MEDIAN TECHNOLOGIES
A French *Société anonyme* with a share capital of EUR 790,072.45
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 20, 2023

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, 2022.

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, 2022 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 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)	Notes	2022-12-31	2021-12-31
Intangible assets	3	963	72
Tangible assets	4	1,973	1,513
Non-current financial assets	5	306	264
Total non-current assets		**3,242**	**1,849**
Inventories		-	-
Trade and other receivables	6	5,955	5,000
Current financial assets	7	200	241
Other current assets	8	3,883	3,289
Cash and cash equivalents	9	21,473	39,010
Total current assets		**31,511**	**47,539**
TOTAL ASSETS		**34,753**	**49,388**

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

Liabilities (in thousands of euros)	Notes	2022-12-31	2021-12-31
Share capital	11	790	775
Share premiums	11	86,770	86,649
Consolidated reserves		(74,695)	(63,377)
Unrealized foreign exchange differences		95	183
Net result	25	(20,213)	(19,292)
Total shareholders' equity		**(7,253)**	**4,938**
Of which the group share		***(7,253)***	***4,938***
Non-current financial debts	14	17,620	16,144
Employee benefits liabilities	12	675	767
Deferred tax liabilities	16	277	241
Non-current provision	13	69	43
Total non-current liabilities		**18,642**	**17,195**
Current financial debts	14	530	375
Financial instruments	15	5,809	10,505
Trade and other payables	17	8,914	7,551
Liabilities on contracts	18	8,110	8,824
Total current liabilities		**23,364**	**27,255**
TOTAL LIABILITIES		**34,753**	**49,389**

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)	Notes	2022-12-31 (12 months)	2021-12-31 (12 months)
Revenue	19	23,670	20,547
Other income		275	15
Revenue from ordinary activities		**23,945**	**20,563**
Purchases consumed		750	(117)
External costs	20	(18,846)	(13,722)
Taxes	22	(404)	(415)
Staff costs	21	(28,061)	(17,364)
Allowances net of amortization, depreciation and provisions	3/4/21	(756)	(567)
Other operating expenses		(116)	(1)
Other operating income		131	28
Operating result		**(23,356)**	**(11,595)**
Cost of net financial debt	24	(1,275)	(1,189)
Other financial charges	24	(240)	(6,612)
Other investment income	24	5,180	541
Net financial result	**24**	**3,664**	**(7,260)**
Income tax (expense)	25	(521)	(437)
Net result	**26**	**(20,213)**	**(19,292)**
Net result, group share		(20,213)	(19,292)
Net result , Group share of basic and diluted earnings per share	**26**	**(1.28)**	**(1.25)**

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 23, 2023**, Median technologies and EIB have signed a second amendment to the agreement, defining the conditions precedent to the drawdown of Tranche B:

- Evidence of a 510K submission to the FDA of the iBiopsy® Liver Cancer screening application;
- Evidence of confirmation from the FDA that the iBiopsy® Lung Cancer Screening application is under review;
- Evidence of a net fundraising of €20M after the signature of the amendment.

On **February 27, 2023**, Median Technologies announces completion of the Q-submission phase with the FDA (Food and Drug Administration) for its iBiopsy® Lung Cancer Screening CADe/CADx Software as Medical Device.

As next steps, Median Technologies is now getting ready for pivotal study execution by the end of Q2 2023.

Median targets obtaining the FDA 510(k) clearance for its iBiopsy® LCS CADe/CADx SaMD in the first half of 2024, subject to FDA review requirements.

On **February 28, 2023**, Median Technologies announces new and breakthrough results for its iBiopsy® CADe Lung Cancer Screening (LCS) algorithm to detect potentially cancerous lung nodules.

The iBiopsy® Lung Cancer Screening (LCS) detection performance reaches a sensitivity of 96.5% for a specificity of 97.2%.

5. Research and Development

iSee® is our proprietary imaging platform, used as part of our imaging service offer. It provides expert reading of our clients' images, automating and standardizing the detection of solid cancerous tumors, their selection and their measurement and allows monitoring the patient's response to treatment over time, an indicator of the effectiveness of new molecules. iSee® extracts standard and advanced biomarkers using various imaging criteria, from RECIST 1.1 to more specific criteria such as lesion volume, mRECIST or iRECIST. iSee® makes it possible to analyze images for the follow-up of all solid cancers tumors.

iBiopsy® is an R&D activity which aims to develop new software as medical device for the early non-invasive diagnosis of life-threatening diseases when they are not detected early enough. Our iBiopsy® platform under development, incorporates the most advanced technologies of Artificial Intelligence and Machine Learning and relies on the expertise of Median Technologies in the fields of science of data and medical image processing. iBiopsy® makes it possible to extract images from non-invasive digital biomarkers, and targets indications for which non-covered medical needs exist in terms of early diagnosis, prognosis and treatment selection in the context of predictive and precision medicine. iBiopsy® currently primarily targets three life-threatening pathologies with a major impact in terms of public health: lung cancer, primary liver cancer, non-alcoholic steato-hepatitis (NASH).

6. Future prospects

iCRO : during 2023, Median Technologies intends to continue to grow its iCRO business for the provision of image analysis and management services in oncology clinical trials, including becoming a preferred supplier to global pharmaceutical companies. Median also intends to leverage its new Imaging Lab offering to sign major agreements with pharmaceutical companies. These partnerships will aim at introducing AI-based imaging into drug development plans. The challenge for pharmaceutical companies is to integrate new technological levers to optimize the time and cost of cancer drug development plans. The addition of AI in medical image processing can impact three major points that are currently stumbling blocks in the development of new drugs: the inclusion of asymptomatic patients with early-stage cancers in clinical trials, the development of imaging biomarkers to predict patient response to treatment, and the development of companion tests.

iBiopsy : 2023 is a key year for the clinical development plan of the iBiopsy® LCS CADe/CADx medical device software. The pivotal studies are scheduled to begin in the first half of 2023, with a submission for FDA 510(k) clearance occurring at the end of 2023. Median intends to obtain marketing approval for its medical device in the first half of 2024, following FDA review. In parallel, Median will conduct the regulatory steps in 2023 to obtain the CE mark by the end of 2024. This marking will pave the way for the marketing of iBiopsy® LCS CADe/CADx in Europe. In 2023, Median will also pursue the development of its medical device software for the incidental discovery of pulmonary nodules (IPN), the diagnosis of hepatocellular carcinoma (HCC) and the diagnosis of fibrosis related to fatty liver disease (NAFLD/NASH).

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 21 employees as of December 31, 2022.

During the financial year, the turnover of the US Subsidiary amounted to USD 3,573,445 (i.e. EUR K 3,403). 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 2022 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 46 employees as of December 31, 2022.

During the financial year, the turnover of the CN Subsidiary amounted to RMB 76,665,891 (i.e. EUR K 10,615). This corresponds to invoicing of services performed for Median technologies SA in the amount of RMB 1,700,358 (EUR K 241). The remaining turnover corresponds to medical imaging services provisions performed as part of clinical trials contracted these last years with the Chinese companies.

3. ***MEDIAN TECHNOLOGIES HONG KONG LIMITED***, the Hong Kongese subsidiary of the Company has been wound up on June 10, 2022.

* * *

The Board of Directors