median

The Imaging Phenomics Company®

Half-Year Financial Report

June 30, 2017

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. CONTENT

2. PRESENTATION OF THE GROUP

A. General Presentation

Median Technologies specializes in the field of medical imaging. The company develops software applications for the interpretation and management of medical images, whose purpose is to automatically detect and quantitatively measure abnormalities that may be signs of diseases.

Imaging is key in numerous medical areas where it is used to by heath care providers to screen, diagnose and tract the progress of many diseases. Today, medical imaging makes it possible to evaluate whether a treatment is effective or not for a given patient, particularly for those suffering from cancer. This is the therapeutic area in which Median Technologies is mainly positioned.

In addition to being involved in patient care applications, Median Technologies' software is used today used by biotechnology companies and pharmaceutical companies during their oncology clinical trials.

This clinical trials market is the principal basis of development in terms of the Group's revenues. Today, the company is leveraging its knowledge of the science of and the technology associated with imaging by developing a groundbreaking platform in imaging phenomics.

This platform makes it possible to identify within the image the signatures that are specific to diseases, the knowledge of which will make it possible to move in the direction of more and more individualized medicine.

The activity of Median Technologies is therefore structured around **three strategic areas:**

- Imaging for patients with cancer: Median's applications make it possible for radiologists and oncologists to evaluate the effectiveness of treatments that are given to patients based on quantitative measurements in medical images.

- Imaging for oncology clinical trials: In this context, Median Technologies works with biotechnology and pharmaceutical companies. The software applications and imaging services that Median develops around these applications help its customers develop new innovative and personalized drug/biologic treatments for patients, as well as assist in defining appropriate therapeutic strategies.

- Imaging Phenomics: this is the most innovative area of the company's activities, today. Median Technologies is developing the iBiopsy® imaging platform, which led to the signing of a partnership agreement with Microsoft in June 2016 for the Big Data portion. Imaging Phenomics will be at the heart of individualized medicine, which is the medicine of the future. Indeed, we know today that each kind of disease has its own specific "signature", which may be extracted from medical images using powerful algorithms, which when correlated to Big Data make it possible to identify the exact kind of disease and identify the treatment that will be the most effective for a given patient. Imaging phenomics opens an enormous world of possibilities for the pharmaceutical industry as well as for health professionals.

Today, the Median Technologies team includes a little more than 100 colleagues of whom a large part is dedicated to Research and Development activities and Services. Multidisciplinary, these teams include scientists and engineers specializing in the processing of images, data management, project management and clinical development regulations.

Since its inception, Median Technologies has been headquartered in the south of France, in the technology park of Sophia Antipolis, an environment that is particularly favorable to health industries.

Having the strategic goal of strong international development, the company is also present in the United States through its subsidiary Median Technologies Inc.

B. History of the company

2002 - Median Technologies is founded in Sophia Antipolis, France. Up until 2007, Median enriches its technology, particularly by collaborating with technological and scientific institutes in medical imaging.

2007 – All the software developed by the company is integrated into a portfolio of LMS (Lesion Management Solution) clinical applications. LMS applications are first marketed in Europe and then in the U.S., following regulatory clearance from the FDA.

2011 - This is a pivotal year for Median. The company implements a new set of services specifically designed for the management of medical images during oncology clinical trials: Clinical Services are based on the technological heart of the LMS applications.

The Company's shares are admitted for trading on the Paris NYSE Alternext market, based on the principle of direct listing with a reference price of €8.05 per share.

2014 - Thirteen foreign institutional investors led by New Enterprise Associates (NEA), subscribe for an amount of €20m, 2,222,222 new shares for a subscription price of €9, as part of a capital increase by means of a private offering.

2015 - Seven foreign institutional investors led by New Enterprise Associates (NEA), subscribe for an amount of €19.8M, 1,650,000 new shares for a subscription price of €12 each, as part of a capital increase by means of a private offering.

2016 - Sees the start of R&D activity regarding imaging phenomics and Big Data. The project was named iBiopsy® and is the subject of a partnership with Microsoft France. The applications linked to imaging phenomics are eventually going to serve both markets in which Median is positioned, that of imaging in clinical trials and that of patient care. The rebranding of the company carried out during 2016 led to the importance of imaging phenomics in the positioning of Median in its markets. In addition to changing its logo and completely overhauling its communication tools, Median Technologies chose as its tagline, "The Imaging Phenomics Company™".

2016 - Median Technologies issues a capital increase in favor of Furui Medical Company Luxembourg in the amount of 1,507,692 new shares for a subscription price of €13 each, for a total amount of €19.6M. This reserved capital increase is mainly going to make it possible for Median Technologies to develop new marketing opportunities for its products in China and Eastern Asia.

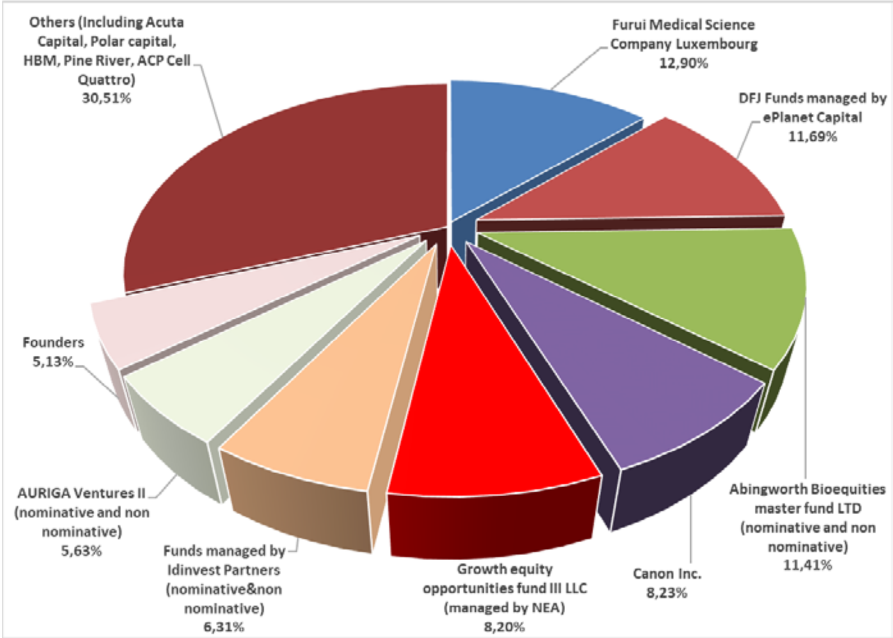
2016 is also a pivotal year in terms of structuring the US subsidiary Median Technologies Inc. based in Woburn, MA. The year also sees major recruitments:

- Ms. Jeanne Hecht, Chief Operating Officer of Median Technologies, who is responsible for defining and implementing the company's global strategy.
- Mr. Nicholas Campbell, Chief Commercial Officer, responsible for all business development and marketing activities and their implementation for the entire company.

C. History of fundraising since the company's stock exchange floatation

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; - **E Preference shares** issued following the exercice of founder's share warrants.	2,226,642	111,332.10 €	20,018,562.00 €
Year 2015	- 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. - Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA.	1,754,325	87,716.25 €	20,667,943.50 €
Year 2016	- Capital increase in cash through the issue of 1,507,692 shares with attached equity warrants priced at €13 per share, of which €0.05 is nominal value and €12.95 share premium; - Shares issued following the exercice of founder's share warrants; - **E Preference shares** issued following the exercice of founder's share warrants; - Shares issued following the exercice of BSA.	1,635,363	81,768.15 €	20,629,364.39 €
Jan-2017	The Company issued 24,659 new shares following the exercise of 24,659 warrants. These shares were issued at a unit price of €8.50 including €0.05 of nominal value and €8.45 of share premium. The Board of Directors recorded the completion of the capital increase on January 13, 2017.	24,609	1,230.45 €	159,958.50 €
Apr-2017	The Board of Directors of April 7th, 2017 recorded the issue of 500 new shares, following the exercise of 2,500 warrants. These shares were issued at a unit price of €6.5 including €0.05 of nominal value and €6.45 of share premium.	500	25.00 €	3,250.00 €
Jun-2017	The Board of Directors of June 26th, 2017 recorded the issue of 6,000 new shares, following the exercise of 30,000 warrants. These shares were issued at a unit price of €6.5 including €0.05 of nominal value and €6.45 of share premium.	6,000	300.00 €	39,000.00 €
Jun-2017	The Company issued **6,180 preference shares** following the exercise of 30,900 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. Board of Directors of June 26th, 2017.	6,180	309.00 €	25,956.00 €
	Share capital as of June 30, 2017	**11,688,069**	**584,403.45 €**	

D. Shareholding structure as of June 30, 2017



Information on non-nominative shareholders on the date of the EGM of June 22, 2017.

E. History of the option plans for share subscription

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 cancelled non subscribed		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	110,000	-	20,000	90,000	18,000	6.50	900.00
12/7/2009	1,061,309	12/7/2009	1,061,309	12/6/2019	716,329	-	30,900	685,429	137,085	4.20	6,854.25
4/1/2011	100,000	4/1/2011	99,950	3/31/2021	74,950	-	12,500	62,450	12,490	6.50	624.50
BSPCE	**1,347,565**		**1,331,259**		**901,279**	**-**	**63,400**	**837,879**	**167,575**		**8,378.75**
4/1/2011	100,000	4/1/2011	5,000	-	-	-	-	-	-	-	-
		12/15/2011	60,000	12/14/2018	60,000	60,000	-	-	-	9.00	-
		7/5/2012	34,000	7/4/2019	14,000	-	-	14,000	14,000	10.00	700.00
4/5/2012	200,000	7/5/2012	5,970	7/4/2019	3,970	-	-	3,970	3,970	10.00	198.50
		10/3/2013	10,000	10/2/2020	10,000	-	-	10,000	10,000	10.60	500.00
6/22/2017	300,000	6/26/2017	22,500	6/25/2024	-	-	-	22,500	22,500	13.00	1,125.00
Stock Options	**600,000**		**137,470**		**87,970**	**60,000**	**-**	**50,470**	**50,470**		**2,523.50**
3/10/2009	24,609	3/10/2009	24,609	3/10/2019	24,609	-	24,609	-	-	6.50	-
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
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	**2,326,831**		**2,326,831**		**2,215,721**	**-**	**24,609**	**2,191,112**	**1,135,556**		**56,777.80**
6/16/2016	162,523	7/22/2016	162,523	-	162,523	-	-	162,523	162,523	-	8,126.15
6/16/2016	162,522	7/22/2016	162,522	-	162,522	10,000	-	152,522	152,522	-	7,626.10
6/16/2016	186,873	10/6/2016	186,873	-	186,873	-	-	186,873	186,873	-	9,343.65
6/16/2016	186,872	10/6/2016	186,872	-	186,872	-	-	186,872	186,872	-	9,343.60
Free Shares	**698,790**		**698,790**		**698,790**	**10,000**	**-**	**688,790**	**688,790**		**34,440**
Total	**4,973,186**		**4,494,350**		**3,903,760**	**70,000**	**88,009**	**3,768,251**	**2,042,391**		**102,119.55**

ND : Not determinable

2. History of the subscription warrants and awarding of free shares

Awarding of free shares

Warrants	History	Award Date	Acquisition Period	Variable retention Period
" AGA-2016A"	The Board of Directors of July 22, 2016 decided to award 325,045 free shares ("the AGA 2016 A"): the acquisition period will be of a duration of one year at the date of awarding the free shares, and the retention period will be one year following the end of the acquisition period.	**July-16**	**July-17**	**July-18**
" AGA-2016B"	The Board of Directors of July 22, 2016 decided to award 325,045 free shares ("the AGA 2016 B"): the acquisition period will be of a duration of two year at the date of awarding the free shares, and the retention period will be one year following the end of the acquisition period. 10,000 free shares were cancelled on the first half-year 2017.	**July-16**	**July-18**	**July-19**
" AGA-2016C"	The Board of Directors of October 06, 2016 and that of November 04, 2016 decided to award 373,745 free shares (the "AGA 2016 C"). Acquisition Period: Acquisition is definitive if the following conditions are fulfilled cumulatively (the "Cumulative Conditions"): (i) At the end of an acquisition period having a duration of one (1) year following the date of awarding, and (ii) If the acquisition conditions below are fulfilled: (a) if the Beneficiary continues to have the capacity of company representative or employee of either the Company or the US Subsidiary, depending on the case, up until the last day of the acquisition period, and (b) the occurrence of at least one of the three events below before December 31, 2026: the Company shares become listed on a regulated market in the United States and/or in France, or a firm and irrevocable acquisition offer involving at least 51% of the Company's capital is made, or the beneficiary receives a firm and irrevocable offer for 100% of the securities that it holds, including the AGA 2016 C. Variable retention period: At the end of the acquisition period and if the acquisition conditions specified above are fulfilled, the Beneficiary will be the holder of the AGA 2016 C. However, he is obliged to keep them during a variable period determined by the plan.	**October-16**	**Cumulative Conditions**	**Under the specified Plan**
" AGA-2016D"	The Board of Directors of October 06, 2016 and that of November 04, 2016 decided to award 373,745 free shares (the "AGA 2016 D"). Acquisition Period: Acquisition of the AGA 2016 D will be definitive if the following conditions are fulfilled cumulatively (the "Cumulative Conditions"): (i) At the end of an acquisition period having a duration of two (2) years following the allocation date, and (ii) If the acquisition conditions below are fulfilled: (a) if the Beneficiary continues to have the capacity of company representative or employee of either the Company or the US Subsidiary, depending on the case, up until the last day of the acquisition period, and (b) the occurrence of at least one of the three events below before December 31, 2026: the Company shares become listed on a regulated market in the United States and/or in France, or a firm and irrevocable acquisition offer involving at least 51% of the Company's capital is made, or the beneficiary receives a firm and irrevocable offer for 100% of the securities he holds, including the AGA 2016 D. There are no retention periods for the AGA 2016 D.	**October-16**	**Cumulative Conditions**	**Under the specified Plan**

Subscription warrants

Warrants	Historical record	Subscription Date	Life term 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**	**Exercise in January 2017 (Note 9 - Page 22)**
"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**
"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.The Board of Directors of October 1st, 2015 recorded the increase of capital for a total of € 2,777.75. It remains 2,111,112 warrants. The life term of these warrants expires September 2021.	**September-14**	**September-21**

3. HALF-YEAR ACTIVITY REPORT

A. Ordinary activities during the first half of 2017

NOTE 1 Activities of the Group

Median Technologies H1 2017 revenue stood at €3.9 million, up 36% compared with H1 2016, due to the implementation of strategic and sales partnerships in clinical trials.

During H1, Median strengthened its medical, sales, R&D and management teams in France, the United States and Asia. The company is now sized to meet future growth.

The Company thus recruited several managers, notably reinforcing the US-based teams (+17 people). Overall, as of June 30, 2017, the Group's average workforce stood at 100 employees, compared with 76 a year earlier.

Median also opened a subsidiary in Hong Kong that will allow the company to directly grasp the Asian markets and oversee all the operations carried out in the region for clinical trials, as well as to develop new opportunities in the field of patient care.

Finally, Median continued its R&D investments for iBiopsy®, its imaging platform combining artificial Intelligence (AI) and deep learning to develop new solutions which will allow breakthrough and innovative discoveries for personalized medicine in partnership with Microsoft.

Taking these factors into account, an analysis of the half-year results points to:

- ✓ Increases in personnel costs related to the structuring of the company and its international redeployment (US and Asia);
- ✓ An increase of external costs including:

  Exceptional expenses due to the implementation of new tools to improve project management as well as to increase the company technical and operational productivity (CTMS / ERP / CRM ...);

  Audit and consulting expenses to optimise the company internal organisation and make it aligned with the different standards the company should comply;

  Scientific study and research expenses for the roll-out of the new iBiopsy® platform and for the modernization of Median legacy platform Lesion Management Solution (LMS).

In the end, operating income for the first half of 2017 amounted to €-8,702 K, compared to a loss of €-3,634 K € in the first half of 2016. This increase is the consequence of the structuring initiated by the company but also of its deployment to new activities.

Net income for the first half of 2017 amounted to € 8,884 K thousand compared to €3,657 K thousand for the first half of 2016.

At June 30, 2017, Median Technologies had a solid balance sheet with a cash position of €35.4 million and no financial debt. Shareholders' equity stood at €31.5 million following the reserved capital increase in favour of FURUI for €19.6 million in December 2016.

The Extraordinary General Meeting on the date of June 22, 2017 authorized the board of directors to agree to options giving the right to subscribe to ordinary Company shares to be issued (hereinafter the "stock options").

The option plan that was adopted by the board of directors on the date of June 26, 2017 is presented on page 23 of this report.

NOTE 2 FUTURE PROSPECTS

The Company's order book amounted to € 17.8 million at June 30, 2017, compared with € 16 million at December 31, 2016. This relates to clinical trials, which the pharmaceutical companies entrust to us in the imaging segment. The latter is progressing over the period as the group increases the delivery of its services.

Median's teams are continuing their work of updating their medical imaging solutions and should in the coming months launch a new iBiopsy® platform in different oncology research protocols applied to the lung, prostate or liver.

In patient care, Median pursues its very strong collaboration with FURUI, its Chinese investor and partner and works with key opinion leaders at developing partnerships that will allow the company to prepare future participation in major programs for lung cancer screening and diagnosis as well as the introduction of new products on the Chinese market.

Finally, the company is continuing its structuring to enter a phase of acceleration for an introduction to the Nasdaq.

B. The consolidated financial statements (IFRS Standards)

We remind you that even if there is no legal obligation, due to the commitments made under the terms of the "Subscription Agreements" entered into by the Company on August 19, 2014 ad July 2, 2015, the Company has prepared the consolidated financial statements in accordance with the IFRS standards. **It is on the basis of the consolidated financial statements that the half-year financial report is presented.**

C. Significant events that occured since June 30, 2017

No significant event following the date on which the interim financial statements were drawn up is to be reported.

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.

A. Statement of Consolidated Financial Position

ASSETS (in thousands of euros)	Notes	06/30/2017	12/31/2016
Intangible assets	3	341	278
Tangible assets	4	403	361
Non-current financial assets		143	144
Total non-current assets		**887**	**783**
Inventories		3	3
Trade and other receivables	5	1,887	2,371
Current financial assets	6	174	123
Other current assets	7	2,003	1,498
Cash and cash equivalents	8	35,440	41,776
Total current assets		**39,507**	**45,770**
TOTAL ASSETS		**40,394**	**46,554**

Liabilities (in thousands of euros)	Notes	06/30/2017	12/31/2016*
Share capital	9	584	583
Share premiums	9	52,065	51,839
Consolidated reserves		(12,178)	(4,474)
Unrealized foreign exchange differences		(27)	(100)
Net result		(8,884)	(9,111)
Total shareholders' equity		**31,561**	**38,736**
Of which the group share		**31,561**	**38,736**
Long and medium-term borrowings	11	-	-
Employee benefits liabilities	10	370	467
Deferred tax liabilities	13	367	351
Non-current other liabilities	15	1,086	1,126
Total non-current liabilities		**1,824**	**1,944**
Short-term financial debts	12	122	459
Trade and other payables	14	6,507	5,415
Current provisions	11	380	-
Total current liabilities		**7,009**	**5,874**
TOTAL LIABILITIES		**40,394**	**46,554**

** The figures at December 31, 2016 were reclassified on Trade and others payables from current provision for a total amount of € 228K.*

B. Statement of Consolidated Net Results

Consolidated income statement (In thousands of euros)	Notes	06/30/2017 (6 months)	06/30/2016 (6 months)
Revenue	16	3,958	2,910
Other income		-	10
Revenue from ordinary activities		**3,958**	**2,920**
Purchases consumed		(104)	(48)
External costs	19	(4,190)	(2,560)
Taxes		(134)	(73)
Staff costs	17	(7,717)	(3,810)
Allowances net of amortization, depreciation and provisions		(509)	(63)
Other operating expenses		(5)	(2)
Other operating income		-	3
Operating result		**(8,702)**	**(3,634)**
Cost of net financial debt		(3)	(17)
Other financial charges		(194)	(85)
Other investment income		30	65
Net financial result	20	**(168)**	**(37)**
Income tax (expense)	21	(14)	14
Net result		**(8,884)**	**(3,657)**
Net result, group share		(8,884)	(3,657)
Net result, non-controlling interests' share		-	-
Net result , Group share of basic and diluted earnings per share	22	**(0.76)**	**(0.36)**

C. Statement of Other Items of the Consolidated Total Result (OCI)

OTHER COMPREHENSIVE INCOME (In thousands of euros)	Notes	06/30/2017 (6 months)	06/30/2016 (6 months)
NET RESULT		**(8,884)**	**(3,657)**
Unrealized foreign exchange differences		73	25
Total items that may be reclassified		**73**	**25**
Actuarial gains and losses on defined benefits plans		25	(107)
Deferred taxes on actuarial gains and losses		(7)	36
Total items that will not be reclassified		**18**	**(71)**
OVERALL RESULT		**(8,792)**	**(3,703)**

D. Statement of Changes in Consolidated Equity

Group shareholders Equity (in thousands of euros)	Note	Share capital	Share premiums			Consolidated reserves				Translation reserves - Other comprehensive income	Consolidated result	Total
			Share issue premium	Equity warrants	Total share premiums	Treasury stock	Consolidated reserves	Other comprehensive income.	Total consolidated reserves			
01/01/2016		**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)
Other reserves									-			-
Set off the accumulated losses to the "share premium"									-			-
06/30/2016		**504**	**31 819**	**80**	**31 899**	**(141)**	**(5 392)**	**(116)**	**(5 649)**	**(51)**	**(3 657)**	**23 046**
Appropriation of the result prior period									-			-
Capital increase	9	79	19 940		19 940				-			20 019
Attribution of equity warrants									-			-
Change in unrealized foreign exchange differences									-	(49)		(49)
Variation in actuarial differences net of deferred taxes								43	43			43
Result for current period									-		(5 454)	(5 454)
Share-based payments							1 065		1 065			1 065
Treasury shares						51			51			51
Other reserves							16		16			16
Set off the accumulated losses to the "share premium"									-			-
01/01/2017		**583**	**51 759**	**80**	**51 839**	**(90)**	**(4 312)**	**(73)**	**(4 474)**	**(100)**	**(9 111)**	**38 736**
Appropriation of the result prior period							(9 111)		(9 111)		9 111	-
Capital increase	9	2	226		226				-			228
Attribution of equity warrants									-			-
Change in unrealized foreign exchange differences									-	73		73
Variation in actuarial differences net of deferred taxes								18	18			18
Result for current period									-		(8 884)	(8 884)
Share-based payments							1 338		1 338			1 338
Treasury shares						51			51			51
Other reserves									-			-
Set off the accumulated losses to the "share premium"									-			-
06/30/2017		**584**	**51 985**	**80**	**52 065**	**(39)**	**(12 084)**	**(55)**	**(12 178)**	**(27)**	**(8 884)**	**31 561**

E. Statement of Consolidated Cash Flow

Consolidated Statement of Cash Flows (In thousands of euros)	Notes	06/30/2017 (6 months)	12/31/2016 (12 months)	06/30/2016 (6 months)
CONSOLIDATED NET RESULT		**(8,884)**	**(9,111)**	**(3,657)**
Allowances net of amortization, depreciation and provisions		509	429	65
Share-based payment		1,338	1,066	-
Gains and losses on disposals		-	(0)	-
Cost of net financial debt		-	9	9
Tax charge for the period , including deferred tax		14	(76)	(14)
OPERATING CASH FLOW		**(7,022)**	**(7,683)**	**(3,596)**
Changes in operating working capital requirement		**1,101**	**113**	**157**
Net cash flow from operating activities		**(5,922)**	**(7,569)**	**(3,439)**
Outflows on acquisitions of intangible assets		(120)	(141)	(47)
Outflows on acquisitions of tangible assets		(135)	(336)	(257)
Inflows on disposal of tangible and intangible assets		2	1	1
Outflows on acquisitions of financial assets		(163)	(30)	(74)
Inflows on disposal of financial assets		111	2	18
Net cash flow from investing activities		**(305)**	**(506)**	**(358)**
Capital increase or contributions		228	20,558	524
Contribution to the current account		-	-	0
Repayment of loans		(338)	(983)	-449
Net cash flow from financing activities		**(109)**	**19,575**	**75**
Net change in cash and cash equivalents		**(6,336)**	**11,500**	**(3,723)**
Cash and cash equivalents at start of the period	*8*	**41,773**	**30,273**	**30,273**
Cash and cash equivalents at end of the period	*8*	**35,437**	**41,773**	**26,551**

F. Notes annexed to the financial statements drawn up in accordance with IFRS standards

NOTE 1 PRESENTATION OF THE ACTIVITY AND MAJOR EVENTS

1 – INFORMATION CONCERNING THE COMPANY AND ITS ACTIVITY

MEDIAN Technologies ("the Company") is a corporation having a board of directors founded in 2002 and domiciled in France. The Company's headquarters are located at Les Deux Arcs - 1800 route des Crêtes – 06560 Valbonne.

The main areas of activity for the Company and its subsidiary (together designated as "the Group") are the publishing of software and providing of services in the area of medical imaging in oncology. The Group develops and markets software solutions and offers services optimizing use of medical images for the diagnosis and follow-u of cancer patients.

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

NOTE 2 Accounting principles, Evaluation methods, IFRS options applied

1 – PRINCIPLES FOR PREPARATION OF THE SUMMARY INTERIM FINANCIAL STATEMENTS

The Group's consolidated financial statements are drawn up on a voluntary basis in accordance with the IFRS referentiel (International Financial Reporting Standards) as adopted by the European Union, which is available on the European Commission Internet site:

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

These interim financial statements have been prepared in accordance with IAS 34 "Interim financial information" as adopted by the European Union. They do not include all information necessary for a complete set of the financial statements according to the IFRS. However, they include a selection of notes explaining the significant events and operations in view of grasping the changes occurring in the Group's financial situation and performance since the last consolidated annual financial statements for the financial year ended December 31, 2016.

The euro was used as the currency for presentation of the Group. Unless there is an indication to the contrary, the summary interim financial statements are presented in thousands of euros, with all values being rounded off to the nearest thousandth.

By nature, the Group activity is not of a seasonal nature.

These half-year consolidated financial statements were drawn up under the responsibility of the Board of Directors meeting of October 5, 2017.

2 – ACCOUNTING PRINCIPLES AND METHODS

The accounting methods applied in the summary interim financial statements are identical to those used by the Group in the consolidated financial statements based on the IFRS for the fiscal year ended December 31, 2016, with the exception of any standards, amendments and interpretations applicable to the Group for the first time at January 1, 2017:

<u>Principal standards, amendments and interpretations of mandatory application as of January 1, 2017</u>

- ✓ Amendment to IAS 7 – Initiative concerning to information to be furnished;
- ✓ Amendment to ISA 12 – Accounting for assets with deferred taxes in connection with unrealized losses;
- ✓ Annual improvements of the IFRS - Cycle (2014-2016) – amendments to IFRS 12.

The Group considers that the first apply of these standards should not have a significant impact on its results and financial situation.

<u>Principal standards, amendments and interpretations published by the IASB applicable in advance as of January 1, 2017 in the European Union.</u>

The Group did not apply these standards, amendments and interpretations in advance in the consolidated financial statements at June 30, 2017.

- ✓ IFRS 9 – Financial instruments;
- ✓ IFRS 15 – Income from ordinary activities derived from contracts entered into with customers;
- ✓ Annual improvements 2014-2016;
- ✓ IFRIC 22 "Transactions in foreign currency and anticipated compensation";
- ✓ IFRIC 23 - Uncertainties regarding income tax.

<u>**Concerning IFRS 15**</u>:
The European Union adopted the standard on September 22, 2016. IFRS 15 constitutes the frame of reference making it possible to determine whether revenues are to be accounted for, for what amount and when they must be. It replaces the existing provisions on accounting for revenue, particularly IAS 18 "Proceeds from ordinary activities" and IAS 11 "Construction contracts".

IFRS 15 will be in effect for the fiscal year starting on January 1, 2018.

In connection with application of the new standard IFRS 15, the Group launched a detailed analysis of the potential impacts of the standard on the revenues generated by transactions and contracts for the clinical trials activity. The first conclusions on the basis of an advance diagnosis are given below. They could be brought to progress or change according to the detailed analysis results underway.

As part of a clinical trials project, the main promise made by the group is to furnish a centralized medical imaging service that includes the preliminary project feasibility study and collection, processing, review, transmission and storage of the medical imagery data in connection with the phase I, II and III of the clinical trials.

The Group continues its reflection pertaining to the detailed analysis in progress, so as to determine whether this promise is a unique performance obligation or whether it includes other multiple elements. The group has not yet decided on the transitional method to be applied.

During the second half of 2017, the Group will proceed with finalization of the qualitative and quantitative analyses, as well as calculation of the impacts linked to application of this standard (number of performance obligations, date of transfer of control, lag in recognition of the revenues, presentation and communication of information in the Financial Statements). It will communicate the results of this study in the consolidated financial statements for the period ended December 31, 2017.

Concerning IFRS 9:

On July 21, 2014, the IASB finalized its plan to replace IAS 39 on financial instruments by publishing the full version of IFRS 9. The latter introduces significant changes from the current IAS 39 standard:

- ✓ The provisions for the classification and measurement of financial assets will now be based on a joint analysis of the management model for each asset portfolio and the contractual characteristics of the financial assets;
- ✓ The model of depreciation has, for its part, abandoned the current approach based on proven losses in favor of an approach oriented to the expected losses;
- ✓ The hedging section includes many significant advances in favor of a reconciliation between accounting and risk management policies.

The Group does not expect any significant change in the classification and measurement of financial assets given the nature of its operations.

IFRS 9 will be effective for fiscal years beginning on or after January 1, 2018.

Principal standards, amendments and interpretations published by the IASB applicable in advance at January 1, 2017 in the European Union.

In 2017, the principal standards published but not required to be applied and not yet approved by the European Union are:

- ✓ IFRS 16 – Leasing agreements;
- ✓ Amendments to IFRS 15 - Clarifications;
- ✓ Amendments to IFRS 2 - Classifications and valuation of share based transactions.

The impact on the consolidated financial statements of these standards, amendments and interpretations published by the IASB and not yet adopted by the European Union is being assessed by Management.

3 – USE OF JUDGMENTS AND ESTIMATES

So as to prepare the interim financial statements in accordance with the IFRS, estimates, judgments and assumptions have been made by the Group. They could affect the amounts submitted for asset and liability items, the liabilities possible on the date the financial statements were drawn up and the amounts shown for financial year income and expenses.

The significant judgments exercised by Management so as to apply the Group's accounting methods and the principal sources of uncertainty concerning estimates are identical to those having affected the consolidated financial statements of the fiscal year ended December 31, 2016.

4 – CONSOLIDATION PRINCIPLES AND METHODS

The company Median Technologies Hong Kong Limited was founded on April 13, 2017, so as to permit future implementation of the company's activities in Asia. The company plans soon to intensify its efforts in this region of the World in which development of the company is key today.

This company is wholly owned by Median Technologies SA and therefore comes within the consolidation scope of June 30, 2017.

NOTE 3 INTANGIBLE ASSETS

Intangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2017			12/31/2016		
Patents, licenses, brands	1,124	(888)	236	1,064	(826)	238
Other intangible assets	105	-	105	45	(5)	40
Total	**1,229**	**(888)**	**341**	**1,109**	**(831)**	**278**

Intangible assets consist mainly of software licenses obtained. Changes in balances over the period are analyzed as follows:

Intangible Assets (In thousands of euros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2017			12/31/2016		
Opening Balance	**1,109**	**(831)**	**278**	**967**	**(754)**	**213**
Additions	120	-	120	141	-	141
Terminated, discarded	-	-	-	-	-	-
Changes in depreciation and amortization	-	(57)	(57)	-	(77)	(77)
Effects of exchange fluctuations	-	-	-	1	(1)	(0)
Closing balance	**1,229**	**(888)**	**341**	**1,109**	**(831)**	**278**

Acquisitions of intangible assets involve advances paid related to implementation of the CTMS (Clinical Trial Management System". This new tool is to permit the company to increase its productivity gains by also improving the information systems.

NOTE 4 TANGIBLE ASSETS

Tangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2017			12/31/2016		
Construction, planning	94	(55)	38	94	(50)	43
Tangible assets under construction	1,016	(652)	364	911	(593)	318
Total	**1,110**	**(707)**	**403**	**1,005**	**(644)**	**361**

Changes in balances over the period are analyzed as follows:

Tangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
	6/30/2017			12/31/2016		
Opening Balance	**1,006**	**(644)**	**361**	**783**	**(527)**	**255**
Additions	117	(73)	44	222	-	222
Terminated, discarded	(6)	6	-	(1)	-	(1)
Changes in depreciation and amortization	-	-	-	-	(115)	(115)
Effects of exchange fluctuations	(6)	3	(3)	2	(1)	1
Closing balance	**1,110**	**(707)**	**403**	**1,006**	**(644)**	**361**

Equipment purchased over the period essentially involve computer equipment made available to company colleagues.

NOTE 5 ACCOUNTS RECEIVABLE AND OTHER CLAIMS

Accounts receivable and other claims are analyzed as follows:

Trade receivables (In thousands of euros)	6/30/2017	12/31/2016	Variation
Customers	1,478	1,694	(216)
Other receivables	409	677	(268)
Total	**1,887**	**2,371**	**(484)**

The fair value of the customer receivable and other claims is equivalent to the book value, taking account of the due date of less than one year.

No risk of non-payment of these customer receivables was identified as of June 30, 2017. No provision exists for depreciating customer receivables.

The other claims as of June 30, 2017 correspond principally to the deductible value added tax.

The customer receivable due date file at June 30, 2017 shows the following:

Trade receivables (In thousands of euros)	Total	Not yet due	1 to 30 days	30 to 60 days	60 to 90 days
Customers	**1,478**	631	307	253	288

The customer receivable due date listing at December 31, 2016 shows the following:

Trade receivables (In thousands of euros)	Total	Not yet due	1 to 30 days	30 to 60 days	60 to 90 days
Customers	**1,694**	968	488	179	59

NOTE 6 CURRENT FINANCIAL ASSETS

Current financial assets are analyzed as follows:

Current financial assets (In thousands of euros)	6/30/2017	12/31/2016	Variation
Cash mobilized as part of the liquidity contract	174	123	51
Total	**174**	**123**	**51**

The Group set up a liquidity contract at the time of its listing on the stock exchange for a maximum amount of €250K. This contract permits regulation of the stock exchange price.

This immobilized cash is immediately available in the event of termination of the service provider's contract. Such money has a maturity of 1 year at the most.

NOTE 7 OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

Other current assets (In thousands of euros)	6/30/2017	12/31/2016	Variation
Research tax credit	1,619	1,024	595
Export tax credit	-	40	(40)
Prepaid expenses	383	416	(33)
Miscellaneous	-	18	(18)
Total	**2,003**	**1,498**	**505**

The receivable for the research and development tax credit as of June 30, 2017 corresponds to:

- ✓ The proceeds from the research and development tax credit accounted for as of June 30, 2017 related to expenses of the first half of 2017 in the amount of €595K.
- ✓ The proceeds of the research and development tax credit related to expenses for the financial year 2016 in the amount of €1,024 K. As of this date, the company has not yet received reimbursement for the Research and development Tax Credit of 2016.

The Company has benefited from the research tax credit since it was founded, and this claim has been subject to reimbursement by the tax authorities during the subsequent period.

NOTE 8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the closing are broken down as follows:

Cash and cash equivalents (In thousands of euros)	6/30/2017	12/31/2016	Variation
Short term deposits	-	-	-
Liquid assets	35,440	41,776	(6,336)
Total	**35,440**	**41,776**	**(6,336)**

Distribution of the balance by currency is as follows:

Cash and cash equivalents (In thousands of euros)	6/30/2017	12/31/2016
Euros	34,751	41,391
USD	657	385
GBP	32	-
Total	**35,440**	**41,776**

The reconciliation between the amount of cash and cash equivalents appearing on the balance sheet and the amount of net cash in the cash flow statement is as follows:

Net Cash and Cash flow (In thousands of euros)	6/30/2017	12/31/2016	Variation
Cash and cash equivalents	35,440	41,776	(6,336)
Bank overdrafts	(3)	(3)	-
Total	**35,437**	**41,773**	**(6,336)**

NOTE 9 EQUITY

1 – CAPITAL AND ISSUANCE PREMIUMS

As of June 30, 2017, the Company's capital was composed of 11,688,069 shares divided between:

- ✓ 11,664,868 ordinary shares having a value of €0.05€ each;
- ✓ 23,200 class E preferred shares having a value of €0.05 each;
- ✓ 1 class B preferred share having a value of €0.05 each.

The class B preferred share is reserved for an industrial investor shareholder and gives the right to be represented at any time by a director on the Company's board of directors. It will automatically be converted into one ordinary share if certain statutory clauses are fulfilled.

The class E preferred shares are shares lacking voting rights but benefit from the same financial rights as the ordinary shares.

The changes occurring during the 2016 fiscal year and the first half of 2017 are as follows:

Capital (In thousands of euros)	Capital	Share premiums	Total	*Number of shares*
Total at January 1, 2016	**500,806**	**31,298,758**	**31,799,564**	***10,016,117***
Increase in capital (exercise of BSPCE) Q1/2016	1,592	254,728	256,320	*31,841*
Increase in capital (exercise of BSPCE) Q2/2016	1,488	238,208	239,696	*29,776*
Increase in capital (exercise of BSPCE) June 2016	330	27,390	27,720	*6,600*
Total at June 30, 2016	**504,216**	**31,819,084**	**32,323,300**	***10,084,334***
Special reserve	0	-16,252	-16,252	-
Increase in capital in Cash	75,385	19,524,611	19,599,996	*1,507,692*
Costs of increase in capital	0	-65,794	-65,794	-
Increase in capital (exercise of Warrant)	2,938	497,059	499,997	*58,754*
Total at December 31, 2016	**582,539**	**51,758,708**	**52,341,247**	***11,650,780***
Increase in capital (exercise of Warrant)	1,230	158,728	159,958	*24,609*
Increase in capital (exercise of BSPCE) Q1/2017	25	3,225	3,250	*500*
Increase in capital (exercise of BSPCE) Q2/2017	300	38,700	39,000	*6,000*
Increase in capital (exercise of BSPCE) June 2017 - CAT. E	309	25,647	25,956	*6,180*
Total at June 30, 2017	**584,403**	**51,985,008**	**52,569,411**	***11,688,069***

The fluctuations for fiscal year 2016 and 2017 are described in «2.c History of fund raising since listing on the Stock Exchange».

2 – EQUITY

In connection with the liquidity contract put in place following the listing on the stock market, the company has held treasury shares and realizes capital gains or losses on transfers and buybacks of these shares. These shares as well as the effect of capital gains and losses realized on the transfer and buyback of these treasury shares are carried by decreasing consolidated reserves.

As of December 31, 2016, the impact of the cancellation of 13,807 of its treasury shares, decreasing the consolidated reserves, came to the amount of -€90K. The amount deducted from the reserve of treasury shares takes into account the value of the shares as well as the gains or losses realized from the fluctuations affecting these treasury shares.

As of June 30, 2017, the impact of the cancellation of 9,607 of its treasury shares, decreasing the consolidated reserves, came to the amount of -€39K. The amount deducted from the reserve of treasury shares takes into account the value of the shares as well as the gains or losses realized from the fluctuations affecting these treasury shares.

These treasury shares are not intended to be allocated to employees in connection with a plan for allocating bonus shares and are not subject to regulation of stock market price in connection with the liquidity contract.

As of June 30, 2017, the company did not hold any other uncanceled treasury shares.

3 – OPTIONS FOR SUBSCRIBING TO SHARES

Using the authorization conferred by several general meetings, the board of directors issued several options plans descried in the chapter "2.e History of the options plans for subscribing to shares".

The impact of the statement on the overall result of the payments based on shares is reported in Note 17.

The financial instruments involved in the share based payment are the stock option plan, the warrants issued on April 5, 2012 and the free shares allocated in July and October 2016.

New Stock Option plan of June 26, 2017

The Extraordinary General Meeting on the date of June 22, 2017 authorized the board of directors to agree to options giving the right to subscribe to ordinary shares of the Company to be issued (hereinafter the "stock options"). The option plan that was adopted by the board of directors on the date of June 26, 2017 gives the following terms and conditions:

- ✓ Total number of options for subscribing to shares: 22,500;
- ✓ Share subscription price: 13 euros per share;
- ✓ The terms of validity of the options is seven (7) years following the date they were awarded by the board of directors, which is up to June 25, 2024 inclusive;
- ✓ The vesting condition is 4 years of service;
- ✓ The options are exercisable up to one quarter per year from the date of grant;
- ✓ Regulation of the plan remitted to employees includes the conditions for exercising the options, including in particular the obligation to be paid a salary by the company and/or the companies of the group specified in 1° of article L. 225-180 of the Commercial Code at the time the options are exercised.

The stock options have all been offered to employees of the American subsidiary Median Technologies Inc.

NOTE 10 PERSONNEL COMMITMENTS

1 – DEFINED RETIREMENT BENEFITS

Personnel commitments will be composed exclusively benefits subsequent to employment. In France, the Company contributes to the national pension plan and its commitments to employees in terms of pension are limited to a one-time benefit based on seniority and paid when the employee reaches retirement age. This retirement benefit is determined for each employee based on his seniority and his last expected salary. A provision has been recorded for this obligation under the defined benefits plan.

The Company does not have any asset covering the defined benefit plans.

The amounts recorded in the balance sheet for the defined benefits commitments are the following:

Employee benefits (In thousands of euros)	6/30/2017	12/31/2016	Variation
Provision for employee benefits	370	467	(97)
Total	**370**	**467**	**(97)**

a) **Changes in provisions existing in the balance sheet**

The changes in these commitments may be analyzed as follows:

Employee benefits (In thousands of euros)	6/30/2017	12/31/2016
Opening provision	**467**	**367**
Current service cost	(75)	54
Cost of interest	3	7
Charge in the year	**(72)**	**61**
Benefits paid	-	-
Net actuarial (gains) / losses	(25)	39
Closing provision	**370**	**467**

b) **Actuarial assumptions**

The main actuarial assumptions are the following:

Employee benefits (Actuarial assumptions)	06/30/2017	12/31/2016
Discount rate	1.67%	1.30%
Inflation rate	2.00%	2.00%
Salary increase rate	0.50%	0.50%
Social security costs	46%	46%
Mortality table	INSEE T68-FM 2008-2010	INSEE T68-FM 2008-2010
Retirement ages	Between 62 and 67 years	between 62 and 67 years
Basis of retirement	Voluntary retirement	Voluntary retirement

An analysis of the sensitivities was carried out for this system and on the key assumption of the discount rate. A change in this rate applied to the financial year considered for this system would have the following impact for the gross commitment of the Group under the defined benefit pension plan.

Sensitivity to the discount rate (In thousands of euros)	6/30/2017
Actuarial debt at 1,17%	414
Actuarial debt at 1,67%	**370**
Actuarial debt at 2,17%	331
Estimation duration (years)	**23**

2 – PENSIONS HAVING DEFINED CONTRIBUTIONS

In the United States, the Median Technology Inc. subsidiary contributes to a defined contribution plan that limit its commitment to the contributions paid. The amount of expenses reported for the first half of 2017 is not significant.

NOTE 11 CURRENT PROVISIONS

The current provisions listed in the consolidated balance sheet come to the following amounts:

Current Provisions (In thousands of euros)	6/30/2017	12/31/2016	Variation
Current Provisions	380	-	380
Total	**380**	**-**	**380**

Changes in provision balances between December 31, 2016 and June 30, 2017 are analyzed as follows:

Current Provisions (In thousands of euros)	12/31/2016	Provisions	Used	recovered	6/30/2017
Current Provisions for Risks (1)		380	-	-	380
Total	**-**	**380**	**-**	**-**	**380**

(1) A provision for litigation in the amount of €380 K was established to cover possible benefits to be paid in connection with company disputes, assessed by Company management and their counsel, based on the elements available to them.

It should be noted that the employer contribution on free shares had a current liability that was recorded under "Current provisions" at December 31, 2016 for an amount of € 228 K.

This contribution falls within the scope of IFRS 2 and its outcome is achieved by remitting cash to French social organizations.

Thus, its nature meets the characteristics of debts to employees and must therefore be recognized and presented under the heading "Trade and Other Payables".

The Group has therefore reclassified the financial statements for the year ended December 31, 2016 as if the debt had been recorded and presented under "Trade and Other Payables " for an amount of € 228 K.

This reclassification has no impact on the Group's results and shareholders' equity at December 31, 2016.

NOTE 12 LONG AND SHORT-TERM FINANCIAL LIABILLITIES

As of June 30, 2017, long and short-term financial liabilities were broken down as follows:

Financial debts (In thousands of euros)	6/30/2017	12/31/2016	Variation
Long-term financial debt	-	-	-
Short-term financial debt	122	459	(337)
Total	**122**	**459**	**(337)**

Long and short-term liabilities are composed mainly of the following items:

Court-term financial debt (In thousands of euros)	6/30/2017	12/31/2016	Variation
OSEO advances	119	456	(337)
Bank overdrafts	3	3	-
Total	**122**	**459**	**(337)**

<u>**OSEO advances**</u>:
In connection with its participation in the Innovation project, the Median Technologies Group has benefited from three repayable advances granted by OSEO in 2009, with a maximum amount of €2,875 K. The balance of these advances as of Jun 30, 2017 came to €119 K.

Repayments are made in accordance with the schedules specified when the contracts for advances were signed for the LESIO I and LESIO II projects. This advance is granted at a zero rate.

In application of the exemption specified by the IFRS 1 standard –"first adoption of the IFRS" (the date of transition to the IFRS being January 1, 2013), these advances were not subdivided into one part "subsidy" for the part corresponding to compensation for the advance obtained without charge and one part "financial debt".

The part of these advances for less than one year has been classified as current financial liabilities and as of June 30, 2017 comes to €119 K.

The Group repaid the amount of €338 K during the first half of 2017. It has not received any other subsidies.

NOTE 13 DEFERRED TAX LIABILITIES

Net deferred tax liabilities are analyzed as follows:

Origin of deferred tax - net (In thousands of euros)	6/30/2017	12/31/2016	Variation
- charges temporarily non-deductible	-	-	-
- tax losses carried forward (2)	751	761	(10)
- consolidation adjustments of the following:			
. Retirement and pension	104	131	(27)
. Intragroup provisions (1)	(1,222)	(1,243)	21
. Miscellaneous	-	-	-
Total (3)	**(367)**	**(351)**	**(16)**

(1) A deferred tax liability was observed in the provision was recognized the Company's accounts regarding the advances the Company granted to its subsidiaries. The provision for these advances is fiscally deductible in the company accounts. These advances came to €4,363 K as of June 30, 2017 (€4,438 K as of December 31, 2016).

(2) As of June 30, 2017, a deferred tax asset for the deficits carried forward of €751 K (€761 K as of December 31, 2016) was observed on the deferred tax liabilities, taking into account, however, the French tax legislation, which caps the charging of deficits carried forward at 50% of taxable profits for the financial year, with this limitation being applicable to the fraction of the profits exceeding 1 million euros. The Group has not selected all of the tax deficits able to be indefinitely carried over in France. The balance of the tax deficits not selected as of June 30, 2017 came to the amount of €67,964 K (€59,754 K as of December 31, 2016).

(3) Since the deferred tax assets and liabilities were observed for the Company alone, the deferred tax assets and liabilities have been offset.

The changes in deferred taxes were made up as follows:

Deffered tax - net (In thousands of euros)	**6/30/2017**	**12/31/2016**
Opening balance	**(351)**	**(440)**
Deferred tax expense in profit or loss	(10)	79
Tax expense deferred in other comprehensive income items	(7)	11
Closing balance	**(367)**	**(351)**

The deferred taxes on income and other elements of the total results (OCI) were therefore made up of:

Deffered tax - net (In thousands of euros)	**6/30/2017**		**12/31/2016**	
	Résultat net	**OCI**	**Résultat net**	**OCI**
- charges temporarily non-deductible	-	-	-	-
- tax losses carried forward	(10)	-	(134)	-
- consolidation adjustments of :				
. Retirement and pension	(20)	(7)	(2)	11
. Intragroup provisions	21	-	215	-
. Miscellaneous	-	-	-	-
Total	**(10)**	**(7)**	**79**	**11**

NOTE 14 ACCOUNTS PAYABLE AND OTHER CURRENT LIABILTIES

The breakdown by nature is the following:

Trade and others payables (In thousands of euros)	6/30/2017	12/31/2016	Variation
Supplier accounts payable	1,039	966	73
Tax liabilities	31	242	(211)
Social security liabilities (1)	2,698	1,581	1,117
Supplier account payable on assets	-	18	(18)
Deferred income	75	93	(18)
Short-term payment advances received by customer's (2)	2,599	2,492	107
Other payables	66	22	44
Total	**6,507**	**5,415**	**1,092**

All of the accounts payable and other debts have a due date of less than one year.

(1) Social liabilities involve salaries, social security and provisions for paid vacations. The increase in personnel expenses corresponds largely to legal and transactional benefits that may be occurred/legalized during the period.

- ✓ Legal and transactional indemnities payable in the context of redundancies during the period for an amount of € 312 thousand. This debt is payable on redundancies and transactions already booked during the period, unlike the liabilities assessed on possible disputes arising during the period and recognized as a current provision.

- ✓ A provision for taxes in the amount of €525 K was established following the allocation of bonus shares decided by the Board of Directors meeting of July 22, 2016 for the benefit of French employees. This provision is related to the specific employer contribution, which comes to 20% of the share value on the acquisition date and which is payable on the month following the acquisition date (AGA 2016 A due date: August 2017) The provision is spread out over the acquisition period defined in the plans. This provision was therefore calculated by applying the share price as of 06/30/2017 for the AGA 2016 B for which the acquisition period runs until 07/22/2018 and to 07/22/2017 for the AGA 2016 A, the maturity date of the acquisitions period for this AGA plan.

(2) Advances received from customers at less than one year correspond to the down payments received upon the signing of the "Clinical Trials" contracts ("initial payment"). The functioning of these advances received is described in note 15 below. As of June 30, 2017, the balance of these advances remained stable in comparison with the balance as of December 31, 2016.

NOTE 15 OTHER NON-CURRENT LIABILITIES

As of June 2017, the other non-current liabilities were broken down as follows:

Non-current other liabilities (In thousands of euros)	6/30/2017	12/31/2016	Variation
Long-term payment advances received by customer's	1,086	1,126	(40)
Total	**1,086**	**1,126**	**(40)**

Other non-current liabilities correspond to the advances received from customers at the start of the contract for the "Clinical Trials" activity. These advances are deducted from the customer invoicing at the same rate as progress in services carried out and recognized as revenues. They will be repaid in the event that the clinical trial ends.

The amount of such advances not discharged as of June 30, 2016 came to €3,686 K. The part of such advances is listed in the heading "Accounts Payable and other current liabilities" and came to €2,599 K (Cf. Note 14 above).

NOTE 16 REVENUE

1 – REVENUES BY GEOGRAPHIC AREA AND NATURE OF PRODUCT

Revenue	6/30/2017			6/30/2016			Variation
(In thousands of euros)	France	Export	Total	France	Export	Total	
Services	97	3,861	3,958	148	2,748	2,896	1,062
Sale of licenses	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	14	14	(14)
Total	**97**	**3,861**	**3,958**	**148**	**2,762**	**2,910**	**1,048**

Geographic areas are divided according to destination.

Revenue split by geographic areas (In thousands of euros)	6/30/2017	12/31/2016	Variation
France	97	148	(51)
USA/Canada	1,250	1,036	214
UE	1,980	1,580	400
Other areas	631	147	484
Total	**3,958**	**2,910**	**1,048**

The Group continues its growth policy and intends each day to enlarge its presence and increase its activity with large pharmaceutical groups. At this time the Group is listed with most of the large world laboratories. Nevertheless, in the first half of 2017, the Group reported that one of its main customers represented more than 42% of revenues through different clinical studies conducted for different sponsors.

As of June 30, 2017, the Company's revenues came to €3,958 K (as opposed to €2,910, during the preceding period, an increase of 36% in revenues over the period. This increase in activity over the first half of 2017 comes to validate the objectives of management, thanks to continuation of contracts in progress and the start of contracts signed with pharmaceutical groups at the end of last year and during the first half of 2017 with in connection with clinical trials.

NOTE 17 PERSONNEL EXPENSES

Details of personnel expenses are analyzed as follows:

Staff costs (In thousands of euros)	Notes	6/30/2017	6/30/2016	Variation	Variation
Salaries		5,151	3,081	2,070	67%
Social security costs		1,897	1,123	774	69%
Research tax credit		(595)	(423)	(172)	41%
Total		**6,453**	**3,781**	**2,672**	**71%**
Share-based payments	17	1,339	2	1,337	
Employee benefits	10	(75)	27	(102)	
Total		**7,717**	**3,810**	**3,907**	**103%**
Average employee numbers		**100**	**76**	**24**	**32%**

The research tax credit corresponds to a subsidy granted by the State based on charges incurred in connection with research and development efforts.

Expenses incurred by the Group in this area and eligible for the research tax credit correspond essentially to personnel expenses, which explains the deduction of the research tax credit from personnel expenses. Research and Development expenses eligible for the research tax credit came to €1,733 K during the first half of 2017, compared to €1,431 K in the first half of 2016.

The increase in the average staff is explained by the increase in the staff at the Group's American Subsidiary.

NOTE 18 SHARE-BASED COMPENSATION PAYMENTS

As of June 30, 2017, the share based payment agreements for the Group still underway were as follows:

- ✓ the stock option programs;
- ✓ the free share programs; and
- ✓ the warrants and BSPCE (stock options for start-ups with tax privileges).

These agreements are all governed by Group equity instruments
The expenses for the period correspond mainly to the programs for awarding free shares and the expense of the stock option program as described in the respective notes below.

1 – STOCK OPTION PROGRAM

The Group put a program in place for awarding free shares, which gives the right to the firm's principal managers and employees to acquire the Company's shares without charge.

On the dates of July 22, 2016 and October 6, 2016 the Board of Directors of the Median Technologies decided to use this delegation of power and awarded free shares to its employees through plans A, B, C and D.

The main characteristics of these four plans are summarized below:

Plan no.	Grant date	Personnel involved	Number of options	Vesting conditions	Contractual life of the options
Plan A	July 22, 2016	Senior management	162,523	1 year of service	1 year
Plan B	July 22, 2016	Senior management	152,522	2 years of service	1 year
Plan C	October 6, 2016	Senior management	186,873	Variable	Specific
Plan D	October 6, 2016	Senior management	186,872	Variable	Specific
Total			**688,790**		

(*) The number of potential shares to be issued by the Group under plan B was decreased by 10,000 shares following the departure of a senior Executive, who therefore no longer fulfills the conditions for acquisition of the rights. The amount of the expense recognized for the financial year ended December 31, 2016 in the amount of €18 K was reversed was income in favor of a reserve account.

Specificities related to plans C and D: the AGA 2016 C and D were entirely allocated to employees of the American subsidiary Median Technologies Inc. Their acquisition is conditioned to the presence of the beneficiaries and the occurrence of a launching event (listing on the stock market change in control, etc.) before a certain date. In accordance with standard IFRS 2, the expense linked to awarding these free shares was valued based on the fair value of the shares on the date awarded based on the following principal assumptions:

	Plan A	Plan B	Plan C	Plan D
Share subscription price	8.99	8.99	8.48	8.48
Dividend rate	0%	0%	0%	0%
Discount for non-transferability	10%	10%	0%	0%
Fair value	8.09	8.09	8.48	8.48

Therefore, the expense recognized for the first half of 2017 for the free shares came to €1,356 K.

New stock option program during the first half of 2017

On June 22, 2017, the group launched a new stock option program for shares that gives Group employees and executives the right to acquire Company shares. This meeting delegated to the board of directors the opportunity to allocate executives and employees of the Median Group a maximum number of 300,000 options.

Under this program, the board of directors meeting of June 26, 2017 awarded 22,500 options, whose characteristics are the following:

Plan no.	Grant date	Personnel involved	Number of options	Vesting conditions	Contractual life of the options
Plan N°4	June 26, 2017	Senior management	22,500	4 years of service	7 years
Total			**22,500**		

Therefore, the expense recognized for the first half of 2017 is not significant for the stock options and comes to €0.5K.

The stock options were allocated to employees of the American subsidiary Median Technologies Inc.

The principal assumptions used for determining the expense resulting from share based payments by application of the Black-Scholes model for valuation of the fair value of these options were the following:

	Plan 4
Price of the underlying on the grant date	12,40
Stike Price	13,00
Expected volatility	40%
Maturity	7
Risk-free return rates	1,67%
Dividend rates	0%
Fair Value of Option	5,26

The expected volatility was assessed taking into account the historic volatility of the share price of a group of comparable listed companies, particularly over the historic period compatible with the expected term.

Former stock option programs

On April 1, 2011 and April 5, 2012, the Group put stock option programs in place that give the firm's principal executives and employees the right to acquire the Company's shares. These two general meetings delegated to the board of directors the opportunity to allocate executives and employees of the Median Group a maximum number of 300,000 options.

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 charge recognized for the first half of 2017 in respect of these stock options amounts to € 1K and that recognized in the first half of 2016 is € 2K.

The fluctuations in free shares occurring during the 2017 period are indicated in Note 9.3.

NOTE 19 EXTERNAL EXPENSES

External expenses are analyzed as follows:

External costs (In thousands of euros)	6/30/2017	6/30/2016	Variation
Subcontracting	1,127	624	503
Rental and lease expenses	414	264	150
Repairs and maintenance	89	49	40
Insurance premiums	35	31	4
External services - various	431	279	152
External staff	150	-	150
Intermediate and fees	997	760	237
Advertisement	111	97	14
Transport	33	33	-
Travel, assignments and entertainment	580	292	288
Postal & telecommunications expenses	54	44	10
Banking services	47	21	26
Other services - various	11	14	(3)
Other operating expenses	112	53	59
Total	**4,190**	**2,560**	**1,630**

As of June 30, 2017, external expenses came to €4,190 K in contrast to €2,560 K as of June 30, 2016. This change of €1,630 K in expenses is explained essentially by:

- ✓ the increase of €503 K in recourse to subcontracting for the pharmaceutical projects mainly in association with development of the activity;
- ✓ the increase of €150 K in leasing costs for the period are related to establishment of new offices in the United States in Woburn for the development of the subsidiary and our activities in the U.S. during May 2016, and also the increase in costs of leasing servers used by the company for its activity;
- ✓ The Group had recourse to subcontracted temporary personnel, in France as well as in other countries for its different operating services, so as to meet the increases in activities that affect numerous services;
- ✓ The increase of €237 K in professional fees that are mainly due to recruiting during the period as well as fees linked to different inspections and audits of the company;
- ✓ The increase in travel costs come within the Group's strategy for pursuing its development in France and other countries. Development of the company followed its course, particularly in Asia during the first half of the year. As a result of very great strengthening of the sales teams toward the end of the 2016 financial year and at the beginning of 2017, expenses associated with travel and missions greatly increased during the period;
- ✓ the increase in all of the other external expenses (Insurance, advertising, postal expenses, banking services, etc.), taking into account the Group's very strong development.

NOTE 20 FINANCIAL INCOME

Financial income is analyzed as follows:

Net financial result (In thousands of euros)	6/30/2017	6/30/2016	Variation
Interest and financial charges paid	-	(9)	9
Loss on investments	(3)	(7)	4
Cost of net financial debt	**(3)**	**(17)**	**14**
Exchange Loss	(194)	(85)	(109)
Others financial charges	-	-	-
Other financial charges	**(194)**	**(85)**	**(109)**
Exchange Gain	10	25	(15)
Other Investment income	20	40	(20)
Other Investment income	**30**	**65**	**(35)**
Total financial result	**(168)**	**(37)**	**(131)**

NOTE 21 INCOME TAX

Income tax expense is broken down as follows:

Tax on profit or loss (In thousands of euros)	6/30/2017	6/30/2016	Variation
Payable tax - France	-	-	-
Payable tax - Abroad	4	-	4
Deferred taxes - net	10	(14)	24
Total	**14**	**(14)**	**28**

NOTE 22 INCOME PER SHARE

The number of shares used to calculate the income per share is equal to the average weighted number of ordinary shares outstanding during the financial year, from which the treasury shares were deducted.

Net result per share (In thousands of euros)	6/30/2017	6/30/2016	Variation
Weighted average number of ordinary shares outstanding	*11,664,868*	*10,067,313*	*1,597,555*
Treasury shares	*(9,607)*	*(18,833)*	*9,226*
Total shares	***11,655,261***	***10,048,480***	***1,606,781***
Number of potential shares	***13,697,652***	***11,614,379***	***2,083,273***
Net result	(8,884)	(3,657)	(5,227)
Earnings per share (en euros)	**-0.76**	**-0.36**	(0.40)

Potentially diluting instruments are described in Note 9.3. During the periods presented, the instruments giving a right to the capital on a deferred basis (Founders share warrants, share purchase warrants) are considered as anti-diluting as they lead to a reduction in the loss unit. Therefore, the diluted income unit is identical to the base income unit.

NOTE 23 OFF BALANCE SHEET COMMITMENTS AND OTHER POSSIBLE LIABILITIES

1 – LEASING

The Group is the leaseholder for the premises. It has 2 leasing agreements for its sites:

- ✓ Valbonne: The leasing agreement is for a term of 9 years and will end on October 15, 2024 at the latest. The leasing agreement is a commercial lease and may be terminated every three years following the effective date of the leasing agreement, which was October 16, 2015.

- ✓ Woburn: The leasing agreement is a commercial lease for a term of 3 years and will end on April 30, 2019 at the latest. The agreement took effect on May 1, 2016.

As of June 30, 2017, the total amount of the future minimum payments to be made under the operating leases (period not able to be canceled) is the following:

Rentals (In thousands of euros)	**6/30/2017**
within one year	295
between one and five years	123
Total	**418**

2 –POSSIBLE ASSETS AND LIABILITIES

Operating licenses for software and patents

According to the provisions of the licensing agreements with the University of Chicago, the Company owes this institution the following amounts, not yet recognized as of June 30, 2017:

- ✓ Royalties equal to 1% of the revenues generated by the Company for the CAD-Lung software after June 30, 2017. It should be noted that the agreement stipulates that the Company will in all cases have to pay the University of Chicago a minimum of $15,000 in royalties for each calendar year (provisioned in the balance sheet as of June 30, 2017.

- ✓ $45,000 when the Company has obtained the administrative authorizations necessary for sale of the CAD-Colon software either in the United States, Japan or Europe, as well as $30,000 when the cumulative sales of the CAD-Colon software have surpassed $1,000,000. It should be noted that the Company decided in early 2009 to discontinue sale of the CAD-Colon software.

- ✓ Royalties equal to 1.5 to 2.0 % of the revenues to be generated by the Company for the CAD-Colon software after June 30, 2017. It should be noted that the agreement stipulates that the Company will in all cases have to pay the University of Chicago a minimum of $15,000 in royalties for each calendar year. It should be noted that as the Company has decided to no longer sell the CAD-Colon software and in agreement with the University of Chicago, this agreement will not be applicable unless the Company subsequently resumes sales of the software.

NOTE 24 TRANSACTIONS WITH ASSOCIATED PARTIES

Compensation of principal executives

The principal executives consist of the members of the Company's Board of Directors. Compensation paid or to be paid to the principal executives is as follows:

Remuneration of senior directors (In thousands of euros)	6/30/2017	6/30/2016	Variation
Wages and salaries (including social security contributions)	925	537	388
Wages and salaries to be paid (including social security contributions)	274	68	206
Share-based payments	934	-	934
Pension obligations	-	37	(37)
Director's fees	50	25	25
Total	**2,183**	**667**	**1,516**

The increase in compensation paid to executives corresponds to:

- ✓ The arrival in the Board of Directors of a new company executive in the second half of 2016.
- ✓ The amount of share-based payments, following the allocation of bonus shares in the second half of 2016.The Group does not have any other transactions with the principal executives.

The Group does not have any associated parties other than members of the Board of Directors.

The Group has not entered into any other significant transactions with related parties.

Over the period, the number of senior directors was 3, compared to 2 the previous year.

NOTE 25 DIVIDENDS

No dividend was paid by the Group during the first half of 2017, just as during the course of the financial year ended December 31, 2016.

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

PERIOD FROM JANUARY 1, TO JUNE 30, 2017

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 5, 2017

THE CHAIRMAN

MEDIAN Technologies

Fredrik BRAG