# Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

2022

Guerbet

# content

Limited company with a board of directors (*Société Anonyme à Conseil d'administration*) with a capital of €12,641,115

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# Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

## 2022

This Universal Registration Document was filed on March 31, 2023 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, 2021, 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 5, 2022, under number D.22-0242 (**https://www.guerbet.com/media/kfvb24ro/guerbet_deu_uk_hd_interactif.pdf**);
- 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/q4vdtszv/guerbet_2020-urd-min.pdf**).

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, our corporate 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.

# Our mission

Guerbet's employees are committed to providing healthcare professionals with the contrast media 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.

**Achieve**
Achieve our objectives and ensure the satisfaction of our partners.

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

**A highlight of 2022 was the US FDA's marketing authorization for our new MRI innovation: Elucirem™.**

**DAVID HALE,**

CHIEF EXECUTIVE OFFICER

### What can be learned from 2022 for Guerbet?

This was an intense year for all our teams. Let me start by thanking them for their daily commitment, whether in our plants, in the field in contact with customers, or in support functions.

There were several milestones for Guerbet during the year. I will focus on three of them. First of all, we made major strides in our new MRI innovation, gadopiclenol: it now has a brand name, Elucirem™! In September, we obtained marketing approval from the FDA in the US in a "priority" process. We also expect approval from the European agency (EMA) in the coming months.

A second important step for the Group is Guerbet's adoption of a Climate Strategy in 2022. Our emission reduction targets for metric tons of $CO_2$ equivalent cover our direct and indirect emissions. Our commitment to the fight against global warming is part of a "Well below 2°C" trajectory according to the SBTi definition. In very real terms, this means reducing our direct emissions by 27.5% (base 2021), and our indirect emissions by 13.75% (base 2021) by 2032.

Lastly, we are continuing our commercial expansion in Asia, and especially China. We started several years ago, and we are now operational.

### Elucirem™ is expected to be your flagship MRI product. Can you tell us more about it?

This new product will round out our MRI solutions alongside Dotarem®. The major innovation of Elucirem™ is that an MRI examination with Elucirem™ requires half the dose of gadolinium compared with existing non-specific contrast media for an effect similar to a conventional gadolinium product. This also means less gadolinium is released into the environment!

**70%**

OF THE GROUP'S EMPLOYEES WORK IN A DEPARTMENT LED BY A WOMAN

**45%**
WOMEN ON THE EXECUTIVE COMMITTEE

We can also be proud of the successful industrialization of this product! Since our internal research laboratories discovered the molecule, our French and US plants have been producing Elucirem™: from manufacturing the active ingredient to preparing its pharmaceutical solution. The next major step is to obtain marketing authorization from the EMA, which we expect later this year.

### Guerbet's world continues to be disrupted (COVID-19, inflation, conflicts, etc.). How has Guerbet reacted to these new challenges?

As an international company, we have to deal with geopolitical developments and economic disruptions in various regions of the world.

COVID-19 is still around, and the consequences of the health crisis are still being felt, with different economic recoveries in different parts of the world. We monitor new epidemic outbreaks in Asia closely to plan ahead for our actions as best as we can. The global impact of an additional slowdown in China could be significant, with further impacts on supply chains and rising prices for certain materials.

As in many sectors, the supply of raw materials and various types of equipment became extremely tight during the year. Slowdowns in supply chains had no direct impact on our industrial operations, but our personnel still had to make constant adjustments to maintain our production cycles. Our production is very largely located in Europe (where we have 100% of our active ingredient production plants) and the United States, so this limits supply risks associated with international issues.

Inflation, another consequence of the crisis, has also affected Guerbet, like all economic agents. Certain effects were contained in 2022, but it is very likely that they will be felt at all levels in 2023.

Among other recent developments impacting Guerbet is the Great Resignation. This phenomenon is especially noticeable in the United States. Our plants are situated in very dynamic labor markets, and our employee turnover in these markets was very high this year. However, we achieved some workforce stabilization by the end of 2022, and we hope this will continue.

Lastly, the Russian-Ukrainian conflict does not directly impact our activities. The consequences of the energy conflict led us to assess our preparedness, especially if load-shedding measures were to be taken by the authorities, and their consequences for our production activity. The impact of rising energy costs has been absorbed so far by our existing purchasing policies and contracts.

### At the very start of this year, you announced your acquisition of a stake in the company Intrasense. Does this confirm your ambitions in Artificial Intelligence?

On January 11, 2023, we acquired a 39% stake in Intrasense, a company specializing in medical imaging software. For four years, we have been developing Artificial Intelligence algorithms in oncological imaging. Working with a partner having digital expertise in radiology makes a lot of sense, especially since there is an alignment between our strategies, and the two companies have products that complement each other.

Along with this capital increase, we launched a voluntary tender offer. This allows current shareholders to benefit from liquidity under the same price conditions and could add to the number of shares held by Guerbet following the tender offer.

### What is your outlook for 2023?

There are many prospects. The medical imaging sector is experiencing continuous growth worldwide because of demographic changes, investments by certain countries in the healthcare sector, and the growth of equipment manufacturers. We therefore to grow expect sales in 2023, especially in Asia, despite uncertainties concerning the health situation or the economy, as mentioned earlier.

Then, Elucirem™, which we've already discussed, will be on the market in several countries by the end of the year after we receive the European marketing authorization probably around mid-year. So, 2023 will be an important year for the company, although the sales launch will gather more momentum from 2024. Such an innovation in this sector is highly motivating for all the personnel and reinforces the feeling of pride in contributing to medical progress.

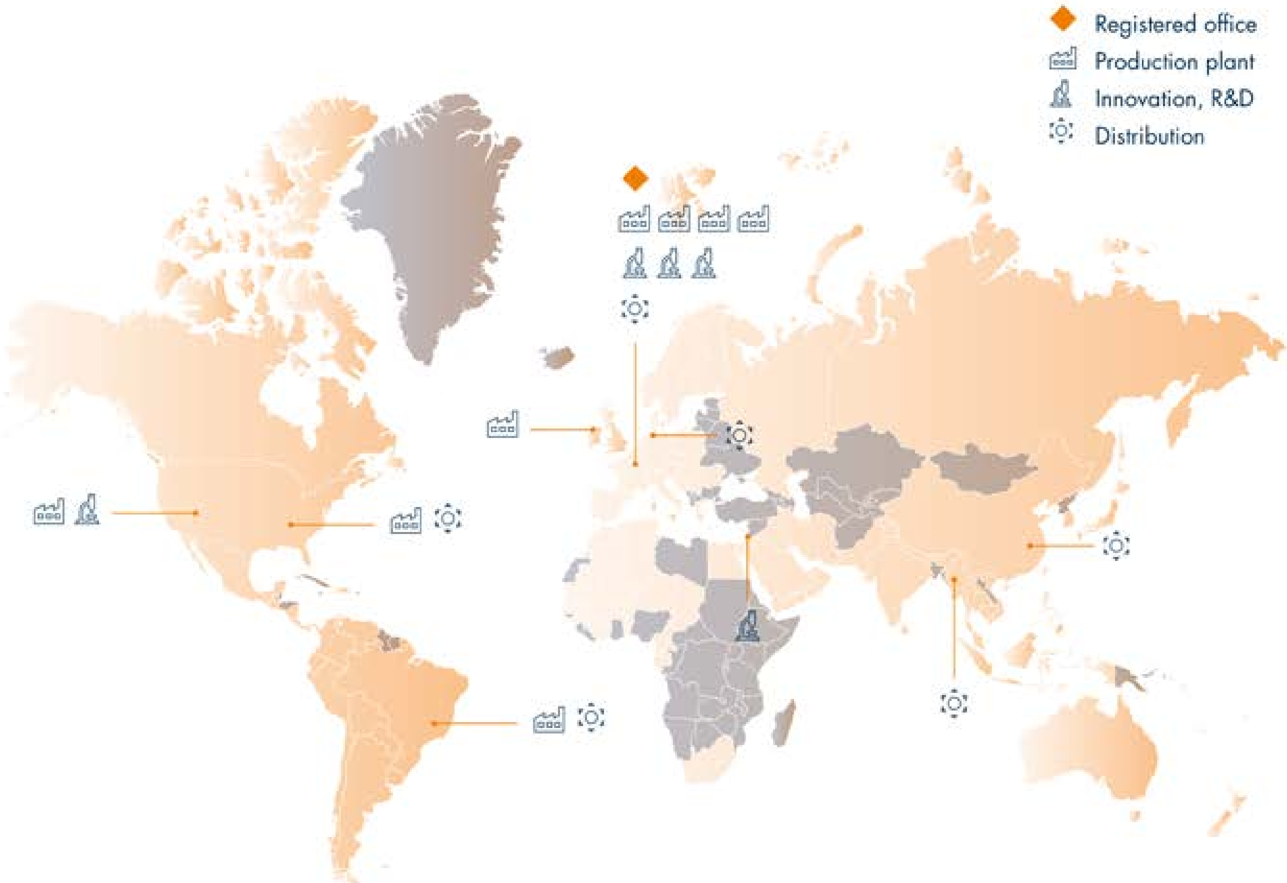
Lastly, in Artificial Intelligence, which we have already discussed, we will continue our development work and strengthen our alliance with our new partner Intrasense.

### A word to conclude?

Confidence, because I'm confident in the ability of our company, and the men and women who are its lifeblood, to meet the challenges that lie ahead. I know I can count on our committed and mobilized teams for the success of our Group. Our nearly century-old know-how and our relationship of trust with our customers are also assets that make me optimistic about 2023.

# Guerbet in brief

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.



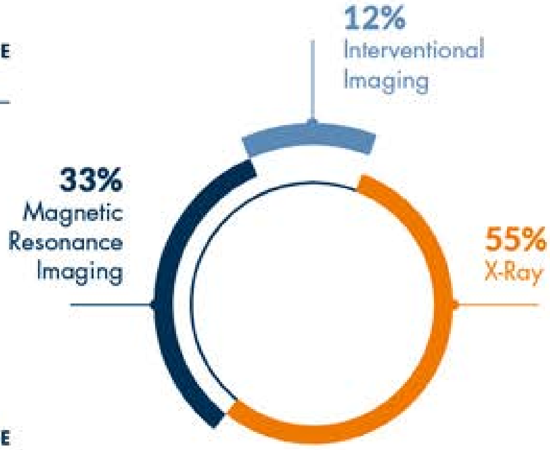

**2,830**
EMPLOYEES

**80**
COUNTRIES WHERE GUERBET IS PRESENT

**80%**
IN DIRECT SALES

**20%**
IN INDIRECT SALES

**BREAKDOWN OF REVENUE BY PRODUCT RANGE**




**BREAKDOWN OF REVENUE BY GEOGRAPHIC REGION**


**€753.3 M**
2022 REVENUE

**€-3.25**
EARNINGS PER SHARE

**€103.1 M**
EBITDA

**€-18.2 M**
OPERATING RESULT

**€-41.1 M**
NET INCOME

**€57.3 M**
GROSS INVESTMENTS RESTATED FOR DEBTS ON FIXED ASSETS

# 1

# The Guerbet group

# 1.1 Our business model

## OUR MISSION

Guerbet's employees are committed to providing healthcare professionals with the contrast media 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 strengths

**A STABLE, LONG-TERM SHARE OWNERSHIP STRUCTURE AND ROBUST GOVERNANCE**

- **More than 95 years** of expertise
- Breakdown of capital:
  - 53.26% owned by the Guerbet family
  - 3.64% by employees, former employees, and mutual fund (FCP)
- **12 directors**, including 2 representing the employees

**INNOVATIVE FLAGSHIP PRODUCTS**

- X-ray and MRI
- Medical devices
- Digital solutions and services

**A GLOBAL PRESENCE**

- **2,830 employees** worldwide
- Products marketed in **more than 80 countries**
- **8 production plants** in Europe, North America and Latin America

**AN OPERATIONAL EXCELLENCE PROGRAM**

- Top priority given to the safety of people and the quality of products and services
- Optimization of natural resources and expert control of wastewater and waste treatment processes
- Reduction of carbon emissions
- HR policy for skills development, internal mobility, and talent management

**SIGNIFICANT RESOURCES DEVOTED TO INNOVATION**

- 5 R&D centers
- 9% of revenue
- Acceleration of digitization of products and services
- Scientific partnerships with public and private players worldwide for the development of contrast media and Artificial Intelligence

**BUSINESS ETHICS**

- Global ethical charter for all employees, concerning stakeholders and healthcare professionals
- Anti-corruption program
- Responsible purchasing approach

## Our activities and strategy


| | DIAGNOSTIC IMAGING | INTERVENTIONAL IMAGING | DIGITAL & AI |
|---|---|---|---|
| KEY ATTRIBUTES | • Mature market with slow, lasting growth<br>• High price sensitivity<br>• Presence of generics | • High added value of products<br>• High sensitivity to "functionalities"<br>• Rapid market development | • Double-digit growth<br>• Guerbet differentiator<br>• Added value for customers |
| WHAT WE WILL DO | • Switch from a product offering to a comprehensive solution offering<br>• Refine the portfolio<br>• Actively control costs<br>• Adapt our market introduction strategy | • Open up new markets<br>• Expand indications<br>• Inorganic strategy<br>• Dedicated sales | • Develop our IT skills and the development, sale and marketing of these products<br>• Boost the commercial and operational excellence of services |
| | **GENERATE** resources to invest in growth areas | **STIMULATE** growth | **CREATE** an activity |

## 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 its environment.

### Innovate
Stimulate new thinking to improve Guerbet's performance.

## Generating positive results for our stakeholders

GROWING GLOBAL DEMAND

- Population aging
- Growing demand for medical imaging
- Increased healthcare spending in emerging markets

BREAKDOWN OF REVENUE BY IMAGING


| DIAGNOSTIC IMAGING | INTERVENTIONAL IMAGING |
|---|---|
| • **Market developments**<br>- Mature market<br>- Single-digit growth<br>• **Customer focus**<br>- Cost cutting<br>- Productivity gains | • **Market developments**<br>- Double-digit growth<br>• **Customer focus**<br>- Improved clinical results |
| MRI<br>#2 globally<br>X-Ray<br>#4 globally<br>Digital Services and Solutions<br>Artificial Intelligence | Contrast media<br>Lipiodol® and Patent Blue V<br>Innovative medical devices<br>including micro-catheters |

**1 s**

EVERY SECOND, A PATIENT AROUND THE WORLD UNDERGOES AN IMAGING PROCEDURE WITH A GUERBET PRODUCT

**-1.1%**

DECREASE IN REVENUE ON A LIKE-FOR-LIKE BASIS AND AT CONSTANT EXCHANGE RATES

**13.7%**

EBITDA MARGIN

### EFFECTIVE R&D

- More than **376 patents** owned and patents pending
- **21** industrial models

### IMPROVED SAFETY RESULTS

- Accident rate decreased by **60%** (vs 2017[a])

### CLIMATE COMMITMENT

- Decision to commit to at least a **Well-Below 2°C** trajectory by 2032
- ↘ **27.5%** scopes 1 & 2
- ↘ **13.5%** scope 3 between 2021 and 2032 regardless of activity

**PATIENT IMPACTS**

- Accurate diagnosis
- Personalized treatment
- Minimally invasive procedures

**HEALTHCARE 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)
- A CSR promotion approach with key suppliers
- Recognized CSR performance: 2022 Gaïa gold level; 2022 responsible company label
- "Guerbet Positive" volunteer program
- 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.*

## 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.

Today, the Guerbet group 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.

**1901**

**Discovery of Lipiodol® by Marcel Guerbet (1861–1938) Lipiodol®, the first iodinated contrast agent**

The international scientific community contributes to the success of Lipiodol®: it is used as a therapeutic product (in the form of sugar-coated pills, capsules, slabs of chocolate, etc.) and as a contrast medium for diagnostic purposes to make cavities like the lungs opaque.

**1926**

**Founding of Laboratoire André Guerbet**

At the age of 25, André Guerbet, son of Marcel Guerbet, becomes its general manager. He opens a chemical and pharmaceutical manufacturing plant in Saint-Ouen.

**1980**

**Lipiodol® in interventional imaging**

The first chemoembolizations are performed in Japan with Lipiodol® to treat hepatocellular carcinoma patients.

**1986**

**Guerbet is listed on the Paris Stock Exchange**

**1989**

**Dotarem® is launched in France**

Dotarem® is the only macrocyclic and ionic contrast medium.

# 2022

**Gadopiclenol**

Guerbet announces the FDA's approval of the contrast agent Elucirem™.

Start of production for marketing in the United States in 2023.

**Interventional radiology**

Expansion of the product range with microcatheters and guidewires.

## 1995

**Xenetix®, a new product for X-rays**

## 2002 and 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 agents 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.

## 2019

**Digital**

Partnership with InterSystems for Contrast&Care®.

## 2020

**GADOPICLENOL**

End of phase III clinical trials.

## 2021

**GADOPICLENOL**

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

Guerbet and Bracco Imaging announce a global strategic collaboration agreement for manufacturing and research and development of future indications.

# 1.3 Main consolidated data

## 1.3.1 Revenue

| *(in thousands of € – IFRS)* | 2022 | 2021 |
|---|---|---|
| Revenue | 753,275 | 732,071 |

| Breakdown of revenue by geographic region | 2022 | 2021 |
|---|---|---|
| Europe | 40.0% | 46.1% |
| Other markets | 60.0% | 53.9% |

| Breakdown of revenue by product range | 2022 | 2021 |
|---|---|---|
| X-Ray | 55.1% | 57.0% |
| MRI | 32.9% | 32.0% |
| **TOTAL DIAGNOSTIC IMAGING** | **88.0%** | **89.0%** |
| **INTERVENTIONAL IMAGING** | **12.0%** | **11.0%** |

## 1.3.2 Main consolidated data

| *(in thousands of € – IFRS)* | 2022 | 2021 |
|---|---|---|
| Revenue | 753,275 | 732,071 |
| EBITDA [(a)] | 103,052 | 105,065 |
| Operating result | (18,160) | 38,685 |
| Net income | (41,116) | 32,637 |
| Net income per share *(in €)* | (3.25) | 2.59 |
| Dividend per share *(in €)* | 0.50 [(b)] | 0.85 |
| Cash flow | 82,916 | 100,612 |
| Shareholders' equity | 379,570 | 405,092 |
| Net financial debt | 270,359 | 217,811 |
| Gross investments restated for debts on fixed assets | 57,312 | 55,092 |
| Net financial debt/EBITDA | 2.6 | 2.1 |

*(a) EBITDA refers to operating income plus net amortization, depreciation, impairment and provisions.*
*(b) Amount to be proposed to the General Meeting of Shareholders for the 2022 fiscal year.*

# 1.4 Overview of activities

## 1.4.1 Medical imaging techniques

**MRI**
A non-irradiating imaging technique to examine the anatomy and functioning of organs.

**X-RAY**
An irradiating imaging technique to examine the anatomy of the human body.

**ULTRASOUND**
(Echography)
A non-irradiating, simple, first-line technique to examine the anatomy and functioning of organs.

**NUCLEAR MEDICINE**
(Scanning, PET – Positron Emission Tomography) An irradiating imaging technique to examine the functioning of organs.

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


## 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):

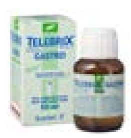
- Optiray®, available in four concentrations: 240, 300, 320 and 350 mg of iodine/ml. It comes in vials and pre-filled syringes, a form of packaging that is especially appropriate for single-patient injections.

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

- Xenetix®, available in three concentrations: 250, 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 and 2022 in France, Italy, Spain, Austria and countries in the Middle East/Africa region 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 in obtain approval in additional countries in 2023.

In the X-ray contrast media range, Guerbet also sells three high-osmolality iodinated media 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.

Elucirem™
(gadopiclenol) injection

- Elucirem™, a new gadolinium-based macrocyclic contrast medium.

Its high relaxivity (a parameter governing contrast power) allows it to be administered at half the gadolinium dose of conventional products reducing patient gadolinium exposure and the environmental footprint.

Elucirem™ was approved in the United States by the Food & Drug Administration on September 21, 2022, after an expedited review process for imaging the central nervous system and various other anatomical territories (head and neck, thorax, abdomen, pelvis and musculoskeletal system). Elucirem™ will be launched in the United States in 2023.

- 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**<br>Dual-head CT scan injector | | ✓ | |
| | **Illumena® Néo**<br>Cath Lab injector (new Néo version) | | ✓ | ✓ |
| | **OptiOne®**<br>Single-head CT scan injector | | ✓ | |
| | **FlowSens®**<br>CT scan injector compatible with ScanBag® by Xenetix® and other receptacles | | ✓ | |
| | **OptiStar® Elite**<br>MRI injector | ✓ | | |
| Consumables for all types of injectors | **Complete range of extension lines** | ✓ | ✓ | ✓ |
| | **Secufill®**<br>Patient-side connector with secure double-check valve | ✓ | ✓ | |
| | **Manyfill®**<br>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, which became Merative in July 2022. In November 2022, Guerbet signed an agreement with Merative to terminate their collaboration. This partnership had aimed to design, develop and market software solutions to assist in the diagnosis and monitoring of liver and prostate cancers. Initially motivated by a change in Merative's strategy for Artificial Intelligence in its imaging portfolio, this agreement provides Guerbet with the strategic latitude now required to continue the work in progress and plan the marketing of solutions. In particular, it allows Guerbet to recover all assets developed by the partnership, such as source codes and algorithms, and the relevant intellectual property.

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 is continuing its research activities in the area of bone metastasis and pancreatic cancer detection. In September 2022, it obtained €1 million in funding from the French government. This financial support will accelerate the development of a solution and also provide a strong boost for Guerbet's Artificial Intelligence research team.

### 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 considerably 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® Ultra Fluid (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 55 countries, cTACE and liver cancer imaging in 48 countries, and selective vascular embolization in combination with surgical adhesives in 25 countries. Lipiodol® is also indicated for hysterosalpingography in 29 countries, including 22 with an indication in women undergoing an infertility assessment.

- Vectorio®, cTACE Mixing & Injection System, specifically developed for Lipiodol® in connection with cTACE, is now approved in 44 countries.

- Patent Blue V is a sterile injectable dye.

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

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 a more selective treatment to be delivered into the target vessel.

## 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 €3 billion in 2022 [1]. This estimated market value is based on sustained volume growth compared with 2021, offset by a decline in prices due to pressure from generics [1].

#### MRI contrast media

Guerbet is number 2 worldwide in MRI contrast media, with an estimated value of more than €0.9 billion in 2022 [1].

This estimated market value is based on sustained volume growth compared with 2021, 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 2022 [1].

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

#### Trends in these markets

The following factors influence these markets:

a. the growing number of CT/MRI scanners;
b. a permanent increase in the price of contrast media, especially because of difficult purchasing conditions (iodine in particular);
c. the increased number of procedures, and therefore examinations involving injections, also because of improved examination productivity.

Overall, these markets have grown since 2021. 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 was valued at €3.1 billion in 2021, of which €1.4 billion for the neurovascular part and €1.7 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 €600 million in 2021. 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 €700 million in 2021. 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 €400 million in 2021. It includes all medical devices allowing practitioners to access the area to be treated (guidewire, microcatheters, etc.). Regarding the microcatheter activity, Guerbet is considering a gradual withdrawal. This plan is in line with the evolution of its strategy to make the most of its key assets.

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

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.

| | Diagnostic Imaging | | | |
|---|---|---|---|---|
| Company | MRI | X-Ray | Delivery Systems and Services | Interventional Imaging |
| Guerbet | ✓ | ✓ | ✓ | ✓ |
| Bayer Healthcare | ✓ | ✓ | ✓ | ✓ |
| 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)<br>Elucirem™* | Optiray®/Optiject®<br>Xenetix® |
| Bayer Healthcare | Germany | Gadovist® (Gadavist® in the US)<br>Primovist®<br>Generic of Dotarem® | Ultravist®<br>Radioselectan® |
| GE Healthcare | United States | Omniscan™<br>Generic of Dotarem® | Visipaque®<br>Omnipaque® |
| Bracco | Italy | Multihance®<br>Prohance®<br>Vueway®* | Iomeron®<br>Iopamiron® |

* *FDA approval received in September 2022.*

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

# 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.

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

## 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 goal is to adapt production volumes to market demand and reduce manufacturing costs through a policy of continuous improvement of industrial performance and synthesis processes.

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

- Lanester, a plant specialized in the production of the active ingredients Iobitridol (Xenetix®) for the X-ray activity and Gadopiclenol (Elucirem™) for the MRI activity;
- the Dublin plant, dedicated to producing the active ingredient Ioversol (Optiray®) for the X-ray activity; and
- the Marans plant, which manufactures the active ingredients of Dotarem® and Lipiodol® as well as the intermediate product used at the Lanester plant as a precursor for Gadopiclenol production.

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; this plant will also produce Elucirem™ in vials for markets outside the US;
- the Rio de Janeiro plant (in Brazil), specialized in X-ray media and Dotarem®, serves the Latin American markets;
- the Raleigh plant in North Carolina (USA) is a filling plant for X-ray and MRI products (Dotarem® and Elucirem™). These products are packaged in syringes for all world markets and in vials for the North and South American markets.

To prepare for the launch of the new MRI agent Elucirem™, investments were made at the Marans, Lanester, Aulnay-sous-Bois and Raleigh plants. The first industrial-sized batches were produced in 2021. In 2022, validation batches were produced at these four plants, and the first commercial batches for the United States were produced at Raleigh.

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 Medex plant (Guerbet Lyon, Guerbet 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 two partners outside the United States for all the markets served.

## 1.5.2 A regionalized logistics platform

Guerbet delivers its products to all markets in line with optimal delivery time and quality standards through a network of distribution centers located very close to its customers. Regional distribution platforms in Europe, Asia, North America and South America contribute to this supply chain.

### 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 Innovation, 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 four departments to investigate and validate areas of research:

- *Development & Engineering (D&E):* engineering team specialized in the development of medical devices (injectors, consumables and digital technology (software, IT, health));
- *Accurate Medical Therapeutics:* 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 drugs and medical devices, 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 registrations of all products, drugs and 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 on risk/benefit analysis to be submitted to the regulatory authorities and/or the notified bodies;
- 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 Quality Assurance and Medical Writing/Scientific Documentation departments and regional structures in Europe, North America, Latin America and the Asia-Pacific region to allow faster response times 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 the 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 are clinically developed in several successive phases over a period of approximately 15 years 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.

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 existing pre-clinical and clinical data. 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).

## 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 around 34 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 over the age of 50 should be routinely screened by imaging. This procedure makes earlier diagnosis easier, radically changing the treatment strategy and allowing disease-free remission from the condition. Furthermore, in the case of surgery, 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.

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 8 million examinations are carried out worldwide each year 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).

Appropriate 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).

Most of these pathologies are chronic, and the drugs available to stop their progression are still insufficient. It is 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.

## 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, confirm its safety profile, and 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.

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. The preclinical study program will be completed in 2023, and the clinical study is underway. 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.

In 2021, new exploratory studies were undertaken, such as the study of gadolinium retention in other organs after single or repeated doses, a study on development of the protocol for sequential extraction of gadolinium in the kidney matrix, and a study on the validation of analytical methods for the determination of gadolinium in biological samples at trace and ultra-trace levels.

In addition, a new field of research opened up in late 2020 following an academic publication suggesting a potential causal link between gadoline administration and small nerve fiber neuropathies. Investigations were conducted in 2021 at the request of the health authorities to replicate and understand these results in collaboration with a university team from UPEC specializing in the biology of the neuromuscular system.

Guerbet is continuing its clinical development of the new chemical entity (NCE) gadopiclenol (Elucirem™), 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. Clinical studies in phases I, II and III have been completed. Clinical studies were also conducted in specific populations and/or populations at risk, such as renal failure patients and children from 2 to 17 years of age. The registration application was submitted to the European and US agencies in early 2022. In the US, the application received an expedited review, and the FDA granted marketing approval on September 21, 2022. In Europe, the application is currently under review. On December 14, 2021, Guerbet and Bracco Imaging announced the signing of a partnership agreement for R&D activities on gadopiclenol. Following approval by the health authorities, Guerbet and Bracco will both market gadopiclenol independently under two different brand names. New clinical studies of gadopiclenol are underway or planned, in collaboration with Bracco, to gain new indications, authorize its use in new patient populations (e.g. children 0 to 2 years old), or obtain marketing authorization in Asian countries.

As provided for in the Pediatric Investigation Plan agreed upon with the European and US authorities, a clinical study in children from 0 to 2 years of age started in 2022. This study will eventually allow gadopiclenol to be approved for use in this population after approval by the health authorities.

With regard to Delivery Systems and Services, the Innovation, 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 were registered recently. 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.

Numerous scientific collaborations with renowned teams in Europe, the Asia-Pacific region and the Americas, as well as research work, are underway with a view to conducting pre-clinical and clinical studies on the efficacy, safety and underlying biological mechanisms of Lipiodol® Ultra-Fluid 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. Variants of this innovation have also been launched to provide a better response to practitioners' needs.

## 1.6.5 Public-private partnerships

To meet its Innovation, Research and Development objectives, Guerbet is building a strategy of partnership, collaboration, and open-innovation 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 (Elucirem™) was developed as part of this program.

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 expenditures

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

| | 2022* | 2021* |
|---|---|---|
| Research and Development costs *(in € thousands)* | 69,982 | 64,997 |
| Research and Development costs *(as % of revenue)* | 9.3% | 8.9% |

* *Including the Research Tax Credit (CIR).*

Guerbet is stepping up its investments:

- in Diagnostic Imaging by pursuing the plan for development of gadopiclenol (Elucirem™) in MRI;
- in the digital sector, by developing imaging solutions coupled with Artificial Intelligence. A change in governance for its Artificial Intelligence projects was announced on November 3, 2022: initially motivated by a change in Merative's strategy for artificial intelligence in its imaging portfolio, this agreement will also allow Guerbet to regain all the latitude necessary to deploy its business strategy while retaining full ownership of the assets developed and the relevant intellectual property.

There is still significant market potential, and this agreement enables Guerbet to retain control of the research work in progress. The Group gives a reminder that very promising initial results were obtained in 2022, in particular on the detection of liver lesions (work to be presented at the RSNA 2022 conference) and the detection of prostate cancer (work to be presented at the ECR 2022 conference). Also, the quality of the presentation of the Guerbet Artificial Intelligence research team's work recently impressed the jury of the BPI France 2030 program, resulting in €1 million in funding for the company's project in the early detection of pancreatic cancer, as announced recently.

Guerbet's commitment to promoting its digital imaging technology and algorithms developed over the past several years is further strengthened by the licensing agreement expected to be signed in the first half of 2023 with Intrasense following the Group's acquisition of a stake in the company announced on January 11, 2023. This strategic partnership will enable Guerbet to benefit from proven know-how in integrating Artificial Intelligence into the clinical routine of practitioners in imaging and oncology.

## 1.6.7 Research and Development portfolio

| | | EARLY DEVELOPMENT | LATE DEVELOPMENT | REGISTRATION | LAUNCHING THE FIRST TWO YEARS |
|---|---|---|---|---|---|
| DIAGNOSTIC IMAGING | CONTRAST MEDIA | *Confidential* | | **Elucirem™** *Outside USA* | **Elucirem™** *USA* |
| | DELIVERY SYSTEMS | *Confidential* | | **Optistar Elite®** Upgrades | **OptiVantage® Multi-use** **Illumena® Neo** Asia |
| | DIGITAL SOLUTIONS AND AUGMENTED INTELLIGENCE | **Liver AI and Prostate AI future AI versions for pancreatic cancers and bone metastases** | **Liver AI V1, Prostate AI V1** | **Contrast&Care®** Upgrades | **Dose&Care®** **Contrast&Care®** **Icobrain®** |
| INTERVENTIONAL IMAGING | | *Confidential* | New registrations **Patent Blue V** | **SeQure® and DraKon™ product range extensions** **Lipiodol®** *HSG indication: APAC, LATAM, EMEA waves 2* | **SeQure® and DraKon™** *Superselective Ultraflow 3F*; **Lipiodol®** *HSG indication* |

## 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.

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, medical devices (syringes, tubing, microcatheters, etc.), and methods based on Augmented Intelligence.

The Guerbet group and its subsidiaries have 377 patents and patents pending (mainly in the names of Guerbet, Liebel-Flarsheim Company LLC, Accurate Medical Therapeutics, and Medex), 1,774 trademarks registered or pending registration, and 22 industrial models. The portfolio of patents, trademarks and industrial models contributes to the Group's valuation and strengthens its position in the growing market for contrast media combined with medical devices. On December 3, 2022, Merative agreed to transfer to Guerbet some 20 patents and patent applications relating to methods based on Augmented Intelligence.

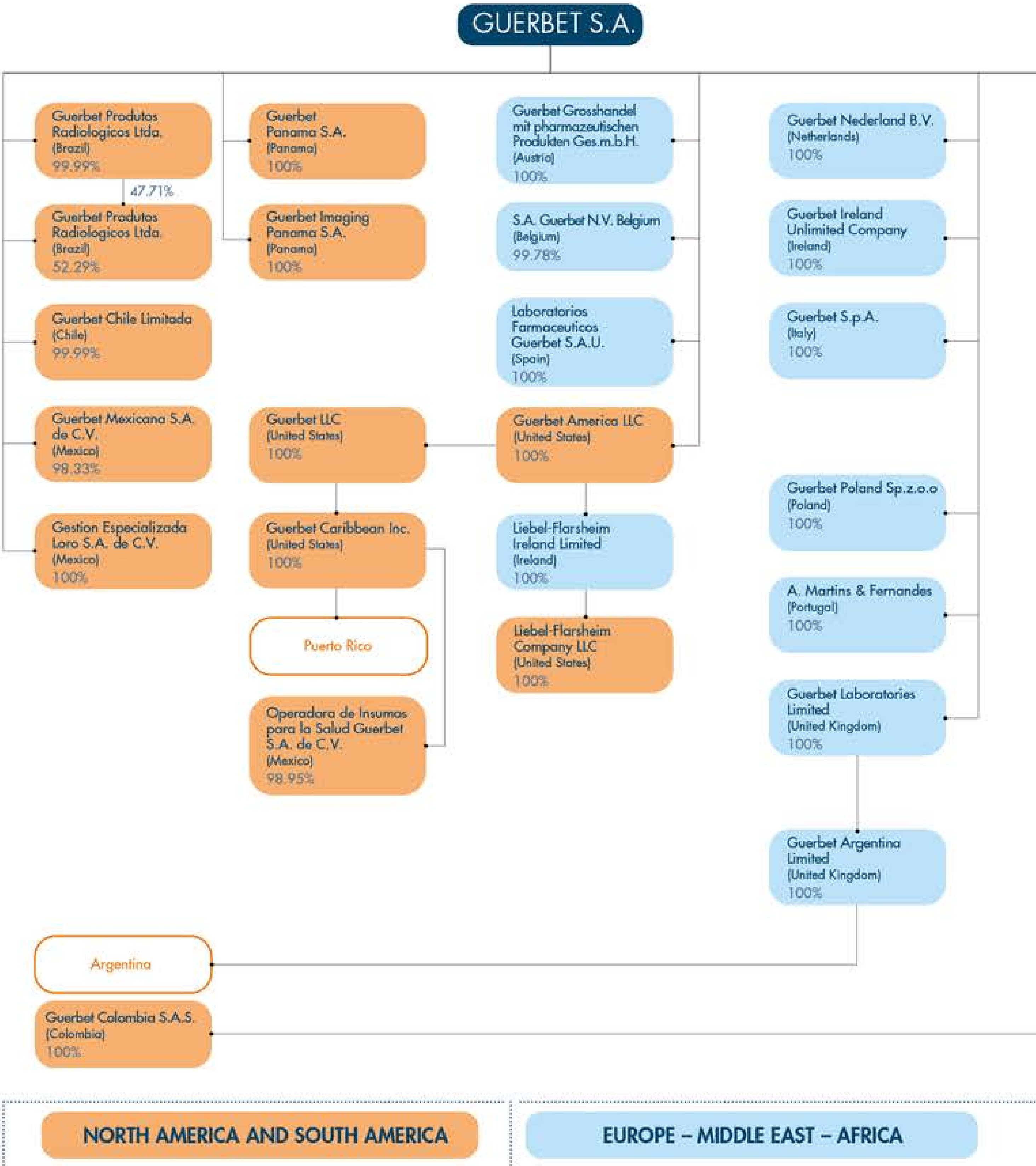
## 1.6.9 Clinical data protection

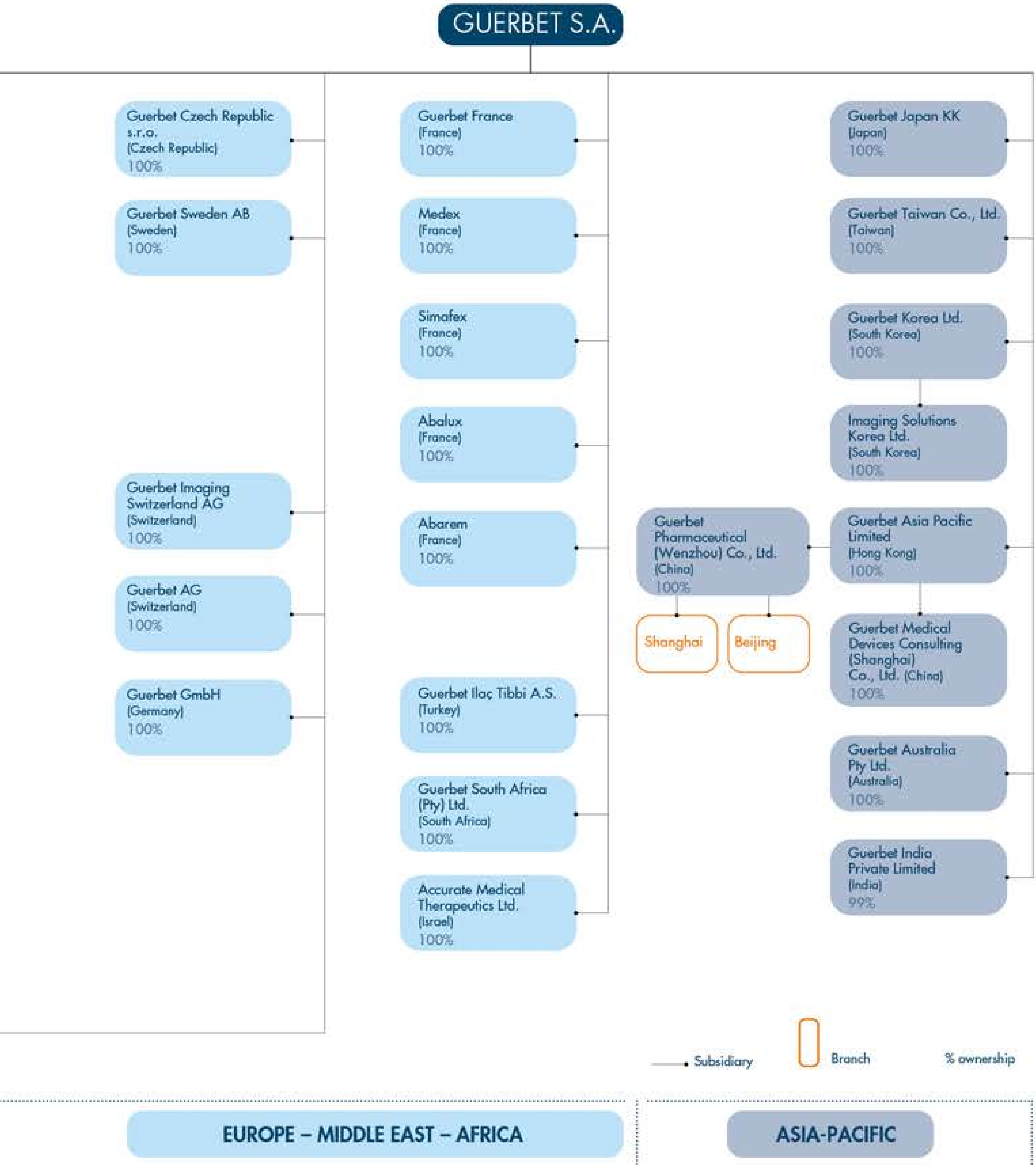
Clinical data protection is a complement to protection by patent. This is a period of exclusivity during which a regulatory administrative authority will refuse:

- 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, 2022

## 1.7.1 An international 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 Ilaç Tibbi A.S. (Turkey) 100%
Guerbet South Africa (Pty) Ltd. (South Africa) 100%
Accurate Medical Therapeutics Ltd. (Israel) 100%
Guerbet Pharmaceutical (Wenzhou) Co., Ltd. (China) 100%
Shanghai
Beijing
Guerbet Japan KK (Japan) 100%
Guerbet Taiwan Co., Ltd. (Taiwan) 100%
Guerbet Korea Ltd. (South Korea) 100%
Imaging Solutions Korea Ltd. (South Korea) 100%
Guerbet Asia Pacific Limited (Hong Kong) 100%
Guerbet Medical Devices Consulting (Shanghai) Co., Ltd. (China) 100%
Guerbet Australia Pty Ltd. (Australia) 100%
Guerbet India Private Limited (India) 99%
Subsidiary
Branch
% ownership
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 and 1, rue Nicéphore-Niépce – 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 |

## 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

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 22, 2023.

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) 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 for a term of one (1) to six (6) years by the General Meeting on the recommendation of the Board of Directors after consulting the Appointment and Compensation Committee [1]. 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.

[1] *It should be noted that the General Meeting of May 20, 2022, approved an amendment to article 9.b of the Company's articles of association (Appointment of the Board of Directors and term of office) to provide that, as an exception to the term of office of six (6) years and to allow exclusively for implementing or maintaining the staggering of directors' terms of office (recommended by the Afep-Medef Code), the Ordinary General Meeting may appoint one or more directors for a term of between one and five years.*

### 2.2.1.2 Current composition of the Board of Directors

As of December 31, 2022, 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 | Director | No | | Member | | | May 20, 2022 | 2023 GM |
| Olivier Fougère | Employee Director | No | | | Member | Member | March 24, 2021 | November 24, 2023 |
| 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 | 2028 GM |
| Marc Massiot | Director | No | | | Member | | May 28, 2021 | 2027 GM |
| Claire Massiot-Jouault | Director | No | | | | Member | May 24, 2013 | 2025 GM |
| Jean-Sébastien Raynaud | Employee Director | No | | Member | | | October 27, 2020 | October 26, 2026 |
| Thibault Viort | Director | Yes | Member | Chairperson | Member | Member | May 19, 2017 | 2023 GM |

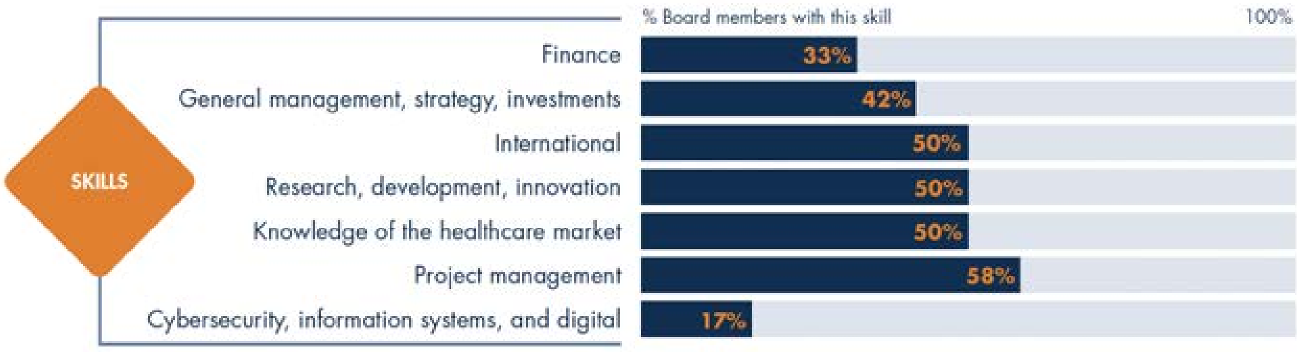
Ms. Marie-Claire Janailhac-Fritsch has chaired the Board since September 30, 2013.

Mr. 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 Ms. Marie-Claire Janailhac-Fritsch, who also chairs the Strategy and Innovation Committee;
- the average age of the directors is 55 years, and the distribution of directors is balanced overall between those over 60 years of age (41%), those between 50 and 59 years of age (33%), and those under 50 years of age (25%);
- a diversity of skills and professional experience to best meet its needs and carry out its work: an employee-elected director also received special training on the Board of Directors and CSR.

### 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 experience, it has decided not to follow this recommendation. It should be noted that the General Meeting of May 20, 2022 approved an amendment to article 9.b of the Company's articles of association (Appointment of the Board of Directors and term of office) to provide that, as an exception to the term of office of six (6) years and to allow exclusively for implementing or maintaining the staggering of directors' terms of office (recommended by the Afep-Medef Code), the Ordinary General Meeting may appoint one or more directors for a term of between one and five years.

## 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 2022, 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, now electronically, by each Director each year, in accordance with the conflict of interest management procedure validated by the Board of Directors.

### 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, 2022, 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 Viort, 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-Jouault | 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, 2022, 30% of the Board members were independent (employee Board members 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 2022 fiscal year

The 2022 General Meeting ratified the co-optation of Ms. Carine Dagommer as a non-independent director and approved the renewal of the term of office of Mr. Nicolas Louvet.

### 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 terms of office of Ms. Marie-Claire Janailhac-Fritsch, Ms. Carine Dagommer, Mr. Éric Guerbet, and Mr. Thibault Viort expire at the General Meeting of May 26, 2023.

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

| | |
|---|---|
| **2025 GM** | Claire Massiot-Jouault |
| **2026 GM** | Mark Fouquet |
| | Didier Izabel |
| **2027 GM** | Céline Lamort |
| | Marc Massiot |
| **2028 GM** | Nicolas Louvet |

The renewal date of the term of office of Mr. Olivier Fougère, Director representing the employees, is 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, 2022, 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

**2022 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:
July 10, 1970

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

Board of Directors co-optation date
September 22, 2021

First appointment to the Board:
May 20, 2022

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, Puressentiel, and Nuxe dermocosmetic 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
- Member of the Appointment and Compensation Committee

**2022 meeting attendance rate**

Board of Directors: **91%**

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 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**

- Research Specialist (since 2017)
- Scientific Officer (2011)
- Chemical Technician in R&I (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 (until June 2022)
- Member of the Ethics, Governance and CSR Committee (since June 2022)

**2022 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 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 Simpl-Fi 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

**2022 meeting attendance rate**

Board of Directors: **100%**

Audit Committee: **100%**

Strategy and Innovation Committee: **100%**

## Current offices held in French companies

- CEO of Simpl-Fi

## Current offices held in foreign companies

None

## Offices held over the last five years

### FRENCH COMPANIES

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

### 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
Secretary of the Shareholder Agreement

**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

**2022 meeting attendance rate**

Board of Directors: 82%

Appointment and Compensation Committee: 100%

Strategy and Innovation Committee: 100%

## Current offices held in French companies

- Director of holding company Hakea SAS

## 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 Axys 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

**2022 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 Axys Finance since March 2009

## Current offices held in foreign companies

None

## Offices held over the last five years

**FRENCH COMPANIES**

- CEO of SARL LMP 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:
May 28, 2021

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

**2022 meeting attendance rate**

Board of Directors: **100%**

Audit Committee: **100%**

Ethics, Governance, and CSR Committee: **100%**

## Current offices held in French companies

- Director of holding company Hakea SAS

## 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:
May 20, 2022

End of term of office:
2028 General Meeting

# Nicolas LOUVET

DIRECTOR

Non-independent: member of the Guerbet family

**CAREER HISTORY**

- Director of EMEA Component Sales, Stellantis BU, at Yazaki Corporation since 2022
- Director of Global Value Improvement, Stellantis BU, at Yazaki Corporation since 2021
- Head of the BU Improvement Plan at Yazaki Europe Limited from 2013 to 2020
- 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
- R&D Engineer, then Project Manager at Valeo Éclairage et Signalisation from 2001 to 2007

**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

**2022 meeting attendance rate**

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

## Current offices held in French companies

Director of holding company Hakea SAS

## Current offices held in foreign companies

None

## Offices held over the last five years

**FRENCH COMPANIES**

None

**FOREIGN COMPANIES**

None

Date of birth:
June 16, 1960

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
Treasurer of the Shareholders Agreement

**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 reports in health and human sciences

**EDUCATION**

- EM Lyon Business School – LLL: 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
- Member of the Ethics, Governance, and CSR Committee

**2022 meeting attendance rate**

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

## Current offices held in French companies

- Chairman of Hakea SAS holding company
- Manager of Société Enaxante SARL

## 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 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 Magnetics, 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 Appointments and Compensation Committee (until June 2022)
- Member of the Strategy and Innovation Committee

**2022 meeting attendance rate**

Board of Directors: **91%**
Strategy and Innovation Committee: **100%**
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**

- Manager of RFDC non-commercial partnership (2022)

**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 in 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

**2022 meeting attendance rate**

Board of Directors: **100%**

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

**2022 meeting attendance rate**

Board of Directors: **91%**
Strategy and Innovation Committee: **86%**
Audit Committee: **80%**
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, Studapart
- Director, Swile

## 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 Board of Directors 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)
- Director, CodingGame SA

**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

- Independent Director of Orpéa since July 2022

### 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:
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)

UPSA:
- Head of Pharmacokinetics, then Biological Screening (1994–1997) UPSA
- Study director in Pharmacokinetics (1993–1994)
- 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
- Postgraduate 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.

### FIGURES ON THE BOARD OF DIRECTORS


In 2022, the Board of Directors met 11 times with an average attendance rate of 96%. 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 2023, the Board of Directors has met once, notably to review the annual financial statements for the 2022 fiscal year. In 2022, one meeting was 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 11 times in 2022 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;
- the Group's Climate Strategy;
- 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 Appointments and Compensation Committee, the Audit Committee, and the Ethics, Governance, and CSR Committee.

The Committees are forums for analysis and reflection to prepare for the discussions of the Board of Directors. 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, 2022

**AUDIT COMMITTEE**

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

**STRATEGY AND INNOVATION COMMITTEE**

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

**APPOINTMENT AND COMPENSATION COMMITTEE**

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

**ETHICS, GOVERNANCE, AND CSR COMMITTEE**

**Nicolas Louvet (Chair)**
Olivier Fougère
Céline Lamort
Marc Massiot
Thibault Viort*

* *Independent Director.*

### 2.2.3.1 Audit Committee

The Committee met five times in 2022. 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 provides that at least two-thirds of the Committee's members should be Independent Directors. This Committee composition rule was not adopted due to the significant proportion of members representing the Shareholder Agreement on the Board. However, with three independent directors, the Audit Committee is 60% independent.

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 2022, 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 2022 was 96%.

### 2.2.3.2 Strategy and Innovation Committee

This Committee met seven times in 2022. It is chaired by Marie-Claire Janailhac-Fritsch, Chairperson of the Board of Directors and Independent Director. It has seven 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, Innovation, 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 2023-2027 medium-term plan;
- the 2023 budget;
- the business development plans;
- the Augmented Intelligence strategy;
- the Group's development in certain regions, particularly in the Asia-Pacific region, and direct and indirect sales strategies;
- the discussions with healthcare professionals in the sector on innovation topics.

The participation rate in the Strategy and Innovation Committee in 2022 was 98%.

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

### 2.2.3.3 Appointment and Compensation Committee

The Committee met four times in 2022. 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:

- the 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 in 2023;
- reviewed the priorities of the Human Resources Department's roadmap;
- proposed a performance bonus share issue plan;
- revised 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.

The participation rate in the Appointment and Compensation Committee in 2022 was 100%.

### 2.2.3.4 Ethics, Governance, and CSR Committee

The Committee met three times in 2022. It is chaired by Nicolas Louvet, Non-Independent Director, and is composed of five members.

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:

- deployment of the company's corporate purpose;
- the Group's draft Climate Strategy;
- progress on the Group's CSR roadmap;
- energy restraint challenges and plans;
- compliance issues, including relationships with healthcare professionals;
- establishment of a skills-based sponsorship program;
- establishment of a Group Diversity and Inclusion Policy;
- assessment of the Group Alert Line;
- composition of the Committees of the Board of Directors.

The participation rate in the Ethics, Governance, and CSR Committee in 2022 was 100%.

## 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. This detailed questionnaire, with open and closed questions, allows participants to explain their answers and add 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, 2022.

The Board's operation and governance practices were assessed as 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. The directors wish to devote more time to discussions and exchanges at their meetings, and to examine certain topics in more depth. The dashboard monitoring the company's key indicators is an appreciated internal tool that meets the Board's expectations and could be enriched with new indicators.

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

- the Group's development strategy (internal/external growth) and industrial strategy;
- Augmented Intelligence development and strategy;
- deployment of the Climate Strategy adopted in 2022;
- monitoring of major risks;
- issues relating to the functioning of the Board of Directors, in particular with the appointment and reappointment of Directors in 2023.

### 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 (between 96% and 100% in 2022). 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 the Ethics, Governance and CSR Committee has been greatly strengthened in terms of both the number of members and the strategic topics addressed. The Directors then outlined the priority themes to be explored by each Committee.

# 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 2022 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 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 2022 fiscal year, are specified in section 2.4 of this report.

## 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 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.

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. Philippe Bourrinet has an employment contract for which he receives compensation as Head of Development and Medical and Regulatory Affairs.

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 2022 fiscal year, are specified in section 2.4 of this report.

## 2.3.3 The 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;
- 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, 2022, the members of the Executive Committee are:

**David Hale**
Chief Executive Officer

**Charlotte Bamière**
Director of Legal Affairs

**Jean-François Blanc**
Senior Vice President, Interventional Imaging

**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

### 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 45% women and 55% men.

# 2.4 Compensation of company officers

## 2.4.1 Compensation policy for company officers

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. A director representing the employees is a member of this Committee as recommended by the Afep-Medef Code.

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;
- respecting the principle of balance between the various compensation components (annual fixed, annual variable, multi-year variable) and in light of the compensation policy 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 2022 for the Chief Executive Officer and the Chairperson of the Board of Directors. 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 (Non-executive officer)

#### 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 multi-year variable compensation, in cash or in shares, tied to the performance of the Company or the Group 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.

#### 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 2022 fiscal year, the fixed annual compensation of the Chairperson of the Board of Directors was maintained at €110,000.

#### Fixed annual compensation for 2023

On the proposal of the Appointments and Compensation Committee and after deliberation by the Board of Directors on March 22, 2023, the annual fixed compensation of the Chairperson of the Board of Directors for the 2023 fiscal year is maintained at €110,000, subject to approval by the Annual General Meeting called to approve the financial statements for the 2022 fiscal year to be held on May 26, 2023.

#### 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)

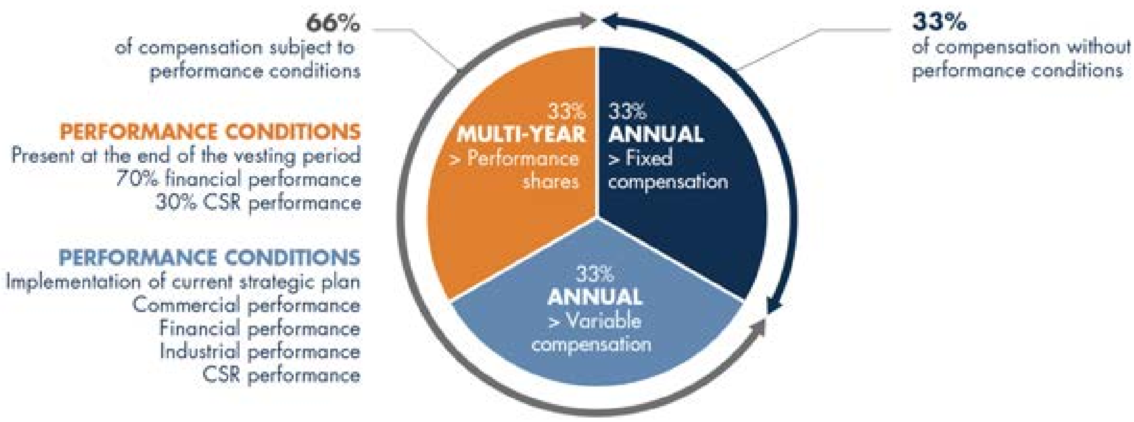
#### Compensation structure

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.




#### 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 with head office in France to ensure attractive, competitive compensation levels.

For the 2022 fiscal year, the Chief Executive Officer's annual fixed compensation was maintained at €469,500.

#### Fixed annual compensation for 2023

On the proposal of the Appointments and Compensation Committee and after deliberation by the Board of Directors on March 22, 2023, the Chief Executive Officer's annual fixed compensation for the 2023 fiscal year is maintained at €469,500, subject to approval by the Annual General Meeting called to approve the financial statements for the 2022 fiscal year to be held on May 26, 2023.

#### 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 premium below a minimum threshold of achievement of the objectives;
- 100% of the premium is paid if the objectives are achieved;
- 150% of the premium 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 CEO is appointed or the existing CEO'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 CEO in question actually holds the office.

#### *2023 Objectives*

*The Chief Executive Officer's variable compensation for 2023 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 achieving a Safety Index (including a reduction in the number of incidents recorded at the Group level), reducing relative energy 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 introduced the issue 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 issue 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 issue.

These issues 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 CEO must keep 20% of the issued 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 CEO continues to benefit from the performance shares initially issued 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 CEO loses the benefit of the issued 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, of which 20% 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 2023

On the proposal of the Appointments and Compensation Committee and after deliberation by the Board of Directors on March 22, 2023, the annual fixed compensation of the Deputy Chief Executive Officer – Chief Pharmacist – for the 2023 fiscal year is set at €11,500, subject to approval by the Annual General Meeting called to approve the financial statements for the 2022 fiscal year, to be held on May 26, 2023.

### 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 €)* | 2022 | 2021 |
|---|---|---|
| Compensation granted for the fiscal year (including payroll taxes and benefits in kind) | 117,416 | 117,416 |
| Compensation for serving as a Director [a] | 43,200 | 45,600 |
| **TOTAL COMPENSATION** | **160,616** [b] | **163,016** |

*(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 26, 2023.*

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

| | Amounts due for the fiscal year | | Amounts paid during the fiscal year | |
|---|---|---|---|---|
| *(in €)* | 2022 | 2021 | 2022 | 2021 |
| 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] | 43,200 | 45,600 | 45,600 | 48,000 |
| **Benefits in kind** [b] | **7,416** | **7,416** | **7,416** | **7,416** |
| **TOTAL COMPENSATION** | **160,616** [c] | **163,016** | **163,016** | **165,416** |

*(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 2022 totaled €2,466. She is also covered by the "Article 83" funded pension plan. Contributions for 2022 totaled €4,950.*
*(c) Amount proposed for a vote at the General Meeting of Shareholders of May 26, 2023.*

## 2.4.2.3 Compensation components paid or awarded for the 2023 fiscal year (*ex-post* vote at the General Meeting of May 26, 2023)

| Compensation components subject to a vote | Amounts paid during the past fiscal year | Amounts granted for the past fiscal year or book valuation | Comments |
|---|---|---|---|
| 2023 fixed compensation | €110,000 | €110,000 | Section 2.4.1.1 "Policy on compensation of the Chairperson of the Board of Directors."<br>The amount was determined based on:<br>• 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;<br>• the skills, experience, expertise, and professional profile of the holder of this position;<br>• market benchmarks on compensation granted to a non-executive chairperson in comparable companies of the healthcare market in France. The last benchmarking was in 2022. |
| Directorship compensation | €45,600 | €43,200 | Section 2.4.5 "Compensation of the Directors."<br>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."<br>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 2022, 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."<br>Marie-Claire Janailhac-Fritsch is covered by the "Article 83" funded pension plan, a mandatory Group insurance policy for the executive category. Contributions for 2022 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 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 | | X |
| Start of term: May 27, 2011, reappointed on May 19, 2017<br>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 €)* | 2022 | 2021 |
|---|---|---|
| Compensation due for the fiscal year (including payroll taxes) | 759,894 [(a)] | 1,056,375 |
| Multi-year compensation due: | — | — |
| • Value of performance shares issued during the fiscal year | 436,500 [(b)] | — |
| • Value of performance shares issued previously | — | 512,240 |
| • Value of performance shares distributed during the fiscal year | — | — |
| **TOTAL** | **1,196,394** | **1,568,615** |

*(a) Including the variable annual compensation that will be submitted to the General Meeting of Shareholders of May 26, 2023, for a vote.*
*(b) Valuation based on the market price on the day before the issue dates (€17.46).*

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

| | Amounts due for the fiscal year | | Amounts paid during the fiscal year | |
|---|---|---|---|---|
| *(in €)* | 2022 | 2021 | 2022 | 2021 |
| Fixed compensation (including payroll taxes) | 469,500 | 469,500 | 469,500 | 469,500 |
| Variable compensation (including payroll taxes) | 290,394 [(a)] | 586,875 | 586,875 | 406,731 |
| Exceptional compensation (including payroll taxes) | — | — | — | — |
| **Benefits in kind [(b)]** | **56,536** | **56,447** | **56,536** | **56,539** |
| **TOTAL COMPENSATION** | **816,430** | **1,112,822** | **1,112,911** | **932,770** |

*(a) Gross amount submitted to the General Meeting of Shareholders of May 26, 2023, for a vote.*
*(b) David Hale received €56,536 in benefits in kind in 2022. 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: €5,787;*
- *the "Article 83" funded pension plan: €14,808.*

### 2.4.3.3 Performance shares awarded to the Chief Executive Officer during the 2022 fiscal year

| | Plan date (Board of Directors) | Number of shares issued during the fiscal year | Value of shares *(in €)* [(a)] | Vesting date | Availability date | Performance condition |
|---|---|---|---|---|---|---|
| David Hale | September 21, 2022 | 25,000 | €436,500 | September 22, 2022 | September 22, 2025 | 100% |

*(a) Unit value of €17.46 corresponding to the opening price on the issue date for 25,000 shares.*

The performance conditions for this issue are as follows:

- acquisition of 30% 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 40% of the performance shares is contingent on growth of both EBITDA and the EBITDA ratio;
- acquisition of 30% of the performance shares is contingent on CSR criterion fulfillment (according to the percentage of employees who participated in a skills development action during the year).

### 2.4.3.4 Compensation components paid or awarded for the 2022 fiscal year (*ex-post* vote at the General Meeting of May 26, 2023)

| 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 | Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."<br>The following factors are considered in determining his fixed compensation:<br>• the level and complexity of the duties and responsibilities attributed to this position;<br>• the skills, experience, expertise, and professional profile of the holder of the position;<br>• 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 | €586,875 | €290,394 | Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."<br>The variable compensation for this position for 2022 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.<br>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. |
| Multi-year variable compensation | €0 | €436,500 | Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."<br>Issue of performance shares in 2022.<br>During the 2022 fiscal year, 25,000 shares were issued to the Chief Executive Officer. |
| Benefits of any kind | €56,536 | €56,536 | Section 2.4.1.2 "Compensation policy for the Chief Executive Officer."<br>David Hale received €56,536 in benefits in kind in 2022. These benefits comprise:<br>• the same supplementary health and death insurance system as Group employees in France: €1,720;<br>• the same welfare insurance and health insurance plan as Group employees in France: €4,422;<br>• GSC unemployment insurance: €29,799;<br>• a company car: €5,787;<br>• a supplementary pension.<br>David Hale was covered by the "Article 83" funded pension plan, a mandatory Group insurance policy for the executive category.<br>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 2022 totaled €14,808. |

### 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 AMF POSITION/RECOMMENDATION No. 2009-16**

| | 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 | |
|---|---|---|---|---|---|---|---|---|
| Chief Executive Officer | Yes | No | Yes | No | Yes | No | Yes | No |
| David Hale | | X | X | | | X | | X |
| Start of term: January 1, 2020 | | | | | | | | |

## 2.4.4 Compensation for the Deputy Chief Executive Officer, Philippe Bourrinet

Philippe Bourrinet has been Deputy Chief Executive Officer since March 24, 2021.

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)."

His compensation (fixed annual, variable annual) for his role as Senior Vice President of Development, Medical and Regulatory Affairs for the Guerbet Group is received by him 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 €)* | **2022** | 2021 |
|---|---|---|
| Compensation for corporate office held (including payroll taxes) | 11,500 | 10,225 |
| Value of performance shares distributed during the fiscal year | — | — |
| **TOTAL** | **11,500** | **10,225** |

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

| | Amounts due for the fiscal year | | Amounts paid during the fiscal year | |
|---|---|---|---|---|
| *(in €)* | **2022** | 2021 | **2022** | 2021 |
| Compensation for the corporate office (including payroll taxes) | 11,500 [(a)] | 11,500 | 11,500 | 10,225 |
| **TOTAL COMPENSATION** | **11,500** | **11,500** | **11,500** | **10,225** |

*(a) Theoretical annual premium for the office.*

### 2.4.4.3 Compensation components paid or awarded for the 2022 fiscal year (*ex-post* vote at the General Meeting of May 26, 2023)

| 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 the office of Deputy CEO (Chief Pharmacist) | €11,500 | €11,500 | Section 2.4.1.3 "Compensation policy for the Deputy Chief Executive Officer (Group Chief Pharmacist)."<br>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 2022. On the proposal of the Appointments and Compensation Committee, the Board of Directors will submit to the General Meeting a proposal to maintain this premium at €11,500 for 2023. |

### 2.4.4.4 Summary of benefits of the Deputy Chief Executive Officer

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

| Deputy 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 |
| Philippe Bourrinet | X | | X | | | X | | X |
| Start of term: March 24, 2021 | | | | | | | | |

## 2.4.5 Directors' compensation

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 26, 2023, the Shareholders will be asked to approve the compensation granted to the Directors for the 2022 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.

Olivier Fougère and Jean-Sébastien Raynaud, Directors representing the employees, do not receive compensation.

### AMOUNT OF COMPENSATION TO BE DISTRIBUTED FOR 2022 FOR SERVING AS A DIRECTOR

| Director | Annual fixed portion | Variable portion | Net total |
|---|---|---|---|
| M.-C. Janailhac-Fritsch | €6,000 | €37,200 | €43,200 |
| C. Dagommer | €2,000 | €14,400 | €20,400 |
| O. Fougère (employee-elected director) | €0 | €0 | €0 |
| M. Fouquet | €6,000 | €27,600 | €33,600 |
| É. Guerbet | €6,000 | €24,000 | €30,000 |
| D. Izabel | €6,000 | €37,200 | €43,200 |
| C. Lamort | €6,000 | €25,200 | €31,200 |
| N. Louvet | €6,000 | €26,400 | €32,400 |
| C. Massiot-Jouault | €6,000 | €21,600 | €27,600 |
| M. Massiot | €4,400 | €16,800 | €22,800 |
| J.-S. Raynaud (employee-elected director) | €0 | €0 | €0 |
| T. Viort | €6,000 | €33,600 | €39,600 |
| **TOTAL** | **€54,400** | **€264,000** | **€324,000** |

## 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 premium 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 for whom 100% of their 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 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Chief Executive Officer (David Hale) | 18.35 | 15.85 | 8.68 | | |
| Chief Executive Officer (Yves L'Épine) | | | 5.17 | 17.83 | 21.14 |
| Chairperson of the Board of Directors | 2.69 | 2.81 | 2.77 | 2.66 | 2.05 |
| Deputy Chief Executive Officer (since 2021) | 0.19 | 0.04 | | | |
| Deputy Chief Executive Officer (2016–2021)* | – | 0.17 | 0.61 | 0.20 | 0.93 |

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

**Chief Executive Officer:** In 2022, the change in Mr. David Hale's ratio (18.35 compared with 15.85 in 2021) can be partly explained by the payment of greater annual variable compensation for 2022 than for 2021 (2021 was impacted by the Covid-19 effect in 2020). This payment is aligned with the company's objectives and was validated by the 2022 General Meeting.

**Chairperson of the Board of Directors:** The 2022 ratio (2.69 versus 2.81 in 2021) is stable compared with 2021. The compensation of the Chairperson of the Board of Directors did not change.

**Deputy Chief Executive Officer:** The change in the Deputy Chief Executive Officer's ratio from 0.04 in 2021 to 0.19 in 2022 can be explained by the payment of 100% of the compensation for his office in 2022, unlike in 2021. The premium in 2021 was paid on a pro-rata basis for his term of office, which began on March 24, 2021.

### 2.4.6.3 Ratio calculated on median wages

| Year | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Chief Executive Officer (David Hale) | 22.09 | 18.93 | 10.60 | | |
| Chief Executive Officer (Yves L'Épine) | | | 6.31 | 21.87 | 26.54 |
| Chairperson of the Board of Directors | 3.24 | 3.36 | 3.38 | 3.26 | 2.57 |
| Deputy Chief Executive Officer (since 2021) | 0.23 | 0.21 | | | |
| Deputy Chief Executive Officer* (2016–2021) | | 0.05 | 0.75 | 0.24 | 1.17 |

* *For the Deputy Chief Executive Officer, his compensation for his corporate office of €11,500 is included.*

**Chief Executive Officer:** In 2022, the change in Mr. David Hale's ratio (22.09 versus 18.93 in 2020) can be explained by the payment of greater annual variable compensation for 2022 than for 2021 (2021 was impacted by the Covid-19 effect in 2020). As a reminder, the ratio of 10.60 for 2020 is explained by the fact that Mr. Hale received only his fixed compensation as CEO.

**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 (3.24 in 2022 compared with 3.36 in 2021) over the past four years.

**Deputy Chief Executive Officer:** Mr. Philippe Bourrinet's ratio (0.23 in 2022 versus 0.21 in 2021) corresponds to the payment of 100% of his premium as Deputy CEO. In 2021, he took up his duties during the year (March 2021), and his premium was paid on a pro-rata basis.

## 2.4.7 Annual changes in compensation and company performance

| | Rate of change | | | | |
|---|---|---|---|---|---|
| | **2022** | 2021 | 2020 | 2019 | 2018 |
| David Hale | 19.3% | NS* | NS* | — % | — % |
| Yves L'Épine | — % | — % | NS* | -16.3% | 51.1% |
| Marie-Claire Janailhac-Fritsch | -1.5% | -1.3% | 7.6% | 28.8% | 3.2% |
| Philippe Bourrinet [(a)] | 12.5% | NS* | — % | — % | — % |
| Pierre André [(b)] (term expired) | — % | NS* | NS* | 79.0% | 376.2% |
| Marion Barbier (end of term in 2021) | — % | -4.2% | 20.0% | -7.7% | 2.0% |
| Mark Fouquet | 11.5% | 4.0% | 15.4% | — % | 2.0% |
| Éric Guerbet | 28.6% | 5.0% | 6.7% | NS* | — % |
| Didier Izabel | 2.8% | — % | 15.2% | -6.3% | 8.1% |
| Céline Lamort | 31.6% | 26.7% | -21.7% | -4.2% | 11.6% |
| Nicolas Louvet | 8.7% | — % | 15.0% | 6.7% | NS* |
| Claire Massiot-Jouault | 3.8% | — % | 15.6% | — % | 3.8% |
| Thibault Viort | 16.7% | 3.4% | 36.5% | NS* | — % |
| Carine Dagommer | NS* | | | | |
| Marc Massiot | NS* | | | | |
| Guerbet S.A. – Average [(c)] | 3.0% | -2.8% | 3.4% | -0.7% | 6.8% |
| Guerbet S.A. – Median [(c)] | 2.2% | -0.7% | 3.7% | 1.6% | 1.5% |
| **EBITDA** | **-1.9%** | **4.3%** | **-9.7%** | **-8.0%** | **-14.9%** |
| **Revenue** | **2.9%** | **2.8%** | **-12.8%** | **3.5%** | **-2.2%** |
| **Operating result** | **-146.9%** | **-7.6%** | **-20.1%** | **-26.1%** | **-11.7%** |
| **NET INCOME** | **-226.0%** | **84.2%** | **-52.5%** | **-19.7%** | **1.3%** |

*Comments:*
*The directors representing the employees do not receive compensation for this office and are therefore not included in this table.*
*Amounts paid: annual gross (including fixed + variable compensation + directors' compensation + benefits in kind + exceptional compensation + miscellaneous premiums + overtime, etc.).*
*(a) Appointed Deputy CEO on March 24, 2021. This includes compensation of €11,500 for his corporate office.*
*(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 19.3%. In 2022, an increase in annual variable compensation explains this change. Mr. David Hale's fixed compensation remained unchanged.

**Chairperson of the Board of Directors:** Ms. Marie-Claire Janailhac-Fritsch's compensation decreased by 1.5% between 2021 and 2022 due to a slight decrease in her compensation as Director.

**Deputy Chief Executive Officer:** In 2022, Mr. Philippe Bourrinet received his full compensation for his office. In 2021, having started his term of office during the year, he received his compensation on a pro-rata basis.

In 2022, Guerbet's average compensation increased by 3.0% compared with 2021. This trend is explained by the greater amount of variable compensation than in 2021. In addition, in 2022, the distribution of performance shares to certain employees increased average compensation compared with 2021.

Between 2021 and 2022, the upward trend in the median of Guerbet salaries was due to changes in the compensation structure resulting from the arrival of new employees hired at more than the median salary.

## 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 2022

N/A.

### 2.4.9.2 Options exercised in 2022

N/A.

### 2.4.9.3 Options not exercised at December 31, 2022

N/A.

## 2.4.9.4 Issue and distribution of performance shares to executive company officers

| Details of the performance shares issued to executives company officers | 2016 Plan | 2019 Plan | 2021 Plan | 2022 Plan |
|---|---|---|---|---|
| Date of General Meeting | May 27, 2016 | May 28, 2018 | May 29, 2020 | May 20, 2022 |
| Date of Board of Directors' meeting | November 8, 2016 | March 26, 2019 | March 24, 2021 | September 21, 2022 |
| Share issue date | December 1, 2016, to November 30, 2018 | July 1, 2019 | May 1, 2021 | September 22, 2022 |
| Distribution date | December 1, 2018, to November 30, 2020 | July 1, 2022 | May 1, 2024 | September 22, 2025 |
| **2017 fiscal year** | | | | |
| No shares issued | | | | |
| No shares distributed | | | | |
| **2018 fiscal year** | | | | |
| Total number of performance shares distributed to company officers under each of the plans: | | | | |
| • Pierre André | 732 | | | |
| • Share distribution date | December 1, 2018 | | | |
| Total number of performance shares issued 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 issued to company officers under each of the plans: | | | | |
| • Pierre André | | 800 | | |
| • Share issue 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 issued | | | | |
| **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 | |
| **2022 fiscal year** | | | | |
| Total number of performance shares distributed to company officers under each of the plans: | | | | |
| • David Hale | | | | 25,000 |
| • Share distribution date | | | | September 21, 2022 |

## 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<br>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.<br>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.<br>It should be noted that the General Meeting of May 20, 2022 approved an amendment to Article 9b of the Company's articles of association (Appointment of the Board of Directors and term of office) to provide that, as an exception to the term of six (6) years and in order to allow exclusively that the staggering of directors' terms of office be implemented or maintained (as recommended by the Afep–Medef Code), the Ordinary General Meeting of Shareholders may appoint one or more directors for a term of between one and five years. |
| **Proportion of independent directors among the members of the Board of Directors** | Independent Directors<br>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<br>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 2022 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 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.<br>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.<br>A Shareholder Agreement is in force. | Corporate governance – 2.8<br>and<br>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.<br>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.<br>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.<br>No such agreement exists. | N/A |

# 3

# Capital and share ownership

## 3.1 Stock market data

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

Based on the closing price of €16.96 at December 31, 2022, Guerbet's market capitalization is €214 million.

### SHARE PRICE PERFORMANCE IN 2022*


* *Based on daily closing prices.*

| Data on the share price and monthly transactions for 2022 | Highest price in a trading session *(in €)* | Lowest price in a trading session *(in €)* | Number of shares traded | Capital traded *(in millions of €)* |
|---|---|---|---|---|
| January | 38.0 | 32.5 | 114,313 | 3.96 |
| February | 34.5 | 27.8 | 172,320 | 5.32 |
| March | 30.1 | 26.0 | 472,811 | 13.10 |
| April | 27.7 | 23.8 | 339,851 | 8.80 |
| May | 26.5 | 22.6 | 547,153 | 13.55 |
| June | 26.4 | 22.1 | 329,320 | 7.75 |
| July | 22.9 | 19.2 | 266,639 | 5.65 |
| August | 21.4 | 19.3 | 193,423 | 3.91 |
| September | 19.7 | 15.8 | 359,309 | 6.23 |
| October | 18.2 | 15.4 | 450,039 | 7.51 |
| November | 18.2 | 16.0 | 348,223 | 5.91 |
| December | 17.5 | 15.3 | 258,962 | 4.17 |

## 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).

### 2023 financial calendar

| Event | Date |
|---|---|
| Publication of 2022 full-year revenue | February 9, 2023 |
| Presentation of consolidated financial statements – 2022 fiscal year | March 22, 2023 |
| Publication of Q1 2023 revenue | April 20, 2023 |
| Annual general meeting of shareholders for the 2022 fiscal year | May 26, 2023 |
| Publication of Q2 2023 revenue | July 20, 2023 |
| Presentation of half-year consolidated financial statements at June 30, 2023 | September 20, 2023 |
| Publication of Q3 2023 revenue | October 19, 2023 |

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

The Guerbet group contact person for financial information and investor relations is:

**Jérôme Estampes – Chief Financial Officer**
Telephone: +33 (0) 1 45 91 50 69
E-mail: jerome.estampes@guerbet.com

# 3.3 Distributed dividends

## Dividends paid over the past three years

| Fiscal year *(in €)* | Amount distributed | Gross dividend per share [(a)] |
|---|---|---|
| 2019 | 8,817,312.70 | 0.70 |
| 2020 | 8,821,871.80 | 0.70 |
| 2021 | 10,744,947.75 | 0.85 |

*(a) Before taxes and social security contributions.*

# 3.4 Shareholding structure

## 3.4.1 Breakdown of capital

At December 31, 2022, 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.

At December 31, 2022, 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.

| | December 31, 2022 | | | December 31, 2021 | | | December 31, 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| Number of shares | 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 | 6,732,124 | 53.26 | 63.44 | 6,721,785 | 53.17 | 66.80 | 6,737,550 | 53.46 | 67.00 |
| Other registered shareholders – Guerbet family | 217,684 | 1.72 | 2.42 | 216,745 | 1.71 | 2.17 | 221,864 | 1.76 | 2.22 |
| Employees, former employees and mutual fund (FCP) | 459,683 | 3.64 | 4.48 | 391,914 | 3.10 | 3.56 | 367,906 | 2.92 | 3.43 |
| Other registered shareholders – excluding Guerbet family | 191,047 | 1.51 | 2.08 | 191,786 | 1.52 | 1.91 | 195,481 | 1.55 | 1.95 |
| Treasury shares | 21,143 [c] | 0.17 | – | 11,880 | 0.09 | – | 11,880 [b] | 0.09 | – |
| Floating shares | 5,019,434 | 39.71 | 27.61 | 5,107,005 | 40.40 | 25.56 | 5,067,993 | 40.21 | 25.40 |
| **TOTAL** | **12,641,115** | **100** | **100** | **12,641,115** | **100** | **100** | **12,602,674** | **100** | **100** |

(a) *The breakdown of voting rights is presented in terms of effective voting rights. The number of theoretical voting rights was 18,203,814 at December 31, 2022, 19,750,352 at December 31, 2021, and 19,954,446 at December 31, 2020, 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 liquidity agreement entered into on March 9, 2022.*

# 3.5 Share buyback program

To promote trading liquidity and listing regularity for the Group's shares in order to avoid share price fluctuations not warranted by market trends, Guerbet has appointed Exane BNP Paribas to trade on the Group's behalf on the Euronext Paris regulated market.

This contract was implemented on March 9, 2022, for a term ending on December 31, 2022. Guerbet may terminate the contract at any time without notice. It may be automatically renewed for successive periods of 12 months.

On April 1, 2022, at the start of trade, the resources allocated by Guerbet for implementation of the liquidity contract totaled €600,000 in cash.

### Trades during the 2022 fiscal year under the liquidity contract

Under the liquidity contract entrusted to Exane BNP Paribas by Guerbet, the following assets appeared in the liquidity account as of the settlement date of December 31, 2022:

- 21,140 Guerbet shares;
- €95,488.

During the second half of 2022, a total of:

- 73,588 shares were purchased for €1,381,612 (733 trades);
- 67,914 shares were sold for €1,283,710 (608 trades).

# 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 | Commitment withdrawn effective August 21, 2022 |
| June 21, 2022 | Donation | 2-year collective commitment then 4-year individual commitment duration |
| June 21, 2022 | Inheritance | 2 years, then automatic renewal indefinitely |

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

N/A.

## 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.

| | Ordinary General Meeting | | Extraordinary General Meeting | |
|---|---|---|---|---|
| Shareholder | Shares | Voting rights | Shares | Voting rights |
| Hakea* | 14.48% | 11.25% | 14.48% | 11.25% |
| SC Guerbet Fron* | 6.13% | 8.37% | 6.13% | 8.37% |

* *Member holding companies of the family shareholder agreement.*

## 3.6.5 Transactions by executive officers and similar individuals

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.*

## 3.6.6 Transactions by employees excluding corporate officers

### 3.6.6.1 Options granted to employees excluding corporate officers in 2022

N/A.

### 3.6.6.2 Options exercised by employees excluding corporate officers in 2022

N/A.

### 3.6.6.3 Options not exercised by employees excluding corporate officers at December 31, 2022

No stock options remain to be exercised as of the end of the 2022 fiscal year.

## 3.6.7 Performance share plans

Since 2016, several performance share plans have been implemented. 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). The third share issue plan set up in 2019 was closed in July 2022 when the final distributions took place based on fulfillment of the selected performance criteria. In 2021, a fourth share issue plan involving 48,060 shares was set up. A new performance share plan came into effect in September 2022.

1. Plan 1: On September 27, 2016, the Board of Directors approved a performance share issue plan for all employees and officers of the Company and its French and foreign subsidiaries (Plan 1). Each beneficiary was issued 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)

| Summary of plan 1 | |
|---|---|
| Date of the Extraordinary General Meeting: | May 27, 2016 |
| Board meeting date: | September 27, 2016 |
| Vesting period/conditions: | Issue period of two years from September 28, 2016.<br>Vesting of the issued shares is subject to a condition of presence at the end of the issue period and the fulfillment of collective performance criteria.<br>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 issue date: | September 28, 2016 |
| Share issue price: | €62.20 |
| Distribution on September 28, 2018, at the end of the two-year issue period: | Following the assessment of the performance criteria, the Board of Directors decided on September 25, 2018, to set the number of fully issued performance shares per beneficiary at eight. |
| 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 issue 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: | Issue period of two years from December 1, 2016.<br>Vesting of the issued shares is subject to a condition of presence at the end of the issue period and the fulfillment of collective performance criteria.<br>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 16, 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 issue date.*

3. Plan 3 (2019): On March 26, 2019, the Board of Directors approved a performance share issue 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 (closed)

| Plan 3 summary (2019) | |
|---|---|
| Date of the Extraordinary General Meeting: | May 28, 2018 |
| Board meeting date: | March 26, 2019 |
| Vesting period/conditions: | Issue period of three years from July 1, 2019.<br>Vesting of the issued shares is subject to a condition of presence at the end of the issue period and the fulfillment of collective performance criteria.<br>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 issue date: | July 1, 2019 |
| Shares initially issued: | 47,550 shares |
| • of which issued to corporate officers: | 10,200 shares |
| • of which issued to the Group's top 10 employees excluding corporate officers: | 13,800 shares |
| Share issue price: | €47.70 [a] |
| **2022 fiscal year** | |
| Distribution date: | July 1, 2022 |
| Number of shares distributed: | 11,877 |
| Valuation on the distribution date: | €21.55 |

*(a) Opening price on issue date.*

4. Plan 4 (2021): On March 24, 2021, the Board of Directors approved a performance share issue 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 24, 2021 (in effect)

| Plan 4 summary (2021) | |
|---|---|
| Date of the Extraordinary General Meeting: | May 29, 2020 |
| Board meeting date: | March 24, 2021 |
| Vesting period/conditions: | Issue period of three years from May 1, 2021.<br>Vesting of the issued shares is subject to a condition of presence at the end of the issue period and the fulfillment of collective performance criteria.<br>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 issue date: | May 1, 2021 |
| Shares initially issued:<br>• of which issued to the top 10 recipients: | 48,060 shares<br>16,860 shares |
| Share issue price: | €33.70 [a] |
| **2022 fiscal year** | |
| Number of pending share issues at December 31, 2022: | 41,400 shares |
| Value of pending share issues at December 31, 2022: | €1,170 K [b] |

*(a) Opening price on issue date.*
*(b) IFRS 2 unit fair value at December 31, 2022 (€29.06).*

5. Plan 5 (2022): On September 21, 2022, the Board of Directors approved a performance share issue plan for certain employees and officers of the Company and its French and foreign subsidiaries.

Plan 5 (2022) – Decision of the Board of Directors of September 21, 2022 (in effect)

| Plan 5 summary (2022) | |
|---|---|
| Date of the Extraordinary General Meeting: | May 20, 2022 |
| Board meeting date: | September 21, 2022 |
| Vesting period/conditions: | Issue period of three years from September 22, 2022.<br>Vesting of the issued shares is subject to a condition of presence at the end of the issue period and the fulfillment of collective performance criteria.<br>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 issue date: | September 22, 2022 |
| Shares initially issued:<br>• of which issued to the top 10 recipients: | 89,219 shares<br>27,450 shares |
| Share issue price: | €17.50 [a] |
| **2022 fiscal year** | |
| Number of pending share issues at December 31, 2022: | 89,219 shares |
| Value of pending share issues at December 31, 2022: | €1,162 K [b] |

*(a) Opening price on issue date.*
*(b) IFRS 2 unit fair value at December 31, 2022 (€14.95).*

## 3.6.8 Stock option plans for the 2022 fiscal year

See Note 22 "Stock subscription and purchase options" in the individual financial statements and notes (section 6.3.2).

## 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 20, 2022, 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 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.

The Executive Committee decided to use this delegation of authority in connection with a liquidity contract.

## 3.6.11 Summary of granted delegations with a potential impact on 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 20, 2024 |
| 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 20, 2024 |
| 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, with a mandatory priority period, through public offerings other than those referred to in Article L. 411-2 of the French Monetary and Financial Code | Capital increases: €1,255,000 [(a) (c)] Debt security issues: €200,000,000 [(b)] | 26 months | July 20, 2024 |
| 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, with an optional priority period, through public offerings other than those referred to in Article L. 411-2 of the French Monetary and Financial Code | Capital increases: €1,255,000 [(a) (c)] Debt security issues: €200,000,000 [(b)] | 26 months | July 20, 2024 |
| 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 20, 2024 |
| 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 20, 2024 |
| 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 20, 2024 |
| 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 20, 2024 |
| 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 20, 2024 |
| Authorization granted to the Board of Directors to issue performance shares freely to certain employees and officers of the Company and its affiliates | 2% of share capital | 24 months | May 20, 2024 |

*(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.*

None of the authorizations granted by the General Meeting of May 20, 2022 were used in the 2022 fiscal year.

## 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

## 4.1.1 Presentation of reported revenue

| *(in € thousands – IFRS)* | 2022 | 2021 |
|---|---|---|
| Revenue | 753,275 | 732,071 |

| Breakdown of revenue by geographic region | 2022 | 2021 |
|---|---|---|
| Europe | 40.0% | 46.1% |
| Other markets | 60.0% | 53.9% |

| Breakdown of revenue by product range | 2022 | 2021 |
|---|---|---|
| X-Ray | 55.1% | 57.0% |
| MRI | 32.9% | 32.0% |
| **TOTAL DIAGNOSTIC IMAGING** | **88.0%** | **89.0%** |
| **INTERVENTIONAL IMAGING** | **12.0%** | **11.0%** |

## 4.1.2 Revenue analysis

As of December 31, 2022, the Group's sales totaled €753.3 million, up 2.9 % from the 2021 fiscal year. This revenue includes a favorable currency effect of €29.3 million, mainly due to the dollar's appreciation over the period. At constant exchange rates (CER) activity was down slightly by -1.1 % over the year.

In 2022, activity slowed at the Raleigh (North America) industrial site, affecting sales worldwide, mainly due to delays in the production of Optiray® and pre-filled syringes.

As a reminder, the decrease in the Raleigh site's production rates last year was due to two factors:

- Production line priority was given to manufacturing Elucirem™ over the fourth quarter as Guerbet awaited the FDA Marketing Authorization, which was obtained on September 2021.
- As was the case with the region's entire industrial area, the Raleigh site faced significant recruitment difficulties in the first half of 2022. Guerbet's new organization led to a sharp upturn in hiring in the summer. However, given the time needed for training on the production lines, production rates were still not fully back to normal at the end of 2022.

In the **Europe**, the Group's activity was down -1.9% at CER in the wake of lower volumes and slight price erosion stemming from the regulatory price reductions in France. In addition, the shutdown of commercial activity in Turkey in November 2022 had an impact on fourth quarter revenue.

In **Other markets**:

- In the Americas, sales rose 3.7% over the year thanks to a significant currency effect (+€24.7 million). The decline in activity at CER (-7.5%) was entirely due to lower volumes, attributable to production delays at the Raleigh site.
- Activity in Asia saw vigorous annual growth (+8.5% at CER), with an acceleration in the second half of the year. Performance in China (+45.6% in 2022) was driven by the rollout of direct distribution, which benefited nearly all of the Group's products as of the end of 2022.

Annual revenue in **Diagnostic Imaging** was up 1.7% at current exchange rates and down -2.2% at CER.

- In **MRI**, annual sales rose 1.7% at CER (+5.5% at current exchange rates) owing to higher volumes. Price erosion was minimal despite the launch of generic Dotarem® in the United States.
- **X-ray activity** declined -4.4% at CER in 2022 due to the lower revenue from Optiray®. Sales of Xenetix® (+5.5%) and injection solutions (+4.8%) remained strong throughout the year.

In **Interventional Imaging**, activity rose 12.7% at current exchange rates over the year and 8.1% at CER thanks to the remarkable momentum of Lipiodol®. Its sales accelerated considerably in the second half of the year, especially in the fourth quarter (+33.3% at CER).

## 4.1.3 Results

| IFRS | 2022 | | 2021 | |
|---|---|---|---|---|
| *(in thousands of €)* | | % of revenue | | % of revenue |
| + Revenue | 753,275 | 100 | 732,071 | 100 |
| + Royalties | 8,001 | 1.1 | — | — |
| + Other operating income | 8,879 | 1.2 | 4,941 | 0.7 |
| - Purchased consumed and change in inventories | (180,424) | (24.0) | (190,934) | (26.1) |
| - External expenses | (232,585) | (30.9) | (195,565) | (26.7) |
| - Staff-related costs | (240,664) | (31.9) | (232,789) | (31.8) |
| +/- Other operating income and expenses | 1,561 | 0.2 | 799 | 0.1 |
| - Taxes | (14,992) | (2.0) | (13,459) | (1.8) |
| **EBITDA** [(a)] | **103,052** | **13.7** | **105,065** | **14.4** |
| - Depreciation, amortization, impairment and provisions | (121,212) | (16.1) | (66,379) | (9.1) |
| **Operating result** | **(18,160)** | **(2.4)** | **38,685** | **5.3** |
| - Net financial expenses | (3,205) | (0.4) | (3,183) | (0.4) |
| +/- Foreign exchange gains or losses and other financial income/expenses | (7,007) | (0.9) | (6,528) | (0.9) |
| +/- Tax expense | (12,744) | (1.7) | 3,664 | 0.5 |
| **NET RESULT** | **(41,116)** | **(5.5)** | **32,637** | **4.5** |

*(a) EBITDA = Operating income + net amortization, depreciation, impairment and provisions.*

## 4.1.4 Analysis of the results

In 2022, Guerbet managed to preserve its operational profitability by demonstrating great financial discipline to compensate for the impact of high inflation on certain costs. These efforts to control costs, reflected in particular in a contained rise in staff costs (+3.4%) despite wage tensions in the United States, limited the decline in the EBITDA margin. Its reported rate was 13.7% of revenue in 2022, compared with 14.4% in the previous year. In line with the 13% to 14% range announced last October, the restated EBITDA margin rate was 13.8%. This aggregation excludes extraordinary costs relating to the optimization of the operational structure and changes in the sales model in China as well as compensation received in connection with the termination of the contract with Merative (formerly IBM Watson) last November.

As of December 31, 2022, the Group's operating result was negative at -€18.2 million, a change entirely due to items with no impact on cash flow. As announced in February 2023, and in connection with the new strategic priorities unveiled at the beginning of the year 2023 for Interventional Imaging and Artificial Intelligence, Guerbet recognized significant asset impairments in 2022 relating to Accurate Medical Therapeutics, Occlugel and to software developed with IBM Watson. Impairments on these three assets totaled €58.8 million.

The Group's net income amounted to -€41.1 million for the year after accounting for financial expenses and stable forex losses. The tax expense was €12.7 million after the Group accounted for €4.5 million in items indicated in a notice from the tax authorities. After examining the tax risks of all its subsidiaries, the Group recorded an additional tax expense of €4.4 million under IFRIC 23.

## 4.1.5 Financial position

| IFRS *(in thousands of €)* | 2022 | 2021 |
|---|---|---|
| **Cash flow after finance costs and taxes** | **82,916** | **100,612** |
| Change in working capital requirements, of which: | (58,382) | 13,095 |
| *Change in inventories* | *(68,228)* | *4,578* |
| *Change in trade receivables* | *(1,556)* | *(6,644)* |
| *Change in trade payables* | *22,145* | *16,042* |
| *Change in other assets and liabilities* | *(10,743)* | *(881)* |
| Gross investments restated for debts on fixed assets | (57,312) | (55,092) |
| Dividends paid | 10,732 | (8,814) |
| Other [a] | (30,502) | (11,024) |
| **Free cash flow [b]** | **(52,548)** | **38,777** |
| **NET DEBT [c]** | **270,359** | **217,811** |

*(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, 2022, equity totaled €380 million, compared with €405 million one year earlier. At the same time, net debt increased from €218 million to €270 million, mainly because of the increase in WCR, fueled by higher inventories. This increase resulted from inflationary pressures as well as the establishment of both precautionary stocks on critical materials and stocks of Elucirem™.

For the 2022 fiscal year, the Board of Directors will propose a dividend of €0.50 per share to the shareholders at the General Meeting on May 26, 2023.

## 4.1.7 Outlook

### 2023: acceleration of activity but operational profitability impacted by inflation

Guerbet has been confident in its ability to grow its revenue in an improving contrast media market, with structural growth in volumes accompanied by positive price effects for the first time in many years. The Group is able to address this promising market with an innovative range of solutions meeting the needs of healthcare professionals as closely as possible. As announced in January 2023, Guerbet intends to mobilize its teams around three main priorities in 2023:

- Stronger positions in Diagnostic Imaging, where the year will be marked by the commercial launch of Elucirem™, a new product bringing a major innovation to complement the MRI offering. The ramp-up is expected by 2024, with a launch already effective in the United States, while in Europe the Marketing Authorization is expected in the second half of 2023.
- Refocusing of the Interventional Imaging activity on Lipiodol®, with an emphasis on the commercial development of current innovative indications and an acceleration of R&D efforts to develop new applications and indications for this product.
- Acceleration of the Artificial Intelligence roadmap, where the Group, after having regained full strategic latitude following the termination of its collaboration with Merative (formerly IBM Watson), confirmed its ambitions by acquiring a stake in Intrasense. Licensing agreements are expected to materialize in the first half of 2023 with the company, whose medical imaging software is highly complementary to Guerbet's asset portfolio.

Although Guerbet has identified numerous business opportunities in growing markets, it continues to face a demanding environment marked by persistent pressure on supply costs, specifically in Iodine. Certain inflationary effects, with little impact in 2022, will have a significant negative effect on the Group's margins in 2023.

In this context, Guerbet confirms that it anticipates revenue growth of more than 5% on a like-for-like basis and at CER for 2023. The Group expects stronger growth in the second half of 2023 than in the first, especially with the industrial activity being brought back up to the required level standard in Raleigh and the gradual ramp-up of Elucirem™. In terms of profitability, the restated EBITDA/revenue margin rate [1] is expected to be around 11% before returning in 2024 to a level higher than in 2021 (14.4%).

The detailed presentation of the 2022 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 2023 fiscal year

On January 11, 2023, Guerbet announced that it had acquired a 39% stake in Intrasense, a specialist in medical imaging software solutions, for €8.8 million. Following this acquisition, on February 20, 2023, Guerbet filed a proposed public offer for the remaining Intrasense shares in the near future.

In line with the shift in its strategy to leverage key assets, Guerbet also announced on January 16, 2023, its intention to gradually divest its microcatheter activities historically housed within Accurate Medical Therapeutics. Guerbet also plans to sell the Occlugel technology acquired in 2018, comprising several lines of microspheres for embolization uses.

Lastly, regarding corporate governance, Pétra Zalabak, Director of Human Resources and CSR and Executive Committee member, left Guerbet at the end of December 2022. She has been replaced by Leïla Mechaï as HRD and CSR transition manager.

## 4.3 Consolidated companies

The consolidated companies are listed in Note 30 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.

[1] *Excluding extraordinary costs relating to optimization of the operational structure and changes in the sales model.*

## 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 fiscal year under the liquidity contract entrusted to Exane BNP Paribas by Guerbet: 21,140 (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: 21,143 (see section 3.4 "Shareholding structure").
- Value measured at the purchase price: €363 K.
- Nominal value: €1.
- Fraction of the capital that they represent: 0.17% (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:

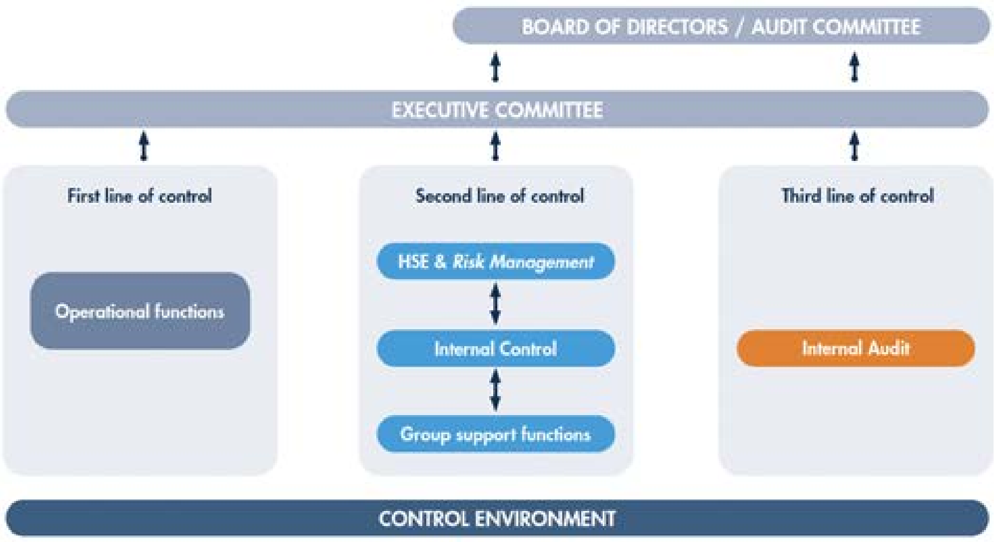
- See section 3.5 "Share buyback program."

## 4.7 Statement of non-financial performance

Refer to chapter 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.

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).

## 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.

In 2022, Guerbet acquired specialized RMIS software incorporating internal control and internal audit. All risks have been integrated into this new platform, which simplifies the monitoring of risk trends and actions, allows links to be made between risks and control elements, and provides a global, dynamic view of risks while improving efficiency.

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 at least once a year. Certain risks, such as cybersecurity risks, are specifically monitored more frequently by the Board of Directors. 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.

At monthly meetings, the *Risk Manager* communicates and shares information with the Internal Control Department, discussing 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.

## 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:

- 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 in order to ensure the existence of appropriate controls within them or to help strengthen them by defining actions to be taken;
- cconduct self-assessment campaigns.

### Organization

Since 2021, the Internal Control function, which is part of the Audit, Internal Control and Compliance Department, reporting to the Chief Executive Officer, has been responsible 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 2022, the teams used the RMIS tool selected in 2021 to carry out self-assessment campaigns on the application of controls. The cycles assessed concerned the control environment and the Purchasing and Sales processes.

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.

An Internal Control activity review and road map were presented to the Audit Committee in the first quarter of 2022.

### 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.

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.

## 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. In 2022, Internal Audit was reorganized and has a team of two senior internal auditors reporting directly 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.

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 favorable opinion on the proposed Internal Audit plan for 2023 at its meeting on November 16, 2022.

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 2022, the Director of Audit, Internal Control and *Compliance* gave presentations at five Audit Committee meetings, including:

- a report on Internal Audit activities for 2021 and the outlook for 2022 to 2024;
- a summary of internal audit findings. In 2022, these findings covered audits conducted in 2021 and 2022 at an industrial plant, four sales entities, a shared service center, and a cross-functional process of the Group;
- regular monitoring of progress on action plans following the audits;
- proposed internal audit plan for 2023;
- a progress report on implementation of the new Group risk management, internal control and internal audit software.

# 4.9 Risk factors

## Mapping of main risks

Guerbet regularly reviews risks that could have a significant impact on its activity, its financial position and its results.

In addition to the risk categories identified below, an analysis of geopolitical issues and risks is also conducted to identify areas of risk for the Group's activity. For 2022, the analysis included, for example, China's policies on healthcare or diplomatic relations that could impact Guerbet's development. Guerbet then identifies and classifies the Group'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 | |
|---|---|---|---|
| Strategic risks | Inflation risks | Severity | 4 |
| | | Probability | 4 |
| | Information system and cybersecurity risks | Severity | 4 |
| | | Probability | 4 |
| | Risks relating to the consequences of global warming | Severity | 4 |
| | | Probability | 3 |
| Operational risks | Purchasing and subcontracting risks | Severity | 4 |
| | | Probability | 3 |
| | Environmental and safety risks | Severity | 4 |
| | | Probability | 2 |
| | Risks relating to product quality and safety | Severity | 4 |
| | | Probability | 2 |
| | Business discontinuity due to energy or raw material disruptions | Severity | 4 |
| | | Probability | 4 |

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 |
|---|---|
| **STRATEGIC RISKS** | |
| **Risks relating to the consequences of inflation** | |
| The first cause of the current inflation was the COVID-19 crisis. The economy came to an abrupt halt and then recovered very quickly, creating an imbalance between supply and demand.<br>The second cause was the rise in energy prices. We are entering a period of peak oil, and the existing infrastructure no longer allows production to be increased, which also creates an imbalance between supply and demand.<br>The Russian-Ukrainian conflict has exacerbated these phenomena. In 2022, this caused industrial prices to rise by about 40% in the euro zone. Guerbet was mainly affected by procurement and raw material costs, for commodity chemicals and iodine. | The Group is continuing its policy of cost control and has managed to limit the increase in energy prices through its existing purchasing policies and contracts.<br>Costs are also controlled by actions taken with our suppliers, including contract reviews, ongoing negotiations with our strategic suppliers, and maintaining our strong, long-standing relationships. You can read about the actions in the "Purchasing and subcontracting risks" section below in this table. |
| **Risks relating to the consequences of global warming** | |
| Climate change brings about physical and transition issues such as:<br>• physical risks for our industrial plants and main suppliers in our supply chain due to severe and chronic weather phenomena (such as temperature, drought, precipitation and natural disasters), and the financial impact of these risks;<br>• transition risks related to the growing scarcity of resources, more stringent market requirements and regulations, reputational issues relating to the expectations of internal and external stakeholders, and the financial impact of these risks.<br>Guerbet stepped up its climate risk assessment as part of the preparation of the "Climate Strategy" 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.<br>In 2022, this analysis was refined by incorporating a financial estimate of the main risks and opportunities. | A summary of the risks and opportunities that could have a significant impact on the Group is presented in section 5.4.1.1 "Climate risks and opportunities".<br>This summary identifies the main risks and opportunities that could have an impact on activities, the supply chain, costs and competitiveness. This is why Guerbet has implemented action plans such as measures to reduce energy consumption, optimize processes and control waste.<br>Guerbet has also formalized its decarbonization ambition. See section 5.4.1.2 "Decarbonization".<br>Physical risks are addressed as part of emergency procedures at plants at risk of hurricanes.<br>Industrial plants facing risks of extreme temperatures are changing the design of vulnerable equipment to adapt to them.<br>Industrial plants are adapting their lead times and their inventory to cope with any production plant or supplier disruption.<br>All these actions are integrated into the business continuity program of the Group and the industrial plants. |

| Description of risks | Control actions |
|---|---|
| **Information system and cybersecurity risks** | |
| The Group is exposed to the risk of failure of its information systems in the event 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.<br>In 2020 and 2021, Guerbet saw an increase in cyberattacks especially through attempted phishing in an overall environment of an intensification of attacks due to the pandemic crisis and widespread teleworking. | 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.<br>The Board of Directors reviews the cybersecurity risk analysis several times a year.<br>In 2022, the Information Systems Department stepped up its actions to provide training and information about the risks of cyberattacks (phishing). Test emails are sent to all employees very regularly to check their ability to detect phishing emails.<br>Network traffic protection and monitoring software is regularly updated.<br>The active directory protection structure has been strengthened.<br>Lastly, multifactor identification has been extended to all users. |
| **OPERATIONAL RISKS** | |
| **Purchasing and subcontracting risks** | |
| These risks could materialize through the failure of a service provider, which could lead to a disruption in the supply of raw materials, strategic packaging components, or materials used to manufacture medical equipment.<br>These risks could also materialize through the discontinuation of a service.<br>Since 2020, the global economy has been severely disrupted (pandemic, transport disruptions, and unavailability of certain raw materials). The war in Ukraine exacerbated these already existing disruptions. Despite this context, our suppliers, service providers, and subcontractors managed to maintain their activity to ensure the continuity of Guerbet's activities. | 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. This multicriteria method allows performance to be evaluated in terms of reliability, meeting deadlines, quality, HSE and costs, etc.<br>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 conducted with the support departments (Purchasing, Quality, HSE, and the Industrial Division).<br>In addition, Guerbet has developed a service provider selection process. Strategic service providers are included in an audit plan drawn up and implemented annually.<br>Negotiations are conducted to obtain medium- and long-term supply agreements.<br>A plan to qualify a second source for strategic raw materials is implemented based on available technical resources.<br>Guerbet trains its employees in the management and control of subcontractors. A review of the financial data of our key suppliers has been added to our risk analysis approach.<br>Guerbet has conducted "Market" trend analyses to refine its strategic positioning.<br>Guerbet has reviewed the order lead times for raw materials that are in high demand, while revising its inventory strategy to pre-empt any delays.<br>Lastly, air freight is the variable that allows us to make any necessary adjustments to deliver to our customers on time. |

| Description of risks | Control actions |
|---|---|
| **Safety and environmental risks** | |
| 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.<br><br>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.<br><br>The occupational health, safety, and environmental conditions at Guerbet's production plants are regularly inspected by the authorities.<br><br>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. | The industrial plants roll out vital safety procedures (work permits, lockouts, fire permits, confined spaces, etc.) to reinforce accident prevention.<br><br>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.<br><br>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.<br><br>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.<br><br>To strengthen our HSE management system, Guerbet has digitized the main processes of its guidelines:<br>• accident and incident reporting;<br>• risk analysis;<br>• HSE awareness meetings;<br>• field safety visits;<br>• feedback on hazardous situations and ideas for improvement;<br>• monitoring of preventive and corrective actions.<br><br>Digitalization continued in 2022 and has strengthened our management system with better flexibility, responsiveness and monitoring.<br><br>The chemical plants continued and accelerated the process risk analyses based on the HAZOP (Hazard Operation) method for greater reliability.<br><br>In 2022, days dedicated to HSE topics raised employee safety and environmental awareness (safe behavior, fire safety, prevention, climate, etc.). These days are important times for group exchanges to reinforce the safety culture. |

| Description of risks | Control actions |
|---|---|
| **Risks relating to product quality and safety** | |
| 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).<br>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. | 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.<br>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. |
| **Business discontinuity due to energy or raw material disruptions** | |
| The energy crisis could lead to unavailability of gas and/or electricity, which could result in the shutdown of the French plants and the Dublin plant.<br>The unavailability of Russian gas should have no impact on our activities in terms of the operation of our plants in France and Ireland, and the reserve inventories are at their maximum level.<br>However, the energy crisis could have an impact on the availability of electricity. This phenomenon is intensified by the sharp reduction (15% to 20%) in nuclear electricity production in France and very low water storage levels in dams (climate crisis).<br>This energy crisis had no effect in 2022, but it is likely to continue in 2023.<br>The impact of a power cut would lead to a safety shutdown of the facilities, with production halting for 4 to 12 hours depending on the plant. The analyzed impact would be slight and have no repercussions on market supply. The financial impact would also be insignificant.<br>In 2022, Guerbet observed certain tensions affecting the supply of raw materials related to the Russian-Ukrainian conflict, the vast majority of which concerned basic chemicals. The potential impacts are supply delays or even occasional shortages. This risk will persist in 2023. | The industrial plants will be able to rely on their business continuity plans.<br>Safeguarding procedures have been drafted, and staff members are trained to apply them.<br>The facilities are designed so that equipment will trip in the event of unplanned outages. Accordingly, such outages cannot cause industrial incidents.<br>In addition, the French plants contribute to the energy restraint plan.<br>With regard to the risk of disruption in the supply of raw materials, the actions taken with our suppliers are specified above in the table in the "Purchasing and subcontracting risks" section. |

# 4.10 Other legal information

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

| *(in €)* | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| **Capital at year-end** | | | | | |
| Share capital | 12,641,115 | 12,641,115 | 12,602,674 | 12,596,161 | 12,581,261 |
| Number of existing common shares | 12,641,115 | 12,641,115 | 12,602,674 | 12,596,161 | 12,581,261 |
| 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 |
| **Operations and results of the fiscal year** | | | | | |
| Revenue excluding taxes with various services and products | 482,114,693 | 468,989,125 | 406,835,598 | 468,197,865 | 484,408,866 |
| Result before tax, employee profit sharing, depreciation and amortization, and provisions | 69,244,672 | 39,790,993 | 29,018,235 | 28,545,062 | 127,626,081 |
| Profit tax | 2,687,458 | (7,291,843) | (9,628,972) | (5,724,643) | 10,839,528 |
| Employee profit sharing due for the fiscal year | 527,161 | 484,823 | 651,990 | 744,739 | 1,558,726 |
| Result after tax, employee profit sharing, depreciation and amortization, and provisions | (77,407,478) | 19,497,207 | (12,699,402) | (15,939,618) | 99,304,000 |
| Distributed result | 6,320,558 [(a)] | 10,744,948 | 8,821,872 | 8,817,313 | 10,694,072 |
| **Earnings per share** | | | | | |
| Result after taxes and employee profit sharing but before depreciation, amortization, and provisions | 5.22 | 3.69 | 3.01 | 2.66 | 9.15 |
| Result after tax, employee profit sharing, depreciation and amortization, and provisions | (6.12) | 1.54 | (1.01) | (1.27) | 7.89 |
| Diluted net income | (3.25) | 2.58 | 1.40 | 2.95 | 3.75 |
| Gross dividend per share | 0.50 [(a)] | 0.85 | 0.70 | 0.70 | 0.85 |
| **Personnel** | | | | | |
| Number of employees at December 31 | 1,074 | 1,060 | 1,030 | 998 | 981 |
| Total wages | 64,215,637 | 66,555,651 | 66,280,282 | 63,586,686 | 60,241,938 |
| Total payroll taxes | 32,393,613 | 31,181,601 | 32,246,353 | 30,457,702 | 31,807,837 |

*(a) This amount will be subject to the approval of the Shareholders at the General Meeting of May 26, 2023, called to approve the financial statements for the 2022 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, 2022, the trade payables on the balance sheet of Guerbet S.A.'s individual financial statements broke down as follows:

| *(in thousands of €)* | Past due 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 | — | — | 1,447 | 11,829 | 13,276 |
| Suppliers of Goods and Services outside France | 1,163 | 1,600 | 6,774 | 3,190 | 12,727 |
| **Suppliers of Goods and Services** | **1,163** | **1,600** | **8,221** | **15,019** | **26,003** |
| Suppliers of Fixed Assets in France | 3,538 | 103 | 922 | 1,709 | 6,272 |
| Suppliers of Fixed Assets outside France | 35 | — | 3 | 15,147 | 15,185 |
| Payments outstanding on equity securities | 72 | — | — | — | 72 |
| **Suppliers of Fixed Assets** | **3,645** | **103** | **925** | **16,856** | **21,529** |
| **TOTAL** | **4,808** | **1,703** | **9,146** | **31,875** | **47,532** |

Invoices not yet received represented €56,679 K in Guerbet S.A.'s accounts at December 31, 2022.

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

| *(in thousands of €)* | Past due 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** |

Invoices not yet received represented €46,539 K in Guerbet S.A.'s accounts at December 31, 2021.

### 4.10.2.2 Breakdown of trade receivables by due date

At December 31, 2022, 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 | | | | | |
|---|---|---|---|---|---|---|
| | 0 days (411 accounts) | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days or more | Total (1 day or more) |
| **Late payment ranges** | | | | | | |
| Number of invoices involved | 344 | 29 | 18 | 0 | 33 | 80 |
| Total amount, including taxes, of these invoices *(in thousands of €)* | 11,068 | 393 | 31 | 46 | 157 | 627 |
| **Invoices relating to disputed receivables or bad debts** | | | | | | |
| Number of invoices excluded | | | | | | 2 |
| Total amount, excluding taxes, of excluded invoices *(in thousands of €)* | | | | | | 1.1 |
| **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 €1.8 K in Guerbet S.A.'s accounts at December 31, 2022.

## 4.10.3 Information on the acquisition of participating and controlling interests (Article L. 233-6 of the French Commercial Code)

N/A.

## 4.10.4 Information on regulated agreements (Article L. 225-38 of the French Commercial Code)

### 4.10.4.1 Entered into during the fiscal year ended December 31, 2022

N/A.

### 4.10.4.2 Agreements entered into previously but remaining in effect during 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 25 to 31 |
| Issue of performance shares and stock options to corporate officers | Corporate governance – pages 76 to 77 |
| Issue of performance shares and stock options | Capital and share ownership – pages 87 to 91 |
| Equity stakes acquired during the fiscal year | The Guerbet group – pages 32 to 33 |
| Compensation of corporate officers:<br>• Information on compensation<br>• Information on pension commitments | Corporate governance – pages 62 to 77 |
| Holders of capital and voting rights | Capital and share ownership – pages 84 to 85 |
| Employee shareholdings | Capital and share ownership – pages 84 to 85 |
| Total dividends paid for the last three fiscal years | Capital and share ownership – page 84 |
| Total non-deductible expenses referred to in Article 39-4 of the French General Tax Code | Financial statements and notes to the individual financial statements – page 238 |
| Employee, environmental and social information | Statement of non-financial performance – pages 113 to 175 |

# 5

# Statement of non-financial performance

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 5.10.

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.

# 5.1 CSR governance, strategy, risks, and opportunities

Since 2021, Guerbet has defined its corporate purpose, which is disclosed 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.

"Human cooperation" is key to 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 conscientiously so as to have a positive influence on them. In all humility, we want to be of service, and we do our utmost to achieve this.

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 seek to 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 2022, CSR was included on the agenda of the Executive Committee and the Ethics, Governance and CSR Committee of the Board of Directors, in particular to present progress on the road map, climate risks and opportunities, and the decarbonization strategy.

Our CSR commitments are integrated into the company's performance by incorporating CSR criteria in our internal management and recognition tools: variable compensation for the CEO, monthly safety and environmental indicators for industrial performance, profit-sharing agreement, bonuses, and bonus share issue 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.

To achieve Guerbet's ambition to build the future of medical imaging, the company 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 the main risks and opportunities | Formalization of the road map |
|---|---|---|
| • Taking into account the specific characteristics of Guerbet, customer expectations, and requirements of local authorities<br>• By conducting interviews with the Chairperson of the Board of Directors and the Chairperson of the Ethics, Governance and CSR Committee, as well as with members of the Executive Committee and key managers of the Group | • Taking into account existing control policies/methods<br>• Online rating questionnaire<br>• Workshop to rate and identify the main risks and opportunities<br>• Validation of mapping by the Chief Executive Officer | • Analyses of best practices<br>• Workshops with risk/opportunity owners<br>• Validation of the Executive Committee's road map<br>• Presentation of the road map to the Board of Directors |

Guerbet has identified the main CSR risks and opportunities, summarized and grouped in 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 of persons contributing to the activities<br>• Quality and safety of products and services |
| Environment | • Environmental impacts on our plants<br>• Environmental impacts of the supply chain<br>• Impacts of climate change on our activities |
| Ethics | • CSR impact of purchasing<br>• 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:

RISKS & OPPORTUNITIES

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:

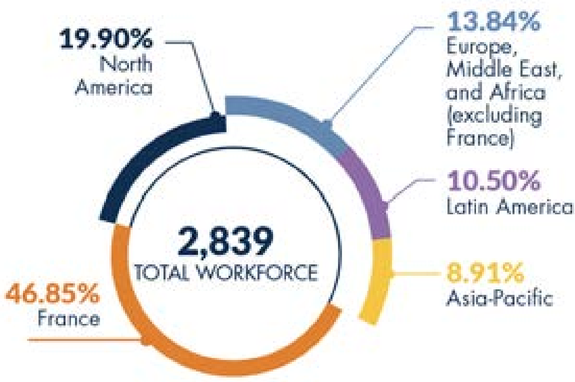
- the fundamental principles of Balance, Fairness and Ethics, structured around the following five main themes: Diversity, Prevention, Recognition, Commitment, and Responsibility;
- the Group's values: *ACHIEVE*, *COOPERATE*, *CARE*, *INNOVATE*.

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, 2022, the Guerbet group had 2,839 employees worldwide.

**BREAKDOWN OF WORKFORCE BY REGION**
*(%)*




## 5.2.2 Attractiveness, development, and commitment of employees and talents

Guerbet has a Human Resources (HR) policy geared toward social engagement and seeking to attract potential and key skills for its areas of activity. Through a policy of ongoing professional development, we also promote internal mobility and the development of skills. Its human resource policies are designed to support Guerbet's ambitions regarding employee recruitment, development, performance assessment and recognition.

Guerbet's initiatives aim to secure employee engagement by developing initiatives for managers through a recruitment recommendation system, inclusion of questions on understanding and adherence to the Group's corporate purpose and values in candidate interviews, and also the continuation of the volunteer program in France and the United States and its launch in other regions.

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, 95% of employees were on long-term contracts.

As part of its policy of attracting and retaining employees, Guerbet is developing its employer brand, thereby reflecting strategic changes and aiming to make the Group more widely known and more attractive to new talent.

Guerbet has a global co-opting program, encouraging its employees to recommend people they know professionally or personally for job openings within the organization.

For newcomers, Guerbet's quarterly induction plan introduces them to its activities and reinforces their feeling of belonging in the Group. These sessions are led by members of the Executive Committee or management. 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 to announce newcomers and organize regular plant visits. The industrial plants also organize immersion days for employees from other entities, in particular for head office employees.

#### Action plan and results

| Theme | Objectives and key focuses for 2018–2023 | Actions, progress and results in 2022 |
|---|---|---|
| Recognition and recruitment | • Strengthen the employer brand globally<br>• Recruit key skills at all levels of the company | Guerbet has been able to attract new talent and secure key skills, despite the context of a very dynamic job market, by strengthening its internal recruitment team over the past two years and working on the following key areas:<br>• Enhancement of the employer brand, especially on social networks, to better reflect strategic changes, make Guerbet more widely known, and increase its attractiveness. For example, in 2022 a webinar was held during Industry Week, and an outdoor advertising campaign was organized.<br>• Continuous improvement of the recruitment policy: clarification of the process and the roles and responsibilities of each person (manager, HR, recruiter), strengthening of the recruitment model by insourcing it, and improvement of the experience of candidates, managers and HR in connection with our employer brand. For this purpose, part of the process has been digitized.<br>• Simplification of the recruitment process to improve the candidate experience.<br>• Continuation of the editorial committee to translate the internal and external communication strategy for recruitment and the HR employer brand.<br>• Continuation of the co-opting recruitment program.<br>• Enhancing participation in recruitment and student fairs by improving, for example, communication concerning existing partnerships with associations. |

### 5.2.2.2 An employee development policy

#### Background and policy

The Guerbet group has a job and skills policy. This policy is based on the continuous development of employees' skills, enabling them to acquire the knowledge, know-how and interpersonal skills needed to master their job, striving for excellence and linking with businesses and careers to prepare for the future. This policy is also based on the development of links between sectors to permit the acquisition of new skills, and it fosters employees' mobility by enabling them to move to other positions within the company.

#### Continuous development of employee skills

Guerbet invests in the continuous development of its employees' skills, so as to acquire, develop and consolidate the skills needed to perform their job functions in accordance with the 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 Augmented 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.

To ensure that the Group's development is managed with the expected vigor and success, management and leadership skills and project management skills are encouraged and supported by specific programs.

In addition to the technical and managerial skills development programs supporting this development, a participatory cultural transformation program has been launched to support the development of cross-functional soft skills for successful development at all levels in connection with the Group's objectives and values.

Lastly, to continue to promote the Group's growth in an international context, Guerbet has maintained its investment in foreign language learning, including access to an online learning platform for all employees.

A variety of learning formats are offered to meet these technical or human skills development objectives: instructor-led courses, coaching/mentoring, conferences, e-learning, reading of documents, on-the-job training, etc., in a work situation, in person, or remotely.

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. 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. These training design and delivery skills were enhanced this year with the acquisition of an e-learning content creation software solution and the training of some twenty trainers who are experts in their sector and wish to share their expertise more quickly via e-learning.

In several countries, Guerbet also supports the personal initiatives of employees who wish to invest in these development activities. In particular, for French employees using their personal training account (CPF), Guerbet has implemented a policy of matching days and financial contributions.

The definition and monitoring of employee skills development plans are part of the annual performance management cycle and are the subject of interview between employees and managers. 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 to support its growth and develop their employability.

In 2022, it was decided to set a common objective for all managers: 70% of employees must participate in at least one development initiative during the year. This objective has also been incorporated into the long-term compensation policy for managers.

## 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 to be appointed to 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 issues addressed focus on the main characteristics of a Guerbet leader: self-awareness, self-awareness as a leader, knowing the company (its core business and development strategies), rooted in the Group's values (*CARE*, *COOPERATE*, *INNOVATE*, *ACHIEVE*), and exploration of opportunities for development within the Group (networking 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.

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 has since been rolled at all management levels and to all geographical regions.

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 after they have undergone management and leadership training together, to maintain close ties 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 promotions or a change of region.

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 and HR during career discussions. Our teams circulate vacancies to employees to encourage internal mobility and participatory recruitment. Eight employees took advantage of international mobility opportunities in 2022.

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 business areas and/or plants over a period of one to two years, boosting their careers and enabling them to move into strategic positions within the Group. 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

In 2021, the Group revealed its Corporate Purpose: "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. Projects have been carried out at the Lanester and Cincinnati industrial plants to materialize the Corporate Purpose, so as to make objectives more meaningful, for example. A Corporate Purpose Committee, led by the Corporate Secretary, meets each month, with the CEO routinely participating. 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.

Since 2021, Guerbet has had a global skills sponsorship and volunteer program: Guerbet Positive. It is a commitment made by the company and its employees, a practical human contribution of value to non-profit organizations, their beneficiaries and the causes supported, in line with our corporate purpose, values and CSR strategy.

Guerbet **Positive**

Each employee volunteer can devote three days a year of working time to engage in expertise-based or field volunteer activities for the benefit of charitable organizations related to the causes supported by the program: health, environment, diversity & inclusion, and solidarity with local issues. For the first year, in 2021, the program was opened to employees in France and the United States as a pilot. In 2022, the program was gradually rolled out to other plants and subsidiaries in Prague, South Africa and Japan. This program reflects the commitment of Guerbet and its employees through initiatives to support the disabled and address health issues, or efforts to address local needs and issues. Within this framework, in addition to individual volunteer activities, the plants organized initiatives during sustainable development weeks and at the end of the year, such as picking up waste (around 800 kg of scrap metal and plastic waste collected at Marans during Sustainable Development Week), building insect shelters or collecting donations (food, medicines, eyeglasses, periodic protection to act against menstrual poverty, end-of-year gifts, etc.).

In 2022, nearly 140 employees were involved with some thirty organizations (around 3% of the employees taking part in the program) during their working hours and/or on a voluntary basis through missions in line with their personal or professional skills, field activities, team activities, collections or financial donations (more than €2,200 in employee donations for the Red Cross to support the populations affected by the situation in Ukraine).

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 2022, 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.

## Action plan and results

| Theme | Objectives and key focuses for 2018–2023 | Actions, progress and results in 2022 |
|---|---|---|
| **Employee development and talent management** | • Gradual deployment of the Guerbet Academy: international employee skills development programs to support the Group's development.<br>• Gradual deployment of Learning Management System (LMS), a single management training management tool, throughout the entire Guerbet group to facilitate overall management.<br>• Deployment of the development plan as part of the annual performance evaluation. | • 74% of employees have followed at least one skills development initiative, including the implementation of international development programs:<br>• Guerbet Development Center internal potential development program: 18 high potentials supported with the international class of 2021–2022, for a total of 64 high potentials since its launch in 2019;<br>• "Management and Leadership" program: 204 managers joined the program this year, for a total of 451 managers who have participated since the launch in 2020;<br>• "Project Management" program: launched in 2022 with 172 participants at the international level;<br>• "Cultural Transformation" program: launched in 2022 with 241 participants at the international level;<br>• Training in new skills (medical devices, digital, etc.) through the implementation of international programs in which 241 employees participated, a total of 576 employees since 2021.<br>• Digitization of training:<br>• A single management tool for regulatory/quality/safety training deployed throughout the group since 2021 and a project underway to upgrade to a more powerful system allowing all training to be managed with an improved user interface;<br>• Initiatives to develop e-learning internally: 20 graduates and expert trainers trained this year in these methodologies and techniques;<br>• Initiatives to develop trainer competency in distance-learning facilitation: 37 trainers trained this year, for a total of 94 since 2020;<br>• 541 employees received language training, including through the online language learning platform offered by Guerbet;<br>• 2,179 employees active on the Guerbet Inside internal social network with 53 active communities and 188,000 content views over the year. |
| **Internal Mobility** | • Continuation of the internal mobility program. | • 8 internal transfers in 2022.<br>• Internal distribution of vacancies to encourage internal mobility.<br>• 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 employees 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, 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. The most recent plan was approved by the Board of Directors in 2022 and includes financial and CSR criteria;
- company vehicles available to certain categories of employees;
- certain expenditures covered, depending on local laws;
- widespread use of teleworking implementation according to eligibility categories.

#### Action plan and results

| Theme | Objectives and key focuses for 2018–2023 | Actions, progress and results in 2022 |
|---|---|---|
| Compensation | • Involve employees in the company's growth and development, in particular by granting performance shares to enable Group employees to become Shareholders. | • A new performance share plan was approved in 2022 based on financial and CSR criteria.<br>• As of December 31, 2022, 3.64% of the share capital was held by Group 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, 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 regarding discrimination in all its forms, and includes these topics in its management 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 whistleblowing 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, and we seek diversity. 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.

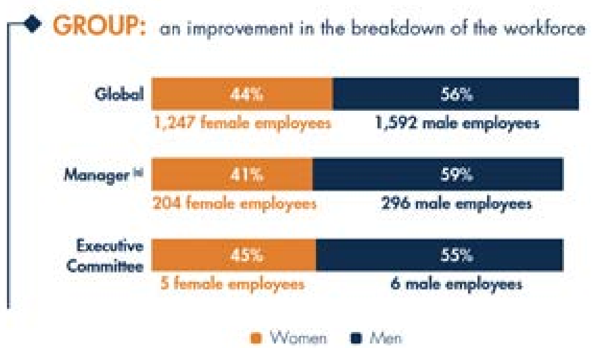
In addition, in 2022, cognitive bias awareness and training initiatives continued, including training for the recruitment team.

## Closer look at professional equality without distinction between women and men

At December 31, 2022, 44% of the Guerbet group's employees were women and 56% were men, on both open-ended and fixed-term contracts. The Group's ambition is to achieve professional equality without distinction as to gender. In particular, Guerbet aims to have the same proportion among managers, middle managers and senior executives as in the Group overall. The objective for 2023 is to have at least 40% women in management positions or in middle or senior management. These objectives were achieved as of 2022.

To achieve this goal, in support of its Diversity and Inclusion initiative, Guerbet has identified an area for action on the topic with the creation of a multidisciplinary working group, Lead'Her, defining initiatives to promote this evolution and monitor various associated progress indicators, in particular the proportion of women on the Executive Committee and in management, middle management and executive positions, employee training, and their salaries.

As of December 31, 2022, the breakdown of the workforce was as follows, reflecting a marked improvement:




(a) *Managers, middle managers and executives.*

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 2022, Guerbet achieved the following gender equality scores:



The overall result obtained by Guerbet S.A. (representing 1,076 employees) was up significantly, notably thanks to an improvement in the indicator measuring the promotion gap between men and women.

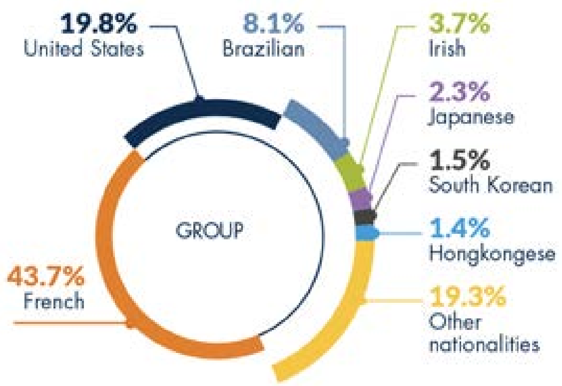
This is a system for assessing gender equality within the framework of the "professional future" law, to which Guerbet has replied. The rating is based on five criteria established by the government: gender pay gap, gap in annual pay increases and promotions, return from maternity leave, and presence of women among the company's top ten employees. This score highlights Guerbet's commitment to equality.

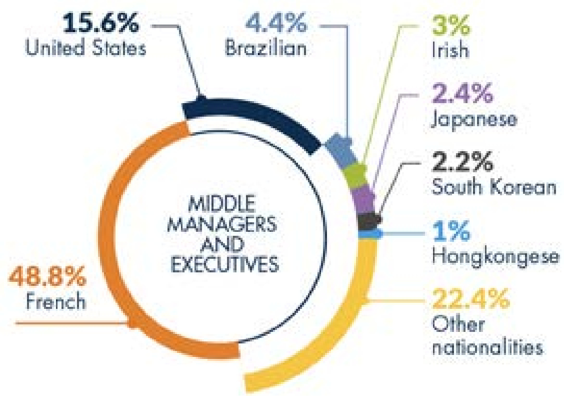
## Closer look at cultural diversity

Guerbet promotes diversity, regardless of ethnic origin. 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. 72 nationalities are represented, including 38 for managers and middle and senior management.

For example, the Dublin plant organized an initiative to express gratitude to all employees in all the languages spoken at the plant on World Gratitude Day.

### 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.

Guerbet has reaffirmed its commitment to enhancing the well-being and maintaining the employment of older workers (age 50 and over), and also encouraging their recruitment. In 2022, 90 senior employees joined us, representing more than 12% of all new hires. Of these 90 hires, 26% were middle and senior managers.

Guerbet is committed to young people's access to long-term job opportunities and implements measures to promote their inclusion.

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.

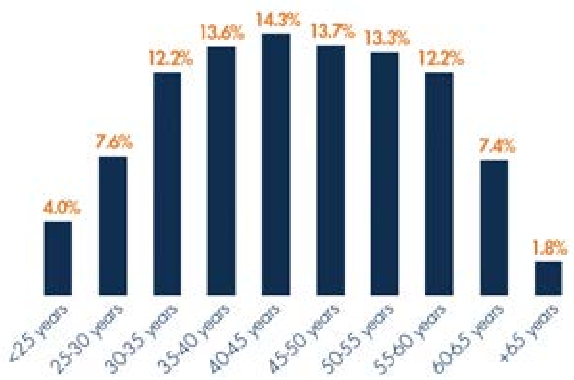
Each year, Guerbet seeks to welcome more and more work-study students and interns on all levels and in all sectors in all its plants, thereby contributing to the training of young people and access to their first job.

In 2022, 16% of interns and work-study scheme trainees found their first job at Guerbet plants in France (permanent or fixed-term contract).

Guerbet develops partnerships with local schools, colleges and universities. For example, in 2022 the Lanester and Aulnay plants organized student visits to showcase their activities.

Guerbet has an active work-study policy for various jobs. Whenever possible, the Group seeks out work-study scheme trainees from priority neighborhoods. Each year, Guerbet's plants in France welcome junior high school students to introduce them to 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, supported by HR contacts and a Disability expert in France who seek 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:

- training and encouraging recruiters to recruit disabled persons;
- training managers who have employees with disabilities on their team in the fair management of these workers;
- working with the occupational health department to make ergonomic workstation adjustments to encourage their retention in the workplace;
- working with disability committees to seek adaptations of positions or personalized redeployment solutions to encourage their retention in the workplace;
- using 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, office supplies, etc.);
- initiatives aiming to change perceptions of disability and show people that being different is not a handicap but can in fact create synergies:
  - participation of employees in the Special Olympics race and challenge funded by Guerbet,
  - presentation of jobs to young people with disabilities by employees,
  - 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),
  - welcoming young students with disabilities.

Guerbet S.A.'s rate of direct employment of workers with disabilities is 4.74%, not including subcontractor employees. This result is not as good as in 2021 because of the increase in the workforce and the departure of employees with disabilities.

### Action plan and results

| Theme | Objectives and key focuses for 2018–2023 | Actions, progress and results in 2022 |
|---|---|---|
| Gender equality | • 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. | • Rate of 41% female managers or middle managers and executives versus 44% for all positions combined. This rate is up from 35% in 2018.<br>• Gender equality indicators:<br>• 91 out of 100 for Guerbet S.A.,<br>• 77 out of 100 for the French subsidiary,<br>• 95 out of 100 for the Marans plant. |
| Cultural diversity | • Develop cultural diversity. | • At the Group level, at least 72 nationalities are represented, including 38 in middle and senior management. |
| Employment of young people and seniors | • Continue to develop partnerships with schools to integrate young people into the company. | • 82 apprentices at the end of 2022: 2.9% of the workforce.<br>• 51 interns throughout the year.<br>• A VIE for the whole year.<br>• 16% of interns and work-study students found their first job at Guerbet.<br>• Seniors represent 12% of 2021 hires, 26% of whom are middle and senior managers. |
| Employment of disabled persons | • Promote the employment of disabled persons. | • Workers with disabilities account for 4.74% 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% disabled persons.*

### 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, the Executive Committee organizes a conference call for all Group employees once a month.

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 and working conditions ("QVCT") and prevent psychosocial risks (PSRs). It also conducts targeted employee surveys involving local management:

- the QVCT policy is part of the mandatory annual negotiations for all French entities;
- in 2022, management conducted a new engagement survey among all Group employees with a focus on the following themes: communication, team collaboration, work-life balance, ethics and corporate responsibility, work atmosphere, recognition, and working conditions. Sixty-nine percent of employees responded to the questionnaire. This approach of actively listening to our employees and collaborating has allowed action plans to be built and deployed. Employees and employer and worker representatives are regularly informed of progress on action plans;
- Guerbet has designated a psychosocial risk official for Guerbet S.A. to strengthen the concerted efforts of management and employee representatives;
- signing of the agreement on teleworking to promote work-life balance by providing good-practice guides for the organization of working at home and on-screen work;
- maintaining team connections through the managers (virtual coffee breaks, etc.);
- partnership to offer sports and wellness courses to employees of the French plants;
- organization of conferences around "conscious management of physical, mental and emotional resources in everyday life".

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 regularly trained employee volunteers;
4. protect the health of independent executives in France through a special annual interview about their workload.

In 2022, deployment of PSR training to Executive Committee members, employee representatives and HR teams.

Support programs are in place at the Cincinnati, Dublin and Raleigh plants and the sales subsidiaries in North America and Asia-Pacific to assist employees experiencing difficulties.

Guerbet offers all its employees in France access to a remote medical consultation service, including a psychological support unit, through a health protection scheme.

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 2022 |
|---|---|---|
| Employee satisfaction | • Deployment of targeted surveys involving local management. | • Continuation of the program with a new engagement survey of all Group employees. |
| Internal communication and employee collaboration | • Foster communication and collaboration between units, entities and countries. | • 53 active communities and 2,179 connected employees on the Guerbet Inside collaborative software solution.<br>• 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.

Two employees are members of the Board of Directors. They serve six-year terms and have the same rights as any other director. Three representatives of the CSE also participate in Board meetings without voting rights.

The Group's social responsibility policy takes various forms in France, including agreements on gender equality in the workplace, quality of life and working conditions ("QVCT"), working-time arrangements, working conditions, teleworking and, more generally, employment. Collective working-time arrangements have been introduced in the production sectors.

Conference calls organized by the Group Executive Committee each month help employees to know and understand progress on the Group's strategic plan.

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 2022 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 Protecting health and safety

RISKS & OPPORTUNITIES

## 5.3.1 Employee health and safety

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 of managers, especially through "field safety visits";
- 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. In 2022, Guerbet established its road map for 2023–2025. This vision and the HSE road map were built around the following 10 structural elements of 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 and the Social and Economic Committees and health, safety, and working conditions committees in France.

Guerbet deploys awareness programs involving employees, by setting up teams of Safety Champions, for example, and by organizing HSE days at all the industrial plants and at the head office, coordinated notably by employees, Safety Champions and/or managers.

### 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:

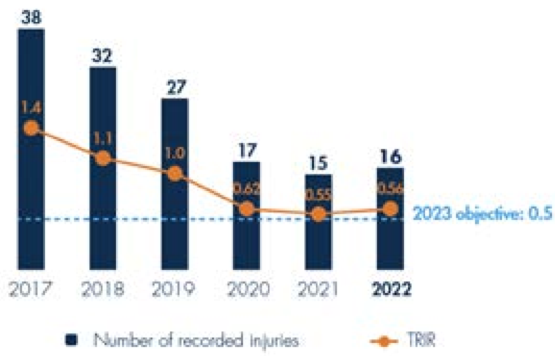
- for the CEO and COMEX members;
- for industrial managers;
- for eligible employees, the reduction in the number of accidents is one of the criteria used to calculate variable compensation;
- for Guerbet employees in France, for whom this indicator is included in the profit-sharing calculation.

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;
- 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;
- 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, leadership training, etc.);
- programs to encourage HSE improvements through reward systems (safety category awards).

**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 3 classification:

- high threshold for the Dublin and Marans plants;
- low threshold for the Lanester plant.

These three plants are subject to specific requirements through prefectural orders concerning them. They regularly conduct and review hazard studies. These result in the introduction and monitoring of risk control actions to avoid industrial accidents. Internal procedures and staff training allow us to incorporate regulatory changes and maintain skills to control specific risks.

In consultation with the local authorities (DREAL: *Direction régionale de l'environnement, de l'aménagement et du logement*), 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 the technological risk prevention plan (PPRT) to protect local residents. This decision demonstrates the high standards for continuous improvement in areas of industrial safety to ensure the safety of employees, local residents and the environment.

The Marans and Lanester 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.

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[1] *Total Recordable Incident Rate: ratio of number of injuries to number of employees.*

Guerbet's production plants are regularly audited and visited by the Group, and inspected by the supervisory authorities.

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.

### Closer look at the European REACH regulation

The European REACH (Registration, Evaluation, Authorization and restriction of CHemicals) Regulation 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 implements a 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 (PPE). Awareness-raising activities are carried out to promote health, such as Pink October to raise awareness of breast cancer and Blue November to raise awareness of male diseases.

Through appropriate medical monitoring, Guerbet is able to anticipate employees' unfitness for work and provide solutions for adjustments of workstations or 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. Health, nutrition, and heatwave awareness actions and vaccination campaigns are also offered.

Guerbet offers all its employees in France access to a remote medical consultation service, including a psychological support unit, through preventative healthcare.

## 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.

## 5.3.1.5 Employee health and safety 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 2022 |
|---|---|---|
| Group safety | • Decrease the incident rate (TRIR) for Group employees, with an objective of 0.5 in 2023.<br>• Improve injury monitoring for outside contractors. | • 16 injuries, on a TRIR basis, for the Group as a whole, including 10 lost-time injuries.<br>• The TRIR for the Group is 0.56, down 60% from 2017. The occupational injury frequency rate is 2.2.<br>• The occupational injury severity rate was 0.12 for the Group as a whole, down 23% from 2017. |
| Safety of people, industrial safety, and environmental impacts on the industrial plants | • Implement the 2018–2023 industrial HSE road map.<br>• Perform HSE audits every two years in 100% of the industrial plants.<br>• Standardize the management and action indicators for all the industrial plants.<br>• Roll out the Group HSE policy in each of the industrial plants. | • Deploy the 2022 industrial HSE road map:<br>  • reinforce vital procedures (confined space guidelines),<br>  • continue the process risk analysis program (Hazop) at active ingredient production plants,<br>  • conduct studies of business continuity and emergency response plans,<br>  • continue the gradual launch of the Group's HSE software at the industrial plants,<br>  • hold HSE days at the industrial plants and at the head office,<br>  • deploy the guidelines on roles and responsibilities.<br>• Regular visits to the French, Raleigh and Dublin plants by the HSE & Risk Manager.<br>• Definition of the 2023–2025 HSE road map. |
| Safety of sales subsidiaries and administrative units | • Deploy the TRIR indicator each month and establish communication within 24 hours of potentially serious injuries.<br>• 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. | • Maintain and adapt protection and prevention measures to preserve employee health and safety in the context of the pandemic. |
| Health | • Continue to implement the HSE road map.<br>• Continue preventive health initiatives. | • No occupational diseases reported during the year according to the criteria of local regulations.<br>• Influenza vaccination campaign at all industrial plants and for certain administrative and sales entities.<br>• 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.<br>• Promotion of health, for example through Pink October and Blue November. |

## 5.3.2 Quality and safety of products and services

RISKS & OPPORTUNITIES

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.

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.

### Product quality and safety action plan and results

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 2022 |
|---|---|---|
| Quality Performance | • "Right the first time."<br>• Improve the batch release cycle time.<br>• Improve the Quality Index.<br>• Develop the performance of quality control laboratories through operational excellence. | • "Right the first time" objective achieved in 2022. |
| Quality culture | • Continue implementation/revision of the standardized Quality policy.<br>• Continue to promote a common Quality culture by:<br>  • organizing training for the employees concerned;<br>  • describing the Quality Management System in a formalized global Quality Manual.<br>• Strengthen the skills of the Quality Division by recruiting medical device quality experts and sterility and microbiology experts.<br>• Implementation of EU GMP Annex 1. | • Updating of the Group Quality Manual and policies and guidelines to reflect changes in global regulations.<br>• Continuation of the process of simplifying Quality Management Systems in the industrial plants.<br>• Continuation of training in Good Manufacturing Practices (GMP) and knowledge maintenance.<br>• Finalization of the deployment of a training program on reducing human error.<br>• Implementation of the new EU Medical Device Regulation (MDR). |
| Compliance | • Continue the deployment of Quality audits.<br>• Preparation for inspections. | • 7 inspections/audits by health authorities or certified bodies at the plants, with renewal of the certificate.<br>• Completion of 100% of planned Group audits. |

# 5.4 Minimizing the environmental impacts of our activities

RISKS & OPPORTUNITIES

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 described in this report include the data for the industrial plants, excluding the Guerbet Lyon plant and the administrative and sales units, where the impact is not significant. However, initiatives are carried out at all the plants. Moreover, the Group's carbon footprint assessment takes into account all the activities of Guerbet, its suppliers and its 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.

Since 2021, Guerbet has strengthened its "Climate Strategy" to better address the issues of sustainable performance and transformation.

Climate issues were presented to the Executive Committee and the Board of Directors.

To reinforce its Climate Strategy, Guerbet has adopted the following method:


* *TCFD: Task Force on Climate-related Financial Disclosures.*

### 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 related to acute and chronic weather phenomena (such as temperature, drought, precipitation and natural disasters) and the financial impacts of these risks;
- transition risks related to:
  - the increasing scarcity of resources,
  - more stringent market requirements and regulations,
  - reputational issues,
  - the expectations of internal and external stakeholders, and
  - the financial impacts of these risks.

Since 2021, Guerbet has been strengthening its climate resilience by refining its assessment of physical and transitional risks and opportunities and by identifying areas for action. In 2021, physical risks were analyzed for all of our industrial plants and for Guerbet's key suppliers.

This analysis identified the main risks and opportunities, presented in the following chart, that can have an impact on activities, the supply chain, costs and competitiveness. To mitigate the consequences of climate change on these activities, Guerbet has implemented action plans such as programs to reduce energy consumption, optimize processes, and control waste. In the event of an incident, all industrial plants have a business continuity plan incorporating emergency procedures related to physical risks in particular.

In 2022, Guerbet refined these analyses through financial scoring of the main risks and opportunities.

The following is a summary of the risks and opportunities that could have a significant impact on the Group and associated areas for action:

## MAIN RISKS AND OPPORTUNITIES

### PHYSICAL

**TEMPERATURE & DROUGHT**

**PRECIPITATION & WATER**

Our plants are mainly exposed to:

- temperature increases;
- water stress.

**NATURAL DISASTERS**

Our supply chain could be disrupted by extreme weather events and flooding.

**AREA OF WORK**

- Improve the energy efficiency of buildings and increase cooling capacity.
- Reduce water dependency (storage, efficiency, reuse, recycling, and rainwater harvesting).
- Pursue diversification of supply sources and reinforce the climate aspect in the supply strategy.
- Increase employee awareness.

### TRANSITIONAL

**POLITICAL AND LEGAL**

Tighter regulations and higher prices (energy, resources, carbon quotas, taxes) are political, financial, and legal risks for Guerbet.
This risk is partially offset by innovation and the evolution of available technologies providing an opportunity to reduce our emissions.

**MARKET**

The growing expectations of shareholders, investors, and customers represent a risk of market loss and an opportunity for Guerbet to stand out.

**APPEAL, IMAGE, AND REPUTATION**

The expectations of internal and external stakeholders are also an opportunity for appeal, image, and reputation for Guerbet.

**AREA OF WORK**

- Define, communicate, and implement the decarbonization trajectory.
- Consider the climate even more in process innovation and product and packaging design to reduce impact throughout the life cycle.
- Reinforce the climate aspect in the supply strategy.
- Strengthen the integration of climate risks into the Group's risk mapping.
- Reinforce the climate aspect in the supply strategy.
- Continue transparent communication about the climate.
- Increase employee awareness.

### 5.4.1.2 Decarbonization

Well aware of climate issues, Guerbet has set the following decarbonization objectives aligned with the SBT [1] (Science-Based Targets).

In 2022, Guerbet disclosed its decarbonization objectives and made a commitment to the SBTi. The Group joined the list of Companies Taking Action, i.e. companies that are actively combating global warming. Guerbet's dossier, submitted to the SBTi in July 2022, was approved in March 2023.

Guerbet has decided to commit to at least a "Well below 2°C" trajectory [2] by 2032, starting from reference year 2021. In concrete terms, this trajectory breaks down as follows:

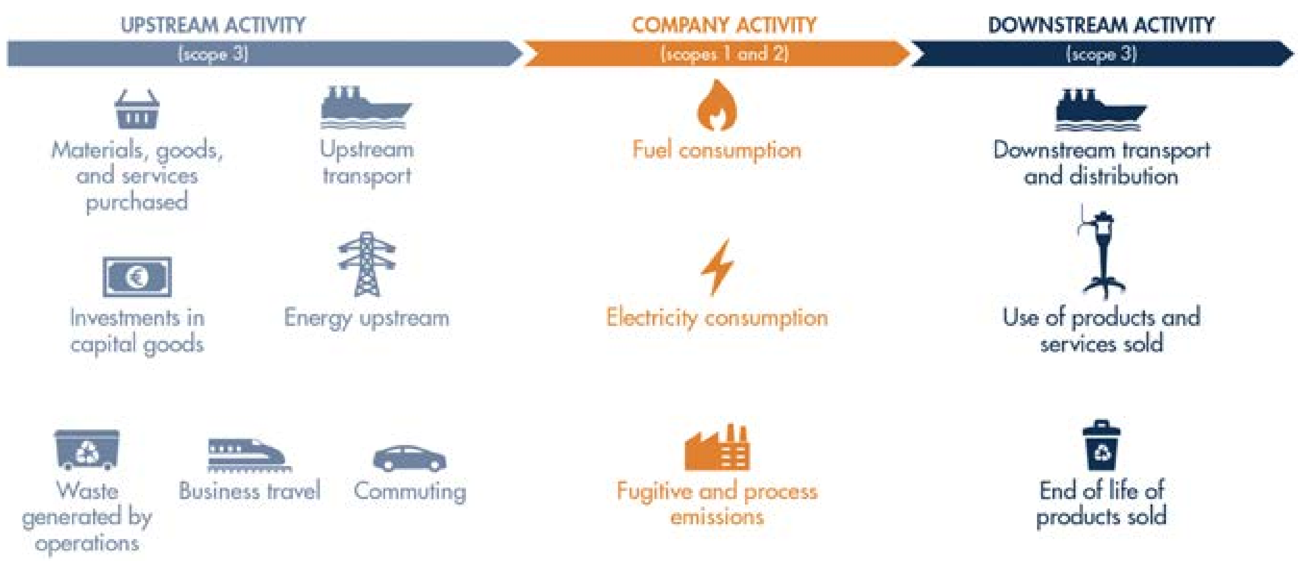

These objectives take into account:

- the Group's growth strategy;
- internal reduction actions;
- innovation and technological developments;
- exogenous decarbonization factors concerning electricity;
- the use of renewable energies (favoring deployment at our plants rather than the purchase of certificates); and
- the commitments of key suppliers and transport companies.

They have been validated by the Executive Committee and the Board of Directors.

In 2022, Guerbet updated its carbon footprint assessment for all its activities, scopes 1, 2, and 3.

#### SCOPE OF GUERBET'S CARBON FOOTPRINT ASSESSMENT

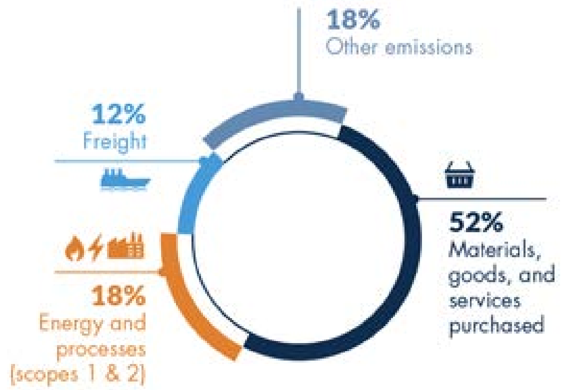



This study confirmed the significant items, namely purchases, energy, and transport. These three items account for more than 80% of the Group's greenhouse gas (GHG) emissions.

[1] *The Science-Based Targets initiative (SBTi) encourages ambitious climate action in the private sector by allowing companies to set science-based emission reduction targets.* ***https://sciencebasedtargets.org/****. 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.*

[2] *Well below 2°C compared with pre-industrial temperatures, as recommended by the Intergovernmental Panel on Climate Change (IPCC).*

### BREAKDOWN OF GHG SOURCES



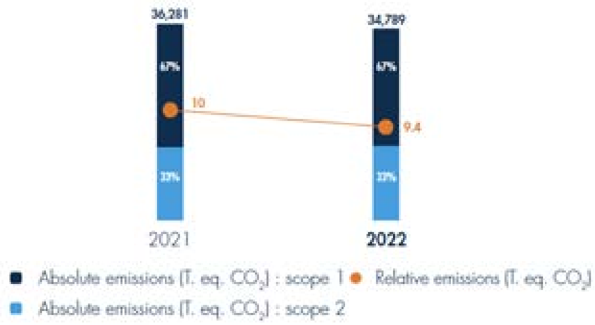

In connection with this carbon footprint assessment and the objectives of the "Well below 2°C" trajectory, Guerbet is strengthening these action plans in the following key areas:

- Governance:
  - strengthen climate governance at every level of the company;
  - review the climate trajectory in the Executive Committee and Board of Directors;
  - translate Group objectives into individual objectives for key functions;
  - strengthen the consideration of climate in internal decision-making mechanisms (medium-term budgets, etc.).
- Employee engagement & training
  - involve all employees in contributing to the Group's objectives;
  - develop internal expertise in key functions;
  - raise awareness among all employees.
- Energy and processes (see paragraph on "Minimizing the carbon impact of energy consumption and processes"):
  - continue with energy efficiency audits and actions at industrial plants;
  - set up innovative facilities;
  - develop the use of renewable energies (e.g. signing a contract for the operation of solar panels at the Dublin plant);
  - strengthen energy and climate criteria in investments and development.
- 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 to optimize our supply chain (see the paragraph on "Minimizing the carbon impact of the supply chain");
  - give preference to sea transport over air transport for shipping finished products to our 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 2022, the relative GHG emissions on scopes 1 and 2 represent 34,489 metric tons of $CO_2$ 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."

Guerbet stopped operating oil-fired boilers in 2020, and this has had a positive impact on GHG emissions and enables the Group to have the following breakdown of energy consumption.

**BREAKDOWN OF GHG EMISSIONS BY TYPE OF ENERGY AT THE INDUSTRIAL PLANTS**


## Minimizing the carbon impact of the supply chain

RISKS & OPPORTUNITIES

Transport represents 12% 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.

2022 was also a peculiar year due to the COVID-19 crisis and the geopolitical situation (availability of raw materials, cost and availability of energy and maritime freight). However, the sharing of values and the collaboration established with transporters and suppliers made it possible to get through the year without any major break in supply, involving greater use of air transport.

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;
- use a new rail transport route between Europe and Asia.

## Other actions

In addition to energy and transport optimization measures, other actions 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 (virtual meetings);
- 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 2022, 24% of company vehicles in France will be hybrid or electric (vs. 19% in 2021); in addition, we will no longer order diesel vehicles;
- Guerbet plants are equipped with charging stations for electric vehicles, for example in Aulnay-sous-Bois and at the head office in Villepinte;
- to reduce the impact of commuting, various actions have been implemented in recent years: car-sharing service, promotion of soft modes of transportation, promotion of carpooling, and the widespread implementation of teleworking.

### 5.4.1.3 Green taxonomy

#### Context of the European Taxonomy

The European Union (EU) published European Regulation 2020/852 of June 18, 2020, known as the "Taxonomy" Regulation, on the establishment of a framework to promote sustainable investments within the European Union.

Sustainable activities are described for the first two climate objectives of mitigation and adaptation in Annexes I & II of the Climate Delegated Acts. Sustainable activities will be extended to the other four environmental objectives in 2023, with reporting required in the 2024 fiscal year.

Annexes I and II define eligible activities, as well as the technical criteria for qualifying these activities as effectively sustainable. Activities that do not meet these definitions are considered ineligible.

The key performance indicator reporting requirements for the 2022 fiscal year concern eligibility, as was the case for the 2021 fiscal year. For the first year of "alignment", Guerbet is also required to publish the alignment, as shown in the graphic below.


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 and aligned revenue;
- share of eligible and aligned capital expenditures (CAPEX);
- share of eligible and aligned operating expenditures (OPEX).

For the second year, Guerbet identified its eligible activities. For the first year, Guerbet also analyzed their alignment with the sustainability criteria. To do this, Guerbet verified:

- the substantial contribution to one of the six climate objectives;
- the absence of significant harm to the other five (DNSH: Do No Significant Harm);
- compliance with minimum social safeguards.

#### Guerbet's CSR strategy and taxonomy

For the first two objectives applicable from the 2021 fiscal year, climate change mitigation and adaptation, the European Commission has prioritized the sectors of activity that emit the most greenhouse gases in the European Union.

Guerbet's activities are focused on research and innovation and the manufacture and marketing of contrast media, medical devices, and innovative solutions essential for Diagnostic and Interventional Imaging.

The legislator does not consider that the activities of production and marketing of diagnostic and interventional imaging products make a substantial contribution to the two climate objectives defined by the Taxonomy, including the production of active pharmaceutical ingredients, which an analysis has found not to be eligible for activity "3.14. Manufacture of organic basic chemicals" covered by the Taxonomy.

Guerbet's 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.

In addition to the obligations associated with the Taxonomy Regulation, Guerbet has defined its strategy to reduce its environmental impact and, more specifically, its decarbonization objectives (see section 5.4. "Minimizing the environmental impacts of our activities" and 5.4.1 "Climate issues").

Guerbet has set the following decarbonization objectives for 2032, in absolute terms, relative to the reference year 2021:

- at least 27.5% reduction on scopes 1 and 2;
- at least 13.2% reduction on scope 3.

## Eligible activities

Guerbet has not identified any eligible revenue, CAPEX or OPEX related to its diagnostic and interventional imaging product production and marketing activities.

The Group conducted a detailed analysis of the activity "3.14. Manufacture of organic basic chemicals" covered by the Taxonomy. This analysis did not reveal any revenue related to the activity "3.14 Manufacture of basic organic chemicals", as the products manufactured by Guerbet are not listed among the targeted products.

For now, the scope of Guerbet's eligible activities is mainly limited to the following activities of the "Climate Change Mitigation" annex of the regulation:

- activity 6.5 on transport by motorbikes, passenger cars and commercial vehicles for long-term leasing of light vehicle fleets;
- real estate activities described in point 7:
  - 7.3: Installation, maintenance, and repair of energy efficiency equipment,
  - 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings,
  - 7.6: Installation, maintenance and repair of renewable energy technologies,
  - 7.7: Acquisition and ownership of buildings, for positive changes in rights of use for long-term real estate leases and for constructions for the Company's own account;
- activity 8.1 relating to data processing, hosting, and related activities.

Guerbet has identified CAPEX and OPEX related to individual measures that correspond to purchases and capital expenditures related to other eligible activities, mainly activity "6.5. Transport by motorbikes, passenger cars and commercial vehicles" and real estate activities described in section 7 of the Climate Change Mitigation annex.

## Eligible financial indicators

### *Methodology for identifying eligible financial indicators*

The financial information used to calculate eligibility indicators comes from Guerbet's financial monitoring systems for the 2022 fiscal year. An analysis of the data was conducted to avoid double counting of eligible activities in the numerator of the Taxonomy indicators.

### *Eligible revenue*

Given that Guerbet's activities are not targeted by the taxonomy at this stage of the regulatory process, Guerbet does not present eligible revenue with respect to the first two climate objectives. Further study revealed that digital solution marketing activities are Taxonomy non-eligible. Artificial Intelligence activities will be Taxonomy-eligible once they are released on the market.

The consolidated revenue making up the Taxonomy denominator amounts to €753,275 K.

## Eligible CAPEX

In 2022, Guerbet's eligible CAPEX include:

- Capital expenditures on assets or processes associated with Taxonomy-eligible economic activities, i.e. R&D work on Artificial Intelligence and digital solutions under category "8. Information and communication", paragraph "8.1. Data processing, hosting, and related activities."
- Capital expenditures related to the purchase of Taxonomy-eligible economic activities and individual measures that enable such activities to become low-carbon or lead to GHG reductions, namely activities:
  - 6.5: related to transport by motorbikes, passenger cars and commercial vehicles for long-term leasing of light vehicle fleets;
  - real estate activities described in point 7:
    - 7.3: Installation, maintenance and repair of energy efficiency equipment,
    - 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings,
    - 7.6: Installation, maintenance and repair of renewable energy technologies,
    - 7.7: Acquisition and ownership of buildings, for positive changes in rights of use for long-term real estate leases and for constructions for the Company's own account.
  - R&D 8.1 related to data processing, hosting, and related activities for Artificial Intelligence R&D. Data on the R&D of digital solutions are not considered because they are not eligible after further study.

These eligible CAPEX constitute the numerator for calculating the share of eligible CAPEX.

| Investments related to: | Standards | Amount *(in thousands of €)* | Cross reference to the 2022 consolidated financial statements |
|---|---|---|---|
| Rights to use vehicle fleet leasing (6.5) | IFRS 16 | 1,760 | Not available for direct reading in the URD |
| Property, plant and equipment (6.5) | IAS 16 | – | Not available for direct reading in the URD |
| Installation, maintenance and repair of:<br>• energy efficiency equipment (7.3)<br>• instruments and devices for measuring, regulation, and controlling energy performance of buildings (7.5)<br>• and renewable energy technologies (7.6) | | 2,358 | Not available for direct reading in the URD |
| Construction, real estate activities and rights of use – long-term real estate leases (7.7) | IAS 16<br>IFRS 16 | 10,560 | Not available for direct reading in the URD |
| Artificial Intelligence R&D (8.1) | IAS 38 | 799 | Not available for direct reading in the URD |
| **TOTAL ELIGIBLE CAPEX (NUMERATOR)** | | **15,477** | |

In 2022, the amount of eligible CAPEX (numerator) was €15,477 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 2022 consolidated financial statements |
|---|---|---|---|
| R&D | IAS 38 | 5,679 | Not available for direct reading in the URD |
| Tangible assets | IAS 16 | 43,737 | Section 6.1.2, Note 6.1 |
| Rights of use | IFRS 16 | 12,607 | Section 6.1.2, Note 6.1 |
| Intangible assets | IAS 38 | 1,009 | Not available for direct reading in the URD |
| **TOTAL CAPEX (DENOMINATOR)** | | **63,032** | |

In 2022, the denominator amounted to €63,032 K, as detailed above.

The eligible CAPEX ratio amounts to €15,477 K, or 25% of total CAPEX.

### Eligible OPEX

In 2022, Guerbet's eligible OPEX include direct non-capitalized costs related to:

- assets or processes associated with eligible economic activities, i.e. Artificial Intelligence R&D. Data on the R&D of digital solutions are not considered because they are not eligible after further study;
- 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 2022 consolidated financial statements |
|---|---|---|
| Artificial Intelligence R&D (8.1) | 1,205 | Not available for direct reading in the URD |
| Construction and real estate activities (7.7) | — | Not available for direct reading in the URD |
| **TOTAL ELIGIBLE OPEX (NUMERATOR)** | **1,205** | |

In 2022, the amount of eligible OPEX (numerator) was €1,205 K, as detailed above.

In accordance with the Taxonomy Regulation, the OPEX denominator consists of direct non-capitalized costs related to R&D and maintenance costs, which amounted to €93,445 K.

| Direct non-capitalized costs related to: | Amount *(in thousands of €)* | Cross reference to the 2022 consolidated financial statements |
|---|---|---|
| R&D | 69,982 | Section 1.6.6 |
| Maintenance | 23 463 | Not available for direct reading in the URD |
| **TOTAL OPEX (DENOMINATOR)** | **93,445** | |

The ratio of taxonomy-eligible OPEX is €1,205 K, or 1% of OPEX. Given that activity 8.1 R&D has no taxonomy-aligned CAPEX, there are no taxonomy-aligned OPEX.

## Aligned financial indicators

### *Aligned financial indicator evaluation methodology*

This initial alignment analysis by Guerbet is likely to evolve in the coming years with changes in the availability of data, especially technical data and information from equipment suppliers or service providers.

### *Specific criteria for substantial contribution and DNSHs*

The substantial contribution and DNSH criteria used to analyze alignment are summarized in the following table:

| CAPEX related to activities | Method of analysis of the substantial contribution criteria | Specific DNSH |
|---|---|---|
| 6.5. Transport by motorbikes, passenger cars and commercial vehicles with respect to long-term leasing of light vehicle fleets | Light electric or plug-in hybrid vehicles | Circular economy DNSH recognized as satisfied in the EU (reusability, recyclability, potential value)<br>Pollution DNSH analyzed for vehicles meeting the substantial contribution criteria ($CO_2$ emissions/km, tire category) |
| 7.3. Installation, maintenance, and repair of energy efficiency equipment | Recognized as satisfied when the installation presents an improvement in energy performance compared with a previous installation (in the absence of energy class data on the equipment in question) | The CAPEX eligible for this section and meeting the substantial contribution criteria are not covered by the pollution DNSH described for this activity for components, building materials and thermal insulation, or deemed satisfied in France/Europe. |
| 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings | Always recognized as satisfied | No specific DNSH |
| 7.6. Installation, maintenance and repair of renewable energy technologies | Always recognized as satisfied | No specific DNSH |
| 7.7. Acquisition and ownership of buildings, for positive changes in rights of use for long-term real estate leases (and not for constructions on behalf of the Group) | Buildings leased, at the European level, with an A or B DPE (energy performance assessment) and constructed before December 31, 2020, are considered to meet the DPE A or top 15% criterion because, at the European level, the top 15% includes at least these two DPE levels. | No specific DNSH |
| 8.1. R&D in Artificial Intelligence and Digital Solutions in the category "8. Information and communication" | Notation of the Data Center in the 2022 Code of Conduct on Data Center Energy Efficiency or compliance with CEN/CENELEC standard CLC TR50600-99-1 "Data Center Facilities and Infrastructure - Part 99-1: Recommended Practices for Energy Management." These practices must be verified by an independent third party and audited at least every three years.<br>The global warming potential (GWP) of refrigerants used in the data center cooling system does not exceed 675. | Circular economy DNSH: considered satisfied in France/Europe.<br>Aquatic and marine resources DNSH: analysis of the risk of water quality degradation and assessment of environmental impacts, including impacts on water |

### *Methodology for analyzing generic DNSHs and minimum safeguards*

#### Adaptation DNSH

Guerbet verified that it meets the generic adaptation DNSH criteria for all its eligible activities in accordance with Appendix A of the Climate Change Mitigation annex.

The Group conducted an analysis of the exposure of its activities to climate risks, including physical climate risks. This analysis was deployed on the real estate assets identified as material by the Group and including physical climate risks (temperature, drought, precipitation, natural disasters, etc.). For more information, see paragraph 5.4.1.1 "Climate risks and opportunities."

The Group later conducted a financial vulnerability assessment of the main risks, including physical risks, to determine the significance of the risks. Climate risks are projected to 2030, 2040 and 2050 based on two scenarios: a low-emissions scenario (1.5 °C) and a high-emissions scenario (4°C). In connection with these analyses, Guerbet identified adaptation solutions to reduce the main climate risks, including physical risks.

#### Minimum social safeguards

In accordance with the guiding principles of the minimum safeguards described in article 4 of the Taxonomy Regulation, economic activities must also respect minimum social safeguards.

In terms of human rights, Guerbet relies on its management systems, policies and tools, such as its ethics charter and its secure whistleblowing platform (see section 5.5.1, "Human rights").

Guerbet also relies on its responsible purchasing approach, especially its Supplier Code of Ethics (see 5.5.2, "Responsible purchasing").

Guerbet does not have a specific mapping on human rights. The Group plans to establish it in 2023 and, on the basis of this analysis, will be able to define a specific human rights policy to supplement the existing mechanisms.

Guerbet has identified a plan to improve its Minimum Social Safeguards by 2024 and has not been convicted of any human rights violations [3]. Guerbet thus considers that it meets the criteria of minimum safeguards related to human rights.

#### Corruption

In the fight against corruption, Guerbet has policies and procedures, including its ethics charter, its secure whistleblowing platform, and the training of its employees (see section 5.5.3 "Prevention of corruption and conflicts of interest").

#### 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. Guerbet regularly trains its exposed employees in competition law best practices (see section 5.5.4 "Compliance with competition law").

#### Taxation

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.

[3] *Verified by consulting the National Contact Points and BHRRC databases.*

## Eligibility and alignment results for the 2022 fiscal year

The results of the Taxonomy indicators for the 2022 fiscal year are summarized below. Detailed results using the regulatory tables are presented on pages 146 to 151.

In 2022, eligible CAPEX totaled €15,477 K, or 23% of total CAPEX. Aligned CAPEX amounted to €4,908 K, or 32% of eligible investments and 8% of total CAPEX.

| Amount *(in thousands of €)* | 2022 |
|---|---|
| Eligible and aligned investments | 4,908 |
| Proportion of aligned investments to TOTAL CAPEX | 8% |
| Proportion of aligned investments to eligible investments | 32% |
| Eligible and non-aligned investments | 10,569 |
| Eligible investments | 15,477 |
| Proportion of eligible investments | 25 % |
| Non-eligible investments | 47,555 |
| **TOTAL CAPEX (DENOMINATOR)** | **63 032** |

The aligned investments are mainly related to:

- the use of electric and hybrid vehicles, encouraged by the policy concerning company vehicles (activity 6.5); at the end of 2022, 26% of company vehicles in France were hybrid or electric;
- the installation of equipment promoting decarbonization at our industrial plants:
  - energy-efficient equipment associated with activity 7.3: wall and roof insulation, replacement of windows with energy-efficient windows, and highly efficient heating, ventilation and air conditioning equipment, including, for example, the installation of a new boiler at the Dublin plant,
  - instruments and devices for measuring, regulation and controlling energy performance of buildings related to 7.5,
  - technologies related to renewable energies, such as heat exchangers.

  Note that some decarbonization investments are not counted in eligible investments;
- the construction of an energy class B administration building at one of our industrial plants (activity 7.7).

## Conclusion and outlook

The ratio of Taxonomy-eligible and Taxonomy-aligned CAPEX, calculated in 2022, does 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." The legislator does not consider that Guerbet's activities make a substantial contribution to the two climate objectives defined by the Taxonomy, since the Regulation targeted the sectors of activity that emit the most greenhouse gases.

Regarding achievement of the other four environmental objectives, the draft Complementary Delegated Act could extend the list of eligible activities to Guerbet's activities, such as the manufacture of sustainable and circular electrical and electronic equipment and its resale and/or remanufacture. The manufacture of basic pharmaceutical products and basic pharmaceutical preparations is currently no longer included in the draft Complementary Delegated Act.

Guerbet will revise the methodology for calculating indicators based on data and information from suppliers that will probably be more readily available in the future and on the basis of regulatory developments, in particular with the publication of delegated acts that will extend the list of eligible activities to the other four environmental objectives.

The Group is also considering the inclusion of criteria contributing to alignment in these procedures, notably with regard to purchasing and internal reporting on investments.

## TAXONOMY ANNEX – TURNOVER

| Economic activities (1) | Code(s) (2) | Total revenue (3) | % of revenue (4) | Substantial contribution criteria: Climate change mitigation (5) | Climate change adaptation (6) | Aquatic and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) |
|---|---|---|---|---|---|---|---|---|---|
| | | (€K) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | |
| A.1. Taxonomy-aligned activities | | | | | | | | | |
| Revenue from Taxonomy-aligned activities (A.1.) | 0 | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A |
| A.2. Taxonomy-eligible but Taxonomy non-aligned activities | | | | | | | | | |
| Revenue from Taxonomy-eligible but Taxonomy non-aligned activities (A.2.) | N/A | 0 | 0% | | | | | | |
| **TOTAL A (A.1. + A.2.)** | **N/A** | **0** | **0%** | | | | | | |
| **B. TAXONOMY NON-ELIGIBLE ACTIVITIES** | | | | | | | | | |
| Revenue from Taxonomy non-eligible activities (B) | N/A | 753,275 | 100% | | | | | | |
| **TOTAL (A + B)** | **N/A** | **753,275** | **100%** | | | | | | |

| | No Significant Harm criteria (DNSH – Do No Significant Harm) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Climate change mitigation (11) | Climate change adaptation (12) | Aquatic and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum safeguards (17) | **Share of Taxonomy-aligned revenue, year N (18)** | Share of Taxonomy-aligned revenue, year N-1 (19) |
| | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *(%)* | *(%)* |
| | | | | | | | | | |
| | | | | | | | | | |
| | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0% | N/A |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

## TAXONOMY ANNEX – CAPEX

| Economic activities (1) | Code(s) (2) | Total capital expenditures (3) | % of capital expenditures (4) | Substantial contribution criteria: Climate change mitigation (5) | Climate change adaptation (6) | Aquatic and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) |
|---|---|---|---|---|---|---|---|---|---|
| | | (€K) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | |
| A.1. Taxonomy-aligned activities | | | | | | | | | |
| 6.5 Transport by motorbikes, passenger cars and commercial vehicles | 6.5 | 227 | 0.4% | 100% | N/A | N/A | N/A | N/A | N/A |
| 7.3 Installation, maintenance and repair of energy efficiency equipment | 7.3 | 2166 | 3.4% | 100% | N/A | N/A | N/A | N/A | N/A |
| 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings | 7.5 | 70 | 0.1% | 100% | N/A | N/A | N/A | N/A | N/A |
| 7.6. Installation, maintenance and repair of renewable energy technologies | 7.6 | 77 | 0.1% | 100% | N/A | N/A | N/A | N/A | N/A |
| 7.7 Acquisition and ownership of buildings | 7.7 | 2368 | 3.8% | 100% | N/A | N/A | N/A | N/A | N/A |
| Capital expenditures for Taxonomy-aligned activities (A.1.) | N/A | 4908 | 0.4% | 100% | N/A | N/A | N/A | N/A | N/A |
| A.2. Taxonomy-eligible but Taxonomy non-aligned activities | | | | | | | | | |
| 6.5 Transport by motorbikes, passenger cars and commercial vehicles | 6.5 | 1,533 | 2.4% | | | | | | |
| 7.3 Installation, maintenance and repair of energy efficiency equipment | 7.3 | 45 | 0.1% | | | | | | |
| 7.7 Acquisition and ownership of buildings | 7.7 | 8,192 | 13.0% | | | | | | |
| 8.1. Data processing, hosting, and related activities | 8.1 | 799 | 1.3% | | | | | | |
| Capital expenditures for Taxonomy-eligible but Taxonomy non-aligned activities (A.2.) | N/A | 10,569 | 16.8% | | | | | | |
| **TOTAL A (A.1. + A.2.)** | **N/A** | **15,477** | **24.6%** | | | | | | |
| **B. TAXONOMY NON-ELIGIBLE ACTIVITIES** | | | | | | | | | |
| Capital expenditures for Taxonomy non-eligible activities (B) | N/A | 47,555 | 75.4% | | | | | | |
| **TOTAL A + B** | **N/A** | **63,032** | **100.0%** | | | | | | |

| No Significant Harm criteria (DNSH – Do No Significant Harm) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Climate change mitigation (11) | Climate change adaptation (12) | Aquatic and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum safeguards (17) | **Share of Taxonomy-aligned capital expenditures, year N (18)** | Share of Taxonomy-aligned capital expenditures, year N-1 (19) |
| *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *(%)* | *(%)* |
| | | | | | | | | |
| | | | | | | | | |
| Yes | N/A | N/A | Yes | Yes | N/A | Yes | 0.4 % | N/A |
| Yes | N/A | N/A | N/A | Yes | N/A | Yes | 3.4 % | N/A |
| Yes | N/A | N/A | N/A | N/A | N/A | Yes | 0.1 % | N/A |
| Yes | N/A | Yes | Yes | N/A | N/A | Yes | 0.1 % | N/A |
| Yes | N/A | N/A | N/A | N/A | N/A | Yes | 3.8 % | N/A |
| Yes | N/A | N/A | N/A | N/A | N/A | Yes | 0.4 % | N/A |
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## TAXONOMY ANNEX – OPEX

| Economic activities (1) | Code(s) (2) | Total operating expenditures (3) | % of operating expenditures (4) | Substantial contribution criteria | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Climate change mitigation (5) | Climate change adaptation (6) | Aquatic and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) |
| | | *(€K)* | *(%)* | *(%)* | *(%)* | *(%)* | *(%)* | *(%)* | *(%)* |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | |
| A.1. Taxonomy-aligned activities | | | | | | | | | |
| Operating expenditures for Taxonomy-aligned activities (A.1.) | | 0 | 0% | N/A | N/A | N/A | N/A | N/A | N/A |
| A.2. Taxonomy-eligible but Taxonomy non-aligned activities | | | | | | | | | |
| 8.1. Data processing, hosting, and related activities | | 1,205 | 2% | | | | | | |
| Operating expenditures for Taxonomy-eligible but Taxonomy non-aligned activities (A.2.) | | 0 | 0% | | | | | | |
| **TOTAL A (A.1. + A.2.)** | | **1205** | **2%** | | | | | | |
| **B. TAXONOMY NON-ELIGIBLE ACTIVITIES** | | | | | | | | | |
| Operating expenditures for Taxonomy non-eligible activities (B) | | 68,777 | 98% | | | | | | |
| **TOTAL (A + B)** | | **69,982** | **100%** | | | | | | |

| No Significant Harm criteria (DNSH – Do No Significant Harm) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Climate change mitigation (11) | Climate change adaptation (12) | Aquatic and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum safeguards (17) | **Share of Taxonomy-aligned OPEX, year N (18)** | Share of Taxonomy-aligned OPEX, year N-1 (19) |
| *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *Yes/No* | *(%)* | *(%)* |
| | | | | | | | | |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0 % | N/A |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

### 5.4.1.4 Action plan and results

In the interest of transparency, Guerbet has, in particular, published for the fourth consecutive year information and data concerning its climate strategy by replying to the climate questionnaire of CDP, an international non-profit organization, formerly known as the Carbon Disclosure Project, that recognizes the world's most active companies in the fight against climate change. In 2022, Guerbet received a "B" rating, on a scale from A to D, for its 2021 information and data. This result reflects our level of consideration of climate issues in 2021 and does not reflect the results and actions of 2022. Guerbet is implementing actions to help limit climate change in key emission areas (see details in section 5.4, "Climate issues"):

- 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.

CDP has the largest global database on the environmental performance of cities and businesses. It encourages investors, businesses and cities to take action to build a truly sustainable economy by measuring and understanding their impact on the environment. 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.

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, replying to this questionnaire not only helps strengthen its reputation and shareholder confidence and attract new investors, but can also improve the risks/opportunities analysis approach 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 2022 |
|---|---|---|
| Consideration of climate issues | Identify risks and opportunities related to climate change. | • Implementation of the climate action plan.<br>• Further study to assess the physical and transitional risks and opportunities associated with climate change.<br>• B rating on the CDP Climate Change Questionnaire for 2021 actions and results (on a scale from A to D). |
| Challenge of decarbonization | Define and implement the decarbonization strategy. | • The relative GHG emissions on scopes 1 and 2 represent 34,789 metric tons of $CO_2$ equivalent.<br>• Implementation of energy efficiency actions by the industrial plants, detailed in paragraph 5.4.2, "Sustainable use of resources", a closer look at "Energy consumption").<br>• Communication of decarbonization objectives and commitment to the SBTi (dossier approved in March 2023); objectives aligned with a "Well below 2°C" trajectory, i.e. an absolute reduction between 2021 and 2032 of:<br>• 27.5% on scopes 1 and 2;<br>• 13.5% on scope 3. |
| Closer look at supply and climate | Objectives:<br>• Improve the proportion of available products delivered on time.<br>• Reduction in the share of air transport.<br>Priorities:<br>• Improve the reliability of sales forecasts and:<br>• make production more flexible by investing in new industrial tools;<br>• strengthen the relationship with logistics companies. | • The air transport indicator is higher than in 2019, partly due to the COVID-19 crisis and occasional disruptions.<br>• Ongoing stabilization of distribution-center structures.<br>• Continued actions to improve the service rate of the industrial plants, in particular through the deployment of new planning/scheduling software.<br>• 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, i.e. relative to production

The reduction of relative water consumption at our industrial plants is a criterion used to calculate the variable compensation of employees receiving a variable compensation component.

In 2022, water consumption at our industrial plants was 973,494 m$^3$, up 4% in relative terms and 6% in absolute terms compared with 2021. Relative consumption was up 4% in relative terms compared with 2017. This result is the consequence of the commissioning of new equipment since 2017, the manufacture of technical batches of gadopiclenol, and technical incidents mainly at the Dublin plant. The increase in absolute terms is related to the increase in quantities produced at the plants, the increase in volumes at the active ingredient manufacturing plants, and the insourcing of production at the pharmaceutical plants.

The industrial plants implement programs to control water consumption. Here are some illustrations of actions carried out during the year:

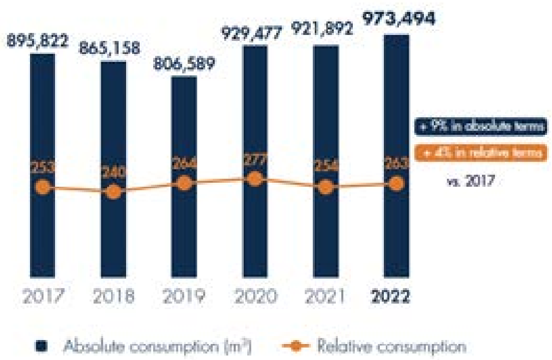
- at the Lanester plant:
  - performance of an audit, installation of meters with remote reading, formation of a working group, and launch of a study of water consumption;
  - continuation of the initiative to recycle process water internally as cooling water for the incinerator, an initiative for which the plant won the 2021 Loire-Brittany water award, and continuation of the plant's participation in the working group led by the Morbihan Chamber of Commerce and Industry, which involved carrying out technical analyses, promoting good practices, organizing thematic workshops, mapping wastewater reuse potential, etc.;

**LAURÉAT DU TROPHÉE DE L'EAU LOIRE-BRETAGNE 2021"**
*Catégorie « Préserver l'eau, l'économiser et lutter contre les pollutions »*

- production of water mapping and search for leaks at the Dublin plant;
- at Aulnay-sous-Bois, purchase of an osmosis unit to supply the plant's main boiler, the injection of better-quality water limiting the amounts of water and gas consumed.

**CHANGE IN WATER CONSUMPTION**

*(reference year 2017)*



## Energy consumption

| OBJECTIVE | ENERGY CONSUMPTION | > -25% energy at the industrial plants **between 2017 and 2023**, in relative terms, i.e. relative to production |
|---|---|---|

The reduction of relative energy consumption at our industrial plants is a criterion used to calculate the variable compensation of employees receiving a variable compensation component.

In 2022, energy consumption at our industrial plants was 185,009 MWh, down 4% in relative terms and down 2% in absolute terms compared with 2021. The relative decrease between 2021 and 2022 can be explained in particular by the high level of production activity, which recoups fixed consumption costs. This result is an improvement of 8% in relative terms and 4% in absolute terms compared with 2017, thanks to the actions implemented in recent years. This decrease is lower than expected in 2018, in particular following the commissioning of new equipment since 2017, the manufacture of technical batches of Gadopiclenol, the increased quantities produced at the active ingredient manufacturing plants, and insourcing of production at the pharmaceutical plants.

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:

- definition and implementation of energy restraint plans;
- at Lanester, a feasibility study underway as part of the plant's decarbonization project, continuation of the consumption mapping and analysis program, and maintaining the recycling of a solvent with a high calorific value to replace gas on the incinerator, reducing the site's gas consumption.

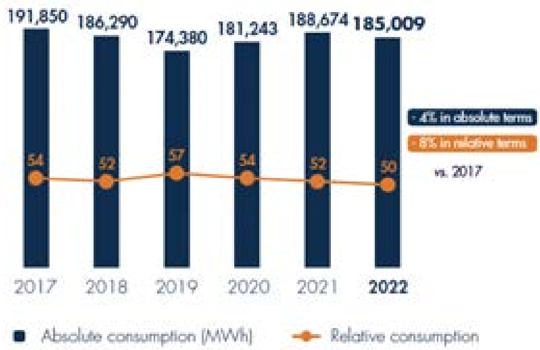
leem trophées RSE

This project was given the LEEM (*Les Entreprises du Médicament*) CSR award in the "environment" category in 2021;

- at Dublin:
  - installation of a new, more efficient boiler with an expected reduction of nearly 10%,
  - work to optimize the internal solvent recycling facilities, increasing the proportion of recycling and reducing energy consumption (the plant has been recycling the two main solvents used in its processes for several years),
  - finalization of the leak repair program,
  - continued replacement of lighting with LEDs,
- at Aulnay-sous-Bois:
  - purchase of an osmosis unit to supply the plant's main boiler, with the injection of better-quality water limiting the amounts of water and gas,
  - addition of steam meters,
  - commissioning of a condensate heat recovery system,
  - renovation of the air-handling unit ducts to limit heat loss,
- at Rio, replacement of the boiler.

### 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 internal recycling of iodine in processes, the recycling of solvents internally, 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 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).

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 recovered iodine. More than 200 metric tons of iodine is recycled internally at the plant, helping to preserve the global resource.

The Dublin plant has facilities for the recovery of two solvents. Each year, the plant internally recycles approximately 96% of the tonnage for these two solvents, representing more than 70% of the main solvents used to manufacture active ingredients.

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. It was also the subject of an LCA (life cycle analysis) demonstrating its positive impact on the environment compared with the vial format.

## 5.4.4 Preservation of biodiversity and control of emissions

The HSE policy reflects Guerbet's commitment to minimizing the Group's environmental impact across all its activities, in particular by optimizing the processes for treatment of effluents, discharges in the water and air, and waste. The active ingredient production plants (Dublin, Lanester, and Marans) are the largest contributors.

### 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, and in particular:

- effluent optimization (see section 5.4.4.2);
- waste management;
- compliance with air emission standards.

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 the head office are committed to rational management of green spaces by, for example, signing limited weed control contracts. For example, the Marans and Lanester plants are pursuing eco-pasture initiatives. The Dublin plant has selected an area on its green spaces to plant wildflowers. Employee awareness-raising activities were organized during the HSE day, and seeds of native species were distributed to staff. The Lyon and Marans plants organized waste collection initiatives during sustainable development weeks. The Lanester plant has beehives.

### 5.4.4.2 Effluent optimization

Effluent treatment process optimization programs are in place, in particular at the top three contributing plants:

- at Dublin, the program to monitor and optimize the wastewater treatment plant is continuing, with, for example, the installation of a new equalization tank and a project to increase the capacity of the treatment station to allow the plant to treat its effluents internally in a context of increasing volumes;
- 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 internal recycling of this resource. More than 200 metric tons of iodine is recycled at the plant and reused to preserve the global resource. In 2022, the plant continued to implement on-line measurements of total hydrocarbons in its damage basin. It also obtained regulatory approval to increase its internal processing capacity for iodine by-products, which will allow it to recover greater amounts of iodine;
- in Marans, actions to optimize the operation of the effluent treatment line are continuing.

The discharge thresholds of the Marans and Lanester plants 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

**WASTE MANAGEMENT AND TREATMENT**

In 2022, the total amount of waste generated by the Group's industrial plants and treated externally was 13,794 metric tons, an increase of 66% in relative terms and 73% in absolute terms [1] compared with 2017. This increase was mainly the consequence of increased production volumes at Lanester, which requires greater outsourcing of waste treatment because the plant currently does not have the technical capacity to treat its waste using its own facilities.

All the industrial plants have waste optimization and recovery programs either internally or externally. 40% 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 iodine recovery and reuse facilities. The Dublin plant has solvent recovery facilities (see section 5.4.3 "Innovation approach"). Approximately 200 metric tons of iodine is recycled internally at the Lanester plant, making it possible to preserve the global resource 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***


* *The data from previous years were modified following corrections made by a plant after annual reporting.*

In addition to the actions in place, at the industrial plants and administrative units and the sales subsidiaries, new initiatives are being taken, including:

- at Dublin: increased internal reuse of one of the solvents recycled at the plant and replacement of drums with flexible containers to limit waste;
- at Marans, work on the reclassification of an effluent to allow it to be resold and reused externally; this effluent has gone from being considered waste to being a mixture with a positive environmental and economic impact;
- reduction of paper consumption and associated waste through gradual digitization of sales brochures, pay slips, invoices, contracts, etc.;
- initiatives at the plants to limit food waste (discussion with subcontractors, putting up posters, etc.);
- a clothing collection point set up at Aulnay.

[1] *The relative amount of waste is the amount of waste relative to production.*

### 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.

### 5.4.4.4 Action plan and results

| Theme | Objectives and key focuses for 2018–2023 | Actions, progress and results in 2022 |
|---|---|---|
| Water | • Objective of reducing relative water consumption [a] by 25% by 2023.<br>• Deployment of action plans to reduce water consumption in the industrial plants. | • Water consumption of 973,494 $m^3$, up 4% in relative terms and 6% in absolute terms from 2021. Relative consumption was up 4% from 2017 and higher in absolute terms. This result is not as good as expected, especially following the commissioning of new equipment since 2017, the manufacture of technical lots of gadopiclenol, and technical incidents at the Raleigh plant. The increase in absolute terms is linked to the increase in quantities produced at the plants in a context of internationalization. |
| Energy | • Objective of reducing relative energy consumption [a] by 25% by 2023.<br>• Deployment of action plans to reduce energy consumption in the industrial plants. | • Energy consumption at the industrial plants was 185,009 MWh, down 4% in relative terms and down 2% in absolute terms compared with 2021. The relative decrease between 2021 and 2022 can be explained in particular by the high level of production activity, which recoups the cost of the fixed consumption. This result is an improvement of 8% in relative terms and 4% in absolute terms compared with 2017, thanks to the actions implemented in recent years. This decrease is less than expected, especially following the commissioning of new equipment since 2017, the manufacture of technical batches of Gadopiclenol, and the increase in quantities produced at the plants in 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 that human rights are respected in its value chain. Guerbet incorporates human rights into its internal management systems, policies and tools such as its ethics charter, secure whistleblowing platform, and its Supplier Code of Ethics. Guerbet only works with suppliers who respect human rights, labor laws, the environment and business ethics (see section 5.5.2 "Responsible purchasing"). Guerbet makes patient safety a top priority and protects the rights of those 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 section 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.

Guerbet's criteria include ethics, the environment, and the social component.

The purchasing policy also has a socially responsible dimension in the form of practices based on integrity and honesty. The Guerbet group is committed to working only 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 healthy 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 Ethics 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[1] for its suppliers. This Code aims to promote societal and environmental values among our suppliers, and defines the principles that they must obey. Since 2022, Guerbet has included this code as an appendix to new contracts (or at least equivalent guarantees). Guerbet continues its deployment 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 2022, Guerbet strengthened the incorporation of CSR into existing processes:

- Supplier Code of Ethics appended to new contracts;
- in the supplier evaluation table, which will be the subject of a pilot panel in 2023;
- in supplier performance reviews;
- integration of the results of the analysis of the physical climate risks of its main suppliers into the internal tool for rating the risks of its main suppliers;
- continuation of the ongoing 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;
- anti-corruption communication for International Anti-Corruption Day.

(1) https://www.guerbet.com/media/iqwnzdmy/guerbet-code-of-ethics-english.pdf.

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 found that purchased materials, goods and services 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 its top 20 contributing raw materials suppliers. 80% of these 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;
- internal carbon tax;
- compensation mechanisms.

The Guerbet group is a signatory to the Responsible Supplier Relations Charter.

2022 was also a peculiar year because of the COVID-19 crisis and the geopolitical situation. Tensions over energy and raw materials led us to rely more and more on the sharing of values and established collaboration with suppliers. This has allowed us to cope with any supply difficulties.

## 5.5.2.2 Action plan and results

| Theme | Objectives and key focuses for 2018–2023 | Actions, progress and results in 2022 |
|---|---|---|
| Responsible purchasing | • 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.<br>• Deploy the Supplier Code of Ethics with all new suppliers representing an ESG risk (or at least equivalent guarantees).<br>• 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.<br>• Pursue the climate commitment initiative with the major greenhouse gas emitters among the Group's raw material suppliers.<br>• Anticipate the Conflict Minerals Regulation [a]; Guerbet is indirectly concerned through the purchase of electronic equipment.<br>• Promote purchases from companies from priority districts of the city ("QPVs") and local companies as well as the supplier's commitment to CSR. | • Design and validation of a training module on the purchasing policy for deployment in 2023 in the single training management tool.<br>• Guerbet has included the Supplier Code of Ethics as an appendix to new contracts and has continued its deployment with suppliers presenting ESG risks.<br>• Integration of the results of the analysis of the physical climate risks of its main suppliers into the internal tool for rating the risks of its main suppliers.<br>• Continued deployment of the HSE evaluation table for one of its suppliers.<br>• The impact of the Conflict Minerals Regulation has been assessed and is not material. 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 the CEO, has established measures for preventing corruption and influence peddling in accordance with the Sapin II law. The 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 Corruption 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.

### 5.5.3.2 Preventive measures

#### Ethics Charter and policies

By distributing the Group's ethics charter to all employees, Guerbet renews 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.

Guerbet has an anti-corruption policy as well as a policy for managing conflicts of interest, revised in 2022, 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 interactive e-learning module on the Group's ethics charter was deployed in 2022 in 13 languages. It provides a better illustration of the themes addressed in the charter through concrete examples and scenarios.

The corruption prevention e-learning module implemented in 2020 in French and English was redeployed this year. Originally intended primarily for the Group's top managers and executives, the module is now available in 12 languages and accessible to a larger number of exposed employees depending on their geographic 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 Whistleblowing

Guerbet encourages its employees to report any acts inconsistent with its ethical principles, especially those that could be considered as corruption, to their line manager or the designated officials or through a dedicated whistleblowing platform. This secure whistleblowing platform is separate from the computing network and available to all Group employees.

It allows any whistleblowing issues reported anonymously or otherwise to be collected, recorded, and investigated confidentially. This whistleblowing system is included in the Group's ethics charter and is accessible to external stakeholders. A report on the operation of the whistleblowing system and the associated escalations was presented to the Ethics Committee of the Board of Directors in 2022.

### 5.5.3.4 Action plans and results

| Theme | Objectives and key focuses for 2018–2023 | Actions, progress and results in 2022 |
|---|---|---|
| Combating corruption and preventing conflicts of interest | • Updating the Group's anti-corruption and conflict of interest policies and related procedures.<br>• Reinforcing the control measures based on the corruption risk mapping established within the Group.<br>• 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.<br>• 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.<br>• Promoting the whistleblowing mechanism and encouraging its use within the Group. | • Anti-corruption communication for International Anti-Corruption Day.<br>• Review of the conflict of interest policy and individual questionnaire sent to the functions concerned.<br>• A self-assessment campaign on governance, including management of the fight against corruption, leading to the identification of priority action plans to be implemented and definition of the continuous improvement program.<br>• Continued deployment of the Group's anti-corruption training to the most exposed functions/geographic regions, with more than 375 people trained.<br>• Categorization of third parties.<br>• Report on escalations through the whistleblowing system presented to the Ethics Committee. In 2022, 13 messages were received through our whistleblowing system.<br>• New e-learning module on the Group's ethics charter with specific questions on the whistleblowing system. Video and internal interviews on the system to encourage its use. |

## 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 2022 |
|---|---|---|
| Compliance with competition law | • Maintaining compliance with competition law by training exposed employees. | • In 2022, the Group was subject to no competition proceedings or complaints.<br>• 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, Medicen Paris Region, and others. Guerbet is also a member of trade associations in many other countries.

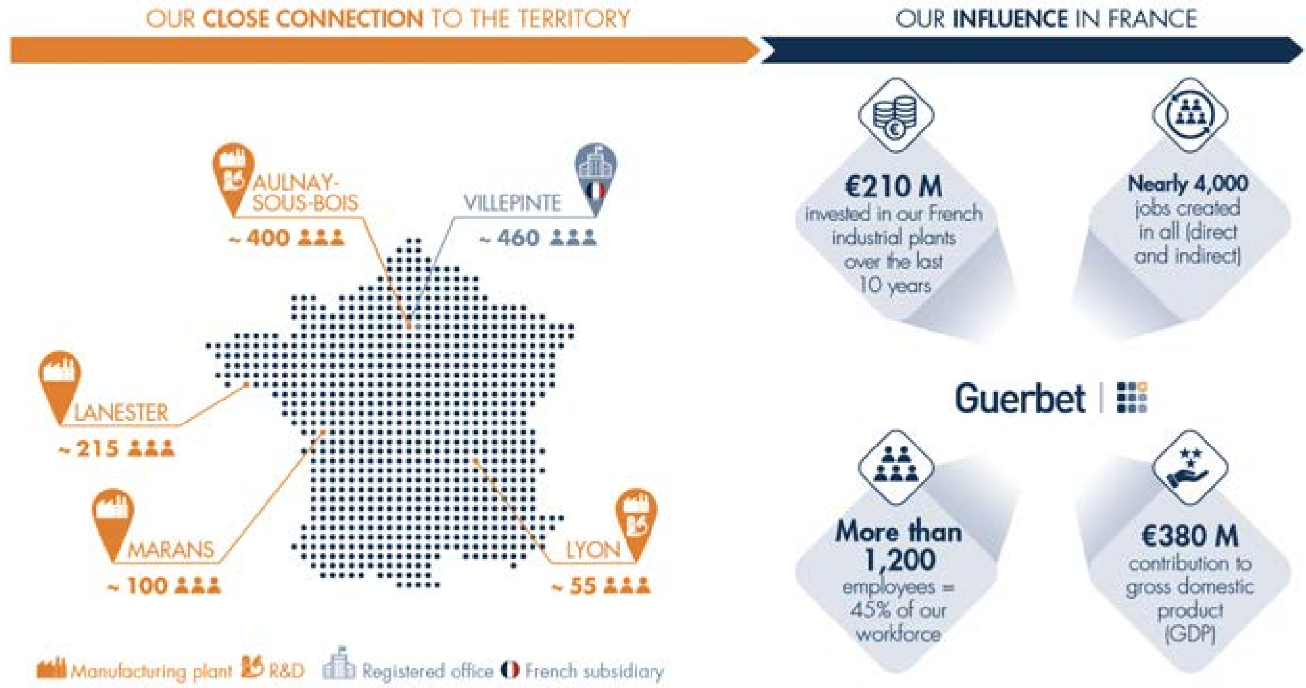
Guerbet develops research partnerships across all the continents, including the United States, Asia-Pacific and Europe (detailed in section 1.6.5 "Public-Private Partnerships").

Guerbet also supports various organizations and associations. The Group recently set up a skills sponsorship program, which allows employees to volunteer for up to three days per year during their working hours. The areas of engagement cover the topics of diversity and inclusion, environment, health, and local issues. Guerbet also encourages employee involvement through 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 2022, Guerbet updated the economic study conducted for the first time in 2018 that measured the national and local impacts of Guerbet's activity on the French economy in terms of direct and indirect employment, investments that contribute more than two-thirds to companies in France, and value added.




From 2011 to 2021, Guerbet's growth in value added was significantly more dynamic than in the rest of the economy and similar to the pharmaceutical sector as a whole.

## 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 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 15 of the 17 SDGs, summarized below and previously detailed in the CSR chapter.

| SDG | EXAMPLES OF GUERBET'S CONTRIBUTIONS |
|---|---|
| 1 | Guerbet promotes **lasting employment** for its employees. In addition, Guerbet employees who participate in the Guerbet Positive volunteer program contribute to solidarity and the fight against poverty through actions on the ground or collections. |
| 2 | As part of the Guerbet Positive volunteer program, Guerbet employees contribute to limiting hunger worldwide through initiatives such as food collections or participation in creating a vegetable garden. |
| 3 | 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. |
| 4 | Guerbet contributes to **the training of young people** by taking on interns, developing work-study and VIE contracts, hiring young people after their internship or work-study period, and promoting young employees to key, critical or niche positions where skills are in short supply. |
| 5 | Employee diversity is a source of human wealth, 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 among middle and senior management as globally, and has set itself targets. |
| 6 | Aware of the ecological challenges, Guerbet has set itself an **objective of reducing its water consumption** by implementing measures to reduce and optimize effluents from industrial plants. |
| 8 | 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**. |
| 9 | **Guerbet applies a policy of continuous investments** at its plants to ensure modernization of its facilities, in particular by favoring more environmentally efficient facilities. |
| 10 | **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 offers its employees the opportunity to contribute to reducing inequalities through its Guerbet Positive volunteer program. |
| 12, 13, 14, 15 | 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 itself targets for reducing water consumption, and is developing approaches to the circular economy, preservation of biodiversity, waste optimization and the control of discharges into water and the air. |
| 16 | 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. |
| 17 | Guerbet has a global skills-based sponsorship and volunteer program: Guerbet Positive. This is a commitment by the company and its employees, a concrete and human contribution of value for non-profit organizations, their beneficiaries and the causes they support, in line with our values and our corporate purpose. |

# 5.8 External recognition of Guerbet's CSR performance

## External awards

Guerbet was awarded the 2022 and 2023 Socially Responsible label, out of 2,000 companies with offices in France and more than 500 employees. Guerbet was ranked 120th out of the 250 companies awarded the label (gaining 27 places) and 9th in the health and pharmaceutical category out of 22 companies awarded the label in this category (gaining 3 places).

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.

## External CSR results

### Summary

| Organization | Scope/context | 2020 | 2021 | 2022 | 2022 comments |
|---|---|---|---|---|---|
| **EthiFinance non-financial rating agency** | **ESG**<br>Gaïa Research: agency specializing in ESG ratings for companies listed on European markets. | 74/100 | 72/100 | ↗ Gold Level 74/100 | 2/45 Healthcare equipment and services sector<br>4/107 Healthcare sector<br>28/567 Revenue category<br>Revenue (> €500 M)<br>This improved rating compared with the previous year reflects Guerbet's capability and efforts in ESG issues. |
| **International non-profit organization** | **Climate**<br>COP recognizes the world's most active companies in the fight against climate change. | A- | B | = B | Top 33% worldwide Level B management, on a scale from D- to A |
| **Non-financial rating agency** | **Social**<br>Humpact measures the contribution to employment in France of the 273 main listed companies. | 2.8/5 | 4.5/5 | = 4.5/5 | 2/22 sector<br>19/299 listed companies evaluated |
| **CAHPP** (Central purchasing office for private and public hospitals) | **CSR**<br>299 suppliers and service providers evaluated in 2022.<br>The CAHPP supports healthcare institutions in their responsible purchasing with the Green Rating system. | A++ 87.5/100 | NA* | A+ 79/100 * | * Redesign of the questionnaire |
| **Purchasing group** | **CSR**<br>Evaluation of suppliers in connection with calls for tenders. | B | A | = A | On a scale from A to E |

# 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 and analyzed quarterly.

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 "LMS" training management tool). 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 has been rolled out across the entire Group 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 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.

##### 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.

## 5.9.2 Change in scope of consolidation

No acquisitions or divestments in 2022.

## 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;
- changes in certain data (e.g. regulatory changes in the calculation of the percentage of employees with disabilities in France and updating of greenhouse gas emission factors).

Guerbet has therefore clarified the definitions and methodologies used for these indicators.

## 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.

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.

#### 5.9.5.3 Performance of quality control laboratories

This is the number of quality control analyses conducted per full-time-equivalent employee.

## 5.9.6 Social indicators

### 5.9.6.1 Workforce

The workforce includes all employees who have 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.

Change in methodology: since 2021, employees who have a contract ending on December 31 of year N are 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;
- LATAM (Latin America): Argentina, Brazil, Chile, Colombia, Mexico and Panama;
- Asia-Pacific: Australia, China, Hong Kong, India, Japan, South Korea and Taiwan.

### 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 during the year. 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, mainly for quality, safety and regulatory training and for e-learning;
- MyHR for other training (with the exception of 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.

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 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.

### 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; on the basis of actual consumption for the head office and calculation of the floor space of the premises for the other entities;
- reporting of fugitive emissions (refrigerant leaks) for year N. Refrigerant emissions were obtained using two methods: actual for all industrial plants and calculation on the basis of floor space for the other entities;
- reporting of actual fuel oil and diesel consumption for mobile equipment;
- reporting of measured or calculated values 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.

Emissions resulting from energy consumption are calculated using emission factors mainly from ADEME, IEA, ECOINVENT and the LEEM accounting framework. The emission factors used to calculate greenhouse gas emissions were updated in 2023. For electricity, we now use market-based emission factors, and emissions from prior years have been recalculated with these emission factors to ensure consistency in the calculation method. With regard to other emission factors, if their fluctuations are attributable to exogenous changes, they will be kept for prior years to take into account the exogenous changes.

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, 2022

*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 3-1886 rév. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), 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, 2022 (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.

## Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comment:

- The classification of waste treated externally, recovered and non-recovered, presents an uncertainty inherent of the new monitoring tool deployment in 2022. Improvements still need to be made to ensure the reliability, within the closing deadlines, of the reporting of this data to from supplier slips.

## 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 the Company's website.

## 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

Management is responsible for:

- selecting 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 regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the fight against corruption and tax evasion);
- 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 our audit verification programme in application of 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 with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

## 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 2023 and took a total of 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.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

## 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 17% and 71% 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 30, 2023

One of the Statutory Auditors,
**Deloitte & Associés**

| Jean-François VIAT<br>Partner, Audit | Catherine SAIRE<br>Partner, Sustainability Services |
|---|---|

(1) *Qualitative information: Review of measures taken to promote the employment and integration of people with disabilities (Focus on dedicated training for recruiters and the adaptation of workstations); Review of the approach promoting a better quality of life at work (Focus on engagement surveys, office layout and training to raise awareness of psychosocial risks); Review of the commitment of Guerbet and its employees to respond to societal challenges (Focus on Guerbet's commitment to the PAQTE initiative and on mentoring actions in partnership with the NQT association).*

(2) *Quantitative environmental information: Water consumption; Quantity of waste treated externally (hazardous and non-hazardous, recovered, and non-recovered); Energy consumption (electricity, natural gas, fuel oil); Greenhouse gas emissions related to energy consumption - Scope 1 & 2 carbon footprint.*
*Quantitative social information: Total workforce at the end of the period; Total number of hires over the period; Total number of departures over the period (split by reason); Number of employees who have attended at least one training or awareness session on the exercise.*
*Quantitative Health & Safety information: Number of work accidents (AT) with lost time or adapted work stations or medical treatment; Number of days off following an AT; Frequency rate and severity rate of work accidents; Number of work accidents in relation to the number of employees (Total Recordable Incident Rate).*

(3) *Selected entities: industrial plants in Lanester (France), Dublin (Ireland) and Cincinnati (United States).*

# 6

# Financial statements and related notes

# 6.1 Consolidated financial statements and notes

## 6.1.1 Summary financial statements

### 6.1.1.1 Consolidated balance sheet

**ASSETS (net values)**

| *(in thousands of €)* | Note | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| Intangible assets | 5 | 97,925 | 188,618 |
| Tangible assets | 6 | 286,119 | 274,046 |
| Other non-current financial assets | 1 & 7 | 29,273 | 23,295 |
| Deferred taxes – Assets | 8 | 16,653 | 19,419 |
| **Total Non-current assets** | | **429,970** | **505,379** |
| Inventories | 9 | 272,496 | 201,952 |
| Trade receivables | 10 & 1.1 | 121,238 | 118,775 |
| Assets held for sale [(a)] | | 10,300 | — |
| Other current financial assets | 1 & 1.1 | 63,955 | 59,000 |
| Cash and cash equivalents | 1 & 1.2 | 41,683 | 115,728 |
| **Total Current assets** | | **509,673** | **495,454** |
| **TOTAL ASSETS** | | **939,643** | **1,000,833** |

**EQUITY & LIABILITIES (net values)**

| *(in thousands of €)* | Note | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| Capital | | 12,641 | 12,641 |
| Other reserves | | 444,835 | 408,234 |
| Net income | | (41,116) | 32,637 |
| Translation adjustment | | (36,790) | (48,420) |
| **Shareholders' equity, Group share** | **11** | **379,570** | **405,092** |
| *of which Group share* | | *379,570* | *405,092* |
| Non-current financial liabilities | 2.1 & 2.2 | 278,431 | 299,691 |
| Other non-current financial liabilities | 2 | — | 1,947 |
| Deferred tax liabilities | 8 | 9,872 | 15,246 |
| Non-current provisions | 12 | 32,150 | 41,988 |
| **Non-current liabilities** | | **320,453** | **358,873** |
| Trade and other payables | 13 & 2.1 | 103,711 | 81,021 |
| Current financial liabilities | 2.1 & 2.2 | 33,611 | 33,847 |
| Other current liabilities | 1 & 2.7 | 69,021 | 97,217 |
| Current tax liabilities | | 19,366 | 15,011 |
| Other short-term provisions | 12 | 13,912 | 9,774 |
| Liabilities associated with assets held for sale [(a)] | | — | — |
| **Total Current liabilities** | | **239,620** | **236,869** |
| **TOTAL EQUITY & LIABILITIES** | | **939,643** | **1,000,833** |

(a) *Following the Group's announcement in January 2023 of a strategic refocusing, concentrating efforts for activity II on Lipiodol® and putting the catheter activities up for sale, the non-current assets of Accurate Medical Therapeutics and Occlugel were considered "held for sale" pursuant to IFRS 5. These assets and liabilities were recognized at fair value and classified at the bottom of the Group's consolidated balance sheet. This results in net assets of €10.3 million.*

### 6.1.1.2 Consolidated income statement

| *(in thousands of €)* | Note | 2022 | 2021 |
|---|---|---|---|
| **Revenue** | **4** | **753,275** | **732,071** |
| Usage fees | | 8,001 | – |
| Other operating revenue | 14 | 8,879 | 4,941 |
| Purchases consumed and change in inventories | | (180,424) | (190,934) |
| Staff costs | 15 | (240,664) | (232,789) |
| External charges | 16 | (232,585) | (195,565) |
| Taxes | 17 | (14,992) | (13,459) |
| Amortization, depreciation and impairment | 18 | (119,625) | (55,945) |
| Net provisions | 18 | (1,587) | (10,434) |
| Other operating income and expenses | 19 | 1,561 | 799 |
| **Current operating income** | | **(18,160)** | **38,685** |
| *of which profit sharing* | | *(455)* | *(591)* |
| Income from cash and cash equivalents | | 34 | 59 |
| Gross finance costs | 20 | (3,239) | (3,243) |
| **Net finance costs** | | **(3,205)** | **(3,183)** |
| Currency gains/losses | | (3,634) | (3,212) |
| Other financial income and expenses | | (3,373) | (3,316) |
| Income tax expense | 21 | (12,744) | 3,664 |
| **Consolidated net income** | | **(41,116)** | **32,637** |
| *of which Group share* | | *(41,116)* | *32,637* |
| Net earnings per share with €1 face value *(in euros)* | | (3.25) | 2.59 |
| Diluted net earnings per share with €1 face value *(in euros)* | 27 | (3.25) | 2.58 |

### 6.1.1.3 Consolidated statement of comprehensive income

| *(in thousands of €)* | 2022 | 2021 |
|---|---|---|
| **Consolidated net income for the period** | **(41,116)** | **32,637** |
| **Income and expenses recognized directly in equity** | | |
| Non-reclassifiable | | |
| Actuarial gains and losses on IAS 19 obligations | 11,286 | 1,521 |
| Deferred tax on actuarial gains and losses on IAS 19 obligations | (3,069) | (1,358) |
| Actuarial gains and losses on IFRS 2 obligations | (399) | 610 |
| Deferred tax on actuarial gains and losses on IFRS 2 obligations | 103 | (158) |
| Reclassifiable | | |
| Hedging instruments | 9,134 | (751) |
| Change in translation adjustments | 11,631 | 12,137 |
| **NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY** | **(12,430)** | **44,637** |

### 6.1.1.4 Consolidated statement of cash flows

| *(in thousands of €)* | 2022 | 2021 |
|---|---|---|
| **Net income** | **(41,116)** | **32,637** |
| Change in amortization/depreciation and provisions on fixed assets and other current assets | 123,134 | 58,320 |
| Net provisions for liabilities | 382 | 8,316 |
| Change in fair value of hedging instruments | (1,358) | 443 |
| Costs of stock options and free shares | (399) | 610 |
| Income from sale of fixed assets and other adjustments | 2,273 | 286 |
| **Cash flow after net finance costs and taxes** | **82,916** | **100,612** |
| Net finance costs | 4,573 | 5,343 |
| Tax expenses (including deferred taxes) | 12,744 | (3,664) |
| **Cash flow before net finance costs and taxes** | **100,233** | **102,290** |
| Taxes paid | (11,410) | 586 |
| (Increase)/decrease in inventories | (68,228) | 4,578 |
| (Increase)/decrease in trade and other receivables | (1,556) | (6,644) |
| Increase/(decrease) in trade payables | 22,146 | 16,042 |
| (Increase)/decrease in other assets | (5,499) | (8,628) |
| Increase/(decrease) in other liabilities | (5,245) | 7,748 |
| Change in operating WCR | (58,382) | 13,096 |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES (A)** | **30,441** | **115,973** |
| Investments | (54,024) | (56,359) |
| *intangible assets* | *(6,688)* | *(11,431)* |
| *tangible assets* | *(43,835)* | *(37,500)* |
| *financial assets* | *(3,500)* | *(7,428)* |
| Asset disposals | 1,913 | 2,849 |
| *intangible assets* | *720* | *720* |
| *tangible assets* | *1,194* | *840* |
| *financial assets* | — | *1,289* |
| Increase/(decrease) in amounts payable on fixed assets | (3,288) | 1,267 |
| **NET CASH FLOWS FROM INVESTMENT ACTIVITIES (B)** | **(55,398)** | **(52,243)** |
| Dividends paid | (10,733) | (8,814) |
| Capital increase | — | 592 |
| Loan issues | 2,398 | 6,581 |
| Loan repayments | (35,659) | (34,392) |
| Net finance interest paid (including finance lease agreements) | (4,552) | (5,250) |
| **NET CASH FLOW FROM FINANCING ACTIVITIES (C)** | **(48,546)** | **(41,283)** |
| Effect of exchange rate changes (D) | (620) | 68 |
| **NET CHANGE IN CASH (A) + (B) + (C) + (D)** | **(74,122)** | **22,515** |
| **STARTING CASH** | **115,556** | **93,042** |
| **ENDING CASH** | **41,433** | **115,556** |

## Net cash

| *(in thousands of €)* | 2022 | 2021 |
|---|---|---|
| Bank credit facilities | (250) | (172) |
| Cash and cash equivalents | 41,683 | 115,728 |
| **TOTAL** | **41,433** | **115,556** |

### 6.1.1.5 Statement of changes in consolidated shareholders' equity

| *(in thousands of €)* | Capital | Consolidated reserves | Result | Change in translation adjustments | Total |
|---|---|---|---|---|---|
| **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** |
| Appropriation of 2021 result | | 32,637 | (32,637) | | — |
| Stock options | | | | | |
| Dividend payments | | (10,733) | | | (10,733) |
| 2022 consolidated result | | | (41,116) | | (41,116) |
| Actuarial gains and losses | | 14,696 | | | 14,696 |
| Translation adjustments | | | | 11,631 | 11,631 |
| Capital increase | — | | | | — |
| Other transactions | | — | | | — |
| **SITUATION AT 12/31/2022** | **12,641** | **444,835** | **(41,116)** | **(36,792)** | **379,570** |

## 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).

The IFRS adopted by the European Union as of December 31, 2022, are available in the IAS/IFRS Interpretations and Standards section on the following website: https://www.efrag.org/Endorsement.

#### b) Principal mandatory standards, amendments and interpretations applicable beginning January 1, 2022

The amendments to IFRS 3, "Updating a Reference to the Conceptual Framework", IAS 16, "Proceeds Before Intended Use", IAS 37, "Onerous Contracts – Costs of Fulfilling a Contract", and the "Annual Improvement of IFRS, 2018–2020 Cycle" amendments are applicable for fiscal years beginning on or after January 1, 2022. The Guerbet group has not been affected by the coming into force of these amendments.

#### b bis) Principal standards, amendments and interpretations published by the IASB not yet mandatory in the European Union as of January 1, 2022

The Group has not opted for the early adoption of any standards, amendments, or interpretations that were not mandatory as of January 1, 2022.

#### 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, 2022. 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 internal 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 (cf. Note 19, "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 capitalized.

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, 2022, 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.

The sub-activity is excluded from the valuation of inventories.

## 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) Assets held for sale

An asset or a 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.

**Free shares:** the Group applies IFRS 2 for employee free 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. Deferred taxes 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 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, resulting 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 (amortization, depreciation, 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 2022

#### FDA approval for Elucirem™

In September 2022, Guerbet obtained approval from the US Food and Drug Administration (FDA) for the market release of Elucirem™ (gadopiclenol), a gadolinium-based macrocyclic contrast agent (GBCA), for use in contrast-enhanced magnetic resonance imaging (MRI).

The dossier has also been submitted to the European Medicines Agency and is currently under review.

#### Strategic refocusing and end of partnership with Merative (formerly IBM Watson Health)

In October 2022, Merative (formerly IBM Watson Health) unilaterally and immediately terminated its collaboration with Guerbet. In particular, the negotiation that followed allowed Guerbet to regain full ownership of assets developed by the partnership such as application software source codes and algorithms. In connection with this termination, Guerbet received a settlement payment of €4 million recognized on the income statement under "Other operating income".

In January 2023, the Group announced the strategic refocusing of its resources on Diagnostic Imaging to manage the launch of Elucirem™, focus its efforts in Interventional Imaging on Lipiodol®, put microcatheter and Occlugel activities up for sale, and establish a new partnership in Artificial Intelligence with Intrasense. As a result of these events, an impairment loss of €58.8 million was recognized at December 31, 2022.

#### Opening of the new Finance Shared Services Center in Mexico City

As part of its transformation plan, the Group announced in 2021 the decision to relocate its shared services center from St. Louis (Missouri, USA) to Mexico. The new office, located in Mexico City, now provides support functions for the Americas and has been operational since July 2022.

#### Gradual exit from the Turkish market

In November 2022, the Guerbet group decided to terminate its activities in Turkey because of the complexity of the market and the country's economic situation. The subsidiary is being liquidated. In the consolidated financial statements at December 31, 2022, the company's assets were all measured at their net asset value.

#### Slower activity at the Raleigh industrial plant in the United States

The Raleigh plant in North Carolina (USA) faced significant staff turnover and recruitment difficulties that disrupted production and affected sales globally.

#### Tax audit

Guerbet is undergoing a tax audit for the years 2018 to 2020. Certain items are undergoing a reassessment and are under discussion with the tax authorities.

The impact of the tax audit on the consolidated financial statements at December 31, 2022, is a tax liability of €7.7 million and a provision for liabilities and charges of €6 million. The impact on the income statement includes €8.9 million recognized as an income tax expense and €2.4 million in operating income.

#### Economic disruptions

Inflationary pressures have mainly affected supply costs, e.g. for iodine. The Group is continuing its policy of cost control and has managed to limit the increase in energy prices through its existing purchasing policies and contracts.

#### War in Ukraine

The Group's exposure to the Russian-Ukrainian conflict remains unchanged since the closing at December 31, 2021. The Group has no direct interests in Ukraine or in conflict zones. The situation in Ukraine has limited effects on its operations and financial performance.

### 6.1.2.3 Scope of consolidation

All companies are fully consolidated, with ownership interests of 100% (see list of companies in Note 30).

In 2022, all the entities had the same fiscal year duration, 12 months, and closed their fiscal year on December 31.

## 6.1.2.4 Notes to the consolidated financial statements

### Summary of notes

# NOTE 1 Financial assets

| 2022 | Available-for-sale financial assets | Loans and receivables | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | Total Balance Sheet |
|---|---|---|---|---|---|
| Non-current tax obligations | | — | | | — |
| Other non-current financial assets | 9,584 | 11,166 | | 8,523 | 29,273 |
| Trade and other receivables | | 121,238 | | | 121,238 |
| Other current financial assets | | 63,955 | | | 63,955 |
| Cash and cash equivalents | | | 41,683 | | 41,683 |
| **TOTAL** | **9,584** | **196,360** | **41,683** | **8,523** | **256,150** |

| 2021 | Available-for-sale financial assets | Loans and receivables | Financial assets at fair value through profit or loss | 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** |

## CHANGE IN IMPAIRMENT OF FINANCIAL ASSETS

| | 2021 | Allocations | Reversals | Translation adjustments and other | 2022 |
|---|---|---|---|---|---|
| Trade and other receivables | 4,307 | 635 | (837) | 114 | 4,220 |
| Other current financial assets [(a)] | 1,822 | 1,543 | — | — | 3,365 |
| **TOTAL** | **6,129** | **2,178** | **(837)** | **114** | **7,585** |

*(a) Impairment of Truffle Capital units.*

| | 2020 | Allocations | Reversals | Translation adjustments and other | 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.*

## 1.1 Loans and debts at amortized cost

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Gross | Impairment | Net | Gross | Impairment | Net |
| Other non-current financial assets | 11,918 | (752) | 11,166 | 13,421 | – | 13,421 |
| Trade and other receivables | 125,458 | (4,220) | 121,238 | 123,222 | (4,447) | 118,775 |
| Other current financial assets | 64,656 | (701) | 63,955 | 59,559 | (559) | 59,000 |
| **TOTAL** | **202,032** | **(5,672)** | **196,360** | **196,203** | **(5,007)** | **191,196** |

| Other current financial assets at amortized cost | 2022 | 2021 |
|---|---|---|
| Advance payments made to suppliers | 3,857 | 1,859 |
| State and local authorities | 41,144 | 42,895 |
| Trade payables | | |
| Staff and social security | 25 | 4 |
| Receivable royalties | | |
| Receivable subsidies | | |
| Other current assets [(a)] | 10,476 | 6,017 |
| Prepaid expenses | 8,453 | 8,225 |
| **TOTAL** | **63,955** | **59,000** |

*(a) In 2022: including €3 million in IBM Watson assets.*

| Aged trade receivables at December 31, 2022 | Gross value |
|---|---|
| Receivables not yet due | 108,867 |
| Receivables less than 3 months past due | 9,335 |
| Receivables less than 6 months past due | 1,719 |
| Receivables less than 1 year past due | 1,452 |
| Receivables less than 2 years past due | 273 |
| Receivables more than 2 years past due | (410) |
| **TOTAL** | **121,238** |

Outstanding trade receivables at December 31, 2022, are reduced by a non-recourse assignment of receivables in France in December for €9.9 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, 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 sale of non-recourse receivables in France in December for €5 million.

### 1.2 Financial assets at fair value through profit or loss

| | 2022 | 2021 |
|---|---|---|
| **Financial assets at fair value through profit or loss except derivatives, of which** | **41,683** | **115,728** |
| Short-term investments | 1,926 | 1,199 |
| Cash and cash equivalents | 39,757 | 114,529 |
| **TOTAL** | **41,683** | **115,728** |

## NOTE 2 Financial liabilities

### 2.1 Details of financial liabilities with distinction of the non-current part of said liabilities

| | 2022 | | | 2021 |
|---|---|---|---|---|
| | Current | Non-current | Total | Total |
| Financial liabilities (Note 2.2) | 33,611 | 278,431 | 312,042 | 333,538 |
| Suppliers | 103,710 | | 103,710 | 81,021 |
| Other financial liabilities (Note 2.7) | 69,021 | | 69,021 | 97,183 |
| Derivatives (Note 3) and other financial instruments | — | — | — | 1,981 |
| **TOTAL** | **206,342** | **278,431** | **484,772** | **513,723** |

### 2.2 Details of financial debts with distinction of the non-current part of said debts

| | 2022 | 2021 |
|---|---|---|
| **Non-current liabilities, of which** | **278,431** | **299,691** |
| Special investment reserve (frozen current accounts) | 316 | 555 |
| IFRS 16 lease liability | 13,378 | 11,212 |
| Borrowing | 249,907 | 274,514 |
| Other borrowing [(a)] | 14,830 | 13,410 |
| **Current liabilities, of which** | **33,611** | **33,847** |
| IFRS 16 lease liability | 8,328 | 7,773 |
| Borrowing | 24,597 | 25,461 |
| Current profit-sharing reserve | 435 | 442 |
| Bank credit facilities | 250 | 172 |
| **TOTAL FINANCIAL LIABILITIES** | **312,042** | **333,538** |

*(a) In December 2008, the request for aid for the French-German "Iseult" research project, filed with OSEO, was approved by the European Commission. Financing was obtained for the incurred expenditures: 39% in the form of reimbursable 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 for discounting of €4.7 million, with an offsetting entry recognized in financial expenses. At December 31, 2022, financial liabilities totaled €14.7 million.*

The interest paid on this debt is mostly variable-rate interest.

| | 2022 | 2021 |
|---|---|---|
| Portion of debt at variable rate (before hedging) | 95% | 96% |
| Portion of debt at fixed rate | 5% | 4% |

*An interest rate swap hedges 72% of the variable-rate debt.*

**RECONCILIATION OF CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES**

| | 2021 | Emission | Repayment | Bank credit facilities | Foreign exchange effect and other changes | Reclassification | 2022 |
|---|---|---|---|---|---|---|---|
| Non-current liabilities | 299,691 | 14,803 | (11,586) | | 154 | (24,632) | 278,431 |
| Current liabilities | 33,847 | 53 | (25,000) | 70 | 9 | 24,632 | 33,611 |
| **TOTAL** | **333,538** | **14,856** | **(36,586)** | **70** | **163** | **—** | **312,042** |

## 2.3 Details of financial debts by currency

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| Currency | Closing price | Amount | % | Closing price | Amount | % |
| EUR | 1 | 301,327 | 96.6% | 1 | 324,092 | 97.2% |
| KRW | 1,344 | 862 | 0.3% | 1,346 | 289 | 0.1% |
| HKD | 8.32 | 1,713 | 1.0% | 8.83 | 2,116 | 0.6% |
| USD | 1.07 | 3,195 | 0.5% | 1.13 | 2,726 | 0.8% |
| CNY | 7.36 | 1,544 | 0.5% | 7.19 | 355 | 0.1% |
| Miscellaneous | | 3,401 | 1.1% | | 3,960 | 1.2% |
| **TOTAL FINANCIAL LIABILITIES** | | **312,042** | | | **333,538** | |

## 2.4 Details of financial debts by maturity

These financial liabilities have the following maturity dates:

| | 2022 | 2021 |
|---|---|---|
| Due within 1 year | 33,611 | 33,847 |
| Due in 1–5 years [(a)] | 277,393 | 298,678 |
| Due in more than 5 years | 1,038 | 1,013 |
| **TOTAL** | **312,042** | **308,078** |

*(a) Including €250 million due in March 2024 for which the Group has initiated refinancing requests.*

## 2.5 Lease liability

The maturities of the lease liabilities are as follows:

| | 2022 | 2021 |
|---|---|---|
| Due within 1 year | 8,328 | 7,773 |
| Due in 1–5 years | 13,378 | 11,212 |
| **TOTAL** | **21,706** | **18,985** |

## 2.6 Change in financial indebtedness

Net financial debt changed as follows during the year:

| | 2022 | 2021 |
|---|---|---|
| Cash and cash equivalents | 41,683 | 115,728 |
| Bank loans and bank credit balances | (250) | (172) |
| **Net cash** | **41,433** | **115,556** |
| Gross financial debt other than bank credit | 311,791 | 333,367 |
| **NET FINANCIAL DEBT** | **(270,359)** | **(217,811)** |

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 2.66 at December 31, 2022.

## 2.7 Other current financial liabilities

| | 2022 | 2021 |
|---|---|---|
| Social liabilities | 49,270 | 57,456 |
| Debt on fixed assets | 7,466 | 25,628 |
| Miscellaneous debt | 12,285 | 14,133 |
| **TOTAL** | **69,021** | **97,217** |

(1) *EBITDA refers to operating income plus net amortization, depreciation, impairment and provisions.*

# NOTE 3 Management of financial risks

On March 27, 2019, the Group negotiated a five-year, variable-rate, euro-denominated syndicated loan of €500 million in three tranches. Tranche A drawn for an initial amount of €125 million repayable in installments. As of December 31, 2022, €50 million is outstanding. Tranche B of €225 million repayable in a single payment on March 27, 2024. Tranche C of €150 million in the form of a confirmed line of credit not drawn as of December 31, 2022.

This syndicated loan is hedged using interest-rate swaps for €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, 2022

The table below summarizes the Group's main currency risks:

| *(in millions of €)* | USD | JPY | BRL | KRW | HKD | CNY | CLP | GBP |
|---|---|---|---|---|---|---|---|---|
| Accounting risk [(a)] | 46.49 | 24.14 | 17.65 | 15.19 | (15.11) | 14.67 | 5.91 | (2.63) |
| Positions before hedging | 46.49 | 24.14 | 17.65 | 15.19 | (15.11) | 14.67 | 5.91 | (2.63) |
| Currency risk hedging | — | | (3.16) | | | | | |
| Net foreign exchange position | 46.49 | 24.14 | 14.49 | 15.19 | (15.11) | 14.67 | 5.91 | (2.63) |

*(a) Accounting risk includes all assets and liabilities in non-EUR currencies.*

The USD exposure results mainly from the net lending balance of Guerbet's current accounts with its various subsidiaries through the cash-pooling mechanism (eq. €50 million), an amount that increased significantly this year.

The foreign exchange position in JPY is mainly due to the current account between the parent company and its subsidiary Guerbet Japan.

The amount of intra-group receivables of our Brazilian subsidiaries denominated in EUR and USD results in a BRL exposure of eq. €11.4 million to which is added the risk relating to invoicing of Brazilian entities by certain subsidiaries in BRL.

The KRW exposure stems from trade receivables between Guerbet and its two subsidiaries in Korea (eq. €10.3 million) as well as a revolving loan to one of them in USD (eq. €3.7 million).

The invoicing of third-party customers in euros by Guerbet Asia Pacific based in Hong Kong as well as its increasing sales in CNY to our subsidiaries in China are behind our HKD purchase exposure.

Increasing exposure to CNY is a consequence of the development of intra-group sales to our Chinese subsidiaries.

Intra-group invoicing currencies for purchases by our subsidiary in Chile generate risk in CLP.

The GBP exposure is due to the amount lent by the English subsidiary to Guerbet, its parent company, through the current account.

### 3.1.2 Analysis of sensitivity of the financial result to accounting currency risk at December 31, 2022

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 in the net book foreign exchange position at December 31, 2022:

| *(in thousands of €)* | 2022 | 2021 |
|---|---|---|
| USD | 4,649 | 239 |
| JPY | 2,414 | 3,175 |
| BRL | 1,449 | 365 |
| KRW | 1,519 | 685 |
| HKD | (1,511) | 362 |
| CNY | 1,467 | NC |
| CLP | 591 | NC |
| GBP | (263) | (220) |

## 3.2 Interest rate risk

### 3.2.1 Interest rate risk exposure and hedging at December 31, 2022

The share of the Group's financial liabilities at variable rates before hedging is 95%.

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 became effective following the rise in Euribor rates and their move into positive territory this year.

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 | (187) | (15,146) | (15,333) |
| Variable-rate financial liabilities | (33,424) | (263,285) | (296,709) |
| Fixed-rate financial assets | — | — | — |
| Variable-rate financial assets | 41,683 | | 41,683 |
| Net position before management [(b)] | | | |
| • fixed rate | (187) | (15,146) | (15,333) |
| • variable rate | 8,259 | (263,285) | (255,026) |
| Off-balance sheet [(c)] | — | (225,000) | (225,000) |
| Net position after management | | | |
| • fixed rate | (187) | (240,146) | (240,333) |
| • variable rate | 8,259 | (38,285) | (30,026) |

*(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, 2022

More than 96% 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 24.5%.

An increase or decrease of 100 basis points in the Euribor would result in a change in the cost of debt of plus or minus €0.8 million year on year.

| Gross debt *(in thousands of €)* | 3M Euribor +100 bp | 3M Euribor -100 bp |
|---|---|---|
| 301,327 | 302,090 | 300,564 |

## 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 of December 31, 2022. The Group began the process of refinancing the syndicated loan, which is due in March 2024 with a bullet payment of €250 million.

At the end of the year, the Group also had €41.7 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 Geographical 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: Germany, Austria, Belgium, Spain, France, the United Kingdom, the Netherlands, Italy, Portugal, Switzerland, Turkey and Israel.

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 that can only be allocated to the various sectors on an arbitrary basis.

| 2022 | European companies in their markets | Other | Non-allocated | Total |
|---|---|---|---|---|
| **Revenue** | | | | |
| European markets | 301,396 | — | | 301,396 |
| Other markets | 27,543 | 424,336 | | 451,879 |
| **Total revenue** | **328,940** | **424,336** | **—** | **753,275** |
| Amortization, depreciation and impairment | | | (119,625) | (119,625) |
| Other expenses without cash equivalents | | | (1,587) | (1,587) |
| **Operating result** | | | | **(18,160)** |
| **NET INCOME** | | | | **(41,116)** |
| Sector assets | 796,841 | 142,802 | — | 939,643 |
| *of which fixed assets* | *296,299* | *87,745* | — | *384,044* |
| Sector liabilities other than financial debt and equity | 152,753 | 95,279 | — | 248,032 |
| Shareholders' equity | | | 379,570 | 379,570 |
| Financial liabilities | — | — | 312,042 | 312,042 |
| Sector investments | | | | |
| *intangible* | *6,612* | *76* | — | *6,688* |
| *tangible* | *32,053* | *11,782* | — | *43,835* |

| 2021 | European companies in their markets | Other | Non-allocated | Total |
|---|---|---|---|---|
| **Revenue** | | | | |
| European markets | 311,067 | 26,173 | — | 337,240 |
| Other markets | — | 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 |
| *of which fixed assets* | *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 | | | | |
| *intangible* | *11,361* | *69* | — | *11,431* |
| *tangible* | *33,570* | *3,930* | — | *37,500* |

## 4.2 Breakdown of revenue by product range

Guerbet group's revenue breaks down by product range as follows:

| | 2022 | 2021 |
|---|---|---|
| X-Ray | 55.1% | 57.0% |
| MRI | 32.9% | 32.0% |
| **TOTAL DIAGNOSTIC IMAGING** | **88.0%** | **89.0%** |
| **INTERVENTIONAL IMAGING** | **12.0%** | **11.0%** |

# NOTE 5 Intangible assets

## 5.1 Gross values

| | 12/31/2021 | Increase | Decrease | Acquisition | Translation adjustments and other | 12/31/2022 |
|---|---|---|---|---|---|---|
| Trademarks | 9,995 | — | — | — | 146 | 10,140 |
| Patents and technologies | 90,133 | — | — | — | (61,092) | 29,041 |
| Marketing Authorizations (MAs) | 11,355 | — | — | — | (829) | 10,526 |
| Sales relationships | 5,118 | — | — | — | 223 | 5,341 |
| *Goodwill* | 39,820 | — | — | — | (12,323) | 27,497 |
| Software | 97,466 | 422 | (3,372) | — | 8,162 | 102,678 |
| Intangible assets in progress [(a)] | 36,165 | 6,266 | — | — | (10,110) | 32,321 |
| **GROSS VALUES** | **290,050** | **6,688** | **(3,372)** | **—** | **(75,823)** | **217,544** |

*(a) The increases in intangible assets (+€6.7 million) mainly include €4.5 million in IT investments (including €2.5 million for SAP) as well as €1.8 million in capitalized R&D project costs.*

| | 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 (MA) | 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) The 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).*

## 5.2 Amortization, depreciation and impairment by fixed asset category

| | 12/31/2021 | Allocations | Reversals | Acquisition | Translation adjustments and other | 12/31/2022 |
|---|---|---|---|---|---|---|
| Patents and technologies [a] | 33,976 | 27,899 | — | — | (39,231) | 22,645 |
| Marketing Authorizations (MAs) | 3,422 | 677 | — | — | (263) | 3,836 |
| Sales relationships | 3,016 | 540 | — | — | 95 | 3,650 |
| *Goodwill* [a] | — | 12,323 | — | — | (12,323) | — |
| Software | 61,018 | 11,170 | (3,365) | — | 268 | 69,091 |
| Intangible assets in progress [a] | — | 23,897 | — | | (3,500) | 20,397 |
| **TOTAL** | **101,432** | **76,507** | **(3,365)** | **—** | **(54,955)** | **119,619** |

*(a) The allocations for the 2022 fiscal year correspond mainly to the €58.8 million impairment of the assets of Accurate Medical Therapeutics, IBM Watson and Occlugel, explained by the strategic refocusing and the termination of the partnership with Merative (formerly IBM Watson).*

| | 12/31/2020 | Allocations | Reversals | 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** |

## 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, 2022 *(in millions of €)* | Global | EMEA | NAM | APAC | LATAM |
|---|---|---|---|---|---|
| *Goodwill* | *27.5* | — | — | — | — |
| Intangible assets with an indefinite useful life | 9.6 | — | 2.2 | 7.4 | — |
| Productive assets (manufacturing) | 247.0 | 103.8 | 49.7 | 67.8 | 25.7 |
| Other support assets | 391.7 | 197.2 | 100.0 | 68.4 | 26.2 |
| **TOTAL** | **675.8** | **300.9** | **151.9** | **143.6** | **51.9** |
| *Growth rate to infinity* | *2.7%* | *2.3%* | *2.1%* | *3.2%* | *3.3%* |
| *Discount rate* | *9.9%* | *9.6%* | *8.3%* | *10.2%* | *13.7%* |

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 9.9% (compared with 9.5% in the tests conducted as of December 31, 2021).

At December 31, 2022, the value tests were based on discounted cash flows determined on the basis of the best estimates known December 31, 2022. 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 (2028 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 |
|---|---|---|---|---|---|
| 2023 | | 4.2% | 23.0% | 4.3% | 13.0% |
| 2024 | 8.3% | 10.8% | 5.7% | 7.3% | 6.3% |
| 2025 | 11.6% | 12.2% | 8.5% | 14.4% | 8.4% |
| 2026 | 12.1% | 11.8% | 10.9% | 14.3% | 10.4% |
| 2027 | 7.3% | 6.5% | 2.6% | 10.1% | 12.6% |

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, 2022.

In terms of sensitivity, an increase of one percentage point in the discount rate, a 10% decrease in the growth rate to infinity, or even a 10% downturn would result in:

- for the LATAM region, recognition of an impairment loss, the estimated amount of which remains immaterial;
- for the EMEA, APAC, and NAM regions, no impairment loss recognized.

## 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 (PMR) 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 relating to preclinical and clinical studies occurring after an authorization is obtained meet the criteria for recognition as capital assets.

At December 31, 2022, €1.8 million was capitalized for preclinical studies, and €2.6 million for the clinical study for the PMR for Dotarem®.

# NOTE 6 Tangible assets

## 6.1 Analysis of items by category

| | 12/31/2021 | Increase | Decrease | Movements in scope | Translation adjustments and other | 12/31/2022 |
|---|---|---|---|---|---|---|
| Land | 16,280 | — | (102) | — | 431 | 16,609 |
| *of which IFRS 16 finance leases* | — | — | — | — | — | — |
| Buildings | 216,781 | 8,263 | (7,933) | — | 9,901 | 227,013 |
| *of which IFRS 16 finance leases* | *22,860* | *8,094* | *(3,708)* | — | *548* | *27,794* |
| Plant, machinery, and equipment | 403,699 | 280 | (11,448) | — | 25,901 | 418,432 |
| *of which IFRS 16 finance leases* | *1,226* | *247* | *(249)* | — | *7* | *1,231* |
| Other tangible assets | 90,818 | 7,336 | (5,303) | — | 5,413 | 98,265 |
| *of which IFRS 16 finance leases* | *10,266* | *4,168* | *(1,829)* | — | *72* | *12,677* |
| Fixed assets under construction | 47,875 | 40,463 | — | — | (33,494) | 54,844 |
| **Gross values** | **775,453** | **56,343** | **(24,785)** | **—** | **8,152** | **815,163** |
| Depreciation & amortization | (501,039) | (43,097) | 21,386 | — | (5,860) | (528,611) |
| Impairment | (369) | (21) | — | — | (44) | (434) |
| **NET VALUES** | **274,046** | **13,225** | **(3,400)** | **—** | **2,248** | **286,119** |

| | 12/31/2020 | Increase | Decrease | Changes in scope | Translation adjustments and other | 12/31/2021 |
|---|---|---|---|---|---|---|
| Land | 15,758 | — | — | | 522 | 16,280 |
| *of which IFRS 16 finance leases* | — | — | — | — | — | — |
| Buildings | 209,898 | 7,813 | (6,673) | | 5,371 | 216,781 |
| *of which IFRS 16 finance leases* | *30,896* | *7,808* | *(4,882)* | | *1,742* | *35,937* |
| Plant, machinery, and equipment | 388,847 | 295 | (10,768) | | 25,325 | 403,699 |
| *of which IFRS 16 finance leases* | *1,044* | *258* | *(83)* | | *8* | *1,226* |
| Other tangible assets | 86,155 | 6,975 | (5,809) | 249 | 3,248 | 90,818 |
| *of which IFRS 16 finance leases* | *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) |
| Impairments | (365) | — | — | — | (4) | (369) |
| **NET VALUES** | **261,294** | **9,829** | **(944)** | **596** | **3,270** | **274,046** |

## 6.2 Breakdown of net tangible assets by currency area

| | 2022 | | 2021 | |
|---|---|---|---|---|
| Currency | Closing price | Amount | Closing price | Amount |
| Euro | | 221,517 | | 216,630 |
| USD | 1.07 | 47,646 | 1.13 | 43,816 |
| Real | 5.64 | 6,972 | 6.31 | 4,771 |
| Other currencies | N/A | 9,984 | N/A | 8,829 |
| **TOTAL** | | **286,119** | | **274,046** |

## 6.3 Revaluations

The Villepinte office complex was adjusted to its fair value 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

| | 2022 | | | 2021 |
|---|---|---|---|---|
| | Gross | Provisions | Net | Net |
| Deposits and surety bonds | 1,687 | — | 1,687 | 4,022 |
| PIDR Germany reinsurance assets (see Note 12.2) | 7,367 | — | 7,367 | 6,475 |
| Loans | 2,990 | (752) | 2,238 | 4,135 |
| Other non-current financial assets * | 21,346 | (3,365) | 17,981 | 8,663 |
| **TOTAL** | **33,390** | **(4,117)** | **29,273** | **23,295** |

* *Other non-current financial assets include:*

- *the investment in the Truffle Capital innovation fund for €12.8 million in gross value and €3.4 million in impairment;*
- *the fair value of the interest-rate swap hedge for €8.5 million;*
- *a portfolio of 21,143 shares for a gross value of €0.4 million: one part intended for the allocation of free shares and the other part relating to the liquidity contract set up with Exane BNP Paribas in March 2022. The aim of this contract is to promote the liquidity of transactions and regular trading in the shares and to avoid price differences that are not justified by market trends. At the start of the trading, Guerbet allocated €600 K in cash for implementation of the contract. As of December 31, 2022, 21,140 shares appeared in the liquidity account.*

# NOTE 8 Deferred tax assets and liabilities

| | 2021 | Changes in income | Changes in shareholders' equity | Translation adjustments and other | Reclassifications | Removal from scope | 2022 |
|---|---|---|---|---|---|---|---|
| Deferred tax assets | 19,419 | | | | | | 16,653 |
| Deferred tax liabilities | (15,246) | | | | | | (9,872) |
| **TOTAL** | **4,173** | **7,621** | **(5,325)** | **312** | **—** | **—** | **6,781** |
| of which deferred taxes resulting from: | | | | | | | |
| Use of tax losses [(a)] | 13,968 | (4,366) | — | 869 | — | — | 10,470 |
| Temporary timing differences | 5,689 | (1,596) | 103 | 70 | — | — | 4,266 |
| Restatement of special tax-allowance reserves | (18,789) | 768 | — | (14) | — | — | (18,035) |
| Tangible assets | (6,387) | 645 | — | (276) | — | — | (6,018) |
| Intangible assets | (18,218) | 15,276 | — | (782) | — | — | (3,724) |
| Restatement of margins on inventories | 16,178 | (2,882) | — | 449 | — | — | 13,744 |
| Restatement of provisions on subsidiary risk | 306 | 483 | — | 8 | — | — | 797 |
| IFRS 16 finance leases | 10 | (20) | — | — | — | — | (10) |
| Restatements of injectors | — | — | — | — | — | — | — |
| Restatement of financial instruments | 515 | (713) | (2,359) | (10) | — | — | (2,567) |
| Provisions for retirement | 9,196 | (39) | (3,069) | — | — | — | 6,088 |
| Other | 1,706 | 66 | — | (2) | — | — | 1,770 |

*(a) Use of tax losses:*

- *USA: The favorable outlook for the US tax group led to the use in 2021 of existing tax losses not yet used ($47 million), for a deferred tax asset of €8 million. A net deferred tax of €5 million was used for the 2022 taxable income.*
- *France: The €1.6 million tax loss carry-forward remaining as of December 31, 2021, for which a deferred tax asset of €0.4 million was recognized, was used during the 2022 fiscal year.*
- *Accurate Medical Therapeutics: A deferred tax asset of €1.6 million was recognized for the 2022 tax loss, bringing the total balance of deferred tax assets on the entity's tax losses carried forward to €6 million. This asset is offset by a deferred tax liability.*

| | 12/31/2022 | |
|---|---|---|
| ***Tax losses carried forward and tax effects*** *(in thousands of €)* | ***Tax losses used (base)*** | ***Tax losses used (tax)*** |
| *USA* | *15,736* | *3,589* |
| *Accurate Medical Therapeutics* | *26,119* | *6,007* |
| *Medex* | *2,149* | *555* |
| *Other* | *1,054* | *319* |
| ***TOTAL*** | ***45,058*** | ***10,470*** |

| | 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 Medical Therapeutics: 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 of €)* | *12/31/2021 Tax losses used (base)* | *12/31/2021 Tax losses used (tax)* |
|---|---|---|
| *USA* | *34,950* | *8,105* |
| *France* | *1,541* | *398* |
| *Accurate Medical Therapeutics* | *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*** |

# NOTE 9 Inventories

| | 2022 | 2021 |
|---|---|---|
| Raw materials and spare parts | 81,198 | 51,410 |
| Finished, intermediate and in-progress products and goods | 215,473 | 173,017 |
| **Gross value** | **296,671** | **224,427** |
| Provisions | (24,174) | (22,475) |
| **NET VALUES** | **272,496** | **201,952** |

*An inventory reduction plan initiated by the Group in 2019 to reduce inventory levels continues. In 2022, the increase in inventories is explained not only by the Raleigh production difficulties associated with the fall in customer demand in the final quarter, but also by the longer lead times due to a global shortage of certain materials and pressures on international transport. The inventory reduction action plan was therefore revised as part of our five-year plan, but it still focuses on adjusting plant production plans, optimizing production plant lead times and reducing reserve inventories, while taking into account the launch of our new product Elucirem™ in the various markets.*

# NOTE 10 Trade receivables

| | 2022 | 2021 |
|---|---|---|
| **Gross value** | **125,458** | **123,222** |
| Provisions | (4,220) | (4,447) |
| **NET VALUE** | **121,238** | **118,775** |

# NOTE 11 Shareholders' equity

## 11.1 Change in number of shares of the parent company

At December 31, 2022, the parent company's capital consisted of 12,641,115 shares with a par value of €1.

The changes affecting Guerbet shares are as follows:

| | 2022 |
|---|---|
| **Number of shares at the beginning of the year** | **12,641,115** |
| Creation of shares through exercise of stock options | – |
| **NUMBER OF SHARES AT THE END OF THE YEAR** | **12,641,115** |

## 11.2 Details of shareholders' equity

| | 2022 | 2021 |
|---|---|---|
| Share capital | 12,641 | 12,641 |
| Premiums for issue, merger, and conversion of convertible bonds | 11,774 | 11,774 |
| Statutory reserves | 1,264 | 1,260 |
| Consolidated reserves | 323,990 | 294,541 |
| Retained earnings | 107,807 | 100,187 |
| Consolidated income | (41,116) | 32,637 |
| Translation adjustments | (36,790) | (47,948) |
| **TOTAL** | **379,570** | **405,092** |

# NOTE 12 Provisions

## 12.1 Movements

| | 2021 | Allocation | Reversals (provision used) | Reversals (provision not used) | Translation adjustments and reclassifications | Changes in actuarial assumptions | 2022 |
|---|---|---|---|---|---|---|---|
| **Non-current** | **41,988** | **2,806** | **(1,534)** | **(1,842)** | **(2,016)** | **(11,286)** | **32,150** |
| Of which deferred employee benefits (Note 12.2) | 37,700 | 2,769 | (1,534) | (54) | (157) | (11,286) | 27,437 |
| **Current** | | | | | | | |
| Tax disputes [(a)] | 706 | 6,600 | (186) | — | 498 | — | 7,618 |
| Commercial disputes | 3,504 | 184 | (1,719) | (358) | 113 | — | 1,724 |
| Staff-related provisions | 1,187 | 283 | (216) | (560) | (1) | — | 693 |
| Miscellaneous obligations | 4,376 | 2,040 | — | (719) | (1,822) | — | 3,876 |
| **Total Current provisions** | **9,774** | **9,107** | **(2,121)** | **(1,637)** | **(1,211)** | **—** | **13,912** |
| **TOTAL PROVISIONS** | **51,762** | **11,915** | **(3,655)** | **(3,473)** | **805** | **(11,286)** | **46,062** |

*(a) Includes a €6 million provision for Guerbet's tax audit.*

| | 2020 | Allocation | 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 staff 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 Current provisions** | **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 United States. Non-current provisions also include €2.1 million for this restructuring.*

## 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) Measurement 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 €7.4 million at December 31, 2022, including €0.9 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 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| Discount rate (C) | 4.00% | 1.00% | 4.10% | 1.30% |
| Average expected return on plan assets | N/A | N/A | N/A | N/A |
| Wage growth | 2.80% | 2.50% | 2.30% | 2.30% |
| Average revision rate applied to annuities | N/A | N/A | 2.00% | 1.75% |
| 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 rates of growth in medical expense since none of the plans cover medical expenses.*

| Balance sheet liabilities | 2022 | 2021 |
|---|---|---|
| Present value of funded liabilities | 28,382 | 38,745 |
| Fair value of plan assets | (945) | (1,045) |
| **Balance of liabilities** | **27,437** | **37,700** |
| Amounts recognized on balance sheet | — | — |
| Provisions for deferred staff benefits | 27,437 | 37,700 |
| Non-current financial assets (book assets) | — | — |
| **NET BALANCE SHEET: NET LIABILITIES (ASSETS)** | **27,437** | **37,700** |

| Expenses on the income statement | 2022 | 2021 |
|---|---|---|
| Cost of services for the year | 2,634 | 2,675 |
| Finance costs | 419 | 328 |
| Other impacts | 35 | (3) |
| **NET PLAN COSTS** | **3,088** | **3,000** |

| Change in liabilities over the year | 2022 | 2021 |
|---|---|---|
| **Beginning liabilities** | **37,700** | **41,697** |
| Cost of services for the year | 2,634 | 2,675 |
| Finance costs | 419 | 328 |
| Other impacts including actuarial gains and losses | 35 | (3) |
| Employer payments to funding assets | (25) | (25) |
| Benefits paid | (1,842) | (1,952) |
| Actuarial gains and losses | (11,286) | (1,521) |
| Impact of change in method | — | (3,449) |
| Translation adjustments | (24) | (23) |
| Other | (174) | (27) |
| **ENDING LIABILITIES** | **27,437** | **37,700** |

### d) Sensitivity analysis of actuarial assumptions

An increase of 25 basis points in the discount rate would decrease the discounted value of liabilities by -€718 K (-2.58%). A decrease of 25 basis points would increase liabilities by +€752 K (+2.70%).

## 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 €10.5 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

| | 2022 | 2021 |
|---|---|---|
| Trade payables | 103,709 | 81,023 |
| **TOTAL** | **103,709** | **81,023** |

# NOTE 14 Other operating revenue

| | 2022 | 2021 |
|---|---|---|
| Sales of services | 8,222 | 3,840 |
| Operating subsidy | 658 | 1,101 |
| **TOTAL** | **8,879** | **4,941** |

# NOTE 15 Staff costs

## 15.1 Details of staff costs

| | 2022 | 2021 |
|---|---|---|
| Salaries and wages | (185,476) | (179,100) |
| Social security charges | (54,733) | (53,098) |
| Employee profit sharing | (455) | (591) |
| **TOTAL** | **(240,664)** | **(232,789)** |

## 15.2 Main characteristics and parameters for valuing the share-based payment benefit granted by the Group – Stock option plan

In 2011 and 2012, the Group established stock option plans. All the plans expired on December 31, 2021. During the 2022 fiscal year, no options were exercised.

## 15.3 Free share allocation plan

Following the implementation of free share allocation plan 2 in 2016, which ended in 2018, the Board of Directors approved 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 free share allocation plan for certain employees and officers of Guerbet and its French and foreign subsidiaries. On September 21, 2022, the Board of Directors approved a new free share allocation plan (Plan 5).

The main assumptions applied for the share award plans in effect at December 31, 2022, are as follows:

| | Plan 4 | Plan 5 |
|---|---|---|
| Grant date | 05/01/2021 | 09/22/2022 |
| Vesting date | 05/01/2024 | 09/22/2025 |
| Vesting period | 3 years | 3 years |
| Price on grant date | 33.70 | 17.50 |
| Anticipated dividend rate | 1.28% | 2% |
| Risk-free rate | (0.59%) | 1.50% |
| Volatility | 37% | 37% |
| Employee turnover rate | 2.06% | 2.06% |
| Probability of fulfilling the performance conditions | According to the Monte Carlo model | According to the Monte Carlo model |

Plan 3 was closed on July 1, 2022. For Plan 4, there are 41,400 free shares pending allocation. Regarding Plan 5, 89,219 shares were allocated. In accordance with the regulations of Plan 5, performance shares can be allocated until September 23, 2023. Details as of December 31, 2022, are 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 | 11,877 | 2019 | 2022 | 3 | — |
| **Number of active shares at 12/31/2022** | **—** | | | | | |
| AGAP (plan 4) | 48,060 | | 2021 | 2024 | 3 | €1,170 K |
| **Number of active shares at 12/31/2022** | **41,400** | | | | | |
| AGAP (plan 5) | 89,219 | | 2022 | 2025 | 3 | €1,162 K |
| **Number of active shares at 12/31/2022** | **89,219** | | | | | |

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 €140 K was recognized with an offsetting entry in shareholders' equity.

## 15.4 Average number of staff during the year

| | 2022 | 2021 |
|---|---|---|
| Europe | 1,718 | 1,665 |
| America | 827 | 788 |
| Asia | 254 | 231 |
| **TOTAL** | **2,799** | **2,684** |

## 15.5 Geographic breakdown of workforce, snapshot at December 31

| | 2022 | 2021 |
|---|---|---|
| Europe | 1,723 | 1,688 |
| America | 863 | 801 |
| Asia | 253 | 241 |
| **TOTAL** | **2,839** | **2,730** |

## NOTE 16 External charges

| | 2022 | 2021 |
|---|---|---|
| Industrial subcontracting | (20,203) | (18,208) |
| Non-stocked supplies and materials | (28,972) | (25,587) |
| Rentals and rental expenses | (10,935) | (8,303) |
| Maintenance and repairs | (23,463) | (20,603) |
| Insurance | (6,004) | (5,264) |
| Studies and research | (9,953) | (14,684) |
| Outside staff | (5,772) | (4,076) |
| Commissions and fees | (46,918) | (41,380) |
| Advertising and public relations | (8,208) | (6,283) |
| Transport | (24,155) | (18,819) |
| Travel and entertainment | (8,704) | (4,751) |
| Postage and telecommunications | (2,148) | (2,094) |
| Conferences and seminars | (10,560) | (5,884) |
| Registration fees | (9,208) | (5,456) |
| Other miscellaneous charges | (17,381) | (14,173) |
| **TOTAL** | **(232,585)** | **(195,565)** |

## NOTE 17 Taxes and duties

| | 2022 | 2021 |
|---|---|---|
| Payroll tax | (1,822) | (1,726) |
| Regional Economic Contribution (France: *Contribution économique territoriale*) | (2,449) | (2,477) |
| Inami Tax (Belgium) | (849) | (885) |
| Other taxes and duties | (9,871) | (8,371) |
| **TOTAL** | **(14,992)** | **(13,459)** |

## NOTE 18 Amortization, depreciation, impairment and provisions

| Amortization and depreciation | 2022 | 2021 |
|---|---|---|
| On intangible assets | (17,699) | (16,092) |
| On tangible assets | (43,118) | (39,854) |
| **TOTAL** | **(60,817)** | **(55,945)** |

| Impairment | 2022 | 2021 |
|---|---|---|
| *On goodwill* | (12,323) | – |
| On intangible assets | (46,485) | – |
| **TOTAL** | **(58,808)** | **–** |

*The impairment losses relate to the Accurate Medical Therapeutics, IBM Watson and Occlugel assets (see Note 5.2).*

| Provisions | 2022 | 2021 |
|---|---|---|
| Liabilities and charges | 799 | (7,805) |
| Customers | (174) | 176 |
| Inventories | (1,032) | (1,709) |
| Retirement | (1,181) | (1,096) |
| **TOTAL** | **(1,587)** | **(10,434)** |

## NOTE 19 Other operating income and expenses

| | 2022 | 2021 |
|---|---|---|
| Royalties paid | (1,767) | (1,910) |
| Research tax credit | 4,712 | 5,166 |
| Income from sale of fixed assets | (2,273) | (738) |
| Miscellaneous other income and expenses | 889 | (1,720) |
| **TOTAL** | **1,561** | **799** |

## NOTE 20 Gross finance costs

| | 2022 | 2021 |
|---|---|---|
| Interest charges on lease liabilities | (230) | (237) |
| Interest on borrowings and bank credit facilities | (4,343) | (5,105) |
| Interest swaps | 1,334 | 2,100 |
| **TOTAL** | **(3,239)** | **(3,243)** |

# NOTE 21 Income tax

## 21.1 Details of tax expenses

| | 2022 | 2021 |
|---|---|---|
| Current taxes | (20,365) | (5,817) |
| Deferred taxes | 7,621 | 9,481 |
| **TOTAL** | **(12,744)** | **3,664** |

## 21.2 Analysis of tax expenses

| | 2022 | 2021 |
|---|---|---|
| Pre-tax result | (28,372) | 28,973 |
| Theoretical tax charge at the prevailing rate for the consolidating company [a] | 7,328 | (8,176) |
| Impact of differences in tax rates | (15) | 1,779 |
| Impact of permanently non-deductible or non-taxable expenses | (6,046) | (2,892) |
| Impact of tax credits | 926 | 1,255 |
| Impact of deferred taxes on tax losses and other [b] | (14,937) | 11,698 |
| **TOTAL** | **(12,744)** | **3,664** |
| **EFFECTIVE TAX RATE (%)** | **(44.92%)** | **(12.73%)** |
| *(a) Tax rate* | *25.83%* | *28.41%* |

*(b) 2022: This amount includes provisions for tax adjustments relating to French tax consolidation for €8.9 million, impairment of deferred tax assets (loss carry-forward) for €4.3 million, and deferred taxes not recognized on losses for €2.2 million.*

# NOTE 22 Research and development costs

The amounts below are booked as expenses:

| | 2022 | 2021 |
|---|---|---|
| Direct costs | 60,603 | 56,119 |
| Indirect costs | 9,379 | 8,878 |
| **OVERALL RESEARCH AND DEVELOPMENT EXPENDITURES** | **69,982** | **64,997** |

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.

# NOTE 23 Government grants

The following subsidies were recognized on the income statement:

| Accounting category | Type | 2022 | 2021 |
|---|---|---|---|
| Other operating revenue | Innovation aid | 148 | 416 |
| Other operating revenue | Employment aid | 301 | 550 |
| **TOTAL** | | **449** | **966** |

# NOTE 24 Related-party disclosures

## 24.1 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.

## 24.2 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:

| | 2022 | 2021 |
|---|---|---|
| **Short-term benefits** | **6,896** | **3,185** |
| Fixed share of total gross compensation (not including benefits in kind) | 3,448 | 2,242 |
| Variable share of compensation [(a)] | 2,142 | 912 |
| Benefits in kind | 1,306 | 31 |
| **Post-employment benefit plans** | **777** | **733** |
| *of which funded supplemental pension contributions* | *117* | *118* |
| *of which provisions for retirement benefits* | *660* | *615* |
| **Other long-term benefits** | **None** | **None** |
| **Termination benefits** | **None** | **None** |
| **Payment in shares** | **43** | **0** |

*(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 2022.*

In 2022, the members of the Board of Directors received €330 K in attendance fees representing the directors' compensation for the 2021 fiscal year.

# NOTE 25 Off-balance-sheet commitments

| Commitments given | 2022 | 2021 |
|---|---|---|
| Guarantees, sureties, and other commitments given to third parties on behalf of related companies | 10,373 | 11,383 |
| Guarantees and sureties given to third parties and other commitments [(a)] | 2,431 | 5,250 |
| **TOTAL** | **12,804** | **16,633** |

*(a) As of December 31, 2022, Guerbet has a commitment to subscribe to the Truffle Capital innovation investment fund for a maximum of €15 million, of which €12.8 million has already been paid.*

| Commitments received | 2022 | 2021 |
|---|---|---|
| Guarantees, sureties, and other commitments received from third parties on behalf of related companies | – | – |
| Guarantees and sureties received from third parties and other commitments [(a)] | 152,050 | 152,928 |
| **TOTAL** | **152,050** | **152,928** |

*(a) On March 27, 2019, Guerbet took out a €150 million revolving facility with BNP Paribas, not drawn at December 31, 2022.*

In response to the requests from the US FDA to conduct various regulatory preclinical 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 €9.2 million for the 2023–2028 period.

# NOTE 26 Earnings per share and diluted earnings per share

| | 2022 | 2021 |
|---|---|---|
| Consolidated net income, Group share | (41,116) | 32,637 |
| Weighted average number of shares in the fiscal year | 12,641,115 | 12,616,390 |
| **EARNINGS PER SHARE** | **(3.25)** | **2.59** |

### RETROSPECTIVE PRESENTATION OF THE NUMBER OF SHARES (IAS 33.64)

| | 2022 | 2021 |
|---|---|---|
| Consolidated net income, Group share | (41,116) | 32,637 |
| Consolidated net income after dilution | (41,116) | 32,637 |
| Number of current shares | 12,641,115 | 12,641,115 |
| **DILUTED NET EARNINGS PER SHARE** | **(3.25)** | **2.58** |

# NOTE 27 Post-closing events

On January 11, 2023, Guerbet announced that it had acquired a 39% stake in Intrasense, a specialist in medical imaging software solutions, for €8.8 million and at an issue price of €0.44 per share, representing a 34.15% premium over Intrasense's last share price. Following this acquisition, on February 20, 2023, Guerbet submitted a proposed tender offer for the remaining Intrasense shares.

In line with the shift in its strategy to leverage key assets, Guerbet also announced on January 16, 2023, its intention to divest its microcatheter activities historically housed within Accurate Medical Therapeutics. Guerbet also plans to sell the Occlugel technology acquired in 2018, comprising several lines of microspheres for embolization uses. The impacts of this decision are reflected in the financial statements at December 31, 2022.

# NOTE 28 Appropriation of the 2022 result

At its meeting of March 22, 2023, the Board of Directors approved the consolidated financial statements at December 31, 2022. 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 €0.50 per share. The total dividend payout will be €6.3 million.

# NOTE 29 Fees paid to Statutory Auditors

| | Deloitte & Associés | | | | Crowe HAF | | | |
|---|---|---|---|---|---|---|---|---|
| | Statutory Auditor | | Network | | Statutory Auditor | | Network | |
| 2022 | Amount | % | Amount | % | Amount | % | Amount | % |
| **Certification and limited half-year review of individual and consolidated financial statements** | | | | | | | | |
| • Issuer | 288 | 38% | — | —% | 185 | 24% | — | —% |
| • Fully consolidated subsidiaries | 40 | 5% | 397 | 53% | 93 | 12% | 446 | 59% |
| **Subtotal** | **327** | **44%** | **397** | **53%** | **278** | **37%** | **446** | **59%** |
| **Services other than certification of the financial statements** | | | | | | | | |
| • Issuer (CSR work) | 25 | 3% | — | —% | — | —% | — | —% |
| • Fully consolidated subsidiaries | — | —% | —% | —% | 8 | 1% | 27 | 4% |
| **Subtotal** | **25** | **3%** | **—%** | **—%** | **8** | **1%** | **27** | **4%** |
| **TOTAL** | **352** | **47%** | **397** | **53%** | **286** | **38%** | **473** | **62%** |

| | Deloitte & Associés | | | | Crowe HAF | | | |
|---|---|---|---|---|---|---|---|---|
| | Statutory Auditor | | Network | | Statutory Auditor | | Network | |
| 2021 | 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%** |

# NOTE 30 List of consolidated companies

| Business registration number (Siren) | Parent company | Head office | 2022 % held % controlled | 2021 % held % controlled |
|---|---|---|---|---|
| 308491521 | Guerbet | France | Parent company | Parent company |
| 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% |
| | 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% |
| | Guerbet Asia Pacific Ltd. | Hong Kong | 100% | 100% |

| Business registration number (Siren) | Parent company | Head office | 2022 % held % controlled | 2021 % held % controlled |
|---|---|---|---|---|
| | 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 Wenzhou Co., Ltd. | China | 100% | 100% |
| | Guerbet LLC | USA | 100% | 100% |
| | Liebel-Flarsheim Company LLC | USA | 100% | 100% |
| | Guerbet Caribbean, Inc. (Puerto Rico branch) | Puerto Rico | 100% | 100% |
| | Guerbet Caribbean, Inc. | USA | 100% | 100% |
| | Guerbet America | USA | 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. | Mexico | 100% | 100% |
| | Guerbet Australia Pty Ltd. | Australia | 100% | 100% |

# 6.2 Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2022

*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, 2022.

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, 2022 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 requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2022 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.

## Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 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 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 carried out acquisitions and 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, 2022 for €37.1 million, including goodwill of €27.5 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 2023-2027 Medium-Term Plan (MTP) prepared by Management, as they were presented to and approved by the Board of Directors;
- 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.

## 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 intended 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 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.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

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, 2022, Deloitte & Associés and Crowe HAF were in the 36th year and 15th 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

### Objective 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 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 30, 2023

The Statutory Auditors

**Crowe HAF**
Membre de Crowe Global
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

| *(in thousands of €)* | Note | 12/31/2022 Gross amounts | 12/31/2022 Amortization & depreciation/ Provisions | 12/31/2022 Net amounts | 12/31/2021 Net amounts |
|---|---|---|---|---|---|
| Patents, trademarks, and similar rights | | 3 | – | 3 | 3 |
| Other intangible assets | | 113,742 | 73,227 | 40,515 | 67,552 |
| Advance payments | | 301 | – | 301 | 357 |
| **Total intangible assets** | **1** | **114,046** | **73,227** | **40,819** | **67,912** |
| Land | | 1,554 | – | 1,554 | 1,554 |
| Buildings | | 111,341 | 71,551 | 39,791 | 39,156 |
| Machinery and equipment | | 186,676 | 133,015 | 53,660 | 48,980 |
| Other tangible assets | | 18,056 | 14,880 | 3,176 | 3,517 |
| Fixed assets under construction | | 28,552 | 21 | 28,531 | 31,847 |
| Advance payments | | 187 | – | 187 | 602 |
| **Total tangible assets** | **2** | **346,367** | **219,467** | **126,900** | **125,656** |
| Controlled entities | 3 | 340,045 | 108,737 | 231,308 | 321,608 |
| Receivables from controlled entities | | – | – | – | – |
| Loans | 4/6 | 12,090 | – | 12,090 | 5,134 |
| Other financial assets | 6 | 141 | – | 141 | 128 |
| **Total financial assets** | | **352,276** | **108,737** | **243,539** | **326,870** |
| **TOTAL CAPITAL ASSETS** | | **812,688** | **401,431** | **411,257** | **520,438** |
| **Inventories** | **5** | **108,716** | **10,425** | **98,292** | **75,097** |
| Advance payments | | 793 | – | 793 | 488 |
| Trade receivables | 6 | 78,044 | 113 | 77,931 | 61,188 |
| Other operating receivables | 6 | 164,068 | 15,463 | 148,605 | 116,881 |
| **Total operating receivables** | | **242,905** | **15,576** | **227,329** | **178,556** |
| Short-term investments and cash and cash equivalents | 7 | 18,244 | – | 18,244 | 96,065 |
| **TOTAL CURRENT ASSETS** | | **369,865** | **29,786** | **340,078** | **349,718** |
| Prepaid expenses | 6 | 1,363 | – | 1,363 | 1,301 |
| Expenses to be spread over several years | | – | – | – | – |
| Translation adjustments | | 8,826 | – | 8,826 | 6,006 |
| **TOTAL ASSETS** | | **1,192,742** | **427,431** | **765,311** | **877,463** |

## EQUITY & LIABILITIES

| *(in thousands of €)* | Note | 12/31/2022 | 12/31/2021 |
|---|---|---|---|
| Share capital | | 12,641 | 12,641 |
| Share premiums | | 12,228 | 12,228 |
| Statutory reserve | | 1,264 | 1,260 |
| Other reserves | | 52,015 | 52,015 |
| Retained earnings | | 110,851 | 103,232 |
| **Fiscal year result** | | **(77,407)** | **18,356** |
| **Net position** | | **111,592** | **199,732** |
| Special tax-allowance reserves | 9 | 61,604 | 64,804 |
| **TOTAL SHAREHOLDERS' EQUITY** | **8** | **173,197** | **264,535** |
| **Provisions for liabilities and charges** | **10** | **34,547** | **29,433** |
| Contingent advances | 11 | 10,082 | 9,983 |
| **Other equity** | | **10,082** | **9,983** |
| Bank loans other than current banking facilities | | 275,218 | 300,167 |
| Current banking facilities and credit balances | | 36 | 22 |
| Other miscellaneous borrowings and financial liabilities | | 512 | 794 |
| **Total financial liabilities** | | **275,766** | **300,983** |
| Trade payables | | 90,229 | 81,639 |
| Tax and social security payable | | 41,682 | 34,487 |
| Amounts payable on fixed assets | | 6,358 | 24,691 |
| Other creditors | | 125,746 | 125,147 |
| **Total operating and miscellaneous liabilities** | | **264,015** | **265,963** |
| **TOTAL LIABILITIES** | **12** | **539,781** | **566,946** |
| Deferred income | 12 | 377 | 293 |
| Translation adjustments | | 7,328 | 6,274 |
| **TOTAL EQUITY & LIABILITIES** | | **765,311** | **877,463** |

### 6.3.1.2 Income statement

| *(in thousands of €)* | Note | 2022 | 2021 |
|---|---|---|---|
| Products sold in France | | 105,814 | 107,989 |
| Products sold outside France | | 353,599 | 356,944 |
| **Revenue from products** | **14** | **459,412** | **464,933** |
| Various products and services | | 22,702 | 4,056 |
| Rights and royalties | | 8,000 | — |
| Capitalized production | | 2,894 | 2,925 |
| Provision reversals | | 13,678 | 8,007 |
| Expense transfers | | 842 | 1,446 |
| Operating subsidies | | 407 | 966 |
| Other income | | 2,800 | 1,648 |
| **TOTAL OPERATING INCOME** | | **510,736** | **483,981** |
| Purchases of merchandise, raw materials and other supplies held in inventory | | (249,093) | (216,465) |
| + beginning inventories | | (85,626) | (95,769) |
| - ending inventories | | 108,716 | 85,626 |
| **Consumed during the year** | | **(226,003)** | **(226,608)** |
| Purchases not held in inventory, other services, and external charges | | (112,883) | (110,408) |
| Taxes and similar payments | | (5,944) | (6,057) |
| Staff costs | 15 | (96,609) | (97,737) |
| Depreciation & amortization | | (24,327) | (23,281) |
| Provisions | | (14,832) | (9,362) |
| Other expenses and impairment | | (10,365) | (4,251) |
| **TOTAL OPERATING EXPENSES** | | **(490,963)** | **(477,704)** |
| **OPERATING RESULT** | | **19,773** | **6,277** |
| Provision reversals, impairment, and expense transfers | | 4,716 | 8,256 |
| Interest and similar income | | 30,777 | 11,351 |
| Foreign exchange gains | | 3,868 | 4,210 |
| **TOTAL FINANCIAL INCOME** | | **39,361** | **23,817** |
| Depreciation, amortization, impairment and provisions | | (102,480) | (18,189) |
| Interest and similar expenses | | (6,039) | (4,707) |
| Foreign exchange losses | | (1,150) | (994) |
| Net expenses on disposals of short-term investments | | (138) | — |
| **TOTAL FINANCE COSTS** | | **(109,807)** | **(23,889)** |
| **FINANCIAL RESULT** | **16** | **(70,445)** | **(72)** |
| **CURRENT RESULT BEFORE TAXES** | | **(50,672)** | **6,205** |
| Non-recurring income from non-capital transactions | | 254 | 64 |
| Non-recurring income from capital transactions | | 26 | 513 |
| Reversals of amortization and depreciation, provisions and expense transfers | | 10,412 | 10,235 |
| **TOTAL NON-RECURRING INCOME** | | **10,692** | **10,812** |
| Expenses on non-capital transactions | | (2,816) | (418) |
| Expenses on capital transactions | | (804) | (657) |
| Depreciation, amortization, and provisions | | (30,592) | (4,394) |
| **TOTAL NON-RECURRING EXPENSES** | | **(34,212)** | **(5,468)** |
| **NON-RECURRING RESULT** | **17** | **(23,520)** | **5,344** |
| Employee profit sharing | | (527) | (485) |
| Income tax | 18 | (2,687) | 7,292 |
| **FISCAL YEAR RESULT** | | **(77,407)** | **18,356** |

## 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

#### FDA approval for Elucirem™

In September 2022, Guerbet obtained approval from the US Food and Drug Administration (FDA) for the market release of Elucirem™ (gadopiclenol), a gadolinium-based macrocyclic contrast agent (GBCA), for use in contrast-enhanced magnetic resonance imaging (MRI).

The dossier has also been submitted to the European Medicines Agency and is currently under review.

#### Termination of partnership with Merative (formerly IBM Watson Health)

In October 2022, Merative (formerly IBM Watson Health) unilaterally and immediately terminated its collaboration with Guerbet. In particular, the negotiation that followed allowed Guerbet to regain full ownership of assets developed by the partnership such as application software source codes and algorithms. In connection with this termination, Guerbet received a settlement payment of €4 million recognized on the income statement under "Miscellaneous services and products".

#### Gradual exit from the Turkish market

In November 2022, Guerbet decided to terminate its activities in Turkey because of the complexity of the market and the country's economic situation. The subsidiary is being liquidated. In the individual financial statements at December 31, 2022, the company's shares were 100% impaired (€2.1 million).

#### Tax audit

Guerbet is undergoing a tax audit for the years 2018 to 2020. Certain items are undergoing reassessment and are under discussion with the tax authorities.

The impact of the tax audit on Guerbet's financial statements at December 31, 2022, is a tax liability of €7.7 million and a provision for liabilities and charges of €6 million.

#### Economic disruptions

Inflationary pressures have mainly affected supply costs, such as iodine. Guerbet maintains its policy of cost control and has managed to limit the increase in energy prices through its existing purchasing policies and contracts.

#### War in Ukraine

Guerbet's exposure to the Russian-Ukrainian conflict remains unchanged since the closing at December 31, 2021. The Company has no direct interests in Ukraine or in conflict zones. The situation in Ukraine has limited effects on its operations and financial performance.

### Accounting policies

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 2014-03, updated with all the regulations that have subsequently amended it.

#### 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 relating 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 linked to regulatory authorizations, the Company considers that contrast media costs incurred before obtaining Marketing Authorization (MA) 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. This exceptional amortization over a 12-month period is no longer possible on new acquisitions since January 1, 2017.

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 package is amortized over a 10-year period.

## 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, discounted future cash flows or a reference method. 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 allocation 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. Debts and receivables listed in currencies outside of the euro zone are converted 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 has been 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, which 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 toward the vesting of the benefit entitlements.

## o) Revenue

Revenue is recognized when there is a transfer to the purchaser of the benefits and risks relating 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 free shares

As indicated in the PCG, expenses relating to free share allocations are presented in 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 free share allocations to employees of Guerbet S.A.

Expenses relating to free 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.

## Summary of notes

# NOTE 1 Intangible assets

| | 12/31/2021 | 2022 increases [(a)] | 2022 decreases[(b)] | 12/31/2022 |
|---|---|---|---|---|
| Concessions, patents and similar rights | 3 | — | — | 3 |
| Other intangible assets | 74,033 | 6,646 | (2,743) | 77,936 |
| Fixed assets under construction | 36,032 | — | (226) | 35,806 |
| Advance payments | 357 | — | (56) | 301 |
| **Gross values** | **110,425** | **6,646** | **(3,025)** | **114,046** |
| Depreciation & amortization | (42,513) | (9,553) | 2,736 | (49,330) |
| Impairment [(c)] | — | (23,897) | — | (23,897) |
| **NET VALUES** | **67,912** | **(26,804)** | **(289)** | **40,819** |

*(a) The increases in intangible assets mainly include €4.5 million in IT investments (of which €2.5 million for SAP) as well as €1.8 million in capitalized R&D project costs.*

*(b) Decreases in intangible assets are related to an inventory conducted in 2022 and the disposal of licenses, software, and IT developments.*

*(c) Following the unilateral termination of the partnership by Merative (formerly IBM Watson) in October 2022 and the strategic refocusing as announced in January 2023, impairment losses of €23.9 million were recognized for IBM Watson and Occlugel assets at December 31, 2022.*

## 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 (PMR) 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 relating to preclinical and clinical studies incurred after an authorization is obtained meet the criteria for recognition as capital assets.

At December 31, 2022, €1.8 million was capitalized for preclinical studies, and €2.6 million for the clinical study of the PMRs for Dotarem®.

## NOTE 2 Tangible assets

| | 12/31/2021 | 2022 increases[a] | 2022 decreases[b] | 12/31/2022 |
|---|---|---|---|---|
| Land | 1,554 | — | — | 1,554 |
| Buildings | 108,921 | 5,606 | (3,186) | 111,341 |
| Plant, machinery and equipment | 181,707 | 13,680 | (8,711) | 186,676 |
| Other tangible assets | 18,511 | 699 | (1,154) | 18,056 |
| Fixed assets under construction | 31,847 | — | (3,295) | 28,552 |
| Advance payments | 602 | — | (415) | 187 |
| **Gross values** | **343,142** | **19,985** | **(16,761)** | **346,367** |
| Depreciation & amortization | (217,486) | (14,773) | 12,813 | (219,446) |
| Impairments | — | (21) | — | (21) |
| **NET VALUES** | **125,656** | **5,191** | **(3,948)** | **126,900** |

*(a) The €20 million increase in the gross value of tangible assets in 2022 is mainly due to investments for the production plants (€13.1 million for the Lanester plant and €6.8 million for the Aulnay-sous-Bois plant).*
*(b) The decreases in tangible assets relate to inventories carried out at the Aulnay-sous-Bois, Lanester, and Villepinte plants.*

## NOTE 3 Investments

| | 12/31/2021 | 2022 Increases | 2022 Decreases | 12/31/2022 |
|---|---|---|---|---|
| **Gross value of equity investments at December 31** [a] | **351,960** | **3,075** | **(14,990)** | **340,045** |
| Impairment of equity investments [b] | (30,352) | (78,864) | 480 | (108,737) |
| **NET VALUE OF EQUITY INVESTMENTS AT DECEMBER 31** | **321,608** | **(75,789)** | **(14,510)** | **231,308** |

*(a) The change in "Increases" is mainly explained by the €3 million increase in Guerbet S.A.'s stake in Truffle Capital.*
*(b) Additional impairments on equity investments mainly concern the subsidiaries Accurate Medical Therapeutics and Guerbet Ireland.*

These amounts correspond to investments held as of December 31. Detailed financial information for each subsidiary and other controlled entities is provided in Note 29, "Subsidiaries and controlled entities." Allocations and reversals for impairment of equity investments are recognized in financial income.

# NOTE 4 Loans

| | 2022 | 2021 |
|---|---|---|
| Loans to staff | 19 | 24 |
| Other loans [(a)] | 12,071 | 5,111 |

*(a) Including a loan to Imaging Solutions Korea for €3.8 million and a loan to Guerbet Asia Pacific for €7.8 million.*

# NOTE 5 Inventories

| | 2022 | 2021 |
|---|---|---|
| **Raw materials and supplies** | | |
| Gross amount | 23,502 | 17,949 |
| Impairments | (17) | (17) |
| **Net amount** | **23,485** | **17,932** |
| **Intermediate and finished products** | | |
| Gross amount | 62,057 | 44,848 |
| Impairments | (10,162) | (10,293) |
| **Net amount** | **51,896** | **34,555** |
| **Goods** | | |
| Gross amount | 23,157 | 22,829 |
| Impairments | (246) | (218) |
| **Net amount** | **22,912** | **22,611** |
| **TOTAL NET AMOUNT** | **98,292** | **75,097** |

*An inventory reduction plan initiated by the Group in 2019 to reduce inventory levels continues. In 2022, the increase in inventories is explained not only by the Raleigh production difficulties associated with the decrease in customer demand in the final quarter, but also by the increase in lead times due to an international shortage of certain materials and tensions on international transport. The inventory reduction action plan was therefore revised as part of our five-year plan, but it still focuses on adjusting plant production plans, optimizing production plant lead times, and reducing reserve inventories, while taking into account the launch of our new product Elucirem™ in the various markets.*

# NOTE 6 Receivables by due date

| | 2022 | | | 2021 |
|---|---|---|---|---|
| | Gross amounts | Up to 1 year | More than 1 year | |
| Receivables from controlled entities | — | — | — | — |
| Loans | 12,090 | 220 | 11,870 | 5,134 |
| Other financial assets | 141 | — | 141 | 128 |
| Bad or doubtful debts | 1 | 1 | — | 2 |
| Other trade receivables [(a)] | 78,043 | 78,043 | — | 61,237 |
| Staff | — | — | — | 5 |
| Social security and related liabilities | 114 | 114 | — | 112 |
| State: income tax [(b)] | 23,996 | 8,190 | 15,806 | 17,547 |
| State: value-added tax | 6,383 | 6,383 | — | 6,642 |
| State: miscellaneous receivables | 361 | 361 | — | 760 |
| Group and associates | 119,678 | 119,678 | — | 86,561 |
| Miscellaneous debtors | 13,534 | 13,534 | — | 5,253 |
| Prepaid expenses | 1,363 | 1,363 | — | 1,301 |
| **TOTAL** | **255,703** | **227,886** | **27,817** | **184,683** |

*(a) Including an increase in receivables from foreign customers of €2.3 million and group invoices to be issued of €16 million.*
*(b) Including the research tax credit (CIR) for a total of €15.8 million (€6.2 million in 2020, €4.8 million in 2021, €4.7 million in 2022).*

## NOTE 7 Short-term investments and cash equivalents

Short-term investments consist of 21,143 treasury shares with a nominal value of €1 representing a total gross value of €363 K, four financial investments in SICAV shares with a value of €92 K, and cash and cash equivalents for €17.8 million.

Part of the treasury shares is intended for the allocation of free shares, and the other part relates to the liquidity contract established in March 2022 with Exane BNP Paribas. The aim of this contract is to promote the liquidity of transactions and regular trading in the shares and to avoid price differences that are not justified by market trends. At the start of trading, Guerbet S.A. allocated €600 K in cash for implementation of the contract.

Guerbet S.A. did not buy back any shares in 2022 to distribute free shares. Under the liquidity contract, 21,140 were acquired during the fiscal year and appear in the liquidity account at December 31, 2022.

## NOTE 8 Shareholders' equity

| | 2022 | 2021 |
|---|---|---|
| **Beginning shareholders' equity** | **264,535** | **259,913** |
| Dividends paid | (10,745) | (8,822) |
| Dividends carried forward (relating to treasury shares) | 13 | 8 |
| Increase in share capital and additional paid-in capital | – | 876 |
| Change in pension provision method | – | 3,045 |
| Fiscal year result | (77,407) | 18,356 |
| Special tax-allowance reserves | (3,199) | (5,841) |
| **ENDING SHAREHOLDERS' EQUITY** | **173,197** | **264,535** |

| | 2022 |
|---|---|
| **Number of shares at the beginning of the year** | **12,641,115** |
| Creation of shares through exercise of stock options | – |
| **ENDING NUMBER OF SHARES** | **12,641,115** |

## NOTE 9 Special tax-allowance reserves

| | 12/31/2020 | 2021 allocations | 2021 reversals | 12/31/2021 | 2022 allocations | 2022 reversals | 12/31/2022 |
|---|---|---|---|---|---|---|---|
| Provisions for accelerated depreciation | 70,645 | 4,394 | 10,235 | 64,804 | 6,673 | 9,872 | 61,604 |
| **TOTAL** | **70,645** | **4,394** | **10,235** | **64,804** | **6,673** | **9,872** | **61,604** |

# NOTE 10 Provisions for liabilities and charges

| | 12/31/2020 | 2021 allocations | 2021 reversals (provision used/ reclassified) | 2021 reversals (provision not used) | Change of method | 12/31/2021 | 2022 allocations | 2022 reversals (provision used/ reclassified) | 2022 reversals (provision not used) | 12/31/2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Retirement benefits (operating) [(a)] | 22,977 | 2,078 | (1,496) | (1,265) | (3,045) | 19,250 | 2,089 | (1,308) | (4,739) | 15,292 |
| Operating currency risk [(b)] | 1,845 | 1,770 | (1,845) | — | — | 1,770 | 1,822 | (1,770) | — | 1,822 |
| Financial currency risk [(b)] | 6,462 | 4,236 | (6,462) | — | — | 4,236 | 7,004 | (4,236) | — | 7,004 |
| Other (operating) [(c)] | 1,871 | 2,156 | (992) | — | — | 3,035 | 1,183 | (2,128) | — | 2,090 |
| Other (financial) [(d)] | — | 1,141 | — | — | — | 1,141 | 7,198 | — | — | 8,339 |
| **TOTAL** | **33,155** | **11,381** | **(10,795)** | **(1,265)** | **(3,045)** | **29,432** | **19,296** | **(9,442)** | **(4,739)** | **34,547** |

*(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, 2022.*
*The main actuarial assumptions applied to assess the retirement benefits provision are as follows:*
*Discount rate:*
*The discount rate used at December 31, 2022, is 4%.*
*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, 2022, is 2.8%.*
*Social security charge rate:*
*The social security rate used at December 31, 2022, 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, 2022, is 2%.*

*(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: €1.8 million.*
*Financial transactions: €7 million.*

*(c) Other (operating): including a €651 K provision for free shares allocated to employees and a €59 K provision for commercial disputes.*

*(d) Other (financial): including a €6 million supplementary tax assessment provision and a €2.3 million OSEO contract provision (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 €10.5 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. Financing was obtained for the incurred expenditures: 39% in the form of reimbursable 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, 2022, €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". In addition, a provision for expenses for the repayment premium of €8 million provided for in the contract has been set up on a linear basis since 2021 (€1.1 million per year).

## NOTE 12 Payables by due date

| | 2022 | | | | 2021 |
|---|---|---|---|---|---|
| | Gross amount | Within 1 year | Between 1 and 5 years | More than 5 years | Gross amount |
| Current banking facilities and credit balances | 36 | 36 | | — | 22 |
| Loans and liabilities with credit institutions other than current banking facilities [a] | 275,218 | 25,218 | 250,000 | — | 300,167 |
| Borrowings and other financial liabilities | 512 | 497 | — | 15 | 794 |
| Trade payables [b] | 90,229 | 90,229 | — | — | 81,639 |
| Staff and related accounts [c] | 20,268 | 20,268 | — | | 25,813 |
| Social security and related liabilities | 7,295 | 7,295 | — | — | 7,666 |
| State: income tax [d] | 10,689 | 10,689 | — | — | — |
| State: VAT | 1 | 1 | — | — | 147 |
| State: other taxes and similar payments | 3,428 | 3,428 | — | — | 861 |
| Amounts payable on fixed assets [e] | 6,358 | 6,358 | | | 24,691 |
| Group and associates | 101,999 | 101,999 | — | — | 100,501 |
| Other creditors | 23,747 | 23,747 | — | — | 24,646 |
| Deferred income | 377 | 377 | — | — | 293 |
| **TOTAL** | **540,158** | **290,142** | **250,000** | **15** | **567,240** |

*(a) Including €250 million due in March 2024 for which refinancing requests have been initiated.*
*(b) This change is mainly due to the increase in group invoices not yet received of €10 million.*
*(c) This change is mainly due to the decrease in profit sharing and bonuses.*
*(d) Including €5.7 million in corporate taxes for 2022 and €4.9 million in tax adjustments.*
*(e) The change is explained by the €15 million adjustment of the Accurate Medical Therapeutics earnout debt following the Group's announcement in January 2023 of its withdrawal from the microcatheter activities housed within Accurate Medical Therapeutics in return for the value of the shares.*

## NOTE 13 Accrued income and expenses

| | 2022 | 2021 |
|---|---|---|
| **Accrued income** | | |
| Receivables from controlled entities | — | — |
| Trade receivables [a] | 24,035 | 5,380 |
| Other receivables | 3,983 | 4,539 |
| Banks and financial institutions | — | — |
| **TOTAL** | **28,018** | **9,919** |
| **Accrued expenses** | | |
| Borrowings and financial liabilities | 218 | 167 |
| Trade payables [b] | 56,679 | 46,539 |
| Debt on fixed assets | — | — |
| Tax and social security payables [c] | 21,167 | 27,432 |
| Other creditors | 22,928 | 23,446 |
| Accrued overdraft interest | 36 | 22 |
| **TOTAL** | **101,028** | **97,606** |

*(a) This change is due to the increase in invoices to be issued to the subsidiaries.*
*(b) Mainly including outstanding invoices relating to transfer pricing adjustments for a total of €10 million.*
*(c) The decrease in "Tax and social security payables" is due to the decrease in profit sharing and bonuses.*

# NOTE 14 Revenue

## Revenue by geographic region

| | 2022 | 2021 |
|---|---|---|
| France and overseas departments and territories | 105,814 | 107,989 |
| Europe excluding France | 131,655 | 140,845 |
| **Europe including France** | **237,469** | **248,834** |
| Asia | 101,152 | 102,907 |
| Latin America | 28,721 | 24,587 |
| North America | 66,412 | 66,102 |
| Other countries | 25,658 | 22,502 |
| **TOTAL** | **459,412** | **464,932** |

## Revenue by product range

| | 2022 | 2021 |
|---|---|---|
| X-Ray | 246,934 | 251,752 |
| MRI | 152,953 | 142,418 |
| **TOTAL DIAGNOSTIC IMAGING** | **399,886** | **394,170** |
| **INTERVENTIONAL IMAGING** | **59,526** | **70,763** |
| **TOTAL** | **459,412** | **464,932** |

# NOTE 15 Staff costs

| | 2022 | 2021 |
|---|---|---|
| Salaries and wages | (64,216) | (66,556) |
| Social security charges | (32,394) | (31,182) |
| **TOTAL** | **(96,609)** | **(97,737)** |

# NOTE 16 Financial result

| | 2022 | 2021 |
|---|---|---|
| Dividends [(a)] | 27,897 | 7,542 |
| Net interest [(b)] | (3,159) | (899) |
| Foreign exchange result | 2,719 | 3,216 |
| Net provision for equity investments [(c)] | (78,384) | (11,017) |
| Other [(d)] | (19,518) | 1,085 |
| **TOTAL** | **(70,445)** | **(72)** |

*(a) Including dividends received from Guerbet GmbH for €15.4 million and Guerbet Ireland for €5 million.*
*(b) Including an increase in interest on borrowed funds of €300 K, net interest on current accounts of €200 K, and interest on swaps of €652 K.*
*(c) This change is mainly due to the €74 million provision for Guerbet Ireland and Accurate Medical Therapeutics.*
*(d) Including €4.2 million in reversals, €7 million in allocations to provisions for liabilities and charges, and current account impairment of €15 million.*

In accordance with ANC Regulation 2015-05, the foreign exchange result of commercial transactions is presented in operating income under "Other expenses" for €5.7 million and "Other income" for €2.5 million in 2022.

# NOTE 17 Non-recurring result

| | 2022 | 2021 |
|---|---|---|
| Net income/(expense) on provisions and special tax-allowance reserves [a] | (20,180) | 5,841 |
| Net book value on disposals of fixed assets | (265) | (657) |
| Expenses on free shares | (539) | – |
| Proceeds from disposals of fixed assets | 26 | 513 |
| Other [b] | (2,561) | (353) |
| **TOTAL** | **(23,520)** | **5,344** |

*(a) Including impairments of IBM Watson and Occlugel assets for €23.9 million.*
*(b) Including €2.2 million in additional tax assessments.*

# 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 by the tax consolidation group that are not linked to losses (corrections relating 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 2022 was €22.7 million after deducting €6.8 million in losses. The tax expense for the tax consolidation group was €3.2 million after deducting tax credits, including the 2022 research tax credit of €4.7 million.

The tax expense or income appearing on the income statement breaks down as follows:

| | 2022 | 2021 |
|---|---|---|
| Group tax income (or expense) | (991) | 2,585 |
| Tax expense from consolidated subsidiaries | 1,946 | 1,877 |
| Tax savings reallocated to consolidated subsidiaries | (1,404) | (1,011) |
| Other tax income [a] | (2,239) | 3,841 |
| **TAX INCOME (OR EXPENSE) FOR THE GROUP PARENT COMPANY** | **(2,687)** | **7,292** |

*(a) Including €2.2 million in tax adjustments.*

Tax income (or expense) for the Group parent company breaks down as follows:

| | 2022 | 2021 |
|---|---|---|
| Corporate tax on current result | (2,116) | 8,053 |
| Corporate tax on non-recurring result | (667) | (841) |
| Other tax expenses | 96 | 80 |
| **TAX INCOME (OR EXPENSE) FOR THE GROUP PARENT COMPANY** | **(2,687)** | **7,292** |

## Non-deductible expenses referred to in Article 39-4 of the French general tax code

For the 2022 fiscal year, Guerbet S.A.'s expenses of this type pertain to the depreciation of passenger cars for €235 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.

| | 2022 | 2021 |
|---|---|---|
| Net deferred taxes from temporary differences (prepaid taxes) | 14,604 | 8,734 |
| Deferred taxes on shareholders' equity (taxes due) | 18,756 | 19,396 |

These deferred taxes were calculated at forecast future rates based on the 2022 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.

| | 2022 | 2021 |
|---|---|---|
| Pre-tax result | (74,719) | 11,064 |
| Net special tax-allowance reserves and accelerated amortization and depreciation | (3,199) | 5,841 |
| Adjusted pre-tax result | (71,520) | 5,223 |

## 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 2022 fiscal year

N/A.

# NOTE 22 Free share allocation plan

Following the implementation of free share allocation plan 2 in 2016, which ended in 2018, the Board of Directors approved 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 free share allocation plan for certain employees and officers of Guerbet and its French and foreign subsidiaries. On September 21, 2022, the Board of Directors approved a new free share allocation plan (Plan 5).

The main assumptions applied for the share award plans in effect at December 31, 2022, are as follows:

| | Plan 4 | Plan 5 |
|---|---|---|
| Grant date | 05/01/2021 | 09/22/2022 |
| Vesting date | 05/01/2024 | 09/22/2025 |
| Vesting period | 3 years | 3 years |
| Price on grant date | 33.70 | 17.50 |
| Anticipated dividend rate | 1.28% | 2% |
| Risk-free rate | (0.59%) | 1.50% |
| Volatility | 37% | 37% |
| Employee turnover rate | 2.06% | 2.06% |
| Probability of fulfilling the performance conditions | According to the Monte Carlo model | According to the Monte Carlo model |

Plan 3 was closed on July 1, 2022. For Plan 4, there are 41,400 free shares pending allocation. Regarding Plan 5, 89,219 shares were allocated. In accordance with the regulations of Plan 5, performance shares can be allocated until September 23, 2023. Details as of December 31, 2022, are 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 | 11,877 | 2019 | 2022 | 3 | – |
| **Number of active shares at 12/31/2022** | **–** | | | | | |
| AGAP (plan 4) | 48,060 | | 2021 | 2024 | 3 | €1,170 K |
| **Number of active shares at 12/31/2022** | **41,400** | | | | | |
| AGAP (plan 5) | 89,219 | | 2022 | 2025 | 3 | €1,162 K |
| **Number of active shares at 12/31/2022** | **89,219** | | | | | |

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.

Under these plans, a €651 K allocation to provisions was booked for shares remaining to be allocated as of December 31, 2022.

# NOTE 23 Items that could generate market risk

## Currency risk

The majority of Guerbet's accounting currency risk relates to the financing of various subsidiaries in their functional currency as well as intra-group flows mostly denominated in the functional currency of the subsidiaries. The most significant amounts are in USD (€48 million), JPY (€23 million), KRW (€10 million), and HKD (€6 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 became effective following the rise in Euribor rates and their move into positive territory this year.

The mark-to-market value of hedging instruments at December 31, 2022 was +€8.5 million.

Interest rate sensitivity is calculated on the balance of unhedged gross debt, which represents 24.3% of variable-rate debt. Guerbet S.A.'s liabilities are denominated entirely in euros.

An increase or decrease of 100 basis points in the Euribor would result in a change in the cost of debt of plus or minus €0.7 million year on year.

# NOTE 24 Compensation allocated to company officers

| | 2022 | 2021 |
|---|---|---|
| Compensation allocated to company officers | 1,172 | 1,030 |

This is compensation paid for their role as company officers, and for their salaried job.

# NOTE 25 Average workforce during the year

| | 2022 | 2021 |
|---|---|---|
| Manual workers, office workers | 193 | 182 |
| Technicians, supervisors | 433 | 424 |
| Executives | 448 | 424 |
| **TOTAL AVERAGE WORKFORCE** | **1,074** | **1,030** |

# NOTE 26 Off-balance-sheet commitments

| | 2022 | 2021 |
|---|---|---|
| Guarantees, sureties, and other commitments given to third parties on behalf of related companies | 12,122 | 9,740 |
| Guarantees and sureties given to third parties and other commitments | 1,500 | 872 |
| Property and equipment leasing commitments, of which lease payments [(a)]: | 4,565 | 2,914 |
| *at less than 1 year* | *1,596* | *992* |
| *between 1 and 5 years* | *2,969* | *1,922* |
| *at more than 5 years* | — | — |
| Outstanding secured debt | — | — |
| **TOTAL** | **18,187** | **13,526** |

*(a) The significant increase over 2021 (+€1.6 million) is mainly due to the contracts with the supplier Rigby for the replacement of IT equipment. These contracts were renewed in 2022 (commitment given of €1 million).*

| | Lease-financing payments in 2022 | Lease-financing payments in 2021 |
|---|---|---|
| On property leases | — | — |
| On equipment leases | 2,104 | 846 |
| **TOTAL** | **2,104** | **846** |

Financial items relating to leased property and equipment are as follows:

| | 2022 | 2021 |
|---|---|---|
| Value of property and equipment | 6,790 | 4,061 |
| Depreciation if the assets had been acquired by the Company | 1,332 | 869 |
| Residual value of assets at the end of the contract | — | — |

For 2022, the details of these lease financing assets by type break down as follows:

| | Acquisition cost | Cumulative transfers to depreciation for the year | Cumulative transfers to depreciation | Net value |
|---|---|---|---|---|
| Plant, machinery, and equipment | — | — | — | — |
| Other tangible assets | 6,790 | 1,332 | 2,307 | 4,483 |
| **TOTAL** | **6,790** | **1,332** | **2,307** | **4,483** |

At December 31, 2022, Guerbet S.A. has a commitment to subscribe to the Truffle Capital innovation investment fund for a maximum of €15 million, including €12.8 already paid.

In response to the requests from the US FDA to conduct various regulatory preclinical 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 €9.2 million for the 2023–2028 period.

## NOTE 27 Other information

N/A.

## NOTE 28 Post-closing events

On January 11, 2023, Guerbet announced that it had acquired a 39% stake in Intrasense, a specialist in medical imaging software solutions, for €8.8 million and at an issue price of €0.44 per share, representing a 34.15% premium over Intrasense's last share price. Following this acquisition, on February 20, 2023, Guerbet submitted a proposed tender offer for the remaining Intrasense shares.

In line with the shift in its strategy to leverage key assets, Guerbet also announced on January 16, 2023, its intention to divest its microcatheter activities historically housed within Accurate Medical Therapeutics. Guerbet also plans to sell the Occlugel technology acquired in 2018, comprising several lines of microspheres for embolization uses. The impacts of this decision are reflected in the financial statements at December 31, 2022.

# NOTE 29 Subsidiaries and controlled entities

| Detailed information on each subsidiary and controlled entity *(in thousands of €)* | Capital | Shareholders' equity excl. share capital and income | Share of equity held (%) | Gross value of equity | Net value of equity | Loans and advances granted | Sureties and guarantees | Revenue from products | Dividends | Income from last ended fiscal year |
|---|---|---|---|---|---|---|---|---|---|---|
| **A – Securities of gross value exceeding 1% of the share capital of Guerbet S.A.** | | | | | | | | | | |
| **Subsidiaries** | | | | | | | | | | |
| Simafex (France) | 1,280 | 28,892 | 100 | 1,224 | 1,224 | | 293 | 33,137 | | 3,625 |
| Medex (France) | 180 | 8,561 | 100 | 3,000 | 3,000 | | | 16,943 | | 3,219 |
| Martins & Fernandes (Portugal) | 410 | 443 | 100 | 1,224 | 1,066 | 707 | | 3,008 | | 47 |
| Guerbet Laboratories Ltd. (United Kingdom) | 4,911 | 1,795 | 100 | 5,643 | 5,643 | | 38 | 14,173 | 2,373 | 576 |
| SA Guerbet N.V. (Belgium) | 541 | 1,545 | 100 | 379 | 379 | | 330 | 12,647 | 748 | 245 |
| Guerbet SPA (Italy) | 8,000 | 5,869 | 100 | 8,743 | 8,743 | | 3,000 | 18,294 | 1,000 | 841 |
| Laboratorios Farmaceuticos Guerbet (Spain) | 781 | 5,212 | 100 | 790 | 790 | 1,236 | | 17,478 | 300 | (44) |
| Guerbet A.G. (Switzerland) | 508 | 3,537 | 100 | 304 | 304 | | | 31,229 | 794 | (231) |
| Guerbet Imaging Switzerland AG (Switzerland) | 83 | 942 | 100 | 13,370 | — | | | — | 493 | (30) |
| Guerbet Austria G.M.B.H. (Austria) | 73 | (13) | 100 | 146 | 138 | | | 2,602 | 150 | 71 |
| Guerbet Ireland Unlimited Company (Ireland) | 42,308 | 36,017 | 100 | 141,700 | 100,095 | | 5,164 | 74,051 | 5,000 | 1,255 |
| Guerbet Luxembourg S.A.R.L. (Luxembourg) | — | 45 | 100 | — | — | | | — | | (45) |
| Guerbet Sweden AB (Sweden) | 4 | 1 | 100 | 1,145 | — | 90 | | — | | (80) |
| Guerbet Czech Republic s.r.o. (Czech Republic) | 359 | 471 | 100 | 329 | 329 | | | — | 406 | 341 |
| Guerbet A.S. (Turkey) | 601 | 959 | 100 | 4,503 | — | | 801 | 5,640 | | (887) |
| Accurate Medical Therapeutics Ltd. (Israel) [a] | 2 | 25,362 | 100 | 38,258 | — | 19,249 | | 1,459 | | (8,290) |
| Guerbet South Africa Pty Ltd. (South Africa) | 195 | 1,546 | 100 | 777 | 777 | | 14 | 5,758 | | (239) |
| Guerbet Korea Ltd. (Korea) | 6,238 | (2,266) | 100 | 8,202 | 8,202 | 204 | | 31,021 | | (62) |
| Guerbet Taiwan (Taiwan) | 214 | 3,418 | 100 | 191 | 191 | | | 11,491 | | 816 |
| Guerbet Japan KK (Japan) | 2,346 | 1,319 | 100 | 1,951 | 1,951 | 23,633 | | 45,222 | | 450 |
| Guerbet Mexicana (Mexico) | 2,813 | 633 | 100 | 3,600 | 3,600 | | | 9,188 | | (46) |
| Guerbet Produtos Radiologicos (Brazil) | 5,366 | 17,933 | 100 | 11,197 | 11,197 | | | 42,939 | | 954 |
| Guerbet Imagem do Brasil, Ltda. (Brazil) | 5,204 | (1,114) | 100 | 4,966 | 900 | | | 16,968 | | (3,826) |
| Guerbet Chile Limitada (Chile) | — | 893 | 100 | 416 | 416 | | | 8,922 | | 140 |
| Guerbet Panama S.A. (Panama) | — | 450 | 100 | 1,009 | 326 | 1,624 | | 1,540 | | (156) |
| Guerbet Australia Pty Ltd. (Australia) | 1,083 | 1,341 | 100 | 1,577 | 1,577 | | | 15,277 | | 559 |
| Guerbet America LLC (United States) | — | 84,185 | 100 | 69,000 | 69,000 | 3,095 | 614 | 356 | | (1,526) |
| Guerbet GmbH (Germany) | 25 | 11,024 | 100 | 1,629 | 1,629 | | | 28,173 | 15,432 | 750 |
| Guerbet Colombia SAS (Colombia) | 11 | (85) | 100 | 1,572 | — | | | 3,887 | | (321) |

| Detailed information on each subsidiary and controlled entity *(in thousands of €)* | Capital | Shareholders' equity excl. share capital and income | Share of equity held (%) | Gross value of equity | Net value of equity | Loans and advances granted | Sureties and guarantees | Revenue from products | Dividends | Income from last ended fiscal year |
|---|---|---|---|---|---|---|---|---|---|---|
| **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 | 22,831 | 100 | 2 | 2 | | | 128,559 | | 1,052 |
| Guerbet Nederland B.V. (Netherlands) | 91 | 631 | 100 | 92 | 92 | | | 13,593 | 1,000 | 638 |
| Guerbet Asia Pacific (Hong Kong) | – | 19,555 | 100 | N.S. | N.S. | 11,122 | | 87,568 | | 7,521 |
| Guerbet Poland SP.Z.O.O. (Poland) | 7 | 424 | 100 | 70 | 70 | | | 770 | 181 | 75 |
| Guerbet Imaging Panama S.A. (Panama) | – | (5,426) | 100 | N.S. | N.S. | 6,850 | | 5,099 | | 178 |
| Guerbet India (India) | 94 | 161 | 100 | 97 | 97 | | | 3,704 | | 47 |
| Gestion Especializada Loro (Mexico) | 5 | (1,169) | 100 | 4 | 4 | 2,405 | | – | | (320) |
| **Controlled entities** | | | | | | | | | | |
| Investments in French companies | | | | | | | | | | |
| Truffle | N/A | | | 108 | 108 | | | | | N.S. |

*(a) Advances have been written down for the amount of €15.4 million.*

| General information on all subsidiaries and controlled entities | Subsidiaries | | Controlled entities | |
|---|---|---|---|---|
| | French | Foreign | French | Foreign |
| **Book value of securities held:** | | | | |
| • gross: | 4,228 | 322,884 | 12,933 | |
| • net: | 4,226 | 227,724 | 9,568 | |
| Amount of loans and advances granted | – | 70,215 | | – |
| Amount of sureties and guarantees | – | 9,961 | | – |
| Amount of dividends received | – | 27,877 | | – |

For subsidiaries outside the euro zone and capital, shareholders' equity was converted at the closing rate, and the result was converted at the average rate at December 31, 2022.

# 6.4 Statutory auditors' report on the annual financial statements

Year ended December 31, 2022

*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 European regulation and 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 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, 2022.

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, 2022 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 requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2022 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.

## Justification of assessments – Key audit matters

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, 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, 4 and 6 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, 2022 for net amounts of €231 million and €116 million, respectively, or 45% 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 net equity: reconciled the net 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: assessed the consistency of the value in use obtained with regard to the items available to date and reconciled the portion of this value in use with the net book value of the equity investments;
- for equity investments whose value in use is based on a benchmark method: assessed the consistency of the method with the adopted value in use.

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 Legal and Regulatory Verifications or Information

### Format of presentation of the 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 the 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 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 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 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, 2022, Deloitte & Associés and Crowe HAF were in the 36th year and 15th 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

### Objective 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 30, 2023

The Statutory Auditors

**Crowe HAF**
Member of Crowe Global
David KHAROUBI

**Deloitte & Associés**
Jean-François VIAT

# 6.5 Statutory auditors' special report on regulated agreements

Annual General Meeting held to approve the financial statements for the year ended December 31, 2022

*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 Annual General 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 R.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 R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Annual General 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.

## Agreements submitted to the approval of the Annual General Meeting

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 Annual General Meeting pursuant to Article L.225-38 of the French Commercial Code.

## Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been advised of any agreement previously approved by the Annual General Meeting which continued in effect during the year.

Levallois Perret and Paris-La Défense, March 30, 2023

The Statutory Auditors

| | |
|---|---|
| **Crowe HAF**<br>Member of Crowe Global<br>David KHAROUBI | **Deloitte & Associés**<br>Jean-François VIAT |


# 7

# Other information

## 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, March 30, 2023

**David Hale**

Chief Executive Officer

## 7.3 Persons responsible for the audit of the accounts

### PRINCIPAL STATUTORY AUDITORS

| | First mandate | Last renewal | End of term |
|---|---|---|---|
| DELOITTE & ASSOCIÉS<br>Member of the Deloitte Touche Tohmatsu network<br>represented by Mr. Jean-François Viat<br>Tour Majunga<br>6, place de la Pyramide<br>92908 Paris-La Défense cedex | General Meeting of May 21, 1987 | General Meeting of May 19, 2017 | General Meeting for the 2022 fiscal year |
| CROWE HAF<br>Member of the Crowe Global network<br>represented by Mr. David Kharoubi<br>16, rue Camille-Pelletan<br>92300 Levallois-Perret | General Meeting of May 23, 2008 | General Meeting of May 20, 2022 | General Meeting for the 2027 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 meeting confirming the capital increase | Number of shares created | Number of shares making up the share capital | Share capital *(in €)* |
|---|---|---|---|---|
| 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 company 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, governed by 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 incorporation

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 public limited company (*société anonyme*) on January 1, 1965. The status of a public limited company with an executive board and a supervisory board (*Société anonyme à Directoire et Conseil de surveillance*) was adopted on October 27, 2001, before it was changed to a public limited company with a board of directors (*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: 969500WV1U1WQ059L135.

## 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

### Distribution of income (Article 24)

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 Shareholders at the General Meeting deduct all the sums that they deem useful to allocate to the allowance for any 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 in the articles of association on 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

### 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.

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