Annual Financial Report
December 31, 2019

Median Technologies SA

This is a free translation into English of the Half-Year Financial Report issued in French and it is provided solely for the convenience of English-speaking users.

Summary

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PRESENTATION OF THE GROUP

Our Company is located within the Sophia Antipolis technopole in the Alpes Maritimes province where we have our registered office. This site contains the great majority of our teams, including all of the Research and Development teams.

Our Company also possesses several subsidiaries:

- *Median Technologies Inc. in the United States,*
- *Median Technologies Hong-Kong Ltd in Hong Kong and,*
- *Median Medical Technology (Shanghai) Co, Ltd. in China.*

A. PRESENTATION

Our Mission, Our vision

Since 2002, Median Technologies has been pushing the boundaries in exploitation and analysis of imaging data in the medical world with a focus on cancer and chronic disease. We develop innovative imaging solutions which create progress in health solutions for everyone and are opening the field of predictive and personalized medicine which is the medicine of tomorrow. Medical images reveal diseases as they truly are, at all stages, and make it possible to follow their evolution non-invasively. Exploiting the power of medical imaging is essential in order to accelerate clinical innovation, drug development, and improve patient care.

A leading company in medical imaging

We deliver our solutions and services worldwide.

We are present in the United States, currently the largest market in the domain of clinical trials and that of health, in Europe, and also in Asia, a region that is quickly growing in the health and clinical development market.

Our shareholder structure, which includes major Chinese, American, Japanese, and European shareholders, reflects this global positioning.

Innovative medical imaging solutions

Median provides innovative imaging services for clinical trials in oncology and integrates the latest advancements in artificial intelligence in its platforms to access information which has been, until present, inaccessible, contained medical images.

Our two proprietary platforms, **iSee®** for imaging services in clinical trials and **iBiopsy®** for non-invasive diagnostics based on imaging, exploit the power of medical images to accelerate therapeutic innovation and improve the treatment of patients suffering from cancer and other chronic illnesses.

Since the company's creation, we have formed trusted partnerships with leading medical centers throughout the world and strategic collaborations with technological industries who are leaders in their fields worldwide. We are changing the stakes: by combining science, technology, quality, and operational excellence, this allows a unique approach to the way in which medical images may contribute to the deployment of personalized and predictive medicine and lead to better results for patients.

Our corporate values

As individuals and as a team, we are animated by four corporate values which we hold essential: give meaning to innovation, assist our clients to reach their goals, put quality at the heart of our know-how and our savoir-faire, think about patients first. These values define who we are, what we do, the way that we do it, and what we aspire to be.

Behind our technology, our teams

We strive to apply these values in our relations between co-workers within the company, in our relations with our clients and with our partners; these values are also central for all of the solutions that we develop and the projects on which we work. We are changing the way that medical images are used in clinical trials and in patient care, we extract the most advanced, imaging bio-markers non-invasively, so that this becomes the standard for developing new therapies, for the diagnosis of patient diseases and illnesses. In our day-to-day work, there is no greater satisfaction than making a difference that will assist in saving or improving the lives of millions of patients.

Our Management Team and Board of Directors

Our executive team combines high-caliber expertise from a global scale that intersects with artificial intelligence, image analysis, and data science, applied to contexts of patient care and drug development.

Our board of administration shares its vision of the sectors of industry, finance, healthcare, and pharmacy in order to give the company its strategic direction.

Financial life

Since 2011, Median has been listed on Euronext Growth, ISIN FR0011049824, Mnemo ALMDT. The stock market data as well as the distribution of capital as of 31 December 2019 are provided on page 8 of this report.

B. COMPANY HISTORY BY DATE

Year 2002. The company is created in Sophia Antipolis, France.

Year 2007. All of the developments produced by the company during its first years are incorporated into a portfolio of clinical applications called LMS "Lesion Management Solutions". Applications are then marketed in Europe, then in the United States following authorizations from the FDA (510K).

Year 2011. The company deploys a complement of services specifically adapted for image management during clinical trials in oncology (iCRO) and based on the technological core of the LMS applications.

Year 2016. Sees the beginning of the R&D activity surrounding the use of imaging phenomics, Big Data, and artificial intelligence technologies (AI). The project is baptised iBiopsy®.

Year 2017. Median Technologies pursues technological development (AI) and the scientific and clinical validation of its research platform iBiopsy®. The company expands through subsidiaries in the United States and in Asia and Hong Kong.

Years 2018 and 2019 – The company strengthens its positioning for its iCRO activities through the creation of its Chinese subsidiary in Shanghai.

Median reorganizes its activities around two business units:

- **iCRO** for the imaging services in clinical trials with its platform iSee®;
- **iBiopsy®,** platform to concentrate scientific activities and software development, the foundation for the Company's innovation and thought to be its main vector for growth in future years.

C. MEMBER OF THE BOARD OF DIRECTORS

Our board of directors contributes key expertise in financial and strategic industrial domains. It is led by Oran MUDUROGLU as chairman.

ORAN MUDUROGLU – CHAIRMAN OF THE BOARD OF DIRECTORS

Oran Muduroglu is the Chairman of the Board of Directors for Median Technologies. With more than 25 years of experience in the health industry, he is a known figure in health technologies who has successfully developed solutions that improve quality and access to health information. In 2017-2018, Oran joined Verily, as the Business leader for that company's Health Platforms business. Prior to joining Verily, Oran was General Manager of Medicalis, acquired by Siemens in 2017. Previously, he was the General Manager for the Health Informatics Division of Philips Medical Systems. In 1998, he co-founded the Stentor company, where he was the General Manager until its acquisition by Philips in 2005. In the 1990s, he was vice president of sales and marketing at Cemax, a pioneering company in the domains of management and advanced visualization of medical images, and previously the Senior product lead at Toshiba Medical. Oran Muduroglu received a diploma in engineering sciences from King's College London.

FREDRIK BRAG – CHIEF EXECUTIVE OFFICER AND DIRECTOR

Frederik Brag is Median's Chief executive Officer. In 2002, he co-founded the company and contributed to its expertise coming from many years in business development, fund-raising organization, and creating initial public offerings for technology companies. Previously, he acted as vice president for HealthCenter/Focus Imaging, a position in which he garnered significant experience in the field of specialized medical imaging and information and communications technologies. He received his diploma from the Stockholm School of Economics.

OTELLO STAMPACCHIA - DIRECTOR

Holding a doctorate in Molecular Biology from the University of Geneva (Switzerland) and a doctorate in Biotechnology, **Otello Stampacchia** has contributed to the start-up of health investment activities in Index Securities (today Index Ventures). He subsequently joined the finance team of the health mergers and acquisition team for Goldman Sachs (London and New York offices) and then was a portfolio manager for the Lombard Odier Immunology Fund, a three-billion-dollar investment fund targeting public and private companies in the health sector worldwide. Otello was subsequently in charge of direct investments in the life sciences sector at AlpInvest Partners, one of the largest private equity asset management companies in the world where he also contributed to Due Diligence for investments in health. Otello has been a partner at Omega Funds since 2004.

TIM HAINES - DIRECTOR

Time Haines is the managing partner at Abingworth and has more than 25 years' experience in international management at public and private companies in the life sciences industry. Tim is a member of the Board of Directors for several companies that are part of Abingworth's portfolio. Before joining Abingworth in 2005, he was general manager of Astex, one of the companies in Abingworth's portfolio. Tim has been part of the Astex team for five years; his contribution was key in establishing Astex as one of the principal biotechnology companies in England. Prior to joining the Astex team, Tim was the general manager of two divisions at Datascope Corp., a listed medical technology company. Prior to Datascope, he performed management duties in several companies in the United States and in Europe and was general manager of Thackray Inc. and Baxter UK. Tim holds a BSc from University of Exeter and an MBA from the INSEAD.

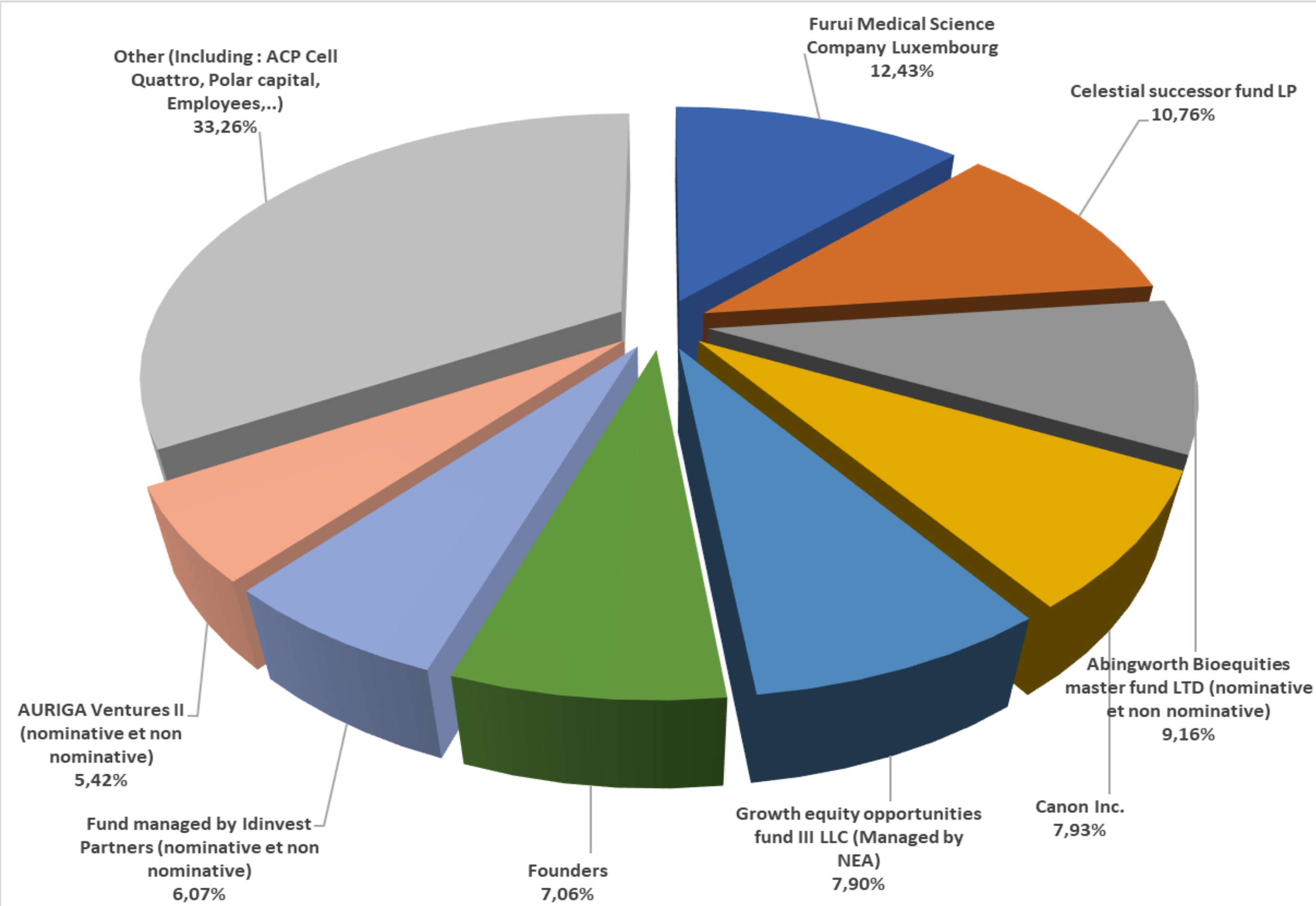
KAPIL DHINGRA - DIRECTOR

Kapil Dhingra is the head of KAPital Consulting, a health consulting company that he founded. Dr. Dhingra is also a member of the board of directors of several companies in the life sciences domain, namely Advanced Accelerator Applications, Exosome Diagnostics Inc., Autolus, and Five Prime, Inc.. In the past, he sat on the boards of directors of companies such as Biovex, Micromet, Algeta, and YM Biosciences which were subsequently acquired by major pharmaceutical groups. Prior to joining Advanced Accelerator Applications, Dr. Dhingra worked for more than 25 years in oncology research and development, including nine years at Hoffman-La Roche where he held several positions and was in particular, Vice President, Director of Strategy for Oncology, and Director of Clinical Development in Oncology. Before joining Hoffman-La Roche, he was senior physician for clinical research at Eli Lilly. Before beginning his career in industry, Dr. Dhingra, in addition to his duties as a physician, worked at M.D. Anderson Cancer Center (Texas), where, for eight years, he pursued a career in clinical and translational research, in the specialties of internal medicine and medical oncology. Dr. Dhingra holds an M.B., B.S. (equivalent to the US MD diploma) from the All India Institute of Medical Sciences of New Delhi, India, followed by an internship in internal medicine at Lincoln Medical and Mental Health Center, New York City, New York and at the New York Medical College, Valhalla, New York. He was clinic director in hematology/oncology at Emory University School of Medicine, Atlanta, Georgia.

D. HISTORY OF FUND-RAISING SINCE ITS INTRODUCTION

Date	Historical record	Number of shares	Share capital (in €)	Fund raising (in €)
	Share capital prior to listing	**4,349,482**	**217,474.10 €**	
Year 2011	- Capital increase in cash (Following this capital increase, the Company's shares were admitted on the NYSE Alternext in Paris according to the principles of a direct listing with a reference price of €8.05 per share); - Shares issued following the exercice of founder's share warrants; - Subscription of new shares in the company by Canon Inc. (15%); - The Company issued **1 B preference share**.	**1,468,336**	**73,416.80 €**	**12,012,675.05 €**
Year 2012	- Shares issued following the exercice of founder's share warrants; - Two Mutual Funds for Innovation managed by OTC Asset Management subscribed new shares.	**84,500**	**4,225.00 €**	**821,200.00 €**
Year 2013	- Six Mutual Funds for Innovation were signed totaling 132,132 new shares at €10.60 per share.	**132,132**	**6,606.60 €**	**1,400,599.20 €**
Year 2014	- Capital increase in cash and conversion of the two current accounts mentioned through the issue of 2,222,222 shares with attached equity warrants priced at €9 per share, of which €0.05 is nominal value and €8.95 share premium; - **E Preference shares** issued following the exercice of founder's share warrants.	**2,226,642**	**111,332.10 €**	**20,018,562.00 €**
Year 2015	- Capital increase via private placement with shareholders preferential subscription rights waived for a total of €19,800,000, or 1,650,000 shares for a subscription price of €12.00 each, including a share premium of €11.95. The completion of the capital increase was recorded on July 15, 2015. - Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA.	**1,754,325**	**87,716.25 €**	**20,667,943.50 €**
Year 2016	- Capital increase in cash through the issue of 1,507,692 shares with attached equity warrants priced at €13 per share, of which €0.05 is nominal value and €12.95 share premium; - Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA.	**1,635,363**	**81,768.15 €**	**20,629,364.39 €**
Year 2017	- Shares issued following the exercice of free Shares; - Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA.	**324,123**	**16,206.15 €**	**1,313,963.50 €**
Year 2018	- Shares issued following the exercice of free Shares.	**152,522**	**7,626.10 €**	**- €**
	Share capital as of December 31, 2019	**12,127,425**	**606,371.25 €**	

E. SHAREHOLDING STRUCTURE AS OF DECEMBER 31, 2019



Companies	%	Shares
Furui Medical Science Company Luxembourg	*12.43%*	1,507,692
Celestial successor fund LP	*10.76%*	*1,304,989*
Abingworth Bioequities master fund LTD (nominative et non nominative)	*9.16%*	*1,100,000*
Canon Inc.	*7.93%*	*961,826*
Growth equity opportunities fund III LLC (Managed by NEA)	*7.90%*	*958,334*
Founders	*7.06%*	*833,270*
Fund managed by Idinvest Partners (nominative et non nominative)	*6.07%*	*746,020*
AURIGA Ventures II (nominative et non nominative)	*5.42%*	*657,894*
Other (Including : ACP Cell Quattro, Polar capital, Employees,..)	*33.26%*	*4,057,400*
Total 12/31/2019	**100%**	**12,127,425**

F. HISTORY OF STOCK OPTION PLANS

Summary Table

Date of the General Meeting	Number of authorised securities	Grant date of securities	Number of securities allocated	Exercise limit date	Number of securities valid not exercised 12/31/2018	Number of securities granted in 2019	Number of securities cancelled non subscribed on 2019	Number of securities exercised	Number of securities valid not exercised as of December 31, 2019	Number of corresponding shares	Exercise price per share	Potential increase in capital (nominal)
3/10/2009	186,256	5/20/2010	170,000	3/9/2019	30,000	-	30,000	-	-	-	6.50	-
12/7/2009	1,061,309	12/7/2009	1,061,309	12/6/2019	402,582	-	402,582	-	-	-	4.20	-
4/1/2011	100,000	4/1/2011	99,950	3/31/2021	46,450	-	26,450	-	20,000	4,000	6.50	200
BSPCE	**1,347,565**		**1,331,259**		**479,032**	**-**	**459,032**	**-**	**20,000**	**4,000**		**200**
4/1/2011	100,000	4/1/2011	5,000	-	-	-	-	-	-	-	-	-
		12/15/2011	60,000	-	-	-	-	-	-	-	-	-
		7/5/2012	34,000	7/4/2019	11,000	-	11,000	-	-	-	10.00	-
4/5/2012	200,000	7/5/2012	5,970	7/4/2019	3,970	-	3,970	-	-	-	10.00	-
		10/3/2013	10,000	10/2/2020	10,000	-	10,000	-	-	-	10.60	-
6/26/2019	500,000	6/27/2019	94,516	6/26/2026	-	94,516	-	-	94,516	94,516	1.50	4,726
		6/27/2019	257,500	6/26/2026	-	257,500	-	-	257,500	257,500	1.50	12,875
		6/27/2019	33,000	6/26/2026	-	33,000	-	-	33,000	33,000	1.50	1,650
Stock Options	**800,000**		**499,986**		**24,970**	**385,016**	**24,970**	**-**	**385,016**	**385,016**		**19,251**
6/6/2013	60,000	6/6/2013	60,000	12/31/2020	60,000	-	-	-	60,000	60,000	8.04	3,000
6/6/2013	20,000	6/6/2013	20,000	12/31/2020	20,000	-	-	-	20,000	20,000	8.04	1,000
9/29/2014	2,222,222	9/30/2014	2,222,222	9/29/2021	1,888,890	-	-	-	1,888,890	944,442	9.00	47,222
5/28/2018	130,000	5/30/2018	120,000	5/30/2025	120,000	-	-	-	120,000	120,000	9.50	6,000
BSA	**2,432,222**		**2,422,222**		**2,088,890**	**-**	**-**	**-**	**2,088,890**	**1,144,442**		**57,222**
Total	**4,579,787**		**4,253,467**		**2,592,892**	**385,016**	**484,002**	**-**	**2,493,906**	**1,533,458**		**76,673**

Warrants

Warrants	Historical record	Subscription Date	Expiry Date
"2013 warrants"	The General Meeting on June 6, 2013 decided to issue 80,000 securities giving access to capital having the characteristics of equity warrants (2013 warrants). Each 2013 warrant was subscribed at a price of €0.80. The funds for this subscription were released in the second half of 2013. The unit price of exercising the 2013 warrants is the average price during the 40 trading days preceding the June 6, 2013 General Meeting, or €8.04 per share. The life term of these warrants expires December 31, 2020.	**June-13**	**December-20**
"2014 warrants"	The General Meeting of September 29, 2014 decided that the issue of 2,222,222 warrants would result in a capital increase of up to €56k by the issue of 1,111,111 ordinary Company shares, with a nominal value of €0.05 each at the rate of two warrants exercised for one new share. The exercise price per share is €9 issue premium included. In July 2015, 111,110 warrants were exercised and resulted in 55,555 shares being issued. The Board of Directors of October 1st, 2015 recorded the increase of capital for a total of €2,777.75. In November 2017, 222,222 warrants were exercised and resulted in 111,111 shares being issued. The Board of Directors of December 13rd, 2017 recorded the increase of capital for a total of €5,555.55. **It remains 1,888,890 warrants. The life term of these warrants expires September 2021.**	**September-14**	**September-21**
"2018 warrants"	The General Meeting on May 28 , 2018 decided to issue 130,000 securities giving access to capital having the characteristics of equity warrants (2018 warrants). 120,000 2018 warrant was subscribed at a price of €1.51. The funds for this subscription were released in June 2018. The unit price of exercising the 2013 warrants is 110% of the average price during the 20 trading days preceding the issuing date of the warrants, or €9.5 per share. The life term of these warrants expires May 30, 2025.	**May-18**	**May-25**

MANAGEMENT REPORT, CORPORATE GOVERNANCE REPORT, AND REPORT ON OTHER RESOLUTIONS

A. MANAGEMENT REPORT

The period for the financial year ending December 31, 2019 was twelve (12) months. All documents required by law were communicated or provided in the conditions and within the deadlines provided per all legal, regulatory, and statutory provisions. The rules for presentation and accounting appraisal methods comply with current regulations.

Continuity of Business:

Given available cash on hand amounting to €5.6M as of December 31, 2019, the expected receipt of the research tax credit of €1.4M for the year 2020, and the signature with the European Investment Bank (EIB) of a financing agreement amounting to €35M (of which payment of the first tranche of €15M is planned for the first semester of 2020), the company believes that it has sufficient cash at bank and on hand to meet its cash flow needs related to its activity and its investments over the course of the 12 months following the closing date.

Note that, within 15 months of the disbursement of the first tranche, the Group must provide the European Investment Bank with proof that one or more capital increases have been made in favor of the company. If the previous condition is not satisfied, several cases may arise:

- ✓ *Capital increases of less than 10 million euros - The European Investment Bank may cancel the undisbursed portion of tranche A and / or request the early repayment of the current loan as well as accrued interest and all other amounts run or in progress.*

- ✓ *Capital increases of between 10 and 15 million euros - The P1K interest rate applicable to tranche A will be increased to 8% and interest will be due retroactively as if it had been 8% on the date of until the capital increases reach the amount of € 15 million. (The current rate applicable is 6%).*

The Group is confident in its ability to increase its capital, in particular by raising funds on the markets. This type of operation has already been successfully carried out in the past. The Group therefore considers that it has enough cash available to meet the cash requirements linked to its activity and investments during the 12 months after the balance sheet date. The above-mentioned elements make it possible to establish the annual financial statements at 31 December 2019 following the principle of continuity of business for the coming 12 months.

NOTE 1 CORPORATE ACTIVITIES

The **iCRO** activity generated 100% of the company's Revenue in financial year 2019. This continued to develop in China with the implementation of a structure for local management of projects and operations, allowing a significant increase in the booking of orders in the year 2019. To date, a significant part of services delivered in China has been made by the Company's teams, despite reinforcement from dedicated Chinese teams. The process designed to make the subsidiary autonomous, should continue in the year 2020.

The **iBiopsy®** business did not generate revenue over the financial year, this being in the investment phase (Software, Clinical, and Scientific) for new products and services. With the arrival of Dr. Nozha Boujemaa, Chief Science and Innovation Officer, Median continued its R&D investments for its iBiopsy® imaging phenomics platform, by reinforcing the scientific team, in particular, in the domains of Artificial Intelligence and data science, in order to consolidate its leadership in imaging phenomics.

As of December 31, 2019, the Company had cash on hand of €5,649K compared to €12,481K for the previous financial year. The Company's financial debt amounts to €2K. Payment of the 2018 Research Tax Credit took place in the month of July 2019, amounting to €1.6M.

During financial year 2019, the Company's revenues amounted to €8,356K compared to €6,340K in the previous financial year, that being an increase of more than 31.8%.

Over the course of this financial year, the Company continued to market its solutions and services to pharmaceutical groups and biotechnology companies in the context of clinical trials in oncology, as well as health institutions such as hospitals, anti-cancer centers, and clinics for clinical routine.

EBIT amounted to €8,772K compared to €6,825K for the previous financial year.

- Operating charges amounted to €18,284K compared to €23,641K for the previous financial year;
- Operating income amounted to €(9,513)K compared to €(16,816)K for the previous financial year;
- Financial income amounted to €75K compared to €46K for the previous financial year;
- Net non-recurring items amounted to €40K compared to €(886)K for the previous financial year;
- The financial year in summary shows a net book loss of €(7,988)K compared to €(16.063)K for the previous financial year.

During financial year 2019, the Company has an average workforce of 76 employees distributed into 34 women and 42 men.

Wages and salaries came to €6,292K compared to €6,405K euros during the previous financial year. Social Security charges amounted to €2,779K compared to €2,909K for the previous financial year.

Net financial income (charges) includes, namely, a financial charge of €35K corresponding to an additional provision for depreciation of the current account which the Company holds in its American subsidiary, Median Technologies, Inc., and another of €13K corresponding to an additional provision for depreciation in the current account that the Company holds in its Hong Kong subsidiary, Median Technologies Hong Kong Limited.

Accounting profit (loss) includes a research tax credit of €1,409K. This amount pertains to the 2019 calendar year.

NOTE 2 FUTURE PROSPECTS

A financing agreement with the European Investment Bank (EIB) in the Amount of €35M was signed on 18 December 2019. This agreement will make it possible to further accelerate the **iBiopsy®** investment and recruitment program in the coming years. The payment of the first €15M tranche is planned for the first semester of 2020.

The **iCRO** activity also intends to continue its growth in the year 2020, following a great many contract signed and/or awarded in 2019.

NOTE 3 PRESENTATION OF THE FINANCIAL STATEMENTS

a) Individual accounts

The annual financial statements for the financial year ending 31 December 2019 that we are submitting for your approval have been established in accordance with the presentation rules and appraisal methods provided by current regulation. The rules for presentation and appraisal methods retained are identical to those from the previous financial year.

b) Accounts according to the IFRS standards.

We note that, even if there is no legal obligation requiring it, in accordance with our commitments made according to the terms of the Subscription Agreements entered into by the Company on August 19, 2014 and July 2, 2015 the Company has also been prepared consolidated financial statements in accordance with IFRS standards.

NOTE 4 RESEARCH AND DEVELOPMENT

In 2019, the Company continued developing its software solutions:

iSee® (iCRO) for image analysis and management in clinical trials. The main work has focused on the corresponding software platform as well as the development of new software functionalities that will make it possible to support new imaging criteria for clinical trials;

iBiopsy®: In 2019, the company reoriented its R&D work with the objective of creating knowledge and know-how capable of responding to technical uncertainty in our activity. The team is organized into different teams that work in parallel on specific subjects and in a coordinated manner in order to integrate the different software modules into a single software platform.

- A team dedicated to working on developing clinical partnerships, acquisition of medical images, and reviewing them in order to satisfy quality control concerns,
- A team dedicated to the technological aspects relative to the platform for our solution,
- And finally, a team that works on algorithms for processing medical images and artificial intelligence.

NOTE 5 ALLOCATION OF EARNINGS

We recommend that you allocate the losses for the financial year in the amount of €7988K to the "carry forward" account which would then reach a negative amount of €52,224K.

Pursuant to the provisions of article 243bis of the General Tax Code, we remind you that no dividend has been distributed for the prior three financial years.

NOTE 6 OTHER INFORMATION

a) Significant events that have occurred since the ending of the financial year

Anticipating the confinement measures enacted by the French government on March 17, 2020 regarding the COVID-19 health crisis, the Median Technologies Group has had all of its employees performing remote work since the morning of Monday, 16 March in France.

Accordingly, all of Median's employees and those of its various companies everywhere in the world has, since this date, been performing remote work, the teams in the United States and in China also are performing remote work in their usual manner.

The Group is ready to confront the challenges that are involved in that will involve Covid-19:

- For many years, Meeting Technologies has been working using robust cloud-based infrastructures which are used on a daily basis to deliver imaging services (iCRO) to its clients and partners worldwide. Median Technologies' business continuity plan is in place and has been operating without interruption since 16 March 2020. The Group continues to deliver its services and its imaging operations as normal. For Median's iCRO activity, the project leads, the investigator site directors, the image managers, the quality team and the account managers remain operational and available, in the same manner as they are under normal conditions.

- The research and development activities related to the iBiopsy® Business Unit continue to run in their normal manner, thanks to the development infrastructures in place for many months and utilized daily in normal time.
- Finally, all of the support teams (IT, administration, human resources, financial services, communication and marketing, legal department) continue to provide the best service possible to the group's two business units.

As planned starting at the end of 2019, the Group requested the release of the first tranche of its loan that was contracted at the end of 2019 from the European Investment Bank (EIB).

The amount of this first tranche comes to €15M, out of from the total loan of €35M.

In parallel, all of the measures implemented by the French government during this period have been examined by the Group's finance department in order to ensure the group's continuity in the best possible conditions.

To date, the Median group cannot prematurely assess the financial impact that this crisis may have on its activities. However, in view of the situation, the group is however revising its income targets significantly lower for the year 2020, but intends, however, to continue its growth that started almost 2 years ago now.

The group has already implemented a much stricter hiring policy in order to better adapt to the evolution of the crisis over the coming months and cope with the expected increase in its turnover. business.

Regarding the gross new business, the group also remains cautious, even if the figures obtained for the first quarter of 2020 remain in line with those set at the end of last year.

b) Activities of Company subsidiaries

The Company holds all of the capital and voting rights in **MEDIAN TECHNOLOGIES, INC.**, the Company's American subsidiary (hereinafter the "US Subsidiary"). The US Subsidiary has 6 employees as of December 31, 2019.

Over the 2019 financial year, revenues for the US Subsidiary came to1,044 K USD (that being €939K). The revenue of MEDIAN TECHNOLOGIES INC., just as with the previous financial year, comes from the 2014 implementation of a "cost-plus" contract between the parent company and its subsidiary. Hence, all of the revenues in 2019 correspond to the re-billing of costs to the Company.

The Company also holds all of the capital and voting rights in **MEDIAN TECHNOLOGIES HONG KONG LTD.**, the Company's Hong Kong subsidiary (hereinafter the "HK Subsidiary"). The HK Subsidiary currently has no employees and had no revenue for the financial year.

Finally, the Company also holds all of the capital and voting rights in **MEDIAN TECHNOLOGIES (SHANGHAI) CO., LTD.**, the Company's Chinese subsidiary (hereinafter the "CN Subsidiary").

The CN Subsidiary has 14 employees as of 31 December 2019. Over the 2019 financial year, revenues for the CN Subsidiary came to 8,871 K RMB (that being €1,146K). This represents re-billing for services performed for Median Technologies SA amounting to1,801 K RMB (that being €230K).

The remainder of the revenue represents contracts signed since the second trimester of 2019 directly with the Group's Chinese clients.

c) Equity stakes acquired in the financial year

None

d) Disposal of shares and crossholdings

None

e) **Existence of 3 Stock Option plans and various bonds issued – Employee participation**

On June 27, 2019 the Board of Directors in accordance with the 19th resolution of the Extraordinary General Meeting of June 26, 2019, decided to allocate 94,516 stock options: STOCK OPTIONS 2019-A.

On June 27, 2019, the Board of Directors, in accordance with the 19th resolution of the Extraordinary General Meeting of June 26, 2019, decided to allocate 257,500 stock options: STOCK OPTIONS 2019-B.

On June 27, 2019, the Board of Directors, in accordance with the 19th resolution of the Extraordinary General Meeting of June 26, 2019, decided to allocate 33,000 stock options: STOCK OPTIONS 2019-C.

Beneficiaries	SO 2019-A	SO 2019-B	SO 2019-C	TOTAL
Fredrik BRAG	84,516			84,516
Bernard REYMANN	10,000	32,500		42,500
Nozha BOUJEEMA		60,000		60,000
Oran MUDUROGLU		50,000		50,000
Yan LIU		35,000		35,000
Nicolas DANO		30,000		30,000
Sophie CAMPAGNO		20,000		20,000
Sebastien GROSSET		9,000		9,000
Jean OLIVIER		9,000		9,000
Emmanuelle LEYGUES		6,000		6,000
Anne-Sophie AUROUX		6,000		6,000
Robin ZHANG			33,000	33,000
Total	**94,516**	**257,500**	**33,000**	**385,016**

Pursuant to the provisions of article L.225-102 of the Commercial Code, below you will find our report on the state of employee shareholding in the company's share capital as of the last day of the financial year: Fredrik Brag (General Manager), Bernard Reymann, Nicolas Dano, and Fabrice Lamy owned a total of 5.20 % of the share capital as of December 31, 2019.

The summary of issuances and awards of the various securities is shown on page 9 of this report.

f) **Information about the statutory auditors**

Please note that your Incumbent Statutory Auditor is the company PRICEWATERHOUSECOOPERS AUDIT, société par actions simplifiée (a French limited company) with share capital of €2,510K, having its registered office at 63 rue de Villiers, 92200 Neuilly-Sur-Seine, registered with the Trades and Companies Registry of Nanterre under number B 672 006 483, said company being duly registered with the PCAOB and its six-year term runs until the conclusion of the General Meeting called in 2021 to rule on the financial year ending December 31, 2020.

g) **Social and environmental impacts of the company**

The Company's activity presents no impact with respect to the environment.

The Company's average workforce for the financial year ending 31 December 2019 is 76 employees. At 31 December 2019, the Company had 85 employees.

h) **Non-tax-deductible expenditures under article 39-4 of the general tax code.**

Pursuant to the provisions of article 223 quarter of the General Tax Code, we inform you that during the financial year ending December 31, 2019 certain non-tax-deductible expenditures were made with respect to the companies referenced in article 39-4 of the General Tax Code Amounting to €41K, the theoretical impact on the corporate income tax, at a rate of 28%, comes to €12K.

i) **Regulated Agreements**

We inform you that during the past financial year, no new agreements resulted in the procedure established under articles L.225-38 et seq. of the Commercial Code.

Please remember that the following agreements, of the nature that are covered by articles L.225-38 et seq. of the Commercial Code, continued during the financial year ending 31 December 2019 without modification.

Stock options allocated to a director of the Company:

Director concerned: Mr Oran Muduroglu, Chairman of the Board of Directors of the Company;

Nature and scope: Mr Oran Muduroglu was allocated to a certain number of stock options pursuant to an agreement entered into with the Company's American subsidiary, Median Technologies, Inc.;

Modalities: In accordance with said agreement, Mr. Oran Muduroglu is entitled to exercise his stock options under certain conditions so as to obtain shares of the company Median Technologies, Inc. (US). The Company, wishing to reserve the ability to exchange, in the form of remuneration for contributions, the shares that Mr Oran Muduroglu might come to possess in Median Technologies, Inc. (US) in the event of the exercising of his stock options, signed an agreement covering contributions with Mr Oran Muduroglu under the terms of which, as compensation for the contribution of his shares in Meeting Technologies, Inc., Mr Oran Muduroglu would be allocated to a total of 25,108 new ordinary shares in the Company.

j) Information about payment deadlines for suppliers and clients at the close of the financial year

Pursuant to articles D.441-4 and L.441-6-1 of the Commercial Code, as an appendix we present to you the breakdown of information about payment deadlines for suppliers and clients (Page -17-).

k) Table showing the company's financial income over the last 5 financial years

Table showing the company's financial income over the last 5 financial years (Page -18-).

l) Ownership of share capital (Art. L.233-13 of the Commercial Code)

Information received by the company pursuant to articles L.233-7 and L.233-12 of the Commercial Code (Page -18-).

m) Transactions involving directors' securities

Pursuant to article 223-26 of the General Regulations for the Autorité des Marchés Financiers (the French financial markets authority – AMF), transactions involving directors' securities occurring during the financial year ending December 31, 2019 are as follows:

Allocation of 94,516 stock options: STOCK OPTIONS 2019-A

94,516 stock options: STOCK OPTIONS 2019-A for the following beneficiaries:

Beneficiaries	SO 2019-A
Fredrik BRAG	84,516
Bernard REYMANN	10,000
Total	**94,516**

Mr Frederik Brag, in his capacity as director, is required to retain 21,129 shares following the exercise of the STOCK OPTIONS 2019-A (that being 25% of the shares arising from the exercise of the awarded STOCK OPTIONS 2019-A) at their face value until the cessation of his duties.

Allocation of 82,500 stock options: STOCK OPTIONS 2019-B

82,500 stock options for the following beneficiaries:

Beneficiaries	SO 2019-B
Oran MUDUROGLU	50,000
Bernard REYMANN	32,500
Total	**82,500**

Mr Oran Muduroglu, in his capacity as director, is required to retain 12,500 shares following the exercise of the STOCK OPTIONS 2019-B (that being 25% of the shares arising from the exercise of the awarded STOCK OPTIONS 2019-B) at their face value until the cessation of his duties.

n) Share redemption program

We inform you that over the course of the financial year ending December 31, 2019 the number of shares purchased and sold pursuant to article L.225-209 of the Commercial Code was, respectively, 129,054 and 156,230 shares. The average sale price for the purchases and sales amounted to, respectively, 1.68 euros and 2.14 euros. These transactions did not result in trading costs.

The number of shares registered in the Company's name at the close of the financial year was 22,458 shares.

Their value at the close of the financial year, assessed at the purchase price, was €41K, that being a unit value of 1.83 euros.

Their nominal value was 0.05 euros. They represent 0.19% of the share capital.

the share price at December 31, 2019 was 1.97 euros.

No provision for depreciation of shares was recorded in the books as of 31 December 2019.

o) Annual financial statement for the liquidity contract

Pursuant to the liquidity contract awarded by the Company to Aurel BGC on December 31, 2019 the following resources are found on the liquidity account:

- €141K
- 22,458 shares

p) Information about geographic areas

Revenue split by geographic areas (In thousands of euros)	12/31/2019	12/31/2018	Variation
Revenue France	999	518	481
Revenue USA/Canada	2,693	3,184	(491)
Revenue UK	661	1,240	(579)
Revenue China	3,337	674	2,663
Revenue other areas	667	725	(58)
Total	**8,357**	**6,340**	**2,017**

q) Specific risk factors

Special risks associated with the business

Risks related to competition

The market for clinical applications and clinical services utilizing medical images is competitive. The Company cannot guarantee that emerging technologies might be developed by competitors who possess superior financial and industrial resources. This might have a significant unfavourable effect on the Company, its activity, its financial condition, its results, its development, and its outlooks.

Risks of commercial failure

The acceptance, with greater or lesser speed, by the market for the solutions and services offered by the Company will depend on multiple factors. Poor penetration of the market, resulting from any one of these factors, could have an unfavorable impact on the Company's activity, its outlooks, its financial condition, its results, and its development.

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

The Company's success, particularly that of its Chinese subsidiary shall depend largely on the work and expertise of the members of management and of the key scientific personnel and the loss of their skills, knowledge, and abilities could unfavorably impact the Company's ability to reach its objectives. The Company's inability to attract and retain these key persons could hinder the achievement of its objectives overall, and thereby have a significant unfavorable impact on its activity, its results, its financial condition, and its outlooks.

Commercial Risk

The Company does not consider itself to be dependent on one laboratory in particular. By expanding its referencing amongst major pharmaceutical laboratories, it has, additionally, given itself the means to be less dependent on a limited number of laboratories. Currently, the Company is referenced with most of the largest laboratories in the world.

Supplier Risk

The Company has very little purchasing. None of the Company's suppliers has a preponderant weight, and all are quickly and easily replaceable.

Legal and regulatory risk

Risk related to intellectual property

It is important for the success of the Company's business, that it be able to obtain, maintain, and ensure the respect of the intellectual property rights that it possesses.

However, intellectual property rights might offer only limited protection and might not prevent illegal use of technologies belonging to Meeting Technologies.

Risks associated with an ever-more restrictive regulatory environment

As a medical device, the applications marketed by the Company are subject to very strict regulation, in the United States via the Food and Drug Administration (FDA) as well as in many countries. Any breach of compliance obligations could result in sanctions that might significantly increase the costs borne by the Company, delay the development and marketing of its products and services, and thereby have a significant unfavorable impact on its business, its results, its financial condition, and its outlooks. The company successfully underwent its first FDA audit at the beginning of 2017. In 2019, the quality of services was validated by the successful completion of 12 client audits and one FDA audit (Food and Drug Administration) on a major phase three of a Top 3 pharmaceutical laboratory.

Risk associated with the invocation of liability due to the software application.

The Company clearly states in its documentation that its applications are not diagnostic tools as such, but they are intended to assist practitioners in the formation of their diagnosis. Nonetheless, it is not possible to exclude the possibility that the Company's liability is sought by any particular users of its applications.

BREAKDOWN OF PAYMENT DEADLINES

	Article D.441.I.-1° : Received invoices unpaid at the reporting date and overdue						Article D.441.I.-2° : Issued invoices unpaid at the reporting date and overdue					
	0 Days	1 to 30 days	31 to 61 days	61 to 90 days	More than 91 days	Total	0 Days	1 to 30 days	31 to 61 days	61 to 90 days	More than 91 days	Total
(A) Tranches of late payment												
Number of invoices concerned						32						51
Total amount of invoices concerned	0	239	62	10	15	326	0	401	507	171	48	1,127
Percentage of total amount of purchases in the financial year	0	2.76%	0.72%	0.12%	0.17%	3.77%						
Percentage of the turnover in the financial year							0%	5%	6%	2%	1%	13%
(B)Invoices excluded (A) relating to disputed liabilities and receivables or unrecorded												
Number of invoices excluded	0						27					
Total amount of invoices excluded	0						655					
(C)The reference terms of payment used (article L.441-6 or article L.443-1 of the Commercial Code)												
Terms of payment used to calculate the payment delays	Contractual deadlines : 30 days						Contractual deadlines : 30 days					

STATEMENT OF RESULTS FOR THE LAST 5 FINANCIAL YEARS

Financial results for the last five years (In thousands of euros)	Period / Duration	12/31/2019 12 mois	12/31/2018 12 mois	12/31/2017 12 mois	12/31/2016 12 mois	12/31/2015 12 mois
I- Financial position at the end of the Year						
a) Share Capital		606	606	599	583	501
b) Number of shares outstanding *		12,127,425	12,127,425	11,974,903	11,650,780	10,016,117
II- Operating Global results						
a) Turnover (excluding tax and duties)		8,357	6,340	7,686	6,353	3 885
b) Profit before tax, before amortization and depreciation		-9,348	-17,069	-16,226	-8,266	-6,003
c) Corporate income tax (tax credit)		-1,409	-1,592	-1,340	-1,064	-859
d) Profit after tax, before amortization and depreciation		-7,939	-15,477	-14,886	-7,202	-5,145
e) Profit after tax, amortization and depreciation		-7,988	-16,063	-15,089	-7,746	-5,337
f) Amounts of dividends distributed		-	-	-	-	-
g) Employee participation		-	-	-	-	-
III- Operating results (earnings per a share)						
*a) Profit after tax, before amortization and depreciation**		*-0.65 €*	*-1.28 €*	*-1.24 €*	*-0.62 €*	*-0.51 €*
*b) Profit after tax, amortization and depreciation**		*-0.66 €*	*-1.32 €*	*-1.26 €*	*-0.66 €*	*-0.53 €*
*c) Dividends paid per share **				-	-	-
IV- Staff						
a) Number of employees (average)*		76	83	84	74	54
b) Amounts of the wages (total payroll)		6,292	6,405	6,469	4,595	3,772
c) Amounts of employee related benefits		2,779	2,909	3,006	2,123	1,705

* Amounts not in thousands of euros

IDENTITIES OF INDIVIDUALS OR LEGAL ENTITIES HOLDING SHARE CAPITAL BY THRESHOLD (Article L.233-13)

PRIVATE INDIVIDUALS AND LEGAL ENTITIES HOLDING CAPITAL BY THRESHOLD (ARTICLE L 233-13)	12/31/2019	12/31/2018
Private persons		
None	None	None
Legal entities		
Furui Medical Company	12.43%, more than one-tenth	12.43%, more than one-tenth
Celestial succesor Fund L.P.	10.76%, more than one-tenth	10.76%, more than one-tenth
Abingworth Bioequities master fund Ltd	9.16%, more than one-twentieth	9.16%, more than one-twentieth
Canon Inc.	7.93%, more than one-twentieth	7.93%, more than one-twentieth
Growth Equity Opportunity Fund III LLC (NEA)	7.90%, more than one-twentieth	7.90%, more than one-twentieth
FCPR Auriga Ventures II	5.42%, more than one-twentieth	5.42%, more than one-twentieth

B. CORPORATE GOVERNANCE REPORT

NOTE 1 EXECUTIVE MANAGEMENT'S OPERATING PROCEDURE

Pursuant to article L.225-37-4 of the Commercial Code, we remind you that the Board of Directors, by a decision dated April 10, 2019 decided to opt for the dissociation of duties between the Chairman and the General Manager.

The Board of Directors also decided to name M. Oran Muduroglu as Chairman of the Board of Directors and M. Frederik Brag as General Manager. Pursuant to article 15 of the by-laws, this decision was taken until a contrary decision by the Board of directors, ruling under the same conditions.

However, the board of directors must take a decision concerning the executive management's operating procedures when appointing or re-appointing its chairman. These procedures have not been changed. Unless there is a change in the General Management's operating procedure, this statement shall not be included in later reports.

NOTE 2 INFORMATION ABOUT CORPORATE OFFCIERS

Pursuant to the provisions of article L.225-37-4 of the Commercial Code, below you will find a list of officers and positions held in other companies by each of the Company's corporate officers:

Exercised by / Companies	Duties and/or functions
M. Fredrik BRAG	
Median Technologies SA	Chief executive officer
Median Technologies Inc.	Chief executive officer
Median Technologies Hong-Kong Ltd.	Director
Median Medical Technology (Shanghai) Co., LTD	Director
M. Oran MUDUROGLU	
Median Technologies SA	Chairman of the Board of Director
Helus	Chief executive officer

Exercised by / Companies	Duties and/or functions
M. Otello STAMPACCHIA	
Median Technologies SA	Director
Replimune LTD	Director
Novation Bio Inc.	Director
Kronos Bio Inc.	Director
Morphic Therapeutic	Director
M. Kapil DINGHRA	
Median Technologies SA	Director
Five Prime Inc.	Director
Replimune Inc.	Director
Autolus	Director
M. Tim HAINES	
Median Technologies SA	Director
Abingworth LLP	Member
Abingworth Bioventures V GP Limited	Director
Abingworth Bioventures GP Limited	Director
Abingworth CCD GP Limited	Director
Abingworth Second Partner Limited	Director
Chroma Therapeutics Limited	Director
Aimim Limited	Director
GammaDelta Therapeutics Limited	Director
Adaptate Therapeutics	Director

M. Frederik Brag, General Manager of the Company received, during financial year 2019, gross compensation, net of any performance bonus, of €400K. The amount of the performance bonus for the 2019 financial year approved by the Board of Directors on the basis of the recommendation from the Compensation Committee comes to €240K and will be paid during the 2020 financial year.

Please recall that over the course of the 2019 financial year, M. Frederik Brag received €80K as a performance bonus for the 2018 financial year. M. Frederik Brag receives ODUI (Officers and Directors Unemployment Insurance) the annual cost of which in 2019 for the policy covering him came to €18K.

Mr Brag has also benefited from a company car since the second semester of 2018. M. Oran Muduroglu, Chairman of the Board of Directors of the Company received gross compensation of €9K for financial year 2019.

Messrs. Oran Muduroglu and Kapil Dhingra, Company Directors, in 2019 received, for financial year 2018, attendance fees amounting to €50K each. We inform you that, in respect of the payment of these attendance fees, the Company paid for various expenses, which came to a total amount of €15K.

NOTE 3 AGREEMENTS ENTERED INTO BY A DIRECTOR OR A SIGNIFICANT SHAREHOLDER OF THE COMPANY WITH A SUBSIDIARY

a) Consulting contract entered into at the beginning of 2019 with the Company's American subsidiary, Median Technologies, Inc.

Director concerned: M. Oran Muduroglu, Chairman of the Board of Directors of the Company.

Subject of the agreement: M. Oran Muduroglu, Chairman of the Company's Board of Directors, is a recognized expert in health technologies and more specifically management systems for medical images, and provides consulting services to Median Technologies, Inc., the Company's American subsidiary.

Modalities: M. Oran Muduroglu offers consulting for both clinical and commercial aspects to support strategy related to commercial development with clients and prospects.

Term of the agreement: Fixed term ending December 31, 2019 it being nonetheless specified that an agreement of the same nature has been entered into for the ongoing financial year.

b) Consulting contract entered into at on 1 June of 2018 between Kapital CONSULTING LLC and the Company's American subsidiary, Median Technologies, Inc.

Director concerned: M. Kapil Dhingra, a Director of the Company.

Subject of the agreement: M. Kapil Dhingra, a member of the Company's board of directors, provides expert consulting services in the clinical domain to the companies of the Median group.

Term of the agreement: The Board of Directors observed that this agreement expired on May 31, 2019. Nonetheless, a contract of the same nature was entered into for the ongoing financial year.

c) The agreement continued over the course of the financial year ending 31 December 2019 without modification.

Stock options awarded to a director of the Company

Director concerned: M. Oran Muduroglu, Chairman of the Board of Directors of the Company.

Nature and scope: M. Oran Muduroglu was Allocated to a certain number of stock options pursuant to an agreement entered into with the Company's American subsidiary, Median Technologies, Inc.;

Modalities: In accordance with said agreement, Mr. Oran Muduroglu is entitled to exercise his stock options under certain conditions so as to obtain shares of the company Median Technologies, Inc. (US). The Company, wishing to reserve the ability to exchange, in the form of remuneration for contributions, the shares that M. Oran Muduroglu might come to possess in Median Technologies, Inc. (US) in the event of the exercising of his stock options, signed an agreement covering contributions with M. Oran Muduroglu under the terms of which, as compensation for the contribution of his shares in Meeting Technologies, Inc., M. Oran Muduroglu would be awarded a total of 25,108 new ordinary shares in the Company.

NOTE 4 TABLE OF DELEGATIONS RELATED TO RAISING CAPITAL

The table of delegations related to raising capital is found on page -21-.

TABLE OF DELEGATIONS RELATED TO RAISING CAPITAL

DATE OF THE MEETING / PURPOSE	MAXIMUM AMOUNT	DURATION	STATUS
General Meeting dated 06/26/2019 – Resolution 13 *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*	€ 500 K	18 months	Not used
General Meeting dated 06/26/2019 – Resolution 14 *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*	€ 500 K	18 months	Not used
General Meeting dated 06/26/2019 – Resolution 15 *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*	Statutory Limit under article L 225-136 3°) of the French Commercial Code	18 months	Not used
General Meeting dated 06/26/2019 – Resolution 16 *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*	-Limited to 15% of the initial issue	18 months	Not used
General Meeting dated 06/26/2019 – Resolution 18 *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*	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.	38 months	partial use by the CA of 03/12/2020
General Meeting dated 06/26/2019 – Resolution 19 *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*	500.000 new shares	38 months	partial use by the CA of 01/16/2020 and 06/27/2019

C. REPORT ON THE OTHER RESOLUTIONS

NOTE 1 DIRECTOR'S TERMS

We propose that you fully and unreservedly grant discharge to all directors, namely:

- Mr Oran Muduroglu, Chairman of the Board of Directors,
- Mr Frederik Brag, Director,
- Mr Otello Stampacchia, Director,
- Mr Tim Haines, Director,
- Mr Kapil Dinghra, Director,

for the performance of their duties in office for the financial year ending December 31, 2019.

Additionally, we inform you that the terms of office of:

- Mr Oran Muduroglu,
- Mr Frederik Brag,
- Mr Kapil Dinghra,

shall end as of this General Meeting.

Consequently, we propose that the terms of office for Messrs. Oran Muduroglu, Frederik Brag, and Kapil Dinghra as directors of the Company, pursuant to article 11 of the Articles, be renewed for a term of three (3) years, that being until the end of the General Meeting called in 2023 to approve the annual financial statements for the financial year ending December 31, 2022, Messrs. Oran Muduroglu, Frederik Brag, and Kapil Dinghra having made it known in advance that they would agree to the renewal of their Directors positions and were not subject to any restriction or disability capable of prohibiting the occupation thereof.

We also inform you that Mr. Otello Stampacchia has resigned from his position as director of the Company via a letter dated November 15, 2019 taking effect 16 January 2020, and that the Board of Directors has acknowledged this resignation.

We suggest that you appoint as director of the Company, in accordance with article 11 of the Articles, for a term of three (3) years, that being until the end of the General Meeting called in 2023 to vote on the financial statements for the financial year ending December 31, 2022 the following candidate, who has made it known in advance that he would accept his position as Director and is not subject to any restriction or disability capable of prohibiting the occupation thereof: Mr. Oern STUGE, a citizen of Norway, born on 16 November 1954 at Oslo, in Norway.

Mr Oern STUGE is a director of the following companies:

Exercised by / Companies	Duties and/or functions
M. Oern STUGE	
Mainstay Medical Ltd.	Chairman of the Board of Director
Phagenesis Ltd.	Chairman of the Board of Director
Summit Medical Ltd.	Chairman of the Board of Director
Pulmonx Inc.	Director
GI Dynamics Inc.	Director
Lumenis Inc.	Director
Balt SAS	Vice-Chairman of the Board of Director
Echosens SA	Board Observer

NOTE 2 SETTING OF THE REMUNERATION FOR THE DUTIES OF DIRECTORS

We propose to set at €150K, the overall maximum amount of attendance fees to be distributed between the Directors for the financial year 2020, and to give all powers to the Board of Directors for the purpose of deciding the conditions for distribution of these attendance fees between the Directors.

NOTE 3 AUTHORIZATION TO THE BOARD OF DIRECTORS TO PURCHASE SHARES OF THE COMPANY AS PROVIDED BY THE PROVISIONS OF ARTICLE L.225-209 OF THE COMMERCIAL CODE

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

It is stipulated that the number of shares used when calculating this 10% limit corresponds to the number of shares purchased pursuant to a liquidity contract, deducting the number of shares resold for the duration of the authorization.

The acquisition of these shares might be achieved by any and all means, and particularly over the market or on an ad hoc basis, including by the acquisition or disposal of blocks of shares or by the use of derivative or optional financial instruments and at such times as the Board of Directors should deem necessary, add that Eddie shares acquired might be assigned or transferred by any and all means as provided by current legal provisions.

The maximum unit price for purchasing shares must not be greater than fifteen (15) euros, subject to any adjustments intended to account for the impact of transactions on the Company's equity, namely from changed in the share face value, an increase in equity through incorporation of reserves, attribution of free shares, splitting or merging of shares, distribution of reserves or of any other assets, amortization of capital, or any other transaction involving capital and reserves.

Consequently, the maximum amount that the Company shall be likely to pay, in the event of a purchase at the maximum price of 15 euros, would come to €18,191K on the basis of the share capital as of April 9, 2020.

This authorization to conduct transactions on the Company’s treasury shares would be conferred for the following purposes in particular:

- To allow the purchase of shares in the context of a liquidity agreement in accordance with the AMAFI charter of professional ethics recognized by the decision of the Autorité des Marchés Financiers [the French financial markets authority] dated July 2, 2018;
- To implement any stock options plan for the Company, as provided by articles L.225-177 et seq. of the Commercial Code or any award of free shares as provided by articles L.221-197-1 et seq. of the Commercial Code;
- To cancel them particularly for the purpose of optimizing the earnings-per-share when reducing the share capital;
- To implement any market practice that might be allowed by the Autorité des Marchés financiers and, more generally, to conduct any transaction that complies with current regulations.

We propose that you grant us this authorization for a term of eighteen (18) months starting from the day of the General Meeting. This power would nullify, starting from the day of the General Meeting, any prior delegation having the same subject. Additionally, we propose that you authorize the reduction in share capital related to the above-mentioned operation.

INDIVIDUAL ANNUAL FINANCIAL STATEMENTS

Continuity of Business:

Given available cash on hand amounting to €5.6M as of December 31, 2019, the expected receipt of the research tax credit of €1.4M for the year 2020, and the signature with the European Investment Bank (EIB) of a financing agreement amounting to €35M (of which payment of the first tranche of €15M is planned for the first semester of 2020), the company believes that it has sufficient cash at bank and on hand to meet its cash flow needs related to its activity and its investments over the course of the 12 months following the closing date.

Note that, within 15 months of the disbursement of the first tranche, the Group must provide the European Investment Bank with proof that one or more capital increases have been made in favor of the company. If the previous condition is not satisfied, several cases may arise:

- ✓ *Capital increases of less than 10 million euros - The European Investment Bank may cancel the undisbursed portion of tranche A and / or request the early repayment of the current loan as well as accrued interest and all other amounts run or in progress.*

- ✓ *Capital increases of between 10 and 15 million euros - The P1K interest rate applicable to tranche A will be increased to 8% and interest will be due retroactively as if it had been 8% on the date of until the capital increases reach the amount of € 15 million. (The current rate applicable is 6%).*

The Group is confident in its ability to increase its capital, in particular by raising funds on the markets. This type of operation has already been successfully carried out in the past. The Group therefore considers that it has enough cash available to meet the cash requirements linked to its activity and investments during the 12 months after the balance sheet date. The above-mentioned elements make it possible to establish the annual financial statements at December 31, 2019 following the principle of continuity of business for the coming 12 months.

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A. BALANCE SHEET AS AT DECEMBER 31, 2019

ASSETS (in thousands of euros)	Notes	12/31/2019	12/31/2018
Intangible assets	2	21	93
Property, plant and equipment	3	402	482
Financial assets	4	469	433
Total non-current assets		**892**	**1,008**
Inventories		-	-
Advances and supplier prepayments		-	30
Trade receivables	5	2,791	2,067
Other receivables	5	2,099	2,076
Cash and cash equivalents	6	5,649	12,481
Total current assets		**10,538**	**16,654**
Miscellaneous assets	7	**549**	**437**
TOTAL ASSETS		**11,979**	**18,098**

LIABILITIES / SHAREHOLDERS' EQUITY (in thousands of euros)	Notes	12/31/2019	12/31/2018
Share capital and share premium		53,933	53,933
Reserves		-	-
Retained losses		(44,235)	(28,172)
Net loss for the period	21	(7,988)	(16,063)
Total shareholders' equity	8	**1,709**	**9,697**
Other equity		**-**	**-**
Provision for risks and charges	9	**372**	**588**
Others		2	3
Financial liabilities	10	**2**	**3**
Advance payments received on orders	11	5,462	4,634
Trade payables	11	1,618	944
Taxes and social liabilities	11	2,571	1,911
Other debts	11	240	290
Other liabilities		**9,891**	**7,780**
Deferred income	12	**4**	**30**
TOTAL LIABILITIES / SHAREHOLDERS' EQUITY		**11,979**	**18,098**

B. INCOME STATEMENT AS AT DECEMBER 31, 2019

INCOME STATEMENT	Notes	12/31/2019 (12 months)	12/31/2018 (12 months)
Services	13	8,357	6,340
Other income	14	415	485
Operating income		**8,772**	**6,825**
Purchases net of change in inventories		-	9
Other purchased goods and services	15	8,019	12,842
Duties and taxes		307	271
Payroll expenses	17	9,071	9,314
Depreciation, amortization and provision charges		294	620
Other expenses		593	586
Operating expenses		**18,284**	**23,641**
OPERATING PROFIT (LOSS)		**(9,513)**	**(16,816)**
Financial income (expense)	18	**75**	**46**
Current profit (loss) before tax		**(9,438)**	**(16,770)**
Exceptional income (expense)	19	**40**	**(886)**
Income tax	20	1,409	1,592
NET PROFIT (LOSS)	21	**(7,988)**	**(16,063)**
Services for clinical pharmaceutical trials		8,331	6,167
Services for iBiopsy		-	63
Services for X-ray and other tests		26	110

C. CASH FLOW STATEMENTS AS AT DECEMBER 31, 2019

STATEMENT OF CASH FLOWS (in thousands of euros)	Notes	12/31/2019 (12 months)	12/31/2018 (12 months)
Net profit (loss) *		**(7,988)**	**(16,063)**
Allowances net of amortization and depreciation	2,3,4	50	587
Change in operating working capital		1,482	20
Other items		72	14
Net cash flow from operating activities		**(6,384)**	**(15,442)**
Acquisitions	2,3,4	(144)	(117)
Change in non operating working capital		-	-
Other items		(112)	-
Net cash flow from investing activities		**(256)**	**(117)**
Issue of loans		-	-
OSEO advances repayable		(192)	-
Shareholders' current accounts		-	-
Share capital increase	8	-	181
Other items		1	-
Net cash flow from financing activities		**(191)**	**181**
NET CHANGE IN CASH AND CASH EQUIVALENTS	6	**(6,831)**	**(15,378)**
Cash and cash equivalents at start of period	6	**12,481**	**27,859**
Cash and cash equivalents at end of period	6	**5,649**	**12,481**
** Of which research tax credit:*	20	*1,409*	*1,592*

D. PRESENTATION

Median Technologies SA is a French société anonyme (a French corporation), subject to all texts governing commercial companies in France, and in particular the provisions of the Commercial Code.

The company has its registered office at 1800, route des crêtes à Valbonne and is listed on the Paris Stock Market in Euronext Growth (formerly Alternext).

The total of the balance sheet for the financial year ending December 31, 2019 comes to 11,979 K€.

The income statement for the financial year shows a loss of 7,988 K€.

The financial year has a duration of 12 months, from January 1, 2019 to December 31, 2019.

E. NOTES REGARDING INDIVIDUAL FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES, METHODS, AND RULES

a) Intangible Assets

Intangible assets are assessed at their acquisition cost, following deduction of rebates, discounts, and cash payment discounts, or at their production cost. A depreciation is recognized when the current value of an asset is below the net book value.

Development Costs

By decision of management, these costs for software design are not recognized in the assets of the balance sheet.

Intangible Assets	BASIS	DURATION
Patents, licences, brandts	Straight-line	1-5 years

b) Tangible Assets

Tangible assets are assessed at their acquisition cost, following deduction of rebates, discounts, and cash payment discounts, or at their production cost. A depreciation is recognized when the current value of an asset is below the net book value.

Tangible Assets	BASIS	DURATION
Developments on land not owned	Straight-line	10 years
Vehicles	Straight-line	5 years
Office equipment	Straight-line	1-5 years
Office furniture	Straight-line	8-10 years

c) Receivables

Receivables are appraised at their face value. A provision for depreciation is made when the inventory value is below the book value.

d) Conversions of debts and receivables in foreign currency

The conversion of debts, receivables, and cash at bank and in hand in foreign currency is performed as follows:

- Conversion of all debts, receivables, and cash at bank and in hand listed in foreign currencies at the exchange rate in force as of the close (Banque de France);
- Posting of differences with respect to the original values in the statements of prepayments and deferred income for assets or liabilities (translation difference);
- Formation of a provision for foreign exchange risk for latent losses after accounting for any neutralization's of transactions covered by currency hedging.

e) Pension commitments

The commitment for retirement benefits was estimated based on the provisions established by the applicable collective bargaining agreement, namely the SYNTEC collective bargaining agreement. Calculation of pension commitments is performed using the projected credit unit method. The discounted value of the obligation is determined by discounting future cash withdrawals estimated on the basis of an interest rate for first-category corporate obligations, denominated in the currency for payment of the service and for which the duration approaches the mean estimated duration of the pensioner in question.

The calculation incorporates factors for mortality, rotation of personnel, and projection of future employees as well as Social Security charges related to pension benefits.

f) Accounting for loan issue costs

The company had a choice of method for accounting for loan issue costs. Median Technologies has opted for asset recognition (PCG Art 833 -2/1, 832 -2/1). The issue costs will be spread over the duration of the loan. These are bank charges as well as fees from external providers.

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g) Recognition of Income

Turnover relating to the provision of services to pharmaceutical companies is recognized as the work is carried out and progress is made.

NOTE 2 INTANGIBLE ASSETS

ASSET (in thousands of euros)	12/31/2018	Acquisitions	Transfer accounts	Sales / Disposals	12/31/2019
R&D software	811	-	-	(38)	773
Software excluding R&D	296	-	-	-	296
Licences	33	-	-	-	33
Big Data Software	14	-	-	-	14
Intangible assets under construction	-	-	-	-	-
Total	**1,154**	**-**	**-**	**(38)**	**1,115**

AMORTIZATION (in thousands of euros)	12/31/2018	Provision	Transfer accounts	Recoveries	12/31/2019
R&D software	(778)	(22)	-	38	(761)
Software excluding R&D	(239)	(47)	-	-	(286)
Licences	(31)	(2)	-	-	(33)
Big Data Software	(14)	-	-	-	(14)
Total	**(1,061)**	**(71)**	**-**	**38**	**(1,094)**

The net amount of intangible assets comes to €21K at December 31, 2019.

NOTE 3 TANGIBLE ASSETS

ASSET (in thousands of euros)	12/31/2018	Acquisitions	Transfer accounts	Sales / Disposals	12/31/2019
Developments on land not owned	94	11	-	-	105
Office equipment	47	1	-	-	49
Transport equipment	14	-	-	-	14
Computer equipment R&D	276	21	-	(171)	126
Computer equipment excluding R&D	942	107	-	(208)	841
Office furniture	65	2	-	-	67
Total	**1,438**	**144**	**-**	**(380)**	**1,200**

AMORTIZATION (in thousands of euros)	12/31/2018	Dotations	Virements Poste à Poste	Reprises	12/31/2019
Developments on land not owned	(67)	(5)	-	-	(72)
Office equipment	(21)	(4)	-	-	(25)
Transport equipment	(14)	-	-	-	(14)
Computer equipment R&D	(219)	(31)	-	171	(77)
Computer equipment excluding R&D	(591)	(180)	-	208	(563)
Office furniture	(44)	(3)	-	-	(48)
Total	**(955)**	**(223)**	**-**	**379**	**(799)**

The net amount of tangible assets comes to €402K at December 31, 2019.

NOTE 4 FIXED ASSETS

a) Fixed assets and provisions

FIXED ASSETS (In thousands of euros)	12/31/2019	12/31/2018	Variation
Shareholdings	93	93	-
Other fixed securities	40	157	(117)
Loans	138	112	27
Other financial assets	207	158	49
Total	**478**	**521**	**(41)**

DEPRECIATION (in thousands of euros)	12/31/2019	12/31/2018	Variation
Shareholdings	(10)	(10)	-
Other shares	-	(77)	77
Total	**(10)**	**(87)**	**77**

Variations over the period with respect to accounting positions related to the liquidity agreement at December 31, 2019 are as follows:

- 22,458 treasury shares for a purchase price of €41K (recognized using the FIFO method), and appraised according to the Stock market quote as of December 31, 2019 at €41K.
- No provision for depreciation of shares was recorded in the books as of December 31, 2019.
- Cash mobilized and unavailable amounting to €141K.

b) Subsidiaries and participating, interests in other companies

Companies (+50% subsidiaries) (In thousands)	Equity as at December 31, 2019	% Capital held	book value of shares held	Net revenue for the period	Net result for the period	Dividends received during the period
MEDIAN Technologies Inc.	-$5,072	100%	$10	$1,044	$187	-
MEDIAN Technologies Hk.	-HK$420	100%	HK$10	HK$0	-HK$92	-
MEDIAN Medical Technology Shanghai Co. Ltd	$1,026	100%	$671	8,871	355	-

c) Related companies

(in thousands of euros)	Related companies	Undertakings in which the Company has a participating interest
Financial holdings	93	-
Provision for equity interest	(10)	-
Other receivables : current account € - Median Technologies Inc.	3,690	-
Other receivables : current account $ - Median Technologies Inc.	705	-
Other receivables : current account Hk - Median Technologies Hong-Kong	51	-
Provision on the current account	(4,446)	-
Trade debts	(42)	
Trade payables	147	-
Trade receivables	230	-

Note that the current accounts and equity securities of the subsidiaries Median Technologies Inc. and Median Technologies Hong-Kong are subject to a provision for impairment of 100%. No provision was recorded on the securities of Median Medical Technology (Shanghai) Co., ltd as of December 31, 2019. The company is currently in the growth phase to respond to the strong development of activity in China.

NOTE 5 CLIENT DEBT AND OTHER RECEIVABLES

a) Classification by deadline

Trade receivables (In thousands of euros)	12/31/2019	Within one year	Within more than one year
Trade and other receivables	3,060	3,060	-
Employee-related receivables	1	1	-
Social organisations	-	-	-
State institutions	1,879	1,879	-
Group companies and shareholders	4,446	-	4,446
Sundry debtors	17	17	-
Gross Total	**9,403**	**4,957**	**4,446**
Trade and other receivables (Provisions)	(270)		
Group companies and shareholders (Provision)	(4,446)		
Total	**4,687**		

b) Receivables from the State

These amount to €1,889K and particularly include:

- A claim regarding the research tax credit for financial year 2019 in the amount of €1,409K.
- A request for reimbursement of VAT of €120K and €251K in VAT claims.
- €7K in abatement of the Corporate property tax.

The tax credits are the subject of a request for immediate reimbursement given the mechanism associated with community-based small and medium-sized enterprises.

c) Accrued Income

Accrued revenue (In thousands of euros)	12/31/2019	12/31/2018	Variation
Customers, invoices to raise	117	64	54
Social organisations	-	61	(61)
Rebates and dicounts to obtain	2	53	(51)
Accrued interest	2	7	(4)
Other	7	8	(1)
Total	**129**	**192**	**(63)**

Other accrued income corresponds to the abatement of the corporate property tax recognized as of December 31, 2019. The cessation of the CICE for 2019 means that no more reimbursement is to be expected for the corporate bodies.

NOTE 6 CASH AND CASH EQUIVALENTS

This regards six current accounts at banks amounting to €5,646K. Interest receivable recognized comes to €2K.

Cash and Cash equivalents (In thousands of euros)	12/31/2019	12/31/2018	Variation
Accrued interest receivable	2	7	(4)
Short term deposits	-	-	-
Liquid assets	5,646	12,475	(6,828)
Total	**5,649**	**12,481**	**(6,833)**

Bank accounts in foreign currencies are appraised pursuant to the Banque de France rate at the end of the month dated as of the closing of the annual financial statements.

NOTE 7 OTHER ASSETS

Prepayments amount to €549K at December 31, 2019 and primarily concern operating charges. As of December 31, 2018, this amount came to €437K.

Adjustment accounts (In thousands of euros)	12/31/2019	12/31/2018	Variation
Accruals and prepaid expenses	549	437	113
Total	**549**	**437**	**113**

NOTE 8 CAPITAL AND RESERVES

a) Table showing variation in capital and reserves

The Company's share capital is composed of 12,127,425 shares distributed between:

- 12,104,224 **ordinary shares** having a €0.05 nominal value
- 23,200 **class E** preferred shares having a € 0.05 value and,
- 1 **class B** preferred share having a € 0.05 value.

The **class E** preferred shares are shares without voting rights but which receive the same financial rights as ordinary shares. The **class B** preferred share is reserved for an industrial investor shareholder and gives this party the right to be represented at any time by a director on the Company's board of directors. It is automatically converted into an ordinary share.

Equity (in thousands of euros)	12/31/2018	Acquisitions	Sales / Disposals	12/31/2019
Share Capital	606	-	-	606
Share Premium, reserves	53,065	-	-	53,065
BSA 2009	16	-	-	16
BSA 2013	64	-	-	64
BSA 2018	181	-		181
Other reserves	-	-	-	-
Retained earnings	(28,172)	(16,063)	-	(44,235)
Result	(16,063)	(7,988)	16,063	(7,988)
Total	**9,697**	**(24,052)**	**16,063**	**1,709**

b) Changes in the financial year

No changes occurred over the course of the financial year ending December 31, 2019.

c) New financial instruments in 2019

Information about new financial instruments is presented on page - 31 - of this report.

NOTE 9 PROVISIONS

a) Provisions for liabilities and charges

Provisions of Risks and Charges (In thousands of euros)	12/31/2018	Provision	Used reversals	Unused reversals	12/31/2019
Provision for risks (a)	60	-	(18)	(42)	-
Provision for exchange rate (b)	5	10	(5)	-	10
Provision for charges (c)	453	-	-	(91)	362
Others provision for risks(d)	71	-	(14)	(57)	-
Total	**517**	**10**	**(22)**	**(133)**	**372**

a) The provision for bad debt for the 2018 financial year was reversed in the financial year. No new provision was recognized for the period.

b) A provision for exchange losses of 10 K€ was recognized.

c) A decrease in the provision for retirement benefits was recorded on December 31, 2019.

d) The provision for charges respecting costs awarded to employees dismissed due to redundancy within the context of their career change was totally reversed as of December 31, 2019.

b) Provisions for charges – Commitments made related to retirement

The commitment for retirement benefits was estimated based on the provisions established by the applicable collective bargaining agreement, namely the Syntec collective bargaining agreement.

Provisions of Risks and Charges (In thousands of euros)	Provided	Not provided	Total
At December 31, 2019	362	-	362

The scenarios retained in determining this commitment are as follows:

Retirement benefits (table 1)	12/31/2019	12/31/2018
Less than 25 years	24.00%	16.00%
25-29 years	24.00%	9.00%
30 -34 years	10.00%	5.00%
35-39 years	11.00%	4.00%
40-44 years	7.00%	3.00%
45-49 years	6.00%	2.25%
50-54 years	4.00%	1.00%
55 years and above	0.00%	0.00%

Employee benefits (Actuarial assumptions)	12/31/2019	12/31/2018
Discount rate	0.85%	1.60%
Salary increase rate	2.50%	2.50%
Inflation rate	2.00%	2.00%
Social security costs	46%	46%
Mortality table	INSEE TH-TF 2008-2010	INSEE TH-TF 2008-2010
Retirement ages	Between 62 and 67 years	Between 62 and 67 years
Basis of retirement	Voluntary retirement	Voluntary retirement
Turnover (average staff by age band)	See Table 1	See Table 1

In the prior financial year, the commitment came to €453K.

NOTE 10 FINANCIAL LIABILITIES

Financial liabilities (In thousands of euros)	12/31/2018	Increase	Reduction/ Rebate	12/31/2019
Financial liabilities	3	2	(3)	2
Total	**3**	**2**	**(3)**	**2**

Less than one year	2
Between 1 and 5 years	-
More than 5 years	-

NOTE 11 OTHER PAYABLES

a) Statement of debts

Other payables (In thousands of euros)	12/31/2019	Within one year	Within more than one year
Trade and other Payables	1,588	1,588	-
Employee-related liabilities	1,379	1,379	-
Social organisations	1,035	1,035	-
State institutions	156	156	-
Debts on fixed assets and other Payables	13	13	
Other liabilities	227	227	-
Total	**4,399**	**4,399**	**-**

b) Accrued liabilities

Accrued liabilities (In thousands of euros)	12/31/2019	12/31/2018	Variation
Suppliers and other payables	617	529	88
Accrued interest payable	2	3	(1)
Social organisations	2,094	1,506	588
State institutions	19	12	7
Others	150	150	-
Total	**2,883**	**2,200**	**683**

c) Advance payments received on accounts

Advances and payments received on account came to €5,462K as of December 31, 2019 and correspond to advances paid by clients upon signature of a contract (Advance Payment). These advances are reimbursable in the event the contract ends (end of the clinical trial, cancellation). As of December 31, 2019, an amount of €1,074K concerns terminated contracts, for which reimbursement has not yet been made.

d) Translation difference

A translation difference for liabilities was recognized in the amount of €30K. This concerns trade payables and accounts receivable in foreign currency. These debts and claims in foreign currencies are appraised pursuant to the Banque de France rate at the end of the month dated as of the closing of the financial statements.

NOTE 12 OTHER LIABILITIES

a) Deferred income

Other liabilities (In thousands of euros)	12/31/2019	12/31/2018	Variation
Deferred income	4	30	(26)
Total	**4**	**30**	**(26)**
Less than one year	4		
Between 1 and 5 years	0		
More than 5 years	0		

There was €4K in deferred income corresponding to maintenance services for software recognized in the period but for which the periods of application involve periods later than December 31, 2019.

NOTE 13 TURNOVER

The turnover relating to services delivered to the pharmaceutical industry is recognized progressively in keeping with the advancement of the services.

Turnover (In thousands of euros)	12/31/2019	12/31/2018	Variation
Services provided	8,352	6,332	2,019
Licence sales	5	7	(2)
Sale of goods	-	1	(1)
Total	**8,357**	**6,340**	**2,016**

Turnover (In thousands of euros)	12/31/2019	12/31/2018	Variation
Turnover France	999	518	482
Turnover USA/CANADA	2,692	3,184	(491)
Turnover UK	661	1,240	(579)
Turnover China	3,337	674	2,663
Turnover other export	667	725	(58)
Total	**8,357**	**6,340**	**2,016**

NOTE 14 OTHER INCOME

This corresponds essentially to the following operating income:

- €192K concerns costs to be spread out in the context of financing from the European Investment Bank (EIB).
- €49K pertaining to personnel costs (in-kind benefits, retrocession of social security contributions, re-billing of training costs).
- €80K pertaining to foreign-exchange gains on debt and trade receivables.

NOTE 15 OTHER PURCHASES AND EXTERNAL COSTS

Other purchases and external costs at December 31, 2019 come to €8,019K compared to €12,842K at December 31, 2018.

The €4,823K variation is primarily explained by:

- The decrease in services billed by the US subsidiary amounting to €3,452K;
- The halting of services related to CTMS and the decrease in charges related to pharmaceutical projects amounting to €343K;
- The decrease in charges relating to studies, research, and scientific conferences amounting to €745K;
- The decrease in the use of temporary personnel amounting to €422K.

NOTE 16 RESEACH AND DEVELOMENT EXPENDITURE

Gross expenditures for Research & Development eligible for the research tax credit come to €4,698K, this should be compared with the operating charges for the period of €18,338K.

NOTE 17 STAFF COSTS

Staff Costs (In thousands of euros)	12/31/2019	12/31/2018	Variation
Salaries	6,292	6,405	(113)
Social security costs	2,779	2,909	(130)
Total	**9,071**	**9,314**	**(243)**

Staff costs at December 31, 2019 come to €9,071K, compared to €9,314K in the prior financial year, that being a decrease of 2,6%.

NOTE 18 FINANCIAL INCOME (LOSS)

Financial charges of €69K are primarily justified by:

- A provision for exchange losses of €10K concerning inter-company accounts with the subsidiary Median Technologies, Inc.;
- A provision for the current accounts of the subsidiaries Median Technologies Hong Kong and Meeting Technologies Inc. amounting to €48K;
- Foreign-exchange losses amounting to €11K.

Financial income of €144K primarily represents:

- Foreign-exchange gains amounting to €26K;
- A provision reversal concerning treasury shares amounting to €77K;
- Interest relating to current accounts of subsidiaries amounting to €22K;
- Interest of €14K coming from remuneration of the bank current account (Max-treasury).

NOTE 19 EXCEPTIONAL INCOME

Exceptional income shows a profit of €40K and comprises primarily:

- A provision reversal concerning liabilities and charges amounting to €131K;
- A deficit from the purchase of treasury shares amounting to €99K;
- The net book value of scrapped capital assets amounting to €2K;
- One-time payments made amounting to €19K.

NOTE 20 CORPORATE INCOME TAX

a) Amount of claims and deferred tax debt

Reductions made to the future tax debt are based on deficits that may be carried over as of December 31, 2019 amounting to €105,875,290, representing a potential tax reduction of €26,645,081 (at the rate of 28%).

b) Research tax credit

The tax profit recognized as of December 31, 2019 comes to €1,409K.

c) Competitiveness and Jobs tax credit (CICE)

The CICE was eliminated at the end of 2018.

NOTE 21 NET RESULTS (LOSS)

As of December 31, 2019, there was a net loss of €7,988K, that being a net loss per share of -€0.66.

Equity-linked securities, issued as of December 31, 2019, could yield a right to 1,549,431 shares. In the event of the issuance of all of these shares arising from the equity-linked securities issued as of December 31, 2019, the net loss per share would be -€0.59.

NOTE 22 AVERAGE EMPLOYEES

Average Employees	12/31/2019	12/31/2018	Variation (nb)	Variation (%)
Executives	75	78	(3)	-4%
Employees	1	5	(4)	-80%
Total	**76**	**83**	**(7)**	**-8%**

NOTE 23 ADMINISTRATIVE AND EXECUTIVE BODIES

Remuneration of senior directors (In thousands of euros)	12/31/2019	12/31/2018	Variation
Wages and salaries (including social security contributions)	696	888	(192)
Wages and salaries to be paid (including social security contributions)	324	236	88
Pension obligations	-	-	-
Director's fees	150	150	-
Total	1,170	1,274	(104)

NOTE 24 COMMITMENTS

a) Software use license and patents

As provided by licensing agreements with the University of Chicago, the Company owes this institution the following amounts, which were not yet recognized as of December 31, 2019,

Royalties equal to 1% of revenues that will be realized by the Company from the CAD-Lung software following December 31, 2019. It should be noted, that the contract provides that the Company must, in any case, pay the University of Chicago, for this, minimum royalties of $15,000 for each calendar year (provisioned in the financial statements).

$45,000 once the Company has obtained the administrative authorizations necessary for the marketing of the CAD-Colon software either in the United States, or in Japan, or in Europe, as well as $30,000 once the cumulative sales of the CAD-Colon software exceed $1,000,000. It should be noted that the Company, starting in 2009, decided to no longer market the CAD-Colon software.

Royalties equal to 1.5 to 2.0 % of revenues that will be realized by the Company from the CAD-Colon software after December 31, 2019. It should be noted, that the contract provides that the Company must, in any case, pay the University of Chicago, for this, minimum royalties of $15,000 for each calendar year. It should be noted that the Company, as it has decided to no longer market the CAD-Colon software, and in agreement with the University of Chicago, this commitment will not be applicable so long as the Company has not started to market it again.

b) Signature of the Loan agreement with the European Investment Bank (EIB).

On 18 December 2019, Median Technologies and the European Investment Bank (EIB) signed a financing agreement amounting to €35,000,000, supported by the European Fund for Strategic Investment (EFSI) or the "Juncker Plan")

This financing, divided into three tranches, will allow Meeting Technologies to strengthen and accelerate the investment program for its iBiopsy® imaging phenomics platform over the coming years.

- Tranche A: 15 million euros
- Tranche B: 10 million euros
- Tranche C: 10 million euros

Median requested the payment of the first 15-million-euro tranche at the beginning of the month of April 2020. The agreement then provides for the release of the second and third tranches (each being 10 million euros) in the coming years, at the discretion of Median Technologies, subject to the realization of certain conditions precedent defined in the financing agreement. The repayment of this financing shall occur, on a single occasion, at the end of a 5-year period starting from the payment of the tranche in question. This financing agreement comes with payment of interest and miscellaneous costs and also a guarantee given by the Median Technologies Inc. company (the American subsidiary of Median Technologies).

According to the terms of the issuance contract for the stock warrants, Meeting Technologies will proceed to issue 800,000 stock warrants in favor of the EIB at the time of the payment of the first tranche, and, as applicable, will issue 300,000 additional stock warrants when the second tranche is released at a subscription price of 0.01 euro. The exercise price of these stock warrants shall be determined as a function of the price of one or more rounds of fund-raising of at least 15 million euros, conducted within 15 months following the date of the subscription to which shall apply an increasing discount as a function of time, with a minimum of 2 euros starting from the 16th month. The period of validity for these stock warrants is 15 years.

The contract of issue for the stock warrants includes an exercise parity adjustment clause which could apply, under certain conditions, if capital is raised. The EIB shall also have the right, under certain conditions, to ask Median Technologies to buy back its warrants for a maximum amount of 50 million euros and, beyond that, to find a purchaser and pay interest on the price of the remaining warrants. The total of these stock warrants (for both tranches) could represent up to 7.44% of the fully diluted share capital.

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CONSOLIDATED FINANCIAL STATEMENTS ESTABLISHED UNDER IFRS STANDARDS RULES

MEDIAN Technologies ("the Company") is a société anonyme (a French corporation) with a board of directors, created in 2002 and domiciled in France. The Company's registered office is located at Les Deux Arcs - 1800 route des Crêtes – 06560 Valbonne.

The Company's primary areas of activity, and those of its subsidiaries (collectively called "the Group"), are the publication of software and the delivery of services in the domain of medical imaging for oncology. The Group develops and markets software solutions and offers services to optimize the exploitation of medical images for the diagnosis and monitoring of patients suffering from cancer.

The Company has been quoted on the Euronext Growth market since 2011 (formerly Alternext).

THE FIGURES AND INFORMATION PRESENTED ARE NOW BASED ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS, VOLUNTARILY ESTABLISHED IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EUROPEAN UNION.

A. STATEMENT OF THE CONSOLIDATED FINANCIAL POSITION

ASSETS (in thousands of euros)	Notes	12/31/2019	12/31/2018
Intangible assets	3	21	93
Tangible assets	4	1,502	556
Non-current financial assets	5	207	176
Total non-current assets		**1,730**	**825**
Inventories		-	-
Customers	6	3,937	2,050
Current financial assets	7	141	113
Other current assets	8	2,699	2,421
Cash and cash equivalents	9	7,615	12,739
Total current assets		**14,391**	**17,323**
TOTAL ASSETS		**16,121**	**18,148**

Liabilities (in thousands of euros)	Notes	12/31/2019	12/31/2018
Share capital	11	606	606
Share premiums	11	53,326	53,326
Consolidated reserves		(44,603)	(29,494)
Unrealized foreign exchange differences		(64)	(61)
Net result	25	(7,984)	(15,284)
Total shareholders' equity		**1,282**	**9,094**
Of which the group share		***1,282***	***9,094***
Long-term financial debts	14	844	-
Employee benefits liabilities	12	362	453
Deferred tax liabilities	15	341	312
Total non-current liabilities		**1,547**	**764**
Short-term financial debts	14	253	3
Trade and other payables	16	4,777	3,423
Liabilities on contracts	17	8,262	4,732
Current provisions	13	-	131
Total current liabilities		**13,293**	**8,288**
TOTAL LIABILITIES		**16,121**	**18,148**

B. STATEMENT OF CONSOLIDATED INCOME (LOSS)

Consolidated income statement	Notes	12/31/2019 (12 months)	12/31/2018 (12 months)
Revenue	18	8,951	6,340
Other income		80	194
Revenue from ordinary activities		**9,032**	**6,534**
Purchases consumed		(103)	(131)
External costs	21	(7,436)	(9,895)
Taxes		(329)	(255)
Staff costs	19	(8,551)	(10,430)
Allowances net of amortization, depreciation and provisions		(528)	(719)
Other operating expenses	22	(53)	(497)
Other operating income		4	-
Operating result		**(7,963)**	**(15,393)**
Cost of net financial debt		(25)	(6)
Other financial charges		(21)	(11)
Other investment income		42	86
Net financial result	23	**(4)**	**70**
Income tax (expense)	24	(17)	39
Net result	25	**(7,984)**	**(15,284)**
Net result, group share		(7,984)	(15,284)
Net result, non-controlling interests' share		-	-
Net result , Group share of basic and diluted earnings per share	25	**(0.66)**	**(1.27)**

C. STATEMENT OF CONSOLIDATED OTHER COMPREHENSIVE INCOME

OTHER COMPREHENSIVE INCOME (In thousands of euros)	Notes	12/31/2019 (12 months)	12/31/2018 (12 months)
NET RESULT		**(7,984)**	**(15,284)**
Unrealized foreign exchange differences		(3)	14
Total items that may be reclassified		**(3)**	**14**
Actuarial gains and losses on defined benefits plans		65	33
Deferred taxes on actuarial gains and losses		(16)	(8)
Total items that will not be reclassified		**49**	**25**
OVERALL RESULT		**(7,939)**	**(15,246)**

D. STATEMENT OF VARIATION IN CONSOLIDATED CAPITAL AND RESERVES

Group shareholders Equity (in thousands of euros)	Note	Share capital	Share premiums: Share issue premium	Share premiums: Equity warrants	Share premiums: Total share premiums	Treasury stock	Consolidated reserves: Consolidated reserves	Consolidated reserves: Other comprehensive income	Consolidated reserves: Total consolidated reserves	Translation reserves -Other comprehensive income	Consolidated result	Total
1/1/2018		**599**	**53,064**	**80**	**53,145**	**(157)**	**(11,277)**	**(92)**	**(11,525)**	**(75)**	**(17,206)**	**24,937**
Appropriation of the result prior period							(17,206)		(17,206)		17,206	-
Capital increase	11	8		182	182				-			189
Attribution of equity warrants									-			-
Change in unrealized foreign exchange differences									-	14		14
Variation in actuarial differences net of deferred taxes								25	25			25
Result for current period									-		(15,284)	(15,284)
Share-based payments							(675)		(675)			(675)
Treasury shares						(112)			(112)			(112)
Other reserves									-			-
Set off the accumulated losses to the "share premium"									-			-
12/31/2018		**606**	**53,064**	**262**	**53,326**	**(269)**	**(29,158)**	**(67)**	**(29,494)**	**(61)**	**(15,284)**	**9,094**
Appropriation of the result prior period							(15,284)		(15,284)		15,284	-
Capital increase	11								-			-
Attribution of equity warrants									-			-
Change in unrealized foreign exchange differences									-	(3)		(3)
Variation in actuarial differences net of deferred taxes								49	49			49
Result for current period									-		(7,984)	(7,984)
Share-based payments							79		79			79
Treasury shares						47			47			47
Other reserves									-			-
Set off the accumulated losses to the "share premium"									-			-
12/31/2019		**606**	**53,064**	**262**	**53,326**	**(222)**	**(44,363)**	**(18)**	**(44,603)**	**(64)**	**(7,984)**	**1,282**

E. STATEMENT OF CONSOLIDATED CASH FLOWS

Consolidated Statement of Cash Flows (In thousands of euros)	Notes	12/31/2019 (12 months)	12/31/2018 (12 months)
CONSOLIDATED NET RESULT	*25*	**(7,984)**	**(15,284)**
Allowances net of amortization, depreciation and provisions			719
Share based payment	*20*	528	(675)
Gains and losses on disposals		79	3
Cost of net financial debt		31	0
Tax charge for the period , including deferred tax	*24*	13	(44)
OPERATING CASH FLOW		**(7,333)**	**(15,281)**
Changes in operating working capital requirement		**2,947**	**(362)**
Net cash flow from operating activities		**(4,386)**	**(15,643)**
Outflows on acquisitions of intangible assets		-	-
Outflows on acquisitions of tangible assets		(176)	(255)
Inflows on disposal of tangible and intangible assets		1	-
Outflows on acquisitions of financial assets		(40)	(152)
Inflows on disposal of financial assets		19	310
Net cash flow from investing activities		**(195)**	**(98)**
Capital increase or contributions	*11*	-	189
Contribution to the current account		(192)	-
Repayment of loans	*14*	(351)	-
Net cash flow from financing activities		**(543)**	**189**
Net change in cash and cash equivalents	*9*	**(5,124)**	**(15,551)**
Cash and cash equivalents at start of the period	*9*	**12,739**	**28,290**
Cash and cash equivalents at end of the period	*9*	**7,615**	**12,739**

F. NOTES TO THE FINANCIAL STATEMENTS PREPARED ACCORDING TO IFRS STANDARDS

NOTE 1 PRESENTATION OF MAJOR EVENTS

The Company's revenues amounted to €8.9M compared to €6.3M in the prior financial year, that being an increase of more than 41.1 %.

The iCRO activity generated 100% of the Group's Revenue in financial year 2019. This continued to develop in China with the implementation of a structure for local management of projects and operations, allowing a significant increase in the booking of orders in the year 2019.

To date, a significant part of services delivered in China has been made by the Company's teams, despite reinforcement from dedicated Chinese teams. The process designed to make the subsidiary autonomous, should continue in the year 2020. In 2019, the quality of services was validated by the successful completion of 12 client audits and one FDA audit (Food And Drug Administration) on a major phase three of a Top 3 pharmaceutical laboratory.

The iBiopsy® business did not generate revenue over the financial year, this being in the investment phase (Software, Clinical, and Scientific) for new products and services. With the arrival of Dr. Nozha Boujemaa, Chief Science and Innovation Officer, Median continued its R&D investments for its iBiopsy® imaging phenomics platform, by reinforcing the scientific team, in particular, in the domains of Artificial Intelligence and data science, in order to consolidate its leadership in imaging phenomics.

The company's cash and cash equivalents came to €7.6M as of December 31, 2019.

Payment of the 2018 Research Tax Credit took place in the month of July 2019, amounting to €1.6M.

The Board of Directors of April 10, 2019 decided to adopt a new governance structure and to dissociate the duties of the Chairman and the General Manager. Consequently, on that date, Oran Muduroglu was named Chairman of the Board of Directors.

Frederik Brag continues his position as General Manager of Median Technologies. By separating the duties of the Chairman of the Board of Directors and the General Manager, the new governance structure will allow Frederik Brag To focus on the deployment of Median's strategy so as to ensure the Group's success under the direction and supervision of the Board of Directors. In parallel, Mr Oran Muduroglu's solid experience, his complete knowledge of the medical imaging industry, as well as his vision will be additional, undeniable advantages in directing Meeting Technologies' strategy.

A financing agreement with the European Investment Bank (EIB) in the Amount of €35M was signed on December 18, 2019. This agreement will make it possible to further accelerate the iBiopsy® investment and recruitment program in the coming years. The payment of the first €15M tranche is planned for the first semester of 2020.

NOTE 2 ACCOUNTING PRINCIPLES, APPRAISAL METHODS, IFRS OPTIONS RETAINED

a) Principle for preparation of the financial statements

The Group's consolidated financial statements for the financial year ending December 31, 2019 were established, voluntarily, in accordance with the IAS/IFRS international accounting standards applicable on that date, as approved by the European Union, applying to all of the periods presented.

The IFRS set of standards, adopted by the European Union on December31, 2019 is available under the heading Interpretations and IAS/IFRS standards, at the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The accounting principles and methods for the Group are described below.

The Group's consolidated financial statements were established using the historical cost principle, except for certain categories of assets and liabilities which are assessed at their fair value. The categories concerned are mentioned in the following notes.

Primary standards, amendments, and interpretations of application mandatory as of January 1, 2019

- IFRS 16 "Leases";
- IFRS 23 "Uncertainty over Income Tax Treatments";
- Modifications to IFRS 9 - Prepayment Features with Negative Compensation;
- Modifications to IAS 28 – Investments in Associates and Joint Ventures;
- Annual improvements of the IFRS Cycle 2015-2017;
- Modifications to IAS 19 – Modification, reduction, or liquidation of a plan.

The impact on the adoption of standard IFRS 16 starting January 1, 2019 is presented on page -44-.

The adoption of other new standards/amendments/mandatory interpretations listed above did not have any impact on the Group's financial statements.

Primary standards, amendments, and interpretations published by the IASB anticipated to be applicable as of 1 January 2019 within the European Union (subject to their approval).

The Group did not in anticipation apply these standards, amendments, and interpretations to the consolidated financial statements of December 31, 2019.

- Modifications to IAS 1 and IAS 8 – Definition of materiality;
- Modifications to IFRS 3 – Definition of a business.

Principle standards, amendments, and interpretations published by the IASB not yet applicable as of 1 January 2019 within the European Union.

In 2019, the principle standards published and not yet of mandatory application and not yet approved by the European Union are:

- IFRS 17– Insurance contracts;
- IFRS 14 – Regulatory deferral accounts;
- Modifications to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and a related company or joint venture.

The impact on the consolidated financial statements of these standards, amendments, and interpretations published by the IASB and not yet adopted by the European Union or applicable by anticipation within the European Union is currently being evaluated by Management.

With respect to the application of IFRS 16: "Leases"

Standard IFRS 16 "Leases" with mandatory application as of 1 January 2019 replaces standard IAS 17. This standard eliminates the distinction between simple leases and lease-purchase agreements. It introduces for the lessee a single model for accounting for leases in the balance sheet. The lessee books a "right of use" asset which represents his right to use the underlying asset, and a rent debt for his obligation to pay the rent.

The Group decided to apply the simplified retrospective method starting from the first application of this standard on January 1, 2019 and therefore did not restate the comparative information for financial year 2018, as is allowed by the specific transition provisions called for in the standard. The cumulative effect of the first application of standard IFRS 16 is accounted for in the opening balance sheet as of January 1, 2019.

The Group decided to apply the exemption for counting short-term contracts in the balance sheet (less than or equal to 12 months) and contracts involving low-value assets (primarily comprising rentals of small computer equipment). Rents paid under these contracts are recorded as charges on a linear basis for the entire term of rental.

The Group analyzed the commitments that might potentially fulfill the definition of a rental agreement (or a rental component within an agreement). In this framework, a limited number of contracts were identified as falling within the scope of IFRS 16. The principal contracts concerned by the standard are real estate leases and vehicle rentals.

Application of IFRS 16 led the Group to record a lease debt amounting to €1,446K as of January 1, 2019. This represents the current value of lease payments remaining owed, discounted with the lessee's incremental borrowing rate as of January 1, 2019. The weighted average rate comes to 1.35%.

Divergences between simple lease commitments presented in application of IAS 17 on December 31, 2018 and the estimated lease debt according to IFRS 16 concerning the same agreements on January 1, 2019 is explained as follows:

Rental Debt (In thousands of euros)	1/1/2019
Rental agreement (as lessee)	**1,331**
Contracts not accounted under the IFRS 16 exemption	(6)
Effects related to optional periods not taken into account in off-balance sheet commitments	191
Effects of discount	(70)
Estimated discounted rental debt under IFRS 16	**1,446**

On December 31, 2019, the lease debt came €1,094K and the net value of tangible assets by virtue of usage rights comes to €1,087K.

Also with respect to these lease agreements, the Group recognized depreciation charges and interest charges in the place of lease charges associated with simple lease agreements. In the first semester of financial year 2019, thus €358K in amortization and €8K in interest charges were recognized in respect of these lease agreements.

The Group presents the "usage right" asset in the entry for tangible assets, on the same line as the underlying assets of the same nature over which it has full ownership. The table below summarizes the book values for the "usage right" assets as of January 1, 2019 and December 31, 2019.

Assets related to the Usage right (In thousands of euros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	12/31/2019			1/1/2019		
Construction, Planning	1,315	(264)	1,051	1,315	-	1,315
Other tangible assets	131	(94)	36	131	-	131
Total	**1,446**	**(358)**	**1,087**	**1,446**	**-**	**1,446**

The Group presents lease debt in the entry "Financial debt" on the consolidated financial position statement. The table below summarizes the book values for the "usage right" assets as of January 1, 2019 and December 31, 2019.

Debts related to the usage right of the assets (In thousands of euros)	12/31/2019	1/1/2019	Variation
Non current liabilities	844	1,095	(251)
Current liabilities	253	351	(98)
Total	**1,097**	**1,446**	**(173)**

b) Use of judgments and estimates

To prepare the financial statements in accordance with IFRS, estimates, judgments and hypotheses were made by the Group; they may have impacted the amounts presented with respect to parts of assets and liabilities, any liabilities as of the date the financial statements were established and the amounts presented with respect to proceeds and charges for the financial year.

These estimates are based on a hypothesis of continuity of business, as described in note 26 "Goals and policies for management of financial risk" and are established based on information available at the time of their establishment. They are appraised on an ongoing basis and on the basis of past experience as well as various other factors deemed reasonable which constitute the foundation for appraising the book value of individual assets and liabilities. Estimates may be revised if the circumstances on which they were based evolve or subsequent to new information. Actual results could significantly differ from these estimates depending on different conditions or hypotheses.

Those estimates and hypotheses having a high risk of resulting in a significant adjustment to the book value of assets and liabilities over the course of the following period are analyzed below.

Payments based on shares

The Group awards options (Share Warrants, Founder's Warrants, etc.) that allow for the acquisition of shares in the Company and other equity-linked securities, as well as free shares to members of management and employees of the Group. The determination of the fair value of payments based on shares relies on a binomial model for appraising options which takes into account hypotheses on complex and subjective variables. These variables particularly include the fair value of the Company's securities, the expected volatility in share price over the lifespan of the instrument, as well as the current and future behavior of the holders of these instruments.

Accounting of the corporation tax

The Group is subject to the corporation tax in France and abroad with respect to its international activities. Tax laws are often complex and subject to different interpretations by the taxpayer and the competent tax authority.

The Group must make judgments and interpretations about the application of these laws when determining provisions for the tax to be paid.

Deferred tax assets corresponding primarily to deficits that may be carried forward or only recorded insofar as it is probable that a future taxable profit will be available. The Group must call on its judgment to determine the probability of the existence of a future taxable profit. This analysis applies jurisdiction by jurisdiction.

c) Consolidation methods and scope

The consolidated financial statements join the financial statements of the Company and of its subsidiaries in which the Company exercises control.

The Group controls a subsidiary when it is exposed or when it is entitled to variable yields due to its connections with the entity and it has the capacity to influence its own yields because of the power that it holds over the latter. The financial statements of subsidiaries are included in the consolidated financial statements starting from the date on which control is obtained and running until the date on which control ceases.

The scope of consolidation is as follows:

Name	Country	Registered office	Consolidation method	% held
Median Technologies SA (parent)	**France**	**France**	**Parent**	**Parent**
Median Technologies Inc. (subsidiary)	United States	United States	Full consolidation	100%
MedianTechnologies Hong-Kong Ltd. (subsidiary)	Hong-Kong	Hong-Kong	Full consolidation	100%
Median Medical Technology (Shanghai) Co.,Ltd. (Subsidiary)	China	China	Full consolidation	100%

The subsidiaries "Median Technologies Inc.", "Median Technologies Hong Kong Ltd." and "Median Medical Technology (Shanghai) Co., ltd." are controlled and consolidated with full consolidation. Intra-group transactions, balances, and latent profits on transactions between Group companies are eliminated. The accounting methods for these subsidiaries are aligned with those of the Group.

The Chinese subsidiary was not consolidated in 2018. In effect, this entity had no activity and the group had not paid the corresponding capital. The securities that were recognized in the share capital were the subject of an elimination of the debt which had been recorded as consideration. The Chinese subsidiary's activity started in April 2019.

The Group has neither minority interest nor participating interests in any entity that requires treatment using the equity method.

Insofar as the subsidiaries were created by the Group, no goodwill has been recognized since the creation of these companies.

d) Functional currency and presentation currency

The items included in the financial statements for each of the Group entities are evaluated using the currency of the principal economic environment in which that entity conducts its activities ("the functional currency"). The consolidated financial statements are presented in euros, the functional currency for the Company and the Group's presentation currency.

e) Conversion of transactions denominated in foreign currency

Transactions and balances

Transactions denominated in foreign currency are converted into the functional currency by using the prevailing exchange rates on the transaction dates. Foreign-exchange losses and gains resulting from the settling of these transactions just as those resulting from conversion, at the prevailing rate on the closing date, of monetary assets and liabilities denominated in foreign currency, are recognized on the income statement, on the lines, "Financial income" or "Financial charges".

Group companies – Activity abroad

The financial statements for all Group entities, none of which conducts its activities in a hyper- inflationary economy, for which the functional currency is different from the presentation currency, are converted into the presentation currency using the following procedures:

- individual assets and liabilities are converted at the closing rate on the date of each balance sheet;
- income and charges for each entry on the profit and loss statement are converted at the average exchange rate; and
- all conversion differences resulting from this are recognized as a component separate from capital and reserves in the "Conversion reserves" in the "Consolidated reserves", which makes it possible to keep the conversion of capital and reserves at the historic rate.

When an activity abroad is sold, whether wholly or partially, and there is a loss of control or significant influence or joint control, the total amount of foreign exchange differences related to that must be reclassified as a result as profit or loss from disposal. If the group disposes of one part of its holding in a subsidiary, all while retaining control, a proportional part of the cumulative amount of the foreign exchange differences is reallocated to the stakes that do not have control. When the Group only disposes of a part of its holding in a related company or in a joint venture, all while retaining significant influence or joint control, the proportional part corresponding to the cumulative amount of the foreign exchange differences is reclassified as profit or loss.

Net investment

Claims held against consolidated foreign subsidiaries, for which payment is not foreseeable, are considered to be net investments in foreign currency. To this end, and in accordance with standard IAS 21, the latent foreign exchange gains and losses over these claims in functional currency converted to euros for the consolidation have been posted in the Other elements of comprehensive income (OCI) and in "Conversion reserves". When the net investment is disposed of, the amount of differences recognized as "Conversion reserves" associated therewith is reclassified as profit or loss in the profit or loss from the disposal.

f) Current/non-current distinction

The Group applies a presentation of the balance sheet that distinguishes current parts and non-current parts of assets and liabilities.

The separation of current items from non-current items was made using the following rules:

- Assets and liabilities constituting working capital requirements falling within the normal business cycle are classified as "current";
- Assets and liabilities, outside of the normal operations cycle, are presented as "current", on the one hand and "non-current" on the other hand, depending on whether they reach maturity at more than or less than a year.

g) Intangible assets

Intangible assets are initially recognized at their historic acquisition cost or production cost by the company and are depreciated on a straight-line basis over a duration ranging generally from 1 to 5 years.

A depreciation is recognized when the current value of an asset is below the net book value.

Research and development costs

According to standard IAS 38 – Intangible assets, development costs are recognized as intangible assets only if all of the following criteria are met:

- technical feasibility necessary for completion of the development project
- intention of the company to complete the project and put it into service,
- capacity to put the intangible asset into service,
- demonstration of the probability for future economic benefit associated with the asset,
- availability of technical, financial, and other resources in order to complete the project, and
- reliable assessment of development expenses.

In the Group's consolidated financial statements, research costs are currently in practice recognized as charges as the criteria for capitalizing development costs have not been met.

h) Tangible assets

Tangible assets are recognized at their historic acquisition costs.

The various components of a tangible asset are recognized separately when their estimated service life and thus their period of depreciation are significantly different. Provisions for depreciation are calculated using the straight-line method, based on the estimated service lives for the fixed assets, taking into consideration, as applicable, residual values.

Tangible Assets	BASIS	DURATION
Developments on land not owned	Straight-line	10 years
Vehicles	Straight-line	5 years
Office equipment	Straight-line	1-5 years
Office furniture	Straight-line	8-10 years

Residual values, useful service lives, and depreciation methods for assets are reviewed and modified if necessary at the close of each year. Such changes are treated as changes in estimates.

i) Recoverable value of non-current assets

Assets having an indeterminate service life are not depreciated and are subjected to an annual depreciation test. Depreciated assets are subjected to a depreciation test whenever there is an internal or external indicator showing that an asset may have lost its value.

The depreciation test consists in comparing the net book value of the tested asset against its recoverable value. The test is conducted at the level of the Cash Generating Unit which is the smallest group of assets that includes the asset and the use of which continues to generate cash inflows largely independent of those generated by other assets or asset groups.

A loss of value is recognized in the amount of the excess of the book value compared to the asset's recoverable value.

The recoverable value of an asset corresponds to its fair value less the disposal costs or its utility value, if this is greater.

The fair value less the exit costs is the amount that may be obtained from the sale of an asset from a transaction in normal competitive conditions between well-informed and consenting parties, less the exit costs.

The utility value is the discounted value of estimated future cash flows expected from continuous use of an asset and from its exit at the end of its service life. The utility value is determined based on estimated cash flows on the basis of plans or budgets established over five years in general, the flows being extrapolated beyond that by applying a constant or decreasing growth rate, discounted at by retaining long-term market rates after taxes which reflect the estimates of the market of the time-value of money and the specific risks of the assets. The residual value is determined based on discounting to infinity the last cash flow of the test. As of December 31, 2019, no non-current asset presents any internal or external indicator for lost value.

j) Stocks

Materials and merchandise are evaluated using the FIFO rule and, by default, at the last purchase cost. Inventories are shown at their net realizable value if this is below their cost. The net realizable value represents the estimated sale price under normal business conditions, deducting sales costs.

k) Trade receivables and depreciation

Trade receivables represent amounts payable from clients for products sold and services delivered in the Group's normal business context.

The Group uses the simplified model, recommended by IFRS 9, for depreciation of trade receivables.

The rates of loss expected on trade receivables are calculated over their lifespan starting from the initial booking and rely on historic information. Additionally, disputed claims or those for which the due date has passed by more than one year are depreciated at 100%.

l) Financial assets

Bookkeeping and initial evaluation

A financial asset (except when it involves a trade receivable without any significant financing component) is initially evaluated at the fair value plus, for an item which is not at fair value as reflected on the income statement, the transaction costs directly related to its acquisition or issuance. A trade receivable without a financially significant component is initially evaluated at the transaction price.

At the time of its initial booking, a financial asset is classified as being evaluated at the depreciated cost, at the fair value as reflected by other items in the comprehensive income – debt instrument, at the fair value as reflected by other items of the comprehensive income – equity security, or at the fair value as reflected by the income statement.

Classification and later evaluation

The later evaluation of profits and losses of financial assets is as follows:

Financial assets at the fair value as reflected by the income statement: These assets are subsequently evaluated at fair value. Net profits and losses, including interest or dividends received, are recognized as income.

Financial assets at amortized cost: These assets are evaluated at a later point at the amortized cost using the effective interest rate method. The amortized cost is diminished by lost value. Proceeds from interest, foreign exchange profits and losses, and depreciations are recognized as income. Profits and losses resulting from derecognition are recorded as income.

Debt instruments at fair value as reflected by other elements of comprehensive income: These assets are subsequently evaluated at fair value. Proceeds from interest, calculated using the effective interest rate method, foreign exchange profits and losses, and depreciations are recognized as income. Other net profits and losses are recorded in the other items of comprehensive income. During derecognition, profits and losses accumulated in other items of comprehensive income are reclassified as income.

Equity instruments at fair value as reflected by other elements of comprehensive income: These assets are subsequently evaluated at fair value. Dividends are recognized as proceeds in income, unless the dividend clearly represents the recovery of one part of the investment cost. The other profits and losses are recognized in other items of comprehensive income and are never reclassified as income.

m) Cash and cash equivalents

The heading "Cash and cash equivalents" includes cash on hand, deposits held on call with banks, and other very liquid, short-term placements with maturity dates less than or equal to three months and which are not subject to significant risk of variation in value.

For the purposes of the cash flow table, net cash includes cash and cash equivalents as defined above, net of any current bank overdrafts. In the balance sheet, bank overdrafts are shown in current Financial liabilities.

n) Capital and reserves

Classification as capital and reserves depends on a specific analysis of the characteristics of each instrument issued. Ordinary shares and preferred shares thus have been able to be classified as equity instruments. Ancillary costs directly attributable to the issuance of shares or stock options are recognized as a deduction from capital and reserves, net of taxes.

o) Payment based on shares

The Group has implemented a certain number of compensation plans based on shares, for which the Group receives in consideration services from its employees. The fair value for services rendered by employees in exchange for the granting of options and free shares is recognized as charges, pursuant to standard IFRS 2.

The total amount to be recognized as charges, corresponds to the fair value of the instruments granted.

The conditions for acquisition of rights which are not conditions of contracting or which are conditions for service are incorporated into the hypotheses about the number of instruments that may be able to be exercised.

The total expense is recognized over the rights acquisition period, which is the period during which all conditions for acquisition of the rights specified must be satisfied. At the end of each financial year, the entity re-examines the number of instruments that may become subject to exercise.

As applicable, it recognizes in the profit and loss statement the impact of the revisions of its estimates following a corresponding adjustment in capital and reserves ("Payment based on the shares"). When the instruments are exercised, the Company issues new shares.

The amounts received when the options are exercised, are credited in the entries "Share capital" (face value) and "Issue premium", net of any directly attributable transaction costs.

p) Provisions

Provisions are recognized when the Group has a current obligation (legal or implicit) resulting from a past event and it is probable that an outflow of resources representing economic benefits will be necessary to extinguish the obligation and the amount of the obligation may be reliably estimated.

The estimate of the amount found in provisions corresponds to the outflow of resources of which it is probable that the Group must bear to extinguish its obligation.

If the time-value effect of money is significant, the provisions are discounted on the basis of a pre-tax rate which reflects, as applicable, the specific risks of the liability. Provisions correspond to specifically identified risks and charges.

q) Company commitments

Pension schemes, similar payments, and other company benefits which are analyzed as defined benefits schemes (a scheme in which the Group undertakes to guarantee an amount or a defined level of service) are recognized in the balance sheet on the basis of an actuarial evaluation of commitments as of the closing date. Calculation of pension commitments is performed using the projected credit unit method taking into account the related social security charges.

The discounted value of the obligation is determined by discounting future cash withdrawals estimated on the basis of an interest rate for first-category corporate obligations, denominated in the currency for payment of the service and for which the duration approaches the mean estimated duration of the pensioner in question. The calculations also include hypotheses for mortality, personnel rotation, and projection of future employees.

Actuarial discrepancies are recorded, in the entirety, as "Other items of comprehensive income", directly by capital and reserves. Contributions paid for the schemes which are analyzed as being defined contribution schemes, meaning when the Group has no other obligation than payment of contributions, are recognized as charges in the financial year.

r) Trade payables

Trade debts and associated accounts correspond to payment commitments for products or services that have been contracted from suppliers in the context of the Group's normal activity. Trade debts are initially recognized at their fair value and later re-evaluated at their amortized costs using the effective interest rate method.

s) Financial liabilities

Financial liabilities are classified under two categories and comprise:

- financial liabilities recognized with amortized cost and,
- financial assets recognized at fair value by the income statement.

Financial liabilities recognized with amortized cost

Loans and other financial liabilities such as: conditional advances and advances and pre-payments received, are generally recognized at the amortized cost calculated using the effective interest rate.

Financial liabilities recognized at the amortized cost are initially recorded at fair value of the amount received, less the directly attributable transaction costs.

Subsequent to the initial recognition, interest-bearing loans are evaluated at the amortized cost, by using the effective interest rate method. The fraction of financial debts under one year is presented as current liabilities.

Financial assets at fair value by the income statement

These represent liabilities held for transaction purposes, meaning liabilities which respond to an intended short-term realization. They are evaluated at fair value and variations in fair value are recognized in the income statement.

t) Taxes payable and Taxes deferred

Tax liabilities and assets payable for the financial year and prior financial years are evaluated at the amounts expected to be recovered or paid to the tax administrations. The tax rate and tax regulations utilized when determining these amounts are those that were adopted or quasi-adopted as of the closing date.

Deferred taxes are recognized by using the balance sheet method and variable carry forward for all temporal differences existing at the closing date between the tax basis for assets and liabilities and their books value in the balance sheet, as well as on deficits able to be carried forward. Deferred tax assets are recorded in the balance sheet insofar as it is probable that a taxable profit will be available, on which such deductible temporal differences, tax losses and tax credits not utilized but carried forward can be attributed over the course of later years. Deferred tax assets and liabilities are not discounted.

u) Revenue

The main activities of the Group:

- ICRO activity: this activity consists of the sale of imaging services for clinical trials in oncology using dedicated software;
- The iBiopsy® activity: this activity aims to provide customers with the iBiopsy® platform which exploits multimodal artificial intelligence technologies and data science to meet the promise of precision

medicine through analysis advanced medical imaging to improve patient care and treatment efficiency. This activity is in the development phase, as indicated in note 1.

The revenue results for the very large part from contracts for delivery of services performed in the "Clinical trials" activity, namely the sale of imaging services for clinical trials in oncology using dedicated software.

Revenues drawn from these contracts and the associated expenditures are recognized as these services are provided, since the Group can claim reimbursement of costs incurred, increased by a reasonable margin, at the date of any termination of the contract by the client.

v) Research tax credit

Research tax credits are granted to companies by the French State in order to encourage them to conduct technical and scientific research. Companies who can demonstrate expenditures that meet the requisite criteria (research expenditures located in France or, starting January 1, 2005, within the European Union or in another State that is party to the European Economic Area agreement and which has entered into a tax convention with France that contains an administrative assistance clause) receive a tax credit which can be used to pay the Corporation tax owed for the financial year in which the expenditures are made and the three following financial years or, as applicable, be reimbursed for its excess share.

Research tax credits, according to IFRS standards, are included with subsidies. Within the Group, expenditures eligible for these research tax credits are in the very large part generated by personnel costs.

The Group has thus opted to classify the research tax credit as a decrease in personnel charges.

w) Leases

A rental contract is a contract, or part of a contract, by which the right to use an underlying asset is assigned for a certain period of time for consideration. In accordance with the exemptions authorized by IFRS 16, the Group has chosen to apply IFRS 16 to all of its leases, except:

• short-term rental contracts, the initial term of which is equal to or less than 12 months;

• rental contracts for which the underlying asset is of low value, considering the value of the asset in new condition.

These rental contracts are recognized in rental charges using the linear method over the duration of the rental contract.

Accounting for leases according to IFRS 16

The application of IFRS 16 consists, for any rental contract concerned, of recognizing in the statement of consolidated financial position at the date of entry into force of the rental contract, a right of use on rental contracts and a rent debt. The Group presents the "right of use" assets in property, plant and equipment, while the rental debt is recognized in "Borrowings".

The right of use is valued at its cost, including:

- the initial amount of the debt;
- advance payments made to the lessor, net of any benefits received from the lessor;
- the initial direct costs incurred by the lessee for the conclusion of the contract;
- an estimate of the costs of dismantling or restoring the rented property according to the terms of the contract.

The rental debt is recognized for an amount equal to the discounted value of the rental over the term of the contract.

The amounts taken into account for rents in the valuation of the debt are:

- fixed rents;
- variable rents based on a rate or index;
- any residual value guarantees granted to the lessor;
- the exercise price of a call option if the exercise of the option is reasonably certain;
- penalties for termination or non-renewal of the contract.

Variable rents that are based on something other than a rate or an index, such as rents based on the use of the leased property or on its performance are excluded from the valuation of the debt.

Determination of the duration of a contract

The duration of the contract is defined as the non-cancellable period during which the lessee has the right to use the underlying asset, to which must be added the periods covered by:

- renewal options whose exercise is reasonably certain and,
- termination options that the policyholder is reasonably certain not to exercise.
- In estimating the duration of its rental contracts, the Group distinguishes two categories of underlying goods:
- real estate: the duration selected corresponds to the initial duration of the rental contract plus any extension options that the group has reasonable certainty of exercising. For commercial leases concluded in France and in accordance with the Statement of Conclusions published by the ANC on February 16, 2018, the Group recognizes the term of execution at the start of the rental contract to be 9 years.
- movable property (including transport equipment in particular): the period chosen generally corresponds to the non-cancellable duration of the contract. Indeed, in the event of a renewal option, the group considers that it is not reasonable to exercise the renewal options, given the nature of the leased goods and the ease of replacing them.

Decision of the IFRS Interpretation Committee of December 16, 2019

IFRS IC published on December 16, 2019 its final decision on tacitly renewable or indefinite or indefinite duration rental contracts with termination clause, specifying the criteria to be applied to determine their enforceable duration and the interaction with duration amortization of the underlying non-removable arrangements.

The IFRIC decision could call into question the Statement of Conclusions published by the ANC on February 16, 2018. However, for contracts likely to be impacted, the Group considers that it is not reasonably certain to go beyond the initial duration. Consequently, the Group does not expect significant impacts.

Determination of the discount rate for rental debts

The group considers that it is impossible to easily determine the implicit interest rate of its rental contracts. Consequently, the group has chosen to apply the marginal borrowing rate to all of its leases.

The marginal borrowing rate corresponds to the interest rate that the group would have to pay to borrow, for a period and with a similar guarantee, the funds necessary to procure a property of value similar to the assets under the Right of use on rental contracts in a similar economic environment.

The group determines its marginal borrowing rate from interest rates granted by different sources of external funding. The rates used reflect the interest rate on a loan whose payment profile is similar to that of rents.

Subsequent evaluation

The right of use is amortized on a straight-line basis over the shortest period between the duration of the rental contract or the useful life of the right of use. If the contract transfers ownership of the asset to the lessee, or if there is a purchase option the exercise of which is reasonably certain, the right of use will be amortized over the useful life of the underlying leased asset.

The rental debt is revalued as follows:

- an increase reflecting the updating charge of the period under the borrowing rate marginal applied to the rental contract, in consideration for the interest charge account on Lease contracts;
- a decrease reflecting rent payment from the period.
- an increase reflecting the update of the rent index period or rent growth rate, if applicable, in return for the right of use on rental contracts in the current situation consolidated financial.
- an increase or decrease reflecting a re-estimate of future rental payments as a result a change in estimate over the duration of rental, in return for the right of use on rental contracts in the current situation consolidated financial statements.

x) Sector information

The Group's revenues are primarily made in France and through export. Research and development costs, production costs, regulatory expenses, and the vast majority of marketing and administrative costs are incurred in France. At this stage, these costs are not strictly distributed by geographic zone where the Group's products are marketed.

The Group's activity today focuses on only the pharmaceutical sector, which leads the Group's management to pursue operations comprehensively and in a unified manner. The primary operational decision-maker verifies the results and the operational plans and decides how to allocate resources on the group scale. The Group has thus identified a single operational sector meeting the criteria of the IFRS 8 standard.

This presentation could be modified in the future, as a function of evolution in the Group's activities and other operating criteria.

y) Earnings-per-share

Fundamental earnings-per-share are calculated by dividing the earnings attributable to shareholders of the company by the weighted mean number of ordinary shares in circulation over the course of the period.

The diluted earnings-per-share are determined by adjusting the earnings attributable to ordinary shareholders of the company and the weighted mean number of ordinary shares in circulation by the effects of any potentially dilutive ordinary shares.. In the case of the Group, these are Share Warrants, Free shares, Founder's Warrants, and Stock options issued.

NOTE 3 INTANGIBLE ASSETS

Intangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	12/31/2019			12/31/2018		
Patents, licenses, brands	1,116	(1,094)	21	1,154	(1,061)	93
Other intangible assets	-	-	-	-	-	-
Total	**1,116**	**(1,094)**	**21**	**1,154**	**(1,061)**	**93**

Intangible assets are primarily composed of acquired software licenses.

Variations in balances over the period are analyzed in the following manner:

Intangible Assets (In thousands of euros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	12/31/2019			12/31/2018		
Opening Balance	**1,154**	**(1,061)**	**93**	**1,186**	**(950)**	**236**
Additions	-	-	-	-	-	-
Terminated, discarded	(38)	38	(0)	-	-	-
Other movements	-	-	-	(27)	-	(27)
Changes in depreciation and amortization	-	(72)	(72)	-	(116)	(116)
Effects of exchange fluctuations	-	-	-	(5)	5	-
Closing balance	**1,116**	**(1,094)**	**21**	**1,154**	**(1,061)**	**93**

NOTE 4 TANGIBLE ASSETS

Tangible Assets (In thousands of euros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	12/31/2019			12/31/2018		
Construction, planning	105	(72)	34	94	(67)	27
Assets related to the usage rate Construction, Planning	1,315	(264)	1,051	-	-	-
Other tangible assets and under construction	1,143	(762)	381	1,494	(966)	529
Assets related to the usage rate Tangible assets under construction	131	(94)	36	-	-	-
Total	**2,694**	**(1,192)**	**1,503**	**1,588**	**(1,033)**	**556**

The activated usage rate for the Group's real estate rental comes to €1,315K gross, and represents the significant impact of the application of standard IFRS 16 on January 1, 2019. This primarily concerns the rental agreement for the premises in Valbonne. Assets associated with the usage rate of other tangible assets amount, in gross, to €131K and primarily concern transportation equipment.

Variations in balances over the period are analyzed in the following manner:

Tangible Assets (In thousands of euros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	12/31/2019			12/31/2018		
Opening Balance	3,034	(1,033)	2,001	1,294	(793)	500
Additions	156		156	275	-	275
Terminated, discarded	(500)	429	(71)	(14)	11	(3)
Other movements	-	-	-	27	-	27
Changes in depreciation and amortization	-	(586)	(586)	-	(247)	(247)
Effects of exchange fluctuations	3	(2)	2	6	(3)	3
Closing balance	2,694	(1,192)	1,503	1,588	(1,032)	556

The equipment purchased over the period mainly concerns computer equipment made available to the company's employees. The variation in the right of use noted in accordance with IFRS 16 is as follows:

Immobilisations Corporelles (En milliers d'euros)	Valeur brute	Dépréciation et amortissements	Net
		31/12/2019	
Actif liés au droit d'utilisation au 1er janvier 2019	1 446	-	1 446
Acquisitions	-	-	-
Cessions, mises au rebut	-	-	-
Autres mouvements	-	-	-
Variation des dépréciations et amortissements	-	(358)	(358)
Effets des variations de change	-	-	-
Actif liés au droit d'utilisation au 31 décembre 2019	1 446	(358)	1 087

NOTE 5 NON CURRENT FINANCIAL ASSETS

Non-current financial assets (In thousands of euros)	12/31/2019	12/31/2018	Variation
Guarantees and deposits	68	64	4
Loans	138	112	26
Total	207	176	31

Non-current financial assets have a maturity date of greater than five years.

NOTE 6 TRADE RECEIVABLES

Les créances clients s'analysent comme suit :

Trade receivables (In thousands of euros)	12/31/2019	12/31/2018	Variation
Customers	4,207	2,319	1,888
Depreciation	(270)	(268)	(1)
Total	3,937	2,050	1,887

The fair value of trade receivables and other receivables is equivalent to the book value, in light of their maturity date less than one year.

The increase in client receivables as of December 31, 2019 is explained by the fact of:

- payment delays granted to clients which are in general longer;
- many contracts signed in the second semester for which significant prepayments have not yet been recovered;
- the increase in activity over the 2019 financial year;
- receivables considered to be a recoverable over the financial year amounting to €270K.

The breakdown of client balances in euros and per currency, as of December 31, 2019, is as follows:

Trade receivables by currency (In thousands of euros)	12/31/2019	12/31/2018	Variation
Euros	1,410	677	733
USD	1,379	1,642	(263)
RMB	1,418	-	1,418
Total	4,207	2,319	1,888

The schedule for trade receivables appears as follows:

Trade receivables (In thousands of euros)	Total	Not yet due	1 to 30 days	30 to 60 days	60 to 90 days
Customers	4,207	1,640	881	545	1141
Provisions	(270)				(270)
Total	3,937	1,640	881	545	871

NOTE 7 CURRENT FINANCIAL ASSETS

Current financial assets are as follows:

Current financial assets (In thousands of euros)	12/31/2019	12/31/2018	Variation
Cash mobilized as part of the liquidity contract	141	94	47
Guarantees and deposits	-	19	(19)
Total	**141**	**113**	**28**

In May 2011, the Group put in place a liquidity agreement with an authorized promoter at the time of its initial stock market listing with a maximum amount of €250K. This contract allows regulation of the stock market listing. These mobilized monies are immediately available in the event that the service provider's agreement is terminated. These amounts have a maturity date of 1 year or greater. In the month of December 2017, an additional contribution of €150K was made, which thereby brought the total amount contributed in the contract of the liquidity agreement to €400K.

NOTE 8 OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

Other current assets (In thousands of euros)	12/31/2019	12/31/2018	Variation
Research tax credit	1,409	1,592	(183)
Prepaid expenses	625	437	188
Other assets	665	392	273
Total	**2,699**	**2,421**	**278**

The receivable for a research tax credit recognized on December 31, 2019 corresponds to the proceeds from the research tax on expenditures in the 2019 financial year.

The receivable recognized on December 31, 2018 corresponds to the proceeds from the research tax on expenditures for the 2018 financial year and was deposited in July 2019.

The Company has benefited from the research tax credit since its creation in this receivable is subject to reimbursement over the subsequent period by the tax administration.

The increase in other receivables is explained primarily by:

- Charges to be distributed, amounting to €192K, related to the various expenditures incurred to obtain financing from the European investment Bank mentioned in the important events.
- The increase in tax and social security receivables and primarily VAT claims.

NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the close are broken down as follows:

Cash and cash equivalents (In thousands of euros)	12/31/2019	12/31/2018	Variation
Short term deposits	-	-	-
Liquid assets	7,615	12,739	(5,124)
Total	**7,615**	**12,739**	**(5,124)**

The breakdown of cash balances in euros and per currency as of December 31, 2019, is as follows:

Cash and cash equivalents (In thousands of euros)	12/31/2019	12/31/2018
Euros	3,715	12,105
USD	2,093	604
GBP	-	24
HKD	5	5
RMB	1,801	-
Total	**7,615**	**12,739**

The comparison between the amount of cash and cash equivalents appearing on the balance sheet and the amount of net cash found in the table of cash flows is established in the following manner:

Net Cash and Cash flow (In thousands of euros)	12/31/2019	12/31/2018	Variation
Cash and cash equivalents	7,615	12,739	(5,124)
Bank overdrafts	-	-	-
Total	**7,615**	**12,739**	**(5,124)**

NOTE 10 FINANCIAL INSTRUMENTS PER CATEGORY

Class of financial assets by category (In thousands of euros)	Stated at fair value	Loans and receivables	12/31/2019
Non-current financial assets	-	207	207
Trade and other receivables	-	3,937	3,937
Current financial assets	-	141	141
Other current assets (excluding prepaid expenses)	-	2,074	2,074
Cash and cash equivalents	7,615	-	7,615
Total	**7,615**	**6,359**	**13,973**

Class of financial assets by category (In thousands of euros)	Stated at fair value	Loans and receivables	12/31/2018
Non-current financial assets	-	176	176
Trade and other receivables	-	2,050	2,050
Current financial assets	-	113	113
Other current assets (excluding prepaid expenses)	-	1,984	1,984
Cash and cash equivalents	12,739	-	12,739
Total	**12,739**	**4,323**	**17,062**

Class of financial liabilities by category (In thousands of euros)	Stated at fair value	Liabilities at amortized cost	12/31/2019
Long and medium-term borrowings	-	844	844
Short-term financial debts	-	253	253
Trade payables and other liabilities	-	4,777	4,777
Liabilities on contracts	-	8,258	8,258
Total	**-**	**14,133**	**14,133**

Class of financial liabilities by category (In thousands of euros)	Stated at fair value	Liabilities at amortized cost	12/31/2018
Long and medium-term borrowings	-	-	-
Short-term financial debts	-	3	3
Trade payables and other liabilities	-	3,423	3,423
Liabilities on contracts	-	4,702	4,702
Total	**-**	**8,129**	**8,129**

NOTE 11 CAPITAL AND RESERVES

a) Capital and issue premiums

At December 31, 2019, the Company's share capital is composed of 12,127,425 shares distributed between:

- 12,104,224 ordinary shares having a €0.05 nominal value;
- 23,200 class E preferred shares having a € 0.05 value and;
- 1 class B preferred share having a € 0.05 value.

The **class E** preferred shares are shares without voting rights but which receive the same financial rights as ordinary shares.

The **class B** preferred share is reserved for an industrial investor shareholder and gives this party the right to be represented at any time by a director on the Company's board of directors. It is automatically converted into an ordinary share if certain terms and conditions of the Articles are met.

No movement has occurred over the 2019 financial year.

b) Treasury shares

Within the framework of the liquidity agreement implemented subsequent to the initial public offering, the Company holds treasury shares and realizes capital gains or losses on the disposal and purchase of these shares. These shares, as well as the effect of the capital gain or loss realized from the sale and purchase of these treasury shares, are recognized as decreasing consolidated reserves.

As of December 31, 2019, the impact from cancelling 22,458 treasury shares, decreasing consolidated reserves, amounted to €222K. The amount posted as a reserve for treasury shares takes account of the value of the treasury shares as well as the profits or losses realized from the movement of these treasury shares.

These treasury shares are not intended to be awarded to employees as part of the plan for awarding free shares and their only purpose is to regulate the stock market price in the contract of the liquidity agreement.

As of December 31, 2019, the Company does not hold any other non-cancelled treasury shares.

c) Stock warrant options and attribution of free shares

Using the authorization conferred by multiple general meetings, the board of directors issued the options plans or free shares presented on page 9.

The impact on the comprehensive income statement of payments that rely on shares is presented in note 20. The financial instruments concerned by the payment relying on shares are stock option plans awarded to employees.

NOTE 12 COMMITMENTS TOWARDS PERSONNEL

a) Defined benefit pensions

Commitments towards personnel are exclusively comprised of benefits subsequent to employment.

In France, the Company contributes to the national pension scheme and its commitments to employees in terms of pension are limited to a lump sum payment based on seniority which is paid when the employee reaches retirement age. This lump sum retirement benefit is determined for each employee based on his/her seniority and his/her last stated wage. This obligation with respect to the defined benefits scheme is provisioned.

The Company has no hedging asset for defined-benefit schemes.

These amounts recorded in the balance sheet as defined benefit commitments are as follows:

Employee benefits (In thousands of euros)	12/31/2019	12/31/2018	Variation
Provision for employee benefits	362	453	(91)
Total	**362**	**453**	**(91)**

Variations in these commitments may be analyzed as follows:

Employee benefits (In thousands of euros)	12/31/2019	12/31/2018
Opening provision	**453**	**432**
Current service cost	(33)	48
Cost of interest	7	6
Charge in the year	**(26)**	**54**
Benefits paid	-	-
Net actuarial (gains) / losses	(65)	(33)
Closing provision	**362**	**453**

The primary actuarial hypotheses retained are as follows:

Employee benefits (Actuarial assumptions)	12/31/2019	12/31/2018
Discount rate	0.85%	1.60%
Inflation rate	2.50%	2.50%
Salary increase rate	2.00%	2.00%
Social security costs	46%	46%
Mortality table	INSEE T68-FM 2008-2010	INSEE T68-FM 2008-2010
Retirement ages	Between 62 et 67 years	Between 62 et 67 years
Basis of retirement	Voluntary retirement	Voluntary retirement

As recommended by standard IAS 19, the turnover rates have been recalculated at the end of the 2019 financial year and appear as follows:

Employee benefits (Table 1)	12/31/2019	12/31/2018
Less than 25 years	24.00%	16.00%
25-29 years	24.00%	9.00%
30 -34 years	10.00%	5.00%
35-39 years	11.00%	4.00%
40-44 years	7.00%	3.00%
45-49 years	6.00%	2.25%
50-54 years	4.00%	1.00%
55 years and above	0.00%	0.00%

Hypotheses related to future mortality rates are determined on the basis of data coming from statistics published in France.

A sensitivity analysis was performed on this scheme and on the key hypothesis of the discount rate. A variation of this rate applied to the financial year in question for this scheme would have the following impact on the group's gross commitment for the defined-benefit pension scheme:

Sensitivity to the discount rate (In thousands of euros)	12/31/2019
Actuarial debt at 0,35%	399
Actuarial debt at 0,85%	**362**
Actuarial debt at 1,35%	329
Estimation duration (years)	**19**

As of December 31, 2019, the schedule for payment of pension benefits over the course of the next 15 years is estimated to be €131K. No payment of services is planned for the year 2020. No payment has been made by virtue of the commitments towards personnel for the 2019 financial year.

Defined-contribution pensions

In the United States, the subsidiary Median Technologies Inc. contributes to a defined contribution scheme which limits its commitment to contributions paid. The amount of charges recorded for financial years 2018 and 2019 is non-significant.

In China, the subsidiary also contributes to a defined contribution plan which limits its commitment to the contributions paid. The amount of expenses recorded for the 2019 financial year is not material.

NOTE 13 CURRENT PROVISIONS

Current provisions posted in the consolidated balance sheet come to the following amounts:

Current Provisions (In thousands of euros)	12/31/2019	12/31/2018	Variation
Provision for risks and charges	-	131	(131)
Total	**-**	**131**	**(131)**

€32K of the provision for liabilities for the financial year 2018 was used and the remainder was reversed in the financial year. No risk was identified at the end of financial year 2019.

NOTE 14 LONG- AND SHORT-TERM FINANCIAL DEBTS

At December 31, 2019, long and short-term financial debts were broken down as follows:

Financial debts (In thousands of euros)	12/31/2019	12/31/2018	Variation
Long-term financial debt	844	-	844
Short-term financial debt	253	3	250
Total	**1,097**	**3**	**1,094**

NOTE 15 DEFERRED TAXES

The deferred taxes net liability is analyzed as follows:

Origin of deferred tax - net (In thousands of euros)	12/31/2019	12/31/2018	Variation
- charges temporarily non-deductible	-	-	-
- tax losses carried forward (2)	678	675	4
- consolidation adjustments of the following:	-	-	-
. Retirement and pension	91	113	(23)
. Intragroup provisions (1)	(1,111)	(1,099)	(12)
. Miscellaneous	2		2
Total (3)	**(341)**	**(312)**	**(29)**

(1) A deferred tax liability was recorded for the provision recognized in the Company's corporate accounts and concerns advances made by the Company to its subsidiaries. The provision for these advances was deducted fiscally in the corporate accounts. These advances amount to €4,446K on December 31, 2019 (€4,398K on 31 December 2018).

(2) A deferred tax asset on deficits subject to being carried forward of €678K (€675K as of December 31, 2018) was recorded on deferred tax liabilities, however, by taking account of French tax legislation which limits the assessment of deficits that may be carried forward to 50% of the taxable profits for the financial year, this limitation being applicable to the fraction of profits that exceeds 1 million euros.

Median Technologies has been investing for many years in Research and Development activities in the fields of medical imaging and this in a very important way. The objective is simple, to allow the medicine of tomorrow to evolve. With its iBiopsy project, the group intends to continue spending significantly over the next few years. As a result, the group does not intend to return to breakeven in the next 2 years, despite the very positive results now achieved by its iCRO activity, and the services during clinical trials carried out by large pharmaceutical groups.

Given its history of recent losses and in the absence of convincing evidence justifying the use of short-term tax deficits, the group has not recorded any additional deferred tax for tax losses.

The Group has not activated the entirety of the tax deficits that may be indefinitely carried forward in France.

The balance of these non-activated tax deficits as of December 31, 2019 comes to €103,156K (€93,798K as of December 31, 2018).

(3) As deferred tax assets and liabilities are recorded for the Company only, the deferred tax assets and liabilities were offset.

The variations in deferred taxes were composed in the following manner:

Deffered tax - net (In thousands of euros)	12/31/2019	12/31/2018
Opening balance	**(312)**	**(347)**
Deferred tax expense in profit or loss	(13)	44
Tax expense deferred in other comprehensive income items	(16)	(8)
Closing balance	**(340)**	**(312)**

The deferred taxes on the income and on the other items in the comprehensive income (OCI) are composed in the following manner:

Deffered tax - net (In thousands of euros)	12/31/2019		12/31/2018	
	Net result	OCI	Net result	OCI
- charges temporarily non-deductible	-	-	-	-
- tax losses carried forward	4	-	(73)	-
- consolidation adjustments of :	-	-	-	-
. Retirement and pension	(6)	(16)	1	(8)
. Intragroup provisions	(12)	-	117	-
. Miscellaneous	2	-	-	-
Total	**(13)**	**(16)**	**44**	**(8)**

NOTE 16 TRADE DEBTS AND OTHER CURRENT DEBTS

Trade debts and other debts are liabilities recorded at amortized cost.

The distribution by nature is as follows:

Trade and others payables (In thousands of euros)	12/31/2019	12/31/2018	Variation
Supplier accounts payable	1,764	1,002	762
Tax liabilities	232	12	220
Social security liabilities	2,596	2,202	394
Supplier account payable on assets	-	20	(20)
Other payables	185	187	(2)
Total	**4,777**	**3,423**	**1,354**

The entirety of trade debts and other debts have maturities at less than one year. Social debts concern wages, social security charges, and provisions for vacation.

NOTE 17 LIABILITIES ON CONTRACTS

As of December 31, 2019, non-current other debts were broken down as follows:

Liabilities on contracts (In thousands of euros)	12/31/2019	12/31/2018	Variation
Payment advances received by customer's	8,258	4,702	3,556
Deferred Income	4	30	(26)
Total	**8,262**	**4,732**	**3,530**

Liabilities on contracts primarily represent advances received from clients at the start of a contract for the "Clinical trials" activity.

These advances are charged against client invoices at the same frequency as services performed and recognized as revenue.

For several projects concluded in the year 2019, advances shall be charged only at the end of the contract, to the last invoices. They are reimbursable in the event that the clinical trial stops.

NOTE 18 REVENUE

Revenue (In thousands of euros)	12/31/2019			12/31/2018			Variation
	France	Export	Total	France	Export	Total	
Services	999	7,947	8,946	581	5,751	6,332	2,614
Sale of licenses	-	5	5	-	7	7	(2)
Sale of goods	-	-	-	1	-	1	(1)
Total	**999**	**7,952**	**8,951**	**581**	**5,758**	**6,340**	**2,611**

The geographic zones are distributed by destination. The distribution of revenue by country:

Revenue split by geographic areas (In thousands of euros)	12/31/2019	12/31/2018	Variation
Revenue France	999	518	482
Revenue USA/Canada	2,692	3,184	(492)
Revenue UK	661	1,240	(579)
Revenue China	3,932	674	3,258
Revenue other areas	667	725	(58)
Total	**8,951**	**6,340**	**2,611**

The Company's revenues for financial year 2019 amounts to €8,951K, compared to €6.340K in the prior financial year, that being an increase of more than 41.1 %.

This increase in activity over 2019 is explained primarily by the development of the iCRO activity in China. The set-up of the Chinese structure allowed a significant increase in the booking of orders in the year 2019.

Because the iBiopsy® business is in the R&D investment phase for new products and services, it is not generating revenue at this stage.

Currently, the Group is referenced amongst most of the major world laboratories and each day intends to expand its presence and increase its activity among the major pharmaceutical groups. The Company does not consider itself to be dependent on one laboratory.

NOTE 19 STAFF COSTS

The detail of personnel charges is analyzed as follows:

Staff costs (In thousands of euros)	Notes	12/31/2019	12/31/2018	Variation
Salaries		6,992	9,489	(2,497)
Social security costs		2,923	3,159	(236)
Research tax credit	8	(1,409)	(1,592)	183
Share-based payments	20	79	(675)	754
Employee benefits	12	(33)	48	(81)
Total		**8,551**	**10,430**	**(1,878)**
Average employee numbers		**87**	**103**	**(16)**

The decrease in the Group's payroll, as well as workforce, is explained primarily by the restructuring plan conducted in financial year 2018.

The research tax credit corresponds to a subsidy granted by the State as a function of charges incurred in the context of the research and development effort.

The charges incurred by the Group in this domain which are eligible for the research tax credit essentially correspond to personnel charges, which explains the allocation of the research tax credit to personnel charges.

Research & Development expenditures eligible for the research tax credit in 2019 came to €4,698K compared to €5,307K in 2018.

NOTE 20 PAYMENTS BASED ON SHARES

Agreements for share-based payments within the Group and still ongoing as of December 31, 2019 are as follows:

- the stock option programs;
- Share Warrants and Founder's Warrants.

These agreements are all settled in equity instruments of the Group.

As the Founder's Warrants were awarded well prior to the transition date to IFRS (January 1, 2013), their award had no impact on the 2014 and 2015 earnings.

The charge for the exercise represents primarily the charge for the Stock-options program as described below.

The Stock option programs

The Extraordinary General Meeting dated June 26, 2019, authorized the Board of Directors to proceed, on one or more occasions, in the proportions and at the times that it deems fit, with the issuance of a maximum number of 500,000 equity-linked securities possessing the characteristics of share warrants (hereinafter the "SW 2019").

The board of directors, June 27, 2019, awarded 385,016 stock options, the characteristics of which are as follows:

Plan no.	Grant date	Personnel involved	Number of options	Vesting conditions	Contractual life of the options
SO 2019-A	6/27/2019	Senior management	94,516	0 year of service	7 years
SO 2019-B	6/27/2019	Senior management	257,500	4 years of service	7 years
SO 2019-C	6/27/2019	Senior management	33,000	4 years of service	7 years
Total			**385,016**		

The charge recognized in 2019 in respect of these new Stock option plans amounts to €79K.

The primary hypotheses utilized for the determination of the charge resulting from payments based on shares by application of the Black-Scholes model for valuation of the fair value of these options were the following:

	SO 2019-A	SO 2019-B	SO 2019-C
Price of the underlying on the grant date	1.30	1.30	1.30
Strike Price	1.50	1.50	1.50
Expected volatility	40%	40%	40%
Maturity	7	7	7
Risk-free return rates	1.14%	1.14%	1.14%
Dividend rate	0%	0%	0%
Fair Value	0.50	0.50	0.50

The expected volatility has been estimated by considering the historic volatility of the share price of a panel of comparable listed companies, particularly over the historical period compatible with the expected term.

Movements of instruments occurring in the first semester of 2019 are presented on page 9.

NOTE 21 EXTERNAL COSTS

External costs (In thousands of euros)	12/31/2019	12/31/2018	Variation
Subcontracting	2,684	2,868	(184)
Rental and lease expenses	541	955	(414)
Repairs and maintenance	103	133	(30)
Insurance premiums	55	69	(14)
External services - various	609	1,356	(747)
External staff	170	617	(447)
Intermediate and fees	1,547	1,709	(162)
Advertisement	173	234	(61)
Transport	34	35	(1)
Travel, assignments and entertainment	780	1,144	(364)
Postal & telecommunications expenses	57	79	(22)
Banking services	76	81	(5)
Other services - various	12	29	(17)
Other operating expenses	597	586	11
Total	**7,436**	**9,895**	**(2,459)**

External costs at December 31, 2019 come to €7,417,436K compared to €19,895K at December 31, 2018. The €2,459K variation is primarily explained by:

- The drop in subcontracting charges of €184K is primarily explained by the stop in services associated with CTMS;
- The decrease in various external services and primarily the drop in charges relating to studies, research, and scientific conferences amounting to €747K;
- The decrease in the use of temporary personnel amounting to €447K;
- The decrease in travel and trip costs amounting to €364K;
- The decrease in rentals and rental charges amounting to €415K, namely due to the application of standard IFRS 16 impacting a restatement of lease payments in the amount of €369K.

NOTE 22 OTHER OPERATING EXPENSES

Other operating charges are analyzed as follows:

Other operating expenses (In thousands of euros)	12/31/2019	12/31/2018	Variation
Terminiation benefits	-	487	(487)
Other expenses	53	10	43
Total	**53**	**497**	**(444)**

In the previous financial year, termination indemnities corresponded to indemnities paid to a supplier following the early termination of a fixed-term contract.

NOTE 23 NET FINANCIAL RESULT

The financial income(charges) is analyzed as follows:

Net financial result (In thousands of euros)	12/31/2019	12/31/2018	Variation
Interest and financial charges paid	-	-	-
Loss on investments	(7)	(6)	(1)
Cost of net financial debt	**(7)**	**(6)**	**(1)**
Exchange Loss	(21)	(11)	(10)
Other financial charges	(18)	-	(18)
Other financial charges	**(39)**	**(11)**	**(28)**
Exchange Gain	23	52	(29)
Other Investment income	19	34	(15)
Other Investment income	**42**	**86**	**(44)**
Total financial result	**(4)**	**70**	**(74)**

NOTE 24 TAX ON PROFIT

The tax charge on the profit is broken down as follows:

Tax on profit or loss (In thousands of euros)	12/31/2019	12/31/2018	Variation
Payable tax - France	-	-	-
Payable tax - Abroad	(4)	5	(9)
Deferred taxes - net	(13)	(44)	31
Total	**(17)**	**(39)**	**22**

The amount of the tax on the Group's profit is different from the theoretical amount that might result from the tax rate applicable in France due to the following elements:

Tax on profit or loss (In thousands of euros)	12/31/2019	12/31/2018	Variation
Result before tax	(7,967)	(15,323)	7,356
French corporation tax rate	31.00%	33.33%	
Theoretical tax charge	**(2,471)**	**(5,108)**	**2,637**
Effect of tax on:			
Other non-taxable income (ICR - CICE)	(470)	(546)	76
Impact of unused tax losses brought forward	3,122	5,834	(2,712)
Other temporary differences	(166)	(141)	(25)
Actual tax charge	**17**	**39**	**(22)**

Pursuant to current legislation, the Company possesses tax deficits that may be indefinitely carried forward in France in a total amount of €105,875K as of December 31, 2019. The deficit of which the Company disposed as of December 31, 2018 came to €96,487K.

The stock of non-recognized deferred tax assets with respect for cumulative deficits generated by the Group as of December 31, 2019 amounts to €25,789K (€23,447K for the financial year ending December 31, 2018). This represents the effect of taxes on the Company's deficits that may be carried forward and which may be allocated without limitation as to duration against future taxable profits. These deferred tax assets have not been activated due to application of the principles described in note 15.

NOTE 25 EARNINGS PER SHARES

The number of shares retained for the calculation of the earnings-per-share is equal to the weighted mean number of ordinary shares in a calculation over the course of the financial year from which are deducted treasury shares.

Net result per share (In thousands of euros)	12/31/2019	12/31/2018	Variation
Net result	(7,984)	(15,284)	7,300
Weighted average number of ordinary shares outstanding	12,104,224	12,104,224	-
Treasury shares	(22,458)	(49,634)	27,176
Total shares	**12,081,766**	**12,054,590**	**27,176**
Earnings per share (en euros)	**-0.66**	**-1.27**	0.61
Number of potential shares	**13,631,197**	**13,319,811**	**311,386**

Potentially dilutive instruments are described in page -9- Over the course of the periods presented, equity-linked instruments (founder's warrants, share warrants, Options, etc.) are considered to be anti-dilutive as they lead to a reduction of the loss per share. Hence, the diluted earnings-per-share is identical to the fundamental earnings-per-share.

NOTE 26 OBJECTIVES AND POLICIES OF FINANCIAL RISK MANAGEMENT

The Group's policy is not to purchase financial instruments for speculative purposes. The Group does not utilize derivative financial instruments.

The Group is exposed, in various degrees, to foreign exchange, counter-party, and liquidity risks. It is not exposed to rate risk.

a) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to variation in exchange rates. The Group's strategy is to favor the euro as currency in the context of signing its contracts. However, given its international exposure, the group also has cause to invoice in dollars and thus confronts foreign-exchange risks associated with these transactions.

The Group cannot exclude the possibility that a significant increase in its activity would result in greater exposure to foreign exchange risk. The Group thus plans once again to make use of a policy better adapted to hedging these risks.

The principal foreign exchange risk for the Group concerns the conversion of financial statements for its subsidiary Median Technologies Inc. for USD to the euro and Median Medical Technology from RMB to the euro.

It is thus primarily exposed to variation in USD/€ and RMB/€ exchange rates.

In order to limit the impact of variability in USD, the Group re-utilizes all of these funds in dollars for the purposes of its subsidiary.

For the RMB, the company intends to provide complete autonomy to its Chinese subsidiary as soon as possible in order to limit its exposure vis-à-vis the Chinese currency to the greatest extent possible.

As of December 31, 2019, the company has 14 employees, distributed throughout all of the positions necessary for the iCRO activities of the Group.

In 2020, recruitment will continue so that all of the services will soon be performed by our Chinese teams dedicated to Chinese projects.

All of the new projects assigned in China will be contracted with the company Median Medical Technology (Shanghai) Co., Ltd.

b) Rate risk

As of December 31, 2019, the Group's financial debts were not subject to interest rate risk.

Borrowing was at a fixed rate and advances and reimbursable loans are at a rate of zero.

The Group does not present variable rate borrowing from any financial institutions and thus presents no rate risk.

c) Credit risk

The credit risk, or counterparty risk, is the risk of loss on a receivable, or more generally, that of a third party who does not pay his/her debt on time.

The risk presented by private clients is controlled given advances and prepayments that the group obtains before beginning its services.

The Group has also set up a credit-assurance contract for exports to cover losses on receivables from failing export clients.

Receivables associated with public subsidies and the research tax credit present a credit risk deemed non-significant in light of the company's history.

The credit risk associated with cash, cash equivalents, and current financial instruments is not significant in light of the quality of the co-contracting financial institutions.

d) Liquidity risk

The Group's financing occurs in the framework of a policy implemented by the Finance department.

The Group's financing structure is primarily based on equity and reserves, the use of financing from shareholders and public financing.

Cash is held for the purpose of meeting short-term cash commitments rather than in an investment objective or for other purposes. It is easily convertible into a known cash amount and subject to a negligible risk of change in value.

Given available cash on hand amounting to €7.6M as of December 31, 2019, the expected receipt of the research tax credit of €1.4M for 2019, and €15M representing the first tranche of the €35M in financing granted by the EIB (European Investment Bank), the Group believes that it has sufficient cash at bank and on hand to meet its cash flow needs related to its activity and its investments over the course of the 12 months following the closing date.

Note that, within 15 months of the disbursement of the first tranche, the Group must provide the European Investment Bank with proof that one or more capital increases have been made in favor of the company. If the previous condition is not satisfied, several cases may arise:

- Capital increases of less than 10 million euros - The European Investment Bank may cancel the undisbursed portion of tranche A and / or request the early repayment of the current loan as well as accrued interest and all other amounts run or in progress.
- Capital increases of between 10 and 15 million euros - The P1K interest rate applicable to tranche A will be increased to 8% and interest will be due retroactively as if it had been 8% on the date of until the capital increases reach the amount of € 15 million. (The current rate applicable is 6%).

The Group is confident in its ability to increase its capital, in particular by raising funds on the markets. This type of operation has already been successfully carried out in the past.

The Group therefore considers that it has enough cash available to meet the cash requirements linked to its activity and investments during the 12 months after the balance sheet date.

The above-mentioned elements make it possible to establish the annual financial statements at December 31, 2019 following the principle of continuity of business for the coming 12 months.

NOTE 27 OFF-BALANCE SHEET COMMITMENTS AND OTHER POTENTIAL LIABILITIES

Software use licenses and patents

As provided by licensing agreements with the University of Chicago, the Company owes this institution the following amounts, which were not yet recognized as of December 31, 2019.

Royalties equal to 1% of revenues that will be realized by the Company from the CAD-Lung software following December 31, 2019. It should be noted, that the contract provides that the Company must, in any case, pay the University of Chicago, for this, minimum royalties of $15,000 for each calendar year (provisioned in the balance sheet on December 31, 2019).

$45,000 once the Company has obtained the administrative authorizations necessary for the marketing of the CAD-Colon software either in the United States, or in Japan, or in Europe, as well as $30,000 once the cumulative sales of the CAD-Colon software exceed $1,000,000. It should be noted that the Company, starting in 2009, decided to no longer market the CAD-Colon software.

Royalties equal to 1.5 to 2.0 % of revenues that will be realized by the Company from the CAD-Colon software after December 31, 2019. It should be noted, that the contract provides that the Company must, in any case, pay the University of Chicago, for this, minimum royalties of $15,000 for each calendar year. It should be noted that the Company, as it has decided to no longer market the CAD-Colon software, and in agreement with the University of Chicago, this commitment will not be applicable so long as the Company has not started to market it again.

NOTE 28 OPERATIONS WITH RELATED PARTIES

a) Executive Compensation

The primary executives comprise members of the Company's Board of Directors. Compensation paid or which will be paid to the primary executives is as follows:

Remuneration of senior directors (In thousands of euros)	12/31/2019	12/31/2018	Variation
Wages and salaries (including social security contributions)	696	1,410	(714)
Wages and salaries to be paid (including social security contributions)	324	236	88
Share-based payments	45	276	(231)
Pension obligations	-	-	-
Director's Attendance fees	100	150	(50)
Total	**1,165**	**2,071**	**-907**

b) Other operations with related parties

In 2018, a consulting agreement was entered into with Oran Muduroglu, a company director. The agreement was entered into for a term of 1 years starting from January 1, 2018 and auto-renewing. The amount of this annual contract comes to $182K. As of December 31, 2019, the amount in the financial statements came to €138K.

The consulting contract that existed with one of the other directors of the company, Kapil Dhingra, was also re-updated on June 1, 2018. This contract is entered into for a term of one year and is auto-renewing. The amount of this annual contract comes to €182K. As of December 31, 2019, the amount in the financial statements pursuant to this contract comes to €81K. The group has no other transactions with primary executives.

NOTE 29 FEES FOR STATUTORY AUDITORS AND THEIR NETWORK

Le montant des honoraires du cabinet PWC figurant au compte de résultat consolidé de l'exercice 2019 se décompose ainsi :

Fees received by statutory auditors (In thousands of euros)	12/31/2019	12/31/2018
Audit and certification Indivdual accounts and consolidated statements		
- Parent	133	138
- Affiliated companies (Full consolidation)	-	-
Other diligences and services related to the audit		
- Parent	8	10
- Affiliated companies (Full consolidation)	-	-
Subtotal	**141**	**148**
Other services performed by networks to the affiliated companies (full consolidation)		
- Legal, fiscal and social	-	-
- Other	-	-
Subtotal	**-**	**-**
Total	**141**	**148**

NOTE 30 DIVIDENDS

No dividend was paid by the Company over the course of financial years ending December 31, 2017 and December 31, 2018. No dividend was proposed prior to the authorization for publication of the financial statements ending December 31, 2019.

NOTE 31 POST-CLOSING EVENTS

Anticipating the confinement measures enacted by the French government on March 17, 2020 regarding the COVID-19 health crisis, the Median Technologies Group has had all of its employees performing remote work since the morning of Monday, 16 March in France.

Accordingly, all of Median's employees and those of its various companies everywhere in the world has, since this date, been performing remote work, the teams in the United States and in China also are performing remote work in their usual manner.

The Group is ready to confront the challenges that are involved in that will involve Covid-19:

For many years, Meeting Technologies has been working using robust cloud-based infrastructures which are used on a daily basis to deliver imaging services (iCRO) to its clients and partners worldwide. Median Technologies' business continuity plan is in place and has been operating without interruption since 16 March 2020. The Group continues to deliver its services and its imaging operations as normal. For Median's iCRO activity, the project leads, the investigator site directors, the image managers, the quality team and the account managers remain operational and available, in the same manner as they are under normal conditions.

The research and development activities related to the iBiopsy® Business Unit continue to run in their normal manner, thanks to the development infrastructures in place for many months and utilized daily in normal time.

Finally, all of the support teams (IT, administration, human resources, financial services, communication and marketing, legal department) continue to provide the best service possible to the group's two business units.

As planned starting at the end of 2019, the Group requested the release of the first tranche of its loan that was contracted at the end of 2019 from the European Investment Bank (EIB). The amount of this first tranche comes to €15M, out of from the total loan of €35M.

In parallel, all of the measures implemented by the French government during this period have been examined by the Group's finance department in order to ensure the group's continuity in the best possible conditions.

To date, the Median group cannot prematurely assess the financial impact that this crisis may have on its activities. However, in view of the situation, the group is however revising its income targets significantly lower for the year 2020, but intends, however, to continue its growth that started almost 2 years ago now.

The group has already implemented a much stricter hiring policy in order to better adapt to the evolution of the crisis over the coming months and cope with the expected increase in its turnover. business.

Regarding the gross new business, the group also remains cautious, even if the figures obtained for the first quarter of 2020 remain in line with those set at the end of last year.

DECLARATION OF THE PERSON RESPONSIBLE FOR THE FINANCIAL REPORT ON THE INDIVIDUAL AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

PERIOD FROM JANUARY 1 TO DECEMBER 31,2019

We hereby certify, to our knowledge, that the financial statements have been established in accordance with the applicable accounting standards and provide a faithful image of the assets, the financial condition, and the company's income and of all of the companies included within the consolidation, and that the management report attached herewith presents a faithful picture of the evolution of business, income, and the financial condition of the company and all of the companies included within the consolidation as well as a description of the principal risks and uncertainties they are facing.

Executed in Valbonne, 09 April 2020

The Chairman

MEDIAN TECHNOLOGIES

Oran MUDUROGLU