

MEDIAN TECHNOLOGIES
A French *Société anonyme* with a share capital of EUR 913,992.90
Registered office: Les 2 Arcs, 1800 Route des Crêtes 06560 Valbonne
RCS Grasse N° 443 676 309
(Hereinafter the “Company”)

SHAREHOLDERS’ ORDINARY GENERAL MEETING
DATED OCTOBER 10, 2023

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

Dear Shareholders,

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

I. COMPANY’S AFFAIRS DURING FINANCIAL YEAR 2022

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 20, 2023.

A. Situation of the Company during the financial closed on December 31, 2022

During the 2022 financial year, the Company's turnover amounted to EUR 14,952,634.

As of December 31, 2022, the Company had 163 employees.

During the 2022 financial year, the Company comprised an average of 147 employees, composed of 69 women and 78 men on average.

Please note that:

- The turnover for the year amounted to EUR 14,952,634 compared to EUR 14,120,003 for the previous year;
- The revenues from operations amounted to EUR 16,852,912 compared to EUR 14,486,948 for the previous year;
- The operating costs for the year amounted to EUR 35,586,066 compared to EUR 27,564,546 for the previous year;
- The operating income amounted to EUR (18,733,154) compared to EUR (13,077,598) for the previous year;
- The financial income amounted to EUR (794,746) compared to EUR (680,035) for the previous year;
- The exceptional items amounted to EUR (235,928) compared to EUR 210,373 for the previous year;
- The net income for the year amounted to EUR (18,180,596) compared to EUR (11,994,429) for the previous year.

The wages and salaries amounted to EUR 11,169,923 compared to EUR 9,343,711 for the previous year. Social contributions amounted to EUR 5,262,363 compared to EUR 4,135,781 for the previous year.

The financial result is a loss of € 794,746 which includes interests relating to the EIB financing for an amount of € 994,227. 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 1,583,232. This amount is relative to the 2022 calendar year.

On December 31, 2022, the Company had a cash flow of EUR 17,746,920 compared to EUR 36,159,866 for the previous year.

B. Analysis of the financial situation against liabilities

At the end of 2022, the financial liabilities of the Company amounted to EUR 17,570,794.

The available cash amounted to € 17,476,920 as of December 31, 2022.

The Group has carried out a specific review of its liquidity risk and believes that, as of the date of publication of the 2022 Financial Report, it does not have sufficient net working capital to meet its obligations and operating cash requirements for the next twelve months within the meaning of the applicable regulations. It would be in a position to cover its operational financing needs until December 2023.

On the basis of the consolidated financial statements, as of December 31, 2022, the Group's cash and cash equivalents amounted to EUR 21,474 K. Cash flows used in operating activities during the year 2022 amounted to EUR (15,793) K.

The financial statements of the Company as of December 31, 2022 have been prepared on a going concern basis, taking into account the data and assumptions set out below and the measures implemented by the Company's management to ensure the Company's financing beyond December 2023. Accordingly, they do not include any adjustments related to the amount or classification of assets and liabilities that might be necessary if the Company were not able to continue as a going concern.

The Company is focused on the sale of services to pharmaceutical companies and on the invention and development of new medical devices. The Company's loss-making position in the years presented is not unusual in relation to the stage of development of its commercial activity and its innovative products. The Company has been able to finance its activities to date primarily through:

- successive capital fundraisings ;
- margins generated by the sale of services;
- reimbursement of research tax credit claims by the French government;
- the exercise of a tranche of financing under the financing agreement with the European Investment Bank.

As of the date of the Board of Directors' closing of the accounts at December 31, 2022, the Board has estimated that the Company will be able to cover the financing needs of operations planned until December 2023 on the basis of the following elements:

- the level of net consolidated cash and cash equivalents as of December 31, 2022 (including current bank facilities), which amounts to EUR 21,474 K;
- the margins generated by the sale of services activity;
- the repayment of research tax credit receivables by the French State;
- the forecast cash consumption by the company's activities for the year 2023.

The amount required to continue the Group's activities during the 12 months following the date of approval of the 2022 Financial Report, according to the Group's current development plan, is estimated at

EUR 19.0 million, partly covered by cash and cash equivalents amounting to EUR 13.1 million at the date of publication of the 2022 Financial Report.

The Group has taken several concomitant steps to ensure the financing of its activities over the period under review and beyond:

- Systematic prospecting and ongoing dialogue, accompanied by several investment banks, with new European and North American investors, with a view to carrying out a capital increase;
- Advanced discussions with a historical shareholder of the Group with a view to subscribing to a loan in the form of convertible bonds in the amount of EUR 10 million, the terms and conditions of which are under negotiation at the date of publication of the 2022 Financial Report;
- Possibility, under certain conditions, to exercise a second tranche of financing from the European Investment Bank for an amount of EUR 10 million.

Since its origin, the Group has demonstrated its ability to effectively implement its various financing options when necessary. However, in the absence of obtaining the necessary financing, the Group will consider solutions to reduce its costs by postponing some of its medical device development projects.

C. Analysis of the development and performance of the business

The **iCRO** business unit generated 100 % of the Company's turnover for financial year 2022.

The Company's turnover amounted to € 15 million compared to € 14 million for the previous financial year, i.e. an increase of more than 6 %. 2022 was once again a banner year for Median's iCRO business unit which provides imaging solutions and services for clinical oncology trials.

Globally, the order book as of December 31, 2022 was € 60.8 million, i.e. an increase of + 5 % compared to December 31, 2021 (€ 58 million). Given these performances, as of December 31, 2022, the Company's cash flow and cash equivalents amounted to € 17.7 million. The disbursement of the research tax credit for 2021, of an amount of EUR 1.5 million, occurred in September 2022.

The **iBiopsy**® 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 2022, Median continued its Research and Development activities for its iBiopsy® 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 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.

II. MAJOR DEVELOPMENTS SINCE JANUARY 1ST, 2023

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%.

On **July 13, 2023**, the Company carried out a share capital increase for an amount of EUR 11.6 million (1) 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 and (2) through a public offering (via the PrimaryBid platform). The transaction was launched on the day before and carried out via an accelerated book-building. 2,469,159 new shares were created at a EUR 4.70 price per share, premium included (representing an 18.77% discount compared to the average closing price recorded during the last twenty trading days, amounting to € 5.79), i.e. EUR 0.05 of par value and EUR 4.65 of premium, for a gross total amount of EUR 11,605,047.30, representing 15.6% of the Company's share capital on a fully diluted basis, pre-share capital increase.

On **July 13, 2023**, the Company also announced the finalization of a convertible bonds' issuance with a fixed rate and a conversion price of EUR 6.458 for a total amount of EUR 10 million to be subscribed by Celestial Successor Fund, LP.

III. OFFICES AND DUTIES EXERCISED BY EACH CORPORATE OFFICERS

Exercised by / Companies	Duties and/or functions
M. Oran MUDUROGLU	
Median Technologies SA	Director and Chairman of the board
Histolix	Director and Chairman of the board
Caristo	Chairman of the board
MyCoeus	CEO & Board Member
Rapid Infection Diagnostics	Chairman
M. Fredrik BRAG	
Median Technologies SA	General Manager - Director
Median Technologies Inc.	Director and Chairman of the board
Median Medical Technology (Shanghai) Co., Ltd	Director
Monsieur Oern STUGE	
MEDIAN Technologies SA	Director
Phagenesis Ltd.	Chairman
Summit Medical	Chairman
Balt SAS	Vice-Chairman
Neo Medical	Chairman
Organox Ltd	Chairman
TegoSens Inc.	Chairman
CeiRox AG	Chairman
Exercised by / Companies	Duties and/or functions
M. Tim HAINES	
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
Venatorx Pharmaceuticals Inc	Director
Macrotag Limited	Director
M. Kapil DHINGRA	
Median Technologies SA	Director
Replimune Inc.	Director
Black Diamonds Therapeutics inc.	Director
LAVA Therapeutics	Director and Chairman of the board
Autolus	Director
Mariana Oncology	Director
Servier	Supervisory Board Member
Kirilys	Director

IV. RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS

During the Shareholders' General Meeting of October 10, 2023 at 11:00 AM, we will submit two ordinary resolutions.

Consequently, we submit to your approval resolutions 1 and 2 on the following points:

- Report of the Board of Directors on the resolutions;
- 1. Appointment of a new director;
- 2. Power for formalities.

1. Appointment of a new director (resolutions no. 1)

According to the agreements executed between the Company and Celestial Successor Fund L.P. in the context of the issuance of the convertible bonds for an amount of EUR 10 million, the Company has undertaken to submit to the vote of the Shareholders' General Meeting a resolution regarding the appointment of a new director to be proposed by Celestial Successor Fund, LP.

As a consequence, according to the *Securities Purchase Agreement* executed on July 3rd, 2023 between the Company and Celestial Successor Fund L.P., we propose that you appoint as Director, according to article 11 of the bylaws, for a period of 3 years, i.e. until the Shareholders' Meeting to be convened in 2026 to approve the fiscal year ending on December 31, 2025, the following applicant who has indicated that he would accept the office of Director and was not subject to any measure or inability to prohibit him from doing so: Mr. Benjamin Turner McDonald, a US citizen born on March 9, 1988 in Canada

Mr. Benjamin Turner McDonald holds a director position in the following companies:

COMPANY	OFFICE AND/OR DUTY
Offices and duties exercised by Mr. Benjamin Turner McDonald	
Aegis Group Partners Holdco	Member of the Board of Directors Vice-President and Secretary
SuperTurbo Technologies	Member of the Board of Directors
Next Generation Turbo	Member of the Board of Directors
Noble Biomaterials	Member of the Board of Directors
4JS Capital	Chairman of the Board of Directors President
Aegis Group Partners II LLC	Vice-President and Secretary
Aegis Group Partners III LLC	Vice-President and Secretary

2. Powers for formalities (resolution no. 2)

This resolution covers the usual powers granted for formalities.

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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.

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

The Board of Directors