The Imaging Phenomics Company®

Half-Year Financial Report
June 30, 2018

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.

ALMDT
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1. CONTENT

2. PRESENTATION OF THE GROUP

A. Presentation of Median Technologies

Our company specializes in the field of medical imaging. Our vision is to contribute to more personalized and predictive medicine through the development and marketing of innovative medical image analysis solutions based on artificial intelligence and cloud computing. Medical imaging is key for the evaluation of patient response to therapy. Today, the raise of Artificial Intelligence, cloud-computing and big data, is transforming medical images in powerful tools for a better understanding of diseases and a better diagnosis to fulfil the promise of personalized medicine, i.e., the right treatment to the right patient at the right time.

Our mission is to advance healthcare for everyone, extracting the most meaning from medical images which, when combined with other clinical data will eventually help to fill uncovered medical needs, cure and save patients.

Since the inception of our company in 2002 in Sophia Antipolis France -where we still have our headquarters- we have been expanding the boundaries of the identification, analysis and reporting of medical imaging data in addition to being at the heart of image analysis and management in clinical drug development, diagnostic support, and patient care.

Median is today at the heart of the analysis and management of medical images for the development of new drugs, has developed a strong scientific and technological expertise, as well as a large technology core that has been continuously enhanced and enriched over the last fifteen years.

In addition to its historical headquarters based in Sophia Antipolis, France, our company has a subsidiary in the US, another one in Hong Kong, and a WOFE in Shanghai.

A pluri-disciplinary team

Our pluri-disciplinary team includes many scientific and technical skills in the following areas: machine learning, image processing, data science, cybersecurity, cloud computing and biostatistics, and talented people for product definition, software development, regulatory and marketing for the Healthcare industry as well as for clinical project management and imaging services delivery in clinical trials.

As individuals and as a team, our people are driven by a strong corporate culture and four core values that are essential to us: leading innovation with purpose, committing to quality in all we do, supporting our customers in achieving their goals, and always remembering to put the patient first.

Developing collaborations and partnerships is key to success

Since the beginning, we have built our imaging expertise through an active internal research program and collaborations with worldwide scientific institutes involved in image processing and medical physics research. Some collaborations were initiated in the early development of the company, including collaborations with major international leading research laboratories, such as the French National Institute for Computer Science and Control (INRIA), the University of Chicago, and the Swiss Federal Institute of Technology in Lausanne, Switzerland (EPFL). Some of these collaborations are continuing and are informing much of the company's innovation roadmap today.

More recent collaboration agreements have been signed with luminary health institutes with the objective to sustain our scientific works on the emerging use of AI in medical imaging. Most of these collaborations were inked in 2017-2018 and include Memorial Sloan Kettering Cancer Center NYC, USA and the University Hospital of Nice, France and are still active. We have ongoing clinical programs in liver, lung and prostate cancer as well as Nonalcoholic Steatohepatitis (NASH) and immuno-oncology (IO). Preliminary results were and will be presented during major scientific and medical conferences in 2018 and later.

In the technology field, since 2016, we have partnered with Microsoft to deliver our cloud-based iBiopsy® platform (see below additional description).

Medical imaging is everywhere in the patient journey

Until 2011, Median was positioned in the patient care market solely, with our application portfolio Lesion Management Solution – LMS – being dedicated to radiology daily routine in oncology imaging.

In 2011, we started expanding our solutions and services to the management of medical images in oncology clinical trials, targeting biopharmaceutical companies involved in Phase 1 to Phase 3 clinical trials in oncology, with a new offering iSee®.

Whether in the field of clinical trials or patient care, Median has developed a direct and indirect sales strategy and has relied on partners to develop its business. Our company has partnered with OEM (Original Equipment Manufacturers) and PACS (Picture Archiving and Communication Systems) providers to develop its indirect sales in the patient care market, and with major CRO (Contract Research Organizations) in the clinical trial market (IQVIA (former Quintiles), Syneos (former inVentiv Health and Inc Research) …). As of today, company revenue comes from the iCRO clinical trial business.

Since 2016, Median Technologies has started the development of a disruptive image-based phenotyping platform, iBiopsy® (Imaging BIOmarker Phenotyping System), based on proprietary predictive learning methodologies for high throughput discovery and validation of robust imaging signatures reflective of disease pathophysiology. This in turn can leverage imaging phenomics, which uses the detected imaging signatures – the 'fingerprints' of disease– to advance drug development and precision medicine. AI powered Imaging phenomics can provide information on disease at a level of detail never possible before as well as actionable data to guide patient diagnosis and treatment.

Since 2017, the R&D effort dedicated to iBiopsy® has been growing.

In 2018, in a global context where the use of Artificial Intelligence, cloud computing and big data in the field of health and more particularly in the field of medical imaging becomes overriding and key, we base our development and growth strategy on iBiopsy®.

Stock market listing, financial awards and labels.

Since 2011, Median is listed on Euronext Growth (former Alternext Paris) - (ISIN: FR0011049824, ticker: ALMDT). The stock market data as well as the distribution of capital at June 30, 2018 are given on pages 6 and 7 of this report.

Our company has recently received financial awards, including the 2018 Forbes Futur 40 award and special recognition prize in the category "Health-Life Sciences".

Median also ranks in Deloitte Technology Fast 500™ EMEA for 2017 and in the 2018 Financial Times FT 1000 for the 1000 Europe's fastest growing companies.

Median is also labeled Pass French Tech Promotion 2018 and is a member of BPI France Excellence Network.

B. History of the company

Landmarked company milestones from 2002 to 2017

2002 - Median Technologies is founded in Sophia Antipolis, France. Co-founders include Fredrik Brag, who is currently CEO and Chairman of the Company. Up until 2007, Median enriches its technology, particularly by collaborating with technological and scientific institutes in medical imaging.

2007 - All 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 US, following regulatory clearance from the FDA (510K).

2011 – It 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. Solutions and Services are based on the technological core of LMS.

2016 - Median starts the iBiopsy® project and inks a partnership with Microsoft France.

The company rebranding highlights the importance of imaging phenomics in the positioning of Median in its markets. Median has a new logo, develops a new visual brand and becomes "The Imaging Phenomics Company®".

2016 is also a pivotal year in terms of structuring its US subsidiary and hiring leadership team members.

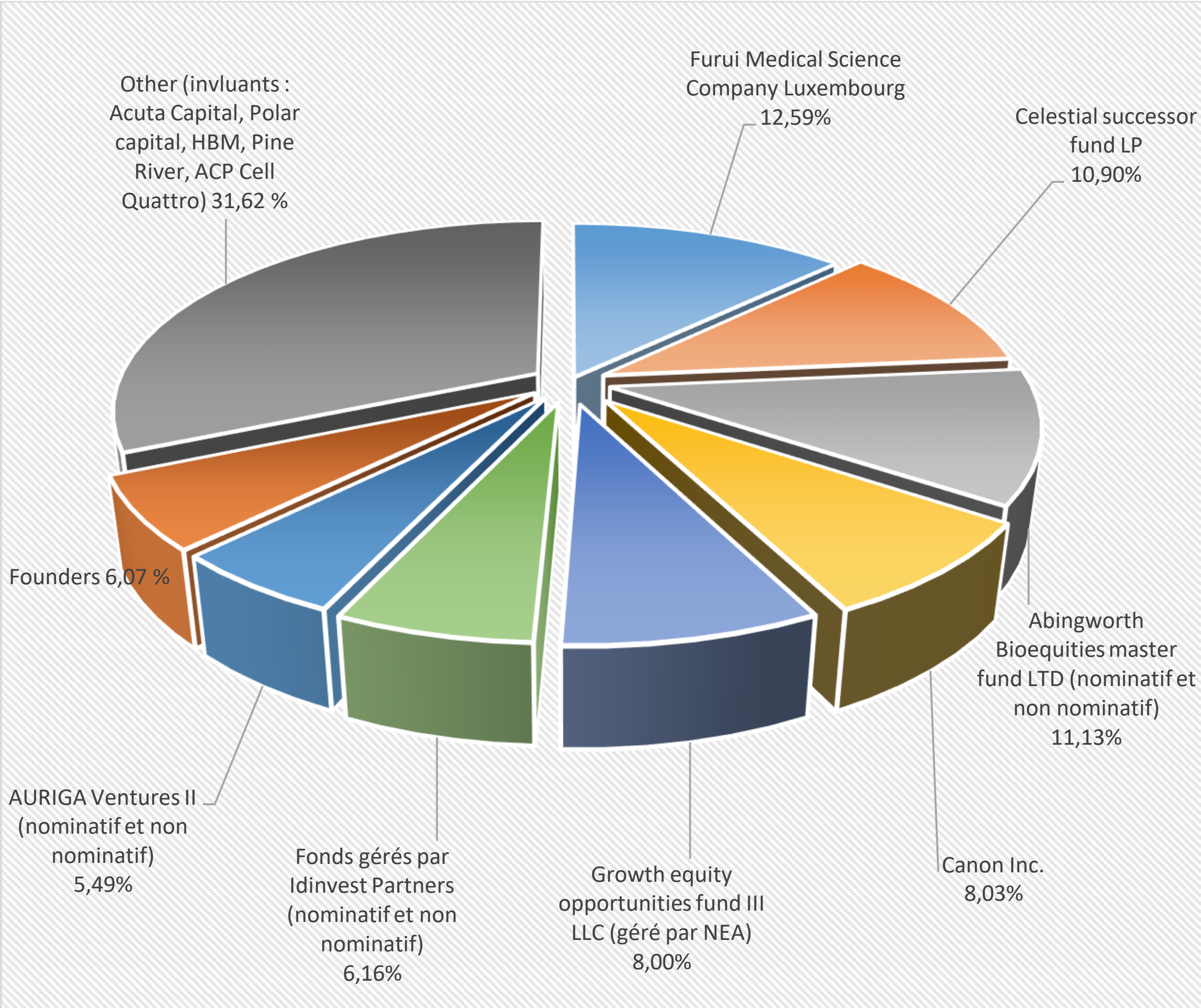
2017 - Median expands its global footprint with the opening of its subsidiary in Hong Kong and the development of its US subsidiary.

The company recruits additional leadership team members. Median strengthens its R&D efforts on the technology development and scientific/clinical validation of its investigational platform iBiopsy® to answer the upcoming challenge of personalized and predictive medicine based on AI technologies. iBiopsy® will eventually serve the pharmaceutical market and the patient care market as well.

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 exercise 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 exercise 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 exercise 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 exercise of founder's share warrants; - **E Preference shares** issued following the exercise of founder's share warrants; - Shares issued following the exercise 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 exercise of founder's share warrants; - **E Preference shares** issued following the exercise of founder's share warrants; - Shares issued following the exercise of BSA.	1,635,363	81,768.15 €	20,629,364.39 €
1/1/2017	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 €
4/1/2017	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 €
6/1/2017	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 €
6/1/2017	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 €
10/1/2017	The Board of Directors of October 5th, 2017 recorded the issue of 2,200 new shares, following the exercise of 11,000 warrants. These shares were issued at a unit price of €6.5 including €0.05 of nominal value and €6.45 of share premium.	2,200	110.00 €	14,300.00 €
10/1/2017	The Board of Directors of October 5th, 2017 recorded the issue of 162,523 new shares, following the exercise of 162,523 free Shares. These shares were issued at a €0.05 of nominal per share by taking on the special reserve.	162,523	8,126.15 €	- €
12/1/2017	The Board of Directors of December 13th, 2017 recorded the issue of 11,000 new shares, following the exercise of 55,000 warrants. These shares were issued at a unit price of €6.5 including €0.05 of nominal value and €6.45 of share premium.	11,000	550.00 €	71,500.00 €
12/1/2017	The Company issued 111,111 new shares following the exercise of 222,222 warrants. These shares were issued at a unit price of €9.00 including €0.05 of nominal value and €8.95 of share premium. The Board of Directors recorded the completion of the capital increase on December 13, 2017.	111,111	5,555.55 €	999,999.00 €
	Share capital as of June 30, 2018	**11,974,903**	**598,745.15 €**	

D. Shareholding structure as of June 30, 2018



E. Board of Directors

Our Board of directors provides key expertise in financial and strategic industrial areas. It is headed by Fredrik BRAG as president.

Fredrik Brag - Chairman of the Board of Directors

Fredrik Brag is Median's Chief Executive and Chairman of the Board of Directors. He co-founded the company in 2002, bringing years of technology company expertise gained in business development, fund raising and IPOs. He was previously Vice President of HealthCenter/Focus Imaging, where he built significant experience in specialized medical imaging and information and communication technology. He graduated from the Stockholm School of Economics.

Tim Haines - Administrator

Tim Haines is a Managing Partner at Abingworth. Tim has more than 25 years of international management experience in the life sciences industry in both public and private companies. During his time at Abingworth Tim has taken board roles in a number of companies including Astex, Fovea, Lombard Medical, MEDIAN Technologies, Pixium Vision, PowderMed, Proteon Therapeutics, Sientra and Stanmore Implants.

Oran Muduroglu - Administrator

Oran Muduroglu is a recognized leader in healthcare technology and is successful at building solutions that improve the quality of, and access to healthcare information. He has over 20 years of healthcare industry experience. Oran Muduroglu joined Medicalis in January 2010 as Chief Executive Officer. Prior to joining Medicalis, Oran was the CEO of Health Informatics at Philips Medical Systems. In 1988, he co-founded and became CEO of Stentor, which was acquired by Philips in 2005. In the early 1990s, he served as vice president of sales and marketing at Cemax, an early pioneer in image management and advanced visualization, and prior to that, he was a senior product manager at Toshiba Medical.

Otello Stampacchia - Administrator

Otello Stampacchia, PhD was associated with Omega Funds since 2004. Previously, Otello was in charge of life sciences direct investments at Alpinvest Partners, one of the largest private equity asset managers worldwide. At AlpInvest, Otello was responsible for the direct life sciences investments, as well as assisting in due diligence for healthcare venture fund of funds investments. Before Alpinvest, Otello was the portfolio manager of the Lombard Odier Immunology Fund, a USD $3bn listed investment vehicle, investing in public and private healthcare companies worldwide.

Kapil Dhingra - Administrator

Kapil Dhingra founded and is the head of KAPital Consulting, a healthcare consulting firm. Dr. Dhingra also serves on several life science company boards, including Advanced Accelerator Applications, Exosome Diagnostics Inc., Autolus, and Five Prime, Inc. He previously served on the Boards of several successful companies, including Biovex, Micromet, Algeta, and, YM Biosciences, that were acquired by major pharmaceutical companies. Prior to joining Advanced Accelerator Applications (AAA), Dr. Dhingra worked for over 25 years in oncology clinical research and drug development. His experience includes nine years at Hoffman-La Roche, where he served in various positions, including Vice President, Head of the Oncology Disease Biology Leadership Team and Head of Oncology Clinical Development. Prior to that, he worked as a Senior Clinical Research Physician at Eli Lilly and Company. Before joining industry, Dr. Dhingra was on the faculty of The University of Texas MD Anderson Cancer Center for 8 years where he pursued translational and clinical research career in addition to patient care responsibilities. Dr. Dhingra holds an MB, BS (US MD Diploma equivalent) from the All India Institute of Medical Sciences in New Delhi, India, followed by an internship in Internal Medicine at Lincoln Medical and Mental Health Center, New York. City, New York and New York Medical College, Valhalla, New York. He has been Chief of Clinical Hematology / Oncology at the Emory University School of Medicine, Atlanta, Georgia.

F. History of the option plans for share subscription

Summary Table

Date of the General Meeting	Number of authorised securities	Grant date of securities	Number of securities allocated	Exercise limit date	Number of securities valid not exercised 12/31/2017	Number of securities granted in 2018	Number of securities cancelled non subscribed on 2018	Number of securities exercised	Number of securities valid not exercised as of June 30, 2018	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	30,000	-	-	-	30,000	6,000	6.50	300.00
12/7/2009	1,061,309	12/7/2009	1,061,309	12/6/2019	402,582	-	-	-	402,582	80,516	4.20	4,025.80
4/1/2011	100,000	4/1/2011	99,950	3/31/2021	46,450	-	-	-	46,450	9,290	6.50	464.50
BSPCE	**1,347,565**		**1,331,259**		**479,032**	**-**	**-**	**-**	**479,032**	**95,806**		**4,790.30**
4/1/2011	100,000	4/1/2011	5,000	-	-	-	-	-	-	-	-	-
		12/15/2011	60,000	-	-	-	-	-	-	-	-	-
		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	-
		12/13/2017	34,500	12/12/2024	34,500	-	5,000	-	29,500	29,500	13.00	1,475.00
Stock Options	**600,000**		**171,970**		**84,970**	**-**	**27,500**	**-**	**57,470**	**57,470**		**2,873.50**
3/10/2009	24,609	3/10/2009	24,609	3/10/2019	-	-	-	-	-	-	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	1,888,890	-	-	-	1,888,890	944,445	9.00	47,222.25
5/28/2018	130,000	5/30/2018	120,000	5/30/2025	-	120,000	-	-	120,000	120,000	9.50	6,000.00
Warrants	**2,456,831**		**2,446,831**		**1,968,890**	**120,000**	**-**	**-**	**2,088,890**	**1,144,445**		**57,222.25**
6/16/2016	162,523	7/22/2016	162,523	N/D	-	-	-	-	-	-	-	-
6/16/2016	162,522	7/22/2016	162,522	N/D	152,522	-	-	-	152,522	152,522	-	7,626.10
6/16/2016	186,873	10/6/2016	186,873	N/D	186,873	-	93,479	-	93,394	93,394	-	4,669.70
6/16/2016	186,872	10/6/2016	186,872	N/D	186,872	-	93,479	-	93,393	93,393	-	4,669.65
Free Shares	**698,790**		**698,790**		**526,267**	**-**	**186,958**	**-**	**339,309**	**339,309**		**16,965.45**
Total	**5,103,186**		**4,648,850**		**3,059,159**	**120,000**	**214,458**	**-**	**2,964,701**	**1,637,030**		**81,851.50**

Warrants

Warrants	Historical record	Subscription Date	Expiry Date
"2009 A Warrant"	NVF Equity Limited signed a share warrant, for an amount of €16k, released in full by offsetting debt in 2009. The warrant is exercisable at any time after completion of the issue for a 10-year period ending March 10, 2019. The warrant entitles acquisition of 24,609 ordinary shares at an exercise price of €6.50.	**March-09**	**Exercise in January 2017**
"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. In July 2015, 111,110 warrants were exercised and resulted in 55,555 shares being issued. The Board of Directors of October 1st, 2015 recorded the increase of capital for a total of €2,777.75. In November 2017, 222,222 warrants were exercised and resulted in 111,111 shares being issued. The Board of Directors of December 13rd, 2017 recorded the increase of capital for a total of €5,555.55. **It remains 1,888,890 warrants. The life term of these warrants expires September 2021.**	**September-14**	**September-21**
"2018 warrants"	The General Meeting on May 28 , 2018 decided to issue 120,000 securities giving access to capital having the characteristics of equity warrants (2018 warrants). Each 2018 warrant was subscribed at a price of €1.51. The funds for this subscription were released in June 2018. The unit price of exercising the 2013 warrants is 110% of the average price during the 20 trading days preceding the May 28, 2018 General Meeting, or €9.5 per share. The life term of these warrants expires May 28, 2025.	**May-18**	**May-25**

Awarding of free shares

Free Shares	History	Allocation Date	Acquisition Period	Variable retention Period
" AGA-2016A"	The Board of Directors of July 22, 2016 decided to award 162,523 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 162,522 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 186,873 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 186,872 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**	**No**

3. HALF-YEAR ACTIVITY REPORT

A. Ordinary activities during the first half of 2018

NOTE 1 ACTIVITIES OF THE GROUP

Company's revenue came from its imaging in clinical trials (iCRO) activities. In the first half of 2018, revenue came to €3.4 million, down 15% compared to the first half of 2017, due to delays in the startup of some new trials contracted in the second half of 2017 as well as some projects which have been signed but either canceled or placed on hold by clients to ensure the validity of their preliminary studies.

Over the period, the company has proceeded with the creation of its subsidiary, Median Medical Technology (Shanghai) CO., Ltd., in line with the strategy previously announced by the company to develop its iCRO business in Asia and, more specifically, in China. Median's development strategy in Asia is motivated by the increased number of clinical trials conducted in this part of the globe. Median has pursued its R&D investments for iBiopsy®, its imaging platform which combines artificial intelligence and cloud computing, in accordance with R&D strategic orientations as defined and implemented since 2016.

The R&D team has also developed ad hoc features for its clinical trials imaging platform, iSee®, in order to answer ongoing clinical contract requirements. Also, during the semester, Median further strengthened its R&D teams by hiring contractors to develop additional features for the iSee® platform.

In the first half of 2018, the Group started to refocus its iCRO business development on Asia the ambitious goal of having its iCRO business unit breakeven as soon as possible and with a first assessment planned at the end of 2018. To do this, Median had to end its collaboration with 9 employees in the US and 1 in the United Kingdom.

Considering all these elements, financial results over the semester show:

- Staff costs decreasing slightly by almost 16% following the departure of a Senior Executive who no longer fulfilled the conditions for free shares rights acquisition and for which the expenses recognized as of December 31, 2017 were reversed.
- An €1.361 million increase in external charges, with:
  - ✓ costs to pursue the implementation of tools to improve clinical project management contracted by Median and increase the company's overall productivity,
  - ✓ Research and development costs.

In the end, operating result for the first half of 2018 came to (€9,087k) compared to (€8,702k) for the first half of 2017.

Net results for the first half of 2018 came to (€8,955k) compared to (€8,884k) for the first half of 2017.

As of June 30, 2018, Median Technologies showed a cash position of more than €18.4 million and no financial debt. Shareholder's equity, in turn, amounted to €16 million.

The Extraordinary General Meeting on May 28, 2018 authorized the Board of Directors to proceed, on one or more occasions, in such proportions and at such times as it deemed appropriate, with the issuance of no more than 130,000 securities giving access to capital, having the characteristics of share warrants (hereinafter the "BSA 2018").

An options plan, which was adopted by the Board of Directors on May 30, 2018, is presented on page 28 of this report.

NOTE 2 FUTURE PROSPECTS

iCRO business unit

The company's order backlog relates to Median's activity in the field of imaging for clinical trials (iCRO). As of June 30, 2018, it came to €21.4 million compared to €22.5 million as of December 31, 2017. This slight variation is explained notably by the traditionally reduced number of orders taken in the first half of the year, with a increase observed in the second half.

Today, Median perceives a high potential for growth in the iCRO market in Asia, which is the rationale for the recent opening of the company's subsidiary in Shanghai. Moreover, Median is currently assessing on the development of operations in the region, which could be an asset for business development. Median is organizing itself so that the iCRO business unit reaches the financial breakeven point as soon as possible. The company will redeploy its development strategy by privileging an indirect sales model based on existing partnerships and agreements which bear potential even if they remain slow to activate.

In parallel, the iSee® (image management solution for clinical trials) related R&D effort will be lessened to privilege iBiopsy®.

iBiopsy® business unit

Today, Median intends to organize its growth around the development and launch of its imaging phenomics platform iBiopsy®.

It represents for the company the very core of its competitive advantage.

Accordingly,

- The Research and Development effort dedicated to iBiopsy® will be further strengthened during the second half of 2018,
- The company will increase its scientific team,
- The scientific team will be placed under the responsibility of a Chief Scientific Officer, whose recruitment is planned for the coming months.
- Median will pursue and strengthen its policy of partnerships with world-recognized medical institutions to develop clinical validation programs for iBiopsy® on specific indications. As a reminder, in 2017 and early 2018 Median had already signed partnerships for prostate cancer, lung cancer, and NASH indications. New partnerships are currently under discussion.

Routine radiology and MediScan®

Median has investigated the relevance of resuming its commercial activities in the field of image analysis for radiology routine (patient care), by reassessing the market and evaluating the R&D effort for its product MediScan®, which is based on its legacy Lesion Management Solution (LMS) portfolio. As an output, the company decided not to reinitiate new R&D activities for its MediScan® product and to stop selling it.

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, 2018

Since June 30, the company has initiated redeployments to support its strategic decisions:

- iCRO-related operations have been transferred from the American subsidiary to Median's headquarters in Sophia Antipolis, while keeping a suitable operational team on the American territory.
- R&D staff assigned to the development of iSee® have been transferred to iBiopsy® and contractors assigned to iSee® have not been renewed,
- The sales and sales support teams in the United States and in France have been rescaled following the implementation of a sales model based on partnerships and by focusing on already existing clients.
- Median is still pursuing its organizational shift to iBiopsy® whereas optimizing its iCRO business unit. Given the stakes, the company applied business decisions made at the end of the first half by processing the separation of 15 employees in the US and of 2 employees in UK. These employees were primarily involved in the iCRO business unit. In France, the company has put in place a plan which could lead to the departure of 8 employees.

Operational impacts from this redeployment are already visible.

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	06/30/2018	12/31/2017
Intangible assets	3	202	236
Tangible assets	4	613	500
Non-current financial assets		174	173
Total non-current assets		**990**	**909**
Inventories		6	-
Trade and other receivables	5	2,273	2,845
Current financial assets	6	131	206
Other current assets	7	2,758	1,893
Cash and cash equivalents	8	18,483	28,290
Total current assets		**23,652**	**33,234**
TOTAL ASSETS		**24,641**	**34,144**

Liabilities (in thousands of euros)		06/30/2018	12/31/2017
Share capital	9	599	599
Share premiums	9	53,326	53,145
Consolidated reserves		(28,826)	(11,526)
Unrealized foreign exchange differences		(77)	(75)
Net result		(8,955)	(17,206)
Total shareholders' equity		**16,067**	**24,937**
Of which the group share		***16,067***	***24,937***
Long-term financial debts	12	-	-
Employee benefits liabilities	10	489	432
Deferred tax liabilities	13	335	347
Non-current other liabilities	15	950	1,069
Total non-current liabilities		**1,774**	**1,848**
Short-term financial debts	12	4	4
Trade and other payables	14	6,737	7,313
Current provisions	11	60	43
Total current liabilities		**6,801**	**7,359**
TOTAL LIABILITIES		**24,641**	**34,144**

B. Statement of Consolidated Net Results

Consolidated income statement	Notes	06/30/2018 (6 months)	06/30/2017 (6 months)
Revenue	16	3,358	3,958
Other income		-	-
Revenue from ordinary activities		**3,358**	**3,958**
Purchases consumed		(73)	(104)
External costs	19	(5,551)	(4,190)
Taxes		(150)	(134)
Staff costs	17	(6,492)	(7,717)
Allowances net of amortization, depreciation and provisions		(198)	(509)
Other operating expenses		8	(5)
Other operating income		11	-
Operating result		**(9,087)**	**(8,702)**
Cost of net financial debt		(3)	(3)
Other financial charges		(81)	(194)
Other investment income		211	30
Net financial result	**20**	**127**	**(168)**
Income tax (expense)	21	5	(14)
Net result		**(8,955)**	**(8,884)**
Net result, group share		(8,955)	(8,884)
Net result, non-controlling interests' share		-	-
Net result , Group share of basic and diluted earnings per share	**22**	**(0.75)**	**(0.76)**

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

OTHER COMPREHENSIVE INCOME (In thousands of euros)	Notes	06/30/2018 (6 months)	06/30/2017 (6 months)
NET RESULT		**(8,955)**	**(8,884)**
Unrealized foreign exchange differences		(2)	73
Total items that may be reclassified		**(2)**	**73**
Actuarial gains and losses on defined benefits plans		(17)	25
Deferred taxes on actuarial gains and losses		5	(7)
Total items that will not be reclassified		**(13)**	**18**
OVERALL RESULT		**(8,970)**	**(8,792)**

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			
1/1/2017		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	12	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	51,984	80	52,065	(39)	(12,084)	(55)	(12,178)	(27)	(8,884)	31,561
Appropriation of the result prior period												
Capital increase	12	15	1,080		1,080							1,094
Attribution of equity warrants												-
Change in unrealized foreign exchange differences										(48)		(48)
Variation in actuarial differences net of deferred taxes								(37)	(37)			(37)
Result for current period											(8,322)	(8,322)
Share-based payments							816		816			816
Treasury shares						(118)			(118)			(118)
Other reserves							(8)		(8)			(8)
Set off the accumulated losses to the "share premium"												
12/31/2017		599	53,064	80	53,145	(157)	(11,277)	(92)	(11,525)	(75)	(17,206)	24,937
Appropriation of the result prior period							(17,206)		(17,206)		17,206	
Capital increase	12			181	181							181
Attribution of equity warrants												
Change in unrealized foreign exchange differences										(2)		(2)
Variation in actuarial differences net of deferred taxes								(13)	(13)			(13)
Result for current period											(8,955)	(8,955)
Share-based payments							(8)		(8)			(8)
Treasury shares						(75)			(75)			(75)
Other reserves												
Set off the accumulated losses to the "share premium"												
06/30/2018		599	53,064	261	53,326	(232)	(28,490)	(104)	(28,826)	(77)	(8,955)	16,066

E. Statement of Consolidated Cash Flow

Consolidated Statement of Cash Flows (In thousands of euros)		06/30/2018 (6 months)	12/31/2017 (12 months)	06/30/2017 (6 months)
CONSOLIDATED NET RESULT		**(8,955)**	**(17,206)**	**(8,884)**
Allowances net of amortization, depreciation and provisions		198	316	509
Payment based on shares		64	2,154	1,338
Gains and losses on disposals		-	4	-
Cost of net financial debt		-	-	-
Tax charge for the period , including deferred tax		(7)	8	14
OPERATING CASH FLOW		**(8,701)**	**(14,724)**	**(7,022)**
Changes in operating working capital requirement		**(1,046)**	**879**	**1,101**
Net cash flow from operating activities		**(9,747)**	**(13,846)**	**(5,922)**
Outflows on acquisitions of intangible assets		(28)	(78)	(120)
Outflows on acquisitions of tangible assets		(229)	(313)	(135)
Inflows on disposal of tangible and intangible assets		-	2	2
Outflows on acquisitions of financial assets		(123)	(114)	(163)
Inflows on disposal of financial assets		139	-	111
Net cash flow from investing activities		**(241)**	**(503)**	**(305)**
Capital increase or contributions		181	1,322	228
Contribution to the current account		-	-	-
Repayment of loans		-	(456)	-338
Net cash flow from financing activities		**181**	**867**	**(109)**
Net change in cash and cash equivalents		**(9,807)**	**(13,482)**	**(6,336)**
Cash and cash equivalents at start of the period	**8**	**28,290**	**41,773**	**41,773**
Cash and cash equivalents at end of the period	**8**	**18,483**	**28,290**	**35,437**

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

NOTE 1 PRÉSENTATION 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 EURONEXT GROWTH market (previously ALTERNEXT) since 2011.

2 – MAJOR EVENTS OF THE FIRST HALF OF 2018

Company's revenue came from its imaging in clinical trials (iCRO) activities. In the first half of 2018, revenue came to €3.4 million, down 15% compared to the first half of 2017, due to delays in the startup of some new trials contracted in the second half of 2017 as well as some projects which have been signed but either canceled or placed on hold by clients to ensure the validity of their preliminary studies.

Over the period, the company has proceeded with the creation of its subsidiary, Median Medical Technology (Shanghai) CO., Ltd., in line with the strategy previously announced by the company to develop its iCRO business in Asia and, more specifically, in China. Median's development strategy in Asia is motivated by the increased number of clinical trials conducted in this part of the globe.

Median has pursued its R&D investments for iBiopsy®, its imaging platform which combines artificial intelligence and cloud computing, in accordance with R&D strategic orientations as defined and implemented since 2016.

In the first half of 2018, the Group started to refocus its iCRO business development on Asia the ambitious goal of having its iCRO business unit breakeven as soon as possible and with a first assessment planned at the end of 2018. To do this, Median had to end its collaboration with 9 employees in the US and 1 in the United Kingdom.

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 for the year ended 30 June 2018 were voluntarily prepared in accordance with the IAS/IFRS international accounting standards applicable at that date, as approved by the European Union, for all periods reported.

The IFRS adopted by the European Union on 30 June 2018 is available in the Interpretations and IAS/IFRS standards section on the following website:

(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 Reporting", as adopted by the European Union. They do not include all the information necessary for a complete set of financial statements under IFRS. They include, however, a selection of notes explaining significant events and transactions with a view to understanding the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2017.

The euro was selected as the Group's presentation currency. Unless otherwise indicated, the condensed interim financial statements are presented in thousands of euros, all values being rounded to the nearest thousand.

The nature of the Group's business is not subject to seasonality.

These condensed consolidated financial statements were prepared under the responsibility of the Board of Directors on October 9, 2018.

2 - MAIN ACCOUNTING METHODS

The accounting policies applied in the condensed interim financial statements are identical to those used by the Group in the IFRS consolidated financial statements for the year ended 31 December 2017, with the exception of the standards, amendments and interpretations applicable to the Group for the first time on January 1, 2018:

Principal standards, amendments and interpretations obligatory on 1 January 2018

- ✓ IFRS 15 - Revenue from Contracts with Customers;
- ✓ Clarification of IFRS 15 – Revenue from Contracts with businesses customers;
- ✓ IFRS 9 - Financial Instruments ;
- ✓ Annual Improvements 2014-2016, for the amendments relating to the IAS 28 et IFRS 1;
- ✓ Modification of the IFRS 2 – Classification and valuation of the share-based payment transactions;
- ✓ IFRIC 22 – Foreign Currency Transactions and Advance Consideration.

The impacts of adopting IFRS 15 and IFRS 9 as of January 1, 2018 are described in the following notes, respectively.

The adoption of the other new mandatory standards / amendments / interpretations listed above had no impact on the Group's financial statements.

Main standards, amendments and interpretations published by the IASB applicable in advance to January 1, 2018 within the European Union (subject to their approval).

The Group did not early apply these standards, amendments and interpretations in the consolidated financial statements as of June 30, 2018.

- ✓ IFRS 16 – Rental agreements ;
- ✓ Changes of the IFRS 9 – Early repayment clause providing for negative compensation;
- ✓ Interpretation IFRIC 23 – Uncertainty with respect to Tax Treatment;
- ✓ Addendun of IAS 19 – Amendment to reduce or liquidate plans;
- ✓ Annual improvement of the IFRS – (Cycle 2015-2017).

Main standards, amendments and interpretations published by the IASB not yet applicable on 1 January 2018 in the European Union

In 2018, the main published standards not yet binding and not yet approved by the European Union are:

- ✓ Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;
- ✓ Amendment to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and an Associate or Joint Venture;
- ✓ Modification of references to the conceptual framework in the standards.

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 or applicable by anticipation within the European Union is currently being assessed by the Management.

REGARDING THE APPLICATION OF IFRS 15: "COMMONLY COMMERCIAL ACTIVITY PRODUCTS CONCLUDED WITH CUSTOMERS"

IFRS 15 was adopted by the European Union on September 22, 2016. This standard replaces, for fiscal years beginning on or after January 1, 2018, IAS 18 "Income from ordinary "and IAS 11" Construction Contracts ".

The Group has applied IFRS 15 from 1 January 2018 using the retrospective method simplified.

Most of Median Technologies' revenue comes from services performed in the "Clinical Trials" activity, namely the sale of imaging services for clinical trials in oncology using dedicated software.

Regarding the services provided in this activity, the analysis of the contracts concluded with the clients, shows that, in general, these services constitute a single obligation of performance.

The turnover of these contracts and associated expenses is recognized as and when of the provision of these services. The Group may claim to reimburse the expenses incurred, increased by a reasonable margin, on the date of possible contract breakdown by the customer.

Other Group revenues relate to the sale of software licenses and contracts associated maintenance says, "Clinical Routine". This activity does not currently have a level of significant importance.

As a result, the income recognition principles that were applied until December 31, 2017 does not differ from those that the Group now applies in accordance with IFRS 15.

The adoption of IFRS 15 did not have a significant impact on the method of accounting for the Group income.

REGARDING THE APPLICATION OF IFRS 9: "FINANCIAL INSTRUMENTS"

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

• The provisions on the classification and valuation of financial assets will now be on the joint analysis of the management model of each asset portfolio and the characteristics contractual financial assets;
• The depreciation model, however, has abandoned the current approach based on lost losses for an expected loss approach;
• The coverage finally has many significant advances in relation to a company's corporate accounting risk management / accounting policy.

In this context, the Group adopted IFRS 9 as from January 1, 2018 using the method retrospective adoption.

The Group has not identified a material impact resulting from the application of this new standard IFRS 9.

a) <u>Classification and measurement of financial assets and financial liabilities</u>

The main categories of financial assets of the Group as at June 30,2018 concern cash mobilized under the liquidity contract, deposits and guarantees and loans.

These financial assets are measured at fair value through profit or loss.

At June 30, 2018, these financial assets did not generate any result in the consolidated financial statements. of the group. Regarding financial liabilities, the Group does not have any financial debts significant (4 K € at 31/12/2017 and 30/06/2018).

b) <u>Depreciation of financial assets</u>

IFRS 9 introduces a loss-based depreciation model for financial assets expected when IAS 39 was based on a proven loss model (accounting depreciation only following the occurrence of a credit event: late payment, significant deterioration in credit quality, etc.).

For non-current financial assets, depreciation was assessed individually, in taking into account the risk profile of the counterparty and the existing guarantees. No depreciation is recognized on non-current financial assets.

For trade receivables, the Group uses the simplified method of IFRS 9, which consists of recognize, from the outset, the expected losses on all claims, based on statistical observation of losses. This model did not lead to identifying any differences significant changes compared to the model previously applied by the Group (a depreciation of receivables was constituted when there was an objective indicator of the Group's inability recover all the amounts due under the conditions originally laid down in the transaction).

c) Hedge accounting

The Group doesn’t have any hedging instruments and therefore doesn’t apply hedge accounting.

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, 2017.

4 – CONSOLIDATION PRINCIPLES AND METHODS

There were no changes in the scope of consolidation as of June 30, 2018. In fact, the Chinese entity Median Technologies was not consolidated at June 30, 2018, due to the lack of activity on this subsidiary in the first half of 2018.

NOTE 3 INTANGIBLE ASSETS

Intangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
		6/30/2018			12/31/2017	
Patents, licenses, brands	1,147	(1,007)	140	1,119	(946)	173
Other intangible assets	67	(5)	62	67	(5)	62
Total	**1,214**	**(1,012)**	**202**	**1,186**	**(950)**	**236**

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
		6/30/2018			12/31/2017	
Opening Balance	**1,186**	**(950)**	**236**	**1,109**	**(831)**	**278**
Additions	28	-	28	78	-	78
Terminated, discarded	-	-	-	-	-	-
Changes in depreciation and amortization	-	(61)	(61)	-	(120)	(120)
Effects of exchange fluctuations	-	(0)	(0)	(1)	1	-
Closing balance	**1,214**	**(1,012)**	**202**	**1,186**	**(950)**	**236**

NOTE 4 TANGIBLE ASSETS

Tangible Assets (In thousands of euuros)	Gross Value	Depreciation and amortization	Net value	Gross Value	Depreciation and amortization	Net value
		6/30/2018			12/31/2017	
Construction, planning	94	(64)	30	94	(60)	34
Tangible assets under construction	1,433	(849)	584	1,200	(733)	466
Total	**1,527**	**(914)**	**613**	**1,294**	**(793)**	**500**

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
		6/30/2018			12/31/2017	
Opening Balance	**1,294**	**(793)**	**500**	**1,006**	**(644)**	**361**
Additions	229	-	229	313	-	313
Terminated, discarded	-	-	-	(14)	-	(14)
Changes in depreciation and amortization	-	(119)	(119)	-	(155)	(155)
Effects of exchange fluctuations	4	(2)	2	(11)	6	(6)
Closing balance	**1,527**	**(914)**	**613**	**1,294**	**(793)**	**500**

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)	6/30/2018	12/31/2017	Variation
Customers	1,644	1,814	(170)
Other receivables	629	1,031	(402)
Total	**2,273**	**2,845**	**(572)**

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.

The risk of non-payment of trade receivables was considered insignificant as of June 30, 2018. As a result, no provision for depreciation of trade receivables has been recorded.

The other claims as of June 30, 2018 correspond principally to the deductible value added tax.

The customer receivable due date file at June 30, 2018 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	*6/30/2018*	**1,644**	661	418	185	380

The customer receivable due date listing at December 31, 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	*12/31/2017*	**1,814**	761	755	92	206

NOTE 6 CURRENT FINANCIAL ASSETS

Current financial assets are analyzed as follows:

Current financial assets (In thousands of euros)	6/30/2018	12/31/2017	Variation
Cash mobilized as part of the liquidity contract	131	206	(75)
Total	**131**	**206**	**(75)**

In May 2011, the Group set up a share management agreement with a certified facilitator during its IPO for a maximum of €250K. The purpose of this agreement is to maintain an orderly market. This mobilized cash is immediately available in case the service provider's contract is terminated. The cash has a maturity of up to 1 year. In December 2017, an additional contribution of €150 K was made, bringing the total amount provided under the liquidity contract to €400 K.

NOTE 7 OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

Other current assets (In thousands of euros)	6/30/2018	12/31/2017	Variation
Research tax credit	2,199	1,340	859
Prepaid expenses	559	553	6
Total	**2,758**	**1,893**	**865**

The receivable for the research and development tax credit as of June 30, 2018 corresponds to:

- ✓ The proceeds from the research and development tax credit accounted for as of June 30, 2018 related to expenses of the first half of 2018 in the amount of €859 K.
- ✓ The proceeds of the research and development tax credit related to expenses for the financial year 2017 in the amount of €1,340 K. It was reimbursed to the company at the beginning of September 2018.

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)	6/30/2018	12/31/2017	Variation
Short term deposits	-	-	-
Liquid assets	18,483	28,290	(9,807)
Total	**18,483**	**28,290**	**(9,807)**

Distribution of the balance by currency is as follows:

Cash and cash equivalents (In thousands of euros)	6/30/2018	12/31/2017
EUROS	17,513	27,595
USD	882	635
GBP	81	59
HKD	8	-
Total	**18,483**	**28,290**

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 (En milliers d'euros)	6/30/2018	12/31/2017	Variation
Cash and cash equivalents	18,483	28,290	(9,807)
Bank overdrafts	-	-	-
Total	**18,483**	**28,290**	**(9,807)**

NOTE 9 EQUITY

1 – CAPITAL AND ISSUANCE PREMIUMS

As of June 30, 2018, the Company's capital was composed of 11,974,903 shares divided between:

- ✓ 11,951,702 **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 E preferred shares are shares lacking voting rights but benefit from the same financial rights as the ordinary shares.

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.

Capital (In thousands of euros)	**Capital**	**Share premiums**	**Total**	***Number of shares***
Total at January 1, 2017	**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***
Increase in capital (exercise of BSPCE) Q3/2017	110	14,190	14,300	*2,200*
Increase in capital (exercise of Free-shares)	8,126	-	8,126	*162,523*
Increase in capital (exercise of BSPCE) Q4/2017	550	70,950	71,500	*11,000*
Increase in capital (exercise of BSA)	5,556	994,443	999,999	*111,111*
Total at December 31, 2017	**598,745**	**53,064,591**	**53,663,336**	***11,974,903***
			-	-
Total at June 30, 2018	**598,745**	**53,064,591**	**53,663,336**	***11,974,903***

2 – WARRANTS

The Extraordinary General Meeting of May 28, 2018, authorized the Board of Directors to proceed, on one or more occasions, in the proportions and at the times that it will appreciate, to the issue of a maximum number of 130,000 securities giving access to the capital having the characteristics of warrants (hereinafter the "BSA 2018").

The terms and conditions of the issue having been adopted by the Board of Directors on May 30, 2018 are as follows:

Total number of warrants: 130,000

Subscription price: 1.51 euros, this price having been fixed according to the modalities determined by the Extraordinary General Meeting of 28 May 2018.

The shareholders' preferential subscription right to the 130,000 2018 warrants to be issued has been canceled in favor of:

- ✓ M. Oran MUDUROGLU for 60,000
- ✓ M. Kapil DHINGRA for 60,000
- ✓ M. Rohit LOOMBA for 10,000

Holders of the 2018 warrants will have the option of subscribing for one share of five cents (€ 0.05) each of nominal value to be issued by the Company, for a 2018 BSA exercised, as an increase. of capital, at the subscription price of 9.50 euros per share, it being specified that this price was set according to the terms and conditions determined by the Extraordinary General Meeting of 28 May 2018.

At the subscription deadline, June 30, 2018, only M. MUDUROGLU and M. DHINGRA subscribed the proposed BSA.

3 – 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, 2017, the impact of the cancellation of 20,981 of its treasury shares, decreasing the consolidated reserves, came to the amount of -€157K. 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, 2018, the impact of the cancellation of 31,040 of its treasury shares, decreasing the consolidated reserves, came to the amount of -€232K. 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, 2018, the company did not hold any other uncanceled treasury shares.

4 –OPTIONS FOR SUBSCRIBING TO SHARES

Using the authorization conferred by several General Meetings, the Board of Directors has issued several options plans described in section "2.f History of the options plans for subscribing to shares".

The impact on the statement of comprehensive income of share-based payments is presented in Note 17. The financial instruments concerned by the share-based payment are the stock-option plans and bonus share plans awarded to employees

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)	6/30/2018	12/31/2017	Variation
Provision for employee benefits	489	432	(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)	6/30/2018	12/31/2017
Opening provision	**432**	**467**
Current service cost	37	-68
Cost of interest	3	6
Charge in the year	**40**	**(62)**
Benefits paid	-	-
Net actuarial (gains) / losses	17	27
Closing provision	**489**	**432**

b) Actuarial assumptions

The main actuarial assumptions are the following:

Employee benefits (Actuarial assumptions)	6/30/2018	12/31/2017
Discount rate	1.42%	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 et 67 years	Between 62 et 67 years
Basis of retirement	Voluntary retirement	Voluntary retirement

Assumptions relating to future mortality rates are determined on the basis of data from statistics published in France.

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)	6/30/2018
Actuarial debt at 1,17%	547
Actuarial debt at 1,67%	**489**
Actuarial debt at 2,17%	439
Estimation duration (years)	**22**

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 2018 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)	6/30/2018	12/31/2017	Variation
Current Provisions	60	43	380
Total	**60**	**43**	**380**

Changes in provision balances are analyzed as follows:

Current Provisions (In thousands of euros)	12/31/2017	Provisions	Used	recovered	6/30/2018
Current Provisions for Risks	43	17	-	-	60
Total	**43**	**17**	**-**	**-**	**60**

The provision for risk was increased over the year as a result of the lawyer's recommendations.

NOTE 12 LONG AND SHORT TERM FINANCIAL LIABILITIES

As of June 30, 2018, long and short-term financial liabilities were broken down as follows:

Financial debts (In thousands of euros)	6/30/2018	12/31/2017	Variation
Long-term financial debt	-	-	-
Short-term financial debt	4	4	-
Total	**4**	**4**	-

NOTE 13 DEFFERED TAX LIABILITIES

Net deferred tax liabilities are analyzed as follows:

Origin of deferred tax - net (In thousands of euros)	6/30/2018	12/31/2017	Variation
- charges temporarily non-deductible	-	-	-
- tax losses carried forward (2)	752	748	4
- consolidation adjustments of the following:			
. Retirement and pension	137	121	16
. Intragroup provisions (1)	(1,224)	(1,216)	(8)
. Miscellaneous	-	-	-
Total (3)	**(335)**	**(347)**	**12**

(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 €4,371 K as of June 30, 2018 (€4,344 K as of December 31, 2017).

(2) As of June 30, 2018, a deferred tax asset for the deficits carried forward of €752 K (€748 K as of December 31, 2017) 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, 2018 came to the amount of €86,167 K (€76,290 K as of December 31, 2017).

(3) 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)	6/30/2018	12/31/2017
Opening balance	**(347)**	**(351)**
Deferred tax expense in profit or loss	7	(4)
Tax expense deferred in other comprehensive income items	5	7
Closing balance	**(335)**	**(347)**

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)	30/06/2018		31/12/2017	
	Résultat net	**OCI**	**Résultat net**	**OCI**
- charges temporarily non-deductible	-	-	-	-
- tax losses carried forward	4	-	(13)	-
- consolidation adjustments of :				
. Retirement and pension	11	5	(17)	7
. Intragroup provisions	(8)	-	26	-
. Miscellaneous	-	-	-	-
Total	**7**	**5**	**(4)**	**7**

NOTE 14 ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

The breakdown by nature is the following:

Trade and others payables (In thousands of euros)	6/30/2018	12/31/2017	Variation
Supplier accounts payable	1,288	1,153	73
Tax liabilities	131	471	(211)
Social security liabilities (1)	2,328	2,877	1,117
Supplier account payable on assets	169	105	(18)
Deferred income	52	56	(18)
Short-term payment advances received by customer's (2)	2,682	2,502	107
Other payables	88	148	44
Total	**6,737**	**7,313**	**1,092**

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

(1) Social debts relate to wages, social charges and provisions for paid leave. The decrease in current liabilities corresponds mainly to the decrease in provisions for bonuses and commissions as well as social charges. As at June 30, 2018, a provision was recorded for the first six months of the year. As of December 31, 2017, provisions had been recorded at twelve months and paid in February and March 2018.

(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, 2018, the balance of these advances remained stable in comparison with the balance as of December 31, 2017.

NOTE 15 OTHER NON-CURRENT LIABILITIES

As of June 2018, the other non-current liabilities were broken down as follows:

Non-current other liabilities (In thousands of euros)	6/30/2018	12/31/2017	Variation
Long-term payment advances received by customer's	950	1,069	(119)
Total	**950**	**1,069**	**(119)**

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, 2018 came to €3,631 K. The part of such advances is listed in the heading "Accounts Payable and other current liabilities" and came to €2,682 K (Cf. Note 12 above).

NOTE 16 REVENUE

1 – REVENUE BY GEOGRAPHIC AREA AND NATURE OF PRODUCTS

Revenue	6/30/2018			6/30/2017			Variation
(In thousands of euros)	France	Export	Total	France	Export	Total	
Services	176	3,178	3,354	97	3,861	3,958	(604)
Sale of licenses	-	1	1	-	-	-	1
Sale of goods	-	3	3	-	-	-	3
Total	**176**	**3,182**	**3,358**	**97**	**3,861**	**3,958**	**(600)**

Geographic areas are divided according to destination.

Revenue split by geographic areas (In thousands of euros)	6/30/2018	6/30/2017	Variation
France	176	97	79
USA/Canada	1,864	1,250	614
UE	763	1,980	(1,217)
Other areas	555	631	(76)
Total	**3,358**	**3,958**	**(600)**

The company's turnover is mainly related to the activity in the field of imaging for clinical trials (iCRO). It stood at € 3.4 million in the first half of 2018, down 15% on 1st half of 2017, due to delays in starting some new studies contracted on the second half of 2017 as well as some signed projects put on hold by clients in order to ensure the validity of their previous studies or canceled.

In the first half of 2017, the Group noted that its main customer accounted for more than 42% turnover through various clinical studies conducted with different sponsors. Also the commercial efforts made over the year 2017, focused on an enlargement of the customers around the world.

In the first half of 2018, the group managed to limit this dependence. The biggest customer over this period now accounts for 19% of sales.

NOTE 17 PERSONNEL EXPENSES

Details of personnel expenses are analyzed as follows:

Staff costs (In thousands of euros)	Notes	6/30/2018	6/30/2017	Variation	Variation
Salaries		5,544	5,151	393	8%
Social security costs		1,833	1,897	(64)	-3%
Research tax credit		(859)	(595)	(264)	44%
Total		**6,518**	**6,453**	**65**	**1%**
Share-based payments	17	(64)	1,339	(1,403)	-105%
Employee benefits	10	37	(75)	112	-149%
Total		**6,492**	**7,717**	**(1,226)**	**-16%**
Average employee numbers		**119**	**100**	**19**	**19%**

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 €2,863 K during the first half of 2018, compared to €1,733 K in the first half of 2017.

NOTE 18 SHARE-BASED COMPENSATION PAYMENTS

As of June 30, 2018, 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 – FREE SHARES 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 in respect of Plan C and Plan D was reduced by 93 479 shares for Plan C and 93 479 for Plan D, respectively, following the departure of one Senior director who no longer fulfills the vesting conditions. The amount of the expense recognized for the year ended December 31, 2017, for an amount of €489 K, was reversed to income in exchange for 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 2018 for the free shares came to €502 K.

2 – STOCK OPTION PROGRAM

a) 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	July 5, 2012	employees	14,000	3 years of service	7 years
Plan n°2	February 5, 2012	employees	3,970	4 years of service	7 years
Plan n°3	October 3, 2013	Senior management	10,000	4 years of service	7 years
Total			**27,970**		

There's no fluctuations during the 2018 period.

b) 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**		

These stock options were granted to employees of the American subsidiary Median Technologies Inc. Following the departure in the first half of 2018 of employees who benefited from this plan, they no longer fulfill the vesting conditions. As of June 30, 2018, the number of exercisable options relating to this plan is therefore nil, and the expense recognized for the year ended December 31, 2017, ie €28 K, was reversed in exchange for a reserve account. The expense recognized in 2018 for these stock options amounts to €0 K. These options were not reassigned to other employees in the first half of 2018.

c) The board of directors meeting of December 13, 2017 awarded 34,500 options, whose characteristics are the following:

Plan no.	Grant date	Personnel involved	Number of options	Vesting conditions	Contractual life of the options
Plan n° 5	December 13, 2017	Senior management	34,500	4 years of service	7 years
Total			**34,500**		

These stock options were granted to employees of the American subsidiary Median Technologies Inc. Following the departure in the first half of 2018 of an employee who benefited from this plan, he no longer fulfills the vesting conditions. As of June 30, 2018, the number of exercisable options relating to this plan has been reduced by 5,000 options. The expense recognized in the first half of 2018 under plan number 5 amounts to €10 K.

d) 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	Plan 5
Price of the underlying on the grant	12.40	8.85
Strike Price	13.00	13.00
Expected volatility	40%	40%
Maturity	7	7
Risk-free return rates	1.67%	1.67%
Dividend rates	0%	0%
Fair Value of Option	5.26	2.88

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.

NOTE 19 EXTERNAL COSTS

External expenses are analyzed as follows:

External costs (In thousands of euros)	6/30/2018	6/30/2017	Variation
Subcontracting	1,616	1,127	489
Rental and lease expenses	487	414	73
Repairs and maintenance	74	89	(15)
Insurance premiums	42	35	7
External services - various	942	431	511
External staff	267	150	117
Intermediate and fees	889	997	(108)
Advertisement	155	111	44
Transport	21	33	(12)
Travel, assignments and entertainment	722	580	142
Postal & telecommunications expenses	49	54	(5)
Banking services	43	47	(4)
Other services - various	11	11	-
Other operating expenses	234	112	122
Total	**5,551**	**4,191**	**1,361**

As of June 30, 2018, external expenses came to €5,551 K in contrast to €4,190 K as of June 30, 2017. This change of €1,361 K in expenses is explained essentially by:

- ✓ the increase of €489 K in recourse to subcontracting for the pharmaceutical projects mainly in association with development of the activity and also the implementation of a CTMS.
- ✓ the increase in expenses related to studies and research and scientific exhibitions for €511 K.
- ✓ the increase in the use of temporary staff in France and Asia for €104 K.
- ✓ The increase in travel expenses for an amount of €142 K, taking into account the strong growth of the Group.

NOTE 20 FINANCIAL INCOME

Financial income is analyzed as follows:

Net financial result (In thousands of euros)	6/30/2018	6/30/2017	Variation
Interest and financial charges paid	-	-	9
Loss on investments	(3)	(3)	4
Cost of net financial debt	**(3)**	**(3)**	**14**
Exchange Loss	(81)	(194)	(109)
Others financial charges	-	-	-
Other financial charges	**(81)**	**(194)**	**(109)**
Exchange Gain	192	10	(15)
Other Investment income	19	20	(20)
Other Investment income	**211**	**30**	**(35)**
Total financial result	**127**	**(168)**	**(131)**

NOTE 21 INCOME TAX

Income tax expense is broken down as follows:

Tax on profit or loss (In thousands of euros)	6/30/2018	6/30/2017	Variation
Payable tax - France	-	-	-
Payable tax - Abroad	2	4	(2)
Deferred taxes - net	(7)	10	(17)
Total	**(5)**	**14**	**(19)**

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)	6/30/2018	6/30/2017	Variation
Net result	(8,955)	(8,884)	(71)
Weighted average number of ordinary shares outstanding	11,951,702	11,664,868	286,834
Treasury shares	(31,040)	(9,607)	(21,433)
Total shares	**11,920,662**	**11,655,261**	**265,401**
Earnings per share (en euros)	**-0.75**	**-0.76**	0.01
Number of potential shares	**13,557,692**	**13,697,652**	**(139,960)**

Potentially diluting instruments are described in Note 2.F. 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 Company is a tenant of its premises at Valbonne's head office. It has a lease for this site:

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. As of June 30, 2018, 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)	6/30/2018	6/30/2017
within one year	229	295
between one and five years	525	123
Total	**754**	**418**

The Group is also a tenant of premises in the USA, in the state of New York. These premises are occupied by its subsidiary MEDIAN INC. The leasing agreement is for a term of 3 years and will end on April 30, 2019 at the latest.

As of June 30, 2018, 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)	**6/30/2018**	**6/30/2017**
within one year	56	67
between one and five years	-	56
Total	**56**	**123**

2 – POSSIBLE ASSETS AND LIABILITIES

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, 2018:

- ✓ 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, 2018.
- ✓ $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, 2018. 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)	**6/30/2018**	**6/30/2017**	**Variation**
Wages and salaries (including social security contributions)	1,006	925	81
Wages and salaries to be paid (including social security contributions)	254	274	(20)
Share-based payments	246	934	(688)
Pension obligations	-	-	-
Director's fees	75	50	25
Total	**1,581**	**2,183**	**-602**

The decrease in compensation paid to senior directors is mainly due to the departure of one of them in the first half of 2018.

In the first half of 2018, a consulting agreement was concluded with Oran MUDUROGLU, director of the company. The contract was concluded for a period of 1 year from January 1, 2018. The amount of this annual contract amounts to $ 182 K. At June 30, 2018, the amount in the accounts amounted to €75 K.

The consulting contract that existed with one of the other directors of the company, Kapil DHINGRA was updated on June 1, 2018. The amount of this annual contract now amounts to €182 K. At June 30, 2018 the amount in the accounts under the two successive contracts amounted to €34 K.

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

NOTE 25 DIVIDENDS

No dividend was paid by the Group during the first half of 2018, just as during the course of the financial year ended December 31, 2017.

NOTE 26 SIGNIFICANT EVENTS THAT OCCURED SINCE JUNE 30, 2018

Since June 30, the company has initiated redeployments to support its strategic decisions:

- iCRO related operations have been transferred from the American subsidiary to Median's headquarters in Sophia Antipolis, while keeping a suitable operational team on the American territory.

- R&D staff assigned to the development of iSee® have been transferred to iBiopsy® and contractors assigned to iSee® have not been renewed,

- The sales and sales support teams in the United States and in France have been rescaled following the implementation of a sales model based on partnerships and by focusing on already existing clients.

- Median is still pursuing its organizational shift to iBiopsy® whereas optimizing its iCRO business unit. Given the stakes, the company applied business decisions made at the end of the first half 2018 by processing the separation of 15 employees in the US and of 1 employee in UK. These employees were primarily involved in the iCRO business unit. In France, the company has put in place a plan which could lead to the departure of 8 employees.

Operational impacts from this redeployment are already visible.

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

PERIOD FROM JANUARY 1, TO JUNE 30, 2018

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 9, 2018

THE CHAIRMAN

MEDIAN Technologies

Fredrik BRAG