

**MEDIAN TECHNOLOGIES**  
**A French Société anonyme with a share capital of EUR 789,422.45**  
**Registered office: Les 2 Arcs, 1800 Route des Crêtes 06560 Valbonne**  
**RCS Grasse N° 443 676 309**  
**(Hereinafter the “Company”)**

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**SHAREHOLDERS’ EXTRAORDINARY GENERAL MEETING**  
**DATED DECEMBER 9, 2022**

**REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS**  
**PRESENTED TO THE SHAREHOLDERS’ GENERAL MEETING**

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Dear Shareholders,

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

**I. COMPANY’S AFFAIRS DURING FINANCIAL YEAR 2021**

This report summarizes the information provided in the management report presented to the shareholders by the Board of Directors in the context of the Company’s Annual Ordinary and Extraordinary Shareholders’ General Meeting dated June 14, 2022.

**A. Situation of the Company during the financial closed on December 31, 2021**

During the 2021 financial year, the Company's turnover amounted to EUR 14,120,003.

As of December 31, 2021, the Company had 136 employees.

During the 2021 financial year, the Company comprised an average of 121 employees, composed of 56 women and 65 men on average.

Please note that:

- The turnover for the year amounted to EUR 14,120,003 compared to EUR 11,009,981 for the previous year;
- The revenues from operations amounted to EUR 14,486,948 compared to EUR 11,232,318 for the previous year;
- The operating costs for the year amounted to EUR 27,564,546 compared to EUR 21,782,043 for the previous year;
- The operating income amounted to EUR (13,077,598) compared to EUR (10,549,724) for the previous year;
- The financial income amounted to EUR (680,035) compared to EUR (765,963) for the previous year;
- The exceptional items amounted to EUR 210,373 compared to EUR 158,518 for the previous year;
- The net income for the year amounted to EUR (11,994,429) compared to EUR (9,737,238) for the previous year.

The financial result is a loss of € (680,035) which includes interests relating to the EIB financing for an amount of € 937,950. Other financial charges mainly include negative exchange differences.

The net income includes a research tax credit and an innovation tax credit for an amount of EUR 1,552,832. This amount is relative to the 2021 calendar year.

On December 31, 2021, the Company had a cash flow of EUR 36,159,866 compared to EUR 13,726,809 for the previous year.

The wages and salaries amounted to EUR 9,343,711 compared to EUR 7,421,120 for the previous year.

Social contributions amounted to EUR 4,135,781 compared to EUR 3,305,600 for the previous year.

#### **B. Analysis of the financial situation against liabilities**

At the end of 2021, the financial liabilities of the Company amounted to EUR 16,574,687.

The available cash amounted to € 36,159,866 as of December 31, 2021.

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.

The Company thus considers that it has sufficient cash resources to meet the cash requirements of its activity and investments for the 12 months following the balance sheet date.

#### **C. Analysis of the development and performance of the business**

The **iCRO** business unit generated 100 % of the Company's turnover for financier year 2021.

The Company's turnover amounted to € 14 million compared to € 11 million for the previous financial year, i.e. an increase of more than 28 %. 2021 was once again a banner year for Median's iCRO business unit which provides imaging solutions and services for clinical oncology trials. As in 2020, the Company's turnover growth was again constant in 2021.

Globally, the order book as of December 31, 2021 was € 58 million, i.e. an increase of + 12 % compared to December 31, 2020 (€ 51.7 million). Given these performances, as of December 31, 2021, the Company's cash flow and cash equivalents amounted to € 36 million. The disbursement of the research tax credit for 2020, of an amount of EUR 1.4 million, occurred in September 2021. It should be noted that the cash flow had been strengthened in March 2021 by the € 28 million share capital increase.

The **iBiopsy**<sup>®</sup> business unit did not generate any revenue during the financial year as it is in the investment phase (Software, Clinical and Scientific) for new products and services. In 2021, Median continued its Research and Development activities for its iBiopsy<sup>®</sup> platform and confirmed the relevance of its technology by publishing a new series of promising clinical results.

#### **D. Activity of the Company 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 17 employees as of December 31, 2021.

During the financial year, the turnover of the US Subsidiary amounted to USD 2,291,595 (i.e. EUR K 1,939). 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 2021 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 33 employees as of December 31, 2021.

During the financial year, the turnover of the CN Subsidiary amounted to RMB 64,237,801 (i.e. EUR K 8,407). This corresponds to invoicing of services performed for Median technologies SA in the amount of RMB 1,936,681 (EUR K 253). 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 liquidated.

## **II. MAJOR DEVELOPMENTS SINCE JANUARY 1<sup>ST</sup>, 2022**

On January 5, 2022, Median Technologies announces outstanding lung nodule detection (CADE) performance for iBiopsy® Lung Cancer Screening.

- iBiopsy® Lung Cancer Screening (LCS) detection performance reaches 94.9% sensitivity for a false positive rate of 1 per CT scan, a performance superior to that of lung CADe systems currently on the market.
- The particularly high sensitivity of iBiopsy® LCS is a prerequisite for implementing a reliable detection and diagnosis (CADE/CADx) solution for lung cancer screening programs.
- After detection (CADE), the diagnostic component (CADx) of iBiopsy® LCS characterizes nodules as malignant or benign. Its sensitivity/specificity levels were announced in 2021 and are still unparalleled today.

On March 3, 2022, Median Technologies announces having filed on February 17, 2022 an FDA (Food and Drug Administration) 513(g) regulatory submission for iBiopsy® Lung Cancer Screening CADe/CADx Software as Medical Device.

- 513(g) submission is a key milestone that marks the initiation of Median's interactions with the FDA.
- 513(g) submission will allow Median Technologies to determine the best FDA regulatory pathway for iBiopsy® LCS CADe/CADx Software as Medical Device.
- Median aims to obtain a full device approval and market authorization by the end of 2023, and proceed with subsequent commercialization.
- iBiopsy® LCS CADe/CADx SaMD could significantly contribute to eliminating barriers to the widespread adoption of lung cancer screening programs and save the lives of millions of patients.

The 513(g) submission will allow Median Technologies to determine the best product classification and choose between the De Novo or the 510(k) regulatory pathways for iBiopsy® LCS CADe/CADx SaMD. The FDA is expected to review the 513(g) submission and provide feedback within 60 calendar days.

As next regulatory steps, Median Technologies is preparing several Q-submissions for Q2, 2022.

On March 22, 2022, Median Technologies announces design completion of its iBiopsy® Lung Cancer Screening end-to-end CADe/CADx Software as Medical Device (SaMD) with outstanding sensitivity & specificity performance.

**III. OFFICES AND DUTIES EXERCISED BY EACH CORPORATE OFFICERS**

Exercised by / Companies	Duties and/or functions
<b>M. Oran MUDUROGLU</b>	
Median Technologies SA	Director and Chairman of the board
Cambridge Respiratory	Director and Chairman of the board
Histolix	Director and Chairman of the board
<b>M. Fredrik BRAG</b>	
Median Technologies SA	General Manager - Director
Median Technologies Inc.	Director and Chairman of the board
Median Technologies Hong-Kong Ltd.	Director
Median Medical Technology (Shanghai)	Director
<b>Monsieur Oern STUGE</b>	
MEDIAN Technologies SA	Director
Phagenesis Ltd.	Chairman
Summit Medical	Chairman
Balt SAS	Vice-Chairman
Neo Medical	Director
Organox Ltd	Director
Exercised by / Companies	Duties and/or functions
<b>M. Tim HAINES</b>	
Median Technologies SA	Director
Abingworth LLP	Member
Abingworth Bioventures GP Limited	Director
Abingworth Bioventures III GP Limited	Director
Abingworth Bioventures IV GP Limited	Director
Abingworth Bioventures V GP Limited	Director
Abingworth CCD GP Limited	Director
Abingworth Second Partner Limited	Director
Abingworth Management Limited	Director
Abingworth Management Holdings Limited	Director
Chroma Therapeutics Limited	Director
Virion Biotherapeutics Limited	Director
Adaptate Biotherapeutics Limited	Director
Gammadelta Therapeutics Limited	Director
Venatorx Pharmaceuticals Inc	Director
Macrotarg Limited	Director
<b>M. Kapil DHINGRA</b>	
Median Technologies SA	Director
Five Prime Inc.	Director
Replimune Inc.	Director
Black Diamonds Therapeutics inc.	Director
LAVA Therapeutics	Director and Chairman of the board
Autolus	Director
Curie Therapeutics	Director
Servier	Director and Chairman of the board
Kirilys	Director

#### **IV. RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS**

During the Shareholders' Extraordinary General Meeting of December 9, 2022 at 4:00 PM, we will submit a number of extraordinary resolutions.

This issuance appears to be essential to provide the Company with the financial instruments to cope with the requests for subscription.

Consequently, we submit to your approval resolutions 1 to 4 on the following points:

1. Authorization to be given to the Board of Directors for the issuance of securities providing access to the share capital, having the characteristics of share warrants ("BSA 2022" warrants) with cancellation of the shareholder's preferential subscription right in favor of named persons;
2. Cancellation of the shareholder's preferential subscription right in favor of named persons;
3. Increase of the maximum amount of shares in the context of the authorization granted by the Shareholders' Extraordinary General Meeting of June 14, 2022 (resolutions no. 23 and 24);
4. Authorization to the Board in order to decide a capital increase reserved for employees of the Company;
5. Power for formalities.

- 1. Authorization to be given to the Board of Directors for the issuance of securities providing access to the share capital, having the characteristics of share warrants ("BSA 2022" warrants) with cancellation of the shareholder's preferential subscription right in favor of named persons (resolutions no. 1 and 2)**

Pursuant to these resolutions, the General Meeting would be asked to confer powers to the Board of Directors to proceed on one or more occasions, to, the issue of a maximum of 40,000 securities providing access to the share capital, having the characteristics of share warrants (the "BSA 2022" warrants), in the proportion and within the time it deems fit, it being specified that (i) each BSA 2022 warrant will confer the right to subscribe to one ordinary share of the Company and that (ii) the subscription to the BSA 2022 warrants and corresponding shares may be made either in cash or by set-off of due, liquid and payable debts on the Company.

The maximum amount of the total face value of the capital increases that may be made immediately or in the future pursuant to this authorization shall be **EUR 2,000**.

This maximum authorized amount shall be deducted, if applicable, by the nominal value of additional shares that may be issued in the event of new financial transactions to protect the rights of holders of securities giving access to the share capital,

The General Meeting would be asked to acknowledge that this authorization automatically entails the waiver by the shareholders of their preferential subscription rights to shares they would have been entitled to by such securities.

The Board of Directors would determine the characteristics, amount and terms of any issue of BSA 2022 warrants. In particular, it would determine the conditions to the rights attached to the issued BSA 2022 warrants and set their price, it being specified that:

- the issue price of the BSA 2022 warrants shall not be lower than 17.5% of the average closing price of the Company share recorded during the twenty trading days preceding the BSA 2022 warrants' issue date.

- the subscription price to the Company's shares upon exercise of the BSA 2022 warrants shall not be lower than 110% of the average closing price of the Company share recorded during the twenty trading days preceding the BSA 2022 warrants' issue date.

The determination of the principles for the subscription price to the BSA 2022 warrants and to the MEDIAN shares has been prepared on the same basis as for the BSA 2018, taking into account the conclusions of the expert report on the value of MEDIAN BSA warrants, produced on March 29, 2018 by Paper Audit & Conseil a public accounting and statutory auditor firm appointed within the framework of the issuance of the BSA 2018 warrants.

The Board of Directors would have full powers to implement this authorization, sub-delegate to the General Manager or, as mutually agreed with him, to one or more Deputy General Managers, under the conditions laid down by law, to implement this authorization, within the limits and under the conditions specified above, in particular to:

- Set the amount of the BSA 2022 warrants issuance that will be carried out pursuant to this authorization and in particular set the issue price (in the setting conditions specified above), date, deadline, terms and conditions of purchase, of the warrants, within the legal or regulatory limits,
- Set the procedures for exercising the rights attached to the BSA 2022 warrants to be issued, and in particular, the exercise price of the BSA 2022 warrants (subject to the conditions set out above), the dates, the deadline, the terms and conditions to the exercise of the warrants, the conditions of issuance of the shares of the Company, within the legal or regulatory limits,
- Collect the subscriptions to the BSA 2022 warrants and Company shares and the corresponding payments, and record the completion of capital increases to the amount of subscribed shares and proceed to the related amendment of the Bylaws,
- At its discretion, charge the costs of any capital increases to the amount of the issue premium(s) and deduct from this amount the sums needed to increase the legal reserve to one tenth of the new capital after each capital increase,
- Determine and make all adjustments to take into account the impact of the transactions on the share capital of the Company, including any modification of the par value of shares, a capital increase by incorporation of reserves, free allocation shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of the capital or any other transaction involving equity, and set the terms according to which, the rights of the holders of securities giving access to capital may be protected,
- Suspend, if necessary, the exercise of share allocation rights attached to existing securities for a period not to exceed three (3) months,
- In general, take all steps and complete all formalities required for the issuance, the listing and financing of the securities issued pursuant to this authorization and to the exercise of the rights attached thereto.

The Board of Directors when it uses this authorization shall prepare a supplementary report to the next Ordinary General Meeting, as certified by the Statutory Auditors, describing the terms of use this authorization.

You will also be asked to cancel the shareholders' preferential subscription right to these securities in favor of following named persons, in the indicated amounts:

Complete identity	Number of BSA 2022 warrants
Mr. Oern STUGE	20,000
Mr. Kapil DHINGRA	20,000

In accordance with the law, you shall hear the reading of your Statutory Auditor's special report on this cancelation of the shareholders' preferential subscription right.

When the Board of Directors should use this authorization, it should prepare an additional report to the next Ordinary General Meeting, as certified by the Statutory Auditors and describing the terms of use this authorization.

**2. Authorization to be given to the Board of Directors to decide a share capital increase reserved to the employees of the Company (resolution no. 4)**

According to the provisions of article L.225-129-6 of the French Commercial Code, we ask you to grant powers to the Board of Directors, within the framework of the resolutions hereinabove, to increase, pursuant to the provisions provided for in articles L.3332-18 to L.3332-24 of the French Labor Code, the share capital by a maximum nominal amount of 1% of the Company's share capital by creating and issuing new shares with a par value of five cents (€ 0.05) each.

We propose to confer all powers to the Board of Directors for the purpose of determining the time at which the capital increase shall be completed as well as the terms and conditions of such completion, in particular to determine the conditions and calendar of the exercise, fix the subscription price of the shares, and the subscription calendar, in accordance with the aforementioned legal provisions.

In this context, we also propose confer to the Board of Directors all powers needed to decide and execute any deeds, take any measures and carry out any formalities required to finalize the thereby authorized capital increase transaction, and proceed to the amendments of Company's bylaws as required by the execution of the share capital increase.

We also propose to remove the preferential subscription rights reserved to shareholders pursuant to article L.225-132 of the French Commercial Code and to allocate the subscription right to the new ordinary shares to be issued for the benefit of the employees of the Company.

We inform you that this resolution is only proposed in order to comply with a statutory requirement but considering the Company's current development stage, we advise that you reject this resolution.

**3. Increase of the maximum amount of shares in the context of the authorization granted by the Shareholders' Extraordinary General Meeting of June 14, 2022 (resolutions no. 23 and 24) (resolution no. 3)**

Given the ongoing negotiations with the European Investment Bank, we propose that you increase the maximum number of shares that may result from the exercise of securities giving access to the capital resulting from the authorization granted by the Shareholders' Extraordinary General Meeting of June 14, 2022 (resolutions no. 23 and 24) from the current amount of 300,000 shares to 500,000 shares.

**4. Powers for formalities (resolution no. 5)**

This resolution covers the usual powers granted for formalities.

\* \* \*

We propose to grant all powers to the bearer of a copy or extract of the minutes herein to proceed with the legal formalities.

The impact of the above capital increases on the equity share held by each of the Company's current shareholders is presented in the table attached to this report.

The impact of capital increases delegated to the Board on the share of equity held by each of the existing shareholders of the Company will be presented in the annex or complementary report(s) that the Board of Directors will upon using such authorizations.

We now invite you to listen to the reading of the various reports of your Auditor.

If you agree with the proposals submitted to you, we suggest that you confirm this by your vote.

**The Board of Directors**