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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended September 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from _____ to _____

Commission File Number: 000-29374

EDAP TMS S.A.

(Exact name of registrant as specified in its charter)

France	**98-1644844**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Parc d'Activites la Poudrette-Lamartine
4/6, rue du Dauphiné
69120 Vaulx-en-Velin, France
(Address of principal executive offices)(Zip Code)
+33 4 72 15 31 50
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing one Ordinary Share (Ordinary Shares, nominal value €0.13 per share)	**FOCL**	**Nasdaq Global Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒
Smaller reporting company ☒	Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 5, 2026, the registrant had 47,220,589 ordinary shares, nominal value €0.13 per share, outstanding.

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CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

The statements contained in this Quarterly Report on Form 10-Q (this "Quarterly Report") discuss our future expectations, contain projections of our results of operations or financial condition, and include other forward-looking statements which are made pursuant to the safe harbor provisions within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our actual results may differ materially from those expressed in forward-looking statements made or incorporated by reference into this Quarterly Report.

All statements other than present and historical facts and conditions, including forward-looking statements expressing our beliefs, plans, objectives, business strategy, or future events, performance or results of operations and financial position, are forward-looking statements, which involve estimates, assumptions, risks and uncertainties. Therefore, our actual results and performance may differ materially from those expressed in the forward-looking statements. Forward-looking statements often, although not always, include words or phrases such as the following: "believe," "plan," "intend," "should," "estimate," "expect" and "anticipate" or their negative or similar expressions, which reflect our views about future events and financial performance. Forward-looking statements involve inherent risks and uncertainties, including matters not yet known to us or not currently considered material by us.

Actual events or results may differ materially from those expressed or implied in such forward-looking statements as a result of various factors. Factors that could affect future results or cause actual events or results to differ materially from those expressed or implied in forward-looking statements include, but are not limited to:

- the success of our High Intensity Focused Ultrasound ("HIFU") technology;
- the uncertainty of market acceptance for our HIFU devices;
- the market potential for our HIFU devices;
- the risks associated with the intended discontinuation of our Extracorporeal Shock Wave Lithotripsy ("ESWL") and Distribution operating segments, including that the discontinuation may take longer or cost more than expected, may result in disputes with customers, distributors, employees or other counterparties, and may not produce the strategic benefits anticipated;
- the clinical and regulatory status of our devices in various geographical territories;
- the uncertainty in the regulatory agencies review and approval process for any of our devices and changes in their recommendations and guidance;
- risks associated with our financial position, indebtedness and our ability to raise capital;
- the impact of government regulation, particularly relating to public healthcare systems and the commercial distribution of medical devices;
- effects of intense competition in the markets in which we operate;
- the uncertainty of reimbursement status of procedures performed with our products and their level of reimbursement;
- dependence on our strategic suppliers and distribution partners;
- difficulties to attract and recruit high-level experts in software, design, and development of high technology devices such as our HIFU products;
- any event or other occurrence that would interrupt operations at our primary production facility;
- reliance on patents, licenses and key proprietary technologies;
- cybersecurity risks and incidents;

- product liability risk;
- risk of exchange rate fluctuations, particularly between the euro and the U.S. dollar and between the euro and the Japanese yen;
- fluctuations in results of operations due to the cyclical nature of demand for medical devices;
- risks associated with the current worldwide inflationary environment, uncertain worldwide economic, political and financial environment, geopolitical instability, climate change impact, pandemics, and each of their related impacts on our business operations;
- risks relating to ownership of our securities; and
- risks relating to securities litigations involving class actions.

You should also consider the information contained in the section titled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025 and included in this Quarterly Report. Any forward-looking statement speaks only as of the date on which that statement is made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. We qualify all of our forward-looking statements by these cautionary statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

EDAP TMS S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
As of September 30, 2026 and December 31, 2025
(in thousands of U.S. dollars except share and per share data)
(unaudited)

ASSETS	Notes	September 30, 2026	December 31, 2025
Current assets			
Cash and cash equivalents		56,269	20,452
Current portion of trade accounts and notes receivable, net	3	10,177	14,948
Other receivables		619	1,286
Inventories	4	8,329	7,770
Other assets, current portion		2,062	1,153
Current assets of discontinued operations	18	17,328	11,555
Total current assets		94,784	57,164
Non-current assets			
Property and equipment, net		9,052	8,789
Operating lease right-of-use assets		1,361	1,974
Intangible assets, net	5	1,825	1,794
Goodwill	5	732	757
Deposits and other non-current assets		1,721	1,607
Deferred tax assets		261	273
Net trade accounts and notes receivable, non-current	3	981	533
Non-current assets of discontinued operations	18	—	6,106
Total assets		**110,717**	**78,997**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts and notes payable		10,940	9,762
Deferred revenues, current portion		7,326	6,452
Social security and other payroll withholdings taxes		1,738	1,861
Employee absences compensation		851	981
Other accrued liabilities		4,328	4,832
Short-term borrowings		426	4,386
Current obligations under finance leases		109	72
Current portion of operating lease obligations		872	857
Current portion of long-term debt	6	338	2,076
Current liabilities of discontinued operations	18	9,143	5,862
Total current liabilities		36,070	37,141
Non-current liabilities			
Deferred revenues, non-current		898	768
Obligations under finance leases		150	114
Operating lease obligations, non-current		465	1,070
Long-term debt, non-current	6	35,233	15,903
Other long-term liabilities		1,963	1,632
Non-current liabilities of discontinued operations	18	—	2,957
Total liabilities		74,779	59,584
Shareholders' equity			
Common stock at €0.13, or $0.15 at closing rate par value; 47,490,122 shares authorized and issued and 47,220,589 shares outstanding at September 30, 2026; 37,751,519 shares authorized and issued and 37,481,986 shares outstanding at December 31, 2025		7,531	6,071
Additional paid-in capital		194,682	151,314
Accumulated deficit		(156,648)	(128,616)
Cumulative other comprehensive loss		(8,608)	(8,337)
Treasury stock, at cost 269,533 shares at September 30, 2026 and 269,533 shares at December 31, 2025		(1,019)	(1,019)
Total shareholders' equity		35,938	19,413
Total liabilities and shareholders' equity		**110,717**	**78,997**

The accompanying notes are an integral part of these condensed consolidated financial statements.

EDAP TMS S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the three months and nine months ended September 30, 2026, and 2025
(in thousands of U.S. dollars except share and per share data)
(unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
Sales of goods		6,489	4,895	24,272	15,081
Sales of RPPs & leases		2,367	2,216	7,617	6,315
Sales of spare parts and services		972	717	2,736	2,441
Total revenues	9	9,828	7,828	34,624	23,838
Cost of goods sold		(2,285)	(2,463)	(8,892)	(6,938)
Cost of RPPs & leases		(1,786)	(1,138)	(4,997)	(3,529)
Cost of spare parts and services		(705)	(581)	(2,383)	(1,704)
Total cost of sales		(4,776)	(4,181)	(16,271)	(12,170)
Gross profit		5,053	3,647	18,353	11,667
Research and development expenses		(2,458)	(2,303)	(7,242)	(6,951)
Selling and marketing expenses		(5,914)	(4,181)	(19,747)	(13,874)
General and administrative expenses		(4,458)	(3,833)	(15,198)	(10,879)
Operating loss from continuing operations		(7,777)	(6,669)	(23,834)	(20,037)
Financial (expense) income, net		2,038	(60)	(5,964)	(142)
Foreign currency exchange gain (loss), net		467	85	544	(579)
Loss from continuing operations before taxes		(5,272)	(6,645)	(29,254)	(20,757)
Income tax expense	11	(15)	(16)	(40)	(39)
Loss from continuing operations		(5,287)	(6,661)	(29,294)	(20,796)
Income (loss) from discontinued operations, net of tax	18	825	721	1,263	1,006
Net loss		(4,462)	(5,940)	(28,032)	(19,790)
Loss per share from continuing operations - Basic and Diluted	12	(0.12)	(0.18)	(0.75)	(0.56)
Earnings per share from discontinued operations - basic and diluted (Per-share amounts are rounded)	12	0.02	0.02	0.03	0.03
Loss per share - Basic and Diluted	12	(0.10)	(0.16)	(0.71)	(0.53)
Average number of shares used in computation of basic and diluted net loss per share	12	42,625,694	37,438,630	39,227,611	37,417,439

The accompanying notes are an integral part of the condensed consolidated financial statements.

EDAP TMS S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three and nine months ended September 30, 2026, and 2025
(in thousands of U.S. dollars)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	(4,462)	(5,940)	(28,032)	(19,790)
Foreign currency translation adjustments	(27)	(331)	(271)	(2,361)
Comprehensive loss, net of tax	(4,489)	(6,271)	(28,303)	(22,151)

The accompanying notes are an integral part of these condensed consolidated financial statements.

EDAP TMS S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the three and nine months ended September 30, 2026, and 2025
(in thousands of U.S. dollars except for share amounts)
(unaudited)

	Number of shares	Common stock	Additional paid-in capital	Accumulated deficit	Cumulative other comprehensive (loss)	Treasury stock	Total
Balance as of December 31, 2024	37,392,086	6,058	148,768	(99,370)	(11,952)	(1,019)	42,485
Net loss	—	—	—	(19,790)	—	—	(19,790)
Translation adjustment	—	—	—	—	(2,361)	—	(2,361)
Stock-based compensation	—	—	1,746	—	—	—	1,746
Capital increase	46,544	7	(7)	—	—	—	-
Balance as of September 30, 2025	37,438,630	6,065	150,506	(119,161)	(14,312)	(1,019)	22,080
Balance as of December 31, 2025	37,481,986	6,071	151,314	(128,616)	(8,337)	(1,019)	19,413
Net loss	—	—	—	(28,032)	—	—	(28,032)
Translation adjustment	—	—	—	—	(271)	—	(271)
Stock-based compensation	—	—	2,360	—	—	—	2,360
Option exercises	14,861	15	—	—	—	—	15
Capital increase	9,723,742	1,445	41,008	—	—	—	42,453
Balance as of September 30, 2026	47,220,589	7,531	194,682	(156,648)	(8,608)	(1,019)	35,938

	Number of shares	Common stock	Additional paid-in capital	Accumulated deficit	Cumulative other comprehensive (loss)	Treasury stock	Total
Balance as of June 30, 2025	37,438,213	6,065	149,608	(113,220)	(13,981)	(1,019)	27,453
Net loss	—	—	—	(5,940)	—	—	(5,940)
Translation adjustment	—	—	—	—	(331)	—	(331)
Stock-based compensation	—	—	898	—	—	—	898
Capital increase	417	—	—	—	—	—	—
Balance as of September 30, 2025	37,438,630	6,065	150,506	(119,161)	(14,312)	(1,019)	22,080
Balance as of June 30, 2026	37,527,950	6,078	152,483	(152,186)	(8,581)	(1,019)	(3,225)
Net loss	—	—	—	(4,462)	—	—	(4,462)
Translation adjustment	—	—	—	—	(27)	—	(27)
Stock-based compensation	—	—	1,204	—	—	—	1,204
Option exercises	3,889	12	—	—	—	—	12
Capital increase	9,688,750	1,441	40,996	—	—	—	42,437
Balance as of September 30, 2026	47,220,589	7,531	194,682	(156,648)	(8,608)	(1,019)	35,938

The accompanying notes are an integral part of these condensed consolidated financial statements.

EDAP TMS S.A. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2026, and 2025
(in thousands of U.S. dollars)
(unaudited)

	September 30, 2026	September 30, 2025
Cash flows from operating activities		
Net loss	(28,032)	(19,790)
Adjustments to reconcile net income (loss) to net cash generated by (used in) operating activities:		
Depreciation and amortization	2,900	2,496
Share based compensation	2,359	1,746
Change in allowances for doubtful accounts & slow-moving inventories	384	363
Change in fair value on EIB Warrants and loan amortization	6,030	—
Change in long-term provisions	266	85
Net capital loss on disposals of assets	481	428
Deferred tax expense (benefit)	30	18
Operating cash flow before changes in working capital	(15,582)	(14,654)
Increase/Decrease in operating assets and liabilities:		
Decrease (Increase) in trade accounts and notes and other receivables	4,822	573
Decrease (Increase) in inventories	(255)	4,037
Decrease (Increase) in other assets	(921)	255
(Decrease) Increase in trade accounts and notes payable	729	(2,945)
(Decrease) Increase in accrued expenses, other current liabilities	520	(1,221)
Net change in operating assets and liabilities	4,895	699
Net cash generated by (used in) operating activities	**(10,687)**	**(13,955)**
Cash flows from investing activities:		
Additions to capitalized assets produced by the Company	(2,413)	(2,686)
Proceeds from sale of leased back assets	181	—
Acquisitions of property and equipment	(766)	(420)
Acquisitions of intangible assets	(347)	(795)
Decrease (Increase) in deposits and guarantees	(18)	(101)
Net cash generated by (used in) investing activities	**(3,362)**	**(4,002)**
Cash flow from financing activities:		
Proceeds from capital increase, net of issuance costs	43,126	—
Proceeds from long term borrowings, net of financing costs	13,964	411
Repayment of long term borrowings	(1,762)	(2,075)
Repayment of obligations under financing leases	(191)	(152)
Increase (decrease) in bank overdrafts and short-term borrowings	(4,430)	(1,032)
Net cash generated by (used in) financing activities	**50,707**	**(2,847)**
Net effect of exchange rate changes on cash and cash equivalents	(842)	2,217
Net increase (decrease) in cash and cash equivalents	**35,817**	**(18,588)**
Cash and cash equivalents at beginning of year	20,452	30,995
Cash and cash equivalents at end of period	**56,269**	**12,407**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The accompanying unaudited condensed consolidated financial statements of EDAP TMS S.A. and its subsidiaries (collectively, the "Company," "we," "us" or "our") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") for interim financial information, including Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

Effective January 1, 2026, the Company no longer qualified as a "Foreign Private Issuer" as defined in Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and became a U.S. domestic issuer. The Company also qualifies as a "smaller reporting company" as defined under the rules of the SEC.

These unaudited condensed consolidated financial statements have been prepared on the same basis as, and should be read in conjunction with, the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on March 25, 2026 (the "2025 Annual Report"). In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of the financial position, results of operations, and cash flows for the interim periods presented have been included. Operating results for the nine months ended September 30, 2026 are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 2026.

Discontinued Operations

On May 28, 2026, the Company's Board of Directors approved a plan to exit the Company's ESWL and Distribution reportable segments in order to concentrate the Company's resources on its robotic focal therapy business built around the Focal One® HIFU platform. The Company publicly announced the planned exit on May 29, 2026. During the second quarter of 2026, the ESWL and Distribution segments met the criteria to be classified as held for sale under ASC 205-20, Presentation of Financial Statements — Discontinued Operations, and ASC 360-10, Property, Plant, and Equipment, and the Company determined that the planned exit represents a strategic shift that will have a major effect on the Company's operations and financial results. Accordingly, the results of the ESWL and Distribution segments are reported as discontinued operations in the condensed consolidated statements of operations for all periods presented, and the related assets and liabilities are presented separately as assets and liabilities of discontinued operations in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025. The condensed consolidated statements of cash flows have not been adjusted to separately disclose cash flows related to discontinued operations. The Company has reclassified certain prior year amounts to conform to the current year's presentation for discontinued operations. Unless otherwise noted, amounts and disclosures in these notes relate to the Company's continuing operations. The disposal groups were measured at the lower of their carrying amount and fair value less costs to sell. No impairment loss was recognized upon classification as held for sale, as the carrying amount of each disposal group did not exceed its fair value less costs to sell. In accordance with ASC 360-10, depreciation and amortization of the long-lived assets of the disposal groups ceased upon their classification as held for sale. See Note 18, Discontinued Operations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

Except as described below with respect to discontinued operations, there have been no changes in the Company's significant accounting policies as disclosed in Note 1 to the audited consolidated financial statements included in the 2025 Annual Report.

Discontinued Operations and Assets Held for Sale

The Company classifies a component or group of components as held for sale in the period in which all of the criteria in ASC 205-20-45-1E are met, including management's commitment to a plan of sale, availability for immediate sale in present condition, an active program to locate a buyer, probability of sale within one year, active marketing at a price reasonable in relation to fair value, and a low likelihood of significant changes to, or withdrawal of, the plan. A disposal is reported as a discontinued operation when it represents a strategic shift that has, or will have, a major effect on the Company's operations and financial results. Disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and depreciation and amortization of long-lived assets ceases upon classification. The results of discontinued operations are presented separately, net of tax, for all periods presented, and the related assets and liabilities are presented separately for all balance sheet periods presented.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances transparency by requiring additional disclosures related to income taxes. The amendments primarily require:

- a tabular reconciliation of the effective tax rate to the statutory rate, including both dollar amounts and percentages, with separate disclosure of items that are equal to or greater than 5% of the statutory rate; and
- disaggregation of income taxes paid between federal, state, and foreign jurisdictions, and identification of any individual jurisdiction that accounts for 5% or more of total income taxes paid.

The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted.

There have been no recently issued accounting standards that are expected to have a material impact on our results of operations, financial condition, or cash flows.

Accounting Pronouncements Not Yet Adopted

The FASB has not issued any accounting standards updates during the nine months ended September 30, 2026. For information on accounting pronouncements issued in prior years but not yet adopted, refer to Note 1-25 to the audited consolidated financial statements included in the Company's 2025 Annual Report.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

NOTE 3. TRADE ACCOUNTS AND NOTES RECEIVABLE, NET

Trade accounts and notes receivable for HIFU consisted of the following as of:

	September 30, 2026	December 31, 2025
Trade accounts receivable	11,840	15,971
Less: allowance for doubtful accounts	(681)	(491)
Total	11,159	15,480
Less current portion	(10,177)	(14,948)
Total long-term portion	981	533

Notes receivable generally represent commercial bills of exchange with initial maturities of 90 days or less.

Bad debt expenses amount to a net cost of $190 thousand and a net cost of $14 thousand for the nine months ended September 30, 2026 and 2025, respectively.

NOTE 4. INVENTORIES

HIFU Inventories consisted of the following as of:

	September 30, 2026	December 31, 2025
Components, spare parts	4,542	5,081
Work-in-progress	1,777	1,470
Finished goods – own manufactured products	2,196	1,761
Total gross inventories	8,515	8,312
Less: allowance for slow-moving inventory and net realizable value	(186)	(542)
Total	8,329	7,770

The provision for slow moving inventory relates to components and spare parts. The decrease in the allowance for slow moving inventory is mainly due to exchange rate impact and write off.

NOTE 5. GOODWILL AND INTANGIBLE ASSETS

As discussed in Note 1-13 of the 2025 Annual Report, ASC 350 requires that goodwill not be amortized but instead be tested at least annually for impairment, or more frequently when events or change in circumstances indicate that the asset might be impaired, by comparing the carrying value to the fair value of the reporting unit to which they are assigned. Goodwill amounted to $732 thousand, at September 30, 2026.

The Company completed the required annual impairment test in the fourth quarter of 2025. To determine the fair value of the Company's reporting units, the Company used the discounted cash flow approach. The fair value of the reporting unit was in excess of the reporting unit's book value, which resulted in no goodwill impairment. With respect to its continuing operations, the Company has not identified events or changes in circumstances indicating that goodwill might be impaired as of September 30, 2026.

Intangible assets consisted of the following as of:

	September 30, 2026	December 31, 2025
Licenses	3,808	3,564
Patents	467	484
Organization costs	255	264
Total gross value	4,530	4,312
Accumulated amortization for licenses	(1,983)	(1,770)
Accumulated amortization for patents	(467)	(484)
Accumulated amortization for organization costs	(255)	(264)
Less: Total accumulated amortization	(2,705)	(2,518)
Total	1,825	1,794

Amortization expenses related to intangible assets amounted to $275 thousand and $219 thousand for the nine months ended September 30, 2026 and 2025, respectively.

NOTE 6. LONG TERM DEBT

The Company has the following outstanding debt as of September 30, 2026 and December 31, 2025:

EIB Credit Facility and Warrants

On October 17, 2025, EDAP entered into the Finance Contract with EIB for up to €36 million to support the research and development ("R&D") of EDAP's Robotics HIFU programs. The Finance Contract provides funding in three tranches : €11 million ("Tranche A"), €12 million ("Tranche B") and €13 million ("Tranche C") subject to satisfaction of condition precedents. In connection with the Finance Contract, the Company also agreed to issue warrants ("Warrants") for each tranche in accordance with the terms and conditions of a warrant agreement (the "Warrant Agreement").

The Tranche A and B borrowings and the Tranche A and B Warrants are each defined as freestanding financial instruments in accordance with ASC 480-10-20. At inception, the proceeds are allocated between i) the Warrants at their initial fair value and (ii) a debt component for the residual amount. Subsequently, the Warrants are remeasured at fair value with changes in fair value reflected in earnings and the debt component is accounted for at amortized cost.

The Warrant Agreement includes a put option: EIB may request the Company to buy back the Warrants in cash for their fair market value as determined in accordance with the valuation principles set out in the Warrant Agreement. The amount is capped at $23.5 million, and EIB may exercise the Warrants for which they did not exercise the put option.

Puttable warrants that permit the counterparty to require the issuer to pay cash to settle the warrant or to purchase the shares obtained upon exercise of the warrants, freestanding warrants and other similar instruments on shares that are redeemable require liability classification under ASC 480.

EIB – Tranche A Warrants

On October 17, 2025, the Company issued 2,624,421 Warrants to EIB as a condition to the financing of Tranche A.

The Tranche A Warrants were classified as a liability at inception (on October 17, 2025) and then changes in fair value are recognized in earnings in subsequent periods. The fair value of the Tranche A Warrants amounted to $8.1 million on December 31, 2025 and $11.1 million on September 30, 2026, resulting in $3.0 million of financial expense for the nine months ended September 30, 2026.

The following table presents fair value as of:

EIB Credit Facility Tranche A Warrants	September 30, 2026	December 31, 2025
Number of Warrants outstanding	2,624,421	2,624,421
Share price	4.47	3.29
Volatility	68%	68%
Maturity (years)	19.1	19.8
Fair value	11,150	8,115

EIB Credit Facility – Tranche A – Financial debt at amortized cost

Tranche A borrowings of $12.4 million were recognized as financial debt for the residual amount of $6.9 million as of December 31, 2025, which took into account the fair value of the derivative instrument (warrants) at inception and the borrowing costs of $0.8 million. The amortized cost of the financial debt amounted to $8.2 million as of September 30, 2026, with an effective interest rate of 21.63%.

The carrying value of the EIB Tranche A borrowings and Tranche A Warrants was as follows as of September 30, 2026 and December 31, 2025:

EIB Tranche A	September 30, 2026	December 31, 2025
Debt component - amortized cost	8,200	6,943
Warrants	11,150	8,115
Total	19,351	15,058

EIB – Tranche B Warrants

On April 1, 2026, the Company issued 1,116,244 Warrants to EIB as a condition to the financing of Tranche B.

The Tranche B Warrants were classified as a liability at inception (on April 1, 2026) and their changes in fair value are recognized in earnings in subsequent periods. The fair value of the Tranche B Warrants amounted to $3.8 million on their issuance date and then the closing value on September 30, 2026 amounted $4.6 million, resulting in $0.8 million of financial expense.

The following table presents fair value as of:

EIB Credit Facility Tranche B Warrants	September 30, 2026	At inception
Number of Warrants outstanding	1,116,244	1,116,244
Share price	4.47	3.69
Volatility	68%	68%
Maturity (years)	19.5	20.0
Fair value	4,614	3,775

EIB Credit Facility – Tranche B – Financial debt at amortized cost

Tranche B borrowings of $13.7 million were recognized as financial debt for the residual amount of $9.9 million at the issuance date, which took into account the fair value of the derivative instrument (warrants) at inception. The amortized cost of the loan amounted to $10.4 million as of September 30, 2026, with an effective interest rate of 13.35%.

The carrying value of the EIB Tranche B borrowings and Tranche B Warrants was as follows as of September 30, 2026:

EIB Tranche B	September 30, 2026	At inception
Debt component – amortized cost	10,463	9,898
Expenses	—	(34)
Debt component - net value	10,463	9,864
Warrants	4,614	3,775
Total net value	15,077	13,638

Other Loans

The following summarizes other loan facilities as of:

	September 30, 2026	December 31, 2025
France term loan	35,571	17,980
Including EIB loan	18,829	6,943
Including EIB warrants	15,764	8,115
Including other French loans	978	2,922
Total long term debt	35,571	17,980
Less current portion	(338)	(2,076)
Total long-term portion	35,233	15,903

NOTE 7. PENSION AND OTHER BENEFIT PLANS

The Company does not have a funded benefit plan. The following is a reconciliation of pension cost components for the nine months ended:

	September 30,	
	2026	2025
Change in benefit obligations:		
Projected benefit obligations at beginning of year	1,195	1,167
Service cost	57	71
Interest cost	33	—
Exchange rate impact	(42)	155
Projected benefit obligations at end of the period	1,243	1,393
Unrecognized actuarial (gain) loss	(358)	(183)
Unrecognized prior service cost	12	13

NOTE 8. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of accumulated other comprehensive income (loss) net of tax were as follows:

	Nine Months Ended September 30, 2026		
	Foreign currency translation adjustment	Provision for retirement indemnities (net of tax)	Total
Beginning balance	(8,687)	350	(8,337)
Net current-period other comprehensive income (loss)	(271)	—	(271)
Ending balance	(8,958)	350	(8,608)

	Nine Months Ended September 30, 2025		
	Foreign currency translation adjustment	Provision for retirement indemnities (net of tax)	Total
Beginning balance	(12,009)	57	(11,952)
Net current-period other comprehensive income (loss)	(2,361)	—	(2,361)
Ending balance	(14,369)	57	(14,312)

NOTE 9. TOTAL SALES

The amount of total sales derived from our continuing operations in Asia, France, the United States and other geographical areas, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Primary geographical markets	2026	2025	2026	2025
Asia	221	185	674	582
France	1,679	399	4,147	467
United States	4,754	4,433	19,175	13,554
Others geographical areas	3,174	2,811	10,627	9,235
Total Sales	9,828	7,828	34,624	23,838

The amount of sales is recognized on the following timing:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Timing of revenue recognition	2026	2025	2026	2025
Products transferred at a point in time	7,344	5,598	27,335	17,709
Products and services transferred over time	2,484	2,231	7,289	6,129
Total Sales	9,828	7,828	34,624	23,838

NOTE 10. SHAREHOLDERS' EQUITY

During the three months ended September 30, 2026, the Company granted 245,000 time-based stock-options to certain employees that vest over three years.

On September 15, 2026, pursuant to the June 26, 2026 Shareholders resolution, the Board of Directors approved a new 2026 RSU plan and approved the filing of the corresponding Form S-8 to register the shares underlying the free shares issuable pursuant to such plan.

Underwritten Public Offering

On August 11, 2026, the Company priced an underwritten public offering of 8,425,000 American Depositary Shares ("ADSs"), each representing one ordinary share, with a nominal value of €0.13 per share, at a public offering price of $4.75 per ADS, which closed on August 14, 2026. On August 14, 2026, the underwriters exercised in full their option to purchase an additional 1,263,750 ADSs at the public offering price, less underwriting discounts and commissions. The issuance of the ADSs, pursuant to the underwriters' option, closed on August 19, 2026.

The Company received total gross proceeds of approximately $46.0 million, including the underwriters' option, and net proceeds of approximately $42.4 million, after deducting underwriting discounts and commissions of approximately $2.8 million and offering expenses of approximately $0.8 million. The ADSs were offered pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-294597), which was declared effective on March 31, 2026, and the related prospectus supplement dated August 11, 2026.

The Company intends to use the net proceeds as described under "Use of Proceeds" in the prospectus supplement date August 11, 2026.

NOTE 11. INCOME TAXES

For interim periods, the Company's income tax expense or benefit is computed based on its estimated annual effective tax rate and any discrete items that impact the interim periods. For the nine months ended September 30, 2026 and 2025, the Company recorded a tax expense of $40 thousand and $39 thousand, respectively. The estimated annual effective tax rates for all periods were impacted by losses in jurisdictions where the recording of a tax benefit is not available. Furthermore, the tax expense or benefit recorded can vary from period to period depending on the Company's relative mix of earnings and losses by jurisdiction.

The Company has tax carryforwards in the United States and in certain states and foreign jurisdictions. We have deferred tax assets related to net operating loss and other tax carryforwards in the U.S. and in certain states and foreign jurisdictions. We recognize a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized.

NOTE 12. LOSS PER SHARE

Earnings (loss) per share from continuing operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Loss available to common shareholders (in U.S. dollars)	(5,287,118)	(6,660,754)	(28,031,731)	(20,796,153)
Weighted average number of shares for the computation of LPS	42,625,694	37,438,630	39,227,611	37,417,439
Basic LPS (in U.S. dollars)	(0.12)	(0.18)	(0.75)	(0.56)
Weighted average number of shares for the computation of diluted LPS	42,625,694	37,438,630	39,227,611	37,417,439
Diluted LPS (in U.S. dollars)	(0.12)	(0.18)	(0.75)	(0.56)

Earnings (loss) per share from discontinued operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Loss or gain available to common shareholders (in U.S. dollars)	825,355	720,521	1,262,607	1,005,759
Weighted average number of shares for the computation of LPS	42,625,694	37,438,630	39,227,611	37,417,439
Basic LPS (in U.S. dollars)	0.02	0.02	0.03	0.03
Weighted average number of shares for the computation of diluted LPS	42,625,694	37,438,630	39,227,611	37,417,439
Diluted LPS (in U.S. dollars)	0.02	0.02	0.03	0.03

Loss per share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Loss available to common shareholders (in U.S. dollars)	(4,461,762)	(5,940,232)	(28,031,730)	(19,790,393)
Weighted average number of shares for the computation of LPS	42,625,694	37,438,630	39,227,611	37,417,439
Basic LPS (in U.S. dollars)	(0.10)	(0.16)	(0.71)	(0.53)
Weighted average number of shares for the computation of diluted LPS	42,625,694	37,438,630	39,227,611	37,417,439
Diluted LPS (in U.S. dollars)	(0.10)	(0.16)	(0.71)	(0.53)

The effects of dilutive securities, for the three and nine months ended September 30, 2026, and 2025 were excluded from the calculation of diluted LPS as a net loss was reported in these periods.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Commitments

The Company currently has commitments regarding its operating leases as described in Note 13-2 to the audited consolidated financial statements included in the Company's 2025 Annual Report.

Contingencies

The Company currently has contingencies relating to standard warranties provided to customers for products as described in Note 1-15 and Note 12 to the audited consolidated financial statements included in the Company's 2025 Annual Report.

NOTE 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments was made in accordance with the requirements of ASC 820 "Disclosure about fair value of financial instruments" and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

ASC 820 defines three levels of inputs that may be used to measure fair value and requires that the assets or liabilities carried at fair value be disclosed by the input level under which they were valued. The input levels are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities that the reporting entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The recorded amount of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and short-term borrowings are a reasonable estimate of their fair value due to the short-term maturities of these instruments. As of September 30, 2026 and December 31, 2025, the Company did not have any other asset or liability measured at fair value, other than the Tranche A and Tranche B Warrants issued in connection with the Credit Facility (see note 6).

As of September 30, 2026 and December 31, 2025, the fair value of the Company's long-term debt was not materially different from the carrying value.

NOTE 15. CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts and notes receivable from customers, primarily located in France, Japan and the United States. The Company maintains cash deposits with major banks. Management periodically assesses the financial condition of these institutions and believes that credit risk is limited.

The Company has implemented procedures to monitor the creditworthiness of its customers. The Company obtains bank guarantees for first time or infrequent unknown customers, and in certain cases obtains insurance against the risk of a payment default by the customer. The Company reviewed individual customer balances considering current and historical loss experience and general economic conditions in determining the allowance for doubtful accounts receivable of $0.7 million and $0.5 million, as of September 30, 2026 and December 31, 2025, respectively.

Actual losses may vary from the current estimates, and any adjustments are reported in earnings in the periods in which they become known.

For the three months and nine months ended September 30, 2026 and for the year ended December 31, 2025, the Company did not generate more than 10% of its revenue from a single customer.

NOTE 16. FOREIGN CURRENCY TRANSACTIONS

The Company generates a significant percentage of its revenues, and of its operating expenses, in currencies other than the US$. The Company’s operating profitability could be materially adversely affected by large fluctuations in the rate of exchange between the US$ and such other currencies. The Company may engage in foreign exchange hedging activities when deemed necessary, but there can be no assurance that hedging activities will be offset by the impact of movements in exchange rates on the Company’s results of operations. As of September 30, 2026, there were no outstanding hedging instruments.

NOTE 17. DIVISION INFORMATION (SEGMENT REPORTING)

Historically, the Company's activities were organized into three divisions, each of which was a reportable segment: High Intensity Focused Ultrasound ("HIFU"), Lithotripsy ("ESWL") and Distribution services ("Distribution"). As described in Note 18, on May 28, 2026 the Board of Directors approved a plan to exit the ESWL and Distribution segments to focus the Company exclusively on its HIFU business, and those segments are reported as discontinued operations for all periods presented. Following that classification, HIFU is the Company's sole continuing reportable segment. The chief operating decision maker, the Company's Chief Executive Officer, reviews segment operating income or loss for purposes of allocating resources and assessing performance. Segment information for all periods presented below has been recast to reflect the ESWL and Distribution segments as discontinued operations.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating loss	(6,855)	(5,818)	(22,233)	(18,674)
Financial (expense) income, net	2,032	(56)	(5,989)	(103)
Foreign currency exchange (losses) gains, net	573	55	625	(640)
Income tax (expense) benefit	(212)	(121)	(435)	(373)
Consolidated net loss	(4,462)	(5,940)	(28,032)	(19,790)

A summary of the Company's operations by segment is presented below for the three and nine months ended September 30, 2026, and 2025:

Three Months Ended September 30, 2026	HIFU Division	Reconciling Items	Total continuing
Sales of goods	6,489	—	6,489
Sales of RPPs & leases	2,367	—	2,367
Sales of spare parts and services	972	—	972
Total sales	9,828	—	9,828
Total cost of sales	(4,776)	—	(4,776)
Gross profit	5,053	—	5,053
R&D expenses	(2,458)	—	(2,458)
Selling and marketing expenses	(5,914)	—	(5,914)
General and administrative expenses	(2,823)	(1,634)	(4,458)
Total expenses	(11,195)	(1,634)	(12,829)
Operating income (loss) from operations	(6,142)	(1,634)	(7,777)
Total Assets	44,686	48,703	93,389
Net cash generated by (used in) investing activities	(1,326)	—	(1,326)
Non-current assets	15,933	—	15,933
Goodwill	732	—	732

Three Months Ended September 30, 2025	HIFU Division	Reconciling Items	Total continuing
Sales of goods	4,895	—	4,895
Sales of RPPs & leases	2,216	—	2,216
Sales of spare parts and services	717	—	717
Total sales	7,828	—	7,828
Total cost of sales	(4,181)	—	(4,181)
Gross profit	3,647	—	3,647
R&D expenses	(2,303)	—	(2,303)
Selling and marketing expenses	(4,181)	—	(4,181)
General and administrative expenses	(2,575)	(1,258)	(3,833)
Total expenses	(9,059)	(1,258)	(10,316)
Operating income (loss) from operations	(5,412)	(1,258)	(6,669)
Total Assets	48,538	5,331	53,870
Net cash generated by (used in) investing activities	(884)	—	(884)
Non-current assets	14,795	—	14,795
Goodwill	757	—	757

Nine months ended September 30, 2026	HIFU Division	Reconciling Items	Total continuing
Sales of goods	24,272	—	24,272
Sales of RPPs & leases	7,617	—	7,617
Sales of spare parts and services	2,736	—	2,736
Total sales	34,624	—	34,624
Total cost of sales	(16,271)	—	(16,271)
Gross profit	18,353	—	18,353
R&D expenses	(7,242)	—	(7,242)
Selling and marketing expenses	(19,747)	—	(19,747)
General and administrative expenses	(9,298)	(5,899)	(15,198)
Total expenses	(36,287)	(5,899)	(42,186)
Operating income (loss) from operations	(17,935)	(5,899)	(23,834)
Total Assets	44,686	48,703	93,389
Net cash generated by (used in) investing activities	(3,006)	—	(3,006)
Non-current assets	15,933	—	15,933
Goodwill	732	—	732

Nine months ended September 30, 2025	HIFU Division	Reconciling Items	Total continuing
Sales of goods	15,081	—	15,081
Sales of RPPs & leases	6,315	—	6,315
Sales of spare parts and services	2,441	—	2,441
Total sales	23,838	—	23,838
Total COS	(12,170)	—	(12,170)
Gross profit	11,667	—	11,667
R&D expenses	(6,951)	—	(6,951)
Selling and marketing expenses	(13,874)	—	(13,874)
G&A expenses	(7,359)	(3,519)	(10,879)
Total expenses	(28,185)	(3,519)	(31,704)
Operating income (loss) from operations	(16,517)	(3,519)	(20,037)
Total Assets	48,538	5,331	53,870
Net cash generated by (used in) investing activities	(3,626)	—	(3,626)
Non-current assets	14,795	—	14,795
Goodwill	757	—	757

NOTE 18. DISCONTINUED OPERATIONS

Background and Plan of Disposal

On May 28, 2026, the Board of Directors approved a plan to discontinue and exit the Company's ESWL and Distribution reportable segments and delegated authority to management to develop and implement the related disposal plans. The exit implements the Company's strategic realignment, announced on May 29, 2026 together with the Company's new FocalTherics corporate identity, to focus the Company exclusively on its robotic focal therapy business built around the Focal One® HIFU platform.

The ESWL segment consists of the Company's extracorporeal shock wave lithotripsy activities, including systems, mobile treatment activities, service arrangements, spare parts and consumable electrodes, and related personnel and intellectual property. The Distribution segment distributes third-party medical devices, including lasers, imaging, and urodynamics products and related consumables and spare parts, through the Company's subsidiaries in Japan, South Korea, Malaysia and Germany.

Expected Manner and Timing of Disposal

The Company expects to dispose of the ESWL and Distribution businesses through one or more sale or transfer transactions or, for certain operations, an orderly wind-down which may be structured on a portfolio, regional or counterparty-specific basis. The Company has initiated an active program to locate buyers, including outreach to multiple potential counterparties, execution of confidentiality agreements, and receipt and negotiation of transaction proposals, and expects the disposals to be completed within one year of the held-for-sale classification date. No definitive agreement for the sale of either business had been executed as of the date of this Quarterly Report on Form 10-Q (this "Quarterly Report").

Held-for-Sale Classification

At the end of the second quarter of 2026, the ESWL and Distribution segments met the held-for-sale criteria in ASC 205-20-45-1E. Because the planned exit involves two of the Company's three reportable segments and represents a strategic shift that will have a major effect on the Company's operations and financial results, the ESWL and Distribution segments are reported as discontinued operations for all periods presented. The Company recognized no loss upon classification as held for sale.

Results of Discontinued Operations

The results of the ESWL and Distribution segments reported as discontinued operations, net of tax, and the major classes of line items constituting the pretax income (loss) of discontinued operations, were as follows for the three and nine months ended September 30, 2026 and 2025:

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
Sales of goods		5,268	6,181	13,107	18,051
Sales of RPPs & leases		192	354	742	1,069
Sales of spare parts and services		1,712	1,936	5,168	5,689
Total sales		7,172	8,471	19,017	24,809
Cost of goods sold		(3,445)	(3,635)	(8,590)	(11,311)
Cost of RPPs & leases		(108)	(299)	(627)	(944)
Cost of spare parts and services		(1,078)	(1,177)	(3,029)	(3,536)
Total cost of sales		(4,631)	(5,111)	(12,246)	(15,791)
Gross profit		2,541	3,360	6,770	9,018
Research and development expenses		(135)	(153)	(399)	(600)
Selling and marketing expenses		(1,228)	(1,816)	(3,341)	(5,332)
General and administrative expenses		(256)	(540)	(1,429)	(1,723)
Operating income (loss)		922	851	1,601	1,363
Financial (expense) income, net		(6)	4	(24)	38
Foreign currency exchange gain (loss), net		106	(29)	81	(61)
Income (loss) before taxes		1,022	826	1,657	1,340
Income tax expense		(197)	(105)	(395)	(334)
Income (loss)		825	721	1,263	1,006
Income (loss) per share - Basic and Diluted	12	0.02	0.02	0.03	0.03
Average number of shares used in computation of basic & diluted loss per share	12	42,625,694	37,438,630	39,227,611	37,417,439

Assets and Liabilities of Discontinued Operations

The carrying amounts of the major classes of assets and liabilities of the ESWL and Distribution segments classified as discontinued operations in the condensed consolidated balance sheets were as presented below as of September 30, 2026 and December 31, 2025. As we expect the sale of discontinued operations to be completed within one year from June 30, 2026, all the non-current assets or liabilities as of September 30, 2026 have been reclassified as current assets or liabilities in the Condensed Consolidated Balance Sheet.

ASSETS	Notes	September 30, 2026	December 31, 2025
Cash and cash equivalents		—	—
Current portion of trade accounts and notes receivable, net		6,254	6,339
Other receivables		886	11
Inventories		4,399	5,060
Other assets, current portion		116	146
Property and equipment, net		1,346	1,605
Operating lease right-of-use assets		1,032	1,136
Intangible assets, net		2	2
Goodwill		2,006	2,076
Deposits and other non-current assets		475	452
Deferred tax assets		812	820
Net trade accounts and notes receivable, non-current		—	13
Total current assets		17,328	11,555
Non-current assets		—	6,106
Total assets of discontinued operations		**17,328**	**17,661**
LIABILITIES			
Trade accounts and notes payable		1,943	2,022
Deferred revenues, current portion		971	646
Social security and other payroll withholdings taxes		148	277
Employee absences compensation		208	208
Income taxes payable		76	193
Other accrued liabilities		1,442	557
Short-term borrowings		1,084	1,600
Current obligations under finance leases		111	110
Current portion of operating lease obligations		215	207
Current portion of long-term debt		—	44
Deferred revenues, non-current		221	197
Obligations under finance leases		234	241
Operating lease obligations, non-current		860	1,005
Long-term debt, non-current		—	—
Other long-term liabilities		1,629	1,513
Total current liabilities		9,143	5,862
Total non-current liabilities		—	2,957
Total liabilities of discontinued operations		**9,143**	**8,819**

Allocations, Interest and Continuing Involvement

Amounts reported in discontinued operations include the revenues and costs directly attributable to the ESWL and Distribution segments. General corporate overhead not directly attributable to the discontinued businesses continues to be reported in continuing operations. Except for short-term borrowings related mainly to factored receivables in Japan, the Company does not expect any purchaser to assume Company indebtedness in connection with the planned disposals, and accordingly no interest expense has been allocated to discontinued operations. Certain transaction proposals contemplate customary transition arrangements, such as training, transfer of employees, customer support, supply of electrodes and spare parts, and licenses of intellectual property and know-how. Following the disposals, the company expects to retain certain obligations relating to the ESWL business, including the continued supply of spare parts to the installed ESWL base, and may enter into transition arrangements with purchasers. The Company will evaluate and disclose the nature, duration and financial effects of any continuing involvement based on definitive transaction terms.

EIB Credit Facility

The Company's Finance Contract with EIB contains provisions applicable to disposals of assets or businesses, including requirements to inform EIB of contemplated disposals and, in certain circumstances, to apply disposal proceeds toward prepayment of amounts outstanding under the Credit Facility. The Company has informed EIB of the planned exit of the ESWL and Distribution businesses, and these provisions do not restrict the Company's ability to transfer the businesses in their present condition. The Company will assess any required application of sale proceeds, and the related classification of borrowings under the Credit Facility, upon execution of definitive transaction agreements. See Note 6, Long Term Debt.

Cash Flow Information

The Company has elected not to separately present the operating and investing cash flows of discontinued operations in the condensed consolidated statements of cash flows. Depreciation, amortization, capital expenditures and significant operating and investing noncash items of the discontinued operations for the nine months ended September 30, 2026 and 2025 were as follows:

	Nine Months Ended September 30,	
	2026	2025
Depreciation and amortization	250	407
Capital expenditures	356	376
Non cash - Financing lease obligations incurred	90	119
Non cash Operating lease obligations incurred	89	279

NOTE 19. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Interest and income taxes paid were as follows:

	Nine Months Ended September 30,	
	2026	2025
Income taxes paid	502	319
Interest paid	283	320
Interest received	326	215
Unpaid capital increase issuance cost	664	—

Income taxes paid during the nine months ended September 30, 2026, primarily relate to discontinued operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report") and our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 25, 2026 (the "2025 Annual Report"). The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. See the section of this Quarterly Report titled "Cautionary Statement on Forward-Looking Information."

Overview

On May 28, 2026, our Board of Directors approved a plan to exit our ESWL and Distribution segments, and on May 29, 2026 we announced our rebrand to FocalTherics and our strategic realignment to focus exclusively on our robotic focal therapy business built around the Focal One® HIFU platform. At the end of the second quarter of 2026, the ESWL and Distribution segments met the criteria to be reported as discontinued operations, and their results are excluded from continuing operations for all periods presented in this Quarterly Report. Prior to this classification, the ESWL and Distribution businesses represented a significant portion of our consolidated results, including approximately 47% of our consolidated revenue for the year ended December 31, 2025. We expect to complete the disposals through one or more transactions within one year of the held-for-sale classification, and until completion the timing, structure and terms of any transaction remain subject to negotiation and execution risk. Unless otherwise indicated, the discussion below relates to our continuing operations, which consist of our HIFU business. See Note 18 to our unaudited condensed consolidated financial statements for additional information.

Results of Operations

The following table sets forth our net sales and profit (loss), for the three months ended September 30, 2026 and 2025, and for the nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions of US dollars, except percentages)	2026	2025	2026	2025
Total revenues	9.8	7.8	34.6	23.8
Total cost of sales	(4.8)	(4.2)	(16.3)	(12.2)
Gross profit	5.1	3.6	18.4	11.7
Gross profit as a percentage of total net sales	51.41 %	46.59 %	53.01 %	48.94 %
Total operating expenses	(12.8)	(10.3)	(42.2)	(31.7)
Loss from operations	(7.7)	(6.7)	(23.8)	(20.0)
Net loss	(4.5)	(5.9)	(28.0)	(19.8)

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

The total revenues increased by 25.5% from $7.8 million in the three months ended September 30, 2025 to $9.8 million in the three months ended September 30, 2026, reflecting growth of equipment sales and treatment-driven revenue.

The sales of medical devices increased 29.8% with $4.3 million in the three months ended September 30, 2026, with 7 Focal One units sold (including 2 in the United States), as compared to $3.3 million in the three months ended September 30, 2025, with 6 Focal One units sold (including 3 in the United States).

Treatment-driven revenue, which includes sales of revenue-per-procedure ("RPP") & leases, sales of disposables, and treatment-related services, increased by 24.3% to $4.8 million in the three months ended September 30, 2026, as compared to $3.9 million in the same period in 2025.

Cost of Sales and Gross Margin

Cost of sales increased 14.2%, from $4.2 million in the three months ended September 30, 2025 to $4.8 million in the three months ended September 30, 2026, and represented 48.6% of net sales in the three months ended September 30, 2026, down from 53.4% of net sales in the three months ended September 30, 2025. Gross margin increased to 51.4% during the three months ended September 30, 2026, compared to 46.6% for the three months ended September 30, 2025. The increase in gross margin was primarily attributable to improvement on standard cost of the Focal One and favorable absorption of our fixed costs due to higher production volumes.

Operating Expenses

Operating expenses increased 24.4%, or $2.5 million, from $10.3 million in the three months ended September 30, 2025 to $12.8 million in the three months ended September 30, 2026.

Marketing and sales expenses were $5.9 million in the three months ended September 30, 2026, compared to $4.2 million in the three months ended September 30, 2025.

Research and development ("R&D") expenses increased 6.9%, or $0.2 million, from $2.3 million in the three months ended September 30, 2025 to $2.5 million in the three months ended September 30, 2026.

General and administrative expenses increased $0.6 million, or 16.3%, from $3.8 million in the three months ended September 30, 2025 to $4.5 million in the three months ended September 30, 2026, primarily driven by an increase in fees related to our transition to domestic filer status.

Financial (Expense) Income, Net

Net financial income was $2,038 thousand in the three months ended September 30, 2026, compared to net financial expense of $60 thousand in the three months ended September 30, 2025.

Net financial income was primarily driven by the gain on the variation of the fair value of the warrants we issued to European Investment Bank ("EIB") of $2.6 million, partially offset by the interest expense of the EIB loan of $0.7 million in the three months ended September 30, 2026.

Foreign Currency Exchange Gain (Loss), Net

In the three months ended September 30, 2026, we recorded a net foreign currency exchange gain of $467 thousand, mainly due to the variation of the Japanese Yen and the U.S dollar against the Euro, compared to a net gain of $85 thousand in the three months ended September 30, 2025.

Income Taxes

Income tax expenses in the consolidated statement of operations remained relatively flat at $15 thousand in the three months ended September 30, 2026, compared to $16 thousand in the three months ended September 30, 2025.

Profit (loss) from discontinued operations, net of tax

Net profit from discontinued operations was $825 thousand in the three months ended September 30, 2026, compared to $721 thousand in the three months ended September 30, 2025.

Net Loss

As a result of the above, we recorded a consolidated net loss of $4.5 million in the three months ended September 30, 2026, compared with a consolidated net loss of $5.9 million in the three months ended September 30, 2025.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

The total revenues increased by 45.2% from $23.8 million in the nine months ended September 30, 2025 to $34.6 million in the nine months ended September 30, 2026, reflecting growth of equipment sales and treatment-driven revenue.

The sales of medical devices increased 70.6% with $18.2 million in the nine months ended September 30, 2026, with 31 Focal One units sold (including 15 in the United States), as compared to $10.7 million in the nine months ended September 30, 2025, with 21 Focal One units sold (including 10 in the United States).

Treatment-driven revenue increased by 30.7% to $14.3 million in the nine months ended September 30, 2026, as compared to $11.0 million in the same period in 2025.

Cost of Sales and Gross Margin

Cost of sales increased 33.7%, from $12.2 million in the nine months ended September 30, 2025 to $16.3 million in the nine months ended September 30, 2026, and represented 47.0% of net sales in the nine months ended September 30, 2026, down from 51.1% of net sales in the nine months ended September 30, 2025. Gross margin increased to 53.0% during the nine months ended September 30, 2026, compared to 48.9% for the nine months ended September 30, 2025. The increase in gross margin was primarily attributable to focused effort on components cost reduction on standard cost of the Focal One and favorable absorption of our fixed costs due to higher production volumes for system and consumables.

Operating Expenses

Operating expenses increased 33.0%, or $10.5 million, from $31.7 million in the nine months ended September 30, 2025 to $42.2 million in the nine months ended September 30, 2026.

Marketing and sales expenses were $19.7 million in the nine months ended September 30, 2026, compared to $13.9 million in the nine months ended September 30, 2025.

R&D expenses increased 4.2% to $7.2 million in the nine months ended September 30, 2026 compared to $7.0 million the nine months ended September 30, 2025.

General and administrative expenses increased $4.3 million, or 39.7%, from $10.9 million in the nine months ended September 30, 2025 to $15.2 million in the nine months ended September 30, 2026, primarily driven by an increase in fees related to our transition to domestic filer status.

Financial (Expense) Income, Net

Net financial expense was $6.0 million in the nine months ended September 30, 2026, compared to net financial expense of $142 thousand in the nine months ended September 30, 2025.

The financial expense was primarily driven by the variation of the fair value of the warrants we issued to EIB of $4.3 million and the interest expense of the EIB loan of $1.8 million in the nine months ended September 30, 2026.

Foreign Currency Exchange Gain (Loss), Net

In the nine months ended September 30, 2026, we recorded a net foreign currency exchange gain of $544 thousand, mainly due to the variation of the U.S dollar and the Japanese Yen against the Euro, compared to a net loss of $579 thousand in the nine months ended September 30, 2025.

Income Taxes

Income tax expenses in the consolidated statement of operations remained relatively flat at $40 thousand in the nine months ended September 30, 2026, compared to $39 thousand in the nine months ended September 30, 2025.

Profit (loss) from discontinued operations, net of tax

Net profit from discontinued operations was $1,263 thousand in the nine months ended September 30, 2026, compared to $1,006 thousand in the nine months ended September 30, 2025.

Net Loss

As a result of the above, we recorded a consolidated net loss of $28.0 million in the nine months ended September 30, 2026, compared with a consolidated net loss of $19.8 million in the nine months ended September 30, 2025.

Effects of Inflation

In 2026 and 2025, geopolitical instability and other factors have continued to contribute to worldwide inflation, leading to a global increase in costs. We are constantly addressing this cost increase by mitigating the impact on our margins, in particular by adjusting our prices, reducing our costs, and implementing countermeasures to ensure the minimum residual impact.

Liquidity and Capital Resources

Our primary sources of capital have historically been proceeds from our public and private securities offerings and issuances of debt.

Our primary short-term needs for capital for our planned operations, which are subject to change, include:

- continued commercialization efforts and expansion of our sales and marketing infrastructure and programs to drive anticipated sales growth in the United States and elsewhere; and
- expanding our R&D initiatives to improve our existing products and develop new products and solutions.

We have a history of operating losses and expect such losses to continue in the foreseeable future. As of September 30, 2026, we had $56.3 million cash and equivalent, an increase of $35.8 million from December 31, 2025, primarily reflecting net proceeds of approximately $43.1 million from our August 2026 underwritten offering and $14.0 million of net proceeds from drawing of Tranche B of our credit facility (the "Credit Facility") established pursuant to that certain finance contract (the "Finance Contract"), dated October 17, 2025, with European Investment Bank ("EIB").

In August 2026, the Company completed an underwritten offering of American Depositary Shares ("ADSs") where it sold an aggregate of 9,688,750 ADSs for net proceeds of approximately $42.4 million, following deduction of underwriting discounts and commissions and estimated offering expenses.

We believe we have sufficient funds to support our operations for at least a period of twelve months from the date of issue of these interim condensed consolidated financial statements.

Although the additional capital provides us with increased liquidity and is expected to support our operations beyond the next twelve months, we continue to expect operating losses for the foreseeable future. Our ability to achieve profitability and generate positive cash flow from operations will depend on, among other things, the continued growth of our HIFU business, the successful commercialization and adoption of our products, the timing and level of our revenues, and our ability to manage operating

expenses and other cash requirements. If we are unable to achieve profitability and positive cash flow from operations within the period supported by our existing liquidity, or if our capital requirements are greater than currently anticipated, we may require additional financing in the future. The timing, terms and availability of any future financing will depend on a number of factors, including our operating performance, market conditions and our financial position at the time.

Cash Flows

The following table sets forth the primary sources and uses of cash for the periods presented below:

	Nine Months Ended September 30,	
(in thousands of U.S. dollars)	**2026**	**2025**
Net cash generated by/(used in) operating activities	(10,687)	(13,955)
Net cash generated by/(used in) investing activities	(3,362)	(4,002)
Net cash generated by/(used in) financing activities	50,707	(2,847)
Net effect of exchange rate changes on cash and cash equivalents	(842)	2,217
Net increase/(decrease) in cash and cash equivalents	35,817	(18,588)
Cash and cash equivalents at the beginning of the year	20,452	30,995
Cash and cash equivalents at the end of period	56,269	12,407

Net Cash Used in Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2026, was $10.7 million, consisting of net loss of $28.0 million offset by non-cash expenses of $12.6 million and positive changes in working capital of $4.9 million. These non-cash expenses primarily consisted of $2.9 million of depreciation and amortization, $2.4 million of stock-based compensation expense, and $6.0 million related to the change in the fair value of the EIB warrants and loan amortizations.

Net Cash Used in Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2026, was $3.4 million, consisting primarily of investments of $2.4 million in capitalized assets and investment of $0.8 million in property and equipment.

Net Cash Generated by Financing Activities

Net cash generated by financing activities for the nine months ended September 30, 2026, was $50.7 million, consisting primarily of the net proceeds of $43.1 million from the underwritten offering, the net proceeds of $14.0 million from borrowings under the EIB credit facility, the repayment of long-term borrowings and financing leases of $2.0 million and reduction of short-term borrowings of $4.4 million.

Contractual Obligations and Commitments

Our contractual obligations and commitments are discussed in Note 6 – Long Term Debt.

Critical Accounting Policies

Our significant accounting policies are discussed in Note 1, Notes to the Condensed Consolidated Financial Statements (Unaudited) and Note 2, Summary of significant accounting policies, of the notes to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

Critical Accounting Estimates

Management has identified estimates made in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant.

Identified accounting estimates are as follows:

1- Discontinued operations and assets held for sale

The classification and measurement of the ESWL and Distribution disposal groups as discontinued operations and assets held for sale requires significant judgment. Management evaluates whether the planned disposal represents a component or group of components, whether the held-for-sale criteria are met, and whether the disposal represents a strategic shift that has, or will have, a major effect on the Company's operations and financial results. Upon classification as held for sale, the disposal groups are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell requires management to use estimates and assumptions, including expected transaction perimeter, expected buyer interest, market-based pricing indications, projected cash flows, discount rates, and expected costs to sell. Changes in these assumptions could result in a material impairment charge or adjustment to the carrying amount of the disposal groups.

2- Fair value of warrant liability

The Company measures certain warrants at fair value, with changes in fair value recognized in earnings. The fair value measurement requires judgment in selecting an appropriate valuation model and assumptions, including expected volatility, expected term, risk-free interest rate, share price, exercise price and expected dividends. Although certain inputs may be observable, changes in the Company's share price, volatility assumptions or expected term could materially affect the fair value of the warrant liability and the resulting non-cash gain or loss recognized in the statement of operations.

Off-Balance Sheet Arrangements

As of September 30, 2026, we had no off-balance sheet arrangements.

New Accounting Standards Not Yet Adopted

See Note 2, Summary of Significant Accounting Policies, to our unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report for more information.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable. We are a "smaller reporting company," as defined by Rule 12b-2 under the Exchange Act of 1934, as amended (the "Exchange Act"), and in Item 10(f)(1) of Regulation S-K, and are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer, Ryan Rhodes, and Chief Financial Officer, Ken Mobeck, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2026. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Disclosure controls and procedures means controls and other procedures that are designed to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. The Company's disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of its disclosure control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. We are not party to any material legal proceedings, and no such proceedings are, to management's knowledge, threatened against us.

Item 1A. Risk Factors

As of the date of this Quarterly Report, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our 2025 Annual Report other than the additional risk factor included below. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

Our plan to discontinue our ESWL and Distribution operating segments may materially and adversely affect our business, financial condition, operating results and prospects or cause revenue disruption.

While our plan to discontinue our ESWL and Distribution operating segments and report and classify them as discontinued operations in our financial statements aligns with our long-term strategic goals, it carries inherent risks, including:

- that the discontinuation may take longer or cost more than expected, may result in disputes with customers, distributors, employees or other counterparties, and may not produce the strategic benefits anticipated;
- a potential reduction in our global near-term revenue as we scale back our distribution activities;
- a possible decline in stock price, particularly if investors perceive the shift as a risk to short-term revenues, if investors do not agree with the strategic change, or if the transition does not proceed as smoothly as anticipated; and
- strained relationships with investors and stakeholders who may be concerned about the potential negative financial and reputational impact of this strategic change, including the potential loss of revenue streams from the discontinuance of our ESWL and Distribution operating segments.

The execution of this discontinuance may involve significant risks, even beyond those outlined above, that could materially and adversely affect our business, financial condition, operating results and prospects or cause revenue disruption.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Director and Officer Trading Arrangements

During the three months ended September 30, 2026, no director or officer of the Company adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed, furnished, or incorporated herein by reference as part of this Quarterly Report.

Exhibit No.	Description	Form	Exhibit	Date Filed	File No.	Filed Herewith
3.1	By-laws (*statuts*) of EDAP TMS S.A. (English translation) as amended as of September 2, 2026		3.1			X
4.1	Form of Amended and Restated Depositary Agreement between EDAP TMS S.A. and The Bank of New York Mellon, as depositary	F-6	1.2	9/15/2011	333-176843	
4.2	Form of American Depositary Receipt (included in Exhibit 4.1)					
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					X

† Indicates management contract or compensatory plan or arrangement.

* The certifications attached as Exhibits 32.1 is not deemed "filed" with the U.S. Securities and Exchange Commission is not incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EDAP TMS S.A.

Dated: November 5, 2026

/s/ Ryan Rhodes

Ryan Rhodes
Chief Executive Officer

Dated: November 5, 2026

/s/ Ken Mobeck

Ken Mobeck
Chief Financial Officer

EDAP TMS

A stock company (*société anonyme*)
with a capital of Euros 6,173,715.86
Head office: Parc d'activité- La Poudrette Lamartine
4 rue du Dauphiné
69120 Vaulx en Velin – France
316 488 204 R.C.S Lyon

MEMORANDUM AND ARTICLES OF ASSOCIATION
- BYLAWS -

As updated by
the Board of Directors on
September 2, 2026

TITLE I
FORMATION - PURPOSE - CORPORATE NAME
REGISTERED OFFICES - DURATION

ARTICLE 1 - FORMATION OF THE COMPANY

A stock company exists between the owners of the shares created hereinafter and those which could be created at a later stage; it is organized and exists under the laws in force and under the following bylaws.

ARTICLE 2 – CORPORATE PURPOSES

The purpose of the Company is:

- the taking of financial interests under whatever form in all French or foreign groups, companies or businesses which currently exist or which may be created in the future, mainly through contribution, subscription or purchasing of shares, obligations or other securities, mergers, holding companies, groups, alliances or partnerships ;
- the management of such financial interests ;
- the direction, management, supervision and coordination of its subsidiaries and interests ;
- the provision of all administrative, financial, technical or other services ;
- and generally, all operations of whatever nature, financial, commercial, industrial, civil, relating to property and real estate which may be connected directly or indirectly, in whole or in part, to the company's purposes or to any similar or related purposes which may favor the extension or development of said purpose.

ARTICLE 3 - CORPORATE NAME

The corporate name of the Company is:

EDAP TMS

ARTICLE 4 - REGISTERED OFFICE

The registered office is fixed at: Parc d'activité La Poudrette Lamartine 4 rue du Dauphiné- (F) 69120 Vaulx en Velin - France.

It may be transferred to any other location in France by decision of the Board, subject to ratification of such decision by the next ordinary shareholders' meeting, and anywhere else by virtue of a resolution of the extraordinary shareholders' meeting.

In the event of a transfer decided by the Board, the latter is authorized to amend the bylaws and to carry out the resulting publicity and filing formalities, provided that it is stated that the transfer is subject to the ratification referred to above.

ARTICLE 5 - DURATION

The duration of the Company is sixty (60) years as of the date of incorporation of the Company recorded in the Trade and Corporate Registry unless an anticipated dissolution or a prorogation is decide as provided for in these bylaws.

TITLE II
REGISTERED CAPITAL

ARTICLE 6 - REGISTERED CAPITAL

The share capital is set at the amount of 6,173,715.86 euros, divided into 47,190,122 shares with a par value of EUR 0.13 each, fully paid up.

ARTICLE 7 - INCREASE OF THE REGISTERED CAPITAL

The registered capital may be increased pursuant to applicable law, subject to report by the Board, by a resolution of the general meeting of the shareholders adopted in accordance with the quorum and majority requirements under applicable law.

The registered capital may be increased by any means and in any manner. The general meeting of shareholders may delegate to the Board its authority to resolve to increase the registered capital within the limits set by such meeting, or the powers necessary to carry out, in one or more times, the issuance of all or any class of securities, to determine the amount or amounts thereof, to certify the completion thereof, to effect any reduction or amortization of the registered capital, and to amend the bylaws accordingly. The shareholders shall have, in proportion to the number of shares they hold, a preemptive right to subscribe for shares and other securities issued by the Company, which right shall be governed by the provisions of applicable law and may be waived by the general meeting of shareholders in accordance with applicable law. The shareholders may individually waive or assign such right, it being specified that any waiver in favor of a named person or any assignment thereof shall comply with relevant applicable law and by these bylaws.

ARTICLE 8 - CAPITAL REDUCTION

The registered capital may be reduced in compliance with applicable by law, subject to report by the Board, by the general meeting of the shareholders acting under the quorum and majority requirements under applicable law, by means of a reduction in the number of shares or their par value.

TITLE III
SHARES

ARTICLE 9 – PAYMENT OF THE SHARES

At the time of capital increase, the shares to be subscribed in cash must be paid up of at least one fourth at the time of the subscription. The balance of payments shall be paid within a maximum of five years, as of the day on which the capital increase shall have become effective, in one or several times, at the times and in the proportions determined by the Board. The calling up of capital contributions shall be communicated to the shareholders by registered letter at least fifteen days prior to the date fixed for each payment.

The subscription price for shares issued for cash pursuant to capital increases may be paid up, in whole or in part, by way of set-off against liquidated and due claims held by the subscriber against the Company.

The Board may authorize at any time the shareholders to prepay the amount of their shares which are not yet called up.

Should the shareholders not proceed with the payments on the set dates, the interest of the amount of these payments shall run by law for each day of delay at a rate of 12% per annum as of the date of payment fixed in the registered letter above mentioned and without a claim or formal notice being necessary.

If within the period fixed at the time of calling up the capital, some shares have not been paid up from the required payments, the Company may, one month after a special formal individual notice notified to the defaulting shareholder - by registered letter or extra judicial writ – offer, to the other shareholders, the shares to be paid up by registered letter sent to each of them.

To implement this preemptive right, the Board shall have, upon the expiration of the fixed time limit, at the time of the calling up of capital, to offer to the shareholders the shares to be paid up by registered letter sent to each of them.

If several shareholders are purchasers, the shares shall be distributed among them in proportion to their rights in the Company.

If such a proportional distribution is not possible, the remaining shares shall be distributed through draw lots.

If within a time limit of one month further to the shareholders having been warned, some shares are still not paid up, the Company may sale them within the terms and conditions stipulated under article R.228-24 of the French Commercial Code.

The sale of the shares shall be carried in public auctions by a stock broker or a public notary. For such purpose, the Company shall publish in a legal gazette within the department of the registered offices, at least thirty days further to the notice scheduled in the previous paragraph, a notice concerning the sale of the shares. It shall inform the debtor and, if any, its co-debtors, of the sale by a registered letter containing indications on the date and the issue number of the gazette in which the publication has been made. The sale of the shares may not take place less than fifteen day as from the sending of the registered letter.

The Company shall be entitled to the net proceeds of the sale up to the due amount and shall be deducted from the principal amount and interests due by the defaulting shareholder before the reimbursement of the costs incurred by the company to realize the sale. The defaulting shareholder remains debtor or benefits from the difference.

Upon the expiration of the time limit as scheduled in the fifth paragraph above, the shares not paid up from the required payments shall stop permitting the admission and the voting rights in shareholders meetings and shall be deducted for the counting of the quorum. The right to the dividends and the preferential right of subscription shall be suspended. If the shareholder pays up the principal sum and its interests, he/she may ask for the payment of non prescribed dividends but he/she may not exercise an action under a preferential right of subscription to a capital increase after the expiration of the time limit fixed for the exercise of that right.

ARTICLE 10 – LEGAL FORM AND CONDITIONS OF VALIDITY OF SHARES

The shares are compulsorily issued by the Company as registered shares and are materialized through a registration into the accounts of the Company.

The share accounts are kept under the conditions and terms provided by law, by the Company or any other authorized Agent the name or denomination and address of which shall be published in the "*Bulletin des Annonces Légales Obligatoires*" (Bulletin for compulsory legal announcements).

The share accounts mention:

- the identification data of natural persons or legal entities in the name of whom they have been opened and, if any, the legal nature of their rights or incapacities ;
- the name, the category, the number and, if any, the nominal value of the registered shares;
- the restrictions which may concern these shares (pledge, escrow account, etc...).

Whenever the shares are not fully paid upon subscription, the payments on these shares are put in and witnessed as such by a certificate.

Each share gives right to a part of the ownership of the Company's assets, in proportion with the number of issued shares. Besides, it gives right to a part of profits as stipulated under Article 27 hereinafter.

Shareholders are only responsible up to the amount of shares they possess and above that amount, any calling up of capital is forbidden. They cannot be subject to any restitution of interests or dividends which were regularly distributed.

ARTICLE 11 - SHARE TRANSFERS

Shares may be freely traded under the conditions defined by law. In the event of a capital increase, the shares may be traded from the completion thereof.

Shares shall remain negotiable following the Company's dissolution, and until the closing of its liquidation.

ARTICLE 12 - INDIVISIUM OF SHARES - SEALS

In respect of the Company the shares are indivisible. Joint owners of a share shall be represented before the Company by a single person they shall have appointed further to a common agreement.

Whenever the ownership of several shares shall be necessary to exercise any right whatsoever and in particular to exercise the preferential right as here above provided for, or still, in the case of exchange or attribution of the shares further to an operation such as: capital reduction, capital increase by incorporation of reserves, merger, entitling to a new share against providing existing shares, isolated shares or shares in a number lower than the one required shall grant no right to the holder against the Company ; shareholders shall be personally responsible for the regrouping of the necessary number of shares.

The heirs, representatives or creditors of a shareholder shall under no circumstances whatsoever neither call for the seals on the Company's assets and documents requesting the partition or the sale by auction of a lot held by indivisium, nor interfere in whatever manner in its management ; they must - for the exercise of their rights - refer to the corporate inventories/ books and the decisions from the General Meeting.

All shares which form or shall form the registered capital shall always be assimilated to one another as regards tax costs. Consequently, all duties and taxes which for whatever reason could - with respect to any reimbursement of capital of these shares, or more generally, any distribution of their profit become claimable for only some of them, either during the existence of the Company or during its winding-up, shall be distributed among all shares representing the capital at the time of that or those reimbursements or distributions in such a way that all current or future shares shall confer on their owners - whilst taking into account the nominal amount of shares and rights not amortized of different categories, the same effective privileges giving them the right of receiving the same net amount.

TITLE IV
MANAGEMENT OF THE COMPANY

ARTICLE 13 – BOARD OF DIRECTORS

The Company is managed by a board of directors (the "**Board**") made up of individuals or legal persons (the "**Directors**") whose number is determined by the Ordinary Shareholders Meeting within the limits provided for by the law.

A legal entity must, at the time of its appointment, designate an individual who will be its permanent representative at the Board. The duration of the office of this permanent representative is the same as that of the Director legal body he/she represents. In the event the legal body revokes its permanent representative, it must replace said representative immediately. The same rules apply in case of death or resignation of the permanent representative.

The Directors' term of office is two (2) years. The tenure of a Director shall terminate at the close of the Ordinary General Shareholders Meeting that meets to vote upon the accounts of the preceding fiscal year and is held in the year during which the term of office of said Director comes to an end.

The Directors may always be re-elected, they may also be revoked at any time by the Shareholders' General Meeting.

An individual person cannot to hold more than five positions as a member of a Board or a member of a supervisory board in companies registered in France; the directorship held in controlled companies (as defined by article L.233-16 of the French Commercial Code) by the Company, are not taken into account.

In case of death or resignation of one or several Director(s), the Board may make (a) provisional appointment(s), even between two General Shareholders Meetings.

Any such provisional appointment(s) made pursuant to the previous paragraph need to be ratified by the next following Ordinary Shareholders' General Meeting.

Failing ratification, the resolutions and acts approved beforehand by the Board remain nonetheless valid.

When the number of Directors falls below the compulsory legal minimum, the remaining Directors must summon immediately the Ordinary General Shareholders Meeting, in order to reach the full complement of the Board.

Any Director appointed in replacement of another Director whose tenure has not expired remains in office only for the remaining duration of the tenure of his predecessor.

An employee of the Company may be appointed as a Director. His/her contract of employment must however correspond to an effective work. In this case, he/she does not loose the benefit of his/her employment contract.

The number of Directors who are also linked to the Company by an employment contract can not exceed one third of the Directors in office or five members.

Directors cannot be more than eighty five years old. In case one of the Directors reaches this limit during his/her office, the older Director is automatically considered as having resigned at the next General Shareholders Meeting.

ARTICLE 14 - MEETINGS OF THE BOARD

14.1. The Board meets as often as the interests of the Company require.

14.2. The Chairman summons the Directors to the Meetings of the Board. The notification of the Meetings may be made by all means, whether oral or written.

Furthermore, any Director or the Chief Executive Officer may validly request that the Chairman convene the Board of Directors. In such case, they shall specify the agenda for the meeting. In the event of the Chairman's failure to act, the relevant director or the Chief Executive Officer shall have the authority to convene the Board of Directors and set the agenda for the relevant meeting.

The meeting takes place either at the registered office or at any other place in France or abroad.

14.3. For the resolutions of the Board to be valid, at least one half of its members must be present or deemed present.

Unless otherwise provided in the charters that may be adopted by the Board, Directors who participate in a meeting of the Board by means of telecommunication permitting their identification and ensuring their effective participation, in accordance with applicable law, shall be deemed present for purposes of determining quorum and majority.

The charters of the Board of Directors may provide that certain decisions may not be taken at a meeting held under such conditions.

Any decision granting options to purchase new or existing shares of the Company to a Director who is also an employee, to the President or to the Chief Executive Officer of the Company (when he/she is also a Director), within the framework of an authorization given by the Extraordinary Shareholders' General Meeting, pursuant to articles L.225-177 et seq. of the French Commercial Code, shall be taken by a majority vote among the Directors who are present or represented. The concerned Director as well as any other Director who is likely to be granted similar options cannot take part in the vote.

The resolutions of the Board shall be taken at a majority vote; in case of a tie, the chairperson of the meeting has the casting vote. Decisions of the Board may also be made by written consultation of the Directors,

including by electronic means, it being specified that any Director may object to the use of this method of consultation. Directors wishing to exercise their right of objection must provide written notice (including by electronic means) no later than two (2) business days following receipt of the text of the proposed resolutions and the voting form. The Board may then be reconvened in accordance with the provisions of Article 14.2 above.

When the decision is taken by written consultation, the text of the proposed resolutions accompanied by a voting form is sent by the Chairman to each member of the Board by electronic means (with acknowledgement of receipt).

The directors have a period of three working days following receipt of the text of the proposed resolutions and the voting form to complete and send to the Chairman by electronic means (with acknowledgement of receipt) the voting form, dated and signed, by ticking a single box for each resolution corresponding to the meaning of their vote.

If no box or more than one box has been ticked for the same resolution, the vote will be null and void and will not be taken into account for the calculation of the majority for the relevant resolution.

Any director who has not responded within the above time period shall be considered absent and his or her vote shall not be counted for the purpose of calculating quorum and majority.

During the response period, any director may request any additional explanations from the initiator of the consultation.
Within five working days following receipt of the last ballot, the Chairman shall draw up and date the minutes of the deliberations, to which the ballots shall be annexed and which shall be signed by the Chairman and a director having participated in the written consultation.

Directors may vote by correspondence in connection with any meeting of the Board.

A voting form complying with the provisions of article R. 225-51 of the French Commercial code shall be sent electronically to each Director who so requests by email (with acknowledgment of receipt), together with the text of the proposed resolutions and any other document necessary for the Director's information.

Directors wishing to vote by correspondence must complete and send their electronic voting form to the Chairman of the Board before the deadline indicated on the form. Votes cast by correspondence by any means other than the voting form, or after the expiration of the specified deadline, shall not be taken into account for the purposes of calculating quorum and majority.

The form must be dated and signed and, for each resolution, the Director must check a single box corresponding to the meaning of his or her vote. If no box or more than one box is checked for a given resolution, the vote shall be null and void and shall not be taken into account for the purposes of calculating the majority for the relevant resolution. Directors may express their position in the space provided for that purpose on the form.

Any Director present at the meeting may validly confirm or change the meaning of a vote previously cast by correspondence.

Votes cast by correspondence shall be communicated to the Board and taken into account in the deliberations.

Voting forms received shall be appended to the minutes drawn up after the relevant meeting.

14.4. Any Director may grant a proxy – by any written means (including by email) – to any other Director to represent him/her at a Board Meeting; however, each Director is not allowed to have more than one proxy per meeting.

14.5. The copies or abstracts of the minutes of the Board are certified by the Chairman of the Board, the Chief Executive Officer, the Director temporarily delegated in the duties of President or by a representative duly authorized for that purpose.

The register may be kept and the minutes drawn up in electronic form; in this case, the minutes are signed by means of an electronic signature which at least meets the requirements for an advanced electronic signature. The minutes are dated electronically by a time-stamping means offering any guarantee of proof.

The attendance register can be kept in electronic form; in this case, the register is signed by means of an electronic signature which at least meets the requirements for an advanced electronic signature. The register is dated electronically by a time-stamping means offering any guarantee of proof.

ARTICLE 15 - POWERS OF THE BOARD

The Board defines the orientations of the Company's activity and supervises their implementation. Within the limits set out by the corporate purposes, and the powers expressly granted by law to the General Shareholders Meeting, the Board may deliberate upon the business of the Company and take any decisions thereof.

ARTICLE 16 - CHAIRMAN

The Board elects one of its members as Chairman of the Board, who must be an individual. The Board determines the duration of the office of the Chairman: it cannot exceed that of his/her office as a Director. The Board may revoke the Chairman at any time. The remuneration of the Chairman is decided by the Board.

The Chairman represents the Board and organizes its work. The Chairman is responsible for the good functioning of the Company's organization and, in particular, has to check the ability of the Board members to perform their mission.

The Chairman of the Board cannot be over eighty-five years old. In case the Chairman reaches this limit during his/her tenure, he/she will automatically be considered as having resigned. However, his/her tenure is extended until the next Board of Directors Meeting, during which his/her successor shall be appointed. Subject to this provision, the Chairman of the Board may always be re-elected.

ARTICLE 16 bis - CHIEF EXECUTIVE OFFICER

The general management of the Company is performed, under his responsibility, either by the Chairman of the Board or by another individual, elected by the Board and bearing the title of Chief Executive Officer.

The choice between these two methods of management belongs to the Board and must be made as provided for by these bylaws.

Shareholders and third parties are informed of this choice under legal and regulatory conditions.
The Chief Executive Officer is vested with the most extensive powers to act under all circumstances on behalf of the Company, within the limits set out by the corporate purposes, and subject to the powers expressly granted by law to the Board and the General Shareholders Meeting.

The Chief Executive Officer represents the Company with third parties. The Company is bound by the acts of the Chief Executive Officer overcoming the corporate purposes, unless proven that the third party knew such act overcame the corporate purposes or could not ignore so in light of the circumstances; yet, the sole publication of the bylaws is not enough to constitute a sufficient evidence thereof.

The remuneration of the Chief Executive Officer is decided by the Board. The Chief Executive Officer can be revoked at any time by the Board. If this revocation is not justified, damages may be allocated to the Chief Executive Officer, except when the Chief Executive Officer is also the Chairman of the Board.

Pursuant to article 706-43 of the French criminal proceedings Code, the Chief Executive Officer may validly delegate to any person he/she chooses the powers to represent the Company within the framework of criminal proceedings which might be taken against the Company.

The Chief Executive Officer may not hold another position as Chief Executive Officer or member of a Supervisory Board in a company registered in France except when (i) such company is controlled (as referred to in article L.233-16 of the French Commercial Code) by the Company and (ii) when this controlled company's shares are not quoted on a regulated market.

The Chief Executive Officer cannot be over seventy years old. In case the Chief Executive Officer reaches this limit during his/her tenure, he/she will automatically be considered as having resigned. However, his/her tenure is extended until the next Board meeting, during which his/her successor shall be appointed.

ARTICLE 17 - DEPUTY CHIEF EXECUTIVE

Upon the Chief Executive Officer's proposal, the Board may appoint one or several individual(s) as Deputy Chief Executive(s) with the aim of assisting the Chief Executive Officer.

The Deputy Chief Executive may be revoked at any time by the Board, upon proposal of the Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board shall determine the scope and duration of the powers delegated to the Deputy Chief Executive. The remuneration of the Deputy Chief Executive is decided by the Board.

Towards third parties, the Deputy Chief Executive has the same powers as the Chief Executive Officer, among which the ability to represent the Company in court.

The Deputy Chief Executive Officer cannot be over seventy years old. In case a Deputy Chief Executive Officer would reach this limit during his/her office, he/she would automatically be considered as having resigned. However, his/her office is extended until the soonest Board meeting, during which his/her successor shall be appointed.

In any case, the maximum number of Deputy Chief Executive(s) cannot exceed five.

ARTICLE 18 - AGREEMENTS SUBJECT TO AUTHORIZATION

18.1. Securities, endorsement of drafts and guarantees provided for by the Company shall be authorized by the Board in compliance with the conditions provided for by the law.

18.2. According to the provisions of article L. 225-38 of the French Commercial Code, any agreement to be entered into - either directly or indirectly or through an intermediary - between the Company and one of its Directors, its Chief Executive Officer or Deputy Chief Executive, one of its shareholders holding more than 10% of the voting rights or, if it is a company, the company controlling it (as referred to in article L. 233-3 of the French Commercial Code) is subject to a prior authorization of the Board. The same authorization applies to the agreements in which these persons are indirectly interested.

The same shall apply for agreements between the Company and another company, whenever one of the Directors, Chief Executive Officer(s) or Deputy Chief Executive(s) of the Company is the owner, a partner

with unlimited liability, a manager, Director, member of a supervisory board or more generally an officer of said company.

However, such provisions do not apply to agreements entered into in the ordinary course of business and on arm's length terms, or to agreements entered into between two companies of which one holds, directly or indirectly, the entire share capital of the other, after deduction, where applicable, of the minimum number of shares required to meet the requirements of article 1832 of the French Civil Code or articles L. 225-1, L. 22-10-1, L. 22-10-2 and L. 226-1 of the French Commercial Code.

Pursuant to the provisions of article L. 225-40 of the French Commercial Code, any person directly or indirectly involved in an agreement must inform the Board as soon as he or she becomes aware of an agreement to which article L. 225-38 of the French Commercial Code is applicable. The interested party, being a member of the Board, may not take part in the deliberations or vote on the requested authorization.

The Chairman of the Board informs the Statutory Auditor, if any, of all agreements authorized and entered into, and submits them to the Shareholders' Meeting for approval.

The Statutory Auditor or, if no Statutory Auditor has been appointed, the Chairman of the Board, present a special report on these agreements to the Shareholders' Meeting, which votes on the report.

Any person directly or indirectly interested in the agreement may not take part in the vote. His/her shares are not taken into account for the calculation of the majority.

ARTICLE 19 - PROHIBITED AGREEMENTS

Directors who are not legal bodies are prohibited from taking out loans from the Company, under any form whatsoever, from getting an overdraft on a current account or otherwise, and benefiting from a guarantee from the Company for the agreements they have entered into with third parties.

The same prohibition applies to Chief Executive Officer, Deputy Chief Executives and to permanent representatives of the Directors legal bodies. It also applies to spouses, ascendants and descendants of the persons referred to in the previous paragraph, as well as to any interposed person.

TITLE V
AUDITORS

ARTICLE 20 - AUDITORS

The audit of the Company shall be conducted, subject to applicable law, by one or more Statutory Auditors meeting the legal eligibility requirements. Where the legal conditions are satisfied, the Company shall appoint at least two statutory auditors.

Each Statutory Auditor shall be appointed by the ordinary general meeting of shareholders.

The ordinary general meeting of the shareholders shall appoint, in the cases provided for by law, one or more alternate Statutory Auditors to replace the incumbent auditors in the event of refusal, incapacity, resignation, or death.

If the ordinary general meeting of the shareholders fails to appoint a Statutory Auditor, any shareholder may petition a court of competent jurisdiction for such appointment, provided that the Chairman of the Board has been duly notified. The term of office of the Statutory Auditor so appointed shall expire upon the appointment of one or more Statutory Auditors by the ordinary general meeting of the shareholders.

The Auditor appointed to replace another shall only remain in service until the expiration of the mandate of his predecessor.

Auditors are indefinitely re-eligible.

One or several shareholders representing at least one twentieth of the registered capital may ask in court the objection to one or several Auditors appointed by the meeting and the designation of one or several other Auditors who shall provide their services replacing the objected Auditors. Under penalty of unacceptability of the request, the latter shall have to be made before the President of the Commercial Court who shall rule in chambers within a period of thirty days as from the rejected nomination.

The Auditors must be called at the Board meeting during which the accounts of the ended financial year shall be closed and at all shareholders meetings.

ARTICLE 21 - EXPERTISE

One or several shareholders representing at least one twentieth of the registered capital may ask to the President of the Commercial Court to rule in chambers to designate an expert in charge of presenting a report on one or several management operations.

The report from the expert possibly appointed must be sent to the petitioners, to the Board, to the *Ministère Public ("Attorney General")*, to the Labor Committee; it shall also be attached to the report from the Auditor(s) prepared for the forthcoming General Meeting and should be granted the same advertising.

TITLE VI
GENERAL MEETINGS

ARTICLE 22 - GENERAL RULES

Collective decisions of the shareholders are taken in Ordinary, Extraordinary or Special Shareholders' Meetings depending on the nature of the decisions they are called upon to take. Ordinary, Extraordinary and Special Shareholders' Meetings exercise their respective powers in accordance with the law.

Shareholders' Meetings are convened and held in the conditions, form and timeframe set by law.

Meetings are held at the registered office or at any other location specified in the notice of meeting.

The right to participate in Shareholders' Meetings is governed by the legal and regulatory provisions in force.

Any shareholder, regardless of the number of shares it owns, has the right to attend Shareholders' Meetings and to participate in the deliberations, in person, by proxy or by remote voting, under the conditions and within the time limits provided for by the regulations in force.

The right to participate in Shareholders' Meetings shall be evidenced by the registration of shares in the name of the shareholder as of 12:00 a.m. (Paris time) on the fifth (5th) business day preceding the Shareholders' Meeting.

Shareholders may, in accordance with the conditions laid down by the regulations in force, send in their postal voting form for any Shareholders' Meeting, either in paper form or, if the Board so decides in the notice of meeting, by remote transmission.

The Board may organize, in compliance with applicable laws and regulations, the participation and voting of the shareholders at Shareholders' Meeting by videoconference or by other means of telecommunication that allow for their identification, as a supplement to or to the exclusion of any other method of participation. If the Board decides to exercise this option for a given Shareholders' Meeting, such decision of the Board shall be stated in the notice of the relevant meeting. However, with respect exclusively to Extraordinary Shareholders' Meeting, one or more shareholders representing at least 25% of the share capital may object to the exclusive use of a means of telecommunication allowing for their identification. This right of objection shall be exercised after the publication of the notice of meeting, in accordance with applicable laws.

Shareholders participating in Shareholders' Meeting through a means of telecommunication allowing for their identification shall be deemed present for the purposes of calculating quorum and majority requirements.

Shareholders who use the electronic voting form offered on the website set up by the meeting's centralizing agent are deemed to be present. The electronic form can be entered and signed directly on this site by means of an identification code and a password. The proxy or vote thus expressed before the Meeting by this electronic means, as well as the acknowledgement of receipt thereof, will be considered as non-revocable writings and binding on all.

Postal voting forms and proxies given to be represented at a Meeting may include an electronic signature of the shareholder or of his legal or judicial representative in the form of a process that complies with the requirements of article 1316-4 paragraph 2 of the Civil Code, i.e. a reliable identification process that guarantees its link with the act to which it relates.

All shareholders have the right to obtain the documents necessary to enable them to make fully informed decisions on the management and operation of the Company.

The nature of these documents and the conditions under which they are sent or made available are determined by law and regulations.

Meetings are chaired by the Chairman of the Board or, in his absence, by the Chief Executive Officer, by a Chief Operating Officer if he is a director, or by a director specially delegated for this purpose by the Board. Failing this, the Meeting shall elect its own Chairman.

The functions of scrutineers are performed by the two shareholders, present and accepting these functions, who have, both by themselves and as proxies, the greatest number of votes.

The bureau appoints the secretary, who may be chosen from outside the shareholders.

An attendance sheet is kept under the conditions provided for by law.

The minutes are drawn up in accordance with the law. Copies or extracts of the minutes of the Meeting are validly certified by the Chairman of the Board, by a director exercising the functions of Chief Executive Officer or by the Secretary of the Meeting.

ARTICLE 23 - EXTRAORDINARY GENERAL MEETINGS

The Extraordinary Shareholders' Meeting convened on the first or second notice of meeting may only validly deliberate if the shareholders present or represented hold at least 33⅓ of the shares with voting rights.

Decisions of the Extraordinary Shareholders' Meeting are taken by a two-thirds majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder has not taken part in the vote, has abstained or has voted blank or invalid.

ARTICLE 24 - ORDINARY GENERAL MEETINGS

The Ordinary Shareholders' Meeting convened on the first or second notice of meeting may only validly deliberate if the shareholders present or represented hold at least 33⅓ of the shares with voting rights.

Decisions of the Ordinary General Meeting are taken by a majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder has not taken part in the vote, has abstained or has voted blank or invalid.

TITLE VII
INVENTORIES - PROFITS – RESERVES

ARTICLE 25 - COMPANY'S FISCAL YEAR

Each fiscal year shall cover a period of twelve months starting on January 1st and ending on next December 31st.

ARTICLE 26 - INVENTORY – ACCOUNTS

Regularly accounting of corporate operations is held in compliance with Law.

At the end of the each fiscal year, the Board draws up an inventory and the financial statements.

When required by law, it shall prepare a management report containing the disclosures required by law.

All these documents are made available to the disposal of the Auditors (if any has been appointed) according the provisions set forth by the law.

ARTICLE 27 - FIXING, ALLOCATION AND DISTRIBUTION OF PROFITS

On the profit of each fiscal year subject to reduction of the amount of the previous law, an amount equal to 5 % of it shall be allocated in order to constitute the legal funds ; such allocation is no longer compulsory when the said funds amount to 10 % of the registered capital ; should the amount of the legal funds become inferior of the registered capital, such allocation should have to be implemented.

The General Meeting may allocate any amount to the appropriation of all optional, ordinary or extraordinary funds or carrying it forward.

The profit of the fiscal year reduced by the amount of previous losses and by the amount to be allocated to the reserves according any legal provisions or bylaws and increased by the amount of the carried forward profit constitutes the distributable profit.

Further to the approval on the financial statement and the determination of the distributable amounts, the General Meeting decides the amount of the dividends to be distributed to the shareholders. The General Meeting may also decide on the distribution of amounts appropriated from the reserves it has available either to provide or complete dividends or as extraordinary distribution ; in such a case, the decision shall expressly indicate the reserve items from which the distributions are made. However, the dividends have to be priorly distributed from the distributable profit of the current fiscal year.

ARTICLE 28 - PAYMENT OF DIVIDENDS

The terms and conditions of payment of dividends voted by the General Meeting are decided by the relevant meeting or, failing such decision, by the Board. However, the payment must occur within a period which can not exceed nine months from the end of the fiscal year unless a court decision authorizes an extension of such time limit for payment.

Dividends which are not claimed within five years from their maturity date shall be bared.

TITLE VIII
EXTENSION - DISSOLUTION - WINDING UP

ARTICLE 29 - EXTENSION

At least one year prior to the expiration date of the Company, the Board must convene a Extraordinary Shareholders' General Meeting to decide the prorogation of the Company; such prorogation may not exceed 99 years.

Failing such Extraordinary Shareholders' General Meeting, any shareholder may fifteen days further to a formal notice sent to the Chairman of the Board, by registered letter remaining unsuccessful, request from the courts the appointment of a Agent in charge of convening the meeting here above.

ARTICLE 30 - DISSOLUTION

The Extraordinary Shareholders' Meeting may, at any time, decide the accelerated dissolution of the Company.

If - as a consequence of the losses showed by the Company's accounts, the net assets of the Company are reduced below one half of the registered capital of the Company, the Board must, within four months from the approval of the accounts showing this loss, convene an Extraordinary Shareholders' General Meeting in order to decide whether the Company should be dissolved before its statutory term.

If the dissolution is not declared, the company is required to, at the latest at the closing of the second fiscal year following that which has showed the losses, restore the net assets up to an amount at least equal to one half of the capital or, subject to the legal provisions concerning the minimum capital of *sociétés anonymes*, reduce its capital by the necessary amount so that the amount of net assets is at least equal to one half of the capital.

If, before the expiry of the term mentioned above, the net assets have not been restored up to an amount at least equal to one half of the capital while the capital is greater than the threshold set forth by the applicable legal provisions, the company is required to, at the latest at the closing of the second fiscal year following the expiry of such term, reduce its capital, subject to the legal provisions concerning the minimum capital of *sociétés anonymes*, by the necessary amount so that the amount of capital is lower than or equal to this threshold.

If, pursuant to the preceding paragraph, the Company has reduced its share capital without its shareholders' equity having been restored and subsequently carries out a capital increase, it shall return to compliance with the provisions of the preceding paragraph before the close of the second fiscal year following the fiscal year in which such capital increase took place.

In the absence of a Shareholders' Meeting, or in the event that such Meeting was unable to validly deliberate, any interested party may petition the court for the dissolution of the Company. The same shall apply if the provisions of the fourth paragraph above have not been complied with. In all cases, the court may grant the Company a maximum period of six (6) months to cure the situation. The court may not order the dissolution if, on the date on which it rules on the merits, such cure has been effected.

The Company is in liquidation at the time of its dissolution, whatever the reason. Its legal personality remains for the needs of the liquidation until it is closed.

During the liquidation, the General Meeting keeps the same powers as when the Company existed.

The shares remain negotiable until the liquidation is closed.

The dissolution of the Company is opposable to third parties only as from the date when the dissolution is published at the Trade and Corporate Registry.

ARTICLE 31 - WINDING UP

The winding up of the Company shall be carried out in compliance with applicable laws, including articles L.237-1 to L.237-31 of the French Commercial Code.

Further to the extinction of the liabilities, the reimbursement of the shares nominal (registered) capital shall be carried out. The liquidation bonus shall be distributed to the shareholders in a due proportion of their respective rights.

TITLE IX
DISPUTES - ELECTION OF DOMICILE

ARTICLE 32 - DISPUTES

Any disputes arising during the existence or the winding up of the Company either between the shareholders and the company or between the shareholders themselves and related to corporate matters shall be submitted to the Courts of the location of the registered office.

EXHIBIT 31.1

Certification by the Principal Executive Officer pursuant to Securities Exchange Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ryan Rhodes, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2026 of EDAP TMS S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: November 5, 2026

/s/ RYAN RHODES

Title: Chief Executive Officer (*Principal Executive Officer)*

EXHIBIT 31.2

Certification by the Principal Financial Officer pursuant to Securities Exchange Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ken Mobeck, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2026 of EDAP TMS S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: November 5, 2026

/s/ KEN MOBECK

Title: Chief Financial Officer *(Principal Financial Officer)*

EXHIBIT 32.1

Certification by the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of EDAP TMS S.A. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2026 (the "Quarterly Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2026

/s/ RYAN RHODES
Ryan Rhodes
Chief Executive Officer *(Principal Executive Officer)*

Dated: November 5, 2026

/s/ KEN MOBECK
Ken Mobeck
Chief Financial Officer *(Principal Financial Officer)*

This certification is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of EDAP TMS S.A. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, irrespective of any general incorporation language contained in such filing.