

MEDIAN TECHNOLOGIES
A French Société anonyme with a share capital of EUR 598,745.15
Registered office : Les 2 Arcs, 1800 Route des Crêtes 06560 Valbonne
RCS Grasse N° 443 676 309
(Hereinafter the “Company”)

**SHAREHOLDERS’ ANNUAL ORDINARY AND EXTRAORDINARY
GENERAL MEETING DATED 28 MAY 2018**

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

We have called the Shareholders’ General Annual Ordinary Meeting this day in accordance with the provisions of the by-laws and with the provisions of the French Commercial Code to submit to your approval the annual accounts for the financial year closed on 31 December 2017, as well as the allocation of the result that we shall recommend to you after presenting to you the Company’s activity during the said financial year.

The Auditor’s Report on the annual accounts for the financial year closed on 31 December 2017, the Auditor’s Special Report as well as his other reports, the Management Report of the Board of Directors and the related additional information, and in general, all the documents required by the applicable law and the regulations in force have been placed at your disposal at the registered office in accordance with the applicable terms and within the required time for you to consult.

After having read the Management report, the Auditor’s reports shall be presented to you to complete your information.

We hereby remind you that you are invited to take decisions on the following items on the agenda:

- Management report of the Board of Directors;
- Report of the Board of Directors on extraordinary decisions;
- Report of the Board of Directors on consolidated accounts;
- Report of the Board of Directors on the allocation of stock options;
- Reports of the Statutory Auditors;
- Special report of the Statutory Auditors on the regulated agreements referred to at Article L.225-38 of the French commercial Code;
- **Annual Ordinary General Meeting:**
 1. Approval of the annual account for the financial year ending on 31 December 2017;
 2. Approval of the consolidated accounts for the financial year ending on 31 December 2017 presented according to IFRS standards;
 3. Allocation of the result;
 4. Approval of the regulated agreements as referred to in Article L.225-38 and seq. of the French Commercial Code;
 5. Discharge to Mr. Fredrik BRAG, Chairman and member of the Board of Directors;
 6. Discharge to Mr. Oran MUDUROGLU, Director;
 7. Discharge to Mr. Otello STAMPACCHIA, Director;
 8. Discharge to Mr. Tim HAINES, Director;
 9. Discharge to Mrs. Jeanne HECHT, Director;
 10. Discharge to Mr. Kapil DINGHRA, Director;

11. Renewal of the term of office of Mr. Tim HAINES as Director;
12. Determination of the attendance fees;
13. Authorization to be granted to the Board of Directors to purchase shares of the Company within the context of the provisions of article L.225-209 of the French Commercial Code

- **Extraordinary General Meeting:**

14. Authorization to reduce the share capital by cancelation of treasury shares in accordance with the provisions of Article L.225-209 of the French Commercial Code;
15. Authorization to be given to the Board of Directors to increase the share capital by issuance of shares or securities granting access to the share capital of the Company with preferential subscription right;
16. Authorization to be given to the Board of Directors to increase the share capital of the Company by issuance of shares or securities granting access to the Company's share capital without preferential subscription right in the context of a public offering;
17. Authorization to be given to the Board of Directors for the issuance of shares and convertible bonds without preferential subscription right in the context of offering referred to in Article L.411-2, II of the French financial and monetary Code;
18. Authorization to be given to the Board of Directors in order to increase the amount to the proposed authorization with or without preferential subscription rights;
19. Authorization to be given to the Board of Directors for the issuance of securities providing access to the share capital, having the characteristics of share warrants ("BSA 2018" warrants) with cancellation of the shareholder's preferential subscription right in favor of named persons;
20. Cancellation of the shareholder's preferential subscription right in favor of named persons;
21. Authorization to be given to the Board of Directors in order to grant to the beneficiaries it shall identify, in compliance with applicable laws and regulations, existing shares or shares to be issued up to a maximum of 10% of the share capital of the company pursuant to articles L. 225-197-1 and seq. of the French Commercial Code;
22. Authorization to be given to the Board of Directors in order to grant stock options pursuant to articles L. 225-177 and seq. of the French Commercial Code;
23. Authorization to be given to the Board of Directors to decide a share capital increase reserved to the employees who are participants of a company saving plan (PEE);
24. Cancellation of the authorizations granted to the Board of Directors by the General Shareholders' Meeting dated 22 June 2017;
25. Power for formalities.

I. MANAGEMENT REPORT

The duration of the financial year ended 31 December 2017 was 12 months.

You will hear the reading of the reports prepared by Company's Auditor pursuant to his duties.

All documents required by law have been communicated or made available to you in accordance with the conditions and in the time limits provided for by the legal, regulatory and statutory provisions.

The rules of presentation and the accounting valuation methods comply with the regulations in force.

1. SITUATION AND COMPANY'S ACTIVITY

A. Situation of the Company during the financial closed on 31 December 2017

During the 2017 financial year, the Company's turnover amounted to EUR 7,686,026.

During the said year, the Company continued to market its solutions to pharmaceutical companies in clinical trials, as well as institutions such as hospitals, cancer centers and clinics as part of clinical routine applications.

During the 2017 financial year, the Company comprised an average of 84 employees. The social climate within the company seems excellent.

Please note that:

- The turnover for the year amounted to EUR 7,686,026 compared to EUR 6,353,458 for the previous year;
- The revenues from operations amounted to EUR 7,951,289 compared to EUR 6,739,560 for the previous year;
- The operating costs for the year amounted to EUR 24,247,743 euros compared to EUR 15,588,885 for the previous year;
- The operating income amounted to EUR (16,296,454) compared to EUR (8,849,325) for the previous year;
- The financial income amounted to EUR (113,412) compared to EUR 49,689 for the previous year;
- The exceptional items amounted to EUR (19,273) compared to EUR (10,770) for the previous year;
- The net income for the year amounted to EUR (15,088,837) compared to EUR (7,746,399) for the previous year.

The financial result includes a financial burden of EUR 108,854 equal to the depreciation of the increase of the current account held by the Company in MEDIAN Technologies Inc., its US subsidiary.

The net income includes a research tax credit in the amount of EUR 1,340,302. This amount is relative to the 2017 calendar year.

On 31 December 2017, the Company had a cash flow of EUR 27,858,614 compared to EUR 41,639,037 for the previous year.

The wages and salaries amounted to EUR 6,469,077 compared to EUR 4,594,654 for the previous year.

Social contributions amounted to EUR 3,005,724 compared to EUR 2,122,953 for the previous year.

B. Analysis of the financial situation against liabilities

At the end of 2017, the financial liabilities of the Company amounted to EUR 3.753. The two OSEO repayable advances in respect of an innovation assistance loan, were fully reimbursed.

C. Analysis of the development and performance of the business

Median Technologies Hong Kong Limited was created on April 13, 2017, to allow for the future development of the Company in Asia. The Company intends to intensify its action on this region of the world in which the development of society is essential today. The subsidiary did not have any activity over the period.

As part of its internationalization and development, the Company has made many hires over the period and also saw the departure of senior executives. This new organization should enable the Median Group to achieve its ambitious objectives, from an operational, technical and financial point of view.

The group has also implemented a CTMS "Clinical Trial Management System". This new tool will enable the company to increase productivity gains by improving its information system as well. Costs related to the implementation of the software and its use are documented as expenses on a straight-line basis over the duration of the contract. The contract with Medidata was concluded over a 5 years period.

2. FUTURE PROSPECTS

The Company's order book amounting to almost EUR 22,5M shows that the Company's turnover should continue to increase very significantly in the coming years, especially in the field of clinical trials for which pharmaceutical companies entrust to us their imaging component.

In addition, the Company will continue to market its solutions to institutions such as hospitals, anti-cancer health centers and clinics of Western European countries where we already have references but also in Asia with the main objective of the Chinese market.

3. PRESENTATION OF ACCOUNTS

A. Financial Accounts

The annual accounts for the year closed on 31 December 2017 and submitted to your approval have been prepared in accordance with the presentation rules and the valuation methods provided by the regulations in force.

The presentation rules and the valuation methods selected are identical to those used for the previous year.

B. IFRS Consolidated Accounts

We remind you that, despite the fact there is no legal obligation to do so, pursuant to the terms and conditions of the Subscription Agreements entered into by the Company on 19 August 2014 and on 2 July 2015, the Company has also prepared the consolidated accounts according to the IFRS standards.

4. RESEARCH AND DEVELOPMENT

In 2017, the Company continued to develop its IT solutions. Median has strengthened its R&D activities for its three product lines:

- ✓ iBiopsy®, its Phenomics imaging platform, which is at the heart of the company's strategy for the years to come,
- ✓ iSee® for image analysis and management in clinical trials and,
- ✓ MediScan® for medical analysis in the routine radiological care.

In terms of R&D for these three lines of business, Median Technologies intends to combine medicine, cloud computing and artificial intelligence with medical imaging technology to revolutionize the way medicine is developed and delivered.

5. ALLOCATION OF THE RESULT

We hereby suggest allocating the loss balance for the financial year in the amount of EUR 15,088,837.28 to the « carry forward » account which amounts to a loss of EUR 28,171,826.81.

In accordance with the provisions of Article 243 Bis of the French Tax Code, please be reminded that no dividends were distributed for the past three previous years.

6. OTHER INFORMATION

A. Major developments since the end of the financial year

No major events have occurred since the end of the financial year.

B. Activity of the Company subsidiaries - MEDIAN TECHNOLOGIES Inc. and MEDIAN TECHNOLOGIES HONG KONG LIMITED

1. The Company owns the entire share capital and voting right of MEDIAN TECHNOLOGIES Inc., the US subsidiary of the Company (hereinafter the “**US Subsidiary**”).

The US Subsidiary comprised 30 employees as of 31 December 2017.

During the financial year, the turnover of the US Subsidiary amounted to USD 6,789,478 (i.e. EUR 6,010,086). Similarly to the previous financial year, MEDIAN Technologies Inc.’s turnover is due to the introduction in 2014 of a "cost-plus" contract between the parent company and its subsidiary. Thus, the total turnover in 2017 corresponds to the invoicing of costs to the Company.

2. The Company also owns the entire share capital and voting right of MEDIAN TECHNOLOGIES Hong Kong, the Hong Kongese subsidiary of the Company (hereinafter the “**HK Subsidiary**”).

The HK Subsidiary currently has no employees.

The opening of this Hong Kongese subsidiary should allow us to directly apprehend the Asian markets and supervise all operations carried out in the region for clinical trials but also to develop new opportunities in the field of patient care.

C. Equity investments made during the financial year

On April 13, 2017, the Company established a Hong Kong-based subsidiary named Median Technologies Hong Kong Limited to enable the future deployment of the Company's Asian operations.

D. Transfer of shares and cross shareholdings

NONE

E. Existence of a plan of stock-option and of other securities issued – Participation of employees :

1. The Chairman recalled that the Board of Directors of the Company dated 30 September 2014, pursuant to the issuance decided by the Extraordinary Shareholders’ General Meeting dated 29 September 2014 issued 2,222,222 shares with “BSA 2014” share warrants attached which were subscribed by sixteen investors.

The Board of Directors dated 13 acknowledged the issue of 111,111 new shares as a result of the exercise of 222,222 BSA 2014” warrants. The exercise price of the BSA 2014 amounted to EUR 9

euros per share, including with a par value of EUR 0.05 hence; a total subscription price of EUR 999,999 including EUR 5,555.50 in par value.

2. The Board of Directors on 22 July 2016, using the powers granted by the Shareholders' General Meeting dated 16 November 2016 (Resolution 24), decided to allocate 162,523 "AGA 2016 A" free shares to the following beneficiaries:

BENEFICIARIES	AGA 2016 A
Fredrik BRAG	122,523
Bernard REYMANN	30,000
Arnaud BUTZBACH	10,000
TOTAL	162,523

The Board of Directors dated 5 October 2017 acknowledged the definitive acquisition of these 162,523 "AGA 2016 A" free shares by the above-mentioned beneficiaries.

3. During the first quarter of 2017, the Company issued 500 new ordinary shares following the exercise of 31,841 "BSPCE" warrants. These shares were issued at a price of EUR 6.50 per share, including EUR 0.05 par value and EUR 6.45 in premium, for a total of EUR 3,250, including EUR 25 of capital and EUR 3,225 of premium. On 7 April 2017, the Board of Directors acknowledged the corresponding capital increase.

During the second quarter of 2017, the company issued 6,000 new ordinary shares, following the exercise of 30,000 "BSPCE" warrants. These shares were issued at a price of EUR 6.50 per share, including EUR 0.05 par value and EUR 6.45 in premium, for a total of EUR 39,000 including EUR 300 of capital and EUR 38,700 in issue premium. On 26 June 2017, the Board of Directors acknowledged the corresponding capital increase.

During the third quarter of 2017, the company issued 2,200 new ordinary shares, following the exercise of 11,000 "BSPCE" warrants. These shares were issued at a price of EUR 6.50 per share, including EUR 0.05 par value and EUR 6.45 in premium, for a total of EUR 14,300 including EUR 110 of capital and EUR 14,190 in issue premium. On 5 October 2017, the Board of Directors acknowledged the corresponding capital increase.

During the fourth quarter of 2017, the company issued 11,000 new ordinary shares, following the exercise of 55,000 "BSPCE" warrants. These shares were issued at a price of EUR 6.50 per share, including EUR 0.05 par value and EUR 6.45 in premium, for a total of EUR 71,500 including EUR 550 of capital and EUR 70,950 in issue premium. On 13 December 2017, the Board of Directors acknowledged the corresponding capital increase.

Additionally, In June 2017, the Company issued 6,180 new preferred shares of class "E", following the exercise of 30,900 "BSPCE" warrants. These shares were issued at a price of EUR 4.20 per share, including EUR 0.05 of par value and EUR 4.15 of premium, for a total of EUR 25,956, including EUR 309 in capital and EUR 25,647 of issue premium. The Board of Directors meeting of 26 June 2017 acknowledged the corresponding capital increase.

4. Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, we report the status of employee participation in the share capital on the last day of the financial year: Fredrik BRAG (Chief Executive Officer), Sebastien JACQUES, Bernard REYMANN, Nicolas DANO and Fabrice LAMY held a total of 3.99% of the share capital as of 31 December 2017.

5. A summary of the issuances and allocations of the various securities can be found in the annex to the annual accounts prepared by the company for the fiscal year ended 31 December 2017.

F. Information concerning the Auditors

We remind you that PRICEWATERHOUSECOOPERS AUDIT, a simplified joint-stock company with a capital of € 2,510,460, with a registered office located at 63 rue de Villiers, 92200 Neuilly-Sur-Seine, registered at the Nanterre RCS under number B 672 006 483, an audit firm duly registered with the PCAOB is the Company's Principal Statutory Auditor until the end of the Shareholders' Meeting convened to deliberate in 2021 on the accounts of the financial year to close on 31 December 2020.

In accordance with Article L. 823-1 of the French Commercial Code, following the "Sapin II" law of December 9, 2017, the Company is no longer required to replace the Deputy Statutory Auditor as the Principal Statutory Auditor is a company which is not single member.

G. Social and environmental consequences of the Company's activity

The Company's activity does not have any impact on the environment.

For the fiscal year ending on 31 December 2017, the average number of employees is 83. As of 31 December 2017, the Company comprised 84 employees.

H. Expenses nondeductible from taxes under Article 39-4 of the French General Tax Code

Pursuant to Article 223 quater of the French General Tax Code, we inform you that during the year closed on 31 December 2017, expenses nondeductible from corporate tax as provided for in Article 39-4 of the French General Tax code were incurred in the amount of EUR 43,151, the theoretical impact of which on corporate tax at the rate of 33.1/3% shall be EUR 14,383.67.

I. Regulated Agreements

We inform you that during the past financial year, no new agreements regulated under Articles L 225-38 *et seq.* of the French Commercial Code was entered into by the Company.

It is recalled that the following agreement, as referred to in Articles L.225-38 and *seq.* of the French Commercial Code, were pursued unchanged during the financial year ending on 31 December 2017:

- **Compensation of an employee co-founder of the Company:**
 - o Concerned Board Member: Gérard MILHIET, employee Executive Vice President and Director of the Company.
 - o Purpose: Gérard MILHIET exercised as of 1st October 2011 the functions of employee Executive Vice-President as part of an amendment No. 2 dated 15 September 2011 of his employment agreement dated 24 December 2002 and its amendment No. 1 dated 15 April 2003.
 - o Terms and conditions: Compensation allocated to Gérard MILHIET under his employment contract is EUR 337 309 for the year ended 31 December 2017.
- **Stock options granted to a director of the Company:**
 - o Concerned Board Member: Oran MUDUROGLU, Director of the Company.
 - o Purpose: Oran MUDUROGLU was awarded a number of stock options under a contract with the US subsidiary of the Company, MEDIAN Technologies Inc.
 - o Terms and conditions: According to the contract, Oran MUDUROGLU has the right to exercise the stock options under certain conditions to obtain shares of the company MEDIAN Inc. (US). The Company, wishing to maintain the right to exchange, in the form of capital remuneration, shares Oran MUDUROGLU would hold in MEDIAN Inc. (US) in case of exercise of his stock options, signed with Oran MUDUROGLU a contribution agreement whereby, in consideration for the contribution of its shares in

MEDIAN Technologies Inc., Oran MUDUROGLU would receive a total of 25,108 new ordinary shares of the Company.

You will be asked to vote on the regulated agreements passed during the year closed on 31 December 2017 on the basis of the Auditor's special report in accordance with Article L.225-38 of the French Commercial Code.

J. Balance of trade payables at close of financial year

Pursuant to Article D.441-4 and L. 441-6-1 of the French Commercial Code, we have supplied in the annex a breakdown of the trade payables and trade receivables (Annex I).

K. Table of the Company's financial result for the last five last financial years

Attached to this report is the table of the Company's financial results for the last five financial years. (Annex II).

L. Capital ownership (art. L.233-13 of the French Commercial Code)

The information received by the Company pursuant to Articles L.233-7 and L.233-12 is attached to this report. (Annex III).

M. Transactions on securities owned by Directors

Pursuant to Article 223-2 of General Regulations of the Autorité des Marchés Financiers (AMF), the summary list of transactions on securities performed by Directors during the financial year closed on 31 December 2017 is attached to this report in Annex IV.

N. Share buy-back Program

We inform you that during the year closed on 31 December 2017, the number of shares bought and sold pursuant to Articles L.225-208 and L.225-209 of the French Commercial Code was respectively of 28,498 shares and 21,324 shares.

The average purchase and sales amounted respectively to EUR 11,05 and EUR 11,61.

These transactions have not given rise to any trading costs.

The number of shares registered in the name of the Company at the close of the year was 20,981 securities.

Their value at the end of the year, valued at purchase price, was EUR 223,503.

Their nominal value was EUR 0.05.

They represent 0.18 % of the share capital.

The traded value of the share as of 31 December 2017 amounted to EUR 9. An impairment provision amounting to EUR 34,674 was recorded.

O. Annual report on the liquidity agreement

Under the liquidity contract granted by the Company to Aurel BGC, as of 31 December 2017, the following resources were in the liquidity account:

EUR 1205,849
20,981 Shares

P. Information on geographical regions and operational sub-sectors sensitive to communication of results to the market

Turnover France	€184,463
Turnover USA	€2,583,152
Turnover UK	€3,548,893
Other turnover	€1,369,518
Total	€7,686,026,

Q. Specific Risk Factors

1. Specific risks linked to the activity of the Company

1.1. Competition Risks

The market for clinical applications and clinical services taking advantage of the medical imaging is competitive.

The Company cannot guarantee that emerging technologies may be developed by competitors with greater financial and industrial resources.

This could have a material adverse effect on the Company's business, financial situation, earnings, growth and prospects.

1.2. Risk of commercial failure

For the market to accept more or less quickly the solutions and services offered by the Company will depend on various factors.

Poor market penetration resulting from one of these factors could have an adverse effect on the Company's business, prospects, financial situation, results of operations and development.

1.3. Risk of dependency in respect of partnerships and current and future strategic collaborations

The agreements with CANON Inc. in July 2011 and with QUINTILES Limited in February 2012, and recently with Microsoft are of particular importance to the development of the Company.

However, the Company does not consider itself dependent on these partnerships.

1.4. Risks related to managing growth

The Company plans to grow significantly.

It will thus be forced to adapt its structure and recruit more staff.

The inability of the Company to manage growth, or unexpected difficulties encountered during its expansion, could have a material adverse effect on its business, results, financial situation and prospects.

1.5. Risks related to the need to keep, attract and retain key personnel

The success of the Company depends largely on the work and expertise of the members of management and key scientific personnel and the loss of skills could impair the ability of the Company to achieve its objectives.

The inability of the Company to attract and retain key personnel could prevent it from globally achieving its objectives and have a material adverse effect on its business, results, financial situation and prospects.

1.6. Risks related to Customers

The Company does not consider itself dependent on a particular laboratory. By expanding its listings with major pharmaceutical companies, the Company will be less dependent on a limited number of laboratories. As of today, the Company is referenced in most of the world's largest laboratories.

1.7. Risks related to Supplier

The Company does not purchase much. None of the Company's suppliers has a prominent position, and all are quickly and easily replaceable.

2. Legal and regulatory risks

2.1. Intellectual Property Risks

It is important for the success of the Company's business that it obtains, maintains and enforces the intellectual property rights it owns.

However, intellectual property rights may offer only limited protection and do not prevent unauthorized use of technology owned by MEDIAN Technologies.

2.2. Risks related to a more restrictive regulatory environment

As a medical device, applications marketed by the Company are subject to strict regulations in the United States through the Food and Drug Administration (FDA) and in many other countries.

Any breach of compliance obligations may result in sanctions that may significantly increase the costs incurred by the Company, delay the development and commercialization of its products and services and thus have a material adverse effect on its business, results, financial situation and prospects.

The Company successfully passed its first FDA audit in early 2017.

2.3. Risks related to software application liability

The Company underlines in its documentation that its software applications are not diagnostic tools as such and are intended to help practitioners to prepare their diagnosis.

Nevertheless, one can not exclude that some user of the applications may seek the liability of the Company.

II. CORPORATE GOVERNANCE REPORT

A. Office of Chief Executive Officer

In accordance with Article L.225-37-4 of the French Commercial Code, we inform you that your Board of Directors has, by decision dated June 26, 2017, confirmed the option of combining the functions of Chairman and Chief Executive Officer. The Board also decided to renew Mr. Fredrik BRAG as its Chairman.

As a result, Mr. Fredrik BRAG also assumes the office of Chief Executive Officer of the Company.

In accordance with article 15 of the bylaws, this decision will last until the Board of Directors decides otherwise, ruling under the same conditions. However, the Board of Directors will also have to make a decision concerning the terms and conditions for the exercise of the Company's management when appointing or renewing its Chairman.

Unless the method of exercising the Company's management is modified, this information will not be included in subsequent corporate governance reports.

B. Conditions under which Board work is prepared and organized

The term of office for each director is three years.

In order to prepare and organize the work of the Board of Directors, the Chairman :

- prepares the documents with the Company's internal services to the;
- organizes and directs the work of the Board of Directors;
- ensures, in particular, that the Directors have all information and documents necessary to the fulfillment of their duties;
- ensures that representatives of employee representatives are regularly convened and have the necessary information and documents to fulfill their role.

The Board of Directors set up a Remuneration Committee.

For the Board meetings, the Directors receive all the documents and information necessary for the fulfillment of their duties while outside of the Board's meetings, the directors regularly receive all the important information concerning the Company.

C. Information concerning directors

Pursuant to the provisions of Article L. 225-37-4 of French the Commercial Code, attached you will find below the list of the duties and positions held in other companies by each of the directors of the Company (Annex V).

Mr. Fredrik BRAG, CEO of the Company has received for the financial year 2017 a gross compensation off performance bonus of EUR 400,000.

The Board of Directors, on the recommendation of the Remuneration Committee decided that Mr. Fredrik BRAG would receive EUR 240.000 as variable compensation based on the qualitative assessment of his performance for the year 2017, which shall be paid in 2018. It is recalled that Mr. Fredrik BRAG received EUR 120,000 for the variable target-based compensation for the 2016fiscal year.

Mr. Fredrik BRAG is covered by the GSC (social guarantee for company managers), the annual cost of which was EUR 17,189 in 2017.

A company car was also awarded to Mr. BRAG during the second semester of the 2017 fiscal year.

Mr. Gérard MILHIET, Director, was also employed by the Company. As Mr. Gérard MILHIET could be covered by unemployment insurance because of his office, he was covered by the GSC (social guarantee for company managers), the annual cost of which was EUR 10,495 in 2017.

Mrs. Jeanne HECHT, Director and Chief Operating Officer is also employed by MEDIAN TECHNOLOGIES Inc., the US subsidiary of the Company. Mrs. Jeanne HECHT exercises as of 7 November 2017 the functions of Chief Operating Officer as part of her employment contract. The compensation allocated to Mrs. Jeanne HECHT under her employment contract was USD 400,000 (i.e. EUR 354,083) for the year ended on 31 December 2017.

An amount of USD 240,000 has also been provisioned in the accounts of MEDIAN TECHNOLOGIES Inc. for the variable compensation decided by the Board of Directors, on the recommendation of the Remuneration Committee and which will be paid in 2018. It is recalled that during the 2017 financial year, Ms. Jeanne HECHT had received the gross sum of USD 154,752 under as part of her sign-up bonus.

Mr. Oran MUDUROGLU and Mr. Jacques SOUQUET, Directors of the Company have received in 2017 for the year 2015 attendance fees in the amount of EUROS 15,000 each. It is noted that pursuant to payment of these attendances fees, the Company consequently has paid charges relating to these fees amounting in total to EUR 24.061.

D. Agreements between a subsidiary and one of the Company's Director or major shareholder

It is recalled that the following agreement, as referred to in Articles L.225-38 and *seq.* of the French Commercial Code, were pursued unchanged during the financial year ending on 31 December 2017:

- **Stock options granted to a director of the Company:**
 - o Concerned Board Member: Oran MUDUROGLU, Director of the Company.
 - o Purpose: Oran MUDUROGLU was awarded a number of stock options under a contract with the US subsidiary of the Company, MEDIAN Technologies Inc.
 - o Terms and conditions: According to the contract, Oran MUDUROGLU has the right to exercise the stock options under certain conditions to obtain shares of the company MEDIAN Inc. (US). The Company, wishing to maintain the right to exchange, in the form of capital remuneration, shares Oran MUDUROGLU would hold in MEDIAN Inc. (US) in case of exercise of his stock options, signed with Oran MUDUROGLU a contribution agreement whereby, in consideration for the contribution of its shares in MEDIAN Technologies Inc., Oran MUDUROGLU would receive a total of 25,108 new ordinary shares of the Company.

E. Table of the Authorizations pertaining to capital increases

Attached to this report is the table of the Authorizations granted in the context of capital increases. (Annex VI).

III. REPORT ON OTHER RESOLUTIONS

1. DIRECTORS TERM OF OFFICE

We recommend you to give full discharge without reservation to all Directors, namely:

- Mr. Fredrik BRAG, Chairman of the Board,

- Mr. Oran MUDUROGLU, Director,
- Mr. Otello STAMPACCHIA, Director,
- Mr. Tim HAINES, Director,
- Mrs. Jeanne HECHT, Director,
- Mr. Kapil DINGHRA, Director.

for the performance of their duties during the financial year ended on 31 December 2017.

In addition, we inform you that the terms of office of Mr. Tim HAINES will expire at this General Meeting.

Thus, the Board proposes to the Shareholders' Meeting the renewal of his term of office as Director of the Company for a period of 3 years, i.e. until the Shareholders' Meeting to be convened in 2021 to approve the fiscal year ending on December 31, 2020. Mr. Tim HAINES has indicated that he would accept the renewal of his term of office and was not subject to any measure or inability to prohibit him from doing so.

2. FIXATION OF ATTENDANCE FEES

We propose to set at EUR 150.000 the maximum aggregate amount of directors' fees to be divided among the Directors for the year 2018, and to give all powers to the Board of Directors for the purpose of deciding the terms of allocation of these fees among the Directors.

3. AUTHORIZATION TO THE BOARD OF DIRECTORS FOR THE PURCHASE OF SHARES OF THE COMPANY UNDER THE PROVISIONS OF ARTICLE L. 225-209 OF THE COMMERCIAL CODE

We propose that you authorize us to purchase a number of shares representing up to 10% of the share capital at the date of the General Meeting.

Please note that the number of shares used to calculate the 10% limit would correspond to the number of shares purchased under a liquidity contract, less the number of shares sold during the term of the authorization.

These shares may be acquired by any means, including exchange or over the counter transactions, including by acquisition or sale of blocks of shares or by the use of derivative or optional financial instruments and at the times deemed appropriate by the Board, and that eventually acquired shares may be sold or transferred by any means in accordance with the legal provisions in force.

The maximum unit purchase price of the shares shall not exceed EUR twenty (20), subject to adjustments to take into account the impact of transactions on the capital of the Company, including changes in the par value of the shares, capital increase by incorporation of reserves, allocation of free shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of capital, or any other operation on equity.

Therefore, the maximum amount that the Company will be liable to pay, in the event of a maximum purchase price of EUR 20, would amount to EUR 23,351,778 on the basis of the capital on the 5th April 2017.

This authorization to repurchase own shares of the Company would be granted to, in particular:

- allow the purchase of shares under a liquidity agreement complying with the AMAFI Charter of ethics dated 8 March 2011 recognized by the decision of the AMF on 21 March 2011;

- implement any plan of options to purchase shares of the Company under the provisions of Articles L. 225-177 and seq. of the French Commercial Code or any allocation of free shares under the provisions of Articles L.225-197-1 and seq. of the French Commercial Code;
- deliver such in the exercise of rights attached to securities giving rights by redemption, conversion, exchange, presentation of a warrant or as convertible or exchangeable debt into shares of the Company or in any other way to the allocation of shares in the Company;
- retain such for subsequent delivery as payment or exchange in connection with potential acquisitions in accordance with market practices accepted by the AMF;
- cancel such in particular in order to optimize earnings per share through a reduction of share capital;
- implement any market practice that may be approved by the French Authority of Financial Market and, more generally, to perform any operation that complies with regulations in force.

We hereby propose to grant this authorization for a period of eighteen (18) months from the date of the General Meeting.

This authorization would cancel from the date of the General Meeting any previous authorizations with the same purpose.

Furthermore, we propose to authorize the reduction of the share capital in connection with the above transaction.

* * *

We hope that you will adopt all these resolutions.

The Board of Directors

Annexes:

Annex I	Breakdown of the trade payables and receivables
Annex II	Statement of the results of the last 5 years.
Annex III	Persons or entities holding the capital directly or indirectly by threshold (Article L233-13)
Annex IV	Transactions on Directors' Securities.
Annex V	List of corporate officers.
Annex VI	Table of authorizations pertaining to capital increase.

ANNEX I**BREAKDOWN OF THE TRADE PAYBLES AND TRADE RECEIVABLES**

In K€	Article D.441.I.-1° : Outstanding <u>received</u> invoices on the closing date of the fiscal year						Article D.441.I.-2° : Outstanding <u>sent</u> invoices on the closing date of the fiscal year					
	0 days (<i>indicative</i>)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (<i>indicative</i>)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Installments of late payment												
Number of corresponding invoices	0					21	0					50
Total amount of corresponding invoices (Amount Including Taxes)	0	36873	14757	0	34552	86181	0	827426	139564	0	254025	1221015
Percentage of the total amount of purchases during the fiscal year (Amount Including Taxes)	0	26	10	0	24	61						
Percentage of the turnover (Amount Including Taxes)							0	10.77	1.82	0	3.31	15.89
(B) Invoices excluded from (A) relating to disputed or non-recognized debts												
Number of excluded invoices	0						0					
Total Amount of excluded invoices (Amount Including Taxes)	0						0					
(C) Used payment terms (either contractual or statutory – article L.441-6 or article L.443-1 of the French Commercial Code)												
Payment terms used for calculation of payment delays	<input checked="" type="checkbox"/> Contractual payment terms: 30 days <input type="checkbox"/> Statutory payment terms :						<input checked="" type="checkbox"/> Contractual payment terms: 30 days <input type="checkbox"/> Statutory payment terms:					

ANNEX II**TABLE OF COMPANY'S FINANCIAL RESULTS FOR THE FIVE LAST FINANCIAL YEARS**

Périodes Durée de l'exercice	31/12/2017 12 mois	31/12/2016 12 mois	31/12/2015 12 mois	31/12/2014 12 mois	31/12/2013 12 mois
I- Situation financière en fin d'exercice					
a) Capital social	598 745 €	582 539 €	500 806 €	413 055 €	301 723 €
b) Nombre d'actions émises	11 974 903	11 650 780	10 016 117	8 261 092	6 034 450
II- Résultat global des opérations effectives					
a) Chiffre d'affaires hors taxes	7 686 026 €	6 353 458 €	3 885 379 €	1 518 301 €	1 202 734 €
b) Bénéfice avant impôt, avant amortissements & provisions	- 16 226 337 €	- 8 266 452 €	- 6003 487 €	-5 367 408 €	-4 545 394 €
c) Impôt sur les bénéfices (crédit d'impôt)	1 340 302 €	1 064 007 €	858 503 €	977 547 €	976 534 €
d) Bénéfice après impôt, avant amortissements & provisions	- 14 886 035 €	- 7 202 445 €	- 5 144 984 €	-4 389 861 €	-3 568 860 €
e) Bénéfice après impôt, amortissements & provisions	-15 088 837 €	- 7 746 399 €	-5 336 589 €	-4 844 195 €	-4 347 696 €
f) Montants des bénéfices distribués	0 €	0 €	0 €	0 €	0 €
g) Participation des salariés	0 €	0 €	0 €	0 €	0 €
III- Résultat des opérations réduit à une seule action					
a) Bénéfice après impôt, avant amortissements & provisions	-1,24 €	- 0,62 €	-0,51 €	-0,53 €	-0,59 €
b) Bénéfice après impôt, amortissements & provisions	-1,26 €	- 0,66 €	-0,53 €	-0,59 €	-0,72 €
c) Dividende versé à chaque action	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
IV- Personnel					
a) Nombre de salariés (effectifs moyens)	84	74	54	44	45
b) Montant de la masse salariale	6 469 077 €	4 594 654 €	3 772 252 €	2 807 380 €	2 746 572 €
c) Montant des sommes versées au titre des avantages sociaux	3 005 724 €	2 122 953 €	1 705 454 €	1 336 162 €	1 343 088 €

ANNEXE VI**PRIVATE INDIVIDUALS AND LEGAL ENTITIES HOLDING CAPITAL BY THRESHOLD**
(ARTICLE L 233-13)

	<i>Year N-1</i>	<i>Year N</i>
<i>Private persons</i>		
None	None	None
<i>Legal Entities</i>		
Furui Medical Company	12,94%, more than one-tenth	12,59%, more than one-tenth
Celestial successor fund LP	None	10,90%, more than one-tenth
DFJ ePlanet Ventures L.P.	11.26%, more than one-tenth	None
Abingworth Bioventures VI LP	8.58%, more than one-twentieth	11,13%, more than one-tenth
Canon Inc.	8.26% more than one-twentieth	8.03% more than one-twentieth
Growth Equity Opportunity Fund III LLC (NEA)	8.23% more than one-twentieth	8.00% more than one-twentieth
FCPR Auriga Ventures II	6.15% more than one-twentieth	5.49% more than one-twentieth

ANNEX V

TRANSACTIONS ON DIRECTORS' SECURITIES

Exercise of 30,900 BSPCE by Mr. Gérard MILHIET:

The Board of Directors of the Company dated 7 December 2009, pursuant to the issuance decided by the Extraordinary General Meeting dated 7 December 2009, attributed to Mr. Gérard MILHIET 319,551 "2009 Bis" BSPCE.

- Pursuant to the execution of his subscription form and the full payment of the said subscription, the Board of Directors of the Company dated 22 July 2017 acknowledged the exercise by Mr. Gérard MILHIET of 30,900 "2009 Bis" BSPCE to subscribe to 6,180 newly issued shares « E », for a subscription price of EUR 0.05 and an issuance premium of EUR 4.15, i.e. for a total price per share of EUR 4.20, and a subscription of a total amount of EUR 25,956.

Definitive acquisition of 162,523 AGA 2016 A free shares

The Chairman recalled that, using the authorization granted by the Shareholders' General Meeting dated 16 July 2016, the Board of Directors dated 22 July 2016 allocated 162,523 free shares (the "AGA 2016 A"), including 152,523 free shares to the following beneficiaries ;

BENEFICIARIES	AGA 2016 A
Fredrik BRAG	122,523
Bernard REYMANN	30,000

The Board of Directors dated 5 October 2017 acknowledged the definitive acquisition of these 162,523 "AGA 2016 A" free shares by the beneficiaries.

The beneficiaries are required to hold the free shares for a minimum of one (1) year, such period commencing upon the final allocation of shares.

Mr Fredrik BRAG, in his capacity as an executive officer, is required to keep 6,126 free shares AGA 2016 A in registered form (i.e. 5% of the allocated shares) until the termination of his office.

ANNEX V**LIST OF CORPORATE OFFICERS****OFFICES AND DUTIES EXERCISED BY EACH CORPORATE OFFICERS DURING THE FISCAL YEAR
2017**

COMPANY	OFFICES / DUTIES
Offices and duties exercised by Mr. Fredrik BRAG	
MEDIAN TECHNOLOGIES	Chairman of the Board of Directors Managing Director
MEDIAN TECHNOLOGIES INC	Chairman of the Board of Directors Managing Director
MEDIAN TECHNOLOGIES HONG-KONG LIMITED	Director
Offices and duties exercised Mr. Oran MUDUROGLU	
MEDIAN TECHNOLOGIES	Director
VERILY	Chief Executive Officer Board Member
Offices and duties exercised Mr. Otello STAMPACCHIA	
MEDIAN TECHNOLOGIES	Director
REPLIMUNE LTD	Director
GOSSAMER BIO INC	Director
TREVI THERAPEUTICS INC	Director
Offices and duties exercised Mr. Tim HAINES	
MEDIAN TECHNOLOGIES	Director
CHROMA THERAPEUTICS LIMITED FROM	Director
AIMIM LIMITED	Director
ABINGWORTH LLP	Director
ABINGWORTH BIOVENTURES V GP LIMITED	Director
ABINGWORTH BIOVENTURES GP LIMITED	Director
ABINGWORTH CCD GP LIMITED	Director
ABINGWORTH SECOND PARTNER LIMITED	Director
VIRIONHEALTH LIMITED	Director
GAMMADELTA THERAPEUTICS LIMITED	Director
SIENTRA INC	Director
PROTEON THERAPEUTICS INC	Director
Offices and duties exercised by Mrs Jeanne HECHT	
MEDIAN TECHNOLOGIES	Director
MEDIAN TECHNOLOGIES HONG-KONG LIMITED	Director
Offices and duties exercised Mr Kapil DINGHRA	
MEDIAN TECHNOLOGIES	Director
FIVE PRIME INC	Director
REPLIMUNE INC	Director
EXOSOME DIAGNOSTICS	Director
AUTOLUS	Director

ANNEX V**TABLE OF AUTHORIZATIONS PERTAINING
TO CAPITAL INCREASE**

DATE OF THE MEETING / PURPOSE	MAXIMUM AMOUNT	DURATION	STATUS
General Meeting dated 22/06/2017– Resolution 24 <i>Authorization to be given to the Board of Directors to increase the share capital by issuance of shares or securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities granting access to the share capital of the Company with preferential right</i>	EUR 500,000	18 months	Unused
General Meeting dated 22/06/2017– Resolution 25 <i>Authorization to the Board of Directors to proceed with a capital increase by issuing shares, securities convertible into shares of the Company without preferential subscription rights in the context of a public offering</i>	EUR 500,000	18 months	Unused
General Meeting dated 22/06/2017– Resolution 26 <i>Authorization conferred to the Board to issue shares of the Company and securities giving access to shares of the Company, without preferential subscription rights of shareholders in the context of offers described in Section II of Article L.411-2 of the French Monetary and Financial Code</i>	Statutory Limit under article L 225-136 3°) of the French Commercial Code	18 months	Unused
General Meeting dated 22/06/2017– Resolution 27 <i>Authorization to be given to the Board of Directors to increase the share capital by issuance of shares and/or securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities granting access to the share capital of the Company without preferential right for the benefit of a category of persons in accordance with the provisions of Article L.225-138 of the French commercial Code</i>	EUR 300.000	18 months	Unused

<p>General Meeting dated 22/06/2017– Resolution 28 <i>Authorization to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights</i></p>	<p>EUR 1.000,000 of maximum nominal amount of capital for the authorizations provided under resolutions 24 to 27</p>	<p>18 months</p>	<p>Unused</p>
<p>General Meeting dated 22/06/2017– Resolution 29 <i>Authorization to the Board of Directors to grant to the beneficiaries it shall identify, in compliance with applicable laws and regulations, existing shares or shares to be issued up to a maximum of 10% of the share capital pursuant to Articles L. 225-197-1 and seq. of the French Commercial Code</i></p>	<p>The total number of free shares granted under this resolution may not exceed 10% of the share capital at the date of their allocation by the Board of Directors.</p>	<p>38 months</p>	<p>Unused</p>
<p>General Meeting dated 22/06/2017– Resolution 30 <i>Authorization to be given to the Board of Directors in order to grant stock options pursuant to articles L. 225-177 and seq. of the French Commercial Code</i></p>	<p>300.000 new shares</p>	<p>38 months</p>	<p>-Partial use by the Board on 26/06/2017 for 22.500 stock options. -Partial use by the Board on 26/06/2017 for 34.500 stock options.</p>