



# Half-Year Financial Report

## June 30, 2023

Median Technologies SA

*This is a free translation into English of the Financial Report issued in French and it is provided solely for the convenience of English-speaking users.*



## PRESENTATION OF THE GROUP

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## A. OVERVIEW

*Median Technologies is a French joint stock company (Société Anonyme) with a Board of Directors, founded in 2002 and domiciled in France. Our Company is located in the Sophia Antipolis Technopole in the Alpes Maritimes region of France, where our head office is based. This site brings together most of our teams, including all Research and Development (R&D) staff for our two activities, iCRO and iBiopsy®. Our Company also has several operational and commercial subsidiaries:*

- *Median Technologies Inc. in the United States and,*
- *Median Medical Technology (Shanghai) Co, Ltd. in China.*

*The Company has been listed on the Euronext GROWTH market in Paris since 2011. (Mnemonic code: ALMDT - ISIN: FR0011049824). Median has been labeled “Innovative Enterprise” by BPI Financement.*

### **Transforming images into meaningful, actionable insights to provide better patient care**

Median Technologies is helping conquer cancer and fibrotic diseases by extracting powerful clinical insights from patients’ medical images.

We are an innovative health technology company with medical imaging expertise.

We deploy proprietary Artificial Intelligence (AI), computer vision, and signal processing technologies to develop software as medical devices that revolutionize medical imaging analysis in routine radiology on the one hand while optimizing the use of images in clinical trials and drug development plans for pharma players on the other.

By harnessing our technologies, we transform images into meaningful, actionable insights to help better diagnose, treat, and monitor patients.

We specialize in image processing for oncology, a therapeutic area where imaging plays a vital role, since it is deployed throughout the patient care cycle and in all solid tumor cancers.

We have acquired additional expertise in fibrotic disease imaging, specifically for non-alcoholic steato hepatitis (NASH).

Our activities are positioned in two segments, namely drug development and patient care. For both segments, we add value to three aspects of business:

**1- More value for clinical trials:** by deploying our proprietary medical image analysis and management technologies, we extract efficacy data for oncology drug candidates and streamline image management in clinical trials through an end-to-end quality process;

**2- More AI-driven actionable data for new oncology drugs:** we partner with pharmaceutical companies to identify early-stage patients for inclusion in clinical trials, discover predictive imaging biomarkers and develop companion tests, all through AI technologies;




**3- Earlier and more accurate AI-driven diagnosis:** we develop non-invasive early-stage diagnosis solutions for routine clinical use, particularly for screening programs.

To date, we are present in the US, currently the world’s largest healthcare and drug development market, as well Europe, and China, a rapidly expanding region for the clinical development and healthcare markets.

**Two divisions for two aspects of healthcare innovation: therapeutic innovation and medical device innovation**

Our Company is structured into two divisions: **iBiopsy®** which seeks to market software as medical devices for earlier and more accurate diagnosis of patients through imaging and **iCRO** which maximizes transformative imaging in new oncology drug development plans and clinical trials in the pharmaceutical industry.

**iBiopsy®** Leveraging iBiopsy®, we intend to shift the imaging diagnostic paradigm for cancers and fibrotic diseases. Propelled by AI and Machine Learning technologies, we are developing software as medical devices to help healthcare professionals diagnose patients earlier and more accurately using medical images. At present, iBiopsy® is targeting three life-threatening diseases that have a huge impact in terms of public health: lung cancer, primary liver cancer, and non-alcoholic steato hepatitis (NASH).

 <p><b>Lung Cancer</b></p> <p><b>Lung cancer</b> is the main cause of death by cancer worldwide, leading to 1.8 million deaths in 2020. By 2030, lung cancer is predicted to cause 2.4 million deaths the world over. The five-year survival rate stands at 18% and early detection is vital given the poor prognosis rate of this cancer Source: <i>Global Cancer Observatory</i> <a href="https://gco.iarc.fr/">https://gco.iarc.fr/</a></p>	 <p><b>Liver Cancer</b></p> <p><b>Hepatocellular Carcinoma (HCC)</b> accounts for 90% of primary liver cancers. It is the third-largest cause of death by cancer on a global scale. Deaths by primary liver cancer are rising across the world and could reach 1.1 million in 2030. The five-year survival rate for liver cancer is 10% - Source: <a href="https://www.the-nash-education-program.com/what-is-nash/">https://www.the-nash-education-program.com/what-is-nash/</a></p>	 <p><b>Liver Fibrosis</b></p> <p><b>Non-alcoholic steato hepatitis (NASH)</b> is the manifestation in the liver of a metabolic disorder leading to chronic inflammation of the liver and fibrosis. A patient developing NASH is considered as having a high risk of developing liver cancer. The World Health Organization (WHO) currently views NASH as a pandemic affecting between <b>1.5% and 6.5%</b> of the global population. If NASH is detected in the early stages, it can be reversed.</p>
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To date, our most advanced development program is the iBiopsy<sup>®</sup> Lung Cancer Screening (LCS) CADe/CADx<sup>1</sup> software as medical device (SaMD).

In 2022, Median Technologies reported outstanding sensitivity and specificity performances for algorithms in detecting and characterizing cancerous lung nodules. This innovation paves the way for early diagnosis of lung cancer, providing new opportunities to implement lung cancer screening programs. Ultimately, such developments bring a newfound sense of optimism for millions of patients considering the highly unfavorable prognosis of lung cancer, which in most cases, is diagnosed at an advanced stage. In the United States, where lung cancer screening is effective since 2013, the target population is 14.5 million people. In Europe, the lung cancer screening target population is 22 million people (e), assuming the same eligibility criteria as the United States.

Median's clinical development programs targeting liver cancer, non-alcoholic fatty liver disease (NAFLD)/non-alcoholic steato hepatitis (NASH) and incidental lung cancer diagnoses also continued in 2022.

**iCRO** **iCRO provides services for image management and analysis in oncology clinical trials.** Our clients are pharma labs and biotech companies positioned in the oncology therapeutic area, which is currently the biggest in terms of both the number of clinical trials undertaken throughout the world, and R&D investments by the biopharma industry. iCRO is a commercial activity that generates all of the Company's revenue. The iCRO activity is structured around workflow services to manage medical images in clinical trials and the iSee<sup>®</sup> proprietary imaging platform which is used to analyze images.

Median Technologies provides imaging services for oncology trials the world over, through its French headquarters in Europe, its Boston subsidiary in the United States, and its Shanghai subsidiary which caters to the local Chinese market. The Company has already worked with 80+ players across the pharmaceutical industry, consisting of big pharma and biotech companies. We also partner with large contract research organizations (CRO), which use our imaging services and solutions to round out their traditional expertise in managing clinical trials. We provide imaging services for phase I to phase III oncology trials. At December 31, 2022, Median had contributed to 220 clinical trials, most of which being phase III studies (79), leading to new drug marketing approval.

Our imaging services offer is structured around our proprietary imaging platform iSee<sup>®</sup>, which provides an expert reading of images for our clients, by automating and standardizing detection of solid cancer tumors, selecting and measuring them and enabling monitoring over time of the patient's response to treatment, which is the key efficacy indicator for new drugs.

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<sup>1</sup> A radiological CADe device is "intended to identify, mark, highlight or otherwise direct attention to portions of an image that may reveal abnormalities during interpretation of images by the clinician." A CADx device is "intended to provide information beyond identifying abnormalities, such as an assessment of disease."

iSee® measures standard and advanced biomarkers by using various imaging criteria from RECIST 1.1 up to more specific criteria such as lesion volume, mRECIST or iRECIST. iSee® enables image analysis for follow-up on all solid tumor cancers.

Since May 2022, Median has bolstered its iCRO services offering with a suite that integrates AI into cancer drug development plans. The new offering – Imaging Lab – is designed to support the paradigm shift of pharmaceutical companies with a focus on new therapies targeting patients with early-stage cancers. The entity provides new answers in a number of priority areas that determine the success of clinical trials, unlocking AI to include patients with early-stage diseases in addition to discovering predictive biomarkers of response to drug candidates. The goal is to optimize clinical development plans for new molecules, which includes facilitating Go/No-Go decisions to boost the success rate of clinical trials. This rate is especially low in oncology, generating an average development cost of \$2.8 billion to bring a new molecule to market, compared with an average of \$1 billion per new molecule brought to market for other therapeutic areas<sup>2</sup>.

### **Impactful clinical and technological partnerships**

Since the Company's creation, we have built trusted partnerships with leading medical centers throughout the world and strategic collaborations with technological industries that are leaders in their fields worldwide.

### **Behind our technology, our teams**

As individuals and as a team, we are guided by four corporate values that we consider essential: giving meaning to innovation in healthcare, making patients the focus of our purpose, helping our clients to reach their goals, and promoting quality as an overriding factor for both our expertise and soft skills. These values define who we are, what we do, the way that we do it, and what we aspire to be.

We strive to apply these values in our relations between co-workers within the Company, as well as in our relations with clients and partners. They are also central to implementing the products we work on.

We are changing the way medical images are used in clinical trials and in patient care, we extract the most advanced, imaging biomarkers non-invasively, so that they become the standard for developing new therapies, for the diagnosis of patient diseases and for patient care. In our day-to-day work, there is no greater satisfaction than making a difference that will assist in saving or improving the lives of millions of patients.

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<sup>2</sup> <https://www.biopharmadive.com/news/new-drug-cost-research-development-market-jama-study/573381/>

## B. MEMBERS OF THE BOARD OF DIRECTORS

*Our Board of Directors provides key expertise from the industrial, clinical, financial and strategic fields. It is chaired by Oran Muduroglu.*

### ORAN MUDUROGLU - Chairman



Oran Muduroglu is a well-known figure in healthcare technologies, having successfully developed solutions that improve quality and access to health information. Oran benefits from over 30 years' experience in the health industry and has held CEO and Board member positions at companies such as Verily, Medicalis, Philips Medical Systems and Stentor. He graduated in engineering sciences from King's College London.

### FREDRIK BRAG - Chief Executive Officer and Director



Fredrik Brag founded the company in 2002, bringing years of expertise in business development, fund-raising operations and Initial Public Offerings (IPOs) for technology companies.

Previously, he was Vice President for HealthCenter/Focus Imaging, a position in which he gained significant experience in the field of specialized medical imaging and information and communications technologies. He graduated from the Stockholm School of Economics.

### OERN STUGE - Director



Dr. Oern Stuge is President of Orsco Life Sciences AG. Oern has participated in company development projects resulting in 7 successful disposals and IPOs. Prior to founding Orsco, he worked for Medtronic, Inc. for 12 years as a member of the Group's Executive Committee, as well as its Operations Committee. Dr. Stuge successfully conducted a repositioning of Medtronic's Cardiac

Surgery business on a global scale. Under his leadership, Medtronic founded the Structural Cardiopathy division and launched and marketed the first percutaneous cardiac valve in the world. He graduated from the Oslo University of Medicine and holds a Master of Business Administration (MBA) from the IMD Business School in Lausanne, Switzerland.

### KAPIL DHINGRA - Director



Dr. Kapil Dhingra is the head of KAPital Consulting, and also a member of the Board of Directors of several companies in the life sciences domain, namely Advanced Accelerator Applications, Exosome Diagnostics Inc., Autolus, and Five Prime, Inc. In the past, he has sat on the Boards of Directors of companies such as Biovex, Micromet, Algeta, and YM Biosciences which were subsequently acquired by major pharmaceutical groups. Dr. Dhingra also worked for more than 25 years in oncology research and development, including nine years at Hoffman-La Roche where he held multiple positions, notably Vice President, Director of Strategy for Oncology and Director of Clinical Development in Oncology.

### TIM HAINES - Director



Tim Haines is a Managing Partner at Abingworth. He has more than 30 years of experience in international management in both public and private companies within the life sciences industry. Tim is a Board member in numerous companies forming part of Abingworth's portfolio. Tim holds a Bachelor of Science (BSc) from the University of Exeter and an MBA from INSEAD Business School.

## C. FUND-RAISING HISTORY SINCE THE IPO

Date	Historical record	Number of shares	Share capital (in €)	Fund raising (in €)
	<b>Share capital prior to listing</b>	<b>4,349,482</b>	<b>217,474</b>	
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 exercise of founder's share warrants; Subscription of new shares in the company by Canon Inc. (15%); The Company issued <b>1 B preference share</b> .	<b>1,468,336</b>	<b>73,417</b>	<b>12,012,675</b>
2012	Two Mutual Funds for Innovation managed by OTC Asset Management subscribed new shares; Shares issued following the exercise of founder's share warrants	<b>84,500</b>	<b>4,225</b>	<b>821,200</b>
2013	Six Mutual Funds for Innovation were signed totaling 132,132 new shares at €10.60 per share.	<b>132,132</b>	<b>6,607</b>	<b>1,400,599</b>
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; <b>E Preference shares</b> issued following the exercise of founder's share warrants.	<b>2,226,642</b>	<b>111,332</b>	<b>20,018,562</b>
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 exercise of founder's share warrants and BSA; <b>E Preference shares</b> issued following the exercise of founder's share warrants.	<b>1,754,325</b>	<b>87,716</b>	<b>20,667,944</b>
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 exercise of founder's share warrants and BSA; <b>E Preference shares</b> issued following the exercise of founder's share warrants.	<b>1,635,363</b>	<b>81,768</b>	<b>20,629,364</b>
2017	Shares issued following the exercise of free Shares, founder's share warrants, and BSA; <b>E Preference shares</b> issued following the exercise of founder's share warrants.	<b>324,123</b>	<b>16,206</b>	<b>1,313,964</b>
2018	Shares issued following the exercise of free Shares.	<b>152,522</b>	<b>7,626</b>	-
2020	Shares issued following the exercise of Stock Options.	<b>11,000</b>	<b>550</b>	<b>15,950</b>
2021	Capital increase in cash through the issue of 2,446,285 shares with attached equity warrants priced at €11,5 per share, of which €0.05 is nominal value and €11,45 share premium, the 29th of March 2021; Shares issued following the exercise of Stock-options, free Shares, founder's share warrants and BSA.	<b>3,355,024</b>	<b>167,751</b>	<b>34,827,677</b>
2022	Shares issued following the exercise of free Shares and Stock Options.	<b>308,000</b>	<b>15,400</b>	<b>76,725</b>
	<b>Share capital as of June 30, 2023</b>	<b>15,801,449</b>	<b>790,072</b>	

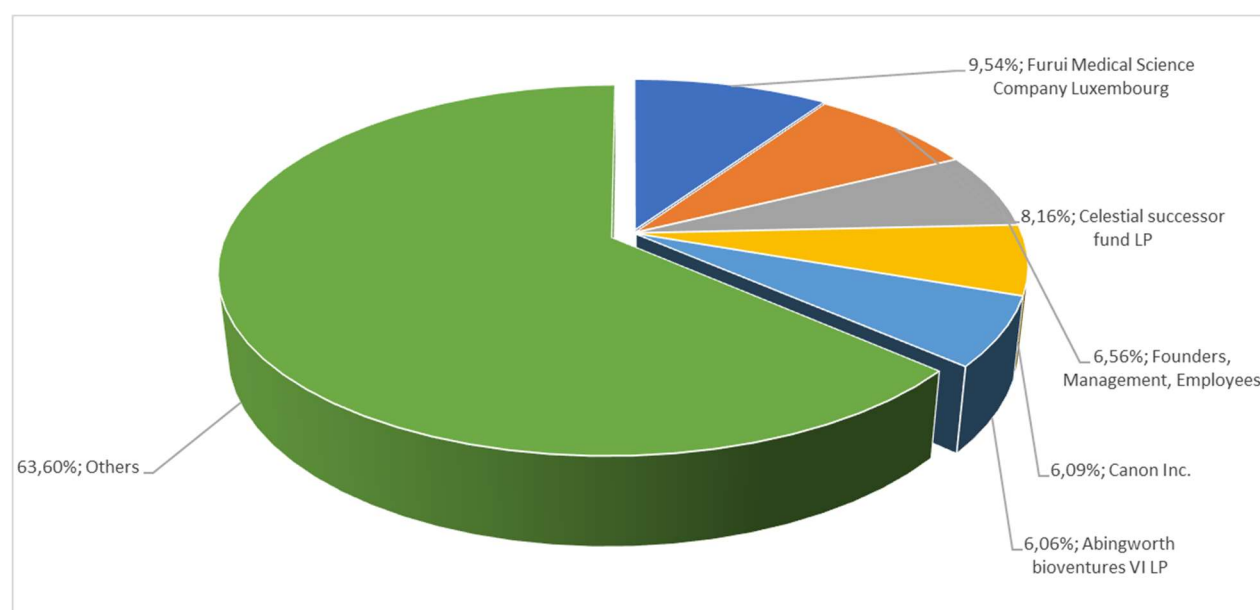


## D. SHAREHOLDING STRUCTURE AS OF JUNE 30, 2023

### Summary Table

Companies	%	Shares
<i>Furui Medical Science Company Luxembourg</i>	9.54%	1,507,692
<i>Celestial successor fund LP</i>	8.16%	1,288,958
<i>Founders, Management, Employees</i>	6.56%	1,037,173
<i>Canon Inc.</i>	6.09%	961,826
<i>Abingworth bioventures VI LP</i>	6.06%	956,819
<i>Others</i>	63.60%	10,048,981
<b>Total as of June 30, 2023</b>	<b>100.00%</b>	<b>15,801,449</b>

### Chart



## CONDENSED INTERIM FINANCIAL STATEMENTS

*The figures and information presented are based on the Group's consolidated financial statements, prepared voluntarily and in accordance with IFRS accounting standards as adopted by the European Union (EU).*

**MEDIAN Technologies (“the Company”) is a French joint stock company (Société Anonyme) with a Board of Directors, founded in 2002 and domiciled in France. The Company’s registered office is located at Les Deux Arcs – 1800 Route des Crêtes – 06560 Valbonne, France.**

The main fields of activity of the Company and its subsidiaries (together referred to as “the Group”) are software publishing and the provision of services in the area of medical imaging for oncology. The Group develops and markets software solutions and offers services optimizing the use of medical images for diagnosis and follow-up of patients suffering from cancer.

The Company has been listed on the Euronext Growth market in Paris since 2011 (formerly Alternext – Code: ALMDT - ISIN : FR0011049824).

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## A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in thousands of euros)	Notes	2023-06-30	2022-12-31
Intangible assets	3	1,451	963
Tangible assets	4	1,599	1,973
Non-current financial assets	5	304	307
<b>Total non-current assets</b>		<b>3,354</b>	<b>3,243</b>
Inventories		-	-
Trade and other receivables	6	5,661	5,955
Current financial assets	7	119	199
Other current assets	8	5,077	3,883
Cash and cash equivalents	9	8,346	21,473
<b>Total current assets</b>		<b>19,202</b>	<b>31,510</b>
<b>TOTAL ASSETS</b>		<b>22,556</b>	<b>34,753</b>
<b>LIABILITIES (in thousands of euros)</b>	<b>Notes</b>	<b>2023-06-30</b>	<b>2022-12-31</b>
Share capital	10	790	790
Share premiums	10	86,770	86,770
Consolidated reserves		(93,249)	(74,695)
Unrealized foreign exchange differences		(69)	95
Net result	24	(10,088)	(20,213)
<b>Total shareholders' equity</b>		<b>(15,845)</b>	<b>(7,253)</b>
<i>Of which the group share</i>		<i>(15,845)</i>	<i>(7,253)</i>
Non-current financial liabilities	13	18,043	17,620
Employee benefits liabilities	11	747	675
Deferred tax liabilities	15	270	277
Non-current provision	12	62	69
<b>Total non-current liabilities</b>		<b>19,122</b>	<b>18,642</b>
Current financial liabilities	13	529	530
Financial instruments	14	3,837	5,809
Trade and other payables	16	7,890	8,914
Liabilities on contracts	17	7,024	8,110
<b>Total current liabilities</b>		<b>19,279</b>	<b>23,364</b>
<b>TOTAL LIABILITIES</b>		<b>22,556</b>	<b>34,753</b>

## B. CONSOLIDATED STATEMENT OF NET INCOME

Consolidated income statement (In thousands of euros)	Notes	2023-06-30 (6 months)	2022-06-30 (6 months)
Revenue	18	11,327	12,725
Other income		67	115
<b>Revenue from ordinary activities</b>		<b>11,394</b>	<b>12,839</b>
Purchases consumed		469	(75)
External costs	19	(8,910)	(9,362)
Taxes		(278)	(243)
Staff costs	20	(13,360)	(13,707)
Allowances net of amortization, depreciation and provisions		(476)	(421)
Other operating expenses		(39)	(97)
Other operating income		10	56
<b>Operating result</b>		<b>(11,189)</b>	<b>(11,010)</b>
Cost of net financial debt	22	1,311	2,160
Other financial charges	22	(156)	(31)
Other investment income		67	313
<b>Net financial result</b>	22	<b>1,221</b>	<b>2,441</b>
Income tax (expense)	23	(120)	(313)
<b>Net result</b>	24	<b>(10,088)</b>	<b>(8,881)</b>
Net result, group share		(10,088)	(8,881)
<b>Net result , Group share of basic and diluted earnings per share</b>	24	<b>(0.64)</b>	<b>(0.57)</b>

## C. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (OCI)

OTHER COMPREHENSIVE INCOME (In thousands of euros)	Notes	2023-06-30 (6 months)	2022-06-30 (6 months)
<b>NET RESULT</b>		<b>(10,088)</b>	<b>(8,881)</b>
Unrealized foreign exchange differences		(214)	68
<b>Total items that may be reclassified</b>		<b>(214)</b>	<b>68</b>
Actuarial gains and losses on defined benefits plans		73	279
Deferred taxes on actuarial gains and losses		(18)	(70)
<b>Total items that will not be reclassified</b>		<b>55</b>	<b>209</b>
<b>OVERALL RESULT</b>		<b>(10,247)</b>	<b>(8,604)</b>

## D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group shareholders Equity (in thousands of euros)	Note	Share capital	Share premiums			Consolidated reserves				Translation reserves and Other comprehensive income	Consolidated result	Total
			Share issue premium	Equity warrants	Total share premiums	Treasury stock	Consolidated reserves	Other comprehensive income	Total consolidated reserves			
2022-01-01		775	86,378	270	86,648	(122)	(63,034)	(218)	(63,376)	178	(19,292)	4,933
Appropriation of the result prior period					-		(19,292)		(19,292)		19,292	-
Capital increase	10	1	22		22				-			23
Attribution of equity warrants					-				-			-
Change in unrealized foreign exchange differences					-				-	69		69
Variation in actuarial differences net of deferred taxes					-			209	209			209
Result for current period					-				-		(8,881)	(8,881)
Share-based payments					-		4,208		4,208			4,208
Treasury shares					-	(14)			(14)			(14)
Other reserves					-				-			-
Set off the accumulated losses to the "share premium"					-				-			-
2022-06-30		776	86,400	270	86,670	(136)	(78,118)	(9)	(78,265)	246	(8,881)	547
Appropriation of the result prior period					-				-			-
Capital increase	10	14	42		42				-			56
Attribution of equity warrants				58	58				-			58
Change in unrealized foreign exchange differences					-				-	(151)		(151)
Variation in actuarial differences net of deferred taxes					-			(47)	(47)			(47)
Result for current period					-				-		(11,333)	(11,333)
Share-based payments					-		3,645		3,645			3,645
Treasury shares					-	(28)			(28)			(28)
Other reserves					-				-			-
Set off the accumulated losses to the "share premium"					-				-			-
2023-01-01		790	86,442	328	86,770	(164)	(74,473)	(56)	(74,695)	95	(20,213)	(7,253)
Appropriation of the result prior period					-		(20,213)		(20,213)		20,213	-
Capital increase	10				-				-			-
Attribution of equity warrants					-				-			-
Change in unrealized foreign exchange differences					-				-	(164)		(164)
Variation in actuarial differences net of deferred taxes					-			55	55			55
Result for current period					-				-		(10,088)	(10,088)
Share-based payments					-		1,685		1,685			1,685
Treasury shares					-	(80)			(80)			(80)
Other reserves					-				-			-
Set off the accumulated losses to the "share premium"					-				-			-
2023-06-30		790	86,442	328	86,770	(244)	(93,001)	(1)	(93,249)	(69)	(10,088)	(15,845)

## E. CONSOLIDATED STATEMENT OF CASH FLOW

Consolidated Statement of Cash Flows (In thousands of euros)	Notes	2023-06-30 (6 Months)	2022-12-31 (12 months)	2022-06-30 (6 Months)
<b>CONSOLIDATED NET RESULT</b>	<b>24</b>	<b>(10,088)</b>	<b>(20,213)</b>	<b>(8,881)</b>
Allowances net of amortization, depreciation and provisions		650	845	536
Payment based on shares	21	1,685	7,853	4,208
Gains and losses on disposals			(53)	(55)
Cost of net financial debt	13	662	1,250	598
Change in the fair value of warrants	14	(1,972)	(4,696)	(2,783)
Other non-cash changes		(101)	288	382
Tax charge for the period, including deferred tax	23	120	521	313
<b>OPERATING CASH FLOW</b>		<b>(9,045)</b>	<b>(14,206)</b>	<b>(5,682)</b>
<b>Changes in operating working capital requirement</b>		<b>(2,668)</b>	<b>(955)</b>	<b>(4,390)</b>
Paid Interests		(16)	(16)	
Paid taxes		(356)	(617)	
<b>Net cash flow from operating activities</b>		<b>(12,083)</b>	<b>(15,793)</b>	<b>(10,072)</b>
Impact of changes in scope		-	-	(5)
Outflows on acquisitions of intangible assets		(121)	-	(408)
Outflows on acquisitions of tangible assets		(475)	(1,387)	(262)
Inflows on disposal of tangible and intangible assets		-	-	-
Outflows on acquisitions of financial assets		-	-	-
Inflows on disposal of financial assets		82	-	13
<b>Net cash flow from investing activities</b>		<b>(514)</b>	<b>(1,387)</b>	<b>(662)</b>
Capital increase or contributions	10	3	165	52
Costs on capital increase	10	-	-	-
Net disposal (acquisition) of treasury shares		(80)	(42)	(14)
Loans Subscriptions	13	-	-	-
Loans Issuance costs		-	-	-
Repayment of debt related to rights to use of lease assets	13	(247)	(400)	(194)
<b>Net cash flow from financing activities</b>		<b>(324)</b>	<b>(277)</b>	<b>(155)</b>
Impact of changes in exchange rates		(207)	(80)	120
<b>Net change in cash and cash equivalents</b>		<b>(13,128)</b>	<b>(17,538)</b>	<b>(10,769)</b>
<b>Cash and cash equivalents at start of the period</b>	<b>9</b>	<b>21,467</b>	<b>39,006</b>	<b>39,006</b>
<b>Cash and cash equivalents at end of the period</b>	<b>9</b>	<b>8,338</b>	<b>21,467</b>	<b>28,236</b>

## F. NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS

### NOTE 1 OVERVIEW OF MAJOR EVENTS

#### a) The iCRO activity

In the second quarter of 2023, the Company's revenue stands at €5.8m, up by 3.6% from the first quarter 2023 and 13.7% compared to the fourth quarter 2022 revenue. Revenue from the first half of 2023 is €11.4m, which is an increase from revenue in the first half 2022 (€11.1m). All the revenue comes from the iCRO business, which provides services to the global bio-pharmaceutical industry for image management in oncology clinical trials.

The order backlog is €64.6m as of June 30, 2023, which is up by 4.2% compared to the order backlog on March 31, 2023, and 6.3% compared to the order backlog on December 31, 2022. As of June 30, 2023, the order backlog was at its highest level ever reached and has been growing over the last three quarters.

#### b) The iBiopsy® activity

In February 2023, the Company announced the completion of the preliminary submission phase with the FDA (Q-submission). This phase seeks to clarify and implement the FDA's expectations on key topics including pivotal study protocols for the iBiopsy® Lung Cancer Screening (LCS) CADe/CADx Software as Medical Device. These protocols have now been defined and will be used for the pivotal validation plan made of a standalone performance study and a Multi-Reader Multi-Case (MRMC) clinical trial.

During the first half year of 2023, the Company finalized contracts with US- and EU-based academic clinical sites involved in the pivotal validation plan for the iBiopsy® LCS CAe/CADx Software as Medical Device. The Company is currently finalizing the operational onboarding of these sites, a phase that began in the third quarter of 2022. The Company is aiming to obtain marketing authorizations of iBiopsy® LCS CADe/CADx Software as Medical Device on the US market as well as the CE marking for the European market, in 2024.

#### c) Cash position

As of June 30, 2023, Median Technologies' cash and cash equivalents stand at €8.3m, compared to €13.1m of March 31, 2023, i.e., an average monthly burn rate of €1.6m for the second quarter of 2023 compared to €2.7m for the first quarter of the year.

Given the level of cash available as of June 30, 2023, and the refinancings carried out in July 2023 (Note 28), the company considers that it has sufficient cash to meet the cash needs related to its activities and its investments during the 12 months following the closing date.



## NOTE 2 ACCOUNTING PRINCIPLES, VALUATION METHODS, IFRS OPTIONS USED

### a) Principles used in preparing the financial statements

The Group's consolidated financial statements for the six-month period ending June 30, 2023 have been prepared voluntarily in accordance with international accounting standards (IAS/IFRS) applicable on that date as adopted by the EU for all of the periods submitted. The IFRS standards adopted by the EU on June 30, 2023 are available under the heading "Interpretations and IAS/IFRS standards".

These interim financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. They do not include all of the information necessary for a complete set of financial statements pursuant to IFRS. However, they do include a selection of Notes that explain significant events and operations in order to understand the changes that have occurred in the Group's performance and financial condition since the last annual consolidated financial statements for the financial year ending December 31, 2022. The Group has selected the Euro as its presentation currency. Unless stated otherwise, the summarized interim financial statements are presented in thousands of euros, all values being rounded to the nearest thousand. The Group's activity is inherently not seasonal.

These summarized consolidated financial statements were prepared under the responsibility of the Board of Directors on **October 18, 2023**.

#### **Main standards, amendments and interpretations of mandatory application at January 1, 2023**

- Amendment to IAS 1 and Practice Statement 2 - Disclosures on significant accounting methods;
- Amendment to IAS 8 - Definition of an accounting estimate;
- Amendment to IAS 12 - Deferred tax linked to assets and liabilities arising from the same transaction.

The adoption of new standards, amendments and mandatory interpretations as listed above did not have any impact on the Group's financial statements.

#### **Main standards, amendments and interpretations published by the IASB applicable in advance at January 1, 2023 in the EU (pending approval)**

The Group did not early apply these to the consolidated financial statements of June 30, 2023.

- Amendment to IAS 1 - classification of liabilities as current or non-current, and disclosure of accounting principles and methods;
- Amendment to IAS 7 and IFRS 7 – Supplier financing arrangements;
- Amendment to IAS 12 – International Tax Reform – Pillar 2 Model Rules;
- Amendment to IFRS 16 – Lease Liabilities Relating to a Sale and Leaseback.

**Main standards, amendments and interpretations published by the IASB not yet applicable at January 1, 2023 in the EU**

In 2023, the main standards published but not yet required to be applied and not yet approved by the EU are currently being reviewed by the Group when these new standards were applicable.

**b) Use of judgments and estimates**

To prepare the interim financial statements, the Group has made estimates, judgments and assumptions. They could affect the amounts presented for asset and liability items, contingent liabilities on the date the financial statements were prepared and the amounts presented for income and expense. Significant judgments made by Management when applying the Group's methods and the main sources of uncertainty related to estimates are identical to those which affected the last consolidated financial statements for the year ended December 31, 2022.

**c) Consolidation scope and methods**

The consolidated financial statements include the financial statements of the Company and the subsidiaries over which the Company directly exercises control. The Group controls a subsidiary when it is exposed to or has a right to variable earnings due to its links with the entity and it has the capacity to influence its earnings due to the power that it holds over it. The financial statements of the subsidiaries are included in the consolidated financial statements starting on the date on which the control is obtained until the date on which such control ends.

Name	Country	Registered office	Siret No (business identification number)	Consolidation method	% held
Median Technologies SA (parent)	France	France	44367630900042	Parent	Parent
Median Technologies Inc. (subsidiary)	United States	United States		Full consolidation	100%
Median Medical Technology (Shanghai) Co., Ltd. (Subsidiary)	China	Shanghai		Full consolidation	100%

### NOTE 3 INTANGIBLE ASSETS

Intangible Assets (In thousands of euros)	2023-06-30			2022-12-31		
	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
Research and development costs	1,080	(75)	1,005	959	(31)	928
Patents, licenses, brands	1,226	(1,207)	20	451	(1,191)	482
Other intangible assets	-	-	-	-	-	-
Intangible assets in progress	426	-	426	775	-	775
<b>Total</b>	<b>2,733</b>	<b>(1,282)</b>	<b>1,451</b>	<b>2,185</b>	<b>(1,222)</b>	<b>2,185</b>

Intangible assets are composed mainly of software licenses acquired.

During the period, the Company capitalized the development costs of internally produced software.

This software meets the criteria set out by the IAS38 standard and was in the development phase for the period ended June 30, 2023. This software will be deployed as part of the iCRO activity. A project initiated and recognized at the end of the previous year as Intangible Assets in progress was completed in the 2023 financial year for €896k and recorded as research and development expenses. As of December 31, 2022, the amount amounted to €599k.

Balance changes over the period are analyzed as follows:

Intangible Assets (In thousands of euros)	2023-06-30			2022-12-31		
	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
<b>Opening Balance</b>	<b>2,185</b>	<b>(1,222)</b>	<b>963</b>	<b>1,226</b>	<b>(1,154)</b>	<b>72</b>
Additions	548	-	548	959	-	959
Terminated, discarded	-	-	-	-	-	-
Changes in depreciation and amortization	-	(60)	(60)	-	(68)	(68)
Effects of exchange fluctuations	-	-	-	-	-	-
<b>Closing balance</b>	<b>2,733</b>	<b>(1,282)</b>	<b>1,451</b>	<b>2,185</b>	<b>(1,222)</b>	<b>963</b>

Acquisitions for the year include intangible assets in progress for a total of €426k.

### NOTE 4 TANGIBLE ASSETS

Tangible Assets (In thousands of euros)	2023-06-30			2022-12-31		
	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
Construction, planning	148	(97)	51	127	(86)	41
Assets related to the Usage right - Constructions, planning	1,927	(1,147)	779	1,521	(808)	713
Other tangible assets	2,262	(1,695)	568	1,824	(1,210)	614
Assets related to the Usage right - Other tangible assets	455	(254)	201	282	(137)	145
Advance on Tangible Assets	-	-	-	-	-	-
<b>Total</b>	<b>4,792</b>	<b>(3,193)</b>	<b>1,599</b>	<b>3,754</b>	<b>(2,241)</b>	<b>1,513</b>

The activated right of use for buildings amounted to €1,927k and mainly concerns the leases for the Valbonne and Shanghai premises. The gross amount of assets associated with the right of use of other tangible assets stood at €455k and primarily concerns transportation equipment.

Balance changes over the period are analyzed as follows:

Tangible Assets (In thousands of euros)	2023-06-30			2022-12-31		
	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
<b>Opening Balance</b>	<b>4,943</b>	<b>(2,970)</b>	<b>1,973</b>	<b>3,755</b>	<b>(2,242)</b>	<b>1,513</b>
Acquisitions	121	-	121	437	-	437
Disposals, discarded	(213)	203	(10)	(81)	80	(1)
Other mouvement	-	-	-	93	-	93
Changes in depreciation and amortization	-	(443)	(443)	-	(642)	(642)
Exchange rate fluctuations	(59)	18	(42)	34	(16)	18
<b>Closing balance</b>	<b>4,792</b>	<b>(3,193)</b>	<b>1,599</b>	<b>4,943</b>	<b>(2,970)</b>	<b>1,973</b>

The equipment purchased over the period mainly concerns IT equipment made available to the Company's employees.

Change in the right of use recognized in accordance with IFRS 16 is as follows:

Assets related to the rights of use (In thousands of euros)	Gross value	Depreciation and amortization	Net
<b>2022-12-31</b>	<b>2,570</b>	<b>(1,346)</b>	<b>1,224</b>
Acquisitions	73	-	73
Disposals, discarded	(213)	203	(10)
Other mouvement	-	-	-
Changes in depreciation and amortization	-	(269)	(269)
Exchange rate fluctuations	(49)	11	(38)
<b>2023-06-30</b>	<b>2,381</b>	<b>(1,401)</b>	<b>980</b>

## NOTE 5 NON-CURRENT FINANCIAL ASSETS

Non Current financial assets (In thousands of euros)	2023-06-30	2022-12-31	Variation
Guarantees and deposits	71	74	(3)
Loans	233	233	0
<b>Total</b>	<b>304</b>	<b>307</b>	<b>(3)</b>

Non-current financial assets have a maturity of more than 5 years.

## NOTE 6 TRADE RECEIVABLES

Trade receivables are analyzed as follows:

Trade receivables (In thousands of euros)	2023-06-30	2022-12-31	Variation
Customers	5,885	6,196	(311)
Depreciations	(225)	(241)	16
<b>Total</b>	<b>5,661</b>	<b>5,955</b>	<b>(294)</b>

The fair value of trade receivables and other receivables is equivalent to the book value, factoring in their maturity date of less than one year.

Trade receivables by currencies (In thousands of euros)	2023-06-30	2022-12-31	Variation
Euro	1,819	1,514	304
USD	668	887	(219)
RMB	3,398	3,795	(397)
<b>Total</b>	<b>5,885</b>	<b>6,196</b>	<b>(311)</b>

Trade receivables decreased significantly over the period and followed the evolution of turnover.

Payment schedules for trade receivables are as follows:

Trade receivables (In thousands of euros)	Total	Not yet due	1 to 30 days	30 to 60 days	more than 60 days
Customers	5,885	4,679	815	166	225
Depreciations	(225)	-	-	-	(225)
<b>Total</b>	<b>5,661</b>	<b>4,679</b>	<b>815</b>	<b>166</b>	<b>0</b>

## NOTE 7 CURRENT FINANCIAL ASSETS

Current financial assets are analyzed as follows:

Current financial assets (In thousands of euros)	2023-06-30	2022-12-31	Variation
Cash mobilized - liquidity contract	119	199	(80)
Guarantees and deposits	-	-	-
<b>Total</b>	<b>119</b>	<b>199</b>	<b>(80)</b>

In May 2011, the Group set up a liquidity contract with a certified facilitator at the time it was listed on the stock market for a maximum amount of €250k. This contract enables regulation of the share price. The cash mobilized is immediately available in the event of termination of the service provider's contract. The cash has a due date of one year maximum. In December 2017, an additional contribution of €150k was made, increasing the total amount provided under the liquidity contract to €400k.

## NOTE 8 OTHER CURRENT ASSETS

Other current assets (In thousands of euros)	2023-06-30	2022-12-31	Variation
Research tax credit	2,406	1,503	903
Innovation tax credit	200	80	120
Prepaid expenses	1,555	1,333	222
Other receivables	916	966	(50)
<b>Total</b>	<b>5,077</b>	<b>3,883</b>	<b>1,195</b>

The research tax credit receivable booked on December 31, 2022, was reimbursed in September 2023 (€1.6m). The increase in 2023 mainly concerns provisions relating to the research tax credit and innovation tax credit calculated over the first half of 2023. The Company has benefited from the research tax credit since its creation and this receivable is subject to reimbursement over the subsequent period by the tax authorities. Prepaid expenses increased on June 30, 2023, neutralizing the impact on the result of expenses which were booked for the period but apply to the subsequent period (leases, licenses, insurance, etc.). Other receivables primarily concern value added tax receivables.

## NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the period ended June 30, 2023, broke down as follows:

Cash and cash equivalents (In thousands of euros)	2023-06-30	2022-12-31	Variation
Short-term deposits	-	-	-
Liquid assets	8,346	21,473	(13,127)
<b>Total</b>	<b>8,346</b>	<b>21,473</b>	<b>(13,127)</b>

Cash and cash equivalents (In thousands of euros)	2023-06-30	2022-12-31	Variation
EUR	2,600	15,409	(12,809)
USD	3,179	2,686	493
CNY	2,568	3,378	(810)
<b>Total</b>	<b>8,346</b>	<b>21,473</b>	<b>(13,127)</b>

The amount of cash and cash equivalents in the statement of financial position and the amount of net cash in the statement of cash flows are as follows:

Net Cash and Cash flow (In thousands of euros)	2023-06-30	2022-12-31	Variation
Cash and cash equivalents	8,346	21,473	(13,127)
Outstanding bank overdrafts	(8)	(6)	(2)
<b>Total</b>	<b>8,338</b>	<b>21,467</b>	<b>(13,129)</b>

## NOTE 10 EQUITY

### a) Capital and share premiums

At June 30, 2023, the Company's capital consisted of 15,801,449 shares divided between:

- 15,778,248 ordinary shares with a nominal value of €0.05;
- 23,200 class E preference shares with a value of €0.05 and;
- 1 class E preference share with a value of €0.05.

The **class E** preference shares are shares that have no voting rights but benefit from the same financial rights as the ordinary shares. The **class B** preference share is reserved for an industrial investor shareholder and gives the latter the right to be represented at any time by a Director on the Company's Board of Directors. It will automatically be converted into an ordinary share if certain statutory clauses are fulfilled.

Capital (In thousands of euros)	Capital	Share premiums	Total	Number of shares
Total at December 31, 2022	790	86,770	87,560	15,801,449
Total at June 30, 2023	790	86,770	87,560	15,801,449

### b) Treasury shares

As part of the liquidity contract put in place following the listing on the stock exchange, the Company has treasury shares and generates capital gains and losses on sales or buybacks of these shares. These shares, as well as the effect of the capital gains and losses realized on the sale and buyback of these treasury shares, are deducted from consolidated reserves. At June 30, 2023, the impact of the cancellation of 28,970 treasury shares, deducted from consolidated reserves, amounted to a total of -€80k. The amount deducted from the treasury share reserve takes into account the treasury shares' value as well as the gains or losses realized on fluctuations in these treasury shares. The treasury shares are not intended to be allocated to employees as part of the free share allocation plan and are only aimed at regulating the share price as part of the liquidity contract.

### c) Warrants

Warrants	Historical record	Subscription Date	Expiry Date
"2018 warrants"	The General Meeting of May 28, 2018 decided to issue 130,000 securities giving access to capital with the characteristics of warrants (BSA-2018). 120,000 BSA-2018 were subscribed at the price of 1.51 euros. The funds relating to this subscription were released in June 2018. The unit exercise price of the 2018 warrants corresponds to 110% of the average of the 20 trading days preceding the date of issue of the warrants, namely 9.5%. € per share. These BSA have a life expiring on May 30, 2025.	01-May-18	02-May-25
"BSA-BEI-A"	The Board of Directors of April 17, 2020 confirmed the subscription of all 800,000 BEI-A BSA for a total subscription price of € 8,000, released by offsetting with the debt of the same amount that the EIB held on the society. The Board of Directors notes the definitive issue of the 800,000 BEI-A BSA to the benefit of the EIB. The exercise price of these share subscription warrants was determined during the fundraising on March 25, 2021. This is €8.34.	01-Apr-20	01-Apr-35
"BSA-2022"	The General Meeting of December 9, 2022 decided to issue 40,000 securities giving access to capital with the characteristics of stock warrants (BSA-2022). 40,000 BSA-2022 were subscribed at a price of €1.46. The funds relating to this subscription were released in January 2023. These BSAs have a life expiring on December 11, 2029.	12-Dec-22	11-Dec-29

- **Stock options and free share allocations**

Using the authorization conferred by multiple Annual General Meetings, the Board of Directors has issued the stock option or free share plans presented below. The impact on the comprehensive income statement of share-based payments is presented in Note 21. The financial instruments concerned by share-based payments are stock option and free share plans awarded to employees or managers of the Company.

Date of the General Meeting	Number of authorised securities	Grant date of securities	Total number of securities allocated	Exercise limit date	Number of securities valid not exercised 12/31/2022	Number of securities allocated at June 30, 2023	Number of securities cancelled non subscribed at June 30, 2023	Number of securities exercised at June 30, 2023	Number of securities valid not exercised at June 30, 2023	Number of corresponding shares	Exercise price per share	Potential increase in share capital (nominal) in K€
6/26/2019	500,000	6/27/2019	94,516	6/26/2026	84,516	-	-	-	84,516	84,516	1.50	4
		6/27/2019	257,500	6/26/2026	102,750	-	-	-	102,750	102,750	1.50	5
		6/27/2019	33,000	6/26/2026	13,000	-	-	-	13,000	13,000	1.50	1
		1/16/2020	60,000	1/15/2027	60,000	-	-	-	60,000	60,000	1.50	3
		1/16/2020	30,000	1/15/2027	30,000	-	-	-	30,000	30,000	1.50	2
6/19/2020	500,000	7/9/2020	50,000	7/8/2027	12,500	-	-	-	12,500	12,500	2.65	1
6/14/2022	10,000	7/20/2022	10,000	7/20/2029	10,000	-	-	-	10,000	10,000	12.43	1
<b>Stock Options</b>	<b>1,010,000</b>		<b>535,016</b>		<b>312,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,766</b>	<b>312,766</b>		<b>16</b>
6/1/2021	260,000	10/21/2021	260,000		195,000	-	-	-	195,000	195,000	-	10
6/1/2021	542,000	10/21/2021	542,000		174,353	-	-	-	174,353	174,353	-	9
6/1/2021	30,000	10/21/2021	30,000		30,000	-	-	-	30,000	30,000	-	2
6/14/2022	39,000	7/20/2022	39,000		37,000	-	-	-	37,000	37,000	-	2
6/14/2022	54,000	7/20/2022	54,000		54,000	-	-	-	54,000	54,000	-	3
6/14/2022	20,000	7/20/2022	20,000		20,000	-	-	-	20,000	20,000	-	1
6/14/2022	60,000	10/18/2022	60,000		60,000	-	-	-	60,000	60,000	-	3
6/14/2022	28,000	10/24/2022	28,000		28,000	-	-	-	28,000	28,000	-	1
6/14/2022	54,500	3/2/2023	54,500		54,500	-	-	-	54,500	54,500	-	3
6/14/2022	13,000	3/2/2023	13,000		13,000	-	2,000	-	11,000	11,000	-	1
<b>Free Shares</b>	<b>1,100,500</b>		<b>1,100,500</b>		<b>665,853</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>663,853</b>	<b>663,853</b>		<b>33</b>
5/28/2018	130,000	5/30/2018	120,000	5/30/2025	120,000	-	-	-	120,000	120,000	9.50	6
6/26/2019	800,000	4/17/2020	800,000	4/16/2035	800,000	-	-	-	800,000	800,000	8.34	40
12/9/2022	40,000	12/12/2022	40,000	12/12/2029	40,000	-	-	-	40,000	40,000	9.15	2
<b>Warrants (BSA)</b>	<b>970,000</b>		<b>960,000</b>		<b>960,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>960,000</b>	<b>960,000</b>		<b>48</b>
<b>Total</b>	<b>3,080,500</b>		<b>2,595,516</b>		<b>1,938,619</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>1,936,619</b>	<b>1,936,619</b>		<b>97</b>

ND : Non determinable



## NOTE 11 EMPLOYEE BENEFITS

### a) Defined benefit pension plans

Staff commitments are composed exclusively of any benefits subsequent to employment. In France, the Company contributes to the national pension plan and its commitments with employees in terms of pension are limited to a one-time benefit based on seniority paid when the employee reaches retirement age. This employee benefit is determined for each employee according to their seniority and last expected salary. A provision was recognized for this obligation concerning the defined benefit plan. The Company does not have any asset covering defined benefit plans.

Taking into account the evolution of interest rates on the markets during the first half of 2023, the Group has updated the rate assumptions for the calculation of its pension commitments. This update resulted in an increase in the discount rate in line with the average maturity of commitments of almost 20 years and with the assumptions used in previous years.

The global pension reform promulgated on April 14, 2023, extending the retirement age from 62 to 64 years, does not impact the amount of the Group's pension commitments as of June 30, 2023.

Changes in these commitments may be analyzed as follows:

Employee benefits (In thousands of euros)	2023-06-30	2022-12-31	Variation
Provision for employee benefits	747	675	72
<b>Total</b>	<b>747</b>	<b>675</b>	<b>72</b>

Changes in these commitments and the main actuarial assumptions used are as follows:

Employee benefits (In thousands of euros)	2023-06-30	2022-12-31
<b>Opening provision</b>	<b>675</b>	<b>767</b>
Current service cost	115	100
Cost of interest	29	26
<b>Charge in the year</b>	<b>144</b>	<b>125</b>
Benefits paid	-	-
Net actuarial (gains) / losses	(73)	(217)
<b>Closing provision</b>	<b>747</b>	<b>675</b>

Employee benefits (Actuarial assumptions)	2023-06-30	2022-12-31
Discount rate	3.90%	3.80%
Salary increase rate	3.50%	3.50%
Social security costs	46%	46%
Mortality table	INSEE T68-FM 2018-2020	INSEE T68-FM 2018-2020
Retirement ages	66 years and 2 months for executives and 64 years for employees	66 years and 2 months for executives and 64 years for employees
Basis of retirement	Voluntary retirement	Voluntary retirement

As recommended by the IAS 19 standard, turnover rates were recalculated at the end of the 2022 financial year and restated at June 30, 2023 as follows:

Turnover rates	2023-06-30	2021-12-31
Less than 25 years	9.00%	9.00%
Between 25 and 29 years	9.00%	9.00%
Between 30 and 34 years	7.00%	7.00%
Between 35 and 39 years	7.00%	7.00%
Between 40 and 44 years	5.00%	5.00%
Between 45 and 49 years	5.00%	5.00%
Between 50 and 54 years	0.00%	0.00%
55 years and more	0.00%	0.00%

Assumptions related to future mortality rates are determined on the basis of statistical data published in France.

A sensitivity analysis was carried out for this plan and the key assumption of the discount rate. A change in the rate applied to the financial year in consideration for this plan 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)	2023-06-30
Actuarial debt at 3.40%	818
<b>Actuarial debt at 3.90%</b>	<b>747</b>
Actuarial debt at 4.40%	683
<b>Estimated duration (years)</b>	<b>19</b>

No benefit payments are scheduled for 2023. No payments were made for staff commitments in first-half 2023.

**b) Defined contribution retirement plans**

In the United States, the MEDIAN Technologies Inc. subsidiary contributes to a defined contribution plan that limits its commitment to the contributions paid. The amount of expenses reported for first-half 2023 is immaterial.

In China, the MEDIAN MEDICAL TECHNOLOGY subsidiary also contributes to a defined contribution plan that limits its commitment to the contributions paid. The amount of expenses reported for first-half 2023 is immaterial.

**NOTE 12 CURRENT AND NON-CURRENT PROVISIONS**

At June 30, 2023, provisions broke down as follows:

<b>Provisions (In thousands of euros)</b>	<b>2023-06-30</b>	<b>2021-12-31</b>	<b>Variation</b>
Current Provisions	-	-	-
Non-Current Provisions	62	69	(7)
<b>Total</b>	<b>62</b>	<b>69</b>	<b>(7)</b>

They correspond to provisions for expenses relating to social contributions that will be due for free shares allocated during the financial year.

**NOTE 13 FINANCIAL LIABILITIES**

At June 30, 2023, financial liabilities broke down as follows:

<b>Financial liabilities (In thousands of euros)</b>	<b>2023-06-30</b>	<b>2022-12-31</b>	<b>Variation</b>
Non-current financial liabilities	18,043	17,620	423
Current financial liabilities	529	530	(1)
<b>Total</b>	<b>18,572</b>	<b>18,151</b>	<b>421</b>

On December 18, 2019, the Group signed a financing agreement with the European Investment Bank (EIB) amounting to €35 million:

At end-2022, an amendment was signed to extend the option of drawing down on Tranche B. Tranche C is no longer released.

The amendment is made up of three tranches:

- tranche A for €15 million, released on April 17, 2020;
- tranche B for €10 million (release period extended by one year - year-end 2023);
- tranche C for €10 million (expired December 31, 2022 – end of the initial contract).

The main characteristics of this loan (Tranche A) are as follows:

- The loan is granted in Euros (€), for a term of five years until April 17, 2025;
- The amount loaned has a 6% fixed interest rate;
- Interest is calculated annually and is compounded each year on the amount of capital remaining owed;
- The loan is repayable at maturity;
- In return for the loan granted and the payment of the first tranche of €15 million, 800,000 BSA-EIB-A warrants were issued. The amount of the fair value of the loan on the date of drawing the first tranche, i.e., on April 17, 2020, stood at €1,040k and was deducted from non-current financial liabilities. This contract is the subject of a specific note (Note 14).

Non-Current Financial liabilities (In thousands of euros)	2023-06-30	2022-12-31	Variation
Debts related to the Usage right of the assets	522	746	(224)
EIB loan	17,300	16,164	1,136
Accrued interest loans	220	711	(491)
<b>Total</b>	<b>18,043</b>	<b>17,621</b>	<b>422</b>

Current Financial liabilities (In thousands of euros)	2023-06-30	2022-12-31	Variation
Debts related to the Usage right of the assets	521	524	(3)
Bank overdrafts	8	6	2
<b>Total</b>	<b>529</b>	<b>530</b>	<b>(1)</b>

The effective interest rate (EIR) of 7.89% takes into account issue costs of €229k as well as the fair value, on the subscription date, of A warrants totaling €1,040k.

The financial expense booked over the period and calculated on the basis of this EIR amounts to €646k.

## NOTE 14 FINANCIAL INSTRUMENTS

Following the release of the first tranche of the EIB loan (see Note 14), on April 1, 2020, the Group issued A Warrants for the EIB, the main characteristics of which are as follows:

- 800,000 BSA-BEI-A warrants;
- These warrants are exercisable for 15 years from the date of issue (i.e., from the date of release of tranches A and B to which they are backed);
- The subscription price is €0.01 per warrant;
- Each warrant gives the right to subscribe to one ordinary share (possible adjustment of this ratio).

An analysis was performed by the Group which concluded that A warrants are derivative instruments of treasury shares which do not meet the definition of equity instruments since they can be unwound either by the delivery of a variable number of shares or by a variable amount of cash.

As a result, they do not follow the fixed-for-fixed rule and are qualified as derivative liabilities within the scope of IFRS 9.

For the first time, the derivative is recognized under liabilities in the Group's consolidated financial statements, at its fair value on the drawdown date, in reduction of the loan to which it relates.

Thus, given that only tranche A has been drawn down for an amount of €15 million, only A warrants have been recognized in the consolidated financial statements.

Since the warrants represent the sale of an option (call option on treasury stock) not eligible as hedging instruments under IFRS 9, the change in fair value is booked in the income statement. Following fundraising in March 2021, the strike price of the warrants could be determined. This stands at €8.34 for the 800,000 A warrants.

Considering that the strike price of the warrants is fixed and that Median Technologies does not pay dividends to shareholders, the fair value of warrants was estimated using the Black & Scholes formula, based on the following main assumptions:

- A zero dividend rate.
- A risk-free rate based on the euro zone short-term rate ("ESTER").
- The maturity date of A warrants on April 17, 2035.
- Prospective volatility in the Median Technologies share price of 73% based on observations of historical volatility by the Company.
- Median Technologies' share price on the date of valuation.

Financial Instruments	2023-06-30	2022-12-31	Variation
BSA-BEI-A (1)	3,837	5,809	(1,972)
<b>Total</b>	<b>3,837</b>	<b>5,809</b>	<b>(1,972)</b>

(1) Valuation on April 17, 2020: € 1,040 K - Recognition as a reduction of the Loan.

Based on the above method, the initial fair value of €1,040k, booked as a deduction from tranche A of the loan, was revalued:

- at end-2022 to stand at €5,809k.
- at end-June 30, 2023, to stand at €3,837k.

The change in fair value over first-half 2023, €1,972k, was recognized in the income statement under the cost of financial debt.

On the closing date, the change in volatility would have the following effects on the fair value of the warrants, provided that the other inputs remain constant:

Financial Instruments	Exercise Price	Fair value
Volatility at 71,96%	4.76	3,807
<b>Volatility at 72,96%</b>	<b>4.80</b>	<b>3,837</b>
Volatility at 73,96%	4.84	3,867

## NOTE 15 DEFERRED TAXES

Net deferred tax liabilities are analyzed as follows:

Origin of deferred tax - net (In thousands of euros)	2023-06-30	2022-12-31	Variation
- charges temporarily non-deductible			-
- tax losses carried forward (2)	707	696	11
- consolidation adjustments of the following:			
. Retirement and pension	187	169	18
. Intragroup provisions (1)	(1,166)	(1,145)	(21)
. Usage right of the assets	3	3	(0)
. Other adjustments	-	-	-
<b>Total (3)</b>	<b>(270)</b>	<b>(277)</b>	<b>6</b>

(1) A deferred tax liability was recognized in provisions booked in the parent company financial statements concerning advances granted by the Company to its subsidiaries. The provision for these advances was deducted fiscally in the parent company financial statements. These advances total €4,665k at June 30, 2023 (€4,579k at December 31, 2022).

(2) A deferred tax asset for the losses carried forward of €707k (€696k at December 31, 2022) was recognized under deferred tax liabilities, taking into account, however, French tax legislation, which caps the charging of losses carried forward to 50% of taxable income for the financial year, with this limit applicable to the fraction of profits exceeding €1m.

Median Technologies has invested substantial amounts in Research & Development (R&D) activities for medical imaging over many years. The Company has a clear purpose: to scale up the healthcare of tomorrow. With its iBiopsy® project, the Group intends to continue spending significantly over the next few years. As a result, the Group does not currently expect to be able to break even in the next two years, despite the extremely positive results now achieved by its iCRO activities, and the services provided during clinical trials performed by large pharmaceutical groups. Given its history of recent losses and in the absence of convincing evidence justifying the use of short-term tax deficits, the Group has not recognized any additional deferred tax for tax losses. The balance of these non-activated tax deficits at December 31, 2022 amounted to €146,929k.

(3) Since deferred tax assets and liabilities are recognized solely at the Company level, deferred tax assets and liabilities were offset.

Changes in deferred taxes break down as follows:

Deferred tax - net (In thousands of euros)	2023-06-30	2022-12-31
<b>Opening balance</b>	<b>(277)</b>	<b>(241)</b>
Deferred tax expense in profit or loss	25	18
Tax expense deferred in other comprehensive income items	(18)	(54)
<b>Closing balance</b>	<b>(270)</b>	<b>(277)</b>

## NOTE 16 TRADE PAYABLE AND OTHER CURRENT LIABILITIES

Trade payables and other debts are liabilities reported at the amortized cost. Breakdown by category is as follows:

Trade and others payables (In thousands of euros)	2023-06-30	2022-12-31	Variation
Supplier accounts payable	3,036	3,672	(636)
Tax liabilities	447	390	57
Social security liabilities	4,301	4,656	(355)
Supplier accounts payable on assets	-	-	-
Other payables	106	197	(91)
<b>Total</b>	<b>7,890</b>	<b>8,914</b>	<b>(1,025)</b>

All trade payables payable and other debts have a due date of less than one year. Social liabilities concern salaries, social security charges and provisions for paid time off (PTO).

## NOTE 17 LIABILITIES ON CONTRACTS

As of June 30, 2023, liabilities on contracts broke down as follows:

Non-current other liabilities (In thousands of euros)	2023-06-30	2022-12-31	Variation
Payment advances received by customer	7,024	8,109	(1,085)
Deferred Income	1	1	(0)
<b>Total</b>	<b>7,024</b>	<b>8,110</b>	<b>(1,086)</b>

Contract liabilities correspond mainly to advances received from clients at the start of the contract for the "Clinical trials" activity.

These advances are charged to client invoicing according to different methods:

- At the same rate as the progress of the services performed and recognized in revenue.
- At the end of the contract, on the last invoices.
- They can be reimbursed if the clinical trial is stopped.

## NOTE 18 REVENUE

Revenue (In thousands of euros)	2023-06-30			2022-06-30			Variation
	France	Export	Total	France	Export	Total	
Services	212	11,115	11,327	317	12,408	12,725	(1,397)
<b>Total</b>	<b>212</b>	<b>11,115</b>	<b>11,327</b>	<b>317</b>	<b>12,408</b>	<b>12,725</b>	<b>(1,397)</b>

Geographies are divided into destinations. The breakdown of revenue by country is as follows:

Revenue split by geographic areas (In thousands of euros)	2023-06-30	2022-06-30	Variation
China	4,455	6,161	(1,706)
USA/Canada	3,695	3,110	585
Europe	3,177	3,454	(277)
<b>Total</b>	<b>11,327</b>	<b>12,725</b>	<b>(1,398)</b>

Group revenue for first-half 2023 totaled €11,327k, compared to €12,725k in the prior financial year, representing a decrease of 11%.

This increase in activity over first-half 2023 stemmed from:

This drop-in activity over the first half of 2023 is mainly explained by the slowdown at the end of last year in order intake for the Chinese company.

The strengthening of sales teams since last year, in all regions of the world, should allow a resumption of growth in the coming months. To date, the iBiopsy® business has not generated revenue.

The Group is referenced at the major global pharma laboratories and constantly aims to expand its reach and increase its revenue. The Group does not consider itself to be dependent on one laboratory.



## NOTE 19 EXTERNAL EXPENSES

External expenses amounted to €8,310k at June 30, 2023 compared with €9,362k a year earlier. The €452k difference in expenses essentially reflects:

External costs (In thousands of euros)	2023-06-30	2022-06-30	Variation
Subcontracting	3,701	4,383	(682)
Rental and lease expenses	477	208	268
Repairs and maintenance	157	123	33
Insurance premiums	60	58	2
External services - various	1,289	1,805	(516)
Intermediate and fees	1,471	1,631	(161)
Advertisement	191	189	3
Transport	18	16	2
Travel, assignments and entertainment	597	311	286
Postal & telecommunications expenses	84	56	28
Banking services	97	76	21
Other services - various	173	8	165
Other operating expenses	596	498	98
<b>Total</b>	<b>8,910</b>	<b>9,362</b>	<b>(452)</b>

- The decrease in subcontracting costs of €682k which is explained by the drop in costs linked to pharmaceutical projects due to the drop in the Group's activity in the iCRO business unit;
- The reduction in external services for €516k relating to studies and research carried out for the development of new software as well as market studies relating to potential new products and their positioning;
- The reduction in fees for a total of €161k mainly due to recruitment fees;
- The increase in travel and mission expenses for a total of €286k mainly due to the growing number of employees hired for permanent teleworking.

## NOTE 20 STAFF COSTS

Staff costs break down as follows:

Staff Costs (In thousands of euros)	Notes	2023-06-30	2022-06-30	Variation
Salaries		9,246	7,359	1,887
Social security costs		3,265	2,856	409
Research tax credit		(952)	(800)	(151)
<b>Total</b>		<b>11,560</b>	<b>9,416</b>	<b>2,144</b>
Share-based payments	<b>21</b>	1,685	4,208	(2,523)
Employee benefits	<b>11</b>	115	83	32
<b>Total</b>		<b>13,360</b>	<b>13,707</b>	<b>(347)</b>
<b>Average employee numbers</b>		<b>233</b>	<b>191</b>	<b>42</b>

Payroll expenses as well as headcount increased sharply during the financial year (22% for salaries) due to:

- Accelerated research phases for the Group's various initiatives, notably iBiospy®.
- Reinforcements in sales and marketing teams in an effort to win market share.

Share-based payments mainly concern free shares allocated in 2021 and 2022 to the Company's employees and managers.

The research and innovation tax credits correspond to a subsidy granted by the French government, based on expenses incurred in connection with Research & Development (R&D) and innovation spending. In this regard, the expenses incurred by the Group that are eligible for research tax credits mainly correspond to staff costs, which explains why this tax credit is charged to staff costs. The share relative to other spending was charged to the relevant items (external expenses, depreciation and amortization).

R&D spending eligible for the research and innovation tax credits totaled €3,247k in first-half 2023, compared with €2,890k a year earlier.

## NOTE 21 SHARE-BASED PAYMENTS

The share-based payment agreements for the Group and still underway at June 30, 2023 are as follows:

- Stock option plans;
- Free share plans;
- EIB warrants (Notes 15) and BSA 2022.

All of these agreements are regulated by Group equity instruments. The expense for the financial year mainly corresponds to the free share plan expense as described below.

### a) Stock option plans

The Board of Directors' meetings of June 27, 2019, January 16, 2020, July 9, 2020, and July 20, 2022, respectively awarded 385,016, 90,000, 50,000 and 10,000 stock options, the characteristics of which are as follows:

Plan no.	Grant date	Personnel involved	Number of options	Number of valid options	Vesting conditions	Contractual life of the options
SO 2019 A	2019-06-27	Senior management	94,516	84,516	0 year of service	7 years
SO 2019 B	2019-06-27	Employees and Senior management	257,500	102,750	4 years of service	7 years
SO 2019 C	2019-06-27	Employees	33,000	13,000	4 years of service	7 years
<b>Total</b>			<b>385,016</b>	<b>200,266</b>		

Plan no.	Grant date	Personnel involved	Number of options	Number of valid options	Vesting conditions	Contractual life of the options
SO 2020-M	2020-01-16	Chairman	60,000	60,000	0 year of service	7 years
SO 2020-Z	2020-01-16	Senior management	30,000	30,000	3 years of service	7 years
SO 2020-S	2020-07-09	Senior management	50,000	12,500	4 years of service	7 years
<b>Total</b>			<b>140,000</b>	<b>102,500</b>		

Plan no.	Grant date	Personnel involved	Number of options	Number of valid options	Vesting conditions	Contractual life of the options
SO 2022-1	2022-07-20	Senior management	10,000	10,000	From January 1, 2023	7 years
<b>Total</b>			<b>10,000</b>	<b>10,000</b>		

The expense recognized at June 30, 2023 in respect of these stock option plans amounted to €20k.

### b) Free share plans

**Pursuant to resolution no. 22, the Extraordinary General Meeting of June 1, 2021** authorized the Board of Directors, for a period of 38 months and on one or more occasions, to allocate free shares. Using this authorization, the Board of Directors' meeting of October 21, 2021 established the following terms:

Plan no.	Grant date	Personnel involved	Number of options	Number of valid options	Vesting conditions	Contractual life of the options	Cost recognised at June 30, 2023 (in K€)
AGA 2021-1-b	2021-10-21	Senior management	65,000	65,000	2 years of service	2	272
AGA 2021-1-c	2021-10-21	Senior management	65,000	65,000	3 years of service	3	181
AGA 2021-1-d	2021-10-21	Senior management	65,000	65,000	4 years of service	4	136
AGA 2021-2-c	2021-10-21	Senior management	174,353	174,353	Specificity	Specificity	385
AGA 2021-3-a	2021-10-21	Senior management	10,000	10,000	2 years of service	2	63
AGA 2021-3-b	2021-10-21	Senior management	10,000	10,000	3 years of service	3	21
AGA 2021-3-c	2021-10-21	Senior management	10,000	10,000	4 years of service	4	16
<b>Total Options</b>			<b>399,353</b>	<b>399,353</b>			<b>1,074</b>

Fair values have been determined at the respective allocation dates of the plans using the Black-Scholes options pricing model based on data and assumptions valid at those dates. For this reason, the fair values presented in the below table for the AGA 2021-2-c plans are not identical to the share price on the allocation date. The fair value of this plan takes into account the probability of achieving the performance criteria associated with these two plans.

Before end-October 2022 or 2023, and the average closing price of the Company's shares calculated over a period of 30 consecutive trading days is  $\geq$  €33.75. Non-market service and performance conditions stipulated in the agreements have not been taken into account in the measurement of fair value.

The expense recognized at June 30, 2023, in respect of these free shares plans amounted to €1,074k.

***Pursuant to resolution no.19, the Extraordinary General Meeting of June 14, 2022*** authorized the Board of Directors, for a period of 38 months and on one or more occasions, to allocate free shares. Using this authorization, the Board of Directors of July 20, October 18 and October 24 2022, set the following terms:

Plan no.	Grant date	Personnel involved	Number of options	Number of valid options	Vesting conditions	Contractual life of the options	Cost recognised at June 30, 2023 (in K€)
AGA 2022-1-a	2022-07-20	Employees and Senior management	9,750	9,250	1 year of service	2	53
AGA 2022-1-b	2022-07-20	Employees and Senior management	9,750	9,250	2 years of service	2	26
AGA 2022-1-c	2022-07-20	Employees and Senior management	9,750	9,250	3 years of service	3	18
AGA 2022-1-d	2022-07-20	Employees and Senior management	9,750	9,250	4 years of service	4	13
AGA 2022-2-a	2022-07-20	Employees and Senior management	27,000	27,000	1 year of service	2	73
AGA 2022-2-b	2022-07-20	Employees and Senior management	13,500	13,500	2 years of service	2	24
AGA 2022-2-c	2022-07-20	Employees and Senior management	13,500	13,500	3 years of service	3	18
AGA 2022-3-a	2022-07-20	Senior management	10,000	10,000	2 years of service	2	27
AGA 2022-3-b	2022-07-20	Senior management	10,000	10,000	3 years of service	3	18
AGA 2022-OM	2022-10-18	Chairman	60,000	60,000	2 years of service	2	121
AGA 2022-FB	2022-10-24	Senior management	28,000	28,000	1 year of service	1	110
<b>Total Options</b>			<b>201,000</b>	<b>199,000</b>			<b>502</b>

### Information on fair value

The fair values were set on the respective allocation dates of the plans.

The expense recognized at June 30, 2023, in respect of these free shares plans amounted to €502k.

**Pursuant to resolution no.19, the Extraordinary General Meeting of June 14, 2022** authorized the Board of Directors, for a period of 38 months and on one or more occasions, to allocate free shares. Using this authorization, the Board of Directors of March 2, 2023, set the following terms:

Plan no.	Grant date	Personnel involved	Number of options	Number of valid options	Vesting conditions	Contractual life of the options	Cost recognised at June 30, 2023 (in K€)
AGA 2023-1-a	2023-03-02	Employees and Senior management	18,167	18,167	1 year of service	2	36
AGA 2023-1-b	2023-03-02	Employees and Senior management	18,167	18,167	2 years of service	2	18
AGA 2023-1-c	2023-03-02	Employees and Senior management	18,167	18,167	3 years of service	3	12
AGA 2023-1-d	2023-03-02	Employees and Senior management	18,167	18,167	4 years of service	4	9
AGA 2023-2-a	2023-03-02	Employees and Senior management	6,500	6,500	2 years of service	2	9
AGA 2023-2-b	2023-03-02	Employees and Senior management	3,250	3,250	3 years of service	3	3
AGA 2023-2-c	2023-03-02	Employees and Senior management	3,250	3,250	4 years of service	4	2
<b>Total Options</b>			<b>85,667</b>	<b>85,667</b>			<b>89</b>

### Information on fair value

The fair values were set on the respective allocation dates of the plans.

	AGA 2023-1	AGA 2023-2
Price of the share on the grant date	8.06	8.06
Dividend rates	0%	0%
Discount for non-transferability	0%	0%
Fair Value of Option	8.06	8.06
Cost recognised at June 30, 2023 (in K€)	75	14

The expense recognized at June 30, 2023, in respect of these free shares plans amounted to €89k.

### **c) 2022 equity warrants**

Pursuant to resolutions no. 1 and 2, the Extraordinary General Meeting of December 9, 2022 granted the Board of Directors power of authority to issue, on one or more occasions, a maximum of 40,000 securities. Using this authorization, the Board of Directors of December 12, 2022 set the following terms:

Plan no.	Grant date	Personnel involved	Number of options	Number of valid options	Vesting conditions	Contractual life of the options	Cost recognised at June 30, 2023 (in K€)
BSA 2022	2022-12-12	Directors	40,000	40,000	0 year of service	7	151
<b>Total Options</b>			<b>40,000</b>	<b>40,000</b>			<b>151</b>

## NOTE 22 FINANCIAL INCOME (EXPENSE)

Financial expense is analyzed as follows:

Net financial result (In thousands of euros)	2023-06-30	2022-06-30	Variation
Interest and financial charges paid	(662)	(623)	(38)
Change in fair value of warrants	1,972	2,783	(811)
Loss on investments	-	-	-
<b>Cost of net financial debt</b>	<b>1,311</b>	<b>2,160</b>	<b>(849)</b>
Exchange Loss	(127)	(13)	(114)
Others financial charges	(30)	(19)	(10)
<b>Other financial charges</b>	<b>(156)</b>	<b>(32)</b>	<b>(124)</b>
Exchange Gain	56	292	(236)
Other Investment income	11	22	(11)
<b>Other Investment income</b>	<b>67</b>	<b>314</b>	<b>(247)</b>
<b>Total financial result</b>	<b>1,221</b>	<b>2,441</b>	<b>(1,220)</b>

Financial expense stemmed primarily from:

- Interest payments on the EIB loan for an amount of €646k;
- Change in the fair value of warrants of €1,972k described in Note 14.

## NOTE 23 INCOME TAX

Income tax expense breaks down as follows:

Tax on profit or loss (In thousands of euros)	2023-06-30	2022-06-30	Variation
Payable tax - France	-	-	-
Payable tax - Abroad	(145)	(337)	192
Deferred taxes - net	25	24	1
<b>Total</b>	<b>(120)</b>	<b>(313)</b>	<b>193</b>

## NOTE 24 EARNINGS PER SHARE

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

Net result per share (In thousands of euros)	2023-06-30	2022-06-30	Variation
Net result	(10,088)	(8,881)	(1,207)
Weighted average number of ordinary shares outstanding	15,801,449	15,482,998	318,451
Treasury shares	(28,970)	(20,968)	(8,002)
<b>Total shares</b>	<b>15,772,479</b>	<b>15,462,030</b>	<b>310,449</b>
<b>Earnings per share (in euros)</b>	<b>(0.64)</b>	<b>(0.57)</b>	<b>(0.07)</b>
<b>Number of potential shares</b>	<b>17,706,098</b>	<b>17,547,046</b>	<b>159,052</b>

Note that net earnings per share indicated in the consolidated income statement (0.64) corresponds to the consolidated net profit (loss) over the number of shares making up the Company's share capital as of June 30, 2023. Potentially dilutive instruments are described in Note 10. During the periods reported, instruments providing right to the capital on a deferred basis (equity warrants, free shares, etc.) are considered as anti-diluting as they lead to a reduction in the loss per share. Therefore, diluted earnings per share is identical to basic earnings per share.

## **NOTE 25 OFF-FINANCIAL POSITION STATEMENT COMMITMENTS AND OTHER CONTINGENT LIABILITIES**

### **Loan Agreement Signed with the European Investment Bank (EIB)**

On December 18, 2019, Median Technologies and the European Investment Bank (EIB) signed a financing agreement amounting to €35m, supported by the European Fund for Strategic Investments (EFSI), also known as the "Juncker Plan".

This financing, divided into three tranches, will enable Median Technologies to strengthen and accelerate the investment program for its iBiopsy® imaging phenomics platform over the coming years.

- Tranche A for €15m;
- Tranche B for €10m (contract extended by a year – end-2023);
- Tranche C for €10m (now expired).

Median Technologies received payment for the first tranche on April 17, 2020. The contract was signed for a three-year period.

It expired on December 28, 2022 and a rider was subsequently signed. The latter essentially provides for:

- A one-year contract extension for the part concerning the release of the second tranche (€10 million), subject to the fulfillment of certain conditions.
- The one-year extension to the investment period for the iBiopsy® project (end-2024): financing obtained from the EIB has been allocated as part of the R&D efforts in the iBiopsy® project. All of the financing granted should represent no more than 50% of all costs invested by the Company within the framework of this project as of December 31, 2024. In the event that the financing

should exceed 50% of these amounts, the bank could demand the immediate repayment of any excess amounts. Median Technologies' management committee is confident in its ability to achieve the objectives defined in the contract signed with the EIB within the allotted deadlines.

- Stipulation that Median Medical Technology (Shanghai) Co., Ltd will act as the guarantee material subsidiary under the contract.

## NOTE 26 RELATED PARTY TRANSACTIONS

### a) Compensation of main executives

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

Remuneration of senior directors (In thousands of euros)	2023-06-30	2022-06-30	Variation
Wages and salaries (including social security contributions)	500	580	(80)
Wages and salaries to be paid Y-1 (including social security contributions)	(219)	(297)	78
Wages and salaries to be paid (including social security contributions)	135	135	-
Share-based payments	615	2,939	(2,324)
Director's fees	100	100	-
<b>Total</b>	<b>1,131</b>	<b>3,457</b>	<b>(2,326)</b>

Note that the amount shown in the "Directors' fees" line for 2023 concerned the maximum amount set by the Annual General Meeting.

### b) Other transactions with main executives

A consulting contract concluded with the company Mirror Health, managed by Oran Muduroglu, administrator of the company, for a period of 2 years with an end to December 31, 2023. The annual amount of the contract amounts to €138k. As of June 30, 2023, the amount in the accounts amounts to €69k.

A consulting contract concluded with the company Kapital Consulting LLC managed by Mr. Kapil Dhingra, director of the company, for a period of 1 year with an end to December 31, 2023. The annual amount of the contract amounts to €50k. As of June 30, 2023, the amount in the accounts amounts to €25k.

A consulting contract concluded with the company Orsco Life Science managed by Mr. Oern Stuge, director of the company, for a period of 1 year with an end to December 31, 2023. The annual amount of the contract amounts to €50k. As of June 30, 2023, the amount in the accounts amounts to €25k.

The Group does not have any other transactions with the main executives.



## NOTE 27 DIVIDENDS

The Company did not pay out a dividend for first-half 2023 or the financial year ended December 31, 2022.

## NOTE 28 SUBSEQUENT EVENTS

### a) New Financing

#### 1. €11.6m capital increase through a private placement and a public offering

The Global Offering amounted to a total of approximately €11.6m (share issue premium included), including 96.4% from institutional investors and 3.6% from retail investors via the PrimaryBid platform.

It was carried out:

- a capital increase carried out via a private placement of approximately €11.2m (share issue premium included) of 2,380,668 New Shares with cancellation of shareholders' preferential subscription rights, to the benefit of institutional investors (pursuant to the provisions of Article L.225-136 of the French Commercial Code and Article L. 411-2,1° of the French Monetary and Financial Code and in accordance with the 19<sup>th</sup> resolution of the Company's Combined General Meeting of June 20, 2023) (the "Private Placement"); and
- a capital increase with cancellation of shareholders' preferential subscription rights, through a public offering to retail investors via the PrimaryBid platform, for an amount of approximately €0.4m (share issue premium included), through the issuance of 88,491 (in accordance with the 18<sup>th</sup> resolution of the Company's Combined General Meeting of June 20, 2023) (the "PrimaryBid Offering").

The subscription price per new share issued in the Global Offering has been set at €4.70, corresponding to a discount of 6.93% against the closing share price of July 12, 2023.

The new shares are of the same category and fungible with the existing ordinary shares, benefit from all the rights associated with the existing ordinary shares and are admitted to trading on Euronext Growth Paris.

Upon completion of the transaction, the share capital of Median Technologies will amount to €913k and will be composed of 18,270,608 ordinary shares with a par value of €0.05 each.

#### 2. Issue of convertible bonds at a fixed rate and with a conversion price of 6.458 euros for an amount of €10 million subscribed by Celestial Successor Fund, LP "CSF"

The Company has also signed a Securities Purchase Agreement with CSF, for a convertible bonds' issuance (the "Convertible Bonds") to CSF for an amount of €10m. Convertible Bonds have the following characteristics:

- 7-year maturity.
- Paid-in-kind interest at a fixed interest rate of 8.5%.

- The conversion price of the Convertible Bonds was set at €6.458.
- The Bond loan is subordinated to the EIB loan.
- A certain number of commitments were made by the company as part of the execution of this contract, until the end of it. In the event of default or non-performance, all bonds may be required to be immediately converted into Shares at the Conversion Price or repurchased at their current face value plus accrued and unpaid interest up to the date fixed for early redemption.

The main commitments are as follows:

- Ensure a minimum level of available cash flow of more than €3m for the Group (consolidated cash flow).
- Ensure a minimum total financing contribution amount of €30m for the year 2023 (€21.6m at the date of preparation of the report).  
Thus, the company must, since the issue of the Bonds, either draw an additional tranche under the existing EIB Financing (tranche B) or raise an additional contribution of equity through the issue of ordinary shares before December 31, 2023.
- Do not distribute any dividends.
- Ensure year after year growth in iCro revenue, based on revenues declared through the half-yearly and annual consolidated accounts, from December 31, 2023.

The company does not produce guidance but we draw the reader's attention to the covenant relating to turnover. Given the current iCro revenue, the achievement of the covenant is not guaranteed to be respected by December 31, 2023. The company's management intends to negotiate a waiver with CSF if this covenant is not met. However, this does not call into question the company's ability to continue its activities.

#### **b) The iBiopsy® activity**

On July 17, 2023, Median Technologies (ALMDT) announces today that the Company has officially commenced operations with all investigator sites participating in the pivotal validation plan for its iBiopsy® Lung Cancer Screening (LCS) AI/ML tech-based CAdE/CADx Software as Medical Device (SaMD). For the purposes of its pivotal validation plan, Median Technologies has signed clinical research agreements with world-class academic healthcare institutions, which are leading healthcare centers for the management of lung cancer patients.

Median's pivotal validation plan is composed of a pivotal standalone performance study (MT-LCS-002) and an international Multi-Reader Multi-Case (MRMC) pivotal clinical trial (MT-LCS-004). Both pivotal standalone study (MT-LCS-002) and pivotal clinical trial (MT-LCS-004) results will be respectively submitted to the FDA for obtaining the 510(k) clearance and to a European notified body for obtaining CE Marking.

**c) Nomination of a new director**

On October 10<sup>th</sup>, 2023, Ben McDonald joined the board of directors of Median Technologies, chaired by Oran Muduroglu. This appointment was approved during the ordinary shareholders' meeting.

Ben McDonald is a Co-Founder, Partner, and Chief Investment Officer at Aegis Group Partners, a frontier technologies investment firm. He oversees Aegis Group Partners' investments in a range of industries, including artificial intelligence, software, biotech, quantum computing, biomaterials, and clean tech. Ben serves on the board of directors for Aegis Group Partners Holdco, Noble Biomaterials, SuperTurbo Technologies, and Next Generation Turbo. He also served on the board of directors of Introhive before its sale to Providence Strategic Growth. Prior to joining Aegis Group Partners, Ben was an investor at Citadel Global Equities and Ailanthus Capital Management, where he focused on the technology sector. He holds an MBA from the University of Cambridge and an HBA from Western University.

**d) First results of Median Technologies' iBiopsy® HCC detection AI model developed on the PHELICAR Clinical Data Registry, to be presented at the ESMO Congress (Oct 20-24, 2023, Madrid, Spain)**

Results are the first data released on the development of an AI model which will be integrated into Median's iBiopsy® AI/ML tech-based CAdE/CADx SaMD for Hepatocellular Carcinoma (HCC) early diagnosis.

Initial results show an HCC lesion detection sensitivity of 92% of Median's iBiopsy® AI model, versus a sensitivity of 69% observed among radiologists without AI-based computer-aided detection. Results will be presented by Pr. Olivier Lucidarme, La Pitié-Salpêtrière, AP-HP Hospital, Paris, France, at the ESMO 2023 Congress, during an oral session on Sunday, 22 October at 9:10 am.

## **DECLARATION OF THE PERSON RESPONSIBLE FOR THE FINANCIAL REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**PERIOD FROM JANUARY 1 TO JUNE 30, 2023**

I attest, to my knowledge, that the summarized consolidated financial statements for the previous half year have been drawn up in accordance with the applicable accounting standards and provide an accurate image of the assets, the financial condition, and the results of the company and of all of the companies included within the scope of consolidation, and that the half-yearly report attached herewith presents an accurate image of the important events that have occurred during the first six months of the financial year, their impacts on the financial statements, and the main transactions between insiders.

Executed in Valbonne, October 18, 2023

The Chairman

Median Technologies

**Oran MUDUROGLU**