

MEDIAN TECHNOLOGIES
A French *Société anonyme* with a share capital of EUR 735,211.40
Registered office : Les 2 Arcs, 1800 Route des Crêtes 06560 Valbonne
RCS Grasse N° 443 676 309
(Hereinafter the “Company”)

**SHAREHOLDERS’ ANNUAL ORDINARY AND EXTRAORDINARY
GENERAL MEETING DATED JUNE 1ST, 2021**

**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS
ON THE CONSOLIDATED ACCOUNTS PRESENTED
ACCORDING TO IFRS STANDARDS**

Dear Shareholders,

We have called the Shareholders’ General Annual Meeting to inform you on the proposed transactions.

This report completes the Management reports on ordinary and extraordinary resolutions of the fiscal year ended on December 31, 2020.

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

I. PRESENTATION OF CONSOLIDATED ACCOUNTS OF THE MEDIAN GROUP

1. Presentation of the consolidated accounts

The consolidated accounts for the year closed on December 31, 2020 and submitted to your approval have been prepared in accordance with the presentation rules and the valuation methods provided by the regulations in force for IFRS consolidated accounts and comprised the Company and its subsidiaries:

MEDIAN TECHNOLOGIES INC.,
MEDIAN TECHNOLOGIES HONG-KONG LIMITED,
MEDIAN MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD.

2. Review of the consolidated accounts

The assets side of the balance sheets shows the following accounting items:

ASSETS (in thousands of euros)	2020-12-31	2019-12-31
Intangible assets	57	21
Tangible assets	1 608	1 502
Non-current financial assets	232	207
Total non-current assets	1 898	1 730
Inventories	-	-
Trade and other receivables	4 274	3 937
Current financial assets	83	141
Other current assets	2 715	2 699
Cash and cash equivalents	16 315	7 615
Total current assets	23 386	14 391
TOTAL ASSETS	25 284	16 121

The liabilities side of the balance sheets shows the following accounting items:

Liabilities (in thousands of euros)	2020-12-31	2019-12-31
Share capital	607	606
Share premiums	53 350	53 326
Consolidated reserves	(52 578)	(44 603)
Unrealized foreign exchange differences	61	(64)
Net result	(12 802)	(7 984)
Total shareholders' equity	(11 362)	1 282
<i>Of which the group share</i>	<i>(11 362)</i>	<i>1 282</i>
Current financial debts	15 311	844
Employee benefits liabilities	708	362
Deferred tax liabilities	237	341
Non-current provision	87	-
Total non-current liabilities	16 343	1 547
Non-current financial debts	350	253
Financial instruments	4 016	-
Trade and other payables	6 177	4 777
Liabilities on contracts	9 760	8 262
Total current liabilities	20 303	13 293
TOTAL LIABILITIES	25 284	16 121

The consolidated financial statement is commented in the notes to the Financial Statements.

3. Review of the financial result of the consolidated accounts

Consolidated income statement (In thousands of euros)	2020-12-31 (12 months)	31/12/2019 (12 months)
Revenue	13 478	8 951
Other income	113	80
Revenue from ordinary activities	13 591	9 032
Purchases consumed	(135)	(103)
External costs	(9 468)	(7 436)
Taxes	(361)	(329)
Staff costs	(11 718)	(8 551)
Allowances net of amortization, depreciation and provisions	(712)	(528)
Other operating expenses	(30)	(53)
Other operating income	16	4
Operating result	(8 819)	(7 963)
Cost of net financial debt	(789)	(25)
Other financial charges	(3 286)	(21)
Other investment income	85	42
Net financial result	(3 991)	(4)
Income tax (expense)	8	(17)
Net result	(12 802)	(7 984)
Net result, group share	(12 802)	(7 984)
Net result , Group share of basic and diluted earnings per share	(1,05)	(0,66)

The result of consolidated accounts is commented in the notes to the Financial Statements.

4. Major developments since the end of the financial year

On February 9, 2021, Median Technologies announced the conclusion of a research collaboration agreement with the University of California San Diego (UC San Diego) aiming at carrying out a study that will be used for its proprietary imaging platform iBiopsy® validation. The study is related to the iBiopsy® NASH clinical development plan.

On February 16, 2021, Median Technologies unveiled a new iBiopsy® clinical development plan for the diagnosis of early-stage lung cancer in high-risk populations based on Low Dose Computed Tomography (LDCT) scans, strengthening its positioning in early-stage diagnosis, such as early-stage liver cancer diagnosis and non-alcoholic steatohepatitis (NASH) identification.

On February 25, 2021, Median Technologies announced, for its iBiopsy® business unit:

- The appointment of Thomas Bonnefont to the newly created position of Chief Operating and Commercial Officer. Thomas Bonnefont will supervise the whole iBiopsy® Business Unit.
- The appointment of Mike Doherty as Sr. Strategy Advisor, Product Development iBiopsy®.

They both join Median's executive team. Mike Doherty is based in the US.

These appointments follow a series of iBiopsy® advancements and milestones successfully passed in 2020 and early 2021. Median prepares to launch its iBiopsy® product development plan including regulatory aspects, define its go-to-market strategy and then expand its iBiopsy® operations globally.

On March 5, 2021, Median Technologies executed an amendment to the finance contract concluded with the European Investment Bank (EIB) concerning in particular:

- The extension of the deadline relating to the obligation to carry out one or several share capital increases of a minimum amount of 15 million euros to take place within 15 months of the disbursement of the first tranche (i.e. no later than July 17, 2021). In accordance with the executed amendment, this or these share capital increases for a minimum amount of 15 million euros must have been carried out by January 1st, 2022 at the latest.
- The modification of the exercise period of BSA BEI-A warrants which were initially exercisable from the date of disbursement of the first tranche (i.e. April 17, 2020) and which will henceforth be exercisable from the occurrence of one of the events provided for in the BSA BEI-A warrants subscription agreement.

On March 25, 2021, Median technologies carried out a share capital increase through a private placement, opened to qualified investors as well as a restricted circle of investors according to article L.411-2, 1° of the French Monetary and Financial Code, launched on the day before and carried out via an accelerated book-building. 2,446,285 new shares were created at a EUR 11.50 price per share, premium included (representing an 8.17% discount compared to the average closing price recorded during the last twenty trading days, amounting to € 12.52), i.e. EUR 0.05 of par value and EUR 11.45 of premium, for a gross total amount of EUR 28,132,277.50, representing 20% of Median Technologies' share capital pre-share capital increase.

Moreover, as indicated in section 5. of the management report of the Board of Directors on financial year ended on December 31, 2020, as of December 31, 2020, the Company's shareholders' equity amounted to EUR - 8,003,814 and was therefore less than half of the share capital. However, due in particular to the share capital increase mentioned above, the shareholders' equity now amounts to 20,128,464.27 euros and, therefore, have been reconstituted on the date of the General Meeting.

5. Research and Development

In 2020, the Company continued to develop its software solutions:

iSee®: software for image analysis and management in clinical trials.

iBiopsy®: Median has released its first results of technological validation of iBiopsy® as part of several clinical development plans: assessment of the risk of recurrence of patients with primary liver cancer, measurement of the anti-tumor immune response, measurement of the severity of hepatic fibrosis of patients with NASH. In March 2020, the Company concluded its first major research partnership with the Assistance Publique-Hôpitaux de Paris (AP-HP). The agreement is a structuring framework agreement allowing access to clinical data and cooperation on a set of clinical validations. It initially covers two clinical studies on the liver: the Liver iBiopsy study and the Phelicar study, which has been registered since December 23, 2020 on the basis of American clinical trials clinicaltrials.gov.

6. Future prospects

iCRO

Median Technologies will significantly invest in the development of its iSee® imaging platform which will allow to stand out from the competitors, in term of both technology and quality. Median intends to increase its market share over the next few years by basing its imaging services on this platform.

iBiopsy

Simultaneously, the Company aims to pursue its clinical development plans on its three primary indications: lung cancer, liver cancer and non-alcoholic steato-hepatitis (NASH). Beyond aspects strictly related to technological and clinical validations, Median will define its strategies regarding regulatory aspects and go-to-market related aspects, then expand its operations globally.

II. PRESENTATION OF THE ACTIVITY OF THE COMPANY'S SUBSIDIARIES

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

The US Subsidiary comprised 13 employees as of December 31, 2020.

During the financial year, the turnover of the US Subsidiary amounted to USD 1,721,963 (i.e. EUR K 1,501). Like the previous financial year, MEDIAN TECHNOLOGIES INC's turnover is due to the introduction in 2014 of a "cost-plus" contract between the parent company and its subsidiary. Thus, the total turnover in 2020 corresponds to the invoicing of costs to the Company.

2. The Company also owns the entire share capital and voting right of **MEDIAN MEDICAL TECHNOLOGY (SHANGHAI) CO., LTD**, the Chinese subsidiary of the Company (hereinafter the "CN Subsidiary").

The CN Subsidiary comprised 23 employees as of December 31, 2020.

During the financial year, the turnover of the CN Subsidiary amounted to RMB 28,347,325 (i.e. EUR K 3.622). This corresponds to invoicing of services performed for Median technologies SA in the amount of RMB 2,329,326 (EUR K 298). The remaining turnover corresponds to medical imaging services provisions performed as part of clinical trials contracted these last years with the Chinese companies.

3. The Company also owns the entire share capital and voting right of **MEDIAN TECHNOLOGIES HONG KONG LIMITED**, the Hong Kongese subsidiary of the Company (hereinafter the "HK Subsidiary").

The HK Subsidiary currently has no employees and generated no turnover during this financial year. This subsidiary is currently in the process of being closed.

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The Board of Directors