Half-Year Financial Report

June 30, 2016

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.

1. CONTENTS

2. PRESENTATION OF THE GROUP

a. General Presentation

MEDIAN Technologies develops and markets advanced medical imaging software and services for oncology practices, while offering services geared to optimizing the use of medical imagery for diagnosing and monitoring cancer patients.

Based on industrial and research partnerships, and on its presence in imaging departments of major cancer centers and health care institutions worldwide, the Company provides innovative and enabling solutions for image interpretation and management, targeted to:

- ✓ The oncology clinical trials market;
- ✓ The cancer patient care market.

The Group currently has a staff of 87 highly skilled individuals who are committed to the Company's mission of making a dramatic impact on cancer care and research. More than half of the staff works in R&D and service-related activities. The team includes scientists and engineers from a variety of backgrounds specialized in image processing, data management, project management, business development, and regulatory compliance in clinical drug development and medical devices.

Since its inception, the Company's headquarters have been located in the Sophia Antipolis Science and Technology Park on the French Riviera, which offers health care companies an unparalleled scientific and industrial setting.

The Company has a strong international expansion plan, and currently also operates in the US through its subsidiary, MEDIAN Technologies, Inc.

b. History of the company

2002 - MEDIAN Technologies is founded in Sophia-Antipolis, France. Until 2007, MEDIAN enriches its technology, notably by working with research laboratories specialized in medical imaging.

2007 - The software-based tools developed by the Company are integrated into a clinical applications portfolio, Lesion Management Solutions (LMS). LMS applications are first marketed in Europe, then in the US following regulatory clearance from the FDA.

2011 - This is a pivotal year for MEDIAN. The Company deploys a new set of services specifically adapted to image management during clinical trials in oncology: Clinical Services based on the core technology of LMS applications.

2011 - The Company's shares are admitted to trading on the NYSE Alternext in Paris by direct listing with a reference price of €8.05.

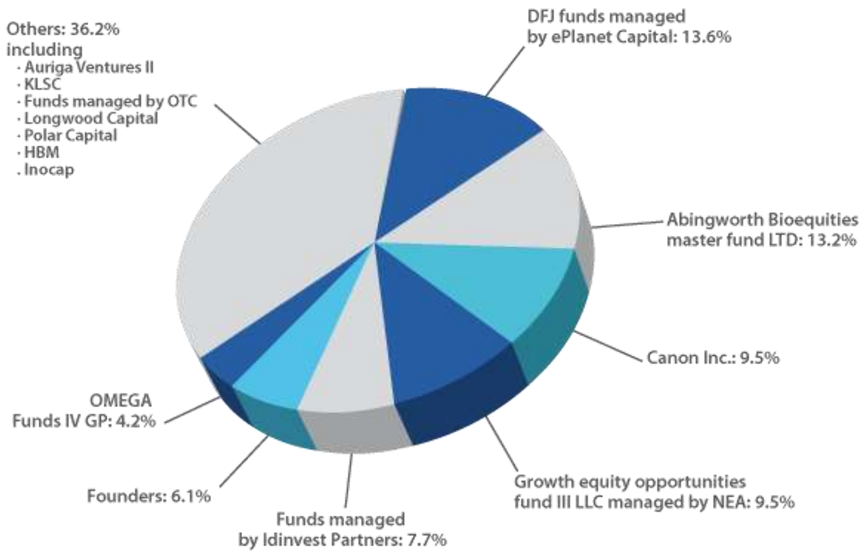
2014 - Capital increase of €20 million via private placement of 2,222,222 new shares at €9 per share with 13 foreign institutional investors led by New Enterprise Associates (NEA)..

2015 - Capital increase of €19.8 million via private placement of 1,650,000 new shares at €12 per share with seven foreign institutional investors led by Abingworth.

C. History of fundraising since the Company's stock exchange flotation

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. - Shares issued following the exercice of founder's share warrants.	**2 226 642**	**111 332,10 €**	**20 018 562,00 €**
Jun-15	The Company issued 6,000 **E preference** shares following the exercise of 30,000 founder's share warrants. These shares were issued at a price of €4.20 per share representing a nominal value of €0.05 and €4.15 of share premium.	**6 000**	**300,00 €**	**25 200,00 €**
Jul-15	The Company issued 55,555 new shares following the exercise of 111,110 warrants. These shares were issued at a unit price of €9.00 including €0.05 of nominal value and €8.95 of share premium for a total amount of €499,995.00 including €2,777.75 of nominal value and €497,217.25 of share premium. The Board of Directors recorded the completion of the capital increase on October 1, 2015.	**55 555**	**2 777,75 €**	**499 995,00 €**
Jul-15	The Board of Directors of MEDIAN Technologies used the delegation of authority granted by the Extraordinary Shareholders Meeting on June 18, 2015, to carry out a 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.	**1 650 000**	**82 500,00 €**	**19 800 000,00 €**
Oct-15	The Board of Directors of October 1st, 2015 recorded the issue of 10,183 new shares, following the exercise of 10,183 warrants. These shares were issued at a unit price of €8.05 including €0.05 of nominal value and €8.00 of share premium for a total amount of €81,973.15 including €509.15 of nominal value and €81,464.00 of share premium.	**10 183**	**509,15 €**	**81 973,15 €**
Dec-15	The Board of Directors of December 14th,2015 recorded the issue of 31,587 shares, following the exercise of 31,587 warrants, were issued at a unit price of €8.05 including €0.05 of nominal value and €8.00 of share premium for a total amount of €254,275.35 including €1,579.35 of nominal value and €252,696.00 of share premium.	**31 587**	**1 579,35 €**	**254 275,35 €**
Dec-15	The Board of Directors of December 14th, 2015 recorded the issue of 1,000 shares, following the exercise of 5,000 warrants, were issued at a unit price of €6.50 including €0.05 of nominal value and €6.45 of share premium for a total amount of €6,500.00 including €50.00 of nominal value and €6,450.00 of share premium.	**1 000**	**50,00 €**	**6 500,00 €**
Apr-16	The Board of Directors of April 7th, 2016 recorded the issue of 32,541 new shares, following the exercise of 32,541 warrants (700 issued on December 2015). These shares were issued at a unit price of €8.05 including €0.05 of nominal value and €8.00 of share premium for a total amount of €261,955.05 including €1,627.05 of nominal value and €260,328.00 of share premium.	**32 541**	**1 627,05 €**	**261 955,05 €**
April and May 2016	On the second quarter 2016 the Company recorded the issue of 29,776 new shares, following the exercise of 29,776 warrants. These shares were issued at a unit price of €8.05 including €0.05 of nominal value and €8.00 of share premium for a total amount of €239,696.80 including €1,488.80 of nominal value and €238,208.00 of share premium.	**29 776**	**1 488,80 €**	**253 096,00 €**
Jun-16	The Company issued **6,600 E preference shares** following the exercise of 33,000 founder's share warrants. These shares were issued at a price of €4.20 per share representing a nominal value of €0.05 and €4.15 of share premium.	**6 600**	**330,00 €**	**27 720,00 €**
	Share capital as of June 30, 2016	**10 084 334**	**504 216,70 €**	

d. Shareholding structure as of June 30, 2016



Non-nominative information as at June 16, 2016 (last OEGM date).

e. History of issue of BSPCE, Stock-options and Warrants

1. 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 and non exercised at December 31, 2015	Number of securities cancelled / non subscribed Half-Year 2016	Number of securities exercised	Number of securities valid not exercised	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	120,000	5,000	-	115,000	23,000	6.50	1,150.00
12/7/2009	1,061,309	12/7/2009	1,061,309	12/6/2019	749,329	-	33,000	716,329	143,266	4.20	7,163.29
4/1/2011	100,000	4/1/2011	99,950	3/31/2021	74,950	-	-	74,950	14,990	6.50	749.50
5/18/2011	200,000	6/8/2011	149,952	5/17/2016	89,982	28,365	61,617	-	-	8.05	-
BSPCE	**1,547,565**		**1,481,211**		**1,034,261**	**33,365**	**94,617**	**906,279**	**181,256**		**9,062.79**
4/1/2011	100,000	4/1/2011	5,000	-		-	-	-	-	-	-
		12/15/2011	60,000	12/14/2018	60,000	-	-	60,000	60,000	9.00	3,000.00
		7/5/2012	34,000	7/4/2019	31,000	-	-	31,000	31,000	10.00	1,550.00
4/5/2012	200,000	7/5/2012	5,970	7/4/2019	5,970	-	-	5,970	5,970	10.00	298.50
		10/3/2013	10,000	10/2/2020	10,000	-	-	10,000	10,000	10.60	500.00
Stock Options	**300,000**		**114,970**		**106,970**	**-**	**-**	**106,970**	**106,970**		**5,348.50**
3/10/2009	24,609	3/10/2009	24,609	3/10/2019	24,609	-	-	24,609	24,609	6.50	1,230.45
4/5/2012	1,145,196	4/5/2012	1,145,196	12/31/2018	1,145,196	1,145,196	-	-	-	11.875	-
4/5/2012	1	4/5/2012	ND	12/31/2018	ND	ND	-	ND	ND	11.875	-
6/6/2013	60,000	6/6/2013	60,000	12/31/2020	60,000	-	-	60,000	60,000	8.04	3,000.00
6/6/2013	20,000	6/6/2013	20,000	12/31/2020	20,000	-	-	20,000	20,000	8.04	1,000.00
12/24/2013	117,508	12/24/2013	117,508	12/31/2016	117,508	-	-	117,508	117,508	8.51	5,875.40
9/29/2014	2,222,222	9/30/2014	2,222,222	9/29/2021	2,111,112	-	-	2,111,112	1,055,556	9.00	52,777.80
Warrants	**3,589,536**		**3,589,535**		**3,478,425**	**1,145,196**	**-**	**2,333,229**	**1,277,673**		**63,883.65**
Total									**1,565,899**		**78,294.94**

2. History

Warrants	Historical record	Subscription Date	Expiry Date
"2009- A Warrant"	NVF Equity Limited signed a share warrant, for an amount of €16k, released in full by offsetting debt in 2009. The warrant is exercisable at any time after completion of the issue for a 10-year period ending March 10, 2019. The warrant entitles acquisition of 24,609 ordinary shares at an exercise price of €6.50.	**March-09**	**March-19**
"2012 warrants"	Quintiles subscribed to 1,145,196 share warrants. The life term of the warrants expires December 31, 2018 and may be exercised only by offsetting with liquid and collectable receivables from the Company that are due to Quintiles. Each warrant entitles the holder to acquire one ordinary share in the Company at a price of €11.875 including share premium.	**April-12**	**Agreement April 21st, 2016 Warrants null and avoid**
"Warrant-Adjustment"	Quintiles subscribed to one share warrant. The warrant may only be exercised once all 1,145,196 share warrants mentioned above, are exercised and if that exercise does not allow Quintiles to attain a 15% holding of the Company's fully diluted capital. This share warrant entitles Quintiles to subscribe to a number of shares allowing it to attain a 15% holding of the Company's fully diluted capital. Subscribing for shares will be made only by offsetting liquid and collectable receivables from the Company that are due to Quintiles. The warrant entitles acquisition of new ordinary shares in the Company at a price of €11.875 including share premium.	**April-12**	**Agreement April 21st, 2016 Warrants null and avoid**
"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**
"BSA-2013"	The exercise of all 117,508 2013 warrants, decided by the Board of Directors in December 2013, will result in a capital increase totaling €6k corresponding to the issue of 117,508 new Company shares. These warrants are exercisable at any time after the completion of the issuance, expiring December 31, 2016.	**December-13**	**December-16**
"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.	**September-14**	**September-21**

3. HALF-YEAR MANAGEMENT REPORT

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. Previously, the company presented the half-year financial statements of the French entity.

a. Management report for H1 2016

NOTE 1 GROUP ACTIVITIES

Group revenue for the first half of 2016 totaled €2,910k, against €1,436k for H1 2015, an increase of 103%. Revenue continued to climb, confirming management's goals through the continued performance of clinical trials agreements signed in previous years with pharmaceutical groups and biotechnology companies. The clinical trials business now accounts for more than 98% of the Company's business.

A recent highlight of this activity was the signature of a new three-year collaboration agreement with the world's leading CRO (Contract Research Organization). This new agreement, signed May 3, 2016, is an extension of the earlier agreement of February 6, 2012.

This renewal includes an amendment of the terms of compensation of the CRO for business brought to MEDIAN Technologies. The new terms are better suited to the context and the results of a collaboration that is now in its fifth year.

The initial agreement provided for this partner, in the event it exercised the stock options and warrants issued to it (exercisable only by offsetting receivables), to hold up to 15% of the share capital of MEDIAN Technologies. In the agreement of May 3, 2016, both parties decided to put an end to this arrangement. Since the partner had never exercised the aforementioned stock options and warrants, it was decided by mutual agreement to cancel them altogether.

MEDIAN Technologies also intends to pursue its activities:

- ✓ Developing a first CBIR prototype specifically adapted to medical imaging using Big Data methodology allowing the automatic broadband extraction and the indexation in databases of biomarkers extracted from the images. The project was renamed **iBiopsy™**, (Imaging BIOmaker Phenotyping System) and was also the object of a strategic partnership with **Microsoft France**, to take advantage of Big Data processing capacities offered by Microsoft's Azure platform.

- ✓ Diversifying its offer and by investing on a range of innovative **Screening/Monitoring** services enabling it to respond to the launch of national lung cancer screening programs. Advanced discussions continue in 2016 and should lead to initial international partnership agreements on these projects in the coming months.

- ✓ Diversifying from its current focus on Oncology towards other therapeutic areas.

Thus, in light of all these activities, the Group has begun its strategic expansion by restructuring all of its departments (Marketing, Commercial, Project Management, R&D, General Administration and Services) in France and in the United States.

As a result of all these projects, on June 30, 2016, the Group had 87 employees, compared to 57 on June 30, 2015. Personnel expenses totaled €3,810k against €2,632k a year ago.

Finally, an operating loss €3,634k was recorded for H1 2016 against a loss of €2,553k for H1 2015. This increase results from the company's restructuring as well as from its movement into new activities.

The net loss for H1 2016 came to €3,657k, against a loss of €2,475k in H1 2015.

NOTE 2 FUTURE PROSPECTS

The Company's order book, including projects awarded and agreements signed, amounted to €21 million at June 30, 2016, against €18 million at June 30, 2015, a 14% increase year-on-year. The Group expects revenue to increase significantly in the coming years, especially in the field of clinical trials for which pharmaceutical groups and biotech companies entrust to us their imaging component.

MEDIAN Technologies also expects to see continued growth in the United States and in Asia. The first half of 2016 saw significant strengthening of the US subsidiary, MEDIAN Technologies Inc., as detailed in a press release on May 12, 2016. This development is ongoing.

The expansion of the partnership with START, an organization that conducts the world's largest Phase I medical oncology program (see press release of June 28, 2016), will enable MEDIAN to continue positioning itself as a leader in providing solutions and services in oncology imaging for clinical trials.

Meanwhile, the extension of imaging services for clinical trials to other therapeutic areas besides oncology will open a much wider market for MEDIAN while meeting the needs of current customers who are not exclusively positioned in oncology.

b. Consolidated Financial Statements (IFRS Standards)

We remind you that, although it is under no legal obligation to do so, according to the commitments made by the Company under the "Subscription Agreements" concluded on August 19, 2014 and July 2, 2015, the Company has prepared the consolidated financial statements according to IFRS. **From now on, the half-year financial report will be prepared on the basis of the consolidated financial statements.**

c. Significant events since June 30, 2016

NOTE 1 REASSESSMENT PROPOSAL FROM THE TAX AUTHORITIES

In July 2016, the Company received a reassessment proposal from the tax authorities following an accounting audit of the years 2013 and 2014 for corporate income tax and over a period extended to September 30, 2015 for tax on revenues. On June 30, 2016, the Company provisioned €20k for this assessment.

NOTE 2 ALLOCATION OF FREE SHARES

The Board of Directors, at its meeting of 2July 2, 2016 decided to allocate of 325,045 shares (the AGA 2016). The vesting and holding periods of are as follows:

- ✓ 162,523 free shares (the "AGM 2016 A"): a one-year vesting period from the date of allocation of the free shares and with a holding period of one year following the vesting period.

- ✓ 162,522 free shares (the "AGA 2016 B "): a two-year vesting period from the date of allocation of the free shares with a holding period of one year following the vesting.

4. CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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. Previously, the company presented the half-year financial statements of the French entity.

a. Consolidated Statement of Financial Position

ASSETS (in thousands of euros)	Notes	06/30/2016	12/31/2015
Intangible assets	3	235	213
Tangible assets	4	328	255
Non-current financial assets		189	114
Total non-current assets		**752**	**583**
Inventories		3	7
Trade and other receivables	5	2,019	1,454
Current financial assets	6	72	91
Other current assets	7	1,743	1,141
Cash and cash equivalents	8	26,551	30,273
Total current assets		**30,388**	**32,966**
TOTAL ASSETS		**31,140**	**33,549**

Liabilities (in thousands of euros)	Notes	06/30/2016	12/31/2015
Share capital	9	504	501
Share premiums	9	31,899	31,379
Consolidated reserves		(5,649)	(34)
Unrealized foreign exchange differences		(51)	(76)
Net result		(3,657)	(5,527)
Total shareholders' equity		**23,046**	**26,243**
Of which the group share		**23,046**	**26,243**
Long and medium-term borrowings	11	-	314
Employee benefits liabilities	10	508	367
Deferred tax liabilities	12	391	440
Non-current other liabilities	14	1,377	1,454
Total non-current liabilities		**2,276**	**2,575**
Short-term financial debts	11	990	1,116
Trade and other payables	13	4,808	3,582
Current provisions		20	34
Total current liabilities		**5,818**	**4,732**
TOTAL LIABILITIES		**31,140**	**33,549**

b. Consolidated Income Statement

Consolidated income statement (In thousands of euros)	Notes	06/30/2016 (6 months)	06/30/2015 (6 months)
Revenue	15	2,910	1,436
Other income		10	-
Revenue from ordinary activities		**2,920**	**1,436**
Purchases consumed		(48)	(18)
External costs	18	(2,560)	(1,268)
Taxes		(73)	(42)
Staff costs	16	(3,810)	(2,632)
Allowances net of amortization, depreciation and provisions		(63)	(31)
Other operating expenses		(2)	-
Other operating income		3	3
Operating result		**(3,634)**	**(2,553)**
Cost of net financial debt		(17)	(12)
Other financial charges		(85)	(52)
Other investment income		65	150
Net financial result	19	**(37)**	**86**
Income tax (expense)	20	14	(8)
Net result		**(3,657)**	**(2,475)**
Net result, group share		(3,657)	(2,475)
Net result, non-controlling interests' share		-	-
Net result , Group share of basic and diluted earnings per share	21	**(0.36)**	**(0.30)**

c. Consolidated statement of Other Comprehensive Income (OCI)

OTHER COMPREHENSIVE INCOME (In thousands of euros)	Notes	06/30/2016 (6 months)	06/30/2016 (6 months)
NET RESULT		**(3,657)**	**(2,475)**
Unrealized foreign exchange differences		25	(22)
Total items that may be reclassified		**25**	**(22)**
Actuarial gains and losses on defined benefits plans		(107)	31
Deferred taxes on actuarial gains and losses		36	(10)
Total items that will not be reclassified		**(71)**	**21**
OVERALL RESULT		**(3,703)**	**(2,476)**

d. Consolidated Statement of Changes in Equity

Group shareholders Equity (in thousands of euros)	Note	Share capital	Share premiums: Share issue premium	Share premiums: Equity warrants	Share premiums: Total share premiums	Consolidated reserves: Treasury stock	Consolidated reserves: Consolidated reserves	Consolidated reserves: Other comprehensive income.	Consolidated reserves: Total consolidated reserves	Translation reserves - Other comprehensive income	Consolidated result	Total
1/1/2015		**413**	**47,550**	**80**	**47,630**	**(154)**	**(31,329)**	**(56)**	**(31,539)**	**13**	**(4,480)**	**12,037**
Appropriation of the result prior period							(4,480)		(4,480)		4,480	-
Capital increase	9	88	19,391		19,391				-			19,479
Attribution of equity warrants									-			-
Change in unrealized foreign exchange differences									-	(88)		(88)
Variation in actuarial differences net of deferred taxes								11	11			11
Result for current period									-		(5,527)	(5,527)
Share-based payments							299		299			299
Treasury shares						32			32			32
Set off the accumulated losses to the "share premium"			(35,642)		(35,642)		35,642		35,642			-
12/31/2015		**501**	**31,299**	**80**	**31,379**	**(122)**	**133**	**(45)**	**(34)**	**(76)**	**(5,527)**	**26,243**
Appropriation of the result prior period							(5,527)		(5,527)		5,527	-
Capital increase	9	3	520		520				-			524
Attribution of equity warrants									-			-
Change in unrealized foreign exchange differences									-	25		25
Variation in actuarial differences net of deferred taxes								(71)	(71)			(71)
Result for current period									-		(3,657)	(3,657)
Share-based payments							2		2			2
Treasury shares						(18)			(18)			(18)
06/30/2016		**504**	**31,819**	**80**	**31,899**	**(141)**	**(5,392)**	**(116)**	**(5,649)**	**(51)**	**(3,657)**	**23,046**

e. Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows (In thousands of euros)	Notes	06/30/2016 (6 months)	12/31/2015 (12 months)	06/30/2015 (6 months)
CONSOLIDATED NET RESULT		**(3,657)**	**(5,527)**	**(2,475)**
Allowances net of amortization, depreciation and provisions		65	96	38
Gains and losses on disposals		-	-	-
Cost of net financial debt		9	15	13
Tax charge for the period , including deferred tax		(14)	1	8
OPERATING CASH FLOW		**(3,596)**	**(5,415)**	**(2,416)**
Changes in operating working capital requirement		**157**	**1,651**	**2**
Net cash flow from operating activities		**(3,439)**	**(3,764)**	**(2,415)**
Outflows on acquisitions of intangible assets		(47)	(224)	(58)
Outflows on acquisitions of tangible assets		(257)	(89)	(59)
Inflows on disposal of tangible and intangible assets		1	1	-
Outflows on acquisitions of financial assets		(74)	(122)	(9)
Inflows on disposal of financial assets		18	-	3
Net cash flow from investing activities		**(358)**	**(433)**	**(122)**
Capital increase or contributions		524	19,479	25
Contribution to the current account		-	-	-
Repayment of loans		(449)	(726)	(486)
Net cash flow from financing activities		**75**	**18,753**	**(461)**
Net change in cash and cash equivalents		**(3,723)**	**14,556**	**(2,998)**
Cash and cash equivalents at start of the period	8	**30,273**	**15,718**	**15,718**
Cash and cash equivalents at end of the period	8	**26,551**	**30,273**	**12,720**

f. Notes to the consolidated financial statements prepared according to IFRS

NOTE 1 PRESENTATION OF THE CORE BUSINESS AND MAJOR EVENTS

1 – INFORMATION ON THE GROUP AND ITS BUSINESS

MEDIAN Technologies ("the Company") is a limited Company with Board of Directors created in 2002 and based in France. The Company's registered office is located at Les Deux Arcs - 1800 route des Crêtes - 06560 Valbonne.

The main areas of activity of the Company and its subsidiary (together referred to as "the Group") are software publishing and supply of services in the field of medical imaging in oncology. The Group develops and markets software solutions and provides services to optimize the operation of medical images for diagnosis and monitoring of cancer patients.

The Company has been listed on the Paris Alternext market since 2011.

2 –MAIN EVENTS OF THE PERIOD

On the first half 2016, the Company recorded the issue of 31,841 new shares, following the exercise of 31,841 warrants. These shares were issued at a unit price of €8.05 including €0.05 of nominal value and €8.00 of share premium for a total amount of €256,320.05 (of which €1,592.05 of nominal value and €254,728.00 of share premium. The Board of Directors of 7 April 2016 recorded the capital increase for a total amount of €1,627.05 by the issue of 32,541 new shares, including 700 shares issued on December 14, 2015. 32,541 new shares were issued, following the exercise of 32,541 warrants.

On the second quarter 2016, the Company issued 29,776 new shares following the exercise of 29,776 warrants. These shares were issued at a unit price of €8.05 including €0.05 of nominal value and €8.00 of share premium for a total amount of €239,696.80 including €1,488.80 of nominal value and €238,208.00 of share premium. The Board of Directors of 2July 2, 2016 recorded the capital increase.

In June 2016, the Company issued 6,600 Class E shares following the exercise of 33,000 founder's share warrants. These shares were issued at a price of €4.20 per share representing a nominal value of €0.05 and €4.15 of share premium for a total amount of €27,720.00 including €330.00 of nominal value and €27,390.00 of share premium. The Board of directors of 2July 2, 2016 recorded the completion of the capital increase.

In May, 2016, the Company signed two new agreements with the Quintiles Company:

- ✓ The first agreement supersedes the agreement of February 2012 concerning the issue of the 2012 warrant as well as of the “Adjustment Warrant.” This agreement also provides for the Quintiles’ waiver of its right to be paid commissions due by the Company from February 16, 2012 until December 31, 2015.
- ✓ The second agreement, signed for three years, extends the agreement of February 16, 2012. This renewal includes an amendment to the terms of compensation for business brought by Quintiles which is better suited to the context and results of a collaboration that is now in its fifth year.

In May, 2016, the company received an audit notice URSSAF concerning the periods from 2013 to 2015.

NOTE 2 ACCOUNTING PRINCIPLES, VALUATION METHODS, IFRS OPTIONS ADOPTED

1 – PRINCIPLES IN THE PREPARATION OF THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS

The Group's consolidated financial statements were voluntarily established in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and available on the European Commission's website at:

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

These half-year financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union. They do not include all the information necessary for a complete set of financial statements under IFRS. They do, however, include a selection of notes explaining the significant events and transactions in order to understand the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2015.

The Group's presentation currency is the euro. Unless otherwise indicated, the half-year financial statements are presented in thousands of euros, with all values rounded to the nearest thousand.

These condensed consolidated financial statements have been prepared under the responsibility of the Board of Directors, which approved them on October 6, 2016.

2 –SIGNIFICANT ACCOUNTING POLICIES

The accounting methods applied in the condensed consolidated half-year financial statements are identical to those used by the Group in the IFRS consolidated financial statements for the year ended December 31, 2015, with the exception of the standards, amendments and interpretations applicable for the first time as of January 1, 2016:

Main standards, amendments and interpretations with mandatory application as of January 1, 2016

- ✓ Amendments to IAS 1 - Disclosure Initiative
- ✓ Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization
- ✓ Amendments to IAS 19 - Employee Contributions
- ✓ Annual improvements 2010-2012
- ✓ Annual improvements 2012-2014

These interpretations have no material impact on the condensed consolidated half-year financial statements of June 30, 2016.

Main standards, amendments and interpretations published by the IASB with non-mandatory application in the EU from January 1, 2016

The Group has not applied these standards, amendments and interpretations in advance to the consolidated financial statements of June 30, 2016 and considers that they should not have a material impact on its results and financial position.

- ✓ Amendments to IAS 7 - Disclosure Initiative
- ✓ Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses.

Main standards, amendments and interpretations published by the IASB - not yet applicable in the EU as of January 1, 2016

In 2016, the main standards published but not yet subject to compulsory application and not yet approved by the European Union are:

- ✓ IFRS 9 - Financial Instruments
- ✓ IFRS 15 - Revenue from Contracts with Customers
- ✓ IFRS 16 - Leases
- ✓ Amendments to IFRS 15 - Clarifications
- ✓ Amendments to IFRS 2 – Classification and valuation of share-based transactions.

The impact of these standards and amendments on the results and the financial position of the Group is being evaluated.

3 – USE OF JUDGMENTS AND ESTIMATES

To prepare the consolidated half-year financial statements, the Group has made estimates, judgments and assumptions; these could affect the reported amounts of assets and liabilities and contingent liabilities at the date of preparation of the consolidated half-year financial statements and the reported amounts of revenues and expenses for the year.

Significant judgments exercised by management to apply the Group's accounting policies and the main sources of uncertainty for estimates are similar to those affecting the consolidated financial statements for the year ended December 31, 2015.

Consolidated financial statements include the Company’s accounts and those of its subsidiary in which the Company directly exercises exclusive control.

4 – SCOPE OF CONSOLIDATION

There were no material changes in the scope of consolidation in the first half of 2016.

NOTE 3 INTANGIBLE ASSETS

Intangible Assets (In thousands of euros)	Gross Value	Depreciation and amort.	Net value	Gross Value	Depreciation and amort.	Net value
	06/30/2016			12/31/2015		
Patents, licenses, brands	884	(780)	104	854	(749)	105
Other intangible assets	131	-	131	113	(5)	108
Total	**1,015**	**(780)**	**235**	**967**	**(754)**	**213**

Intangible assets consist primarily of purchased software licenses. The changes in the balances of the period were as follows:

Intangible Assets (In thousands of euros)	Gross Value	Depreciation and amort.	Net value	Gross Value	Depreciation and amort.	Net value
	06/30/2016			12/31/2015		
Opening Balance	**967**	**(754)**	**213**	**743**	**(730)**	**13**
Additions	47	-	47	224	-	224
Terminated, discarded	-	-	-	-	-	-
Changes in depreciation and amortization	-	(26)	(26)	-	(23)	(23)
Effects of exchange fluctuations	-	-	-	1	(1)	(0)
Closing balance	**1,015**	**(780)**	**235**	**967**	**(754)**	**213**

NOTE 4 TANGIBLE ASSETS

Tangible Assets (In thousands of euros)	Gross Value	Depreciation and amort.	Net value	Gross Value	Depreciation and amort.	Net value
	06/30/2016			12/31/2015		
Construction, planning	94	(46)	48	79	(42)	38
Tangible assets under construction	811	(531)	280	703	(485)	218
Total	**905**	**(577)**	**328**	**783**	**(527)**	**255**

The changes in the balances over the period were as follows:

Tangible Assets (In thousands of euros)	Gross Value	Depreciation and amort.	Net value	Gross Value	Depreciation and amort.	Net value
	06/30/2016			12/31/2015		
Opening Balance	**783**	**(527)**	**255**	**560**	**(465)**	**94**
Additions	125	-	125	221	-	221
Terminated, discarded	(1)	(1)	(2)	(3)	2	(1)
Changes in depreciation and amortization	-	(50)	(50)	-	(60)	(60)
Effects of exchange fluctuations	(1)	-	(1)	4	(4)	0
Closing balance	**905**	**(577)**	**328**	**783**	**(527)**	**255**

Acquisitions of property, plant and equipment in the first half of 2016 concern essentially the fitting out of a server room and the acquisition of a new server for a total of €79k.

NOTE 5 TRADE AND OTHER RECEIVABLES

Trade and other receivables are as follows:

Trade receivables (In thousands of euros)	06/30/2016	12/31/2015	Variation
Customers	1,196	1,079	117
Other receivables	822	375	447
Total	**2,019**	**1,454**	**564**

The fair value of trade and other receivables is equivalent to the carrying value as they are due within less than one year.

The balance of trade receivables at June 30, 2016 remains relatively stable compared with December 31, 2015.

No risk of non-payment of receivables has been identified as of June 30, 2016. There is no provision for impairment of trade receivables.

Other receivables as at June 30, 2016 consisted primarily of deductible value-added tax.

The maturity of trade receivables at June 30, 2016 was as follows:

Trade receivables (In thousands of euros)	Total	Not yet due	1 to 30 days	30 to 60 days	60 to 90 days	+90 days
6/30/2016	**1,196**	896	266	14	9	10

The maturity of trade receivables at December 31, 2015 was as follows:

Trade receivables (In thousands of euros)	Total	Not yet due	1 to 30 days	30 to 60 days	60 to 90 days	+90 days
12/31/2015	**1,079**	979	40	11	10	39

NOTE 6 CURRENT FINANCIAL ASSETS

Current financial assets are as follows:

Current financial assets (In thousands of euros)	06/30/2016	12/31/2015	Variation
Cash mobilized as part of the liquidity contract	72	91	(19)
Total	**72**	**91**	**(19)**

The Group has implemented a liquidity contract since its stock exchange flotation for a maximum of €250k. This contract allows the share price to be regulated. The mobilized cash is immediately available if the service provider agreement is terminated. The cash matures within one year.

NOTE 7 OTHER CURRENT ASSETS

Other current financial assets are as follows:

Other current assets (In thousands of euros)	06/30/2016	12/31/2015	Variation
Research tax credit	1,282	859	423
Export tax credit	40	-	40
Prepaid expenses	404	265	139
Miscellaneous	18	17	1
Total	**1,743**	**1,141**	**602**

The research tax credit eligible at June 30, 2016 corresponds to:

- ✓ Proceeds from the research tax credit on expenses in H1 2016 amounted to €423k.
- ✓ Proceeds from the research tax credit on expenses for FY 2015 amounted to €859k. The company received payment of this receivable from the Public Treasury in H2 2016.

The Company has benefited from the research tax credit since its inception and this receivable is subject to reimbursement by the tax authorities in the following fiscal period.

NOTE 8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the period are as follows:

Cash and cash equivalents (In thousands of euros)	06/30/2016	12/31/2015	Variation
Liquid assets	26,551	30,273	(3,722)
Total	**26,551**	**30,273**	**(3,722)**

The cash balance in euros and by currency at June 30, 2016 is broken down as follows:

Cash and cash equivalents (In thousands of euros)	06/30/2016	12/31/2015	Variation
Euros	26,000	29,775	(3,775)
USD	551	498	53
Total	**26,551**	**30,273**	**(3,722)**

NOTE 9 CAPITAL AND RESERVES

1 – SHARE CAPITAL AND SHARE PREMIUM

As at June 30, 2016 the Company's share capital was made up of 10,084,334 shares distributed between:

- ✓ 10,067,313 **ordinary shares** with a nominal value of €0.05
- ✓ 10,420 **Class E preference shares** with a nominal value of €0.05
- ✓ 1 **Class B preference share** with a nominal value of €0.05.

The Class B preference share is reserved for an industrial investor shareholder. It entitles the latter to be represented at all times by a director on the Company's Board of Directors. It is automatically converted into a common share if certain statutory clauses are met.

Class E preference shares are non-voting but have the same financial rights as ordinary shares.

Changes that took place in the 2015 fiscal year and in H1 2016 are as follows:

Capital (In thousands of euros)	Capital	Share premiums	Total	Number of shares
Total at January 1, 2015	**413**	**47,550**	**47,963**	**8,261,092**
Increase in capital (exercise of BSPCE) Q2/2015	0	25	25	6,000
Total at June 30, 2015	**413**	**47,575**	**47,988**	**8,267,092**
Increase in capital	83	19,718	19,800	1,650,000
Costs of increase in capital	-	(1,195)	(1,195)	-
Increase in capital (exercise of Warrant)	3	497	500	55,555
Increase in capital (exercise of BSPCE) Q3/2015	1	81	82	10,183
Allocate the retained earnings (EGM 11/30/2015)	-	(35,642)	(35,642)	-
Increase in capital (exercise of BSPCE) as of 12/10/2015	2	259	261	32,587
Increase in capital (exercise of BSPCE) 12/14/2015	0	6	6	700
Total at December 31, 2015	**501**	**31,299**	**31,800**	**10,016,117**
Increase in capital (exercise of BSPCE) Q1/2016	2	255	256	31,841
Increase in capital (exercise of BSPCE) Q2/2016	1	238	240	29,776
Increase in capital (exercise of BSPCE) June 2016	0	27	28	6,600
Total at June 30, 2016	**504**	**31,819**	**32,324**	**10,084,334**

Movements during fiscal years 2015 and 2016 are described in section "2.c History of fundraising since the Company's stock exchange flotation."

2 – TREASURY SHARES

Under the liquidity contract, implemented following the stock exchange listing, the Group holds control shares and makes gains or losses on disposal and redemption of the shares. These shares, and the effect of the gains and losses on disposal and redemption of treasury shares, are deducted from consolidated reserves.

On December 31, 2015, 17,303 shares were cancelled and deducted from the consolidated reserves for a total amount of €122k. The amount imputed in reserve of treasury shares takes into account the value of the shares as well as the earnings or losses realized on the movements of these treasury shares.

On June 30, 2016, 18,833 shares were cancelled and deducted from the consolidated reserves at a total value of €141k. The amount imputed in reserve of treasury shares takes into account the value of the shares as well as the earnings or the losses realized on the movements of these treasury shares.

These treasury shares are not intended to be allocated to employees within the framework of the free share allocation plan but are intended to regulate the share price under the liquidity contract.

As of June 30, 2016, the company held no other cancelled treasury shares.

3 –SHARE OPTIONS

Using the authorization granted by several general meetings, the Board of Directors issued the share options plans described in Chapter ”2.e History of issue of BSPCE, Stock-options and Warrants”.

The overall impact of share based payments is presented in Note 17. The financial instruments concerned by the payment based on actions are stock option plans and warrants attributed on April 5, 2012.

On April 5, 2012, the Company's shareholders allocated to Quintiles free warrants with the following characteristics:

- ✓ 1,145,196 share subscription warrants with each warrant granting the right to subscribe one ordinary share of the Company at a unit price of €11.875 including share premium. Said warrants shall be paid for solely by being offset against a liquid and payable debt due by the Company to Quintiles.

- ✓ One warrant will give Quintiles the right to subscribe the number of shares allowing Quintiles to achieve a 15% shareholding of the Company's fully diluted share capital at a unit price of €11.875 including share premium. This warrant shall be solely exercisable once the total of 1,145,196 warrants already mentioned have been exercised, assuming that such prior subscriptions have not enabled Quintiles to achieve a 15% shareholding of the Company's fully diluted share capital. This share subscription shall be solely paid for by being offset against a liquid and payable debt due by the Company to Quintiles.

On April 21, 2016, an agreement was signed between MEDIAN Technologies and Quintiles, with retroactive effect January 1, 2016, as indicated in the 5th and 6th paragraph of Note 1.2:

This agreement renders supersedes the 2012 share warrants and the share warrant adjustment.

According to IFRS 2, the accumulated amount of Quintiles IFRS 2 costs on December 31, 2015 of which €452,357 was maintained in capital.

NOTE 10 EMPLOYEE BENEFITS LIABILITIES

1 – DEFINED BENEFIT PENSION PLAN

Employee benefits are entirely composed of post-employment benefits.

In France, the Company makes contributions to the national pension plan and its commitments to employees in terms of retirement are limited to a lump sum based on seniority which is paid as soon as the employee reaches retirement age. This retirement benefit is determined for each employee according to seniority and anticipated final salary. A provision is made for the obligation under the defined benefit plan. No hedging assets have been established by the Company for the defined benefit plan.

Amounts recognized in the statement of financial position for defined benefit obligations are as follows:

Employee benefits (In thousands of euros)	06/30/2016	12/31/2015	Variation
Provision for employee benefits	508	367	141
Total	**508**	**367**	**141**

a) Changes in accrued liabilities in the statement of financial position

Variations of these commitments may be broken down as follows:

Engagements de retraite (En milliers d'euros)	30/06/2016	31/12/2015
Provision à l'ouverture	**367**	**334**
Cout des services	27	44
Coût d'interêts	7	6
Charges de l'exercice	**34**	**50**
Prestations versées	-	-
Ecarts actuariels (gains) / pertes	107	(17)
Provision à la clôture	**508**	**367**

b) Actuarial assumptions

The main actuarial assumptions are as follows:

Employee benefits (Actuarial assumptions)	06/30/2016	12/31/2015
Discount rate	1.05%	2.03%
Inflation rate	2.00%	2.00%
Salary increase rate	0.50%	2.50%
Social security costs	46%	46%
Mortality table	INSEE T68-FM 2008-2010	INSEE T68-FM 2004-2006
Retirement ages	Between 62 and 67 years	Between 62 and 67 years
Basis of retirement	Voluntary retirement	Voluntary retirement

A sensitivity analysis was performed on the plan and the key assumption of the discount rate. Application of a rate change to the plan's current year would have the following impact on the Group's gross commitment under the defined benefit pension plan:

Sensitivity to the discount rate (In thousands of euros)	Total
Actuarial debt at 0,80% on June 30, 2016	536
Actuarial debt at 1,05% on June 30, 2016	**508**
Actuarial debt at 1,30% on June 30, 2016	481
Estimation duration (years)	**22**

2 – DEFINED CONTRIBUTION PENSION PLAN

In the USA, the subsidiary MEDIAN Inc. contributes to a defined contribution plan which limits its commitment to its contributions. The expenses recognized in half-year 2016 were not material.

NOTE 11 LONG AND SHORT-TERM FINANCIAL DEBT

At June 30, 2016, long and short term financial debts are as follow:

Financial debts (In thousands of euros)	06/30/2016	12/31/2015	Variation
Long-term financial debt	-	314	(314)
Short-term financial debt	990	1,116	(126)
Total	**990**	**1,430**	**(440)**

Long and short term financial liabilities consist primarily of:

Long-term financial debt (In thousands of euros)	06/30/2016	12/31/2015	Variation
OSEO advances	-	100	(100)
Participating loan	-	-	-
COFACE advances	-	214	(214)
Total	**-**	**314**	**(314)**

Court-term financial debt (In thousands of euros)	06/30/2016	12/31/2015	Variation
OSEO advances	756	756	-
Participating loan	20	58	(38)
COFACE advances	214	302	(88)
Total	**990**	**1,116**	**(126)**

a) OSEO Advances :

As part of its participation in the innovation project, the MEDIAN Group received three repayable advances from OSEO in 2009 totaling a maximum of €2,875k. The balance of advances at June 30, 2016 is €756k.

Repayments were planned on anticipated payment schedules when the contracts for the LESIO I and LESIO II projects were signed.

The advance was granted free of consideration.

Pursuant to the exemption provided by IFRS 1 - "First Time Adoption of IFRS" (since the transition to IFRS was at January 1, 2013), these advances have not been subdivided into a "grant" for the part corresponding to the advance payment obtained free of charge, and "financial debt".

The amount of the advance repayable in less than one year is classified in current financial liabilities for an amount of €756k at June 30, 2016. The Group repaid €100k during the first half of 2016. It did not receive other subsidies.

b) Participating loan:

Sofired took out a participating loan of €350k on August 9, 2011. It has the following characteristics:

- ✓ The loan is for a period of 5 years starting from August 11, 2011;
- ✓ The sum lent bears interest at a rate of 5% calculated on the outstanding principal;
- ✓ The loan yield is indexed to the Company's results. This applies only from the 4th year of the loan until final repayment. It is effective only to the extent that it has been decided that profits for the year will be distributed.

At June 30, 2016, capital outstanding amounts to €20k and is classified as a current liability.

The Group repaid €39k during the first half of 2016.

c) COFACE Advances :

The COFACE advance represents advanced compensation granted by COFACE under a marketing insurance contract signed in March 2009. Reimbursements of 14% of the total export revenue for the year, in the area covered by the contract (henceforth "exports to all countries"), are made at the end of each of the six years of amortization as of October 1, 2010.

Pursuant to the exemption provided by IFRS 1 - "First Time Adoption of IFRS", these advances have not been subdivided into "grant" for the part corresponding to the advance payment obtained free of charge, and "financial debt".

At June 30, 2016, this advance amounts to €214k, all at less than one year. The Group repaid €301k during the first half of 2016.

MEDIAN

NOTE 12 DEFERRED TAX LIABILITIES

Net deferred taxes are as follows:

Origin of deferred tax - net (In thousands of euros)	06/30/2016	12/31/2015	Variation
- charges temporarily non-deductible	-	-	-
- tax losses carried forward (2)	893	896	(3)
- consolidation adjustments of the following:			
. Retirement and pension	169	122	47
. Intragroup provisions (1)	(1,453)	(1,458)	5
. Miscellaneous	-	-	-
Total (3)	**(391)**	**(440)**	**49**

(1) A deferred tax liability was recognized on the provision recorded in the Company's financial statements in respect of advances granted by the Company to its subsidiary. The provision for these advances has been deducted for tax purposes in the financial statements. These advances amounted to €4,360k on June 30, 2016 (€4,374k at December 31, 2015).

(2) On June 30, 2016, an active deferred tax on deficits to be carried forward of €893k (€896k on December 31, 2015 and €893k on June 30, 2015) was recorded in passive deferred taxes taking into account that in France, the allocation of tax losses is capped at 50% of taxable income for the year. Since this limitation is applicable to the portion of the profits in excess of €1m, the Group did not activate the entire amount of tax deficits that may be carried forward indefinitely in France. On June 30, 2016, the balance of these tax deficits not activated amounts to €51,252k (€51,245k at December 31, 2015).

(3) Since deferred tax assets and liabilities are only recognized by the Company, deferred tax assets and liabilities have been offset.

Deferred tax variations consist of the following:

Deffered tax - net (In thousands of euros)	06/30/2016	12/31/2015
Opening balance	**(440)**	**(437)**
Deferred tax expense in profit or loss	14	3
Tax expense deferred in other comprehensive income items	36	-6
Closing balance	**(391)**	**(440)**

Deferred taxes in the result and in comprehensive income (OCI) thus consist of the following:

Deferred tax - net (In thousands of euros)	06/30/2016		12/31/2015	
	Net result	OCI	Net result	OCI
- charges temporarily non-deductible	-	-	-	-
- tax losses carried forward (2)	(2)	-	12	-
- consolidation adjustments of the following:				
. Retirement and pension	11	36	16	(6)
. Intragroup provisions (1)	5	-	(24)	-
. Miscellaneous	-	-	(1)	-
Total	**14**	**36**	**3**	**(6)**

NOTE 13 TRADE AND OTHER PAYABLES

The breakdown by type is as follows:

Trade and others payables (In thousands of euros)	06/30/2016	12/31/2015	Variation
Supplier accounts payable (1)	1,111	841	270
Supplier account payable on assets	-	132	(132)
Tax liabilities	153	24	129
Social security liabilities (2)	1,160	1,243	(83)
Deferred income	85	91	(6)
Short-term payment advances received by customer's (3)	2,299	1,175	1,124
Other payables	-	76	(76)
Total	**4,808**	**3,582**	**1,226**

All supplier debts and other debts fall due within one year.

(1) The increase of the debts to suppliers on June 30, 2016 in comparison with the balance of debts to suppliers on December 31, 2015 is mainly attributable to the increase of the volume of activity during the H1 2016.
(2) Staff cost liabilities concern salaries, social security costs and reserves for paid leaves.
(3) The advances received from the customers within less than one year correspond to the advances paid at the signature of contracts ("initial payment"). The functioning of these received advances is described in the Note 14 below. The increase of the balance of these advances on June 30, 2016 over December 31, 2015 is mainly attributable to the increase of the order book and the contracts signed by the Group in the first half of 2016.

NOTE 14 OTHER NON-CURRENT LIABILITIES

At June 30, 2016, the non-current other liabilities are as follows:

Non-current other liabilities (In thousands of euros)	06/30/2016	12/31/2015	Variation
Long-term payment advances received by customer's	1,377	1,454	(77)
Total	**1,377**	**1,454**	**(77)**

Non-current other liabilities correspond to the advances received from the customers in the beginning of contract for the activity "Clinical trials". These advances are charged on the customer invoicing with the same rhythm as the progress of the services provided and recognized by sales. They are refundable in the event the clinical trial is stopped.

The amount of these advances at June 30, 2016 amounts to €3,676k, with the share at less than one year of these advances classified in the section on "Trade and other Payables" and amounts to €2,299k (Note 13). Prior to December 31, 2015, these advances were recorded in revenue and presented at the end of the fiscal year in deferred income according to the degree of completion of the contract.

NOTE 15 REVENUE

1 – REVENUE BY GEOGRAPHICAL AREA AND NATURE OF PRODUCTS

Revenue (In thousands of euros)	06/30/2016 France	06/30/2016 Export	06/30/2016 Total	06/30/2015 France	06/30/2015 Export	06/30/2015 Total	Variation
Services	148	2,748	2,896	155	1,275	1,430	1,466
Sale of licenses	-	-	-	1	-	1	(1)
Sale of goods	-	14	14	5	-	5	9
Total	**148**	**2,762**	**2,910**	**161**	**1,275**	**1,436**	**1,474**

Geographical areas are broken down by region as follows:

Revenue split by geographic areas (In thousands of euros)	06/30/2016
France	148
USA/Canada	1,036
EU	1,580
Other areas	147
Total	**2,910**

To date, no single laboratory accounts for a significant share of revenue and recurring business.

Group revenue at June 30, 2016 came in at €2,910k over €1,541k for the previous fiscal year, a 102.64% increase. The Company is pursuing its development efforts and mainly the marketing of its solutions and services to pharmaceutical groups as part of clinical trials. This activity is now MEDIAN Technologies' core business of. The company also works within the framework of the "clinical routine" by supplying its solutions software to institutions such as hospitals, anti-cancer and clinical centers.

NOTE 16 STAFF COSTS

Staff costs are broken down as follows:

Staff costs (In thousands of euros)	Notes	06/30/2016	06/30/2015	Variation
Salaries		3,081	2,229	852
Social security costs		1,123	879	244
Research tax credit		(423)	(504)	81
Share-based payments	17	2	7	(5)
Employee benefits	10	27	22	5
Total		**3,810**	**2,632**	**1,177**
Average employee numbers		**76**	**49**	**27**

The research tax credit is a government grant based on expenses incurred research and development efforts. Expenses incurred by the Group in this area which are eligible for the research tax credit are primarily staff costs, which explains the recording of the research tax credit in staff costs.

Research & Development expenses eligible for the research tax credit amounted to €1,411k in H1 2016 and €1,364k in H1 2015.

NOTE 17 SHARE-BASED PAYMENT

On June 30th, 2016 share-based payment agreements in the Group and ongoing are as follows:

- ✓ stock option programs;
- ✓ Founder's share warrants (BSPCE).

These agreements are all settled in the Group's own equity securities.

As the Founder's share warrants were allocated well before the IFRS transition date (January 1, 2013), their allocation had no impact on results in 2015 and 2016.

Further to the cancellation of the payment plan based on shares with the Quintiles suppliers, as indicated in Note 9.3, there is no impact of the expense on the H1 2016.

The residual charge corresponds mainly to share option plans as described in Note 17.1 below.

1 – SHARE OPTION PROGRAM

On April 1, 2011 and April 5, 2012, the Group implemented share option programs, giving the Group's key management and employees the right to acquire Group shares. In both General Meetings, the Board was authorized to allocate a maximum of 300,000 options to Group MEDIAN executives and employees. The main characteristics and conditions relating to awards under these programs are:

Plan no.	Grant date	Personnel involved	Number of options	Vesting conditions	Contractual life of the options
Plan n°1	December 15, 2011	Senior management	60,000	3 years of service	7 years
Plan n°2	July 5, 2012	employees	15,000	3 years of service	7 years
Plan n°3	February 5, 2012	employees	23,970	4 years of service	7 years
Plan n°4	October 3, 2013	Senior management	10,000	4 years of service	7 years
Total			**107,970**		

The expense recognized in respect of share options amounts to €2k for H1 2016 and €6k for the H1 2015.

The movements in stock options which occurred over H1 2016 are presented in Note 9.3.

NOTE 18 EXTERNAL COSTS

External costs are broken down as follows:

External costs (In thousands of euros)	06/30/2016	06/30/2015	Variation
Subcontracting	624	266	358
Rental and lease expenses	264	109	155
Repairs and maintenance	49	32	17
Insurance premiums	31	11	20
External services - various	279	75	204
External staff	-	10	(10)
Intermediate and fees	760	401	359
Advertisement	97	55	42
Transport	33	24	9
Travel, assignments and entertainment	292	204	88
Postal & telecommunications expenses	44	28	16
Banking services	21	11	10
Other services - various	14	3	11
Other operating expenses	53	39	14
Total	**2,560**	**1,268**	**1,293**

External costs at June 30, 2016 amount to €2,560k against €1,268k at June 30, 2015. This variation of costs of €1,292k results from the following:

- ✓ The increase of subcontracting costs of €358k on the pharmaceutical projects, primarily in connection with business development;
- ✓ Increased rental costs of €155k over the period related to the extension at the end of 2015 of the offices in Valbonne, but also to the implementation of new offices in the United States, to Woburn for the development of the subsidiary and our US businesses;
- ✓ Increased fees for an amount of €359k primarily due to recruitment over the period, as well as to the various legal, fiscal, accounting and labor law departments used developing our services in France and internationally;
- ✓ An increase in other external costs (Insurances, advertising, travel, banking services, etc.) in parallel with the Group rapid development.

NOTE 19 FINANCIAL INCOME

Financial income is broken down as follows:

Net financial result (In thousands of euros)	06/30/2016	06/30/2015	Variation
Interest and financial charges paid	(9)	(9)	-
Loss on investments	(7)	(3)	(4)
Cost of net financial debt	**(17)**	**(12)**	**(5)**
Exchange Loss	(85)	(52)	(33)
Other financial charges	**(85)**	**(52)**	**(33)**
Exchange Gain	25	73	(48)
Other Investment income	40	76	(36)
Other Investment income	**65**	**150**	**(85)**
Total financial result	**(37)**	**86**	**(123)**

NOTE 20 TAX ON PROFIT OR LOSS

Tax on profit or loss is as follow:

Tax on profit or loss (In thousands of euros)	06/30/2016	06/30/2015	Variation
Payable tax - France	-	-	-
Payable tax - Abroad	-	7	(7)
Deferred taxes - net	(14)	1	(15)
Total	**(14)**	**8**	**(22)**

NOTE 21 EARNINGS PER SHARE

The number of shares used for the calculation of earnings per share is the weighted average number of ordinary shares outstanding during the year less the treasury shares.

Net result per share (In thousands of euros)	06/30/2016	06/30/2015	Variation
Weighted average number of ordinary shares outstanding	10,067,313	8,256,671	1,810,642
Treasury shares	(18,833)	(20,066)	1,233
Total shares	**10,048,480**	**8,236,605**	**1,811,875**
Number of potential shares	**11,614,379**	**11,144,307**	**470,072**
Net result	(3,657)	(2,475)	(1,182)
Earnings per share (en euros)	**-0.36**	**-0.30**	(0)

Potentially dilutive securities are described in Note 9.3. During the financial periods presented, instruments giving deferred access to capital (Founder's share warrants, warrants, etc.) are considered to be anti-dilutive because they lead to a reduction in loss per share. Diluted earnings per share are, therefore, identical to basic earnings per share.

NOTE 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

1 – RENTALS

The Group is a tenant of its headquarters in Valbonne and Woburn. It has a 2 new rental agreements for these sites:

- ✓ Valbonne: The lease is for a 9-year period ending no later than 15 October 2024. The lease is a commercial lease and may be terminated every three years from the effective date of the lease, i.e. October 16, 2015.
- ✓ Woburn: The lease is for a 3-year period ending no later than April 30,, 2019. The effective date of the lease is May 1, 2016.

At June 30, 2016, the total amount of the future minimum payments under this operating lease (non-cancellable period) is as follows:

Rentals (In thousands of euros)	06/30/2016	06/30/2015	Variation
within one year	295	229	66
between one and five years	418	409	9
Total	**713**	**638**	**75**

2 – CONTINGENT ASSETS AND LIABILITIES

Software operating licenses and patents

Under the provision of licensing contracts with the University of Chicago, the Group owes the University the following amounts which are still unrecorded at June 30, 2016:

- ✓ Royalties of 1% of the revenue that the Group realizes from the CAD-Lung software after June 30, 2016. It should be noted that the agreement provides that the Group shall, under all circumstances, pay the University of Chicago a minimum of $15k in royalties for each calendar year from 2014 onwards (allocated in the statement of financial position at June 30, 2016).
- ✓ $45k when the Group has obtained the necessary administrative approval for marketing the CAD-Colon software either in the United States, Japan, or Europe, as well as $30k when cumulative sales of the CAD-Colon software have exceeded $1,000k. Note that the Company decided to cease marketing the CAD-Colon software in early 2009.
- ✓ Royalties of 1.5-2.0% of future revenue that the Group realizes on the CAD-Colon software after June 30, 2016. It should be noted that the agreement provides that the Company shall, under all circumstances, pay the University of Chicago a minimum of $15k in royalties each calendar year from 2014 onwards. Note that the Group decided to cease marketing the CAD-Colon software and, in agreement with the University of Chicago, this commitment will not apply as long as the Group does not resume marketing.

NOTE 23 RELATED PARTY TRANSACTIONS

Compensation of Senior Directors

The senior directors are members of the Company's Board of Directors. Compensation paid or payable to senior directors is as follows:

Remuneration of senior directors (In thousands of euros)	06/30/2016	06/30/2015	Variation
Wages and salaries (including social security contributions)	537	226	311
Wages and salariesto be paid (including social security contributions)	68	398	(330)
Share-based payments	-	-	-
Pension obligations	37	31	6
Director's fees	25	25	-
Total	**667**	**680**	**-13**

The Group has no other transactions with senior directors. The Group has no related parties other than members of the Board of Directors.

NOTE 24 DIVIDENDS

The Group paid no dividends during H1 2016 or for the fiscal year ended December 31, 2015.

5. DECLARATION BY THE PERSON RESPONSIBLE FOR THE CONSOLIDATED FINANCIAL STATEMENT

PERIOD FROM JANUARY 1, TO JUNE 30, 2016

I hereby declare, to the best of my knowledge that the consolidated half-year financial statements for the previous period have been prepared in accordance with applicable accounting standards and provide a true and fair view of the Group's assets, financial position and financial performance (Company and affiliated companies included in the consolidated financial statements), and that the half-year management report includes a fair review of important events that occurred during the first half year and their impact on the financial statements, as well as the main transactions between related parties.

Signed in Valbonne, October 6, 2016

Chairman

MEDIAN Technologies

Fredrik Brag