

MEDIA LAB, Inc.

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Legal head office: Piazza Quattro Novembre, 4 - 20124 MILANO MI
R.E.A. Number 1979161
Business Register of Milan No. 01228050116
Share Capital € 734.700,00 Euros fully paid-up

Management report on the financial statement as of 31.12.2019

Dear Members,

The financial statement for the year ended 31.12.2019 that we submit for your approval, reports a profit of € 91,426.62 with an increase of 74% compared to the 2018 financial statement.

This result was achieved by charging a tax amount of € 34,819 to the pre-tax result of € 126,245.62.

During the year, the company continued to carry out its main activity in the production of software and solutions for the dental sector.

The listing on the Paris stock exchange has made it possible to obtain visibility that has generated important new contacts and opportunities.

The goal of Media Lab being listed on the Paris stock exchange Euronext is to allow it to publicly evaluate its business model and access the international financial market in order to establish leadership in the software market for the dental sector.

Media Lab's shares are listed on the Euronext Paris stock exchange through the private placement procedure, after a subscription by institutional investors of € 600,000.00. The share capital issued by Media Lab currently includes 2,370,000 shares. Based on a price per share of € 3.43 at the time of listing, the company's market capitalization is € 8.14 million.

The listing on the Stock Exchange and the entry of new shareholders have ensured a flow of capital that will allow new investments in the short term, both in Research and Development and for the purpose of penetration into new markets. Participation in international fairs in Europe, the Middle and Far East (Cologne, Dubai and Singapore) has

allowed us to expand our market in eastern countries and to start laying the foundations for the search for commercial partners.

The company that deals with the development and sale of solutions for the dental sector, has developed two product lines, the first dedicated to the dental office management software, called ConfiDent, the second dedicated to the guided surgery software for dental implants, called Implant 3D and GuideDesign. Media Lab products target a growing European market estimated at around € 450 million by 2024 for management software and over € 60 million by 2023 for guided surgery. The main function of ConfiDent, an already widespread software, is to provide a complete tool to the dentist including the agenda, the patient database, the clinical diary, the estimate, the billing, the Rx and images, the messaging and much more.

The aim of Media Lab is to develop ConfiDent in new territories by offering translated versions for the main European countries.

The second product line, the implant planning software called Implant 3D, combines sophisticated 3D-medical visualizations, surgical simulation and navigation systems and has been designed to allow diagnosis and dental implant simulation.

In 2018, a new Implant 3D module was released, called GuideDesign, which allows the creation of surgical guides for the execution of the implant-prosthetic operations in guided surgery. Implant 3D and GuideDesign are currently sold in some European countries and Media Lab intends to develop new markets in the coming years. Media Lab has built a hybrid business model, with the sale of software licenses that provide one-off revenues, technical support proposals for its software and fees for the export of surgical guides, with the opportunity to generate recurring revenues.

The partnership with important European and Canadian companies has allowed us to develop OEM versions of software dedicated to particular applications in the dental sector.

Thanks to its team of experts and developers, Media Lab continues to create new products and market opportunities in order to grow the company.

In 2019 the company's turnover increased by around 34.7% from € 922,533.00 to € 1,239,584.98.

The main financial statement ratios are positive and in particular they are: ROE 10.13%; ROI 8.60%; ROS 10.80%.

In 2019, the foundations were laid for further developments that will continue throughout 2020 based on the initiatives described in the previous paragraphs.

Given the results obtained in terms of company profit, I propose a dividend of € 59,961.00 equal to € 0.0253 per share.

We thank you for the trust you have placed in us and invite you to approve the financial statement as presented.

For the Board of Directors
President
(Dr. Massimo Ivani)