%
INTERVENTIONAL IMAGING	11.0%	10.3%
OTHER	—%	2.6%

In this new presentation of revenue by product range, delivery systems and services have been divided between X-Ray and MRI. Among the "Other" activities, the share presented here corresponds to activities ceased in 2020 (Cardinal Health). Other continuing activities are now included in X-Rays.

NOTE 5 Intangible assets

5.1 Gross values

	12/31/2020	Increase	Decrease	Acquisition	Translation adjustments and other	12/31/2021
Trademarks	9,831	—	—	—	163	9,995
Patents and technologies	84,206	—	—	—	5,927	90,133
Marketing Authorizations (MAs)	11,686	—	—	—	(332)	11,355
Sales relationships	4,841	—	—	—	277	5,118
Goodwill	39,820	—	—	—	—	39,820
Software	90,609	86	(1,122)	—	7,893	97,466
Intangible assets in progress ^(a)	31,915	11,345	—	—	(7,095)	36,165
GROSS VALUES	272,907	11,431	(1,122)	—	6,835	290,050

(a) Increases in intangible assets (+€11.4 million) mainly include IT investments (+€6.1 million) and R&D costs (+€3 million for the Care Advisor for Prostate project and +€0.4 million for the Liver Care Advisor project as part of the partnership with IBM Watson; +€0.7 million for additional studies requested by the FDA – see Note 5.3 below).

	12/31/2019	Increase	Decrease	Acquisition	Translation adjustments and other	12/31/2020
Trademarks	10,032	—	—	—	(201)	9,831
Patents and technologies	90,772	—	—	—	(6,567)	84,206
Marketing authorizations (MA)	12,122	—	—	—	(436)	11,686
Sales relationships	5,147	—	—	—	(307)	4,841
Goodwill	39,820	—	—	—	—	39,820
Software	96,687	117	(9,158)	—	2,963	90,609
Intangible assets in progress ^(a)	15,327	19,773	—	—	(3,185)	31,915
GROSS VALUES	269,907	19,890	(9,158)	0	(7,732)	272,907

(a) "Intangible assets in progress" includes €15 million in capitalized costs for the Liver Care Advisor project (liver cancer diagnostic tool), €4 million in capitalized costs for the Care Advisor for Prostate project as part of the partnership with IBM Watson, as well as €3.5 million in capitalized costs for the Geode project (Occlugel microspheres) and €3.1 million in capitalized costs in connection with additional studies requested by the FDA (see Note 5.3 below).

5.2 Amortization, depreciation and impairment by fixed asset category

	12/31/2020	Allowances	Writebacks	Acquisition	Translation adjustments and other	12/31/2021
Patents and technologies	27,675	4,729	—	—	1,572	33,976
Marketing Authorizations (MAs)	2,789	719	—	—	(86)	3,422
Sales relationships	2,426	481	—	—	109	3,016
Software	51,750	10,163	(1,113)	—	219	61,018
TOTAL	84,640	16,092	(1,113)	—	1,814	101,432

	12/31/2019	Allowances	Writebacks	Acquisition	Translation adjustments and other	12/31/2020
Patents and technologies	24,195	4,909	—	—	(1,429)	27,675
Marketing Authorizations (MAs)	2,127	767	—	—	(105)	2,789
Sales relationships	2,016	499	—	—	(88)	2,426
Software	51,817	9,782	(8,926)	—	(924)	51,750
TOTAL	80,155	15,957	(8,926)	—	(2,546)	84,640

5.3 Additional information on main intangible assets

Estimates of recoverable values of cash-generating units including goodwill or intangible assets with indefinite useful lives

In accordance with the approach adopted, four cash-generating units were defined, corresponding to geographic regions (EMEA, LATAM, APAC and NAM), according to the architecture adopted by the Group's management for analysis of its performance and for medium-term planning of its activity.

The book value of each cash-generating unit was determined according to specific allocation scales, particularly on the basis of the geographical destination of the plants' manufacturing output. In accordance with IAS 36, goodwill is not allocated to any cash-generating unit (as they do not generate cash flows that are sufficiently independent of other Group assets); they are tested through a "consolidated" business plan.

Net book value at December 31, 2021 (in millions of €)	Global	EMEA	NAM	APAC	LATAM
Goodwill	39.8	—	—	—	—
Intangible assets with an indefinite useful life	9.6	—	2.2	7.4	—
Productive assets (manufacturing)	235.4	85.0	60.7	57.4	32.3
Other support assets	411.8	196.1	93.8	90.3	31.6
TOTAL	696.6	281.1	156.7	155.1	63.8
Growth rate to infinity	2.7%	2.2%	2.4%	3.0%	4.0%
Discount rate	9.5%	9.2%	8.6%	9.7%	12.2%

The discount rate used for each cash-generating unit is determined according to a risk premium specific to the geographic region in question. Weighting results in a global discount rate of 9.5% (compared with 9.9% in the tests conducted as of December 31, 2020).

At December 31, 2021, the value tests were based on discounted cash flows determined on the basis of the best estimates known December 31, 2021. In particular, they come from the Medium-Term Plan determined by the Group's management over a five-year horizon. A final additional year of testing (2027 normative) was extrapolated by considering a normative level of activity for each region. The main assumptions are presented below:

Change in revenue	Global	EMEA	NAM	APAC	LATAM
2022		-1.4%	4.1%	24.2%	10.1%
2023	8.2%	4.9%	7.3%	13.1%	10.2%
2024	11.8%	15.8%	10.0%	8.9%	6.9%
2025	10.5%	10.4%	13.3%	9.5%	8.6%
2026	10.4%	10.3%	13.9%	8.9%	8.6%

For each of these cash-generating units, the present value exceeds the net book value. Accordingly, no impairment is considered as a result of these tests at December 31, 2021.

In terms of sensitivity, an increase of one percentage point in the discount rate or a decrease in the growth rate to infinity used would not lead to the recognition of an impairment loss.

Similarly, a 10% deterioration in revenue or margin projections would not lead to a recognition of an impairment loss.

Capitalization of preclinical and clinical studies required by the US Food and Drug Administration

In December 2017, Guerbet LLC received a request from the FDA (Food and Drug Administration) to conduct two preclinical studies and a clinical study for Dotarem, marketed in the United States, for which approval was obtained in 2013.

These studies are part of the Post Marketing Requirements (PMRs) governed by section 505(o) of the FDCA (Federal Food, Drug, and Cosmetic Act). They are mandatory, but the result does not call into question the sale of the products in the US market. According to the FDA, "the results from completed studies provide additional information that can lead to safety labeling changes, support expanded use of a drug, or alleviate concerns about a potential drug risk."

Under the Group rules and after analysis of IAS 38, the costs related to preclinical and clinical studies occurring after an authorization is obtained meet the criteria for recognition as capital assets.

As at December 31, 2021, €1.7 million was capitalized for preclinical studies, and €2.1 million for the clinical study for the PMR for Dotarem.

NOTE 6 Tangible assets

6.1 Analysis of items by category

	12/31/2020	Increase	Decrease	Changes in scope	Translation adjustments and other	12/31/2021
Land	15,758	—	—	—	522	16,280
<i>of which finance lease</i>						
Buildings	209,898	7,813	(6,673)	372	5,371	216,781
<i>of which IFRS 16 finance leases</i>	30,896	7,808	(4,882)	372	1,742	35,937
Plant, machinery and equipment	388,847	295	(10,768)	—	25,325	403,699
<i>of which IFRS 16 finance leases</i>	1,044	258	(83)	—	8	1,226
Other tangible assets	86,155	6,975	(5,809)	249	3,248	90,818
<i>of which IFRS 16 finance leases</i>	9,355	4,268	(3,366)	11	(2)	10,266
Fixed assets under construction	39,547	34,600	—	—	(26,272)	47,875
Gross values	740,204	49,683	(23,250)	622	8,194	775,453
Depreciation & amortization	(478,545)	(39,854)	22,306	(26)	(4,921)	(501,039)
Impairment	(365)	—	—	—	(4)	(369)
NET VALUES	261,294	9,829	(944)	596	3,270	274,046

	12/31/2019	Increase	Decrease	Changes in scope	Translation adjustments and other	12/31/2020
Land	17,346	—	—	—	(604)	15,758
<i>of which IFRS 16 finance leases</i>						—
Buildings	218,963	5,537	(6,123)	—	(1,366)	209,898
<i>of which IFRS 16 finance leases</i>	31,292	5,522	(3,968)	—	(1,950)	30,896
Plant, machinery, and equipment	415,487	1,668	(4,878)	—	(1,898)	388,847
<i>of which IFRS 16 finance leases</i>	947	446	(329)	—	(1)	1,044
Other tangible assets	93,800	5,094	(9,515)	(557)	(2,666)	86,155
<i>of which IFRS 16 finance leases</i>	8,034	2,679	(1,181)	—	(177)	9,355
Fixed assets under construction	29,102	33,271	—	—	(22,243)	39,547
Gross values	774,698	45,569	(20,516)	(30,768)	(28,778)	740,204
Depreciation & amortization	(505,138)	(43,692)	18,083	35,329	16,874	(478,545)
Impairments	3,220	—	—	(7,935)	4,350	(365)
NET VALUES	272,779	1,877	(2,433)	(3,374)	(7,555)	261,294

6.2. Breakdown of net tangible assets by currency area

Currency	2021		2020	
	Closing price	Amount	Closing price	Amount
Euro		216,630		210,389
US dollar	1.13	43,816	1.23	41,490
Real	6.31	4,771	6.37	4,233
Other currencies	N/A	8,829	N/A	5,454
TOTAL		274,046		261,294

6.3. Revaluations

The Villepinte office complex was adjusted to its fair value as at January 1, 2004, by an independent appraiser. The value of the buildings was estimated at €11.3 million. Considering the net book value of these buildings at January 1, 2004, namely €3.3 million, the revaluation concerned €8 million, of which €6.5 million for buildings and €1.5 million for land.

A second valuation was conducted in 2008. The value of the buildings was estimated at €12.6 million, which confirmed that there was no impairment loss.

NOTE 7 Non-current financial assets

	2021			2020
	Gross	Provisions	Net	Net
Guarantees and deposits	4,022	—	4,022	3,366
PIDR Germany reinsurance assets (see Note 12.2)	6,475	—	6,475	6,169
Loans to staff	4,135	—	4,135	2,985
Other non-current financial assets*	10,485	(1,822)	8,663	4,019
TOTAL	25,117	(1,822)	23,295	16,540

* Other non-current financial assets include:

- €9.1 million investment in the Truffle Capital innovation fund, including €2 million in impairment;
- a portfolio of 11,880 treasury shares intended to be given to employees under the policy put in place by the Group in 2016 for €0.5 million.

NOTE 8 Deferred tax assets and liabilities

	2020	Changes in income	Changes in shareholders' equity	Translation adjustments and other	Reclassifications	Removal from scope	2021
Deferred tax assets	11,046						19,419
Deferred tax liabilities	(14,766)						(15,246)
TOTAL	(3,720)	9,481	(1,583)	(4)	—	—	4,173
Of which deferred taxes resulting from:							
Use of tax losses ^(a)	8,472	4,890	—	606	—	—	13,968
Temporary timing differences	7,964	(2,372)	(158)	255	—	—	5,689
Restatement of special tax-allowance reserves	(20,406)	1,617	—	—	—	—	(18,789)
Revaluation of tangible assets	(6,287)	359	—	(459)	—	—	(6,387)
Difference in valuation of intangible assets	(18,836)	1,557	—	(939)	—	—	(18,218)
Restatement of margins on inventories	13,422	2,189	—	567	—	—	16,178
Restatement of provisions on subsidiary risk	—	306	—	—	—	—	306
IFRS 16 finance leases	76	(66)	—	—	—	—	10
Restatement of injectors	—	—	—	—	—	—	—
Restatement of financial instruments	(247)	829	(67)	—	—	—	515
Provisions for retirement	10,279	275	(1,358)	—	—	—	9,196
Other	1,843	(102)	—	(35)	—	—	1,706

(a) Use of tax losses:

- USA: The favorable outlook for the US tax group led to the use of existing tax losses not yet used (\$47 million) for a deferred tax asset of €8 million. A net deferred tax of €3.4 million was used for the 2021 taxable income.
- France: Under the French amending finance law for 2021, Guerbet S.A. opted for the special carry-back rules that allowed it to apply the 2020 loss against profits from 2017 to 2019 for €25 million, resulting in a tax claim of €6.3 million. In addition, the tax consolidation group generated a taxable profit for 2021, which enabled it to use up €14.7 million of tax losses carried forward. The French tax group has a residual tax loss carried forward of €1.6 million at December 31, 2021, for which a deferred tax asset of €0.4 million was recognized.
- Accurate: A deferred tax asset of €1.3 million was recognized for the 2021 tax loss, bringing the total balance of deferred tax assets on the entity's tax losses carried forward to €4.1 million.

Tax losses carried forward and tax effects (in € thousands)	12/31/2021	
	Tax losses used (base)	Tax losses used (tax)
USA	34,950	8,105
France	1,541	398
Accurate	17,840	4,103
Medex	3,184	838
Guerbet Produtos Radiologicos (Brazil)	850	289
Other tax losses	1,356	235
TOTAL	59,722	13,968

	2019	Changes in income	Changes in shareholders' equity	Translation adjustments and other	Reclassifications	Removal from scope	2020
Deferred tax assets	15,171						11,046
Deferred tax liabilities	(21,877)						(14,766)
TOTAL	(6,706)	2,058	966	(318)	—	280	(3,720)
Of which deferred taxes resulting from:							
Use of tax losses ^(a)	5,978	2,564	—	(70)	—	—	8,472
Temporary timing differences	8,802	(443)	259	(654)	—	—	7,964
Restatement of special tax-allowance reserves	(22,499)	2,093	—	—	—	—	(20,406)
Revaluation of tangible assets	(6,917)	226	—	124	—	280	(6,287)
Difference in valuation of intangible assets	(21,338)	1,264	—	1,238	—	—	(18,836)
Restatement of margins on inventories	19,223	(4,765)	—	(1,036)	—	—	13,422
Restatement of provisions on subsidiary risk	—	—	—	—	—	—	—
IFRS 16 finance leases	201	(108)	—	(17)	—	—	76
Restatement of injectors	—	—	—	—	—	—	—
Restatement of financial instruments	(376)	135	2	(8)	—	—	(247)
Provisions for retirement	9,030	544	705	—	—	—	10,279
Other	1,190	547	—	106	—	—	1,843

(a) Losses used: the Group relies on the entities' forecasts of macroeconomic and microeconomic results to use allowable loss carry-forwards. The three main sources of allowable loss carry-forwards are (in terms of taxes and not the base): France €1.1 million, Accurate €2.5 million, and the United States €3.3 million. For the United States, the amounts available for use are based on local projections of the US Tax Group. With regard to France, the amounts available for use are based on the rules in force for limiting tax loss carry-forwards (annual cap of €1 million).

Ordinary losses that have not been used represent a total tax of €20.3 million in respect of tax losses. They mainly concern the Guerbet America companies for €8 million and Guerbet S.A. for €9.6 million. The French tax consolidation scope posted a tax loss of €39.7 million in 2020, including a tax capital loss of €29.2 million for the sale of the Liebel-Flarsheim Canada shares. The timing for using these allowable loss carry-forwards is not sufficiently precise due to future changes in the Group's transfer pricing policy to reflect changes in the Group's industrial and commercial organization. As a result, the use of the allowable loss carry-forwards of the French tax consolidation scope was capped by the employment tax ceiling at 100% of the allowable loss carry-forwards, namely €1 million per year. Furthermore, this use took place over a period of three years in accordance with the Group's general policy.

NOTE 9 Inventories

	2021	2020
Raw materials and spare parts	51,410	46,112
Finished, intermediate and in-progress products and goods	173,017	178,644
Gross value	224,427	224,756
Provisions	(22,475)	(20,168)
NET VALUES	201,952	204,588

NOTE 10 Trade receivables

	2021	2020
Gross value	123,222	115,530
Provisions	(4,447)	(4,492)
NET VALUE	118,775	111,038

NOTE 11 Shareholders' equity

11.1 Change in number of shares of the parent company

At December 31, 2020, the parent company's capital consisted of 12,602,674 shares with a par value of €1.

The changes affecting Guerbet shares are as follows:

	2021
Number of shares at the beginning of the year	12,602,674
Creation of shares through exercise of stock options	38,441
ENDING NUMBER OF SHARES	12,641,115

11.2 Details of shareholders' equity

	2021	2020
Share capital	12,641	12,603
Premiums for issue, merger and conversion of convertible bonds	11,774	11,220
Statutory reserves	1,260	1,260
Consolidated reserves	294,541	260,358
Retained earnings	100,187	121,700
Consolidated income	32,637	17,714
Translation adjustments	(47,948)	(60,550)
TOTAL	405,092	364,305

NOTE 12 Provisions

12.1 Changes

	2020	Allowance	Reversals (provision used)	Reversals (provision not used)	Translation adjustments and reclassifications	Changes in actuarial assumptions	2021
Non-current	40,289	4,868	(1,600)	(115)	67	(1,521)	41,988
Of which deferred employee benefits (Note 12.2)	38,148	2,811	(1,600)	(115)	(23)	(1,521)	37,700
Current							
Tax disputes	213	486	—	—	8	—	706
Commercial disputes	1,143	2,519	—	(222)	64	—	3,504
Staff-related provisions	1,278	15	(29)	(77)	—	—	1,187
Miscellaneous obligations ^(a)	1,721	2,487	(16)	—	184	—	4,376
Total Provisions Current	4,355	5,507	(45)	(299)	255	—	9,774
TOTAL PROVISIONS	44,644	10,375	(1,645)	(414)	322	(1,521)	51,762

(a) Including a €2.3 million provision for restructuring in the USA. Non-current provisions also include €2.1 million for this restructuring.

	2019	Allowance	Reversals (provision used)	Reversals (provision not used)	Translation adjustments and reclassifications	Changes in actuarial assumptions	Impact of IFRIC decision of April 2021 IAS 19	2020
Non-current	39,303	1,026	(47)	(12)	(18)	2,960		40,289
Of which deferred employee benefits (Note 12.2)	37,202	987	(47)	(12)	(18)	2,960	(2,923)	38,148
Current								
Tax disputes	220	—	—	—	(7)	—		213
Commercial disputes	1,261	127	—	(245)	—	—		1,143
Staff-related provisions	721	854	(20)	(277)	—	—		1,278
Miscellaneous obligations	1,920	403	(364)	(66)	(172)	—		1,721
Total Provisions Current	4,122	1,384	(384)	(588)	(179)	—		4,355
TOTAL PROVISIONS	43,425	2,410	(431)	(600)	(197)	2,960	(2,923)	44,644

12.2 Deferred staff benefits

a) Description

Group employees have post-employment benefits in the form of:

- retirement benefits or end-of-career benefits (France, Italy, Austria, Korea, Japan, Turkey and Ireland);
- supplemental defined-benefit retirement plans (Germany) or early retirement benefits for persons aged 58 to 60 (Belgium).

Provisions have been made for these commitments.

b) Assessment and recognition

The Group has no plan covering the medical expenses of its former employees.

Commitments for supplemental retirement benefits to be paid to German workers are covered by financial assets corresponding to funds invested with third parties (the plan's assets). All of these investments are made with insurance companies, deemed to be risk-free. These assets are assessed each year, frequently enough so that the amounts recognized do not differ significantly from the assets and liabilities at close. They are valued at €6.5 million at December 31, 2021, including €1 million in hedging assets (excluding reinsurance assets). Premiums paid for defined-contribution retirement plans are spread over the year.

The Group's obligations are calculated using the assumptions in effect in the countries in question.

Actuarial gains and losses are recognized directly in shareholders' equity as authorized by revised IAS 19.

c) Actuarial assumptions applied for France and Germany representing 98% of provisions and 100% of the plan's assets

	France		Germany	
	2021	2020	2021	2020
Discount rate (C)	1.00%	75.00%	130.00%	1.10%
Average expected return on plan assets	N/A	N/A	N/A	N/A
Wage growth	2.50%	2.50%	2.30%	2.30%
Average revision rate applied to annuities	N/A	N/A	2.00%	1.50%
Mortality assumptions	T	T	T	T
Staff turnover rate	S	S	S	S
Retirement age	E	E	65	65
Social security charge rate	V	V	V	V

C = Mercer Yield curve (MYC).

E = Estimated retirement age based on an average start-of-career age by category of employees, and annuities required by regulations.

S = Rate tables established from statistics and according to analysis factors such as the employee's status and age, according to their relevance.

T = The tables used are adjusted tables TH 00-02 and TF 00-02 for mainland France and Dr. Klaus Heubeck's table (RT 2018 G) for Germany.

V = Variable according to the social security charge rate of the entity concerned.

The following information is not provided in detail (N/A):

- average expected returns on plan assets for French companies, since French plans do not have assets;
- average revision rates for annuities, since French plans correspond to retirement benefits and not annuities;
- average rate of growth in medical expenses, since none of the plans cover medical expenses.

Balance sheet liabilities	2021	2020
Present value of funded liabilities	38,745	42,659
Fair value of plan assets	(1,045)	(1,062)
Balance of liabilities	37,700	41,597
Amounts recognized on balance sheet		
Provisions for deferred staff benefits	37,700	41,597
Non-current financial assets (book assets)	—	—
NET BALANCE SHEET: NET LIABILITIES (ASSETS)	37,700	41,597

Expenses on the income statement	2021	2020
Cost of services for the year	2,675	2,313
Finance costs	328	458
Other impacts including actuarial gains and losses	(3)	(2)
NET PLAN COSTS	3,000	2,770

Change in liabilities over the year	2021	2020
Beginning liabilities	41,697	37,202
Cost of services for the year	2,675	2,313
Finance costs	328	458
Other impacts including actuarial gains and losses	(3)	(2)
Employer payments to funding assets	(25)	(26)
Benefits paid	(1,952)	(1,404)
Actuarial gains and losses	(1,521)	2,963
Impact of change in method	(3,449)	
Translation adjustments	(23)	(19)
Other	(27)	212
ENDING LIABILITIES	37,700	41,697

d) Sensitivity analysis of actuarial assumptions

An increase of 50 basis points in the discount rate would increase the discounted value of liabilities by €2,476 K (+6.50%). A decrease of 50 basis points would reduce liabilities by €2,270 K (-5.96%).

12.3 Contingent liabilities

In the absence of sufficient evidence of having reached the thresholds for triggering the payment of a potential additional bonus of €10.2 million after 2030 as provided for in the amendment to the OSEO contract, this bonus is considered a contingent liability under IAS 37.

NOTE 13 Trade payables

	2021	2020
Trade payables	81,020	64,413
TOTAL	81,020	64,413

NOTE 14 Other operating revenue

	2021	2020
Sales of services	3,840	4,375
Operating subsidy	1,101	1,022
TOTAL	4,941	5,397

NOTE 15 Staff costs

15.1 Details of staff costs

	2021	2020
Salaries and wages	(179,100)	(181,960)
Social security charges	(53,098)	(53,724)
Employee profit sharing	(591)	(817)
TOTAL	(232,789)	(236,500)

The decrease in the item (salaries and wages) was mainly due to the sale of the Canadian plant.

15.2 Main characteristics and parameters for valuing the share-based payment benefit granted by the Group – Stock option plan

The Group set up stock option plans in 2011 and 2012. As at January 1, 2021, there were 62,870 options remaining to be exercised. During the 2021 fiscal year, 38,441 options were exercised. The remaining 24,429 options were canceled.

All plans expired on December 31, 2021. There is no future impact on diluted earnings per share.

15.3 Bonus share allocation plan

Following the implementation of bonus share allocation plan 2 in 2016, which ended in 2018, the Board of Directors adopted a third share allocation plan on March 26, 2019, intended for certain employees and officers of Guerbet and its French and foreign subsidiaries.

On March 21, 2021, the Board of Directors approved a fourth performance share allocation plan for certain employees and officers of Guerbet and its French and foreign subsidiaries.

The main assumptions applied for the share award plans in effect at December 31, 2021 are as follows:

	Plan 3	Plan 4
Grant date	01/07/2019	05/01/2021
Vesting date	01/07/2022	05/01/2021
Vesting period	3 years	3 years
Price on grant date	47.70	33.70
Anticipated dividend rate	1.37%	1.28%
Risk-free rate	(0.64%)	(0.59%)
Volatility	36.00%	36.00%
Employee turnover rate	2.06%	2.06%
Probability of fulfilling the performance conditions	Based on Monte Carlo model	Based on Monte Carlo model

There are 30,900 bonus shares outstanding at December 31, 2021 under Plan 3, detailed as follows:

Plan type	Number of instruments initially granted	Number of vested instruments	Grant date	End of vesting period (subject to presence)	Vesting period in years	Commitment by plan
AGAP (plan 3)	47,550		2019	2022	3	€1,141 K
Number of active shares at 12/31/2021	30,900					
AGAP (plan 4)	48,060		2021	2024	3	€1,620 K
Number of active shares at 12/31/2021	48,060					

The total commitment since the first share allocation plan (dated September 28, 2016) was valued using the Monte Carlo model with the Black & Scholes formula.

Pursuant to these plans, an expense of €610,000 was recognized with an offsetting in shareholders' equity.

15.4 Average number of staff during the year

	2021	2020
Europe	1,665	1,650
America	788	901
Asia	231	210
TOTAL	2,684	2,761

15.5 Geographic breakdown of workforce, snapshot at December 31

	2021	2020
Europe	1,688	1,660
America	801	756
Asia	241	219
TOTAL	2,730	2,635

NOTE 16 External charges

	2021	2020
Industrial subcontracting	(18,208)	(28,752)
Non-stocked supplies and materials	(25,587)	(24,779)
Rentals and rental expenses	(8,303)	(7,631)
Maintenance and repairs	(20,603)	(20,708)
Insurance	(5,264)	(4,469)
Studies and research	(14,684)	(19,480)
Outside staff	(4,076)	(3,955)
Commissions and fees	(41,380)	(34,636)
Advertising and public relations	(6,283)	(8,485)
Transport	(18,819)	(16,383)
Travel and entertainment	(4,751)	(4,812)
Postage and telecommunications fees	(2,094)	(2,714)
Conferences and seminars	(5,884)	(5,098)
Registration fees	(5,456)	(6,939)
Other miscellaneous charges	(14,173)	(15,136)
TOTAL	(195,565)	(203,975)

NOTE 17 Taxes and duties

	2021	2020
Payroll tax	(1,726)	(1,731)
Regional Economic Contribution (France: contribution économique territoriale)	(2,477)	(4,077)
Inami Tax (Belgium)	(885)	(800)
Other taxes and duties	(10,848)	(9,244)
TOTAL	(15,936)	(15,852)

NOTE 18 Depreciation and amortization

	2021	2020
On intangible assets	(16,092)	(15,957)
On tangible assets	(39,854)	(43,692)
TOTAL	(55,945)	(59,649)

NOTE 19 Other operating income and expenses

	2021	2020
Royalties paid	(1,910)	(629)
Research tax credit	5,166	7,545
Income from sale of fixed assets	(738)	(928)
Miscellaneous other income and expenses	(1,720)	(112)
TOTAL	799	5,876

NOTE 20 Gross finance costs

	2021	2020
Interest charges on lease liabilities	(237)	(292)
Interest on borrowings and bank credit facilities	(5,105)	(4,562)
Interest swaps	2,100	(2,386)
TOTAL	(3,243)	(7,239)

NOTE 21 Income tax**21.1 Details of tax expenses**

	2021	2020
Current taxes	(5,817)	(6,065)
Deferred taxes	9,481	2,058
TOTAL	3,664	(4,008)

21.2 Analysis of tax expenses

	2021	2020 ^(b)
Pre-tax result	28,973	22,248
Theoretical tax charge at the prevailing rate for the consolidating company ^(a)	(8,176)	(6,955)
Impact of differences in tax rates	1,779	4,567
Impact of permanently non-deductible or non-taxable expenses ^(c)	(2,892)	5,482
Impact of tax credits	1,255	2,707
Impact of deferred taxes on tax losses and other ^(d)	11,698	(9,810)
TOTAL	3,664	(4,008)
EFFECTIVE TAX RATE (%)	(12.65%)	18.01%
(a) Tax rate	28.41%	32.02%

(b) Includes the impact of the final IFRIC decision of April 2021 on pension obligations as described in paragraph 6.1.2.1 b) of the notes.

(c) 2020: The impact of permanently non-deductible/taxable expenses includes the effect of restating the untaxed consolidated capital gain on the sale of the Canadian plant for €7.5 million. Without this transaction, the permanently non-deductible/taxable expenses amounted to -€2.5 million.

(d) 2021:

- USA: The favorable outlook for the US tax group led to the use of existing tax losses not yet used (\$47 million) for a deferred tax asset of €8 million. A net deferred tax of €3.4 million was used for the 2021 taxable income.
- France: Under In the context of the French amending finance law for 2021, Guerbet S.A. opted for the special carry-back mechanism that allowed it to apply the 2020 deficit against profits for 2017 to 2019 for €25 million and thus benefit from a tax receivable of €6.3 million. In addition, the consolidation group generated a taxable profit for 2021, which enabled it to use up €14.7 million of tax losses carried forward. The French tax group has a residual tax loss carried forward of €1.6 million at December 31, 2021, for which a deferred tax asset of €0.4 million was recognized.
- Accurate: A deferred tax asset of €1.3 million was recognized for the 2021 tax loss, bringing the balance of deferred tax assets on the entity's tax losses carried forward to €4.1 million.

NOTE 22 Research and development costs

The amounts below are booked as expenses:

	2021	2020
Direct costs	56,119	64,674
Indirect costs	8,878	6,746
OVERALL RESEARCH AND DEVELOPMENT EXPENDITURES	64,997	71,420

The definition of the Research and Development scope and the method for allocating indirect costs include costs of supplies and consumables, external charges, staff costs, and amortization/depreciation.

The increase in indirect costs is mainly related to impairments of injectors used in medical training.

NOTE 23 Government grants

The following subsidies were recognized on the income statement:

Accounting category	Type	2021	2020
Other operating revenue	Innovation aid	416	329
Other operating revenue	Employment aid	550	85
TOTAL		966	414

NOTE 24 Information on stock option operations

The staff of Guerbet and its subsidiaries were granted stock options until October 17, 2021. A total of 24,429 shares were canceled after this date.

SUMMARY OF STOCK OPTION PLANS

Grant date	Plan of 10/17/2011	Plan of 11/23/2011	Plan of 02/20/2012
Earliest sale date for preferential tax treatment	10/17/2015	11/23/2015	02/20/2016
Date of the Board meeting when it was decided to grant options	10/17/2015	11/23/2015	02/20/2016
Number of options granted	530,840	48,000	6,800
Subscription or purchase price	€15.40	€16.08	€15.38
Plan expiration date	10/16/2021	11/22/2021	02/20/2016
Number of options exercised since exercising was authorized on 10/17/2015	380,931	48,000	3,800
Number of options exercised in 2021	38,441	—	—
Number of options canceled since exercising was authorized on 10/17/2015	149,909	—	3,000
NUMBER OF OPTIONS REMAINING	—	—	—

NOTE 25 Related-party disclosures

25.1 Relationships with non-consolidated companies

All of the Group's significant companies are fully consolidated. Transactions between these companies are eliminated. The total impact of non-consolidated entities is not significant.

25.2 Compensation and benefits granted by the Group to top executives

The top executives make up the Executive Committee. They received the following benefits and compensation in thousands of euros:

	2021	2020
Short-term benefits	3,185	2,774
Fixed share of total gross compensation (not including benefits in kind)	2,242	2,062
Variable share of compensation ^(a)	912	681
Benefits in kind	31	31
Post-employment benefit plans	733	878
<i>of which funded supplemental pension contributions</i>	118	93
<i>of which provisions for retirement benefits</i>	615	785
Other long-term benefits	None	None
Termination benefits	None	253
Payment in shares	—	181

^(a) For each executive, the variable portion depends on attaining a number of personal targets in the previous year. It is adjusted according to the performance of Guerbet or the Group in that same year and is calculated on the basis of the salary for December 2021.

In 2021, the members of the Board of Directors received €292,800 in attendance fees representing the directors' compensation for the 2020 fiscal year.

NOTE 26 Off-balance-sheet commitments

Commitments given	2021	2020
Sureties, deposits and other commitments given to third parties on behalf of related companies	11,383	6,903
Sureties and deposits given to third parties and other commitments ^(a)	5,250	20,620
TOTAL	16,633	27,523

(a) As at December 31, 2021, Guerbet has a commitment to subscribe to the Truffle Capital innovation investment fund for a maximum of €15 million, including €9.8 already paid.

Commitments received	2021	2020
Sureties, deposits and other commitments received by third parties on behalf of related	—	—
Sureties and deposits received by third parties and other commitments ^(a)	152,928	212,957
TOTAL	152,928	212,957

(a) On March 27, 2019, Guerbet took out a €150 million revolving facility with BNP Paribas, not drawn at Friday, December 31, 2021.

In response to the requests from the FDA to conduct various regulatory pre-clinical and/or clinical studies for contrast media already on the market ("Post Marketing Requirements"), Guerbet S.A. signed collaboration agreements with other

players in the contrast media sector for shared funding and organization of the studies. The Group's financial commitments in this respect amount to €9.8 million for the 2022–2028 period.

NOTE 27 Earnings per share and diluted earnings per share

	2021	2020
Consolidated net income, Group share	32,637	17,714
Weighted average number of shares in the fiscal year	12,616,390	12,599,494
NET EARNINGS PER SHARE	2.59	1.41

RETROSPECTIVE PRESENTATION OF THE NUMBER OF SHARES (IAS 33.64)

	2021	2020
Consolidated net income, Group share	32,637	17,714
Consolidated net income after dilution	32,637	17,714
Number of current shares	12,641,115	12,665,544
DILUTED NET EARNINGS PER SHARE	2.58	1.40

NOTE 28 Post-closing events

We are not aware of any major events occurring after the balance sheet date that could affect the interpretation of the financial statements at December 31, 2021.

We have also not identified any exposure of the Group to the situation in Ukraine and Russia.

NOTE 29 Appropriation of the 2021 result

At its meeting of March 23, 2022, the Board of Directors approved the consolidated financial statements at December 31, 2021. These accounts will not be considered final until approved by the Annual General Meeting. The Board of Directors will propose distribution of a gross dividend of € 0.85 per share. The total dividend payout will be €10.7 million.

NOTE 30 Fees paid to Statutory Auditors

2021	Deloitte & Associés				Crowe HAF			
	Statutory Auditor		Network		Statutory Auditor		Network	
	Amount	%	Amount	%	Amount	%	Amount	%
Certification and limited half-year review of individual and consolidated financial statements								
• Issuer	175	28%	—	—%	162	22%	—	—%
• Fully consolidated subsidiaries	36	6%	374	61%	112	15%	351	47%
Subtotal	212	34%	374	61%	274	37%	351	47%
Services other than certification of the financial statements								
• Issuer (CSR work)	22	4%	—	—%	—	—%	—	—%
• Fully consolidated subsidiaries	—	—%	8	1%	9	1%	114	15%
Subtotal	22	4%	8	1%	9	1%	114	15%
TOTAL	234	38%	382	62%	283	38%	465	62%

2020	Deloitte & Associés				Crowe HAF			
	Statutory Auditor		Network		Statutory Auditor		Network	
	Amount	%	Amount	%	Amount	%	Amount	%
Certification and limited half-year review of individual and consolidated financial statements								
• Issuer	194	31%	—	—%	168	27%	—	—%
• Fully consolidated subsidiaries	38	6%	356	58%	109	17%	357	56%
Subtotal	232	38%	356	58%	277	44%	357	56%
Services other than certification of the financial statements								
• Issuer (CSR work)	22	4%	—	—%	—	—%	—	—%
• Fully consolidated subsidiaries	—	—%	8	1%	—	—%	—	—%
Subtotal	22	4%	8	1%	—	—%	—	—%
TOTAL	254	41%	364	59%	277	44%	357	56%

NOTE 31 List of consolidated companies

Business registration number (Siren)	Company	Head office	2021 % held % controlled	2020 % held % controlled
308491521	Guerbet	France	Parent company	Parent
308412434	Simafex	France	100%	100%
340598978	Medex	France	100%	100%
789526555	Guerbet France	France	100%	100%
	A. Martins & Fernandes SARL	Portugal	100%	100%
	Guerbet Laboratories Ltd	United Kingdom	100%	100%
	SA Guerbet NV	Belgium	100%	100%
	Guerbet Nederland BV	Netherlands	100%	100%
	Guerbet SpA	Italy	100%	100%
	Laboratorios Farmaceuticos Guerbet S.A.U.	Spain	100%	100%
	Guerbet AG	Switzerland	100%	100%
	Guerbet Ilac Tibbi Malzeme A.S	Turkey	100%	100%
	Guerbet Luxembourg SARL ^(a)	Luxembourg	100%	100%
	Lieble-Flarsheim Ireland Ltd	Ireland	100%	100%
	Guerbet Argentina Ltd	United Kingdom	100%	100%
	Guerbet Czech Rep. s.r.o	Czech Republic	100%	100%
	Accurate Medical Therapeutics Ltd	Israel	100%	100%
	Guerbet Austria G.m.b.H	Austria	100%	100%
	Guerbet Ireland Unlimited Co.	Ireland	100%	100%
	Guerbet Imaging Switzerland AG	Switzerland	100%	100%
	Guerbet Poland Sp. Z.o.o.	Poland	100%	100%
	Guerbet Sweden AB	Sweden	100%	100%
	Guerbet G.m.b.H	Germany	100%	100%
	Guerbet South Africa Pty Ltd	South Africa	100%	100%

Business registration number (Siren)	Company	Head office	2021 % held % controlled	2020 % held % controlled
	Guerbet Asia Pacific Ltd	Hong Kong	100%	100%
	Guerbet India Private Ltd	India	100%	100%
	Guerbet Japan K.K.	Japan	100%	100%
	Guerbet Medical Consulting (Shanghai) Co. Ltd	China	100%	100%
	Guerbet Korea Ltd	Korea	100%	100%
	Guerbet Taiwan Co. Ltd	Taiwan, Province of China	100%	100%
	Imaging Solutions Korea Ltd	Korea	100%	100%
	Guerbet Pharmaceuticals Whenzhou Co. Ltd ^(b)	China	100%	100%
	Gerbet LLC	United States	100%	100%
	LiebelFlarsheim Company LLC	United States	100%	100%
	Guerbet Caribbean, Inc. (Puerto Rico branch)	Puerto Rico	100%	100%
	Guerbet Caribbean, Inc.	United States	100%	100%
	Guerbet America	United States	100%	100%
	Guerbet Produtos Radiologicos Ltda	Brazil	100%	100%
	Guerbet Argentina Ltd (branch)	Argentina	100%	100%
	Guerbet Imagem Do Brasil Ltda	Brazil	100%	100%
	Guerbet Chile Ltda	Chile	100%	100%
	Guerbet Mexicana S.A. de C.V.	Mexico	100%	100%
	Guerbet Colombia SAS	Columbia	100%	100%
	Guerbet Panama S.A.	Panama	100%	100%
	Operadora De Insumos Para La Salud Guerbet, S.A. de C.V.	Mexico	100%	100%
	Guerbet Imaging Panama S.A.	Panama	100%	100%
	Gestion Especializada Loro S.A. de C.V. ^(b)	Mexico	100%	100%
	Guerbet Australia Pty Ltd	Australia	100%	100%

(a) Guerbet Luxembourg SARL taken over by Guerbet (parent company) in October 2021.

(b) New companies.

6.2 Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2021

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Guerbet Annual General Meeting,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Guerbet for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

Observation

We draw attention to Notes 6.1.2.1.b) et 12 to the consolidated financial statements, relating to the retrospective application from 1 January 2021 of the IFRS IC agenda decision on the method used to calculate employee benefits and the period of service to which benefits are attributed. Our opinion is not modified in respect of this matter.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L. 823-9 and L. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of intangible assets with an indefinite life and goodwill – impairment tests

Paragraph j) of the Accounting policies and methods and note 5.3 to the consolidated financial statements

Risk identified

As part of its development, the Group had carried out external growth operations in the past, and recognized goodwill, manufacturing assets and intangible assets notably related to intellectual property following the purchase price allocation process.

This goodwill, equal to the difference between the price paid and the fair value of net assets acquired, is tested based on a consolidated business plan. The other assets are allocated to four groups of cash-generating units (CGUs), defined according to the geographic regions where the Group operates, as indicated in note 5.3 to the consolidated financial statements.

Each fiscal year, Management ensures that the carrying amount of goodwill and assets with an indefinite life, shown on the balance sheet as of December 31, 2021 for €49.4 million, including goodwill of €39.8 million, does not exceed the recoverable amount and does not present a risk of impairment.

The methods used for the impairment tests and the main assumptions adopted are described in note 5.3 to the consolidated financial statements. The recoverable amount was determined by reference to the value in use calculated based on the present value of expected future cash flows from the asset groups forming the four CGUs.

The assessment of the recoverable amount of these assets was considered to be a key audit matter due to the materiality of the amount with regard to the consolidated balance sheet. In addition, Management is required to make significant estimates and exercise a high level of judgement in determining the assumptions underlying impairment tests and particularly with regard to the construction of the Medium Term Plan and determining the growth rate for cash flow projections and the discount rate applied.

Our response

We verified that the methodology and calculation model applied by the Group were consistent with prevailing accounting standards, supported by the expertise of our valuation specialists.

We also conducted a critical review of how this methodology was implemented. In particular, we:

- verified the completeness of the components of the carrying amount of the CGU groups and the consistency of the determination of this value with the way in which the cash flow projections were prepared to estimate the value in use;
- verified the compliance of the cash flow projections with the 2022-2026 Medium-Term Plan (MTP) prepared by Management, as they were presented to and approved by the Board of Directors on September 22, 2021 as part of the MTP approval process;
- conducted a critical analysis of the reasonableness and consistency of the main assumptions adopted in the preparation of the MTP in relation to past results;
- assessed the discount rates used by Management by comparing them with our own estimate of these rates, prepared with the help of our valuation specialists and by analyzing the various constituent parameters to be applied;
- verified the arithmetical accuracy of the impairment tests performed;
- assessed the information provided in note 5.3 to the consolidated financial statements, particularly with regard to key assumptions and sensitivity analyses.

Recoverability of deferred tax assets resulting from tax loss carry-forwards

Paragraph x) of the Accounting policies and methods and notes 8 and 21.2 to the consolidated financial statements

Risk identified

Deferred tax assets relating to tax loss carry-forwards are presented in the December 31, 2021 balance sheet for €14.0 million, including tax loss carry-forwards of the US tax consolidation group and Accurate of €8.1 million and €4.1 million, respectively.

These assets correspond to tax savings expected from the future allocation of these tax loss carry-forwards against future tax profits, for which the Group has prepared income forecasts demonstrating the realization of these savings.

The French and non-French tax rules governing transfer pricing policies and the future use of tax loss carry-forwards may change over time and differ from one country to another. The Group's worldwide industrial and commercial presence tends to complicate the analysis. In addition, the recoverability of capitalized tax losses is based on the ability of the subsidiaries to meet the objectives defined in the Medium-Term Plan.

We therefore considered the recoverability of deferred tax assets relating to tax loss carry-forwards to be a key audit matter, given the risks relating to local tax specificities and due to the importance of the judgment exercised by Management in preparing income

forecasts by tax consolidation group to ensure they will enable the offset of tax losses carried forward, pursuant to the Medium-Term Plan's assumptions.

Our response

Our work consisted in assessing the data and assumptions retained by Management to estimate the level of future taxable income enabling the use of tax loss carry-forwards in the near future.

We analyzed the deferred tax calculations for the most significant entities. Accordingly, our procedures primarily consisted in:

- verifying the substance of the available tax losses and their terms of use;
- assessing the ability of the tax perimeters to generate future taxable profits, pursuant to the Medium-Term Plan's projections.

These analyses were carried out with the help of our tax experts where needed, and we also verified that the disclosures in notes 8 and 21.2 to the consolidated financial statements were appropriately presented and comprehensive.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in Group management report, it being specified that, in accordance with the provisions of article L. 823-10 of the Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of consolidated financial statements intended to be included in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on parent company and consolidated financial statements presented in the single electronic reporting format, that the presentation of consolidated financial statements to be included in the annual financial report referred to in section I of article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018. With regard to consolidated financial statements, our work includes verifying that the tagging in the statements complies with the format specified in the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material aspects, with the single electronic reporting format.

However, it is not our responsibility to verify that the consolidated financial statements ultimately included by your Company in the annual financial report filed with the AMF correspond to those on which we performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Guerbet by the Annual General Meeting of May 21, 1987 for Deloitte & Associés and May 23, 2008 for Crowe HAF.

As of December 31, 2020, Deloitte & Associés and Crowe HAF were in the 35th year and 14th year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (Code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Levallois-Perret and Paris-La Défense, March 29, 2022

The Statutory Auditors

Crowe HAF
Member of Crowe Global
Marc de Prémare David Kharoubi

Deloitte & Associés
Jean-François Viat

6.3 Individual financial statements and notes

6.3.1 Annual financial statements

6.3.1.1 Balance sheet

ASSETS

<i>(in thousands of €)</i>	Note	12/31/2021			12/31/2020
		Gross amounts	Amortization & depreciation/ Provisions	Net amounts	Net amounts
Patents, trademarks and similar rights		3	—	3	3
Other intangible assets		110,064	42,513	67,552	65,108
Advance payments		357	—	357	6
Total intangible assets	1	110,425	42,513	67,912	65,117
Land		1,554	—	1,554	1,554
Buildings		108,921	69,765	39,156	42,584
Machinery and equipment		181,707	132,726	48,980	53,365
Other tangible assets		18,511	14,995	3,517	4,319
Fixed assets under construction		31,847	—	31,847	19,618
Advance payments		602	—	602	751
Total tangible assets	2	343,142	217,486	125,656	122,190
Controlled entities	3	351,960	30,352	321,608	324,119
Receivables from controlled entities				—	—
Loans	4/6	5,134	—	5,134	330
Other financial assets	6	128	—	128	317
Total financial assets		357,222	30,352	326,870	324,765
TOTAL CAPITAL ASSETS		810,789	290,351	520,438	512,073
Inventories	5	85,626	10,528	75,097	90,559
Advance payments		488	—	488	535
Trade receivables	6	61,239	52	61,188	42,193
Other operating receivables	6	116,881	—	116,881	139,722
Total operating receivables		178,608	52	178,556	182,450
Short-term investments and cash and cash equivalents	7	96,065	—	96,065	73,594
TOTAL CURRENT ASSETS		360,299	10,580	349,718	346,603
Prepaid expenses	6	1,301	—	1,301	1,490
Expenses to be spread over several years		—	—	—	—
Translation adjustments		6,006	—	6,006	8,308
TOTAL ASSETS		1,178,394	300,931	877,463	868,473

EQUITY & LIABILITIES

<i>(in thousands of €)</i>	Note	12/31/2021	12/31/2020
Share capital		12,641	12,603
Share premiums		12,228	11,391
Statutory reserve		1,260	1,260
Other reserves		52,015	52,015
Retained earnings		103,232	121,700
Fiscal year result		18,356	(12,700)
Net position		199,732	186,268
Special tax-allowance reserves	9	64,804	70,645
TOTAL SHAREHOLDERS' EQUITY	8	264,535	256,913
Provisions for liabilities and charges	10	29,433	33,156
Contingent advances	11	9,983	9,983
Other equity		9,983	9,983
Bank loans other than current banking facilities		300,167	325,029
Current banking facilities and credit balances		22	1,228
Other miscellaneous borrowings and financial liabilities		794	1,179
Total financial liabilities		300,983	327,436
Trade payables		81,639	59,083
Tax and social security payable		34,487	35,804
Amounts payable on fixed assets		24,691	23,958
Other creditors		125,147	112,277
Total operating and miscellaneous liabilities		265,963	231,122
TOTAL LIABILITIES	12	566,946	558,558
Deferred income	12	293	908
Translation adjustments		6,274	8,954
TOTAL EQUITY & LIABILITIES		877,463	868,473

6.3.1.2 Income statement

<i>(in thousands of €)</i>	Note	2021	2020
Products sold in France		107,989	101,097
Products sold outside France		356,944	305,739
Revenue from products	14	464,933	406,836
Various products and services		4,056	4,327
Rights and royalties		–	6
Capitalized production		2,925	2,438
Provision reversals		8,007	7,517
Expense transfers		1,446	135
Operating subsidies		966	568
Other income		1,648	1,579
TOTAL OPERATING INCOME		483,981	423,405
Purchases of merchandise, raw materials and other supplies held in inventory		(216,465)	(185,358)
+ beginning inventories		(95,769)	(103,254)
– ending inventories		85,626	95,769
Consumed during the year		(226,608)	(192,843)
Purchases not held in inventory, other services, and external charges		(110,408)	(113,159)
Taxes and similar payments		(6,057)	(7,660)
Payroll expenses	15	(97,737)	(98,527)
Depreciation & amortization		(23,281)	(23,671)
Provisions		(9,362)	(8,830)
Other expenses		(4,251)	–
TOTAL OPERATING EXPENSES		(477,704)	(444,692)
OPERATING RESULT		6,277	(21,287)
Provision reversals and expense transfers		8,256	33,667
Interest and similar income		11,351	5,091
Foreign exchange gains		4,210	740
TOTAL FINANCIAL INCOME		23,817	39,498
Depreciation, amortization and provisions		(18,189)	(9,586)
Interest and similar expenses		(4,707)	(4,030)
Foreign exchange losses		(994)	(3,423)
TOTAL FINANCE COSTS		(23,889)	(17,039)
FINANCIAL RESULT	16	(72)	22,460
CURRENT RESULT BEFORE TAXES		6,205	1,173
Non-recurring income from non-capital transactions		64	1
Non-recurring income from capital transactions		513	10,598
Reversals of amortization and depreciation, provisions and expense transfers		10,235	12,774
TOTAL NON-RECURRING INCOME		10,812	23,374
Expenses on non-capital transactions		(418)	(101)
Expenses on capital transactions		(657)	(42,738)
Depreciation, amortization and provisions		(4,394)	(3,384)
TOTAL NON-RECURRING EXPENSES		(5,468)	(46,223)
NON-RECURRING RESULT	17	5,344	(22,849)
Employee profit sharing		(485)	(652)
Income tax	18	7,292	9,629
FISCAL YEAR RESULT		18,356	(12,700)

6.3.2 Notes to the annual financial statements

The figures presented in these notes are expressed in thousands of euros, unless otherwise indicated.

Introduction

The balance sheet is drawn up before appropriation of earnings. Therefore, the dividends proposed at the General Meeting do not appear in liabilities.

Significant events

a) Covid-19 health crisis

The Covid-19 global health crisis continued throughout 2021.

Guerbet has maintained the level of vigilance for employee protection as defined to date and in accordance with the government rules in force. As in the previous fiscal year, the Covid-19 crisis and the implemented measures have not had a major impact on plant activity.

A gradual recovery of activity was noted across all business sectors, with revenue up 14.3% from December 31, 2020.

b) Partnership with Bracco

On December 14, 2021, Guerbet announced a global collaboration with Bracco Imaging for Gadopiclenol, a new-generation magnetic resonance imaging (MRI) contrast agent. This collaboration will allow Guerbet and Bracco Imaging to market the product independently under separate brands. The two companies will also collaborate on manufacturing and research and development for future indications.

Change in accounting method

Retirement benefits

Effective January 1, 2021, Guerbet applied the new method relating to the distribution of benefit entitlements for defined-benefit plans where the granting of a benefit is conditional on the length of service for a capped maximum amount and on the fact that an individual is employed by the entity when he or she reaches retirement age in accordance with ANC recommendation No 2013-02 amended on November 5, 2021, which follows an IFRS IC decision of April 2021.

Guerbet therefore decided to change the method of distribution of benefit entitlements and to no longer spread them out from the employee's date of entry into service but from the date from which each year of service counts for the vesting of benefit entitlements.

This change in accounting policy is treated as a change in accounting regulations.

In addition, effective January 1, 2021, Guerbet decided to apply the recognition on the balance sheet of all actuarial gains and losses relating to employee benefits in order to align the presentation of employee benefits on the individual financial statements with the presentation on the consolidated financial statements presented under IFRS for improved financial reporting.

The impact of this change in method was recalculated as at January 1, 2021, and represents an impact on opening shareholders' equity of €3 million.

The financial statements are prepared in accordance with the accounting rules and principles generally accepted in France in accordance with the provisions of the French general accounting principles (PCG), which correspond to ANC regulation No 2014-03, updated with all the regulations that have subsequently amended it.

Accounting policies

a) Estimates and judgments

When preparing its financial statements, the Company must make estimates and assumptions which affect the book value of items in assets and liabilities, income and expenses, and the information provided in certain appended notes.

Management evaluates these estimates and assessments continually based on past experience and on various other factors judged to be reasonable, which constitute the basis for these assessments.

Actual future results may differ significantly from these estimates according to different conditions or assumptions.

The main significant estimates made by Guerbet's Management relate primarily to valuation of equity interests.

b) Intangible assets

Patents and Marketing Authorizations (MAs)

Patents are recognized at their acquisition cost. Costs related to patents and MAs are recognized as expenses. Patents are amortized on a straight-line basis over their useful lives.

Trademarks

Trademarks acquired are recognized at their acquisition cost. In accordance with PCG 212-3, expenses for filing and renewing trademarks are recognized as expenses for the year in which they are incurred. No amortization is applied to trademarks.

Research and development costs

Costs incurred during the research phase are recognized as expenses. Costs incurred during the development phase are recognized as intangible assets only if all of the following criteria can be demonstrated:

- the technical feasibility necessary to complete the intangible asset for commissioning or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate likely future economic benefits;

- the availability of appropriate technical, financial and other resources to complete the development and use or sell the intangible asset; and
- the ability to reliably measure the expenditures attributable to the intangible asset during its development.

Because of the risks and uncertainties involved in regulatory authorizations, the Company considers that contrast media costs incurred before obtaining Marketing Authorization (AMM) do not meet the above criteria. These development costs are therefore recorded as expenses in the year in which they are incurred. Furthermore, costs incurred after obtaining the MA are generally sales costs that cannot be capitalized. Under Post Marketing Requirements (PMR) in the United States, additional studies may be requested after an authorization is obtained. In that case, the costs associated with those studies meet the criteria for recognition as fixed assets (see Note 1 for details).

Research tax credits are classified as tax deductions.

Other intangible assets

Other intangible assets mainly consist of software. This software is amortized over three years. With the possibility of amortization over 12 months offered by the tax legislation for software, accelerated amortization was recognized. This represents the share of additional amortization compared with conventional amortization.

However, the SAP enterprise resource planning system must be distinguished from other software. The Company has decided to capitalize the internal staff costs directly associated with the project. The software will be amortized over a 10-year period. This exceptional amortization over a 12-month period is no longer possible on new acquisitions since January 1, 2017.

c) Tangible assets

These assets are recognized at their acquisition cost. Depreciation is calculated over their useful lifespan using the straight-line method, which on average corresponds to the following durations:

- buildings: 10 to 20 years;
- improvements, fittings: 10 years;

- plant, machinery and equipment: 5 to 10 years;
- other tangible assets: 3 to 15 years.

For all acquisitions prior to December 31, 1997, and starting again from January 1, 2002, all of the possibilities provided for by the tax legislation in terms of declining balance and exceptional depreciation are used. The declining-balance method is considered to be accelerated compared with straight-line depreciation. Tangible assets may be subject to impairment charges depending on how they are used by Guerbet.

d) Financial assets

Equity investments are recognized at their acquisition cost. They may be written down based on their inventory value. The methods used to measure this inventory value are based on the share of net assets of subsidiaries or on discounted future cash flows. When the inventory value falls below the net book value, an impairment loss is recorded for the difference.

For Truffle Capital, the value in use corresponds to the fund's net asset value.

The acquisition costs of equity investments are recognized directly on the income statement.

Other financial assets are listed on the balance sheet at their acquisition cost or at their inventory value if that is lower.

e) Loans and advances granted to subsidiaries

Loans and advances granted to subsidiaries are recognized at their nominal value and may be written down according to the risks affecting their recoverability.

f) Inventories and work in progress

Inventories of raw materials and other supplies are measured using the weighted average cost method. Inventories of products in progress and finished products are measured at cost including direct and indirect production costs, and excluding administrative, financial and sales costs. An impairment provision is created according to inventory turnover rates, use-by dates, and any quality problems.

g) Trade receivables

Trade receivables are assessed at nominal value. They are written down, where applicable, according to the risk of non-recovery.

h) Short-term investments

Short-term investments are valued at their acquisition cost. When the inventory value of these securities, determined on the basis of their likely sale value, i.e. their liquidation value at the end of the year, is less than their acquisition cost, a provision for impairment is set aside for the amount of the difference. No allowance for impairment is recognized on treasury shares intended to be allocated free of charge to employees. The related benefit is funded in the provisions for liabilities and charges in accordance with the French general accounting principles (PCG).

i) Borrowings

Borrowing costs are recognized directly on the income statement. The Company has not opted to spread out the costs.

j) Financial instruments

Premiums paid in relation to interest rate options are recognized in the assets section of the balance sheet upon acquisition of the option and carried over to the income statement prorata temporis over the life of the contract. Provisions are made for any costs of interest rate fluctuations. To manage its exposure to interest-rate and currency risk due to its industrial and commercial activity, Guerbet S.A. uses financial instruments that are listed on organized markets. The Company's policy is to never trade on markets for speculative purposes.

k) Foreign currency translation

Guerbet S.A. centralizes management of currency risk for its French subsidiaries. Payables and receivables listed in currencies outside the euro zone are translated at the rates prevailing at December 31. Unrealized foreign exchange gains or losses arising from this are booked on the balance sheet as translation adjustments. Guerbet S.A. hedges its currency risks with forex futures or options. Any provisions for foreign exchange loss take these hedges into account. Income from currency option trading is recognized at the option strike date to the extent that the options hedge commercial operations after the end of the year. The premium paid is recognized as an asset on the balance sheet until the option expires.

Since January 1, 2017, the date of application of ANC Regulation 2015-05, a distinction is made between commercial transactions and financial transactions in foreign currencies.

The exchange loss on commercial transactions is presented in operating income under purchases not held in inventory, other services and external charges, while the exchange gain is presented in other income.

l) Special tax-allowance reserves

According to statutory requirements, special tax-allowance reserves include provisions for accelerated depreciation.

Accelerated depreciation and amortization are calculated according to the methods detailed in b) and in c) for intangible and tangible assets.

m) Provisions for liabilities and charges

Provisions for liabilities and charges recognized correspond to liabilities meeting the following criteria:

- the amount or the maturity date is not set precisely;

- the economic impact is negative for the Company. This means that this liability is analyzed as an obligation of the Company to a third party that will probably or certainly lead to an outflow of resources to said third party with no compensation at least equivalent expected in return.

n) Retirement benefit obligations

Retirement benefit obligations are recognized in provisions for liabilities. For defined-benefit pension plans, the cost of benefits is estimated using the projected unit credit method. This consists of basing the calculation on the compensation that will be paid to employees as of their likely retirement date, taking into account age structure, employee turnover rate and survival rate using official tables by age group. The amounts obtained are revalued according to inflation and promotion scenarios and then discounted to take into account the date on which these benefits will actually be paid. When the calculation assumptions are revised, the resulting actuarial gains and losses are fully carried over into the result. These valuations are made once a year, for all pension plans. The method used for the allocation of benefit entitlements is on a straight-line basis from the date on which each year of service counts towards the vesting of the benefit entitlements.

o) Revenue

Revenue is recognized when there is a transfer to the purchaser of the benefits and risks related to ownership of the goods.

p) Operating subsidies

Guerbet S.A. recognizes a subsidy in its individual financial statements as accrued income upon obtaining approval from the funding agency.

q) Allocation of bonus shares

As indicated in the PCG, expenses related to bonus share allocations are presented in staff-related costs through an expense transfer account. As indicated in the PCG, the provision recognized at each close changes based on, among other things, the likely cost of purchase, the number of shares to be allocated based on employee turnover, and changes in the value of the share and the services rendered. The applied employee turnover rate is 2.06%. This provision is recognized on a straight-line basis over the vesting period for bonus share allocations to employees of Guerbet S.A.

Expenses relating to bonus share allocations to employees who are members of the Guerbet group but are not part of Guerbet S.A. are not recognized on a straight-line basis and are charged back to the subsidiaries.

INDEX OF NOTES

NOTE 1	Intangible assets	222	NOTE 16	Financial result	228
NOTE 2	Tangible assets	223	NOTE 17	Non-recurring result	229
NOTE 3	Investments	223	NOTE 18	Income tax	229
NOTE 4	Loans	224	NOTE 19	Deferred tax position	230
NOTE 5	Inventories	224	NOTE 20	Impact of the application of tax statutes on the fiscal year result	230
NOTE 6	Receivables by due date	224	NOTE 21	Related companies	230
NOTE 7	Short-term investments and cash and cash equivalents	225	NOTE 22	Stock purchase and subscription options	231
NOTE 8	Shareholders' equity	225	NOTE 23	Bonus share allocation plan	231
NOTE 9	Special tax-allowance reserves	225	NOTE 24	Items that could generate market risk	232
NOTE 10	Provisions for liabilities and charges	226	NOTE 25	Compensation allocated to company officers	232
NOTE 11	Contingent advances	226	NOTE 26	Average workforce during the year	232
NOTE 12	Payables by due date	227	NOTE 27	Off-balance-sheet commitments	233
NOTE 13	Accrued income and expenses	227	NOTE 28	Other information	233
NOTE 14	Revenue	228	NOTE 29	Post-closing events	233
NOTE 15	Staff costs	228	NOTE 30	Subsidiaries and controlled entities	234

NOTE 1 Intangible assets

	12/31/2020	2021 increases ^(a)	2021 decreases ^(c)	12/31/2021
Concessions, patents and similar rights	3	—	—	3
Other intangible assets	70,226	4,677	(870)	74,033
Fixed assets under construction ^(b)	29,421	6,611	—	36,032
Advance payments	6	351	—	357
Gross values	99,655	11,639	(870)	110,425
Depreciation & amortization	(34,538)	(8,839)	864	(42,513)
Impairments	—	—	—	—
NET VALUES	65,117	2,800	(6)	67,912

(a) Increases in intangible assets mainly include: €6.6 million in IT investments and €3.9 million for capitalized R&D projects (including €3.2 million for the Care Advisor for Prostate project as part of the partnership with IBM Watson).

(b) At December 31, 2021, intangible assets under construction (balance of €36 million) represented 53% of net intangible assets. The items shown below constitute the main intangible assets under construction at December 31, 2021: €15.4 million for the Liver Care Advisor project, €7 million for the Prostate Care Advisor project, €3.5 million for the Geode project (Occlugel microspheres), €4.3 million for SAP, and €3.2 million for the Dotarem PMR (additional studies requested by the FDA for Dotarem).

(c) Decreases in intangible assets are related to an inventory conducted in 2021 and the disposal of licenses, software, and IT developments.

Capitalization of preclinical and clinical studies required by the US Food and Drug Administration

In December 2017, Guerbet LLC received a request from the FDA (Food and Drug Administration) to conduct two preclinical studies and a clinical study for Dotarem, a product also marketed in the United States, for which approval was obtained in 2013.

These studies are part of the Post Marketing Requirements (PMRs) governed by section 505(o) of the FDCA (Federal Food, Drug and Cosmetic Act). They are mandatory, but the result does not call into question the sale of the products in the US market. According to the FDA, "the results from completed

studies provide additional information that can lead to safety labeling changes, support expanded use of a drug, or alleviate concerns about a potential drug risk."

Under Group rules, the costs related to preclinical and clinical studies incurred after an authorization is obtained meet the criteria for recognition as capital assets.

As at December 31, 2021, €1.7 million was capitalized for preclinical studies, and €2.1 million for the clinical study for the PMR for Dotarem.

NOTE 2 Tangible assets

	12/31/2020	2021 increases ^(a)	2021 decreases ^(c)	12/31/2021
Land	1,554	—	—	1,554
Buildings	108,626	1,401	(1,106)	108,921
Plant, machinery and equipment	181,695	4,438	(4,426)	181,707
Other tangible assets	19,839	554	(1,882)	18,511
Fixed assets under construction ^(b)	19,618	12,229	—	31,847
Advance payments	751	—	(149)	602
Gross values	332,083	18,622	(7,563)	343,142
Depreciation & amortization	(209,893)	(14,442)	6,849	(217,486)
Impairments	—	—	—	—
NET VALUES	122,190	4,180	(714)	125,656

(a) The €18.6 million increase in the gross value of tangible assets in 2021 is mainly due to investments in production sites (€7.5 million for the Aulnay-sous-Bois site and €4.8 million for the Lanester site).

(b) At December 31, 2021, tangible assets under construction (balance of €31.8 million) represented 25% of net tangible assets. The main tangible assets under construction at December 31, 2021 relate to investments at the Lanester site (€14.3 million) and to development work and industrial equipment at the Aulnay-sous-Bois site (€15.7 million).

(c) The decreases in tangible assets relate to inventories carried out at the Aulnay-sous-Bois, Lanester and Villepinte sites.

	12/31/2019	2020 Increases	2020 Decreases	12/31/2020
Land	1,554	—	—	1,554
Buildings	107,786	2,972	(2,132)	108,626
Plant, machinery and equipment	179,273	4,805	(2,383)	181,695
Other tangible assets	21,703	764	(2,628)	19,839
Fixed assets under construction	11,226	8,726	(334)	19,618
Advance payments	317	434	—	751
Gross values	321,859	17,701	(7,477)	332,083
Depreciation & amortization	(201,383)	(15,126)	6,616	(209,893)
Impairments	—	—	—	—
NET VALUES	120,476	2,575	(861)	122,190

NOTE 3 Investments

	12/31/2020	2021 Increases ^(a)	2021 Decreases	12/31/2021
Gross value of equity investments at December 31	343,454	8,756	(249)	351,960
Impairment of equity investments ^(b)	(19,335)	(12,811)	1,794	(30,352)
NET VALUE OF EQUITY INVESTMENTS AT DECEMBER 31	324,119	(4,055)	1,545	321,608

(a) The change in "Increases" is mainly explained by the increase in Guerbet S.A.'s investment in Truffle Capital for €5.5 million and the transfer of Guerbet GmbH and Guerbet Colombia shares at the time of the merger of Guerbet Luxembourg for €3.2 million.

(b) Including impairment losses of €6 million for Accurate, €3 million for Guerbet Imagem Do Brazil, and €1.5 million for the Turkish subsidiary.

These amounts correspond to investments held as at December 31. Detailed financial information for each subsidiary and other controlled entities is provided in Note 30, "Subsidiaries and controlled entities." Allocations and reversals for impairment of equity investments are recognized in financial income.

NOTE 4 Loans

	2021	2020
Loans to staff	24	30
Other loans ^(a)	5,111	300

(a) Including a South Korea loan for €4.8 million.

NOTE 5 Inventories

	2021	2020
Raw materials and supplies		
Gross amount	17,949	17,226
Impairments	(17)	—
Net amount	17,932	17,226
Intermediate and finished products		
Gross amount	44,848	55,898
Impairments	(10,293)	(9,111)
Net amount	34,555	46,787
Goods		
Gross amount	22,829	26,947
Impairments	(218)	(400)
Net amount	22,611	26,547
TOTAL NET AMOUNT	75,097	90,559

An inventory reduction plan initiated by the Group in 2019 to significantly reduce inventory levels continues. This three- to four-year action plan focuses on adjusting plant production plans, optimizing production plant lead times, and reducing reserve inventories.

NOTE 6 Receivables by due date

	2021			2020
	Gross amounts	Up to 1 year	More than 1 year	
Receivables from controlled entities				—
Loans	5,134	66	5,068	330
Other financial assets	128		128	317
Bad or doubtful debts	2	2		106
Other trade receivables ^(a)	61,237	61,237	—	42,208
Bills in course of collection	—	—	—	—
Due from staff	5	5	—	2
Social security and related liabilities	112	112	—	97
State: income tax ^(b)	17,547	3,412	14,135	14,306
State: value-added tax	6,642	6,642	—	5,544
State: other taxes and duties	—	—	—	297
State: miscellaneous receivables	760	760	—	75
Group and associates	86,561	86,561	—	107,259
Miscellaneous debtors	5,253	4,905	347	12,142
Prepaid expenses	1,301	1,301		1,490
TOTAL	184,683	165,003	19,680	184,173

(a) Including an increase in the group's receivable of €36 million.

(b) Including total CIR (research tax credit) of €15 million: €2.8 million in 2019, €7.5 million in 2020, €4.8 million in 2021, and a €3.5 million increase in corporate income tax.

NOTE 7 Short-term investments and cash and cash equivalents

Short-term investments consist of 11,880 treasury shares with a nominal value of €1 and represent a total gross value of €550 K and €95,515 K for cash.

All the treasury shares bought back are intended for bonus share allocations. Guerbet S.A. did not buy back shares in 2021.

NOTE 8 Shareholders' equity

	2021	2020
Beginning shareholders' equity	256,913	285,909
Dividends paid	(8,822)	(8,817)
Dividends carried forward (related to treasury shares)	8	12
Increase in share capital and additional paid-in capital	876	101
Change in pension provision method	3,045	—
Fiscal year result	18,356	(12,699)
Special tax-allowance reserves	(5,841)	(7,593)
ENDING SHAREHOLDERS' EQUITY	264,535	256,913

	2021
Number of shares at the beginning of the year	12,602,674
Creation of shares through exercise of stock options ^(a)	38,441
ENDING NUMBER OF SHARES	12,641,115

(a) Refer to Note 22.

NOTE 9 Special tax-allowance reserves

	12/31/2019	2020 allowances	2020 reversals	12/31/2020	2021 allowances	2021 reversals	12/31/2021
Provisions for accelerated depreciation	78,237	3,385	10,977	70,645	4,394	10,235	64,804
TOTAL	78,237	3,385	10,977	70,645	4,394	10,235	64,804

NOTE 10 Provisions for liabilities and charges

	31/12/ 2019	2020 allowances	2020 reversals (provision used/ reclassified)	2020 reversals (provision not used)	31/12/ 2020	2021 allowances	2021 reversals (provision used/ reclassified)	2021 reversals (provision not used)	Change of method	31/12/ 2021
Retirement benefits (operating) ^(a)	19,666	3,310			22,977	2,078	(1,496)	(1,265)	(3,045)	19,250
Operating currency risk ^(b)	942	1,845	942		1,845	1,770	(1,845)			1,770
Financial currency risk ^(b)	851	6,462	851		6,462	4,236	(6,462)			4,236
Other (operating) ^(c)	3,396	1,206	2,730		1,871	2,156	(992)			3,035
Other (financial) ^(d)						1,141				1,141
TOTAL	24,855	12,823	4,523	—	33,155	11,381	(10,795)	(1,265)	(3,045)	29,432

(a) **Retirement benefits:**

The Company has no obligations in terms of pensions, supplemental pensions, or similar benefits with the exception of a supplemental pensions obligation to its officers. The calculation of the retirement benefits provision assumes that all retirements will be voluntary. The retirement benefits provision did not cover company officers at December 31, 2021. In 2021, there was a change of method on the retirement provision recognized in shareholders' equity for €3 million.

The main actuarial assumptions applied to assess the retirement benefits provision are as follows:

Discount rate:

The discount rate used at December 31, 2021 is 1%.

Turnover rate:

The employee turnover rate is established from statistics and according to analysis factors such as the employee's status and age, where relevant.

Wage growth rate:

The wage growth rate used to calculate the liability at December 31, 2021, is 2.5%.

Social security charge rate:

The social security rate used at December 31, 2021 is 49.80%.

Mortality rate:

The tables used for mainland France are TH 00-02 and TF 00-02 (adjusted)

Inflation rate:

The inflation rate used at December 31, 2021 is 1.75%.

(b) **Currency risk:**

In accordance with regulation 2015-05, the provision for foreign exchange loss distinguishes between commercial transactions and financial transactions in foreign currencies.

Commercial transactions: €1,770 K.

Financial transactions: €4,236 K.

(c) **Other (operating):** including the €1,028 K provision for bonus shares allocated to employees and the €600 K provision for commercial disputes.

(d) **Other (financial):** provision for the OSEO contract (see details in Note 11 below).

Contingent liabilities

In the absence of sufficient evidence of having reached the thresholds for triggering the payment of a potential additional bonus of €10.2 million after 2030 as provided for in the amendment to the OSEO contract (see details in Note 11 below), this bonus is considered a contingent liability.

NOTE 11 Contingent advances

In December 2008, the request for aid for the French-German "Iseult" research project, filed with OSEO, was approved by the European Commission. The aid agreement provides for the financing of half of the expenditures incurred: 39% in the form of repayable advances and 61% in the form of grants.

An amendment to the contract was signed in June 2020 to revise the conditions for reaching the final milestones and the

payment of the associated aid, but also to modify the terms on financial returns in the event that a product resulting from the project is released on the market.

At December 31, 2021, €10 million in repayable advances received from 2008 to 2020 with respect to this aid agreement are recorded on the balance sheet under "Contingent advances."

NOTE 12 Payables by due date

	2021				2020
	Gross amount	Up to 1 year	Between 1 and 5 years	More than 5 years	Gross amount
Current banking facilities and credit balances ^(a)	22	22			1,228
Bank loans other than current banking facilities	300,167	25,167	275,000		325,029
Borrowings and other financial liabilities	794	794			1,179
Trade payables ^(b)	81,639	81,639			59,083
Staff	25,813	25,813			24,570
Social security and related liabilities	7,666	7,666			7,997
State: income tax	0	0			107
State: VAT	147	147			2,409
State: other taxes and similar payments	861	861			720
Amounts payable on fixed assets	24,691	9,751	2,350	12,590	23,958
Group and associates	100,501	100,501			107,120
Other creditors ^(c)	24,646	24,646			5,158
Deferred income	293	293			908
TOTAL	567,240	277,300	277,350	12,590	559,468

(a) This change is explained by the absence of an overdraft in 2021 on the banks of Guerbet S.A.

(b) This change is mainly due to the increase in trade payables of €3.5 million and in invoices not yet received by the group, which rose by €15 million and by €6 million outside the group.

(c) "Other creditors" mainly consists of customer credit notes to be issued and amounts due to customers.

NOTE 13 Accrued income and expenses

	2021	2020
Accrued income		
Receivables from controlled entities		
Trade receivables ^(a)	5,380	21,010
Other receivables ^(b)	4,539	2,505
Banks and financial institutions		
TOTAL	9,919	23,515
Accrued expenses		
Borrowings and financial liabilities	167	29
Trade payables ^(c)	46,539	30,330
Debt on fixed assets		
Tax and social security payable	27,432	26,193
Other creditors ^(d)	23,446	4,063
Accrued overdraft interest	22	41
TOTAL	97,606	60,656

(a) This change is due to the decrease in invoices to be issued to subsidiaries.

(b) Including €3.6 million in credit notes receivable from subsidiaries.

(c) Including €20 million in invoices not yet received from subsidiaries.

(d) Including €23 million in credit notes to subsidiaries.

NOTE 14 Revenue

Revenue by geographic region

	2021	2020
France and overseas departments and territories	107,989	101,842
Europe excluding France	140,845	141,275
Europe including France	248,834	243,117
Asia	102,907	105,391
Latin America	24,587	18,745
North America	66,102	14,006
Other countries	22,502	25,578
TOTAL	464,932	406,837

Revenue by product range

	2021	2020
X-Ray	251,752	234,436
MRI	142,418	130,822
TOTAL DIAGNOSTIC IMAGING	394,170	365,258
INTERVENTIONAL IMAGING	70,763	41,577
TOTAL	464,932	406,837

In this new presentation of revenue by product range, delivery systems and services have been divided between X-Rays and MRI. Other continuing activities are now included in X-Rays.

NOTE 15 Staff costs

	2021	2020
Salaries and wages	(66,556)	(66,280)
Social security charges	(31,182)	(32,246)
TOTAL	(97,737)	(98,527)

NOTE 16 Financial result

	2021	2020
Dividends	7,542	2,683
Net interest ^(a)	(899)	(1,623)
Foreign exchange result ^(b)	3,216	(2,683)
Net provision for equity investments ^(c)	(11,017)	29,691
Other ^(d)	1,085	(5,609)
TOTAL	(72)	22,459

(a) Including a €1 million decrease in interest on current accounts, a €3 million merger surplus, and €1 million in swap charges.

(b) Including an increase in foreign exchange gains of €898 K, a decrease in foreign exchange losses of €2.4 million, and a gain of €2.5 million from an interest rate hedge.

(c) Including impairment losses of €6 million for Accurate, €3 million for Guerbet Imagem Do Brazil, and €1.5 million for the Turkish subsidiary.

(d) Including €6.5 million in reversals and €5.3 million in transfers to provisions for liabilities and charges.

In accordance with ANC regulation 2015-05, the foreign exchange result of commercial transactions is presented in operating income under "Purchases not held in inventory, other services, and external charges" for €2.7 million in 2021.

NOTE 17 Non-recurring result

	2021	2020
Net income/(expense) on special tax-allowance reserves	5,841	7,592
Net book value on disposals of fixed assets ^(a)	(657)	(40,940)
Expenses on bonus shares	—	(1,798)
Proceeds from disposals of fixed assets ^(b)	513	10,598
Other ^(c)	(353)	1,699
TOTAL	5,344	(22,849)

(a) Including €39.8 million net book value related to the sale of Liebel-Flarsheim Canada in 2020.

(b) Including €10.6 million in proceeds from the sale of Liebel-Flarsheim Canada in 2020.

(c) No distribution of bonus shares in 2021 versus €1.8 million in transfers of expenses (release of treasury shares for allocation of bonus shares).

NOTE 18 Income tax

The Group has opted for tax consolidation since 1988. The following companies have historically been included in the tax consolidation scope: Guerbet S.A. (parent company and head of the tax consolidation group) and Simafex. Starting in the 2014 fiscal year, Medex and Guerbet France entered the scope of tax consolidation. In accounting terms, tax expenses are borne by the consolidated companies (subsidiaries and parent company) as they would be without tax consolidation. Loss-related income from taxes is kept by the parent company. Savings made by the tax consolidation group that are not linked to losses (corrections related to certain intra-group transactions) are kept by the parent company and recognized as income. Tax credits for research, apprenticeships, family benefits and employment competitiveness are reallocated to the companies that generated them. Tax savings resulting from tax losses of subsidiaries will be reallocated to them and applied

against future taxable profits. The overall taxable profit at the standard rate of the tax consolidation group for 2021 was €8.4 million after deducting €9.4 million in losses. The tax income of the tax consolidation group was €6.4 million after deducting tax credits, including the 2021 research tax credit for €4.8 million and the carry-back for €6.2 million.

In 2021, Guerbet S.A. made a request to carry back its 2020 loss in the amount of €16.2 million on the profits of the last three fiscal years at a rate of 25%. The receivable arising from this carry-back is €6.2 million.

The tax consolidation group's remaining loss at December 31, 2021 is €6.8 million.

The tax expense or income appearing on the income statement breaks down as follows:

	2021	2020
Group tax income (or expense)	2,585	7,575
Tax expense from consolidated subsidiaries	1,877	2,830
Tax savings reallocated to consolidated subsidiaries	(1,011)	(776)
Other tax income ^(a)	3,841	—
TAX INCOME (OR EXPENSE) FOR THE GROUP PARENT COMPANY	7,292	9,629

(a) Including €6.2 million in carry-back receivables and €2.4 million in tax adjustments.

Tax income (or expense) for the Group parent company breaks down as follows:

	2021	2020
Corporate tax on current result	8,053	9,629
Corporate tax on non-recurring result	(841)	—
Other tax expenses	80	—
TAX INCOME (OR EXPENSE) FOR THE GROUP PARENT COMPANY	7,292	9,629

Non-deductible expenses referred to in Article 39-4 of the French general tax code

For the 2021 fiscal year, Guerbet S.A.'s expenses of this type pertain to the depreciation of passenger cars for €225 K.

NOTE 19 Deferred tax position

Guerbet S.A.'s deferred tax position was calculated on the basis of tax consolidation starting in the 1988 fiscal year. As a result, prepaid taxes resulting from the time lag between the recognition of certain income and expenses and their incorporation into taxable income and taxes payable on equity items (special tax-allowance reserves) were determined for all tax-consolidated companies.

	2021	2020
Net deferred taxes from temporary differences (prepaid taxes)	8,734	10,302
Deferred taxes on shareholders' equity (taxes due)	19,396	21,021

These deferred taxes were calculated at forecast future rates based on the 2021 Finance Act, increased by the social contribution.

NOTE 20 Impact of the application of tax statutes on the fiscal year result

In order to take advantage of certain tax provisions, the Company must recognize some entries on the income statement (non-recurring income) that do not have the status of accounting income or expenses.

	2021	2020
Pre-tax result	11,064	(21,616)
Net allowance or reversal of special tax-allowance reserves and accelerated amortization and depreciation	5,841	7,592
Adjusted pre-tax result	5,223	(29,209)

NOTE 21 Related companies

All significant transactions with related parties and liable to come within the scope of Article R. 123-198 of the French commercial code relate to wholly owned subsidiaries.

Transactions are entered into with related parties under normal market conditions.

Write-offs granted to related companies and implemented during the 2021 fiscal year

N/A.

NOTE 22 Stock purchase and subscription options

The staff of the Company and of its subsidiaries had stock options until October 17, 2021. A total of 24,429 shares were canceled after this date.

SUMMARY OF STOCK OPTION PLANS

Grant date	Plan of 10/17/2011	Plan of 11/23/2011	Plan of 02/20/2012
Earliest sale date for preferential tax treatment	10/17/2015	11/23/2015	02/20/2016
Date of the Board meeting when it was decided to grant options	10/17/2015	11/23/2015	02/20/2016
Number of options granted	530,840	48,000	6,800
Subscription or purchase price	€15.40	€16.08	€15.38
Plan expiration date	10/16/2021	11/22/2021	02/20/2022
Number of options exercised since exercising was authorized on 10/17/2015	380,931	16,600	3,800
Number of options exercised in 2021	38,441	—	—
Number of options canceled	149,909	—	3,000
NUMBER OF OPTIONS REMAINING	—	—	—

NOTE 23 Bonus share allocation plan

Following the implementation of bonus share allocation plan 2 in 2016, which ended in 2018, the Board of Directors adopted a third share allocation plan on March 26, 2019, intended for certain employees and officers of the Company and its French and foreign subsidiaries.

On March 21, 2021, the Board of Directors approved a fourth performance share allocation plan for certain employees and officers of the Company and its French and foreign subsidiaries.

As at December 31, 2021, 30,900 bonus shares were still being allocated under Plan 3 still in effect, and 48,060 shares were being allocated under Plan 4, detailed as follows:

Plan type	Number of instruments initially granted	Number of vested instruments	Grant date	End of vesting period (subject to presence)	Vesting period in years
AGAP (plan 3)	47,550		2019	2022	3
Number of active shares at 12/31/2021	30,900				
AGAP (plan 4)	48,060		2021	2024	3
Number of active shares at 12/31/2021	48,060				

Under these plans, a €1,158 K transfer to provisions was booked for shares remaining to be allocated at December 31, 2021.

NOTE 24 Items that could generate market risk

Currency risk

The majority of Guerbet's accounting currency risk is related to the financing of various subsidiaries in their functional currency. The most significant amounts are in JPY (€31 million), HKD (€13.7 million), and USD (€10.1 million).

Interest rate risk

In March 2019, the choice was made to hedge tranche B of the syndicated credit facility for €225 million by establishing interest rate hedging instruments with a starting date deferred by two years.

This hedge against an increase in the interest rate was activated at the end of March 2021. Since this activation,

interest rates have risen but remain below the benchmark rate at the time when the debt was put in place.

The mark to market of the hedging instruments at December 31, 2021 was -€1.9 million.

Interest rate sensitivity is calculated on the balance of unhedged gross debt, which represents 26.3% of variable-rate debt. Guerbet S.A.'s liabilities are denominated entirely in euros.

On the basis of a 3-month Euribor of -0.572% at December 31, 2021, an increase of 100 basis points would have resulted in an increase in the cost of debt of around €0.3 million year on year; a decrease of 100 basis points would not have resulted in a decrease in the cost of debt given that the benchmark rates are subject to a floor of 0%.

NOTE 25 Compensation allocated to company officers

	2021	2020
Compensation allocated to company officers	1,030	960

This is compensation paid for their role as company officers, and for their salaried job.

NOTE 26 Average workforce during the year

	2021	2020
Manual workers, office workers	182	196
Technicians, supervisors	424	425
Executives	424	408
TOTAL AVERAGE WORKFORCE	1,030	1,029

NOTE 27 Off-balance-sheet commitments

	2021	2020
Sureties, deposits and other commitments given to third parties on behalf of related companies	9,740	9,530
Sureties and deposits given to third parties and other commitments	872	3,039
Receivables transferred via securitization	—	—
Property and equipment leasing commitments, of which lease payments ^(a) :	2,914	1,578
<i>at less than 1 year</i>	992	338
<i>between 1 and 5 years</i>	1,922	1,240
<i>at more than 5 years</i>	—	—
Outstanding secured debt	—	—
TOTAL	13,526	14,147

(a) The significant increase over 2020 (+€1,336 K) is mainly due to the contracts with the supplier Rigby for the replacement of IT equipment renewed in 2021 (commitment given of €1,271 K).

	Lease-financing payments in 2021	Lease-financing payments in 2020
On property leases	—	—
On equipment leases	846	1,238
TOTAL	846	1,238

Financial items related to leased property and equipment are as follows:

	2021	2020
Value of property and equipment	4,061	3,394
Depreciation if the assets had been acquired by the Company	869	1,213
Residual value of assets at the end of the contract	—	—

For 2021, the details of these lease financing assets by type break down as follows:

	Acquisition cost	Transfers to amortization/ depreciation of the fiscal year	Cumulative transfers to amortization/ depreciation	Net value
Plant, machinery and equipment	—	—	—	—
Other tangible assets	4,061	869	869	3,192
TOTAL	4,061	869	869	3,192

As at December 31, 2021, Guerbet S.A. has a commitment to subscribe to the Truffle Capital innovation investment fund for a maximum of €15 million, including €9.8 already paid.

In response to the requests from the US FDA to conduct various regulatory pre-clinical and/or clinical studies for contrast media

already on the market (Post Marketing Requirements), Guerbet S.A. signed collaboration agreements with other players in the contrast media sector for shared funding and organization of the studies. The financial commitments in this respect amount to €9.8 million for the 2022-2028 period.

NOTE 28 Other information

N/A.

NOTE 29 Post-closing events

We are not aware of any major events occurring after the balance sheet date that could affect the interpretation of the financial statements at December 31, 2021.

NOTE 30 Subsidiaries and controlled entities

Detailed information on each subsidiary and controlled entity <i>(in thousands of €)</i>	Capital	Shareholders' equity	Share of equity held (%)	Gross value of equity	Net value of equity	Loans and advances granted	Deposits and sureties	Revenue from products	Dividends	Income from last fiscal year ended
A – Securities of gross value exceeding 1% of the share capital of Guerbet S.A.										
Subsidiaries										
Simafex (France)	1,280	27,265	100	1,224	1,224		293	27,067		1,369
Medex (France)	180	6,150	100	3,000	3,000			14,173		2,299
Martins & Fernandes (Portugal)	410	311	100	1,224	937	1,066		3,026		132
Guerbet Laboratories Ltd (England)	5,184	3,352	100	5,643	5,643		39	15,355		922
SA Guerbet N.V. (Belgium)	541	1,826	100	379	379		330	13,884	1,497	469
Guerbet SPA (Italy)	8,000	5,317	100	8,743	8,743		3,000	18,269	2,800	1,441
Laboratorios Farmaceuticos Guerbet (Spain)	781	5,000	100	790	790		391	19,096		512
Guerbet A.G. (Switzerland)	484	2,334	100	304	304			30,535		1,812
Guerbet Imaging Switzerland AG (Switzerland)	83	1,621	100	13,370	—			—		(129)
Guerbet Austria G.M.B.H. (Austria)	73	48	100	146	146			2,961	350	89
Guerbet Ireland Unlimited Company (Ireland)	42,308	35,617	100	141,700	141,700	5,097	4,743	85,836		5,400
Guerbet Luxembourg S.A.R.L. (Luxembourg)	—	45	100	—	—			—		(45)
Guerbet Sweden AB (Sweden)	5	76	100	1,145	82	36		—		(75)
Guerbet Czech Republic s.r.o. (Czech Republic)	348	448	100	329	329			17		411
Guerbet A.S. (Turkey)	788	1,403	100	4,503	2,132		1,050	11,495		19
Accurate Medical Therapeutics Ltd (Israel)	2	31,253	100	53,248	47,309	15,282		744		(7,369)
Guerbet South Africa Pty Ltd (South Africa)	195	1,248	100	777	777		38	5,684		301
Guerbet Korea Ltd (Korea)	6,227	(2,913)	100	8,202	8,202	253		30,566		651
Guerbet Taiwan (Taiwan)	223	2,897	100	191	191			9,651		675
Guerbet Japan KK (Japan)	2,531	816	100	1,951	1,951	30,986		44,306		607
Guerbet Mexicana (Mexico)	2,535	367	100	3,600	3,353	890		7,975		203
Guerbet Produtos Radiologicos (Brazil)	4,795	16,469	100	11,197	11,197			34,652		(445)
Guerbet Imagem do Brasil, Ltda. (Brazil)	2,431	2,151	100	4,966	1,937			12,869		(3,146)
Guerbet Chile Limitada (Chile)	—	372	100	416	416			9,883		476
Guerbet Panama S.A. (Panama)	—	193	100	1,009	288	1,512		1,258		230
Guerbet Australia Pty Ltd (Australia)	1,089	866	100	1,577	1,577		48	16,750	1,886	481
Guerbet America LLC (United States)	—	75,799	100	69,000	69,000	751	578	645		3,480
Guerbet GmbH (Germany)	25	20,711	100	1,629	1,629			29,697		1,735
Guerbet Colombia SAS	13	29	100	1,572	137			5,135		(125)

Detailed information on each subsidiary and controlled entity <i>(in thousands of €)</i>	Capital	Shareholders' equity	Share of equity held (%)	Gross value of equity	Net value of equity	Loans and advances granted	Deposits and sureties	Revenue from products	Dividends	Income from last fiscal year ended
B – Securities of gross value not exceeding 1% of Guerbet's share capital										
Subsidiaries										
Abarem (France)	1		100	1	—					
Abalux (France)	1		100	1	—					
Guerbet France (France)	2	20,180	100	2	2			128,195		2,296
Guerbet Nederland B.V. (Netherlands)	91	973	100	92	92			14,257	1,000	658
Guerbet Asia Pacific (Hong Kong)	—	14,600	100	N.S.	N.S.	13,715		75,128		3,810
Guerbet Poland SP.Z.O.O. (Poland)	—	459	100	70	70			839		161
Guerbet Imaging Panama S.A. (Panama)	—	(4,839)	100	N.S.	N.S.	6,376		3,878		(259)
Guerbet India	99	—	100	97	32			874		168
Gestion Especializada Loro (Mexico)	4	(622)	100	4	4	1,249		—		(432)
Controlled entities										
Investments in French companies	N/A			108	108					N.S.
Truffle				9,750	7,928					

General information on all subsidiaries and controlled entities	Subsidiaries		Controlled entities	
	French	Foreign	French	Foreign
Book value of securities held:				
• gross:	4,228	337,874	9,858	
• net:	4,226	309,347	8,036	
Amount of loans and advances granted	—	77,213		—
Amount of deposits and sureties	293	10,217		—
Amount of dividends received	—	7,533		—

For subsidiaries outside the euro zone, capital and shareholders' equity were converted at the closing rate, and the result was converted at the average rate at December 31, 2021.

6.4 Statutory Auditors' report on the annual financial statements

For the year ended December 31, 2021

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' report includes information required by French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Guerbet Annual General Meeting,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Guerbet for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of ethics (Code de déontologie) for statutory auditors.

Observation

We draw attention to Note 6.3.2 to the annual financial statements, "change in accounting principle", relating to the application from January 1, 2021 of the recommendation ANC No 2013-02, amended on November 5, 2021, on the method used to calculate employee benefits and the period of service to which benefits are attributed. Our opinion is not modified in respect of this matter.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and informing our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity investments and loans and advances granted to subsidiaries

Paragraphs d) and e) of the Accounting policies and methods and notes 3 and 4 to the financial statements

Risk identified

Equity investments and loans and advances granted to subsidiaries are presented in the balance sheet as of December 31, 2021 for a net amount of €322 million and €91 million, respectively, or 47% of total assets. Equity investments are recorded at cost and impaired based on the value in use at the year-end of the entities concerned. Loans and advances granted to subsidiaries are recorded at nominal value and impaired based on the risk of recoverability.

Management is required to exercise judgment in determining the value in use of equity investments and the recoverable amount of loans and advances granted to subsidiaries, which represent a particularly material amount. We therefore considered the valuation of these assets to be a key audit matter.

Our response

We assessed the reasonableness of the estimated value of these assets. We verified that Management's estimate of these values was supported by appropriate documentation of the valuation method and amounts used.

For equity investments of a material amount or which represent a specific risk of impairment, we:

- familiarized ourselves with the methods used to determine the value in use;
- for equity investments whose value in use is based on the share in equity: reconciled the equity amount used for impairment testing with the audited financial statements of the relevant entity;
- for equity investments whose value in use is based on discounted future cash flows: assess the consistency of the value in use obtained with regard to the items available on date and reconcile the part of this value in use with the net book value of the equity investments.

Our work also consisted in assessing the recoverability of loans and advances granted to subsidiaries with respect to the equity investment analyses.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in article D. 441-6 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by articles L.225-37-4, L. 22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to items your Company considers likely to have an impact in the event of a public tender offer or public exchange offer, provided pursuant to article L.22-10-11 of the French Commercial Code, we have verified its compliance with the source documents communicated to us. Based on these procedures, we have no matters to report on this information.

Other disclosures

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the annual financial statements intended to be included in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on parent company and consolidated financial statements presented in the single electronic reporting format, that the presentation of parent company financial statements to be included in the annual financial report referred to in section 1 of article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018.

Based on our work, we conclude that the presentation of the parent company financial statements to be included in the annual financial report complies, in all material aspects, with the single electronic reporting format.

However, it is not our responsibility to verify that the parent company financial statements ultimately included by your Company in the annual financial report filed with the AMF correspond to those on which we performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Guerbet by the Annual General Meeting of May 21, 1987 for Deloitte & Associés and May 23, 2008 for Crowe HAF.

As of December 31, 2021, Deloitte & Associés and Crowe HAF were in the 35th year and 14th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Levallois-Perret and Paris-La Défense, March 29, 2022

The Statutory Auditors

Crowe HAF
Member of Crowe Global
Marc de Prémare David Kharoubi

Deloitte & Associés
Jean-François Viat

6.5 Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2021

This is a free translation into English of the Statutory Auditors' special report on regulated agreements issued in the French language and it is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Guerbet Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to article L. 225-31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in article L. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreement submitted to the approval of the Shareholders' Meeting

Agreement authorized during the year

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L. 225-38 of the French Commercial Code.

Agreements previously approved by the Shareholders' Meeting

Agreement authorized in prior years with continuing effect during the year

We hereby inform you that we have not been advised of any agreement previously approved by the Shareholders' Meeting which continued in effect during the year.

Levallois-Perret and Paris-La Défense, March 29, 2022

The Statutory Auditors

Crowe HAF
Member of Crowe Global
Marc de Prémare David Kharoubi

Deloitte & Associés
Jean-François Viat

7

ADDITIONAL INFORMATION

7.1 Person responsible for the accuracy of the Universal Registration Document	242	7.6 General information about the Company	244
7.2 Statement by the person responsible for the accuracy of the Document	242	7.6.1 Legal form and corporate name	244
7.3 Statutory Auditors	242	7.6.2 Date of formation	244
7.3.1 Principal Statutory Auditors	242	7.6.3 Trade and Companies Register (Registre du Commerce et des Sociétés)	244
7.3.2 Alternate Statutory Auditors	242	7.6.4 Fiscal year	244
7.4 Share capital	243	7.7 Articles of association (excerpts)	245
7.4.1 History of the share capital	243	7.7.1 Provisions of the articles of association governing the operation of management and administrative bodies	245
7.4.2 Securities not giving access to the Company's capital	243	7.7.2 Provisions of the articles of association concerning profit distribution	245
7.5 Public access to this document	243	7.7.3 Provisions of the articles of association relating to share capital	246
		7.7.4 Other provisions of the articles of association	246
		7.8 Concordance tables	247
		7.8.1 European prospectus	247
		7.8.2 Annual financial report	251

7.1 Person responsible for the accuracy of the Universal Registration Document

David Hale, Chief Executive Officer.

7.2 Statement by the person responsible for the accuracy of the Document

I affirm, that the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and has no omissions that could detract from its significance.

I affirm, to the best of my knowledge, that the statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position, and income of the Company and of all the companies included in its consolidation scope. I affirm that the management report, appearing on pages 95

et seq., presents an accurate view of developments in the business, the results, and the financial position of the Company and of all the companies included in the consolidation scope and that it describes the main risks and uncertainties that they face.

Villepinte, April 4th 2022

David Hale

Chief Executive Officer

7.3 Statutory Auditors

7.3.1 Principal Statutory Auditors

	First mandate	Last renewal	End of term
DELOITTE & ASSOCIÉS Member of the Deloitte Touche Tohmatsu network represented by Jean-François Viat Tour Majunga 6, place de la Pyramide 92908 Paris-La Défense cedex	General Meeting of May 21, 1987	General Meeting of Friday, May 19, 2017	Annual General Meeting concerning the 2022 fiscal year
CROWE HAF Member of the Crowe Global network represented by Marc de Prémare and David Kharoubi 16, rue Camille Pelletan 92300 Levallois-Perret	General Meeting of Friday, May 23, 2008	General Meeting of Friday, May 27, 2016	Annual General Meeting concerning the 2021 fiscal year

7.3.2 Alternate Statutory Auditors

	First mandate	Last renewal	End of term
ÉTOILE AUDIT & CONSEIL Independent member of Crowe Global represented by Olivier Grivillers 85, rue Édouard-Vaillant 92300 Levallois-Perret	General Meeting of Friday, May 27, 2016	N/A	Annual General Meeting concerning the 2021 fiscal year

7.4 Share capital

7.4.1 History of the share capital

All capital increases correspond to exercised stock options.

Event	Date of Board of Directors meeting recording capital increase	Number of shares created	Number of shares making up share capital	Share capital <i>(in €)</i>
Capital increase	January 6, 2009	15,396	3,019,965	12,079,860
Capital increase	January 19, 2010	21,796	3,041,761	12,167,044
Capital increase	January 19, 2011	8,285	3,050,046	12,200,184
Four-for-one share split ^(a)	Not applicable	12,200,184	12,200,184	12,200,184
Capital increase	March 11, 2015	8,000	12,208,184	12,208,184
Capital increase	February 9, 2016	135,290	12,343,474	12,343,474
Capital increase	March 28, 2017	157,774	12,501,148	12,501,148
Capital increase	March 27, 2018	62,210	12,563,358	12,563,358
Capital increase	March 26, 2019	17,903	12,581,261	12,581,261
Capital increase	March 24, 2020	14,900	12,596,161	12,596,161
Capital increase	March 24, 2021	6,513	12,602,674	12,602,674
Capital increase	March 23, 2022	38,441	12,641,115	12,641,115

(a) Completed on January 23, 2014.

7.4.2 Securities not giving access to the Company's capital

Not applicable.

7.5 Public access to this document

The Registration Documents are available in the "Finance" section of the Company's website at www.guerbet.com along with other documents related to regulated information (half-year financial reports, press releases, monthly statements on the number of shares and voting rights, etc.).

Furthermore, in accordance with legal provisions, all shareholders can exercise their permanent right to communication and come to view the documents referred to in Article L. 225-15 of the French Commercial Code at the Company's headquarters at 15, rue des Vanesses – 93420 Villepinte.

7.6 General information about the Company

7.6.1 Legal form and corporate name

The legal name of the Company is Guerbet. It is organized in the form of a French public limited company (société anonyme) with a Board of Directors, under the rules of the French commercial code. The registered office is located at 15, rue des Vanesses, 93420 Villepinte, the telephone number is

+33 (0)1 45 91 50 00, and the website address is www.guerbet.com (the information on the website is not part of the prospectus unless this information is incorporated by reference in the prospectus).

7.6.2 Date of formation

Guerbet was created on July 16, 1926, by the transformation of an undeclared partnership (société en participation) founded in 1901 into a limited partnership (société en commandite simple), then transformed into a limited liability company (société anonyme) on January 1, 1965. The form of a limited liability company with a Board of Directors and a Supervisory Board (société anonyme à Directoire et Conseil de surveillance)

was adopted on October 27, 2001, before its form was changed to a limited company with a Management Board (société anonyme à Conseil d'administration) at the Combined General Meeting of May 21, 2010. The Company's dissolution date is June 30, 2100, barring early dissolution or barring an extension, such as the extension for 99 years at the Extraordinary General Meeting held on December 8, 1998.

7.6.3 Trade and Companies Register (Registre du Commerce et des Sociétés)

Guerbet is listed in the Bobigny Trade and Companies Registry under number 308491521, and its business comes under code APE 2120 Z – Manufacture of pharmaceutical preparations. Its LEI number is: 969500WW1U1WQ059L135.

7.6.4 Fiscal year

Each fiscal year consists of twelve months, commencing on January 1 and ending on December 31.

7.7 Articles of association (excerpts)

7.7.1 Provisions of the articles of association governing the operation of management and administrative bodies

7.7.1.1 Powers of the Board of Directors (Article 12)

The Board of Directors sets the guidelines for the Company's business and oversees their implementation. Within the powers expressly granted by law to General Meetings of Shareholders and within the limits of the Company's purpose, it deals with all issues affecting the Company's operations and regulates the Company's affairs.

It performs the controls and verifications it deems appropriate.

The Directors each receive all the information necessary to carry out their duties and can obtain the documents that they consider useful for this purpose.

The Board of Directors grants the authorizations provided for by law (particularly those foreseen under the provisions of Article L. 225-38 of the French commercial code) and, as an internal measure that does not apply to third parties, the authorizations mentioned in Article 14 of these articles of association.

The Board of Directors can decide to create committees (and determine the composition and powers thereof), and they carry out their activity under its responsibility, but it cannot delegate the powers that are attributed to it by law or the bylaws, or reduce or limit the powers of the Board of Directors.

The Board of Directors can grant special mandates to one or several of its members for one or more specific purposes.

Under penalty of nullity of the contract, it shall be prohibited for Directors other than legal entities to take out loans from the

Company in any form whatsoever, to have it grant them an overdraft on a current account or otherwise, or to have the Company provide guarantees or deposits for commitments to third parties. The same restriction applies to the CEO, to the Deputy CEO(s) and to permanent representatives of legal entities who are Directors as well as to the spouses, parents and descendants of the persons above and to all intermediaries.

Directors do not take on any personal or joint obligation by virtue of their positions except those foreseen by the legal provisions in force.

7.7.1.2 Powers of the CEO (Article 14)

Subject to legal limitations, the CEO is vested with the broadest powers to act in all circumstances on the Company's behalf.

Nonetheless, under internal regulations and without extending such limitations to third parties, the Board of Directors can limit the extent of the CEO's powers.

7.7.1.3 Powers of the Deputy CEO (Article 14)

By agreement with the CEO, the Board of Directors determines the scope and duration of the powers granted to Deputy CEOs. Nonetheless, they have the same powers in dealing with third parties as the CEO.

7.7.2 Provisions of the articles of association concerning profit distribution

7.7.2.1 Distribution of income (Article 23)

Distributable profits are made up of the profit from the fiscal year, reduced by losses from previous years, as well as amounts to carry over into reserve in application of the law or under the Company's articles of association, and increased by retained earnings.

After the accounts have been approved and the existence of a distributable profit ascertained, the necessary sum is taken from those profits to distribute an initial, non-cumulative dividend to Shareholders, equal to 6% of the paid-up and non-redeemed amount of the shares they own.

From the available surplus, the General Meeting deducts all the sums deemed appropriate to allocate to all optional reserve funds or retained earnings.

The balance, if there is one, is split between all the Shareholders in proportion to the amount of shares that they own.

Shareholders at the Annual General Meeting are entitled to grant to each Shareholder, for all or part of the dividend or interim dividends distributed, a choice between payment in cash or in shares for said dividend or interim dividend.

7.7.3 Provisions of the articles of association relating to share capital

Provisions relating to share capital are listed in detail in the third part of this document, "Guerbet and its Shareholders."

7.7.4 Other provisions of the articles of association

7.7.4.1 Company purpose (Article 2)

The Company's purpose, in France and in every country, is:

- research on, development, and invention of all pharmaceutical and chemical products, and all medical devices;
- manufacture, purchase, and marketing of all pharmaceutical and chemical products, and all medical devices;
- development and marketing of services, in any form whatsoever, either directly or indirectly related to pharmaceutical and medical activities, and to healthcare activities more generally;
- all industrial, commercial and financial activities directly or indirectly related to this purpose, including research activities, and the creation, acquisition, holding, use, and sale of patents, licenses, know-how, and, more generally, all intellectual and industrial property rights;
- and any industrial, commercial, financial, investment or property operations that may be directly or indirectly related to the above purposes or that could facilitate their application or development.

7.8 Concordance tables

7.8.1 European prospectus

The concordance table of the Universal Registration Document identifies the information provided for in Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing the provisions of Regulation (EU) 2017/1129 of June 14, 2017.

In the table below, the pages mentioned refer to this Universal Registration Document of Guerbet filed with the AMF.

	Category	Page
1	Responsible persons, third-party information, expert reports, and approval by the competent authority	
1.1	Persons responsible for information	242
1.2	Declaration by responsible persons	242
1.3	Name, address, qualifications and potential interests of persons acting as experts	Not applicable
1.4	Confirmation relating to information from a third party	Not applicable
1.5	Declaration of the competent authority	Not applicable
2	Statutory Auditors	
2.1	Names and addresses	242
2.2	Any change	Not applicable
3	Risk factors	104-108
4	Information about the issuer	
4.1	Company name and trade name of the issuer	244
4.2	Location, registration number and LEI of the issuer	244
4.3	Date of formation and life of the issuer	244
4.4	Registered office and legal form of the issuer, laws governing its activities, country of origin, address and telephone number of its registered office, and website with a disclaimer	1 ; 244-246
5	Overview of activities	
5.1	Principal activities	
5.1.1	Nature of transactions carried out by the issuer and its main activities	15-22
5.1.2	Significant new products or services introduced on the market	26-31
5.2	Principal markets	22-23
5.3	Major events	98-99
5.4	Strategy and objectives	2-3 ; 6-7; 10-11; 95-112
5.5	Issuer's dependence on patents, licenses, contracts and manufacturing processes	31
5.6	Statement on competitive position	24
5.7	Investments	
5.7.1	Significant investments made	7; 14; 26-30
5.7.2	Principal investments in progress or that the issuer intends to make and for which its management bodies have already made firm commitments and arranged financing methods	Not applicable
5.7.3	Joint ventures and commitments for which the issuer holds a significant proportion of the capital	Not applicable
5.7.4	Environmental issues	Not applicable

	Category	Page
6	Organizational structure	
6.1	Summary description of the Group	6-7; 12-13
6.2	List of major subsidiaries	32-33; 208-209
7	Examination of the financial position and results	
7.1	Financial position	
7.1.1	Change in results and financial position including key performance indicators of a financial and, where appropriate, non-financial nature	14; 96-98; 166-169; 215-217
7.1.2	Future development projections and research and development activity	14; 26-31
7.2	Operating result	
7.2.1	Significant factors, unusual and infrequent events, and new developments	96-99
7.2.2	Reasons for significant changes in net revenue or net income	96-99
8	Cash and capital	
8.1	Information on the issuer's capital	14; 86-88; 100; 166-169; 177; 191-194
8.2	Origin and amount of the issuer's cash flows	98; 168
8.3	Information on the issuer's financing needs and financing structure	167-168; 181; 202; 216; 227
8.4	Information on any restrictions on the use of capital	216; 227
8.5	Information on expected sources of financing	168
9	Regulatory environment	105
10	Information on trends	
10.1	Main trends affecting production, sales and inventories, costs and selling prices, and significant changes in the Group's financial performance from the end of the last fiscal year to the date of registration of the Universal Registration Document	98-99
10.2	Known trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current fiscal year	98-99
11	Profit forecasts or estimates	
11.1	Reported profit forecasts or estimates	98-99
11.2	Statement of key forecasting assumptions	Not applicable
11.3	Statement of comparability with historical financial information and compliance with accounting methods	Not applicable
12	Administration, management and supervisory bodies, and general management	
12.1	Information about the Board of Directors and the General Management	36-63
12.2	Conflicts of interest in the administrative and management bodies and the General Management	38-39
13	Compensation and benefits	
13.1	Amount of compensation paid and benefits in kind granted by the issuer or its subsidiaries	64-79
13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement, or similar benefits	64-79

	Category	Page
14	Operation of administration and management bodies	
14.1	Date of expiration of the current term of office of members of the administrative, management and supervisory bodies	41-57
14.2	Service contracts between members of the issuer's administrative, management and supervisory bodies	38
14.3	Information on the Board's Committees	59-64
14.4	Statement of compliance with the current corporate governance system	80
14.5	Potential significant impacts on corporate governance	Not applicable
15	Employees	
15.1	Number of employees	6; 117-127; 200
15.2	Profit sharing and stock options	64-79; 89-92; 198-199
15.3	Agreements providing for employee interests in the issuer's capital	86-87; 122
16	Main shareholders	
16.1	Shareholders who own more than 5% of the capital at the date of the Universal Registration Document	86-88
16.2	Existence of various voting rights	86-88
16.3	Ownership or control of the issuer and measures taken to avoid abuse of this control	92
16.4	Agreements that could result in a change of control if implemented	Not applicable
17	Transactions with related parties	230
18	Financial information concerning the issuer's assets, financial position and results	
18.1	Historical financial information	
18.1.1	Audited historical financial information for the last three fiscal years and the audit report	96-98; 166-214
18.1.2	Change in accounting reference date	Not applicable
18.1.3	Accounting standards	170-175
18.1.4	Change in accounting reference framework	170-175
18.1.5	Financial information under French accounting standards	218-220
18.1.6	Consolidated financial statements	166-169
18.1.7	Date of latest financial information	170
18.2	Interim and other financial information	Not applicable
18.3	Audit of the annual financial information	210-214
18.4	Pro-forma financial information	Not applicable
18.5	Dividend policy	Not applicable
18.5.1	Description of dividend policy and any applicable restrictions	Not applicable
18.5.2	Amount of the dividend per share	85
18.6	Administrative, legal and arbitration proceedings	104
18.7	Significant change in financial position	98-99
18.8	Legal and arbitration proceedings	104
18.9	Significant change in financial or commercial position	98-99

	Category	Page
19	Additional information	
19.1	Share capital	243
19.1.1	Subscribed share capital	86; 109
19.1.2	Securities not giving access to capital	243
19.1.3	Shares held by the issuer	86
19.1.4	Information on securities	Not applicable
19.1.5	Acquisition conditions	Not applicable
19.1.6	Information on the capital of any group member being the subject of an option or an agreement to place it under an option, and details of said options	Not applicable
19.1.7	History of the share capital	243
19.2	Articles of incorporation and articles of association	244-246
19.2.1	Corporate purpose	244
19.2.2	Rights, privileges and restrictions attached to each share class	94
19.2.3	Measure having the effect of delaying, deferring or preventing a change of control	92
20	Important contracts	Not applicable
21	Available documents	243

7.8.2 Annual financial report

The concordance table below identifies the main information provided for in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General Regulation of the *Autorité des Marchés Financiers*.

Category	Page
Annual financial statements	215-235
Consolidated financial statements	166-209
Management report	95-112
Buyback by the company of its own shares	100
Statement by the person responsible for the accuracy of the document	242
Statutory auditors' report on the annual financial statements	236-239
Statutory Auditors' report on the consolidated financial statements	210-214
Statutory Auditors' fees	207
Report of the Board of Directors on corporate governance	36

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