2019
NOTICE OF MEETING BROCHURE

Ordinary General Meeting

Friday 24 May 2019 at 3:00 at the Hyatt Regency Hotel
351, avenue du Bois de la Pie, 95912 Roissy-en-France

Guerbet

This Notice of Meeting Brochure is also available on Guerbet Internet website:
www.guerbet.com

This text is a free translation from the French language and is supplied solely for information purposes. Only the original version in the French language has legal force.

Guerbet

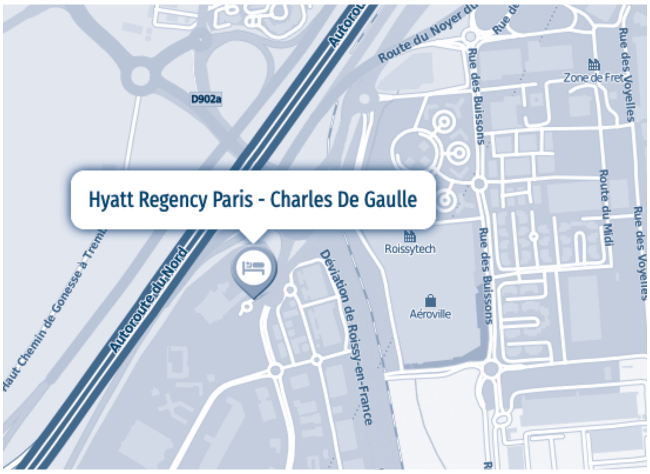
A French Limited Company (*société anonyme*)
With a share capital of €12,581,261
Registered office: 15, rue des Vanesses 93420 Villepinte
Bobigny Trade and Companies Register No. 308 491 521

Welcome to the Guerbet General Meeting

The Shareholders of Guerbet are called to the Ordinary General Meeting on **Friday 24 May 2019, at 3:00 p.m. (Paris time)** to the following place:

Hyatt Regency Hotel Paris
351, avenue du Bois de la Pie
95912 Roissy-en-France

How to get there



Public transit

- RER B > "Aéroport Roissy Charles de Gaulle 1&3" or "Parc des expositions" station
- Roissy bus > Aéroport Charles de Gaulle, Terminal 3/Roissy Pôle
- Air France bus > Aéroport Charles de Gaulle, Terminal 1

Parking area

- Parking of the Hyatt Hotel

How to participate in the General Meeting?

FORMALITIES FOR PARTICIPATION IN THE GENERAL MEETING

The General Meeting consists of all Shareholders regardless of the number of shares that they hold.

In accordance with Article R. 225-85 of the French Commercial Code, only Shareholders who have substantiated this status by the registration of the shares in an account in their name or in the name of the authorized intermediary recorded on their behalf, **as of the second working day preceding the General Meeting (i.e. 22 May 2019) at midnight**, Paris time, shall be permitted to attend, vote, or be represented at the General Meeting:

- Either in registered securities accounts maintained for the company by its agent BNP Paribas Securities Services, for Shareholders who own **REGISTERED shares**;
- Or in bearer securities accounts maintained by an authorized intermediary referred to in Article L. 211-3 of the French Monetary and Financial Code, for Shareholders who own **BEARER shares**.

The registration of shares in bearer securities accounts maintained by an authorized intermediary mentioned in Article L. 211-3 of the French Monetary and Financial Code must be established by a certificate of share ownership issued by such intermediary, attached (i) to the remote voting or proxy form or (ii) to the admission card request, established in the name of the Shareholder or on behalf of the Shareholder represented by the registered intermediary.

METHODS OF PARTICIPATION IN THE GENERAL MEETING

Shareholders have several possibilities to exercise their right to vote:

- Attend at the General Meeting and vote in person
- Give authorization to the Chairperson of the Company without indicating a proxy holder
- Be represented by giving a proxy to a natural person or legal entity of the Shareholder's choice
- Vote by correspondence

NOTE

All Shareholders who have already voted by correspondence, sent a proxy, or requested an admission card will no longer have the possibility to choose another method of participating in the Meeting.

To attend at the General Meeting and vote in person

For registered Shareholders

On the day of the Meeting, you must directly visit the counter specially provided for this purpose with either an admission card or an identity document.

The admission card must be requested in advance using the attached voting form and returning it using the prepaid envelope to the following address:

BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

You will receive your General Meeting admission card by return mail. If you do not receive the card in time, you may still attend the Meeting with proof of your identity.

If the admission card did not reach you as of the day before the General Meeting, you can also call the dedicated hotline at 01 40 14 40 59 (or 00 33 1 40 14 50 59 for calls from abroad) to obtain your admission card number, which will make your reception easier on the day of the General Meeting.

For bearer Shareholders

On the day of the Meeting, you must directly visit the counter specially provided for this purpose with an admission card. The admission card must be requested beforehand from the financial intermediary who manages your securities account.

Give authorization to the Chairperson of the General Meeting

For registered Shareholders

You must complete the attached voting form according to the selected method of participation and return it using the prepaid envelope to the following address:

BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

For bearer Shareholders

You must request the single voting form from the financial intermediary who manages these shares. The voting form must be completed according to the selected method of participation, accompanied by a certificate of share ownership issued by the financial intermediary and sent to the following address:

BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

Voting forms will only be taken into account if they are received by the General Meetings Department of BNP Paribas Securities Services no later than three days before the General Meeting.

Be represented by giving a proxy to a natural person or legal entity of the Shareholder's choice

You may be represented at the Meeting by another Shareholder, your spouse, a civil union partner, or any other natural person or legal entity of your choice under the conditions provided for in Article L. 225-106 of the French Commercial Code.

For registered Shareholders

You must complete the attached voting form according to the selected method of participation and return it using the prepaid envelope to the following address:

BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

For bearer Shareholders

You must request the single voting form from the financial intermediary who manages these shares. The voting form must be completed according to the selected method of participation, accompanied by a certificate of share ownership issued by the financial intermediary and sent to the following address:

BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

Voting forms will only be taken into account if they are received by the General Meetings Department of BNP Paribas Securities Services no later than three days before the General Meeting.

Vote by correspondence

For registered Shareholders

You must complete the attached voting form according to the selected method of participation and return it using the prepaid envelope to the following address:

BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

For bearer Shareholders

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BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

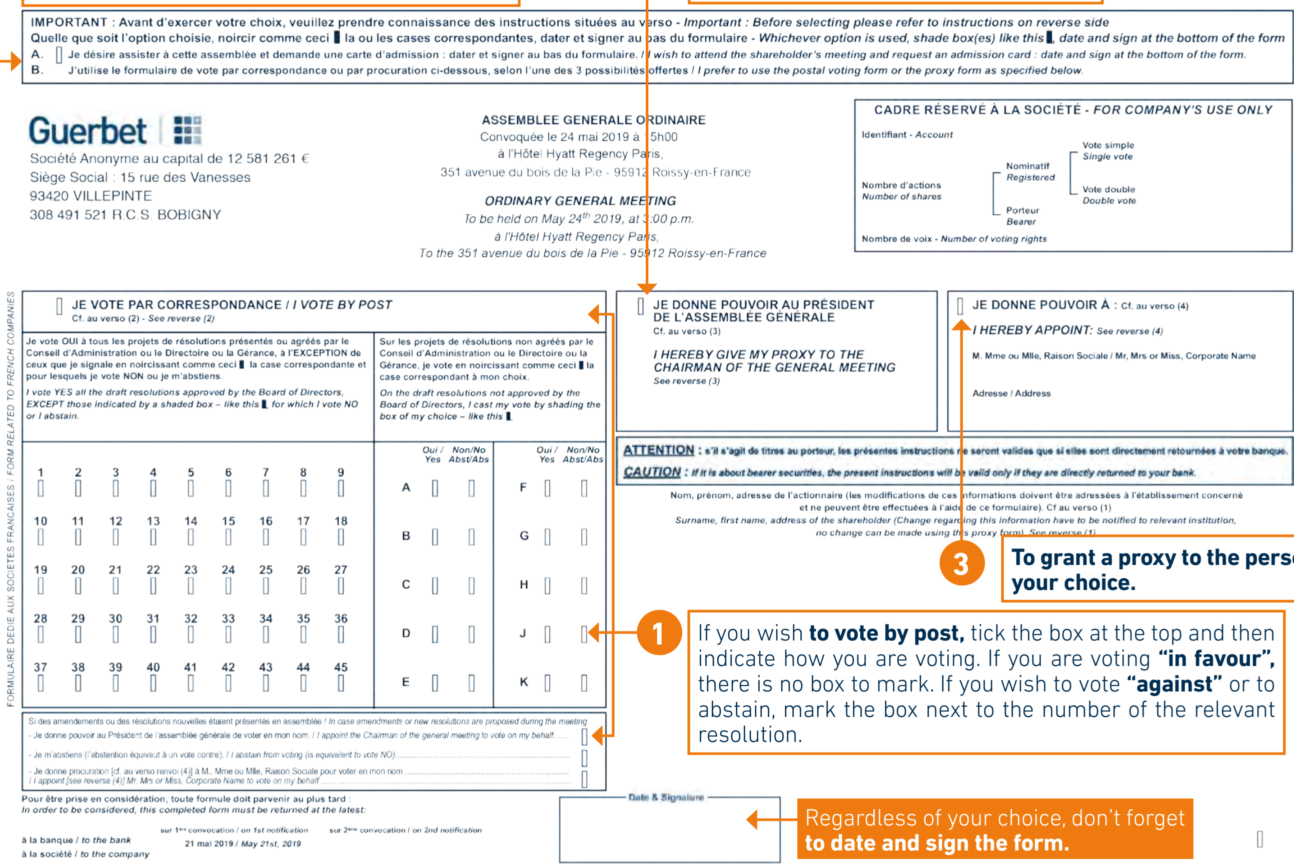
Voting forms will only be taken into account if they are received by the General Meetings Department of BNP Paribas Securities Services no later than three days before the General Meeting.

How to complete your voting form?

A **To attend** the 2019 Meeting **in person** and receive your admission card.

B If **you cannot attend** the 2019 Meeting, go to point 1, 2 or 3.

2 **To grant a proxy** to the Chairperson of the 2019 Meeting.



IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - *Important : Before selecting please refer to instructions on reverse side*
Quelle que soit l'option choisie, noircir comme ceci ▌ la ou les cases correspondantes, dater et signer au bas du formulaire - *Whichever option is used, shade box(es) like this ▌, date and sign at the bottom of the form*
A. ▯ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / *I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.*
B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / *I prefer to use the postal voting form or the proxy form as specified below.*

Guerbet
Société Anonyme au capital de 12 581 261 €
Siège Social : 15 rue des Vanesses
93420 VILLEPINTE
308 491 521 R.C.S. BOBIGNY

ASSEMBLEE GENERALE ORDINAIRE
Convoquée le 24 mai 2019 à 15h00
à l'Hôtel Hyatt Regency Paris,
351 avenue du bois de la Pie - 95912 Roissy-en-France

ORDINARY GENERAL MEETING
To be held on May 24th 2019, at 3.00 p.m.
à l'Hôtel Hyatt Regency Paris,
To the 351 avenue du bois de la Pie - 95912 Roissy-en-France

CADRE RÉSERVÉ À LA SOCIÉTÉ - *FOR COMPANY'S USE ONLY*
Identifiant - *Account*
Nombre d'actions - *Number of shares*: Nominatif - *Registered* (Vote simple - *Single vote*; Vote double - *Double vote*); Porteur - *Bearer*
Nombre de voix - *Number of voting rights*

▯ JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST*
Cf. au verso (2) - *See reverse (2)*

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ▌ la case correspondante et pour lesquels je vote NON ou je m'abstiens.
I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box – like this ▌, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ▌ la case correspondante à mon choix.
On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice – like this ▌.

1 2 3 4 5 6 7 8 9
10 11 12 13 14 15 16 17 18
19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36
37 38 39 40 41 42 43 44 45

Oui / Yes — Non/No Abst/Abs
A B C D E F G H J K

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / *In case amendments or new resolutions are proposed during the meeting*
- Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / *I appoint the Chairman of the general meeting to vote on my behalf* ▯
- Je m'abstiens (l'abstention équivaut à un vote contre). / *I abstain from voting (is equivalent to vote NO)* ▯
- Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / *I appoint [see reverse (4)] Mr, Mrs or Miss, Corporate Name to vote on my behalf* ▯

Pour être prise en considération, toute formule doit parvenir au plus tard :
In order to be considered, this completed form must be returned at the latest:
sur 1ère convocation / *on 1st notification* — sur 2ème convocation / *on 2nd notification*
à la banque / *to the bank* — 21 mai 2019 / *May 21st, 2019*
à la société / *to the company*

Date & Signature

▯ JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

▯ JE DONNE POUVOIR À : Cf. au verso (4)
I HEREBY APPOINT: See reverse (4)
M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
Adresse / Address

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

FORMULAIRE DÉDIÉ AUX SOCIÉTÉS FRANÇAISES / *FORM RELATED TO FRENCH COMPANIES*

3 **To grant a proxy to the person of your choice.**

1 If you wish **to vote by post,** tick the box at the top and then indicate how you are voting. If you are voting **"in favour",** there is no box to mark. If you wish to vote **"against"** or to abstain, mark the box next to the number of the relevant resolution.

Regardless of your choice, don't forget **to date and sign the form.**

Revocation of the appointment of a proxy holder

Pursuant to Article R. 225-79 of the French Commercial Code, the previous appointment of a proxy holder may be revoked. The proxy given for a meeting may be revoked in the same forms as those required for the appointment of the proxy holder.

Pure registered Shareholders

They must confirm their request on PlanetShares at https://planetshares.bnpparibas.com by logging in with their usual login information and going to the "My holdings – My voting rights," and clicking on the "Appoint or revoke a proxy."

Bearer Shareholders or administered Shareholders

In accordance with the provisions of Article R. 225-79 of the French Commercial Code, the notification of the appointment and revocation of the appointment of a proxy holder may also be provided electronically following the sending of an email to paris.bp2s.france.cts.mandats@bnpparibas.com. This email must contain the following information: Name of the company in question, date of the Meeting, last name, first name, address, and registered current account number or bank references of the principal, where applicable, as well as the last name, first name, and, if possible, address of the proxy holder.

Shareholders must ask their financial intermediary who manages their securities account to send a written confirmation to:

BNP Paribas Securities Services – CTO Assemblées Générales
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

Only proxy appointment or revocation notifications may be sent to the above email address. Any request or notification pertaining to any other subject will not be able to be taken into account.

Proxy appointments or revocations submitted by email may be validly taken into account only if the confirmations are received no later than 3:00 p.m. (Paris time) on the day before the Meeting. Proxy appointments or revocations submitted in paper form must be received no later than three (3) calendar days before the date of the General Meeting.

Sales of shares before the General Meeting

At any time, Shareholders may transfer ownership of all or some of their shares:

(i) If the sale occurs before midnight (Paris time) on 22 May 2019, the vote by correspondence, the proxy, and the admission card, possibly accompanied by a certificate of share ownership, will be invalidated or modified accordingly, depending on the case. To that end, the authorized intermediary mentioned in Article L. 211-3 of the French Monetary and Financial Code will provide notification of the sale and the necessary information to the company or BNP Paribas Securities Services.

(ii) If the sale is carried out after midnight (Paris time) on 22 May 2019, whatever the method used, the authorized intermediary mentioned in Article L. 211-3 of the French Monetary and Financial Code will not provide notification of it, and the company will not take it into consideration, notwithstanding any agreement to the contrary.

Written questions

In accordance with Article R. 225-84 of the French Commercial Code, Shareholders may submit written questions of their choice to the Board of Directors, which will respond during the Meeting.

Questions must be sent by registered letter with acknowledgment of receipt to Guerbet – BP 57400 – 95943 Roissy CDG Cedex – France or by email to ag24mai2019@guerbet.com

They must be sent no later than the fourth business day preceding the General Meeting.

Documents available to Shareholders

All documents and information provided for in Article R. 225-73-1 of the French Commercial Code, including those in Articles R. 225-81 and R. 225-83, may be consulted on the issuer's website at www.guerbet.com starting from the twenty-first day preceding the General Meeting (3 May 2019).

However, Shareholders may obtain the documents provided for in Articles R. 225-81 and R. 225-83 of the French Commercial Code within the legally required period by sending a request using the form attached in section 9 to BNP Paribas Securities Services – CTO Assemblées Générales – Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex.

Composition of the Board of Directors as of 31 December 2018

	Position	Independence	Audit Committee	Appointments 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	Member	Chairperson	27 May 2011	2023 GM
Marion Barbier	Director	No		Member	Chairperson		27 July 2011	2023 GM
Mark Fouquet	Director	No	Member			Member	23 May 2014	2020 GM
Éric Guerbet	Director	No				Member	19 May 2017	2023 GM
Didier Izabel	Director	Yes	Chairperson	Member		Member	23 May 2014	2020 GM
Céline Lamort	Director	No	Member				29 May 2015	2021 GM
Yves L'Épine	Director and CEO	No					24 May 2013	2019 GM
Nicolas Louvet	Director	No			Member	Member	27 May 2016	2022 GM
Claire Massiot-Jouault	Director	No		Member		Member	24 May 2013	2019 GM
Isabelle Raynal	Employee Director	No			Member		25 November 2017	24 November 2023
Thibault Viort	Director	Yes		Chairperson		Member	19 May 2017	2023 GM

Agenda

ORDINARY AGENDA

1. Approval of the company's corporate financial statements for the year ended 31 December 2018;
2. Approval of the company's consolidated financial statements for the year ended 31 December 2018;
3. Appropriation of profits for the year ended 31 December 2018, and determination of the dividend amount;
4. Approval, pursuant to Article L. 225-38 of the French Commercial Code, of the agreement relating to the membership of the funded retirement scheme known as "Article 83" for the benefit of Marie-Claire Janailhac-Fritsch, Chairperson;
5. Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code;
6. Determination of the annual amount of attendance fees allocated to members of the Board of Directors;
7. Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors;
8. Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Yves L'Épine in his capacity as Chief Executive Officer;
9. Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Pierre André in his capacity as Deputy Chief Executive Officer;
10. Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors;
11. Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Yves L'Épine as Chief Executive Officer;
12. Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Pierre André as Deputy Chief Executive Officer;
13. Renewal of the term of office of Claire Massiot-Jouault as Director;
14. Authorization to the Board of Directors to allow the Company to repurchase its own shares;
15. Powers to carry out formalities.

Report of the Board of Directors on the proposed resolutions submitted to the General Meeting

Dear Sir, Madam,

We have called an Ordinary General Meeting, in accordance with the law and the Articles of association of Guerbet, for the purpose of submitting the draft resolutions pertaining to following points for your approval:

I- Approval of the company's financial statements and consolidated financial statements for the year ended 31 December 2018, and appropriation of the profits for the year

(1st to 3rd ordinary resolutions)

Your General Meeting is called, first of all, for the purpose of approving the company's financial statements (1st resolution) and consolidated financial statements (2nd resolution) for the year ended 31 December 2018, and setting the amount of the dividend for the year (3rd resolution).

The company's financial statements for the year ended 31 December 2018, show a profit of €99,304,000.20 and retained earnings of €57,825,226.11. It is proposed that you appropriate this available amount as follows:

(in €)	
Net income	€99,304,000.20
Positive retained earnings	€57,825,226.11
Total to be appropriated	**€157,129,226.31**
Appropriation to the statutory reserve	€1,790.30
Total distributable	**€157,127,436.01**
Statutory dividend	€754,875.66
Supplemental dividend	€9,939,196.19
Total net dividend	**€10,694,071.85**
BALANCE APPROPRIATED TO RETAINED EARNINGS	**€146,433,364.16**

In addition, the Board of Directors proposes that the General Meeting set the amount of the dividend to €0.85 per share. The dividend will be payable beginning on 5 June 2019.

II- Approval, pursuant to Article L. 225-38 of the French Commercial Code, of the agreement relating to the membership of the funded retirement scheme known as "Article 83" for the benefit of Marie-Claire Janailhac-Fritsch, Chairperson

(4th ordinary resolution)

Under the 4th resolution, your General Meeting is called on, in accordance with Article L. 225-38 of the French Commercial Code, after reviewing the report of the Board of Directors and the special report of the Statutory Auditors presented pursuant to Article L. 225-40 of the French Commercial Code on regulated agreements and commitments referred to in Article L. 225-38 of the same Code, to approve the agreement relating to the membership of the funded retirement scheme known as "Article 83" for the benefit of Marie-Claire Janailhac-Fritsch, Chairperson described therein.

III- Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code

(5th ordinary resolution)

The special report of the company's Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code mentions a new agreement subject to the provisions of Article L. 225-38. Under the 5th resolution, you are asked to approve the special report of the Statutory Auditors and to acknowledge the regulated agreements and commitments entered into and previously approved by the General Meeting mentioned therein.

IV- Determination of the annual amount of attendance fees allocated to members of the Board of Directors

(6th ordinary resolution)

Pursuant to Article L. 225-45 of the French Commercial Code, the Board of Directors proposes changing the maximum amount of annual attendance fees allocated to the Board of Directors to €300,000 until your General Meeting decides otherwise.

V- Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors, Yves L'Épine as Chief Executive Officer, and Pierre André as Deputy Chief Executive Officer

(7th to 9th ordinary resolutions)

During its meeting of 26 March 2019, pursuant to Article L. 225-37-2 of the French Commercial Code, the Board of Directors decided to submit the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated for their office to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors, Yves L'Épine as Chief Executive Officer, and Pierre André as Deputy Chief Executive Officer of the company and establishing the compensation policy pertaining to them.

These principles and criteria, approved by the Board of Directors on the recommendation of the Appointments and Compensation Committee, are presented in the report provided for in the aforementioned Article. Pursuant to Article L. 225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be subject to the approval of the Shareholders during the General Meeting ruling on the financial statements for the year ended 31 December 2018.

The Board of Directors thus proposes that your General Meeting approve the principles and criteria as presented in section 2 "Compensation of corporate officers" of the "Corporate governance" chapter of the company's 2018 Registration Document and in appendix 1 of this report.

VI- Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors, Yves L'Épine as Chief Executive Officer, and Pierre André as Deputy Chief Executive Officer

(10th to 12th ordinary resolutions)

During its meeting of 26 March 2019, the Board of Directors, on the recommendation of the Appointments and Compensation Committee and in accordance with the recommendations of paragraphs 26.1 and 26.2 of the Afep-Medef corporate governance code, which constitutes the company's code of reference, and pursuant to Article L. 225-100 of the French Commercial Code, decided to submit for the approval of your General Meeting the fixed and variable components of the total compensation and benefits of any kind paid or allocated to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors, Yves L'Épine as Chief Executive Officer, and Pierre André as Deputy Chief Executive Officer for the year ended 31 December 2018, as presented in section 2 "Compensation of corporate officers" of the "Corporate governance" chapter of the company's 2018 Registration Document and appendix 2 of this report.

With regard to Pierre André, only the compensation components paid or allocated for his office as Deputy Chief Executive Officer are subject to a vote of approval by the Shareholders pursuant to Article L. 225-100 of the French Commercial Code. This compensation corresponds to an annual fixed compensation of €11,500 gross. The other components of Pierre André's compensation as presented in section 2 "Compensation of corporate officers" of the "Corporate governance" chapter of the company's 2018 Registration Document and in appendix 2 of this report, are collected under his employment contract as Quality Director – Chief Pharmacist of the Group. These components are not included in the vote on the 12th resolution.

VII- Approval of the renewal of the term of office of Claire Massiot-Jouault as Director

(13th ordinary resolution)

As Claire Massiot-Jouault's term as Director will end following the annual General Meeting, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, proposes that the General Meeting renew Claire Massiot-Jouault's term of office as Director for a term of six years as stipulated in the Articles of association, ending following the General Meeting to be held in 2025 called to rule on the financial statements for the year ending 31 December 2024 (13th resolution).

Claire Massiot-Jouault has been a Director of Guerbet since 2013.

After receiving the opinion of the Appointments and Compensation Committee, the Board of Directors considered that Claire Massiot-Jouault could not be considered an independent member according to the criteria of independence of the Afep-Medef Code because she is a member of the Guerbet family and a party to the family shareholding agreement.

Additional information about this Director, whose renewal is proposed, appears in appendix 3 of this report.

Yves L'Épine, whose term of office as Director will expire following the General Meeting, informed the Board of Directors that he does not wish to renew his term as Director.

If you approve the 13th resolution, the Board of Directors will have nine members following the General Meeting, including three independent members, which will be consistent with the percentage of 33% independent members recommended by the Afep-Medef Code.

VIII- Authorization for the company to buy back its own shares (share buyback program)

(14th ordinary resolution)

Under the 14th resolution, the Board of Directors proposes that your General Meeting authorize it to buy 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 as part of a merger, demerger, or contribution, with the understanding that acquisitions carried out by the company may not in any case result in the company holding more than 10% of the shares making up its share capital at any time whatsoever.

Shares may be purchased in order to: a) ensure liquidity and stimulate the market for the company's shares through an investment services provider acting independently under a liquidity contract consistent with the Code of ethics recognized by the French financial markets authority (AMF), b) allocate shares to corporate officers and employees of the company and of other entities of the Group, c) tender the shares of the company during the exercise of rights attached to securities directly or indirectly giving the right to reimbursement, conversion, exchange, presentation of a warrant, or any other form of allocation of shares of the company, d) hold the company's share and subsequently tender them for payment or exchange for external growth operations, e) cancel all or part of the shares thus purchased, f) implement any market practice that would come to be admitted by the AMF, and, more generally, carry out any operation complying with the regulations in force.

The maximum unit purchase price may not be greater than €130 per share, excluding costs.

The Board of Directors proposes that this authorization, which would cancel and replace the authorization granted by the fifteenth resolution of the General Meeting of 25 May 2018, be granted for a period of eighteen (18) months from this General Meeting.

Appendix 1

Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors, Yves L'Épine as Chief Executive Officer, and Pierre André as Deputy Chief Executive Officer

Company officer compensation policy

The principles for determining the compensation of executive and non-executive company officers are proposed by the Appointment and Compensation Committee and approved by the Board of Directors.

The principles for determining the compensation paid to the Chairperson, the Chief Executive Officer and the Deputy CEO are established based on the Afep-Medef Code, which the company has adopted. The compensation of company officers depends on their responsibilities, the results achieved, and the work completed. It may also depend, particularly for the CEO and the Deputy CEO, on the type of duties entrusted to them or exceptional situations.

The compensation of executive company officers is consistent with the principle of balance to ensure a fair proportion between the various components. To make sure that the compensation is competitive, the principle of comparability is also applied so that the allocated compensation can be compared with a reference market. Finally, special attention is paid to the consistency and intelligibility of the rules for the compensation of company officers, which are necessary to understand the compensation paid to other company executives and employees.

Policy on compensation of the Chairperson of the Board of Directors

The Chairperson of the Board of Directors receives a total compensation composed of a fixed sum for the office of Chairperson, as well as the attendance fees received for the duties of Director.

In accordance with the Afep-Medef Code's recommendations, the Chairperson does not receive variable compensation in cash or securities, or any other compensation based on the performance of the company or Group.

Since 2015, the Chairperson has health cover and a welfare insurance policy, taken out by Guerbet, under the same conditions as for Guerbet employees.

In accordance with the approval by the Board of Directors on 27 March 2018, the Chairperson of the Board of Directors is covered by Guerbet SA's funded supplemental pension plan starting in 2018.

Pursuant to Article L. 225-37-2 of the French Commercial Code, the Board of Directors will submit for approval by the General Meeting of 24 May 2019, under resolution 7 appearing under section "Proposed resolutions," the principles applicable to the determination, distribution, and allocation of the components of the total compensation that may be allocated to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors for the performance of her duties for the 2018 financial year and constituting the compensation policy concerning her.

In accordance with Article L. 225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles will be submitted to the Shareholders for approval at the General Meeting of 24 May 2019, under resolution 10 appearing under section "Proposed resolutions." In the event of a negative vote at the General Meeting, the Board of Directors, on the advice of the Appointment and Compensation Committee, must deliberate on the subject and publish a press release on the company's website indicating the response that it intends to give to the wishes expressed by the Shareholders at the General Meeting.

As a reminder, the payment of variable and exceptional compensation components is subject to the approval of the General Meeting.

Chief Executive Officer and Deputy CEO compensation policy

The policy on compensation of the Chief Executive Officer and the Deputy CEO is a variation of the Group's compensation policy and is summarized below.

General principles

Guerbet's compensation policy strives for consistency with market practices and the industry to ensure competitive compensation levels. This policy incorporates a strong link with the company's performance and a maintained balance between short-term and medium/long-term performance.

The compensations of the Chief Executive Officer and the Deputy CEO are composed of fixed and variable portions, based on quantitative and qualitative criteria. They are set by the Board of Directors on the recommendation of the Appointments and Compensation Committee in consideration of the compensation of international leaders of the French healthcare industry. This consistency with market practices is fundamental to attracting and retaining the talent necessary for the Group's success.

Since 2016, the Board of Directors has introduced the awarding of performance shares in the Group's compensation policy. This share-based compensation is a component necessary for Guerbet's attractiveness as an employer throughout the world, with the objective of strengthening devotion to the Group and converging the interests of employees with those of Shareholders.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors fixes the performance conditions attached to share-based compensation for all beneficiaries of Guerbet and its affiliates throughout the world. Failure to meet the performance conditions over the assessment period results in the loss of all or part of the initial award.

Awards are also subject to a condition of presence in the Group during the vesting period and are accompanied by a requirement to retain these shares for the Chief Executive Officer and the Deputy CEO.

Welcome compensation

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

It may take several forms. It may be awarded particularly in the form of stock options or shares.

Compensation in office

A) Compensation structure

The Chief Executive Officer and the Deputy CEO receive a compensation composed of a fixed amount and a variable portion based on quantitative and qualitative criteria relating to the company's commercial and industrial performance and the implementation of its strategy.

Since 2016, long-term compensation in the form of performance shares, subject to presence and performance criteria, has been awarded in addition to this compensation. A percentage of the shares awarded must be retained until the end of the executive officers' terms of office.

Exceptional compensation may also be awarded in exceptional circumstances.

The Deputy CEO is the Guerbet group's Chief Pharmacist and, as such, receives an annual bonus paid in two installments.

B) Variable compensation

The Chief Executive Officer's annual variable compensation is between 0% and 150% of the fixed compensation. It is established according to quantitative and qualitative criteria.

The Deputy CEO's annual variable compensation is between 0% and 50% of the fixed compensation. It is established according to quantitative and qualitative criteria.

C) Share-based compensation

Compensation of the Chief Executive Officer and the Deputy CEO in the form of performance shares is set by the Board of Directors, on the proposal of the Appointment and Compensation Committee, based on market research and the performance required for the Group. Share-based compensation is subject to meeting performance and presence conditions. Each granted award takes into account previous awards and total compensation.

In the event of retirement upon reaching the legal retirement age before the end of the performance share vesting period, the Chief Executive Officer and the Deputy CEO continue to benefit from the performance shares initially awarded but remain subject to the other conditions of the Plan, including performance conditions. In the event of a departure from the Group for reasons other than retirement, the Chief Executive Officer and the Deputy CEO lose the benefit of their performance shares.

D) Attendance fees

The Chief Executive Officer receives attendance fees for the duties of Director.

The Deputy CEO does not receive attendance fees.

Termination compensation

The Chief Executive Officer and the Deputy CEO do not receive any commitment from the company for compensation or benefits owed due to the termination or change of their role.

Pension commitments

The Chief Executive Officer and the Deputy CEO are covered by a pension scheme offered pursuant to Article 83 French General Tax Code. It 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.*

This policy is a retirement savings policy in accordance with Article 107 of Act No. 2010-1330 of 9 November 2010. The basis of the contributions is 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.

Pursuant to Article L. 225-37-2 of the French Commercial Code, the Board of Directors will submit for approval by the General Meeting of 24 May 2019, under resolutions 8 and 9 appearing under section "Proposed resolutions," the principles and criteria applicable to the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Yves L'Épine as Chief Executive Officer and to Pierre André as Deputy CEO for the performance of their duties for the 2018 financial year and constituting the compensation policy concerning them.

In accordance with Article L. 225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be submitted to the Shareholders for approval at the General Meeting of 24 May 2019, under resolutions 11 and 12 under section "Proposed resolutions." In the event of a negative vote at the General Meeting, the Board of Directors, on the advice of the Appointment and Compensation Committee, must deliberate on the subject and publish a press release on the company's website indicating the response that it intends to give to the wishes expressed by the Shareholders at the General Meeting. As a reminder, the payment of variable and exceptional compensation components is subject to the approval of the General Meeting.

Appendix 2

Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors, Yves L'Épine as Chief Executive Officer, and Pierre André as Deputy Chief Executive Officer

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

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

(in € gross)	2018	2017
Compensation due for the year	76,580	75,804
Attendance fees due for the office of Director	47,548	45,870
TOTAL	**124,128(1)**	**121,674(2)**

(1) Estimated gross amount subject to a vote at the General Meeting of Shareholders of 24 May 2019, equal to a net amount of €98,500.
(2) Estimated gross amount approved at the General Meeting of Shareholders of 25 May 2018, equal to a net amount of €96,000.

Details of the compensation awarded to Marie-Claire Janailhac-Fritsch, Chairperson of the Board of Directors

	Amounts due for the year		Amounts paid during the year	
(in € gross)	2018	2017	2018	2017
Fixed compensation as Chairperson of the Board of Directors	76,580(1)	75,804	76,580	75,804
Variable compensation				
Exceptional compensation				
Attendance fees	47,548	45,870	46,181	46,053
Benefits in kind				
TOTAL	**124,128(2)**	**121,674(3)**	**122,761**	**121,857**

(1) Net fixed compensation is unchanged since 2016.
(2) Estimated gross amount subject to a vote at the General Meeting of Shareholders of 24 May 2019, equal to a net amount of €98,500.
(3) Estimated gross amount approved at the General Meeting of Shareholders of 25 May 2018, equal to a net amount of €96,000.

Marie-Claire Janailhac-Fritsch has health insurance and a welfare insurance policy, taken out by Guerbet, under the same conditions as for Guerbet employees. The contributions paid by Guerbet totaled €2,771 in 2018, of which €1,380 for the welfare insurance and €1,391 for the mutual health insurance.

Marie-Claire Janailhac-Fritsch is covered by the "Article 83" funded pension plan, a mandatory Group insurance policy for the executive category. The total funded pension amount paid into her individual pension account was €5,524 in 2018.

Compensation of the Chief Executive Officer, Yves L'Épine

Summary of the compensation awarded to Yves L'Épine, Chief Executive Officer

(in € gross)	2018	2017
Compensation due for the year	960,478[(1)]	739,752
Value of stock options awarded during the year		
Long-term compensation:		
◆ Value of stock options granted during the year		
◆ Value of performance shares granted during the year		
◆ Value of performance shares previously granted		
◆ Value of performance shares distributed during the year[(2)]	428,108	
Attendance fees due for the office of Director	24,700[(3)]	21,990[(4)]
TOTAL	**1,413,286**	**761,742**

(1) Including variable compensation that will be subject to a vote at the General Meeting of Shareholders of 24 May 2019.
(2) Value based on the closing price of the day preceding the date of distribution.
(3) Estimated gross amount subject to a vote at the General Meeting of Shareholders of 24 May 2019.
(4) Gross amount approved at the General Meeting of Shareholders of 25 May 2018.

Details of the compensation awarded to Yves L'Épine, Chief Executive Officer

	Amounts due for the year		Amounts paid during the year	
(in € gross)	2018	2017	2018	2017
Fixed compensation	455,463[(1)]	445,000	445,463	445,000
Variable compensation	499,513[(1)]	289,250	289,250	304,825
Exceptional compensation				
Attendance fees paid	24,700[(3)]	21,990[(4)]	24,700	21,990
Benefits in kind	5,502	5,502	5,502	5,502
TOTAL	**985,178**	**761,742**	**774,915**	**777,317**

(1) Fixed compensation is unchanged since 2016. The 2018 compensation includes an adjustment of €10,463.
(2) Gross amount subject to a vote at the General Meeting of Shareholders of 24 May 2019.
(3) Estimated gross amount subject to a vote at the General Meeting of Shareholders of 24 May 2019.
(4) Amount approved at the General Meeting of Shareholders of 25 May 2018.

Compensation for 2018

On the proposal of the Compensation Committee, the Board of Directors, at its meeting on 27 March 2018, approved the components of Yves L'Épine's compensation for the 2018 financial year.

His annual compensation for 2018 consisted of gross annual fixed compensation of €445,000 and variable compensation, subject to both quantitative and qualitative objectives and capped at 150% of the fixed annual compensation.

His variable compensation for 2018 was based on quantitative criteria (gross margin, EBITDA, inventory level) and qualitative criteria (progress of projects related to the integration of acquisitions, progress of business development and licensing projects).

The performance criteria applied to both the variable portion of the compensation and the final vesting of the performance shares correspond to the company's objectives.

For confidentiality reasons, the level of achievement required for the quantitative criteria as well as the details of the qualitative criteria, although precisely pre-established, cannot be disclosed.

On the proposal of the Board of Directors, the General Meeting of Shareholders of 24 May 2019, will approve the Chief Executive Officer's compensation (fixed and variable). Yves L'Épine's variable compensation for 2018 will be paid in 2019.

Yves L'Épine is covered by the same system of supplementary health and death insurance as well as the same pension and healthcare cost plan as the Group's employees in France, plans to which he is subject and contributes. The contributions paid by Guerbet totaled €5,980 in 2018, of which €4,271 for the welfare insurance and €1,709 for the mutual health insurance.

The benefits in kind received in 2018 totaling €5,502 correspond to the vehicle benefit in kind.

Performance shares that became fully vested in 2018

7,330 shares were distributed to the CEO during the 2018 financial year.

Award of performance shares in 2018

No performance shares were awarded.

Compensation for 2019

On the proposal of the Compensation Committee, the Board of Directors, at its meeting on 26 March 2019, decided to adjust the value of his gross fixed annual compensation for 2019 to €469,500.

His variable remuneration for 2019 is based on quantitative and qualitative criteria: Margin on standard costs; EBITDA; Working capital requirement; CSR – rate of accidents at work and reduction of the environmental footprint (energy and water consumption); Group development strategy.

Obligation for the Chief Executive Officer to hold and maintain performance shares

The Chief Executive Officer is subject to the holding requirements set out in the performance share award plan for all employees.

He is also subject to the obligation to maintain in registered form, until the termination of his duties, 20% of his company shares having fully vested at that time.

Pension commitments

Yves L'Épine is covered by the "Article 83" funded pension plan, a mandatory Group insurance policy for the executive category.

The basis of the contributions is 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. The total funded pension amount paid into Yves L'Épine's individual pension account was €14,304 in 2018.

Compensation of the Deputy CEO, Pierre André

Summary of the compensation awarded to Pierre André, Deputy CEO

(in € gross)	2018	2017
Compensation due during the year	236,945	232,136
Long-term compensation:		
◆ Value of stock options granted during the year		
◆ Value of performance shares granted during the year[(1)]	51,600	
◆ Value of performance shares previously granted		
◆ Value of performance shares distributed during the year[(2)]	43,252	
TOTAL	**331,797**	**232,136**

(1) Value determinated in accordance with the application of IFRS 2.
(2) Value based on the closing price of the day preceding the date of distribution.

Details of the compensation awarded to Pierre André, Deputy CEO

	Amounts due for the year		Amounts paid during the year	
(in € gross)	2018	2017	2018	2017
Fixed compensation	169,956	165,006	169,956	165,006
Variable compensation (including for duties as Deputy CEO)	63,054	63,195	61,071	63,908[(1)]
Exceptional compensation				
Benefits in kind	3,935	3,935	3,935	3,935
TOTAL	**236,945**	**232,136**	**234,962**	**232,849**

(1) Including €11,500 as a "Chief Pharmacist" bonus for 2016 paid in January 2017 and €11,500 as a "Chief Pharmacist" bonus for 2017, paid in two installments in June and December 2017.

Compensation for 2018

On the proposal of the Compensation Committee, the Board of Directors, at its meeting on 27 March 2018, approved the components of Pierre André's compensation for the 2018 financial year.

His annual compensation for 2018, under his employment contract as Group Head of Quality of Technical Operations, consisted of gross annual fixed compensation of €169,956 and variable compensation, subject to both quantitative and qualitative objectives and capped at 50% of the fixed annual compensation.

His variable compensation for 2018, under his employment contract as Group Head of Quality of Technical Operations, was based on quantitative and qualitative criteria related to his function as Group Head of Industrial Quality, based on collective objectives and specific individual objectives (quality, safety, costs of non-quality, Compliance, key projects related to the function).

The performance criteria applied to both the variable portion of the compensation and the final vesting of the performance shares correspond to the company's objectives.

For confidentiality reasons, the level of achievement required for the quantitative criteria as well as the details of the qualitative criteria, although precisely pre-established, cannot be disclosed.

The compensation due to Pierre André for his role as Deputy CEO required for the performance of his duties as a Chief Pharmacist consists of fixed annual compensation of €11,500. On the proposal of the Board of Directors, the General Meeting of Shareholders of 24 May 2019, will approve Pierre André's compensation for his duties as Deputy CEO. Pierre André's variable compensation for 2018 will be paid in 2019.

Pierre André is covered by the same system of supplementary health and death insurance as well as the same pension and healthcare cost plan as the Group's employees in France, plans to which he is subject and contributes. The contributions paid by Guerbet totaled €4,394 in 2018, of which €2,997 for the welfare insurance and €1,397 for the mutual health insurance.

The benefits in kind received in 2018 totaling €3,935 correspond to the vehicle benefit in kind.

Performance shares that became fully vested in 2018

740 shares were distributed to the Deputy CEO during the 2018 financial year.

Award of performance shares in 2018

800 performance shares were awarded to the Deputy CEO in 2018.

Compensation for 2019

On the proposal of the Compensation Committee, the Board of Directors, at its meeting on 26 March 2019, decided to adjust the value of his gross fixed annual compensation for 2018 to €173,355.

His variable compensation for 2018 was established on the basis of quantitative criteria and is linked to his role as Group Head of Quality. These criteria are based on individual and collective specific objectives and particularly include quality and safety. His compensation due for his position as Deputy CEO – Chief Pharmacist is unchanged (€11,500).

Obligation for the Deputy CEO to hold and maintain performance shares

The Deputy CEO is subject to the holding requirements set out in the performance share award plan for all employees. He is also subject to the obligation to maintain in registered form, until the termination of his duties, 5% of his company shares having fully vested at that time.

Pension commitments

Pierre André is covered by the "Article 83" funded pension plan, a mandatory Group insurance policy for the executive category.

The basis of the contributions is 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. The total funded pension amount paid into Pierre André's individual pension account was €9,266.14 in 2018.

Appendix 3

Information concerning the Director whose renewal is proposed

Date of birth:
August 27, 1961

Professional address:
Guerbet
15, rue des Vanesses
93420 Villepinte

First appointment to the Board:
24 May 2013

Date of most recent reappointment:
Not applicable

Expiry of term of office:
2019 General Meeting

Claire Massiot-Jouault
Director

Non-independent due to being a member of the Guerbet family

Career history:

Head of Operational Excellence and Lean Manufacturing at Sanofi R&D since 2016
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 within the *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
State doctorate in pharmacy – *Université René-Descartes* – Paris V

Current offices within Guerbet:

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

2018 Board meeting attendance rate: 100%

Current offices held in French companies:

- Manager of non-commercial partnership RFDC

Current offices held in foreign companies:

None

Terms of office that expired during the last five years:

French companies:
None

Foreign companies:
None

Proposed resolutions

FIRST RESOLUTION

(Approval of the Company's corporate financial statements for the year ended 31 December 2018)

The General Meeting, deliberating according to the conditions of quorum and majority required for ordinary general meetings, after reviewing the reports of the Board of Directors and the Statutory Auditors, approves the Company's financial statements for the year ended 31 December 2018, including the balance sheet, the income statement, and the notes, as presented to it, showing a net book profit of €99,304,000.20, as well as the transactions reflected in these financial statements and summarized in these reports.

SECOND RESOLUTION

(Approval of the Company's consolidated financial statements for the year ended 31 December 2018)

The General Meeting, deliberating according to the conditions of quorum and majority required for ordinary general meetings, after reviewing the reports of the Board of Directors and the Statutory Auditors, approves the Company's consolidated financial statements for the year ended 31 December 2018, including the balance sheet, the income statement, and the notes, as presented to it, as well as the transactions reflected in these financial statements and summarized in these reports.

THIRD RESOLUTION

(Appropriation of profits for the year ended 31 December 2018, and determination of the dividend amount)

The General Meeting, deliberating according to the conditions of quorum and majority required for ordinary general meetings, after reviewing the reports of the Board of Directors and the Statutory Auditors:

(in €)	
Net income	€99,304,000.20
Positive retained earnings	€57,825,226.11
Total to be appropriated	**€157,129,226.31**
Appropriation to the statutory reserve	€1,790.30
Total distributable	**€157,127,436.01**
Statutory dividend	€754,875.66
Supplemental dividend	€9,939,196.19
Total net dividend	**€10,694,071.85**
BALANCE APPROPRIATED TO RETAINED EARNINGS	**€146,433,364.16**

The General Meeting therefore resolves to pay a dividend of €0.85 per share. The dividend will be payable beginning on 5 June 2019.

Pursuant to the provisions of Article 243 bis of the French General Tax Code, it is specified that, under the conditions defined by the laws and regulations in force, this gross dividend will be subject to a single withholding tax at the global rate of 30% (*i.e.* 12.8% for income tax and 17.2% for social security contributions), except for the option for the progressive scale of income tax, which would in this case be intended to apply to all capital income received in 2019. In case of the progressive scale option, this option will provide eligibility for the 40% proportional reduction provided for in Article 158, at 2° of 3 of the French General Tax Code, *i.e.* €0.34 per share. This scheme is applicable to individuals domiciled for tax purposes in France.

In accordance with Article 243 bis of the French General Tax Code, the distributions made for the last three fiscal years are indicated below:

Year	Total amount distributed	Gross dividend per share(1)	Tax rebate(2)
2015	€8,023,258.10	€0.65	€0.26
2016	€10,625,975.80	€0.85	€0.34
2017	€10,678,854.30	€0.85	€0.34

(1) *Before taxes and social security contributions.*
(2) *For individuals who are residents in France for tax purposes.*

The General Meeting resolves that, in accordance with the provisions of Article L. 225-210 of the French Commercial Code, the amount of the dividend corresponding to the shares that the company holds at the time of payment will be appropriated to "retained earnings."

FOURTH RESOLUTION

(Approval, pursuant to Article L. 225-38 of the French Commercial Code, of the agreement relating to the membership of the funded retirement scheme known as "Article 83" for the benefit of Marie-Claire Janailhac-Fritsch, Chairperson)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the reports of the Board of Directors and the Statutory Auditors presented pursuant to Article L. 225-40 of the French Commercial Code on regulated agreements and commitments referred to in Article L. 225-38 of the same Code, approves the agreement relating to the membership of the funded retirement scheme known as "Article 83" for the benefit of Marie-Claire Janailhac-Fritsch, Chairperson, described therein.

FIFTH RESOLUTION

(Special report of the Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, after reviewing the reports of the Board of Directors and the Statutory Auditors presented pursuant to Article L. 225-40 of the French Commercial Code on regulated agreements and commitments referred to in Articles L. 225-38 *et seq.* of the same Code, approves the terms of this report, which does not include any new agreements falling within the scope of Article L. 225-38 cited above and which occurred during the year ended 31 December 2018, and duly notes that the regulated agreements and commitments entered into and previously approved by the General Meeting, referred to therein, continued during the past fiscal year.

SIXTH RESOLUTION

(Determination of the annual amount of attendance fees allocated to members of the Board of Directors)

The General Meeting, deliberating according to the conditions of quorum and majority required for ordinary general meetings, resolves to set the annual amount of annual attendance fees to be allocated to the members of the Board of Directors to a maximum total of €300,000, until it decides otherwise, leaving it to the Board of Directors to determine the distribution and the date of payment of these attendance fees.

SEVENTH RESOLUTION

(Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report of the Board of Directors prepared pursuant to Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind presented in the aforementioned report that may be allocated to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors.

EIGHTH RESOLUTION

(Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Yves L'Épine in his capacity as Chief Executive Officer)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report of the Board of Directors prepared pursuant to Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind presented in the aforementioned report that may be allocated to Yves L'Épine as Chief Executive Officer.

NINTH RESOLUTION

(Approval of the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind that may be allocated to Pierre André in his capacity as Deputy Chief Executive Officer)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, having reviewed the report of the Board of Directors prepared pursuant to Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for the determination, distribution, and allocation of the fixed and variable components of the total compensation and benefits of any kind presented in the aforementioned report that may be allocated to Pierre André for his duties as Deputy Chief Executive Officer.

TENTH RESOLUTION

(Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Marie-Claire Janailhac-Fritsch as Chairperson of the Board of Directors)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, approves, pursuant to Article L. 225-100 of the French Commercial Code, the fixed and variable components of the total compensation and benefits of any kind paid or allocated to Marie-Claire Janailhac-Fritsch, Chairperson of the Board of Directors, for the year ended 31 December 2018, as presented in the report of the Board of Directors.

ELEVENTH RESOLUTION

(Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Yves L'Épine as Chief Executive Officer)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, approves, pursuant to Article L. 225-100 of the French Commercial Code, the fixed and variable components of the total compensation and benefits of any kind paid or allocated to Yves L'Épine, Chief Executive Officer, for the year ended 31 December 2018, as presented in the report of the Board of Directors.

TWELFTH RESOLUTION

(Approval of the components of the compensation paid or allocated for the year ended 31 December 2018, to Pierre André as Deputy Chief Executive Officer)

The General Meeting, deliberating according to the conditions of quorum and majority required for Ordinary General Meetings, approves, pursuant to Article L. 225-100 of the French Commercial Code, the fixed and variable components of the total compensation and benefits of any kind paid or allocated to Pierre André, Deputy Chief Executive Officer, for the year ended 31 December 2018, in the report of the Board of Directors.

THIRTEENTH RESOLUTION

(Renewal of the term of office of Claire Massiot-Jouault as Director)

The General Meeting, ruling under the conditions of quorum and majority for ordinary general meetings, after having reviewed the report of the Board of Directors, noting that the Claire Massiot-Jouault's term of office as Director expires on this day, resolves to renew her term of office for a period of six years as stipulated in the Articles of association, which will end following the Ordinary General Meeting of Shareholders to be held in 2025 to rule on the financial statements for the year ending 31 December 2024.

FOURTEENTH RESOLUTION

(Authorization to the Board of Directors to allow the company to repurchase its own shares)

The General Meeting, deliberating according to the conditions of quorum and majority required for ordinary general meetings, after reviewing the report of the Board of Directors:

1. authorizes the Board of Directors, with the ability to subdelegate in accordance with legislative and regulatory conditions, in compliance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, to purchase or arrange the purchase of, on one or more occasions and at the times that it deems appropriate, a number of shares of the company that may not exceed:

   i. 10% of the total number of shares making up the share capital at any time whatsoever, or

   ii. 5% of the total number of shares making up the share capital acquired by the company in order to retain them, deliver them for payment later, or exchange them as part of a merger, demerger, or transfer.

   These percentages apply to a number of shares adjusted, where appropriate, depending on the transactions that may affect the share capital after this General Meeting.

   Acquisitions made by the company may under no circumstances lead the company to hold at any time more than 10% of the shares comprising its share capital;

2. resolves that this authorization may be used to:

   i. ensure liquidity and stimulate the market for the company's shares through an investment services provider, acting independently under a liquidity contract compliant with the Code of ethics recognized by the AMF,

   ii. allocate shares to the corporate officers and employees of the company and other Group entities, and in particular in connection with (i) profit sharing, (ii) any company stock option plan, pursuant to the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, or (iii) any savings plan in accordance with Articles L. 3331-1 *et seq.* of the French Labor Code, or (iv) any free allocation of shares pursuant to the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, and carry out any hedging operations relating to these transactions, under the conditions specified by the market authorities and at the times deemed appropriate by the Board of Directors or the person acting on the authority of the Board of Directors,

   iii. deliver the company's shares upon the exercise of rights attached to securities giving access, directly or indirectly, through redemption, conversion, exchange, presentation of warrants or any other means, to the allocation of the company's shares under the regulations in force and carry out all hedging operations related to these transactions, under the conditions provided for by the market authorities and at the times deemed appropriate by the Board of Directors or the person acting on the authority of the Board of Directors,

   iv. retain the company's shares and subsequently tender them as payment or exchange in connection with any external growth transactions,

   v. cancel all or part of the shares thus purchased,

   vi. implement any market practice that may be permitted by the AMF and, more generally, carry out any transaction that complies with the regulations in force;

3. resolves that the maximum unit purchase price may not be greater than €130 per share, excluding costs. However, for operations on the company's capital, particularly the modification of the nominal value of the share, a capital increase by capitalization of reserves followed by the creation and allocation free of shares, stock split, or reverse stock split, the Board of Directors may adjust the aforementioned maximum purchase price to take into account the impact of these operations on the value of the company's shares;

4. resolves that the acquisition, disposal, or transfer of these shares may be done and paid for by any means authorized by the regulations in force, on a regulated market, on a multilateral trading system, with a systematic internalizer, or by mutual agreement, in particular by the acquisition or sale of blocks, by the use of options or other derivatives, or warrants or, more generally, securities giving access to shares of the company at the times deemed appropriate by the Board of Directors;

5. resolves that the Board of Directors may not, without the prior authorization of the General Meeting, make use of this authorization once a third party has submitted a proposed public offer for the company's shares until the end of the offer period;

6. resolves that the Board of Directors will have full powers, with the ability to subdelegate in accordance with legislative and regulatory conditions, to carry out, in compliance with the applicable laws and regulations, the allocations and, where applicable, the permitted reallocations of repurchased shares in view of one of the objectives of the program for one or more of its other objectives, or their disposal, on or off the market.

   All powers are therefore conferred on the Board of Directors, with the ability to subdelegate in accordance with legislative and regulatory conditions, to implement this authorization, specify its terms if necessary, and set the procedures under the legal conditions and this resolution and, in particular, place all stock market orders, enter into any agreements, in particular for the keeping of share purchase and sale records, make any declarations to the AMF or any other competent authority, establish any document, particularly information documents, complete all formalities, and, in general, do whatever is necessary.

   In accordance with the law, the Board of Directors must inform the General Meeting of the operations carried out under this authorization;

7. resolves that this authorization, which cancels and replaces the authorization granted by the fifteenth resolution of the General Meeting of 25 May 2018, is granted for a period of eighteen (18) months from this General Meeting.

FIFTEENTH RESOLUTION

(Powers to carry out formalities)

The General Meeting, deliberating according to the conditions of quorum and majority required for ordinary general meetings, grants full powers to the bearer of copies or extracts of these minutes to complete all legal formalities.

Statutory Auditor's Reports

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the consolidated 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.

For the year ended 31 December 2018

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 31 December 2018.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the Group for the year then ended and of its financial position and of its assets and liabilities as of 31 December 2018 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 this report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from 1 January 2018 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1 of Regulation (EU) no. 537/2014 or in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

In addition, the services other than certification of the accounts that we provided during the year to your Company and the entities that it controls and which are not mentioned in the management report or the consolidated financial statements are as follows:

- the audit of the consolidated non-financial performance statement 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 for fiscal year 2018 was carried out by Deloitte & Associés, as independent third party;
- an attestation of expenses incurred for the financing of a research and development project and an attestation covering the production cost of the main assets were prepared during the year by HAF Audit & Conseil.

Observation

Without qualifying the above opinion, we draw your attention to Note (1) to the income statement, concerning the change in the accounting estimate arising from the plan to harmonize the calculation of industrial costs and its impact on inventories as of 1 January 2018 and its impact on operating income for the 2018 fiscal year.

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 bring your attention to the key audit matters relating to 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, as well as our responses to those risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We do not express an opinion on any components of the consolidated financial statements taken individually.

Valuation of intangible assets with an indefinite life and goodwill – impairment tests

Paragraph j) of the accounting methods and rules and Note 5.3 to the consolidated financial statements

Risk identified

As part of its development, the Group carried out external growth operations, notably taking over the "contrast media and delivery systems" (CMDS) division of the Mallinckrodt group acquired on 27 November 2015, and recognized goodwill, manufacturing assets and intangible assets and assets related to intellectual property following the purchase price allocation process. During 2018, the Group acquired Accurate Medical Therapeutics and the Occlugel technology, resulting in the recognition of intangible assets for €59.6 million, including goodwill for €12.3 million relating to Accurate.

This goodwill, which in this case corresponds to the difference between the price paid and the fair value of the assets, is not allocated to any CGU and is tested through a consolidated business plan. The other assets are allocated to four groups of cash-generating units (CGUs), defined according to the geographic region where the Group is established, namely France and EMEA (Europe Middle East & Africa), LATAM (Latin America), APAC (Asia-Pacific) and NAM (North America) (see Note 5.3 to the consolidated financial statements).

During each fiscal year, Management ensures that the carrying value of these assets with an indefinite life, shown on the balance sheet for €49.4 million, including €39.8 million in goodwill, is not greater than their recoverable amount and does not present a risk of impairment loss.

The methods used for the impairment tests and the details of the 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 using the present value of the expected cash flows from the asset groups forming the four CGUs.

The determination of the recoverable amount of these assets, which represents a significant sum, requires Management to exercise its judgment, particularly with regard to the growth rate used for the cash flow projections and the discount rate applied to them. We therefore considered the valuation of assets to be a key audit matter.

Our response

We verified that the methodology and calculation model applied by the Group were consistent with the accounting standards in force, relying on 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 Medium-Term Plan (MTP) established by Management, as they were presented to the Board of Directors as part of the MTP approval process;
- conducted the critical analysis of the verisimilitude 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 whether the information provided in Note 5.3 to the consolidated financial statements, particularly with regard to key assumptions and sensitivity analyses, is appropriately presented.

Recoverability of deferred tax assets resulting from tax loss carry-forwards

Paragraph x) of the accounting methods and rules and Notes 8 and 21.2 to the consolidated financial statements

Risk identified

The deferred tax assets relating to tax loss carry-forwards are presented in the 31 December 2018 balance sheet for €16.2 million, including €10.8 million concerning the tax loss carry-forwards of the U.S. tax consolidation group that were capitalized during the year.

These assets correspond to tax savings expected from the future allocation of these tax loss carry-forwards to future tax profits for which the Group has prepared income forecasts demonstrating the realization of these savings in the near future.

The French and foreign tax rules governing transfer pricing policies and the future use of tax loss carry-forwards may change over time and differ from one country to another. The Group's worldwide industrial and commercial presence tends to complicate the analysis. In addition, the recoverability of capitalized tax losses is based on the ability of the subsidiaries to meet the objectives defined in the Medium-Term Plan.

We therefore considered this issue to be a key audit matter, given the risks relating to local tax specificities and due to the importance of the judgment exercised by Management in preparing income forecasts by tax consolidation group, pursuant to the Medium-Term Plan's assumptions.

Our response

Our work consisted in assessing the data and assumptions retained by Management to estimate the level of future taxable income enabling the use of tax loss carry-forwards in the near future.

We analyzed the deferred tax calculations for the most significant entities. Accordingly, our procedures primarily consisted in:

- verifying the substance of the available tax losses and their terms of use;
- assessing the ability of the tax consolidation groups to generate future taxable profits, pursuant to the Medium-Term Plan's projections and the transfer pricing policies;
- with respect to the U.S. tax scope, assessing the accounting and tax impacts arising from the creation of a new U.S. tax consolidation group as of 31 July 2018.

These analyses were carried out with the help of our tax experts where needed, and we also verified the disclosures in Notes 8 and 21.2 to the consolidated financial statements.

Specific verifications

As required by French law, we have also verified in accordance with professional standards applicable in France the information concerning 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 hereby attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code is included in the Group information presented in the management report. Pursuant to Article L. 823-10 of this Code, we have not verified the fair presentation or consistency of the information contained in this statement with the consolidated financial statements. A report will be issued on this information by an independent third-party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Guerbet by the Annual General Meeting of 21 May 1987 for Deloitte & Associés and 23 May 2008 for HAF Audit & Conseil.

As of 31 December 2018, Deloitte & Associés and HAF Audit & Conseil were in the 32nd year and 11th 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 its 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 have been 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 financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit.

He also:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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;
- concludes on 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 whether the financial 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 included in the consolidation scope to express an opinion on the consolidated financial statements. He is responsible for the direction, supervision and performance of the audit of the consolidated financial statements as well as for the audit opinion.

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 significant audit findings. We also bring to its attention 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 referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined 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 where applicable, the related safeguards.

Levallois-Perret and Paris-La Défense, 17 April 2019

The Statutory Auditors

HAF Audit & Conseil
Member of Crowe Global
Marc de Prémare

Deloitte & Associés
Frédéric Souliard

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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.

For the year ended 31 December 2018

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 31 December 2018.

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 31 December 2018 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 in compliance with independence rules applicable to us, for the period from 1 January 2018 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1 of Regulation (EU) no. 537/2014 or in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

In addition, the services other than certification of the accounts that we provided during the year to your Company and the entities that it controls and which are not mentioned in the management report or the Notes to the consolidated financial statements are as follows:

- the audit of the consolidated non-financial performance statement 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 for fiscal year 2018 was carried out by Deloitte & Associés, as independent third party;
- an attestation of expenses incurred for the financing of a research and development project and an attestation covering the production cost of the main assets were prepared during the year by HAF Audit & Conseil.

Observation

Without qualifying the above opinion, we draw your attention to Note (1) to the income statement, concerning the change in the accounting estimate arising from the plan to harmonize the calculation of industrial costs and its impact on inventories as of 1 January 2018 and its impact on operating income for the year.

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 bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We do not express an opinion on any components of the financial statements taken individually.

Valuation of equity investments and loans and advances granted to subsidiaries

Paragraph d) of the accounting methods and rules and Note 3 to the financial statements

Risk identified

The equity investments and loans and advances granted to subsidiaries are presented in the 31 December 2018 balance sheet for net respective amounts of €377 million and €173 million, or 59% of total assets. They are recorded at cost and impaired based on the share of net assets under IFRS at the year-end of the entities concerned, after restatement of their intangible assets.

The determination of their value in use, which represents a particularly significant amount, requires Management to exercise judgment. 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 and, according to the securities concerned, that the equity retained corresponded to the IFRS accounts of the entities that were the subject of an audit or analytical procedures and that the equity adjustments, where applicable, were supported by documented evidence.

In addition to assessment of the values in use of the equity investments, our work also consisted in assessing the recoverability of the 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 comments to make on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms mentioned in Article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. 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. 225-37-5 of the French Commercial Code, we have verified its compliance with the source documents communicated to us. Based on these procedures, we have no matters to report on this information.

Other disclosures

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Guerbet by the Annual General Meeting of 21 May 1987 for Deloitte & Associés and 23 May 2008 for HAF Audit & Conseil.

As of 31 December 2018, Deloitte & Associés and HAF Audit & Conseil were in the 32nd year and 11th 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 its 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 by Article L. 823-10-1 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. He also:

- 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 that is 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 financial statements;
- concludes on 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 whether the financial 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 significant audit findings. We also bring to its attention 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 referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined 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 where applicable, the related safeguards.

Levallois-Perret and Paris-La Défense, 17 April 2019

The Statutory Auditors

HAF Audit & Conseil
Member of Crowe Global
Marc de Prémare

Deloitte & Associés
Frédéric Souliard

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments issued in the French language and it is provided solely for the convenience of English-speaking readers. This report on regulated agreements and commitments 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 and commitments 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.

Annual General Meeting held to approve the financial statements for the year ended 31 December 2018

To the Guerbet Annual General Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

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 and commitments brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and 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 and commitments 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 and commitments 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. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the Annual General Meeting

Agreements and commitments authorized and concluded during the year

Pursuant to Article R. 225-40 of the French Commercial Code, we have been informed that the following agreements and commitments were previously authorized by your Board of Directors.

Agreement signed with Marie-Claire Janailhac-Fritsch, Chair of the Board of Directors

Nature and purpose: compulsory Group insurance policy for the executive category ("Article 83" funded pension scheme) taken out by your Company for Marie-Claire Janailhac-Fritsch.

This agreement was previously authorized by your Board of Directors at its meeting on 27 March 2018.

Terms: this Group insurance policy for the funded pension scheme is the same as that covering Guerbet's employees and was taken out under the same conditions, with respect to both the benefits offered and the financial terms.

Amount: the contributions paid by your Company in this respect during the 2018 fiscal year totaled €5,524.24.

Agreements and commitments previously approved by the Annual General Meeting

Agreements and commitments approved in prior years that remained in force during the financial year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Annual General Meetings of prior years, have remained in force during the year.

Agreements signed with Marie-Claire Janailhac-Fritsch, Chair of the Board of Directors

Nature and purpose: health insurance (mutual insurance) and welfare insurance policy (disability, illness and death) taken out by your Company for Marie-Claire Janailhac-Fritsch.

These agreements were previously authorized by your Board of Directors at its meeting on 11 March 2015.

Terms: this health insurance and this welfare insurance policy are the same as those covering Guerbet's employees and were taken out under the same conditions, with respect to both the benefits offered and the financial terms.

Amounts: the contributions paid by your Company in this respect during the 2018 fiscal year totaled €1,391.37 for the health insurance and €1,380.10 for the welfare insurance policy.

Agreements signed with Yves L'Épine, Chief Executive Officer

Nature and purpose: compulsory Group insurance policy for the executive category ("Article 83" funded pension scheme), health insurance (mutual insurance) and welfare insurance policy (disability, illness, death) taken out by your Company for Yves L'Épine.

These agreements were previously authorized by your Board of Directors at its meeting on 17 October 2011.

Terms: this Group insurance policy for the funded pension scheme, the health insurance and the welfare insurance policy are the same as those covering Guerbet's employees and were taken out under the same conditions, with respect to both the benefits offered and the financial terms.

Amounts: the contributions paid by your Company in this respect during the 2018 fiscal year totaled €14,303.64 for the Group insurance policy under the funded pension scheme, €1,709.28 for the health insurance and €4,271.16 for the welfare insurance policy.

Levallois-Perret and Paris-La Défense, 17 April 2019

The Statutory Auditors

HAF Audit & Conseil

Member of Crowe Global

Marc de Prémare

Deloitte & Associés

Frédéric Souliard

REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PUBLISHED IN THE GROUP MANAGEMENT REPORT

This is a free English translation of the Statutory Auditors' report 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.

For the year ended 31 December 2018

To the annual general meeting of Guerbet company,

In our capacity as Statutory Auditor of Guerbet SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non-financial statement for the year ended 31 December 2018 (hereinafter the "Statement"), 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)*.

Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement was prepared by applying the Company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on request from its headquarters.

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and the 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 regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

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 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."

However, it is not our responsibility to provide any conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation;
- the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes)* relating to this engagement and with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- We familiarized ourselves with the Group's business activity, the report on the main social and environmental risks relating to this activity and the impacts thereof with regard to the respect for human rights and the fight against corruption and tax evasion, together with the subsequent policies and their results.
- We assessed the suitability of the Guidelines in terms of 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, the respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement includes an explanation justifying the absence of information required by paragraph 2 of section III of Article L. 225-102-1.
- We verified that the Statement presents the business model and the main risks relating to the Group's business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators.
- We verified that, when relevant to the main risks or policies presented, the Statement presents the information stipulated in section II of Article R. 225-105.
- We assessed the process of selecting and validating the main risks.
- We inquired as to the existence of internal control and risk management procedures set up by the Company.
- We assessed the consistency of the results and key performance indicators used with regard to the main risks and policies presented.
- We verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We assessed the collection process set up by the entity to ensure the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes[(1)] that in our judgment were of most significance, we carried out:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto ;
  - substantive tests, on a sampling basis, 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[(2)] and covered between 4% and 33% of the consolidated data for the key performance indicators and outcomes selected for these tests;
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that in our judgment were of most significance[(3)].
- We assessed the overall consistency of the Statement in relation to our knowledge of the Company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work engaged the skills of six people between October 2018 and April 2019.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

(1) Environmental quantitative information: Total water consumption of industrial sites; Total amount of waste produced by industrial sites and externally treated, proportion of recovered waste; Total energy consumption of industrial sites; Total CO_2 emissions related to energy consumption of industrial sites.
Social quantitative information: Headcount as of 31 December 2018; Occupational injury frequency and severity rates; Number of permanent and temporary employees who attended awareness-raising sessions and training courses; Number of people out of France who attended awareness-raising sessions and training courses.

(2) Selected entities: Guerbet headquarter based in Villepinte (France) and industrial sites based in Dublin (Ireland) and Lanester (France).

(3) Ethics charter and prevention of corruption policy; Ethical purchasing charter; Ethical committee for use of laboratory animals in research; Commitment to diversity (France, US); 2023 EHS roadmap; Quality and product safety policy; Security of industrial sites.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non-financial 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 comments:

The change of the HR information system during the year has required a manual reprocessing of the database and has limited the analysis of staff movements between years 2017 and 2018.

Paris-La Défense, 17 April 2019

One of the Statutory Auditors,

Deloitte & Associés

Frédéric Souliard	Éric Dugelay
Partner	Research & Development, Partner

Business overview: Guerbet Group in 2018

ANALYSIS OF BUSINESS ACTIVITY AND RESULT FOR THE 2018 FINANCIAL YEAR

Presentation of reported revenue

Breakdown of revenue by product range	2018	2017
X-Ray	43.9%	46.6%
MRI	33.7%	33.7%
Delivery Systems and Services	9.9%	9.9%
TOTAL DIAGNOSTIC IMAGING	**87.5%**	**90.2%**
INTERVENTIONAL IMAGING	**8.3%**	**7.0%**
OTHER	**4.2%**	**2.8%**

Breakdown of revenue by geographic region	2018	2017
Europe	43.0%	46.4%
Other markets	57.0%	53.6%

Analysis of revenue

The reported revenue of €789.6 million, down 2.2%, was affected by an unfavourable exchange rate effect of €36.1 million. The main exchange rate impacts came mainly from the Brazilian real (€10.6 million), the US dollar (€7.6 million), the Turkish lira (€5.5 million), and the Argentine peso (€3.1 million).

At constant exchange rates[1], revenue totalled €825.7 million, representing 2.3% in fully organic growth. Diagnostic Imaging revenue at constant exchange rates decreased slightly to €722.6 million (-0.7%) compared with the 2017 financial year. The Imaging Intervention activity confirmed its strong growth with revenue at constant exchange rates at €67.2 million, up 18.6%.

(1) At constant exchange rates: amounts and rates of growth are calculated by cancelling out the exchange rate effect, which is defined as the difference between the indicator's value for period N, converted at the exchange rate for period N-1, and the indicator's value for period N-1.

2018 results

IFRS (in € thousands)	2018[(1)]	% of revenue	2017	% of revenue
+ Revenue	789,602	100.0	807,119	100.0
+ Other operating income	6,136	0.8	2,157	0.3
- Purchases consumed and change in inventories	(189,642)	(24.0)	(187,142)	(23.2)
- External expenses	(246,463)	(31.2)	(254,827)	(31.6)
- Staff-related costs	(235,072)	(2.98)	(222,151)	(27.5)
+/- Other operating income and expenses	2,188	0.3	2,587	0.3
- Taxes and duties	(16,099)	(2.0)	(17,710)	(2.2)
EBITDA[(2)]	**110,649**	**14.0**	**130,033**	**16.1**
- Depreciation, amortization and provisions	40,732	5.2	(50,814)	(6.2)
OPERATING RESULT	**69,917**	**8.9**	**79,219**	**9.8**
- Net financial expenses	(6,888)	(0.9)	(6,050)	(0.7)
+/- Foreign exchange gains or losses and other financial income/expenses	3,408	0.4	(6,359)	(0.8)
+/- Tax expense	(19,618)	(2.5)	(20,591)	(2.6)
NET INCOME	**48,619**	**5.9**	**46,219**	**5.7**

(1) As part of the integration of the CMDS activity, the harmonization plan of the Industrial Standard Cost (ISC) calculations for the whole Group was finalized in autumn 2017 and implemented on 1st January 2018. This resulted in an inventory valuation according to a more precise analytical breakdown and a scope widening of the costs included in the stock valuation. Under IAS 8, this change is to be treated as a change in estimates and has thus been accounted for using the prospective approach (IAS 8.36), thereby impacting only the current and future periods. The impact on the income statement has been spread over the inventory turnover period, which averages nine months. The nine-month period was calculated by relating the valuation of all inventories (raw materials, chemical and pharmaceutical production in progress, finished products) to the corresponding ISC standard. This change in estimate led to a revaluation of inventories of €15.6 million at 1st January 2018, with an impact of €15.6 million (before tax) on current operating income for the year, taking into account the spread on the inventory turnover period. Purchases and changes in inventories were thus reduced by €15.6 million for the 2018 financial year.

(2) EBITDA refers to operating income, with the net allowances for amortization, depreciation and provisions added back in.

Analysis of 2018 results

Reported EBITDA totals €110.6 million. For the first time, it incorporates the full-year impact of the arrival of the Dotarem® generic in Europe. It also reflects the efforts made under the GEAR 2023 plan with the switch to a direct distribution organisation in Japan, stronger positioning in countries with high commercial potential, and the costs associated with the transition to phase III for gadopiclenol, Dotarem®'s successor.

Operating Income totalled €69.9 million, or 8.9% of revenue.

Net income was stable at €46.8 million compared with €46.2 million in 2017. This figure incorporates a favourable change in the effective tax rate to 29.5%.

Financial position in 2018

IFRS (in € thousands)	2018	2017
CASH FLOW AFTER FINANCE COSTS AND TAXES	**85,406**	**97,093**
Change in working capital requirements, of which:	4,561	(43,657)
Change in inventories	*(5,026)*	*(23,714)*
Change in trade receivables	*1,960*	*193*
Change in trade payables	*4,475*	*6,351*
Change in other assets and liabilities	*3,152*	*(26,487)*
Gross investments	(68,106)	(43,811)
Dividends	(10,703)	(10,745)
Other[(1)]	(41,407)	24,556
FREE CASH FLOW[(2)]	**(30,249)**	**23,436**
NET DEBT[(3)]	**308,656**	**278,407**

(1) 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.

(2) 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.

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

Analysis of the financial position

The Group enjoys solid fundamentals. Equity increased by €24.6 million to €366.8 million, and net debt amounts to €308.7 million. With €85.4 million in cash flow after finance costs and taxes, Guerbet has a solid financial position with leverage (Net Debt/EBITDA) of 2.79.

The Board of Directors will propose a dividend of €0.85 per share to the shareholders at the General Meeting on 24 May 2019.

In order to contribute to the Group's development as part of its GEAR 2023 strategic plan, and in view of its debt capacity, Guerbet signed a five-year €500 millions credit agreement on 13 February 2019, to refinance its existing debt.

This contract was entered into with nine financial partners, coordinated by BNP Paribas.

This new debt has a single covenant (net debt/EBITDA = 4.0) over the life of the loan.

Outlook and targets

The GEAR 2023 plan presented on 18 April 2018, at Capital Markets Day sets out the Group's medium-term strategy. The objective of this plan is to take advantage of the growth opportunities that exist in a context of changes in markets.

In Diagnostic Imaging, the MRI contrast media market, which is estimated at around €1 billion, will see volume growth offset by price pressure related to the penetration of generics. The CT/Cath Lab contrast media market, estimated at around €2.7 billion, is expected to see only single-digit growth. At the same time, Guerbet is convinced that there are strong growth opportunities in the market for Delivery Systems and Services for contrast media, which is estimated at around €1.2 billion.

The Interventional Imaging markets are benefiting from the strong development of minimally invasive surgery, which requires contrast media. Guerbet is convinced of its ability to position itself in certain market segments having an estimated combined value of more than approximately €1.6 billion by highlighting its product portfolio and its expertise. Such market segments, which include interventional oncology, image-guided embolization and *in situ* delivery optimization technology, represent significant growth opportunities for Guerbet.

The GEAR 2023 strategic plan is built around four pillars:

- "**G**row our existing products";
- "**E**xpand into adjacencies";
- "**A**cquire new technologies"; and
- "**R**eturn to Shareholders."

The GEAR 2023 strategic plan combines internal development initiatives ("Internal Boost"), which aim to accelerate organic growth and rely on targeted investments in current activities corresponding to market opportunities, with external development initiatives ("External Boost"), which consists of acquisition opportunities to generate additional growth and improve margin prospects.

In Diagnostic Imaging, Guerbet has identified several Internal Boost and External Boost initiatives, some of which already made progress in 2018:

- On the Internal Boost initiatives:
  - The goal of launching gadopiclenol, a new high-potential MRI contrast agent, in 2022 is confirmed, with the launch of phase III clinical studies starting in 2019;
  - The development of a sales force in Japan to market Guerbet products directly on the market in October 2018. This direct distribution organization will make it possible to accelerate penetration into the world's second-largest market for MRI and CT/Cath Lab contrast media;
  - Seize growth opportunities in key geographic areas, either by accelerating in recently launched countries following the acquisition of CMDS or by strengthening our presence in major markets where there are still growth opportunities to be seized (United States and mainland China); and
  - Continue the development of a digital offering, with a modular software offering based on a Software as a Service (SaaS) model aimed at improving operational and clinical results.
- On the External Boost initiatives:
  - Delivery Systems and Services: reinforce the complementary nature of Guerbet's product offering by adding new delivery systems and services to the existing portfolio; and
  - Augmented intelligence: develop an offering to respond to a strong market opportunity by highlighting the Guerbet network and its relationships with radiologists. The partnership with IBM Watson Health signed in June 2018 is an important first step.

In Interventional Imaging, the Internal Boost initiatives will consist of the development of new indications for Lipiodol®, the development and acceleration of the products of Accurate Medical Therapeutics and the industrial development of microsphere technology acquired from Occlugel.

With regard to the External Boost initiatives in Interventional Imaging, Guerbet intends to build a unique product portfolio through targeted acquisitions, mainly start-up players (replicating the Accurate Medical Therapeutics model). The company's goal is to generate €100 million to €150 million of revenue in 2023 with the companies acquired over the 2018-2023 period. The company considers that it has significant competitive advantages to make these acquisition opportunities a reality, particularly its research and development expertise enabling it to identify and evaluate the technologies of the companies in question, its commercial network allowing it to launch and accelerate market penetration and its rapid acquisition decision process.

2019 Outlook

In 2019, the Group anticipates a moderate sales growth. Dotarem® will continue to benefit from higher volumes and from the switch to direct distribution in Japan but will be impacted by a continued price decrease and by the arrival of generics in new countries. Guerbet also has development drivers in Interventional Imaging and digital solutions. In 2019, the start of sales of the Accurate Medical Therapeutics DraKon™ and SeQure® microcatheters in the US, and then in Europe once the CE marking is obtained, is a growth area in Guerbet's strategy. In addition, the Group should benefit from the full-year contribution of Lipiodol®'s indications registered in new countries in 2018.

The financial position for the current year should benefit from a significant improvement in cash flow with a positive change in the WCR, particularly through the decrease in inventories.

MAJOR EVENTS SINCE THE START OF 2019

Prime Macron

In 2019, the Guerbet company decided to grant in France an extraordinary bonus under the law n°2018-1213 of 24 December 2018 on urgent economics and social measures.

Refinancing of existing debt

In order to contribute to the Group's development as part of its GEAR 2023 strategic plan, and in view of its debt capacity, Guerbet signed a five-year €500 millions credit agreement on 13 February 2019, to refinance its existing debt.

This contract was entered into with nine financial partners, coordinated by BNP Paribas.

This new debt has a single covenant (Net debt/EBITDA=4.0) over the life of the loan.

CE Mark

On 16 April 2019, the Guerbet group obtained the CE Mark for SeQure® and DraKon™ microcatheters embolization systems.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Assets (net)

(in € thousands)	2018	2017
Intangible fixed assets	182,373	108,622
Tangible fixed assets	254,915	258,787
Other non-current financial assets	13,703	10,480
Deferred tax assets	23,270	17,565
TOTAL NON-CURRENT ASSETS	**474,261**	**395,454**
Inventories	280,840	270,479
Trade receivables	145,926	150,433
Assets held for sale		
Other current financial assets	73,020	61,840
Cash and cash equivalents	106,761	75,386
TOTAL CURRENT ASSETS	**606,548**	**558,139**
TOTAL ASSETS	**1,080,808**	**953,592**

Liabilities (net)

(in € thousands)	2018	2017
Capital	12,581	12,563
Other reserves	347,030	314,772
Net income	46,819	46,219
Translation adjustment	(39,669)	(31,412)
EQUITY, GROUP SHARE	**366,761**	**342,141**
of which Group share	366,761	342,141
Non-current financial debt	192,622	287,433
Other non-current financial liabilities	4,852	8,612
Deferred tax liabilities	31,904	17,549
Non-current provisions	35,127	34,780
NON-CURRENT LIABILITIES	**264,506**	**348,374**
Trade and other payables	81,800	78,702
Current financial debt	222,795	66,360
Other current liabilities	110,959	70,311
Tax liabilities payable	28,212	38,898
Other short-term provisions	5,774	8,806
TOTAL CURRENT LIABILITIES	**449,541**	**263,077**
TOTAL LIABILITIES	**1,080,808**	**953,592**

Consolidated income statement

(in € thousands)	2018[(1)]	2017
REVENUE	**789,602**	**807,119**
Royalties	(0)	(0)
Other operating income	6,136	2,157
Purchases consumed and change in inventories	(189,642)	(187,142)
Staff-related costs	(235,072)	(222,151)
External charges	(246,463)	(254,827)
Taxes and duties	(16,099)	(17,710)
Allowances for amortization and depreciation	(47,086)	(39,449)
Net allowances for provisions	6,354	(11,365)
Other operating income and expenses	2,188	2,587
OPERATING INCOME	**69,917**	**79,219**
of which equity interests	(1,859)	(1,128)
Income from cash and cash equivalents	12	45
Gross finance costs	(6,901)	(6,096)
NET FINANCE COSTS	**(6,888)**	**(6,050)**
Currency gains/losses	3,121	(5,766)
Other financial income and expenses	287	(593)
Income tax expense	(19,618)	(20,591)
CONSOLIDATED NET INCOME	**46,819**	**46,219**
of which Group share	46,819	46,219
Net earnings per share of par value €1 (in €)	3.72	3.69
Diluted net earnings per share of par value €1 (in €)	3.70	3.67

(1) As part of the integration of the CMDS activity, the plan to harmonize the calculation of manufacturing costs for the entire group was finalized in autumn 2017, for implementation on 1st January 2018. This resulted in a valuation of inventories according to a more precise analytical breakdown and an expansion of the scope of costs included in the valuation of inventories.

Pursuant to IAS 8, this change amounts to a change in estimate and was therefore treated according to the prospective method (IAS 8.36), thus affecting only current and future periods. The effect on the income statement has been spread out evenly over the inventory turnover period, which averages nine months. The nine month period was calculated by comparing the valuation of all inventories (raw materials, chemical and pharmaceutical work in progress, finished products) with the corresponding standard manufacturing cost.

This change in estimate led to a revaluation of inventories of €15.6 million at 1st January 2018, with an effect of +€15.6 million (before tax) on current operating income for the year, taking into account the amortization over the inventory turnover period.

Purchases consumed and change in inventories were reduced by €15.6 million for 2018.

Consolidated statement of cash flows

(in € thousands)	2018	2017
NET INCOME	**46,819**	**46,219**
Net allowances for amortization, depreciation, and provisions for fixed assets	42,410	42,847
Net allowances for provisions for liabilities	(1,677)	2,834
Change in fair value of hedging instruments	5	2,990
Costs of stock options and free shares	1,686	610
Income from sale of fixed assets and other adjustments	(3,836)	1,594
SELF-FINANCING CAPACITY AFTER COST OF NET FINANCIAL DEBT AND TAXES	**85,406**	**97,093**
Net finance costs	10,134	6,397
Tax expenses (including deferred taxes)	19,618	20,591
SELF-FINANCING CAPACITY BEFORE COST OF NET FINANCIAL DEBT AND TAXES	**115,158**	**124,080**
Taxes paid	(42,796)	(24,369)
(Increase) decrease in inventory	(5,026)	(23,714)
(Increase) decrease in trade receivables	1,960	193
Increase (decrease) in trade payables	4,475	6,351
(Increase) decrease in other assets	(4,435)	(13,021)
Increase (decrease) in other liabilities	7,587	(13,466)
Change in operating WCR	*4,561*	*(43,657)*
NET CASH FLOW FROM OPERATIONS ACTIVITIES (A)	**76,923**	**56,054**
Investments	(43,702)	(43,811)
◆ in intangible fixed assets	(11,238)	(16,152)
◆ in tangible fixed assets	(32,719)	(26,383)
◆ in financial fixed assets	254	(1,276)
Disposals	808	7,692
◆ in intangible fixed assets	410	0
◆ in tangible fixed assets	397	0
◆ in financial fixed assets	(0)	7,692
Increase (decrease) in amounts payable on fixed assets	(181)	(3,957)
Acquisition of Accurate, net of cash acquired	(24,223)	0
NET CASH FLOWS FROM INVESTING (B)	**(67,298)**	**(40,076)**
Dividends paid	(10,703)	(10,745)
Capital increase	276	969
Loan issues	127,500	37,179
Loan repayments	(92,929)	(38,047)
Net financing interest paid (including finance lease agreements)	(12,060)	(8,627)
NET CASH FLOW FROM FINANCING (C)	**12,084**	**(21,049)**
Impact of exchange rate fluctuations (D)	(2,161)	(4,609)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C) + (D)	**19,548**	**(9,680)**
STARTING CASH POSITION	**66,007**	**75,688**
ENDING CASH POSITION	**85,556**	**66,007**

Net cash

(in € thousands)	2018	2017
Bank overdraft facilities	21,205	9,379
Cash and cash equivalents	106,761	75,386
TOTAL	**85,556**	**66,007**

Financial results for the last five years

(in €)	2018	2017	2016	2015	2014
CAPITAL AT YEAR-END					
Share capital	12,581,261	12,563,358	12,501,148	12,343,474	12,208,184
Number of existing ordinary shares	12,581,261	12,563,358	12,501,148	12,343,474	12,208,184
Number of priority-dividend shares (without voting rights) existing	-	-	-	-	-
Maximum number of future shares to be created					
◆ Through bond conversions	-	-	-	-	-
◆ Through exercise of subscription rights	84,283	62,210	166,076	324,350	487,520
OPERATIONS AND RESULTS OF THE YEAR					
Revenue excluding taxes and including the supplying of services and other products	484,408,866	466,919,909	371,463,674	334,021,519	299,838,564
Income before tax, employee profit-sharing, and allowances for depreciation, amortization, and provisions	127,626,081	41,913,947	41,833,925	36,942,408	38,245,184
Income tax	10,839,528	(5,160,407)	(4,102,679)	5,656,704	1,613,840
Employee profit-sharing due for the year	1,558,726	804,657	1,089,354	1,291,122	388,622
Income after tax, employee profit-sharing, depreciation, amortization, and provisions	99,304,000	258,067	15,142,017	(746,575)	13,645,016
Income distributed	10,694,072 (1)	10,678,854	10,625,976	8,023,258	6,104,092
EARNINGS PER SHARE					
Income after tax and employee profit-sharing but before depreciation, amortization, and provisions	9.15	3.68	3.59	2.43	2.97
Income after tax, employee profit-sharing, depreciation, amortization, and provisions	7.89	0.02	1.22	(0.06)	1.12
Diluted net income	3.75	0.02	1.20	(0.06)	1.08
Net dividend per share	0.85	0.85	0.85	0.65	0.50(3)
EMPLOYEES					
Number of employees at 31 December	981	985	949	883	817
Total wages	60,241,938	55,526,153	53,712,515	47,769,357	44,189,290
Total social security charges	31,807,837	25,573,767	24,487,942	22,313,262	21,350,698

(1) This amount will be subject to the approval of Shareholders at the General Meeting of 24 May 2019, approving the 2018 financial statements.

Capital delegation in progress

Purpose of the delegation	Maximum nominal amount	Duration of the authorization	Term
Delegation of authority to the Board of Directors to increase the share capital by capitalization of reserves, profits or premiums or any other sum whose capitalization is permitted	€2,500,000	26 months	25 July 2020
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: €6,250,000(1) Debt security issues: €200,000,000(3)	26 months	25 July 2020
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 as part of public offerings	Capital increases: €1,250,000(1)(2) Debt security issues: €200,000,000(3)	26 months	25 July 2020
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 private placements referred to in Article L. 411-2-II of the French Monetary and Financial Code	Capital increases: €1,250,000(1)(2) Debt security issues: €200,000,000(3)	26 months	25 July 2020
Authorization for the Board of Directors, in the event of an issue with cancellation of preferential subscription rights through public offerings or private placements referred to in Article L. 411-2-II of the French Monetary and Financial Code, to fix the issue price according to the terms established by the General Meeting, within the limit of 10% of the capital per year	Capital increases: €1,250,000(1)(2) Debt security issues: €200,000,000(3)	26 months	25 July 2020
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)(1)	26 months	25 July 2020
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: €1,250,000(1) Debt security issues: €200,000,000(3)	26 months	25 July 2020
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(1)(4)	26 months	25 July 2020
Authorization granted to the Board of Directors to allocate performance shares freely to certain employees and corporate officers of the company and its affiliates	€250,000(1)(4) (about 2% of share capital)	24 months	25 May 2020

(1) Delegation subject to the overall limit for capital increases of €6,250,000 (approximately 49.7% of capital).
(2) A sub-limit of €1,250,000 (approximately 9.9% of capital) applies to these delegations.
(3) Delegation subject to the overall limit for debt security issues of €200,000,000.
(4) A sub-limit of €250,000 (approximately 2% of capital) applies to these delegations.

Request for additional documents and information

(Referred to Article R. 225-83 of the French Commercial Code)

ORDINARY GENERAL MEETING OF FRIDAY 24 MAY 2019

I, the undersigned,

Last name (or corporate name):..

First name:..

Address: ....

Postal code:.. City: ....Country:...

Email: .... @...

Owner of.. Guerbet shares.

Request the sending of the documents and information concerning the Ordinary General Meeting of Friday 24 May 2019, as referred to in Article R. 225-83 of the French Commercial Code.

- Guerbet's most recent Registration Document including the documents and information appearing in Article R. 225-83 of the French Commercial Code.
- The company's most recent balance sheet.

Such documents and information are available on the company's website at www.guerbet.com/en/investors.

Agrees to receive the documents electronically at the above address: ❒ yes ❒ no

Signed in, ... Date: ....

Signature:

This request is to be returned to:

Guerbet
BP 57400 – 95943 Roissy CDG Cedex
or

BNP Paribas Securities Services
CTO Assemblées Générales
Les Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex
France

or
to the financial intermediary who manages your shares

Note: In accordance with Article R. 225-88, paragraph 3 of the Decree of 25 March 2007, registered Shareholders may, on request, have the company send the documents and information referred to in Articles R. 225-81 and R. 225-83 of the aforementioned Decree for each subsequent General Meeting. Shareholders who wish to exercise this opinion must indicate this on this request.

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Conception & production: Ruban Blanc

www.guerbet.com

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