MDx Health

Molecular Diagnostics for Oncology & Personalized Medicine

Registration Document
2010

Contents

Risks Related to *the Business*

The following risk factors may affect the business, the operating performance and the financial condition and results of MDxHealth as well as the value of an investment in the shares of MDxHealth.

Prospective investors should carefully read the entire registration document and should pay particular attention to the risk factors set forth therein. Additional risks and uncertainties of which MDxHealth is currently not aware or which MDxHealth does currently not consider to be material could also materially and adversely impact its business, its operations and its financial situation or its results.

Recently revised business model

The business model of MDxHealth has recently considerably changed. During 2010, MDxHealth decided to shift from a discovery license company to a commercial clinical diagnostic company (see section 2.1). The previous business model of the Company focused on the out-licensing of cancer screening applications and the discovery of new biomarkers in exchange for eventual royalty fees in the long term. Cancer screening applications often take many years to develop, to get approved and to produce revenues. This out-licensing strategy left the Company excessively dependent on third parties for the development and commercialization of its technology and products. With the new business model, MDxHealth is seeking to retain control of the end-development, launch, promotion, and sales of its core products. To carry-out the distribution of its products, MDxHealth intends to establish a commercial laboratory and hire a sales force in the United States. In addition to continuing its Pharmaco-Diagnostics (companion diagnostics development and contract services) business, MDxHealth will now focus its clinical diagnostics business on three cancers: prostate, lung and colon. Moreover, the geographical emphasis for market entry of its products will be primarily in the U.S. which MDxHealth considers the main future market for molecular diagnostics. If MDxHealth is not successful in accomplishing any of the above objectives, it may not be able to develop and/or commercialize tests and products, raise capital, expand its business, generate revenues or even continue its operations.

MDxHealth intends to sell its products primarily in the U.S. as a testing service via its own U.S. based laboratory facility. At the date of this document, MDxHealth does not own nor operate a U.S. service lab. MDxHealth may never dispose of the necessary funds – to build or acquire its own laboratory. In the event where MDxHealth does raise the required funding, it may encounter difficulties or delays in building or acquiring a U.S. based service lab and, subsequently, it may lack the resources to properly operate the facility. Furthermore, the lab concerned may not receive or maintain the necessary accreditation and regulatory approvals nor the support of the medical and reimbursement community. In addition, the U.S. government and reimbursement authorities may change the regulation of this industry in a manner that may be detrimental to MDxHealth or increase the costs to launch and commercialize its tests. MDxHealth does not expect to be able to start performing direct sales of its first product via its own CLIA-certified U.S. laboratory before 2012.

MDxHealth plans on building a U.S. sales force and/or on partnering with companies with existing sales forces in certain fields. Finding, motivating and retaining qualified sales personnel will be important to the commercial success of the products.

MDxHealth plans on seeking reimbursement of its U.S. testing services via existing CPT codes (Current Procedural Terminology) and may eventually request product-specific reimbursement codes. There is no guarantee that MDxHealth's products will receive full or adequate reimbursement or that such reimbursement levels will not change in the future.

To sell its services and tests via a U.S. lab, MDxHealth will, in addition to lab facilities and qualified lab personnel, need to acquire lab equipment and technology licenses. The level and availability of such resources and their cost may have a significant impact on the Company's ability to realize its new business objectives. Certain new instrumentation may require cGMP certification and/or other regulatory clearance to support the U.S. lab and commercial development of

the Company's tests. Finding suitable suppliers may be a challenge. If these supplies cannot be found, MDxHealth will have to bring these products under its own quality system, requiring additional work and resources as well as causing delays. For the current products in development and planned for commercialization in the next few years, MDxHealth expects to have to pay royalties to Johns Hopkins University and other parties. Not all of these royalty rates are fixed at this time. These royalties may have a negative impact on the margins of the Company.

Availability of Capital

MDxHealth requires additional funding to pursue its newly defined business objectives and to continue its operations in the medium to long term. The level of MDxHealth's future financing needs will depend on many factors, including the progress, costs and timing of its research and development activities, the costs and timing of setting up a U.S. laboratory facility, the costs and timing of obtaining regulatory approval, the costs of obtaining, maintaining and enforcing its patents and other intellectual property rights, the costs and timing of maintaining or obtaining manufacturing for its products, the costs and timing of establishing sales and marketing capabilities and the terms and timing of establishing collaborations, license agreements and other partnerships.

MDxHealth's ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which it may have no or limited control, and MDxHealth cannot guarantee that additional funds will be available to it when necessary on commercially acceptable terms, if at all. In the event where MDxHealth raises funds through the issuance of equity securities, this will dilute its shareholders. MDxHealth may further seek funds through collaborations and licensing arrangements, which may require it to relinquish significant rights to its product-generating platforms or to grant licenses on terms which are not favorable to MDxHealth. If adequate funds are not available on commercially acceptable terms when needed, MDxHealth may be forced to delay, reduce or terminate the development or commercialization of its products, as currently envisaged, or it may be unable to take advantage of future business opportunities.

MDxHealth has received government grants to cover part of the costs of certain R&D projects and expects these grants to be limited in the future. Some of these grants may be lost or need to be repaid if the Company does not abide by the terms and conditions of such grants. The Company is not aware of any reasons to repay part or all of any grants that have been recognized as income to date. However the Company will likely reimburse EUR 124,878 on a grant payment it received for a project that was discontinued and for which no revenue was ever recognized by the Company and for which a provision has been made in the financial accounts.

At December 31, 2010, MDxHealth had cash and cash equivalents of Euro 10.6 million compared to a balance of Euro 18 million one year earlier. The Company has no financial debt. The net cash burn was Euro 7.4 million in 2010. Cash and cash equivalents represented 73% of the total assets at December 31, 2010 compared to 73% one year earlier.

Loss Making Company

MDxHealth has incurred operating losses since inception (EUR 64 million until end December 2010) and has paid no dividends. MDxHealth may never realize revenues from planned products and services, achieve or sustain profitability, reduce future operating losses, or pay dividends. The extraordinary general shareholders' meeting of June 21, 2010, approved the reduction of the share capital of MDxHealth in the amount of EUR 43.5 million by incorporation of accumulated losses without a reduction in the number of outstanding shares. The Company expects to continue to incur losses in the near- to mid-term.

MDxHealth uses the Euro currency for financial reporting purposes. However, MDxHealth already has some of its operating costs in U.S. Dollars and expects to have a large share of its future costs and revenues in U.S. Dollars. Unfavorable fluctuations in the exchange rate between the Euro and the U.S. Dollar could have a material negative impact on the financial results of MDxHealth.

MDxHealth expects to grow and expand the scope of its business in certain product areas, including expansion of its development efforts. Future growth will require MDxHealth to implement and improve its managerial, operational and financial systems and procedures. MDxHealth also intends to secure additional adequate lab and office facilities in the U.S. for its future growth. If MDxHealth is not able to manage its growth effectively, it may be difficult to implement its business strategy and earn revenue.

MDxHealth may from time to time have to cease projects or operations in certain areas due to the need to re-allocate resources to the most promising projects or areas. Discontinuance of certain projects or areas of operations may result in one-time extra costs and could

damage the relationship with partners involved in the discontinued projects. If MDxHealth is not able to manage the discontinuance of certain projects or areas of operation in an effective and successful manner, this could lead to some extra costs for the Company.

The historical financial losses of MDxHealth, the Company's current cash position and the general economic climate, together with the refocus from being a discovery license company to a commercial clinical diagnostic company have led MDxHealth to redirect its R&D projects to a smaller core set of advanced projects. If MDxHealth does not succeed in realizing its re-focused core business objectives (which will require the successful raising of new funds), then the Company may need to further downsize its activities and objectives and may even need to consider discontinuing all or part of them.

Market Acceptance

Upon commercialization, MDxHealth's products may not, or only with a substantial delay, gain acceptance by patients, physicians and other healthcare professionals. If MDxHealth's tests fail to gain market acceptance, this may have a material adverse impact on MDxHealth's ability to generate revenues and achieve profitability. Market acceptance and speed of market penetration of MDxHealth's products will depend on, among other things, product performance, competition, safety, cost-effectiveness, convenience and ease of administration, reimbursement, non-invasive aspect of test, ease of handling and shipping of the samples as well as its other advantages over other tests.

MDxHealth is dependent on the results of clinical studies to demonstrate the validation of its products. The results of clinical studies may not show that MDxHealth products add value compared to existing methods, which could necessitate significant financial and other resources for further research and development, whereby commercialization of products could be delayed or may never occur. When running its clinical studies, MDxHealth relies on the availability of clinical samples in the respective bio-banks and the collaboration of medical centers and their researchers to supply human samples for evaluation. Future studies may require prospective sample collection, which would require additional time, expense and effort in the recruitment subjects and sponsorship of a clinical trial. If MDxHealth or any of its collaborators are unable to access sufficient and adequate patient samples, this could have a detrimental effect on the research and development plans of MDxHealth, on the regulatory approval of MDxHealth's products, and on the eventual commercialization of the products. Furthermore, MDxHealth and its collaborators abide by regulations for the collection of human samples. These regulations include obtaining patient consent, maintaining the confidentiality of the patient identification, obtaining approval of clinical trials of institutional (hospital) review boards and/or ethical committees, and obtaining any necessary insurance protection. If MDxHealth and its collaborators were to fail to abide by such regulations or if the regulations were to change in an unfavorable way, this could hinder MDxHealth's research and development plans and activities.

Additionally, MDxHealth's ability to promote, market and distribute its products and its ability to obtain sufficient coverage or reimbursement from third-party payers such as Medicare may impact the commercial success of its products. If medical practitioners do not order its tests, MDxHealth will likely not be able to create demand for its products in sufficient volume for MDxHealth to become profitable. To generate demand, MDxHealth will need to create market awareness of MDxHealth's products and services by visiting the medical community (e.g., oncologists, surgeons and pathologists), through scientific publications, presentations at medical conferences and through commercial partners. Furthermore, the commercial success of MDxHealth will depend in part on the degree to which MDxHealth's products are reimbursed by public health administrations, private health insurers, managed care organizations and other organizations. There is uncertainty around the reimbursement status and future regulatory environment of some of MDxHealth's products, which may result in insufficient reimbursement levels.

Competition

MDxHealth faces significant competition at the level of the technology it uses as well as at the level of the products it intends to sell (see section 2.2). With respect to technology competition, other molecular technologies such as DNA mutation analysis, RNA expression analysis, and sequencing are also targeting the oncology market. Furthermore, other companies are also developing products that detect aberrant gene methylation in cancer. In addition, new services or products using new technologies developed by other companies could adversely affect the demand for MDxHealth's products. With respect to product competition, some of the cancer segments targeted by MDxHealth are

served by traditional diagnostics. Such traditional diagnostics tests are often widely used and are relatively inexpensive. MDxHealth's products and tests may take time to or may not be able to change traditional medical practice and tests.

For the prostate *ConfirmMDx* tissue-based test MDxHealth is not aware of the presence of a direct competitive product on the market yet. The PCA-3 test from Gen-Probe, a urine-based test, is on the U.S. market as an LDT. This test analyzes RNA, has some limitations and likely targets a different market segment. Epigenomics AG has developed a potential prostate cancer tests using a different version of the GSTPi gene. Epigenomics has out-licensed their marker to Quest Diagnostics Inc. and Predictive Biosciences Inc. For both companies the development state, the application (urine or tissue), as well as the date of a potential launch of their tests are currently unknown. Source MDx Inc. has a blood-based gene expression test in development, but since they are privately held, it is unknown when they will bring their test to market. To the knowledge of MDxHealth, no head-to-head comparison studies with any competing products have been published.

For the Prostate *InformMDx* MDxHealth knows of one alternative LDT product on the market called Prostate Px+ from Aureon Laboratories Inc., however this is not a molecular assay. This privately held company has not published any sales figures and it is unknown to what extent the test is being used by physicians. Both Genomic Health and Myriad Genetics have announced that they are developing prognostic LDT's, but they have not announced when their products will be launched in the market.

For its *ConfirmMDx* lung cancer test, MDxHealth faces potential competition from (i) a test being developed by Epigenomics AG which has published limited data on their test, and (ii) by improved screening techniques being evaluated by different universities. No head-to-head comparison has been performed between the MDxHealth test and other potential competitive technologies. For its *InformMDx* text for lung cancer, MDxHealth is not aware of any existing competition. Epigenomics has launched in Europe a methylation based test for lung cancer called Epi proLung. This diagnostic test is used for patients suspected of lung cancer, however this kit is not FDA cleared and not offered in the U.S.. The MDxHealth Lung *InformMDx* test currently under development is designed to identify Stage 1 lung cancer patients that have a high risk of recurrence. The Company may face additional competition from established procedures and new entrants to the field in lung cancer.

For colon cancer, MDxHealth can expect competition from Myriad Genetics, Genomic Health and Agendia B.V. Both Myriad and Genomic Health have recently launched their colon cancer LDT assays. MDxHealth will also face competition from established procedures and new entrants to the field.

For MDxHealth Pharmaco-Diagnostic (companion diagnostics) commercial activities targeting pharma companies, MDxHealth faces competition from numerous companies with different methylation platforms or different molecular diagnostic technologies such DNA mutation, sequencing and RNA expression. The MDxHealth MGMT test for brain cancer is in phase III clinical trials with Merck Serono and is facing limited competition.

Regulatory Risk

A key element of MDxHealth's new strategy to focus primarily on sales in the U.S. is its plan to introduce its products as Laboratory Developed Tests (LDTs) through a U.S.-based lab facility certified under the U.S. Clinical Laboratory Improvement Amendments of 1988 (CLIA), rather than seeking a more comprehensive pre-market clearance or product approval from the U.S. Food and Drug Administration (FDA). CLIA regulates all U.S. laboratories and tests by requiring they be certified by the federal government and that they comply with various operational, personnel, facilities administration, quality, and proficiency requirements intended to ensure that laboratory testing services are accurate, reliable, and timely.

To obtain and renew a CLIA certificate for its U.S. lab, which may require renewal every two years, the Company will be regularly subject to survey and inspection to assess compliance with program standards and may be subject to additional random inspections. Standards for testing under CLIA are based on the level of complexity of the tests performed by the laboratory. Laboratories performing high complexity testing are required to meet more stringent requirements than laboratories performing less complex tests. All molecular diagnostic tests are considered as high complexity tests. CLIA certification is a prerequisite to be eligible for reimbursement under Medicare and Medicaid. In addition to CLIA requirements, the Company will be subject to various state laws. CLIA allows a state to adopt laboratory regulations that are more stringent than those under federal

law, and a number of states, including Washington, New York, Maryland, Pennsylvania, Rhode Island, and California, have implemented their own laboratory regulatory schemes. State laws may require that laboratory personnel meet certain qualifications, specify certain quality controls, or prescribe record maintenance requirements.

Three products that include MDxHealth's technology are already being commercialized as service tests in the U.S. as LDTs via Laboratory Corporation of America (LabCorp). Although the FDA previously claimed the authority to regulate LDTs that are validated by the developing laboratory and performed only by that laboratory, it has generally exercised enforcement discretion and did not seek to regulate the majority of tests developed and performed by high complexity CLIA-certified laboratories. In July 2010, however, the FDA indicated that it was reviewing the regulatory requirements applying to LDTs. The FDA has not indicated the exact timing nor the nature of the changes, if any, but has indicated that the communication may come in 2011. In view of these developments, there can be no assurance that FDA regulation, including pre-market review or approval, will not be required in the future for LDTs applying MDxHealth's technology. If pre-market review or approval is required, the business of MDxHealth could be negatively impacted because its future CLIA-certified laboratory may be required to stop offering these LDTs pending pre-market clearance or approval. Furthermore, approval under one CLIA license does not guarantee approval under another, as approvals are linked to validation studies performed by the CLIA-certified laboratory offering the LDT. If new stringent regulation of LDTs (including regulation of non-complex assays such as those of MDxHealth) was to be implemented in the short term by the U.S. regulatory authorities, and, more in particular if, as part thereof, MDxHealth would be requested to conduct additional clinical trials, for which it would need samples, then that could lead to delays or failure to obtain necessary regulatory approval, which could delay commercialization of the MDxHealth products and increase the costs of developing the products.

In Europe, MDxHealth must obtain a CE Marking and may in some cases need marketing approval from the European Medicine Agency (EMEA) before it can commercialize its product candidates as diagnostic kits. Changes in regulatory approval policies or enactment of additional regulatory approval requirements may delay or prevent the Company from obtaining marketing approval for its diagnostic kits or LDTs. Even after regulatory approval, products may be subject to post-marketing or vigilance studies or may be subject to limitations on their indicated uses and may be withdrawn from the market if they are shown to be unsafe or ineffective.

MDxHealth is, or may become, subject to numerous ongoing regulatory regulations, such as environmental, health and safety laws and privacy laws. The costs of compliance with applicable regulations, requirements or guidelines could be substantial, and failure to comply could result in sanctions, including fines, injunctions, civil penalties, denial of applications for marketing approval of certain products, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly increase MDxHealth's costs, delay the development and commercialization of its product candidates and substantially impair its ability to generate revenues and achieve profitability.

Reliance on Key Personnel and Collaborators

MDxHealth depends on its ability to recruit and retain key personnel, and failure to do so may impact its ability to execute its business strategy. If MDxHealth is not able to retain its key managers and scientists, this may delay its research and development and future commercial activities and may adversely impact the ability of MDxHealth to implement its business strategy. As MDxHealth advances its programs and expands its business, it may seek to recruit additional personnel with expertise in areas such as reimbursement and sales and marketing. If recruitment and retention efforts are unsuccessful, MDxHealth may not be able to achieve its objectives in a timely manner, if at all.

MDxHealth also relies on and expects to continue to rely on clinical scientific collaborators to contribute to its biomarker discovery program, biomarker validation and clinical trial studies. If any of MDxHealth's collaborators were to breach or terminate their agreement with MDxHealth or otherwise fail to conduct their collaborative activities successfully and in a timely manner, the research, development or commercialization of the products contemplated by the collaboration could be delayed or terminated.

MDxHealth's relationships with leading physicians, scientists and research institutions are necessary to establish MDxHealth's tests as the future standard of care for cancer diagnosis, prognosis and prediction. If some of MDxHealth's key collaborators determine that MDxHealth tests are not

superior to available tests or that alternative technologies would be more effective in the early detection or personalized treatment of cancer, it may be difficult to continue the necessary relationships with leading scientists and research institutions and to establish MDxHealth's products as the future standard of care for cancer diagnosis. This would limit MDxHealth's revenue growth and profitability.

Reliance on Commercial Partners

MDxHealth's rights to use technologies licensed from third parties are conditional on compliance with certain requirements. When MDxHealth in-licenses or acquires technology from third parties, it is, generally, (i) required to abide by certain terms and conditions in order to maintain its rights to the technology and (ii) dependent on the protection, prosecution, maintenance and enforcement of the intellectual property rights by the licensors. Failure by MDxHealth to respect such terms and conditions may result in loss of the exclusivity on the technology or loss of rights to the technology which could prevent it from developing, manufacturing or selling its products or could allow competition to access the technology and thereby limit or prevent MDxHealth from developing, manufacturing or selling products utilizing that technology. Johns Hopkins University (JHU) is the inventor of a key technology in the field of gene methylation, the core MSP technology, of certain methylation-specific diagnostic markers and their application, and of other, non-methylation related technology for genetic cancer diagnosis. In connection with the Company's formation in 2003, MDxHealth received a worldwide exclusive license from JHU to use this methylation technology. This license and other similar licenses can be revoked by JHU in certain cases of material breach by MDxHealth of the terms and conditions of the license agreements, particularly by failing to report on and pay fees related to the underlying patents.

MDxHealth has entered, and intends to continue to enter, into partnership agreements with diagnostic companies for its screening products; with pharmaceutical companies for its companion diagnostic biomarker discovery capabilities, assay development capabilities, and clinical trial testing services; and with research kit companies for its research market products. If certain of these companies were to fail to use or commercialize, or delay the usage or commercialization of, the licensed technology or the products or services of MDxHealth, this could reduce the revenues of MDxHealth significantly.

MDxHealth has entered, and may enter into additional partnership agreements with different companies to combine components of technologies from the various partners into one or more joint products. Difficulties encountered by one or more of the partners may adversely impact the joint product or products, even if such difficulties are unrelated to the joint product or products.

In 2003, MDxHealth entered into a license agreement with Ortho-Clinical Diagnostics (OCD) for certain methylation technology. If OCD were to grant sub-licenses of certain technology, dating back to before 2003 and licensed from the Johns Hopkins University, to certain third parties or use the technology itself, then this could hinder the competitive position of MDxHealth.

In order to more efficiently commercialize its tests, MDxHealth has entered into a number of partnerships with reference laboratories and diagnostic companies granting rights to offer products based on MDxHealth technologies (see section 2.2.2). While MDxHealth receives royalties and other fees from the sales of its sublicensees on these tests, markers, and use of technology if its partners increase their sales beyond expected levels (in competition with MDxHealth's tests under the same indication), then MDxHealth may realize lower than expected revenues from its own planned products and services, and as such it may not achieve or sustain profitability.

Intellectual Property Risks

MDxHealth's success is dependent on the continuous and effective protection of its own and in-licensed intellectual property. If MDxHealth or its licensing partners fail to efficiently protect their intellectual property, MDxHealth will be unable to prevent third parties from using proprietary or in-licensed technologies and such third parties will be able to compete more effectively against MDxHealth. The patents of the Company have a life of 20 years and the expiry date may vary by region in the world. The earliest patent on an individual biomarker expires in 2014.

It is not certain that any of MDxHealth's currently pending or future patent applications will result in issued patents, or that any patents issued or licensed to MDxHealth will not be challenged, invalidated or held unenforceable. Issued patents may not be broad enough to provide any meaningful protection. Furthermore, MDxHealth cannot rule out that the U.S. may not acquire, under its so-called march-in rights, a non-exclusive, irrevocable, paid-up license under

any of MDxHealth's patent rights. March-in rights allow the U.S. government, under certain conditions, to revoke the exclusivity of patents which are based on research funded by the U.S. federal government.

The current or future intellectual property claims of MDxHealth may be challenged, and new patents of third parties may affect MDxHealth's freedom to operate. MDxHealth may incur substantial costs to protect and enforce its patents and its in-licensed rights. In order to protect or enforce its patent rights, MDxHealth may initiate actions against third parties. Third parties may also initiate actions against MDxHealth. Any actions regarding patents could be financially costly, could divert the management and key personnel from its business, and could put MDxHealth's patents at risk of being invalidated or narrowly interpreted.

MDxHealth also relies on trade secret protection and contractual restrictions to protect its proprietary technology. This only provides limited protection and may not adequately protect MDxHealth's rights. Typically, MDxHealth requires its employees and third parties to sign confidentiality agreements and employees to also sign agreements assigning to MDxHealth all intellectual property arising from their work for MDxHealth. Nevertheless, these measures may not be effective in protecting MDxHealth's intellectual property rights.

The ability of MDxHealth to freely exploit or out-license its technology may be curtailed by the terms and conditions of certain in-licensing agreements and of certain subsidy agreements. These agreements sometimes limit how and where the technology may be exploited.

Liability Risk

The use or misuse of MDxHealth's products in testing, and the sale, marketing and use of future products based thereon may expose MDxHealth to liability claims. The Company's business exposes it to potential product liability risks inherent in the testing, marketing and processing of predictive, or personalized medical products. Additionally, the Company's intention to establish and operate a CLIA-certified lab to provide its tests exposes it to possible litigation based on malpractice, data aggregation errors, or misdiagnoses. The assertion of liability claims against MDxHealth could result in a substantial cost to, and diversion of efforts and management attention by, MDxHealth. If MDxHealth cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to limit or cancel the commercialization of its products.

Furthermore, MDxHealth's collaborators may face similar liability claims. Any assertion of such claims against MDxHealth's collaborators could adversely affect MDxHealth's collaborations with such parties. While under certain circumstances MDxHealth may be entitled to be indemnified against losses by its corporate collaborators, indemnification may not be available or adequate for MDxHealth should any claim arise. Furthermore, although MDxHealth currently has a product liability insurance policy, there is no guarantee that the coverage is sufficient or that MDxHealth will be able to maintain such insurance in the future or that it will be able to find alternative insurance coverage on reasonable terms.

For clinical and other patient trials, MDxHealth and its collaborators may face liability claims from patients participating in or supplying samples for the trials. Although MDxHealth currently has liability insurance policies for its trials, there is no guarantee that the coverage is sufficient or that MDxHealth will be able to maintain such insurance in the future or that it will be able to find alternative insurance coverage on reasonable terms.

Strategy Execution Risk

MDxHealth is dependent on numerous factors to carry-out its strategy, some of which may be beyond its control.

As part of the new strategy, MDxHealth intends to develop and commercialize clinical diagnostic tests, perform Pharmaco-Diagnostic research, provide testing services, and develop companion diagnostic tests in collaboration with the pharmaceutical industry (pharmacogenomics). For its Pharmaco Diagnostics activities, MDxHealth will often be dependent on the pharmaceutical partner for patient samples, drug development, and drug regulatory approval and commercialization and it may take a long time before either the drug or the companion diagnostic are approved for commercialization, if at all. In order to commercialize its Clinical Diagnostics tests, MDxHealth will need to publicize timely and relevant validation studies to facilitate the acceptance of these tests in the medical community, gain access to and operate a U.S. CLIA-certified lab, and build up a sales force and the necessary commercial support services and infrastructure.

In order to implement the new strategy, MDxHealth has had to restructure the Company, its activities, its personnel, and its sites. This has resulted in certain one-off costs which have been largely reflected in the 2009 and 2010 financial statements of the Company.

Since the inception of the Company, MDxHealth has never been the target of any litigation nor has it sought to recuperate damages or cease activities by third parties. However, the restructuring actions could result in unforeseeable costs or damages from areas such as (i) possible litigation from discontinued collaborations, projects, or personnel, (ii) loss of know-how from discontinued personnel and collaborators who may now work with competitors, and (iii) requests for reimbursement of subsidies due to discontinued projects, sites, or employment levels, or insufficient future spending at a regional level. Further, MDxHealth is subject to a number of risks and challenges that specifically relate to its international operations. In addition to MDxHealth's headquarters in Liège, Belgium and its subsidiaries in Ghent, Belgium and Durham, United States, the Company intends to establish a CLIA-certified lab facility in the U.S. If MDxHealth is unable to manage the challenges associated with its international operations, the growth of its business could be limited.

2010 Registration *Document*

This document is a Registration Document within the meaning of article 28 of the Belgian law of June 16, 2006 on public offering of investment instruments and on the admission of investment instruments to listing on a regulated market (*"Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés" / "Wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt"*). On February 22, 2011, the Belgian Banking, Finance, and Insurance Commission (CBFA) approved the English version of this document in accordance with article 23 of the above-mentioned law.

Language of this Registration Document

MDxHealth (formerly known as OncoMethlyome Sciences) prepared this Registration Document in English and it has been translated into French. Both the English and French versions are legally binding. MDxHealth has verified the consistency between the English and French versions and assumes responsibility for the translation.

Responsibility for this Registration Document

The Board of Directors of MDxHealth, represented by all its members referred to in Chapter 3, assumes the responsibility for the contents of this Registration Document. The Board of Directors declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Forward-Looking Statements

This prospectus contains forward-looking statements and estimates with respect to the anticipated future performance of MDxHealth and the market in which it operates. Certain of these statements and estimates can be recognized by the use of words such as, without limitation, "believes", "anticipates", "expects", "intends", "plans", "seeks", "estimates", "may", "will" and "continue" and similar expressions. Actual events are difficult to predict and may depend upon factors that are beyond the Company's control. Therefore, actual results, the financial condition, performance or achievements of MDxHealth, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements and estimates.

Given these uncertainties, the public is cautioned not to place any undue reliance on such forward-looking statements. Furthermore, these forward-looking statements and estimates are made only as of the date of this document. MDxHealth disclaims any obligation to update any such forward-looking statements or estimates to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement or estimate is based, except to the extent required by Belgian law.

Availability of the Registration Document

The Registration Document is available to the public free of charge upon request to:

MDxHealth SA
Attention: Investor Relations
Tour 5 GIGA Niveau +3
Avenue de l'Hôpital 11
4000 Liège, Belgium
Email: ir@mdxhealth.com

An electronic version of the Registration Document is also available on MDxHealth's website: (www.mdxhealth.com).

Posting this Registration Document on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the shares to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person.

The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Company or on any other website does not form part of the Registration Document.

Other Available Information

MDxHealth must file its (restated and amended) articles of association and all other deeds that are to be published in the *Annexes to the Belgian Official Gazette* with the clerk's office of the commercial court of Liège (Belgium), where they are available to the public. A copy of the articles of association is also available on the Company's website (www.MDxHealth.com).

In accordance with Belgian law, the Company must prepare annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the Board of Directors and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, the Company has to publish summaries of its annual and semi-annual financial statements, as well as interim management statements in accordance with the Belgian Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (*"Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis à la négociation sur un marché réglementé" / "Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een gereglementeerde markt"*). These documents are made available on the Company's website.

The Company must also disclose price sensitive information and certain other information to the public. In accordance with the afore-mentioned Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, such information and documentation will be made available through the Company's website, press releases and the communication channels of Euronext Brussels.

1. Key *Financials*

Condensed consolidated statement of comprehensive income	2010	2009	2008
Revenues	**2,536**	**2,548**	**3,024**
Gross profit	2,166	2,369	2,781
Research and development expenses	6,812	13,089	10,999
Selling, general and administrative expenses	3,745	4,011	3,107
Other operating income/expenses	-25	0	1
Operating Profit/(Loss) (EBIT)	**(8,366)**	**(14,731)**	**(11,326)**
Financial income	222	450	1,143
Financial expenses	85	20	9
Income taxes	24	0	0
Net profit / (Loss)	**(8,253)**	**(14,301)**	**(10,192)**

Consolidated statement of financial position	2010	2009	2008
ASSETS			
Total non-current assets	1,109	1,976	4,660
Total current assets	13,310	22,776	34,392
Of which cash and cash equivalents	10,593	18,032	30,601
Total assets	14,419	24,752	39,052
LIABILITIES AND SHAREHOLDERS' EQUITY			
Total equity	10,723	18,800	32,643
Non-current liabilities	626	557	1,252
Current liabilities	3,070	5,395	5,157
Total liabilities and shareholders' equity	**14,419**	24,752	**39,052**

Consolidated Cash Flow Statement	2010	2009	2008
Operating cash flow	(8,129)	(12,798)	(9,313)
Investing cash flow	686	118	(1,619)
Financing cash flow	0	109	8,473
Net change in cash and cash equivalents	**(7,443)**	**(12,571)**	**(2,459)**
Cash and cash equivalents at end of period	10,593	18,032	30,601

2. Activities *of MDxHealth*

2.1. Company Overview and History

MDxHealth (formerly known as OncoMethylome Sciences) is a molecular diagnostics company that develops and commercializes advanced tests and products for cancer assessment and the personalized treatment of patients. Specifically, MDxHealth offers:

Clinical Diagnostics (ClinicalDx) products: Providing physicians with innovative and meaningful assays which aid in the identification and treatment of their cancer patients.

Pharmaco-Diagnostics (PharmacoDx) products and services: Collaborating with pharmaceutical companies on the development of companion diagnostics, biomarker discovery, and clinical trial testing.

Out-licensing opportunities on certain technologies: Providing opportunities for specialized companies to license certain of MDxHealth's technology for cancer screening applications or for the research market.

MDxHealth was founded in January 2003 and has developed a considerable portfolio of intellectual property (IP) and a robust product pipeline. In relation to its ClinicalDx activities, MDxHealth is focused on commercializing proprietary tests for three cancer types: prostate, colorectal, and lung. The Company's research and clinical development activities are often carried out in collaboration with world-renowned cancer research institutes. For its PharmacoDx activities, the Company leverages its MSP technology and portfolio of biomarkers to assist pharmaceutical companies with biomarker discovery, assay development, clinical trials and co-development of companion diagnostics while retaining the diagnostic rights to companion tests developed. MDxHealth is collaborating with a number of pharmaceutical companies in the area of personalized medicine, developing companion diagnostics with companies such as Merck Serono, Pfizer, GSK Biologicals, and Roche. Additionally, the Company has out-licensed patented biomarkers and its MSP technology platform for cancer screening applications and research purposes for bladder, cervical and colon to independent cancer reference laboratories such as Exact Sciences, Predictive Biosciences and Self-Screen.

MDxHealth's European headquarters are located in Liège, Belgium and its U.S. headquarters is located in Durham, North Carolina, U.S. At the end of 2010, MDxHealth employed a total of 37 employees.

STRATEGY SUMMARY

MDxHealth develops and commercializes advanced tests for the diagnosis, prognosis and personalized treatment of cancer using its patented molecular technology, Methylation Specific PCR (MSP). This DNA-based MSP technology, originally developed at Johns Hopkins University, is combined with individual patented genes ("biomarkers") that when methylated or non-methylated in patient tumor samples, aid physicians with the diagnosis of cancer, the likely progression of cancer, or the responsiveness of the cancer to certain therapies. MDxHealth typically combines one to three biomarkers in a single test to provide a result to the physician and its tests do not require an algorithm for interpretation.

The business model of MDxHealth has recently considerably changed. During 2010, MDxHealth decided to shift from a discovery license company to a commercial clinical diagnostic company. The previous business model of the Company focused on the out-licensing of cancer screening applications and the discovery of new biomarkers in exchange for eventual royalty fees in the long term. Cancer screening applications often take many years to develop, to get approved and to produce revenues. This out-licensing strategy left the Company excessively dependent on third parties for the development and commercialization of its technology and products. For example, the Company previously licensed prostate and brain cancer biomarkers and the MSP technology to Laboratory Corporation of America (LabCorp). Although LabCorp launched laboratory-based prostate and brain cancer tissue testing services in the U.S. in 2008, it does not appear to be actively promoting the services or investing resources to sponsor clinical trials further validating the utility of such tests to the market.

Under the previous business model, the Company spent significant funds seeking to develop cancer screening tests. Screening tests are generally being used for the general population to identify the presence of cancer or likely cancer. The results of the screening test typically require follow-up procedures to confirm a screening test outcome.

Compared to the number of people screened for cancer, few of the individuals actually tested are found to have a cancer. Screening tests require or have extensive and costly clinical trials, FDA approval, a kit format, a high level of automation, are charged at lower prices, achieve lower reimbursement levels, and take many years for approval and adoption. To facilitate screening procedures and patient compliance, screening tests are usually based on non-invasive samples and methods (blood, stool, urine, or imaging).

MDxHealth is now focused on diagnostic and prognostic tests to assist physicians in improving the care of patients. All of the tests in development by MDxHealth are tissue-based tests for patients suspected of cancer or clinically diagnosed with cancer. These tests can only be used in qualified (CLIA-certified) laboratories. MDxHealth intends to commercialize its tests as Laboratory-Developed Tests (LDTs). With the new business model, MDxHealth is seeking to have full control of the end-development, launch, promotion, and sales of its core products. To carry-out the distribution of its products, MDxHealth intends to establish a commercial laboratory and hire a sales force in the United States.

For its outsourced screening products and biomarkers, MDxHealth has formed, and intends to continue to develop, alliances with pharmaceutical, bio-pharmaceutical and diagnostic companies, as well as academic institutions.

MDxHealth's existing and future solutions comprise 4 categories:

1. Clinical Diagnostic (Clinical Dx) solutions assist the physician to detect, diagnose, and treat cancer patients. These tests are being developed by MDxHealth with a view to being sold directly to physicians via a direct sales force and via a company-operated U.S. CLIA-certified lab in the form of laboratory-developed tests (LDTs). MDxHealth does not anticipate needing FDA-approval for these tests. In July 2010, the FDA indicated that it was reviewing the regulatory requirements applying to LDTs, thus there can be no assurance that FDA regulation, including pre-market review or approval, will not be required in the future for LDTs. MDxHealth intends to conduct additional clinical trials to support the clinical adoption of these tests and to certify the tests in its own CLIA service lab. The Company expects the tests to be largely reimbursed with already existing CPT (Current Procedural Terminology) reimbursement codes. These ClinicalDx tests will be primarily tissue-based tests. The biopsy material will be sent by courier to the Company's CLIA service lab and the test results will be sent by the Company to the physician. At a later stage, MDxHealth may consider selling such tests in Europe as CE-marked kits via a distributor and out-licensing the applications in other regions of the world. In the near-future, these ClinicalDx tests are expected to be the core driver of the revenues and valuation of the Company. The principal products that fall into this category are (i) the Prostate *ConfirmMDx* and *InformMDx* tests, (ii) the Lung *ConfirmMDx* and *InformMDx* tests, and (iii) the Colon *InformMDx* test. MDxHealth is also carrying out early-stage research on a bladder aggressiveness test.

2. Pharmaco-Diagnostic (PharmacoDx) solutions. Also known as companion diagnostics, PharmacoDx tests assist the physician in prescribing the right therapy to the right patient based on the genomic profile of that patient. By examining specific genes MDxHealth, together with its pharmaceutical partners, hopes to identify which patients are most likely to respond positively to an administered cancer therapy. MDxHealth typically files for patent protection on these predictive biomarkers or works with pharmaceutical companies to discover new jointly patented biomarkers. MDxHealth intends to sell its PharmacoDx tests via its own U.S. CLIA lab or its ISO-certified European lab to pharmaceutical companies and doctors performing research during the development stage of the drugs. If a drug becomes approved alongside a PharmacoDx test, then MDxHealth intends to offer the test via its own U.S. CLIA lab or via partners. Currently no drug is jointly approved with an MDxHealth companion diagnostic test; but if regulatory approval is obtained, the revenue from such tests to MDxHealth could increase significantly. Further, the Company expects that market penetration could be accelerated, as the sales representatives of the pharmaceutical company that developed the companion drug could promote the PharmacoDx test to physicians in conjunction with MDxHealth's own direct sales force. MDxHealth's PharmacoDx tests in development are: (i) the MGMT test for brain cancer as a companion diagnostic test with the expectation it will be included in the Cilengitide drug label (already in final stages of a phase III trial with Merck Serono), (ii) a test being developed with Pfizer for PARP inhibitor drugs, and (iii) tests being developed with GSK Biologicals for the immunotherapeutics cancer (vaccine) program.

3. Pharmaco-Diagnostic (PharmacoDx) services. MDxHealth offers PharmacoDx services and support to pharmaceutical

and other drug development companies at all stages of the drug/diagnostic (i.e. theranostic) development process, including (i) biomarker discovery, selection and optimization, (ii) bioinformatics, (iii) validation of companion diagnostic assays and (iv) clinical trial testing. MDxHealth's PharmacoDx services, provided to both existing collaborators and on contracted services basis, generated the majority of the revenue of MDxHealth in 2010 and are expected to be a large part of revenues in the near future. Regulatory authorities, such as the U.S. FDA, have started to require pharmaceutical companies to integrate biomarker identification and other companion diagnostics tools into the drug development process, particularly in connection with targeted therapies, to ensure safety and efficacy, and control costs. As a result, pharmaceutical companies increasingly rely on PharmacoDx tests to stratify patients for clinical trials (i.e. select those patients for whom the drug under investigation would be most effective). This allows pharmaceutical companies to conduct clinical trials faster and with smaller patient cohorts. Based on its proprietary portfolio of methylation biomarkers and platform technology, MDxHealth is often able to transition biomarkers identified for its service customers into candidates for MDxHealth-owned companion diagnostic tests for commercial development (in collaboration with its customers).

4. Out-Licensed technology and biomarkers for clinical and research applications. The Company's new strategy is focused on the development and commercialization of its own clinical diagnostic tests, however the Company will continue to out-license its MSP technology and certain biomarkers for non-core applications. MDxHealth has out-licensed its MSP technology and certain biomarkers for its non-core products to third party companies that may incorporate the technology and markers into the products they are developing for both the clinical and research market. In return, MDxHealth may receive certain milestone fees and royalties on the eventual sales of tests and products that incorporate its technology. The main out-licensing deals in the clinical market include: (i) exclusive technology license to Exact Sciences Inc. for use in a stool-based colorectal cancer screening test in the U.S., (ii) non-exclusive technology license to Veridex LLC for use in laboratory service testing for blood-based colorectal cancer screening, (iii) exclusive technology license to Predictive BioSciences Inc. for use in urine- and plasma-based bladder cancer detection and monitoring tests in the U.S., and (iv) non-exclusive technology license to Self-Screen BV for use in a cervical cancer screening or triage test. The main out-licensing deals (all non-exclusive) in the research market include the technology licenses to Qiagen NV, Takara, and Merck Serono (Millipore) for MSP research kits. None of these out-licensing deals are currently generating material revenues for MDxHealth nor are they expected to do so in the coming few years. Once the technology applications are licensed-out, MDxHealth has no or insignificant on-going costs associated with these applications. These out-license transactions are expected to facilitate the Company's new strategy, permitting MDxHealth to better focus its resources on its core products and services.

In addition to the foregoing out-licenses of its non-core products, in an effort to more efficiently commercialize its tests, MDxHealth previously entered into a number of partnerships with reference laboratories and diagnostic companies granting rights to offer products based on MDxHealth's core technologies. The main strategic out-licensing deals include: (i) technology license to LabCorp for use in laboratory service testing for prostate cancer (non-exclusive) and MGMT brain cancer (exclusive) in the U.S. and Canada, and (ii) non-exclusive technology license to Veridex LLC for prostate cancer laboratory testing services. While MDxHealth receives royalties and other fees from the sales of its sublicensees on these tests, markers, and use of technology, if its partners increase their sales beyond expected levels (in competition with MDxHealth's tests under the same indication), then MDxHealth may realize lower than expected revenues from its own planned products and services. However, MDxHealth's new strategy has been designed considering the existence of these pre-existing out-licensing agreements. We believe that these pre-existing license agreements will not limit the new business strategy.

MDxHealth carries out its product development and pharmaceutical clinical service testing via its ISO-certified central laboratory based in Belgium. MDxHealth intends to sell its ClinicalDx and PharmacoDx tests in the U.S. as LDTs via its own U.S. CLIA-certified lab. MDxHealth does not yet own such a CLIA-certified lab nor does it have sales representatives in the United States, however it intends to start building or acquiring such capabilities during the course of 2011.

2.2. Activities

2.2.1. Molecular Diagnostics in Cancer

Leveraging the patented MSP methylation technology, MDxHealth is developing and intends to commercialize a robust pipeline of diagnostic, prognostic and predictive molecular diagnostic tests for multiple cancer types.

MDxHealth develops molecular diagnostic tests based on its patented DNA Methylation platform integrating its proprietary DNA biomarkers. These assays deliver highly accurate results and can be performed on a variety of tissue types including formalin-fixed paraffin embedded (FFPE), fresh/frozen tissue, urine, plasma, serum, sputum, broncho-alveolar lavages and stool using commercially available PCR equipment. The Company's technology is able to detect a few cancer cells in a large background of normal cells found in tissue and in various types of bodily fluids such as urine and sputum. Therefore, the technology is well suited to detect cancer in its earliest stages of development, allowing for earlier more successful and cost-effective treatment.

MDxHealth's ClinicalDx pipeline includes diagnostic and prognostic molecular diagnostic assays (*ConfirmMDx* and *InformMDx* tests) for prostate, colon and lung cancer. MDxHealth's PharmacoDx pipeline includes predictive tests (*PredictMDx*) designed to work in conjunction with pharmaceutical or biotech drugs, and currently focus on a variety of cancers areas including: brain (MGMT), lung, colorectal and breast cancer. In addition, the Company has numerous other biomarkers for many additional cancer types ready for development.

For each cancer type, the Company intends to offer a combination of different assays as defined below:

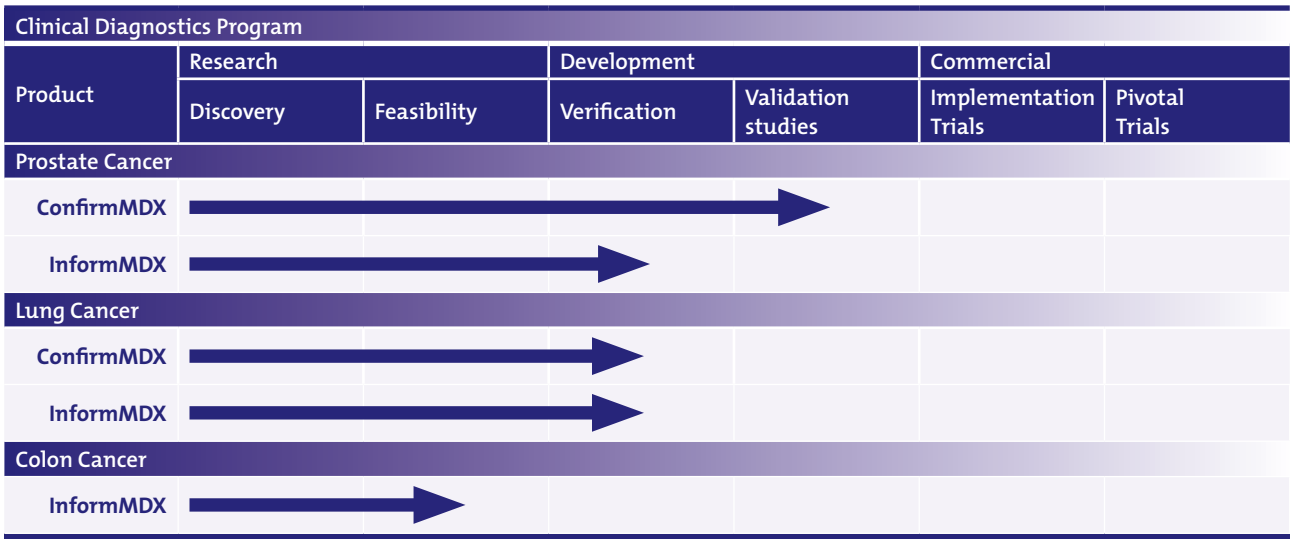
CLINICAL DIAGNOSTICS (ClinicalDx)		PHARMACO-DIAGNOSTICS (PharmacoDx)
ConfirmMDx	*InformMDx*	*PredictMDx*
Our "Confirm" products will serve as an aid for physicians to assess the presence or absence of cancer	Our "Inform" products will provide prognostic assessment to distinguish between aggressive and non-aggressive tumors	Our "Predict" products will provide predictive information to indicate which drug or treatment regimen is likely to be most effective for the individual patient

All of these tests are intended to improve on the existing diagnostic process for patients with cancer while minimizing the need for invasive and costly procedures in cancer-free individuals.

2.2.2. Clinical Diagnostics Program (ClinicalDx)

Our Clinical Diagnostic tests are designed to aid in the assessment of the presence or absence of cancer or provide indications of cancer recurrence or aggressiveness.

On October 18, 2010, MDxHealth announced that its ClinicalDx Program will focus on three major cancer areas: prostate, colorectal and lung cancer. Since the Company already has biomarkers and published data in these product areas, the main efforts going forward will be on product development rather than research. At end-2010, MDxHealth's main diagnostic products presented the following status of advancement:



Note: a definition of the above pipeline steps can be found in the glossary

(i) MDxHealth's Prostate Cancer Portfolio

Prostate cancer is the most frequent cancer in men, with one out of six men being diagnosed with prostate cancer during their lifetime.[1] Annually there are approximately 30 million men screened by the Prostate-Specific Antigen (PSA)[2,3] test resulting in approximately 1.5 million abnormal PSA test results (>4.0)[4] leading to over 900,000 biopsy procedures,[5] of which 217,000 are diagnosed with prostate cancer with 32,000 annual deaths.[6] Although prostate cancer is one of the deadliest cancers in men, its accurate diagnosis and follow-up remain a challenge and come at a considerable cost to the healthcare system. Approximately $4.4 billion is spent annually on screening, diagnosing and staging and an additional $9.9 billion is spent annual on treatment these patients, totaling nearly $15 billion being spent annually on prostate cancer in the U.S. alone.[3,7] Annually, over $4 billion is spent on pharmaceuticals for prostate cancer, which is expected to increase to $8.7 billion by 2019.[8]

Despite documented false-positive rates, the American Urological Association has recommended the PSA blood test as the gold standard for screening men over the age of 40, combined with a Digital Rectal Exam (DRE). For patients with a rising and/or PSA score ≥4.0, a biopsy is routinely performed to determine if the patient has prostate cancer. The urologist typically uses an 18 gauge needle to obtain between 8 to 12 tissue cores as per the standard of care. [9]

1 U.S. Department of Health and Human Services, Centers for Disease Control and Prevention (CDC)

2 Use of the Prostate-Specific Antigen Test among U.S. Men -Findings from the 2005 National Health Interview Survey, Ross et al, Cancer Epidemiol Biomarkers Prev 2008

3 Cost Analysis of Screening for, Diagnosing, and Staging Prostate Cancer, Ekwueme et al, Prev Chronic Dis, CDC 2007

4 Screening for Prostate Cancer: U.S. Preventive Services Task Force, Lin et al., Ann Intern Med. 2008

5 Prevalence of TMPRSS2-ERG Fusion Prostate Cancer among Men in the United States, Mosquera et al, Clin Cancer Res 2009

6 American Cancer Society, Inc., Surveillance and Health Policy Research 2010

7 National Cancer Institute Trends Progress Report-2009/2010 Updated

8 Prostate Cancer Market Snapshot, The Pink Sheet, Nov 22, 2010. Elsevier Business Intelligence Publications and Products

9 Optimal biopsy strategies for the diagnosis and staging of prostate cancer, Patel et al, Current Opinion in Urology: May 2009

Importantly, an abnormal PSA result can often be caused by other factors including age, infection, inflammation, or other benign conditions such as benign prostatic hypertrophy (BPH). This leads to the inclusion of many non-cancer patients being subjected to prostate biopsies (false-positive PSA). The rate of cancer detection in patients biopsied is approximately 25%, leaving approximately 75% with a negative result for cancer by routine histology and pathology review. (~900,000 annual biopsies, less the 217,000 diagnosed cases = ~25%).[10-11]

An elevated PSA and/or abnormal DRE places them at high risk of cancer and as a result they undergo a biopsy procedure, however due to the nature of random sampling and the limitations of histology, many patients may have cancer undetected by pathological review. Studies by urology and pathology opinion leaders, and experienced by most practicing urologists, report that initial prostate biopsy histopathology has a ~25% false-negative rate.[12] Given these reported false-negative histology rates, patients with negative biopsy results, and their urologists, are often left with a sense of anxiety. These results pose a diagnostic dilemma for urologists and their patients, leading many men to receive 2nd, 3rd and sometimes 4th repeat biopsy procedures to rule-out the presence of cancer.[13]

Patients identified as positive for cancer on the initial or subsequent biopsy are assigned a Gleason score (GS) characterizing the primary and secondary grade of tumor present. Scores for each section range from 1 to 5, and combined create the Gleason score ranging from GS 2 to GS 10. Not all cancers detected are clinically significant, some patients are classified as having low to intermediate risk of progression, with Gleason scores of 2-6, making them likely candidates for non-interventional "active surveillance," whereas others are classified with more aggressive disease, with Gleason scores ranging from 7-10, meriting radical therapy.

However, literature suggests these scores can be subjective resulting in over-grading and over-treatment of some patients, while conversely under-grading and under-treatment of other patients[14]. As a result, urologists and their patients are confronted with the difficult decision of choosing the most appropriate therapy. All of the current patient management and treatment options pose potential risks and side effects. Patients placed on "active surveillance" or "watchful waiting" are at risk of progressive disease if their cancer was under-graded by pathology, whereas patients treated by radical prostatectomy commonly suffer side effects of incontinence and impotence. Patients treated with radiation therapy are at increased risk of developing another form of cancer and morbidity, a high cost to pay if the patient's cancer was over-graded by pathology and the disease may not have progressed.

A recent case study reported in the *New England Journal of Medicine* illustrates the lack of consensus on how to treat prostate cancer patients with low to intermediate risk pathology results. The survey of over 2,000 U.S.-based urologists asked how they would treat an otherwise healthy 63 old male diagnosed with prostate cancer and a Gleason Score of 6 (intermediate risk) in two of twelve core biopsy specimens taken. More than one third, 37% indicated they would perform a radical prostatectomy, 36% answered they would treat with radiation therapy and the remaining 27% responded they would place the patient on "active surveillance."[15]

The American Urological Association, the premier professional association for the advancement of urologic patient care in the U.S., has called for new biomarkers indicating biological aggressiveness *"critical to the management of this disease with its highly variable clinical behavior, further stating that "...because of the potential for significant over-detection and overtreatment of prostate cancer, integrating biomarkers of aggressiveness with early detection programs is desirable."* [16]

10 Prevalence of TMPRSS2-ERG Fusion Prostate Cancer among Men Undergoing Prostate Biopsy in the United States, Mosquera et al. Clin Cancer Res 2009

11 Klein et al. J Clin Oncol 2005

12 Predicting cancer following a diagnosis of high-grade prostatic intraepithelial neoplasia on needle biopsy: data on men with more than one follow-up biopsy. Epstein et al, Am J Surg Pathol. 2001 Aug;25(8):1079-85

13 Strategies for Repeat Prostate Biopsies, Martha Terris, Current Prostate Reports 2009

14 Factors Predicting Prostatic Biopsy Gleason Sum Under Grading, Stackhouse et al, J. Urology 2009

15 Management of Prostate Cancer — Polling Results, Clinical Decisions, N Engl J Med 2009

16 Guideline for the Management of Clinically Localized Prostate Cancer: American Urological Association 2007 Update

MDxHealth is developing two products for prostate cancer to augment the accuracy of current diagnostic methods and to help identify potentially aggressive disease to aid in treatment selection:

ConfirmMDx

- "Rule-in" men with an initial negative biopsy result for immediate repeat biopsy and testing, thereby helping to diagnose the 20-30% of prostate cancers missed by the initial procedure (false-negative biopsy results).
- "Rule-out" otherwise healthy, cancer-free men from undergoing unnecessary repeat biopsies or excessive screening procedures.

InformMDx

- Identifies prostate cancer patients with indolent disease, who may be safely managed presently without treatment –reducing anxiety, side effects, and healthcare costs.
- Identifies patients with aggressive prostate cancer who require immediate treatment –ensuring timely and appropriate treatment for improved patient outcome.

ConfirmMDx for prostate cancer is designed to address the diagnostic dilemma faced by negative biopsy results. Approximately 75% of men who undergo an initial prostate biopsy due to elevated PSA and/or abnormal digital rectal exam (DRE) are found to have a negative biopsy (approx. 650,000 to 680,000 out of the ~900,000 men biopsied annually in the U.S.).[17] Of these negative biopsies, potentially 25-30% are false-negatives, thereby delaying critical treatment. Prostate biopsies still miss many cancers and thus cannot conclusively rule-out healthy men from further testing. As doctors are unable to say with confidence that these patients are cancer- free, active follow-up including re-biopsy is often recommended resulting in unnecessary testing on more than 600,000 cancer-free men annually in the U.S. alone, many of whom are destined to a painful cycle of repeat biopsies for years to come. The Confirm MDx test will assist physicians, with very high sensitivity[18] and negative predictive value (NPV) of 96%,[19] to rule-out the presence of cancer in the vast majority men while identifying those men whom have cancer present, supporting re-biopsy and possible treatment.

InformMDx for prostate cancer will aid in the prognosis of men diagnosed with a Gleason Score ranging from 2 – 6, considered low to intermediate risk for progression (~160,000 men annually).[20] The test will help stratify these men into two risk groups: those with aggressive disease who require immediate treatment and those with more indolent disease who may be safely monitored by "active surveillance," thus potentially avoiding the side effects of impotence and incontinence as a result of radical prostatectomy or risks associated with radiation therapy.

The MDxHealth tissue-based tests are based on the detection of patent-protected methylated genes. Methylation of the GST-Pi gene has been shown to be a consistent abnormality found in prostate cancers. APC and RARβ2 methylation are also frequently found in prostate cancer and have demonstrated a "field effect" aiding in the identification of biopsies with false-negative histopathological results.[21]

MDxHealth has extensive validation data for the prostate *ConfirmMDx* test and intends to commercialize it in the U.S. as an LDT via its own operated CLIA lab starting in 2012. The MDxHealth prostate *InformMDx* test requires further validation and is not expected to be launched on the U.S. market as an LDT until late 2012 or early 2013. Additional studies are underway to further validate the use of MDxHealth's tests and their adoption by urologists for early prostate cancer detection and prognosis. MDxHealth intends to bring its enhanced test to the market together with a focused marketing strategy and direct sales force targeting urologists and pathologists.

In order to more efficiently commercialize its prostate tests, MDxHealth previously granted a sub-license to some of the prostate cancer markers and MSP technology to LabCorp and to Veridex LLC. LabCorp has been commercializing a prostate tissue test since mid-2008 with limited sales volume to date and Veridex has not yet commercialized its test. While MDxHealth receives royalties and other fees from the sales of its sublicensees on these tests, markers, and use of technology if its partners increase their sales beyond expected levels (in competition with MDxHealth's tests under the same indication), then MDxHealth may realize lower than expected revenues from its own planned products and services.

For the prostate *ConfirmMDx* tissue-based test MDxHealth is not aware of the presence of a direct competitive product

17 Prevalence of TMPRSS2-ERG Fusion Prostate Cancer among Men Undergoing Prostate Biopsy in the United States, Mosquera et al. Clin Cancer Res 2009

18 Prostate Cancer Detected by Methylated Gene Markers in Histopathologically Cancer-Negative Tissues from Men with Subsequent Positive Biopsies, Troyer et al., Cancer Epidemiology Biomarkers 2009

19 DNA methylation as a biomarker to evaluate initial histologically negative prostate biopsies, Trock et al., ASCO GU Cancer Symp 2007

20 Contemporary Risk Profile of Prostate Cancer in the United States, Shao et al, JNCI 2009

21 Quantitative, Spatial Resolution of the Epigenetic Field Effect in Prostate Cancer, Mehrotra et al, The Prostate 2007

on the market. The PCA-3 test from Gen-Probe, a urine-based test, is on the U.S. market as an LDT. This test analyzes RNA, has some limitations and likely targets a different market segment. Epigenomics AG has developed a potential prostate cancer tests using a different version of the GSTPi gene. Epigenomics has out-licensed their marker to Quest Diagnostics Inc. and Predictive Biosciences Inc. For both companies the development state, the application (urine or tissue), as well as the date of a potential launch of their tests are currently unknown. Source MDx Inc. has a blood-based gene expression test in development, but since they are privately held, it is unknown when they will bring their test to market. To the knowledge of MDxHealth, no head-to-head comparison studies with any competing products have been published.

For the prostate *InformMDx*, MDxHealth knows of one alternative LDT product on the market called Prostate Px+ from Aureon Laboratories Inc., however this is not a molecular assay. This privately held company has not published any sales figures and it is unknown to what extent the test is being used by physicians. Both Genomic Health and Myriad Genetics have announced that they are developing prognostic LDT's, but they have not announced when their products will be launched in the market.

(ii) MDxHealth's Lung Cancer Portfolio

Globally, lung cancer remains the leading cause of cancer-related death with an estimated 157,300 cancer deaths for 2010 in the United States alone. (American Cancer Society, Cancer Facts and Figures 2010).

Early diagnosis of lung cancer for patients at high risk of recurrence is a clear unmet medical need. The American Cancer Society projected a total of 220,520 people were diagnosed with lung cancer during 2010 in the U.S.. The diagnosis of lung cancer presents many challenges. When sick and symptomatic patients are being screened for cancer, diagnostic findings are often inconclusive and fail to detect the presence of malignancy in patients with suspected cancer.

U.S. incidence of Lung Cancer	220,520/Year
Europe incidence of Lung Cancer	388,753/Year
Global incidence of Lung Cancer	1,608,055/Year

Source: ACS 2010, GLOBOCAN 2008

Lung cancer may be seen on chest radiographs and computed tomography (CT scans). The diagnosis is confirmed with a bronchoscopy or CT-guided biopsy. Treatment and prognosis depend upon the histological type of cancer, the stage (degree of spread), and the patient's performance status. Current lung cancer treatments include surgery, chemotherapy and/or radiation.

MDxHealth is developing two products in the lung cancer field to improve the accuracy of standard diagnostic procedures for early detection of lung cancer and to address the risk of recurrence in patients with Stage I disease:

ConfirmMDx for Lung Cancer – is a molecular test designed for the diagnostic evaluation of routinely collected bronchoscopy and/or sputum samples. At the time of first bronchoscopy and in approximately 30% of the suspected cancer cases, cytology and histology do not provide conclusive results. Inconclusive results lead to unnecessary, time consuming and costly additional procedures. The *ConfirmMDx* test is designed to provide physicians with increased accuracy in assessing the presence or absence of cancer.

InformMDx for Lung Cancer – is a molecular test which provides physicians with a risk assessment of Stage I lung cancer patients, confirming whether or not the patient is at low risk or high risk of recurrence. Adjuvant chemotherapy after surgery is not recommended for the 15% (*NCI SEER 2010*) of lung cancer patients that are diagnosed with Stage I disease as this therapy is costly and toxic. However approximately 30% (*Brock et al. N Engl J Med 2008*) of patients with resected Stage I lung cancer suffer disease recurrence which is usually fatal. There is a need for diagnostic tests to assess the risk of recurrence and to identify which early stage patients should receive adjuvant chemotherapy. The *InformMDx* test, when used in conjunction with other clinical risk factors, will help physicians determine which patients may benefit from more aggressive treatment, including chemotherapy.

Using the Company's patented MSP methylation technology, Johns Hopkins Medical Center identified prospective biomarkers associated with the characterization and evaluation of early stage lung cancer aggressiveness in an exploratory clinical trial in 2007. The Company has licensed the exclusive rights to these markers from JHU for this indication. Results from this initial clinical trial led to a publication in the *New England Journal of Medicine*. Additional studies are underway to validate the use of these tests this assay for early detection and lung cancer recurrence risk, collecting

and testing tumor samples from patients who are followed for clinical outcome after initial treatment surgery for lung cancer.

For its *ConfirmMDx* lung cancer test, MDxHealth faces potential competition from (i) a test being developed by Epigenomics AG which has published limited data on their test, and (ii) by improved screening techniques being evaluated by different universities. No head-to-head comparison has been performed between the MDxHealth test and other potential competitive technologies. For its *InformMDx* text for lung cancer, MDxHealth is not aware of any existing competition. Epigenomics has launched in Europe a methylation based test for lung cancer called Epi proLung. This diagnostic test is used for patients suspected of lung cancer, however this kit is not FDA cleared and not offered in the U.S.. The MDxHealth Lung *InformMDx* test currently under development is designed to identify Stage 1 lung cancer patients that have a high risk of recurrence. The Company may face additional competition from established procedures and new entrants to the field in lung cancer.

(iii) MDxHealth's Colon Cancer Portfolio

With 639,000 deaths worldwide per year, colon cancer is the fourth most common form of cancer in the United States and the third leading cause of cancer-related death in the Western world. (World Health Organization)

U.S. incidence of Colorectal Cancer	142,570/Year (all stages)
Europe incidence of Colorectal Cancer	432,414/Year (all stages)
Global incidence of Colorectal Cancer	1,235,108/Year (all stages)

Source: ACS 2010, GLOBOCAN 2008

Colorectal cancers arise from adenomatous polyps in the colon. These mushroom-shaped growths are usually benign, but some develop into cancer over time. Localized colon cancer is usually diagnosed through colonoscopy.

MDxHealth is developing two products in the colon cancer field to help identify aggressive disease and to aid in treatment decisions. The ClinicalDx product (the *InformMDx* test for colon cancer) is described below, whereas the Colon*PredictMDx* PharmacoDx product is described in the Pharmacogenomics section 2.2.3.).

InformMDx for colon cancer – is a molecular prognostic test which helps physicians assess the aggressiveness of a patient's tumor and risk of recurrence after surgery. The test offers a new method for identification of Stage II colon cancer patients who are likely to recur and who may benefit from adjuvant treatment, including chemotherapy.

Current colon cancer treatment for patients with localized disease includes surgery, followed in many cases by adjuvant chemotherapy. The use of chemotherapy in Stage II tumors is still a subject of debate. Stage II colon cancer is subjectively treated based on a risk assessment that utilizes few established clinical and pathologic markers currently available. Most of Stage II cancer patients are cured by surgery alone, and only a small percentage, approximately 25%, (Baddi et al, The Oncologist 2005) will experience disease recurrence and may benefit from chemotherapy. Colon *InformMDx*, in conjunction with traditional risk factors, will help physicians identify those patients who may be at increased risk of recurrence and would potentially benefit from more aggressive treatment including chemotherapy.

PredictMDx for colon cancer – is a molecular test which provides physicians with valuable information, in conjunction with traditional risk factors, on the likelihood that a patient will benefit from the use of Irinotecan based chemotherapy cocktails.

About 20% of colon cancer patients are diagnosed with metastatic, Stage IV disease. Stage IV colon cancer is usually treated with chemotherapy cocktails containing either Oxaliplatin (FOLFOX) or Irinotecan (FOLFIRI). These two regimens have similar efficacy, but have different toxicity profiles. There is a need for biomarkers that predict the therapy regimen to which the patient will respond and that help reduce needless toxicity. *PredictMDx* will aid oncologists to make an informed decision between Oxaliplatin and Irinotecan based treatment courses.

The MDxHealth colon cancer tests are patent-protected and not yet commercially available. Additional studies are underway to validate the use of these tests for prediction using samples from patients who are followed-up after initial treatment for colon cancer.

For colon cancer, MDxHealth can expect competition from Myriad Genetics Inc., Genomic Health Inc. and Agendia B.V. Both Myriad and Genomic Health have recently launched

their colon cancer LDT assays. MDxHealth will also face competition from established procedures and new entrants to the field.

2.2.3. Pharmaco-Diagnostics Program (PharmacoDx)

The cost of cancer care continues to rise and challenge healthcare budgets throughout the world. Better targeting of expensive chemotherapies is needed to optimize existing resources and patient outcomes.

MDxHealth believes that it is well positioned to become a key source of DNA methylation-based solutions for oncology. MDxHealth's Pharmaco Dx program is designed to help:

Physicians and Healthcare Providers:
- Distinguish between drug responders and non-responders
- Personalize the treatment of each individual patient
- Optimize treatment options and patient outcomes

Pharmaceutical Companies:
- Identify and develop targeted drug therapies
- Demonstrate higher drug efficacy rates
- Expedite the regulatory approval of drugs
- Reduce the overall costs of drug development.

The opportunity to apply diagnostics to improve therapeutic treatments (theranostics) is significant especially in oncology. On average, oncology therapeutics exhibit efficacy rates of approximately 25% (*Spear et al., Trends Mol Med 2001*). The consequences of low response rates are enormous in terms of quality of life and cost of care, forcing patients to seek additional treatment options and contend with medical bills from ineffective treatments. The successful application of methylation-based biomarkers can have a significant impact on improving treatments outcomes in the field of oncology.

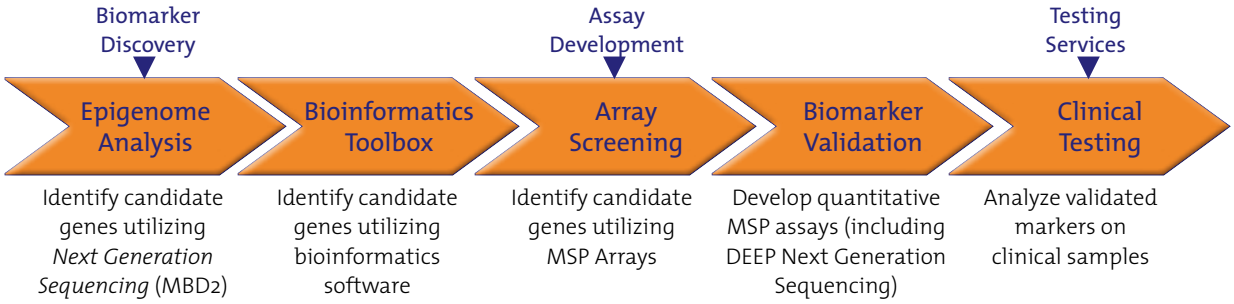
MDxHealth's PharmacoDx program aims at providing personalized treatment solutions designed to assist physicians in more effectively treating cancer. The terms Companion Diagnostics or Theranostics are used to describe a diagnostic test that is specifically linked to a known drug, vaccine or other therapeutic. This linkage could be important in the therapeutic application and clinical outcome of a drug (personalized medicine) or an important component of the drug development process because Companion Diagnostic assays predict which drug or treatment regimen is likely to be most effective for a specific patient. By analyzing the molecular make-up of the individual patient's tumor, the goal of predictive tests is to provide information to the physician for a rational optimization of each patient's drug therapy.

(i) PharmacoDx Services

MDxHealth's PharmacoDx program is designed to deliver more effective diagnostic opportunities for pharmaceutical companies in support of their drug development programs. Regulatory authorities, such as the U.S. FDA, have started to require pharmaceutical companies to integrate companion diagnostics into the drug development process, particularly in connection with targeted therapies, to ensure safety and efficacy, and control costs. As a result, pharmaceutical companies increasingly rely on companion diagnostic tests to stratify patients for clinical trials (i.e. select those patients for whom the drug under investigation would be most effective). This allows pharmaceutical companies to conduct clinical trials faster and with smaller patient cohorts.

An increasing number of examples of pairing a diagnostic (Dx) test to a therapeutic (Rx) drug are arising. Patient advantages include: improving median survival and overall response rates to chemotherapy. For pharmaceutical companies, advantages include: fast-track approval with the FDA based on the test/drug combination data, proving that studying a subset of responders based on a theranostics can shorten the drug development and approval times. Regulatory agencies (FDA and EMEA) are encouraging the use of biomarkers (theranostics) in prescribing decisions. The FDA and EMEA are pushing for biomarker testing to be performed prior to prescribing certain drugs and the FDA has even recently started reporting a table of genomic biomarkers that it considers valid in guiding the clinical use of approved drugs.

The PharmacoDx testing services that MDxHealth offers support all stages of the drug/diagnostic (i.e. theranostic) development process, including (i) biomarker discovery, selection and optimization, (ii) bioinformatics, (iii) validation of companion diagnostic assays and (iv) clinical trial testing.



Some examples of the PharmacoDx services that MDxHealth can offer include:

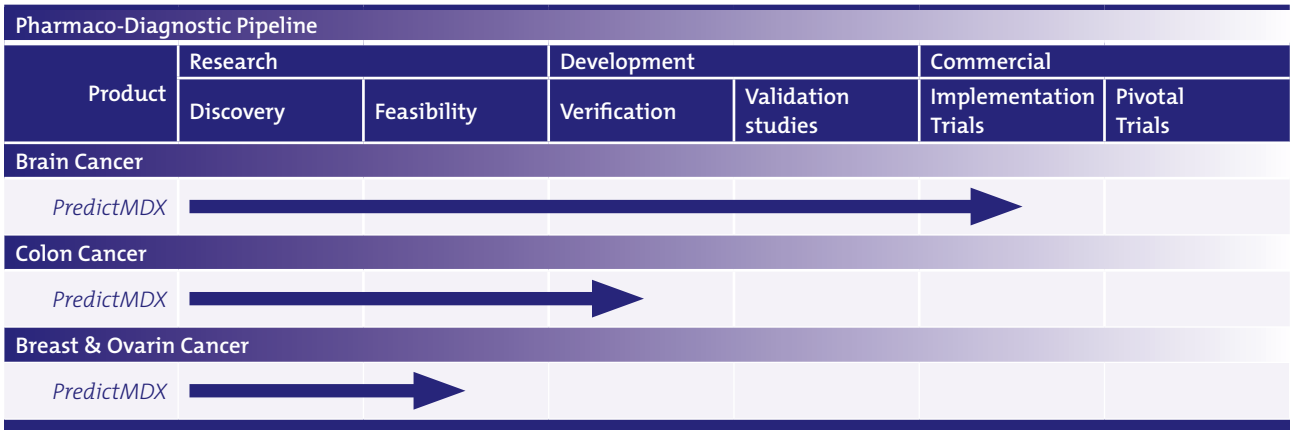
Biomarker discovery, Genome-wide epigenetic profiling, selection and optimization – Epigenetic treatment followed by expression arrays (pharmacological unmasking) identifies transcripts under control of methylation. This approach, which results in genes that are functionally responding to the treatment by being re-expressed, has provided numerous novel cancer-specific methylation events over the past decade. Genome-wide epigenetic profiling is being complemented by MBD2_Seq, which is more open-ended, as no prior probes need to be spotted on an array, resulting in a true genome-wide epigenetic profile. The workflow has been further perfected and downsized in order to handle small fresh clinical samples. By applying its high-throughput biomarker identification platform, MDxHealth is helping various pharmaceutical companies, such as GlaxoSmithKline Biologicals and Abbott, to discover and evaluate methylation biomarkers that will identify those patients most likely to respond to cancer treatments in development.

Candidate Genes Approach MSP (methylation specific PCR) – MSP allows the examination of hundreds genes on hundreds of samples. Precompiled arrays, called prediction arrays, containing all DNA damage and response genes have been tested on many different sample types ranging from cell lines and xenografts to primary samples of different origin and matched normals. In addition to MSP, MDxHealth typically runs deep sequencing profiles on primary material to lock the position of the primers by 454 bisulphite sequencing.

Clinical trial service testing – Several pharmaceutical companies, such as Merck Serono and Roche, have incorporated the MGMT test into clinical trials for new brain cancer therapies. With the results of these PharmacoDx trials and many others underway, it is anticipated that patients with advanced brain and other cancers will ultimately be treated with targeted therapies with the goal of improved survival benefit and overall patient outcomes.

(ii) PharmacoDx Products

MDxHealth's PharmacoDx products include predictive (*PredictMDx*) tests designed to work hand in hand with pharmaceutical or biotech drugs. MDxHealth is currently focused on a number of areas: brain (MGMT), colon, breast and ovarian cancer. In addition, MDxHealth has numerous proprietary biomarkers for other cancer types ready for development.



Note: a definition of the above pipeline steps can be found in the glossary

Predict MDx for Glioblastoma (Brain Cancer) – MDxHealth's most advanced companion diagnostic is a test for predicting patient response to alkylating agents, a class of chemotherapy drugs. The test assesses the methylation status of the MGMT gene, which is correlated with response to drug therapy.

A landmark study published in *The New England Journal of Medicine* in March 2005 reported on the methylation status of MGMT in tumor tissues from patients with advanced brain tumors. In this study, and numerous others, patients with tumors that were methylated for MGMT were far more likely to have a favorable response to standard alkylating agent therapy than those with unmethylated MGMT.

The MGMT gene is a crucial DNA repair gene. MDxHealth's MGMT assay determines the methylation status of the MGMT gene in tumor tissue, and can be used as a predictive assay for the treatment of brain cancer. The MDxHealth MGMT gene test has been shown on thousands of patients the ability to distinguish which cancer patients are likely to respond to the most commonly used class of brain cancer drugs called alkylating agents. This patented methylated gene test is attractive to pharmaceutical companies developing new brain cancer drugs, since they can more easily target their new drugs to the patients who usually do not respond to the traditional alkylating agent drug regime. MDxHealth's MGMT test is currently being used in a multi-center brain cancer clinical trial to confirm the utility of this biomarker in routine clinical practice.

Under an exclusive service-testing license for North America received from MDxHealth, LabCorp currently commercializes the LDT (laboratory developed test) version of the MGMT test in North America. MDxHealth's new strategy has been designed taking in mind this pre-existing out-licensing agreement to LabCorp. We believe that it will not limit the Company's new business strategy, as the Company has retained exclusive rights to (i) sell the MGMT tests to pharmaceutical companies performing clinical trials (ii) develop and commercialize MGMT kits and (iii) develop an FDA approved assay that can be sold globally.

PredictMDx for Colon Cancer – A molecular test which aids the physician to make an informed decision between the use of Oxaliplatin and Irinotecan based treatment regimens. Colon *PredictMDx*, in conjunction with traditional risk factors, provides physicians with valuable information on the likelihood that an advanced stage colorectal cancer patient will benefit from the use of Irinotecan based chemotherapy cocktails.

About 20% of colon cancer patients are diagnosed with metastatic, Stage IV disease (*NCI SEER Data 2010*). Stage IV colon cancer is usually treated with chemotherapy cocktails containing either Oxaliplatin (FOLFOX) or Irinotecan (FOLFIRI). These two regimens have similar efficacy, but have different toxicity profiles. There is a need for biomarkers that predict to which therapy regimen the patient will respond and Colon *PredictMDx* will provide this information.

For MDxHealth Pharmaco-Diagnostic (companion diagnostics) commercial activities targeting pharma companies, MDxHealth faces competition from numerous companies with methylation technology or different molecular diagnostic technologies such DNA mutation, sequencing and RNA expression. The MDxHealth MGMT test for brain cancer is in phase III clinical trials with Merck Serono and is facing limited competition.

2.3. Sales and Marketing Strategy

MDxHealth intends to bring its clinical diagnostic products to the market in the form of laboratory-developed tests (LDTs). LDTs require less time to develop than IVDs (In-Vitro Diagnostic kits) which require FDA approval. After developing prototype products and demonstrating the clinical utility of the methylation markers for a given application, MDxHealth intends to commercialize its products through its own CLIA lab following assay validation according to existing regulations and good laboratory practices. A direct sales and marketing force will be hired in the U.S. to commercialize MDxHealth's clinical and companion diagnostic products on the U.S. market, the main geographical focus going forward. In the near-future, these diagnostic tests could become a key driver of the revenues and valuation of the Company.

At a later date, MDxHealth may consider selling such products in Europe as CE-marked reagent kits via a distributor and out-licensing the applications in other regions of the world. In the case of kit partners, the partners will typically perform final assay development, regulatory clinical trials, manufacturing, and distribution of the product.

MDxHealth's clinical diagnostic tests will initially be sold directly to physicians via a direct sales and marketing force in the U.S., the Company's main geographical focus going forward. The principal products that fall into this category are (i) the Prostate *ConfirmMDx* and *InformMDx* tests, (ii) the Lung *ConfirmMDx* and *InformMDx* tests, and (iii) the Colon *InformMDx* test. The Company does not anticipate needing FDA-approval for these tests. In July 2010, the FDA indicated

that it was reviewing the regulatory requirements applying to LDTs, thus there can be no assurance that FDA regulation, including pre-market review or approval, will not be required in the future for LDTs. MDxHealth intends to conduct additional clinical trials to demonstrate the tests' clinical efficacy and utility as well as support the adoption of these tests. The Company will perform the required internal correlation and validations studies to certify the tests' performance in its CLIA service lab. The Company expects the tests to be largely reimbursed with already existing CPT reimbursement codes. These clinical diagnostic tests will be primarily tissue-based tests. The biopsy material will be sent by courier to the Company's CLIA service lab and the test results will be sent by the Company to the physician.

MDxHealth's Pharmaco-Diagnostic program generated the majority of the revenue of MDxHealth in 2010 and is expected to be a large part of revenues in the near future. MDxHealth's has several "companion diagnostic" tests in development: (i) the MGMT test for brain cancer (currently in a phase III trial with Merck Serono) presented to the FDA in Q4 2010 at a Pre-IDE meeting as a companion diagnostic test with the expectation to be included in the label of the Cilengitide drug, (ii) a test being developed with Pfizer for PARP inhibitor drugs, and (iii) tests being developed with GSK Biologicals for the immunotherapeutics cancer (vaccine) program.

MDxHealth's Pharmaco-Diagnostic services program offers PharmacoDx services and support to pharmaceutical and other drug development companies at all stages of the drug/diagnostic development process, including (i) biomarker discovery, selection and optimization, (ii) bioinformatics, (iii) validation of companion diagnostic assays and (iv) clinical trial testing. MDxHealth's PharmacoDx services, provided to both existing collaborators and on contracted services basis, generated the majority of the revenue of MDxHealth in 2010 and are expected to be a large part of revenues in the near future. MDxHealth, in collaboration with its customers, transitions biomarkers identified for its service customers into candidates for MDxHealth-owned companion diagnostic tests for commercial development.

In the field of prostate cancer, MDxHealth's product program faces competition from established procedures and potential new entrants to the field. Today, one molecular methylation-based prostate tissue test licensed by MDxHealth is on the U.S. market through LabCorp (Laboratory Corporation of America). Epigenomics AG is developing urine- and tissue-based prostate tests based on DNA methylation technology and has out-licensed the tissue test to certain U.S. CLIA labs. Gen-Probe Inc. has developed the PCA-3 urine based test that is currently offered through a CLIA lab in the U.S. In the area of lung cancer, MDxHealth faces competition from established procedures and new entrants to the field. In the area of colorectal cancer diagnostics, MDxHealth faces competition from established procedures and new entrants to the field. In the field of Pharmaco-Diagnostics (companion diagnostics), MDxHealth faces competition from companies with various molecular diagnostic technologies such DNA mutation, sequencing and RNA expression. The MDxHealth MGMT test for brain cancer is in phase III clinical trials with Merck Serono and is facing limited competition. Pharmaco-diagnostic competitors can also be collaborators, depending on the drug and pathways under investigation. However the importance of methylation in the respective cancer pathways has increased significantly in the last five years. Also the number of drugs being developed targeting methylation related epigenetic markers is increasing.

MDxHealth out-licenses its screening products and biomarkers. Currently its main out-licensing deals in the area of screening include technology licenses to various strategic partners in the following areas: stool-based colorectal cancer screening, blood-based colorectal cancer screening, prostate cancer tests, urine-based bladder cancer detection and monitoring tests, cervical cancer screening or triage test, and prostate and brain cancer testing. MDxHealth has also out-licensed its MSP technology and certain biomarkers to third party kit companies who may incorporate the technology and markers into the products they sell to the research market, such as academic researchers. The main out-licensing deals include technology licenses for MSP research kits. In exchange for these licenses, MDxHealth typically negotiates milestone payments up-front, as well as royalty and milestone payments for future product sales. Out-licensing is not a core strategy of the Company and, as such, none of these out-licensing deals are currently generating material revenues for MDxHealth nor are they expected to do so in the next 2 years. Once the technology applications are licensed-out, MDxHealth has no or insignificant on-going costs associated with these applications. Further discussions around its strategic partners are outlined in the section on strategic partners.

2.4. Reimbursement

MDxHealth generates and intends to generate its revenues from product sales and contract research and development service arrangements. Substantially all of the Company's historical revenues have been derived from royalties on out-license agreements and services rendered under PharmacoDx development and clinical trials service testing. In the U.S.

CLIA laboratory setting, and with its offering of ClinicalDx products, MDxHealth intends to bill payors such as Medicare, private health insurers, managed care organizations and other third-party organizations upon generation and delivery of a patient test result to the ordering physician.

MDxHealth plans on seeking reimbursement of its U.S. product offerings via existing CPT codes (Current Procedural Terminology) and may eventually request product-specific reimbursement codes. As such, MDxHealth will take assignment of benefits and the risk of collection with the third-party payor. MDxHealth will bill the patient directly for amounts owed, as required by local laws and regulations, for co-pays and deductibles or after multiple requests for payment have been denied or only partially paid by the insurance carrier. MDxHealth will pursue case-by-case reimbursement where policies are not in place or payment history has not been established.

In order to obtain commercial success with its products, MDxHealth will need to obtain sufficient coverage or reimbursement from third-party payors such as Medicare, private health insurers, managed care organizations and other third-party organizations. MDxHealth will seek to recruit additional personnel with expertise in areas such as reimbursement. MDxHealth will need to create market awareness of MDxHealth's products and services by visiting the managed care organizations, through scientific publications, presentations at medical conferences and through commercial partners.

Additionally, CLIA certification is a prerequisite to be eligible for reimbursement under Medicare and Medicaid. Standards for testing under CLIA are based on the level of complexity of the tests performed by the laboratory. Laboratories performing high complexity testing are required to meet more stringent requirements than laboratories performing less complex tests where a CLIA certificate is required. Most molecular diagnostic tests are considered high complexity tests. In addition to CLIA requirements, MDxHealth will be subject to various state laws requiring that laboratory personnel meet certain qualifications, specify certain quality controls, or prescribe record maintenance requirements. MDxHealth will be regularly subject to survey and inspection to assess compliance with program standards and may be subject to additional random inspections.

2.5. Strategic Partners

2.5.1. PharmacoDx Partners

MDxHealth collaborates with a range of pharmaceutical companies in the identification and development of biomarkers for potential use as companion diagnostics for their therapeutic drugs or vaccines. MDxHealth usually derives revenues from providing R&D and clinical testing services to these partners. The identity of these partners is not always disclosed. In addition to the pharmaceutical collaborations described in detail below, MDxHealth has entered into collaborations in this manner with other pharmaceutical companies such as Abbott Laboratories, F. Hoffmann-La Roche Ltd., and Pfizer.

Merck Serono

In 2008, MDxHealth entered into a licensing and testing agreement with Merck KGaA of Darmstadt, Germany (now Merck Serono). Under the terms of the agreement, MDxHealth provides MGMT gene promoter methylation testing services for Merck's clinical trial program of Cilengitide. The MDxHealth MGMT test is being used in two Merck clinical trials together with its drug Cilengitide for patients with newly diagnosed brain tumors (glioblastomas), including a Phase III clinical trial (CENTRIC) and Phase II clinical trial (CORE). Patient selection for these Merck trials is based on the MGMT gene promoter methylation status of their tumor tissue.

As part of the agreement, Merck obtained a right of reference to the MDxHealth MGMT test in its packaging insert (i.e. drug label) for Cilengitide, and MDxHealth agreed to grant to Merck a worldwide, indefinite duration, and non-exclusive license to use the results of the MDxHealth MGMT gene promoter methylation assay for optimizing glioblastoma multiforme (GBM) treatment with Cilengitide. In return for such commitment, Merck agreed to assist MDxHealth in its development efforts for the MGMT Assay, as well as to certain labeling obligations in favor of MDxHealth. Under the terms of the agreement, the rights to the MGMT assay are retained exclusively by MDxHealth.

Pfizer, Inc.

In 2010, MDxHealth entered into a collaboration agreement with Pfizer to pursue the identification and development of an MDxHealth biomarker predicting response to Pfizer's cancer drug candidate for PARP inhibition, PF-01367338. Newcastle University (UK) is also participating in the collaboration. The collaboration is assessing the potential to develop an MDxHealth test as a companion diagnostic test to

guide treatment decisions in treatment of ovarian and breast cancers with the Pfizer drug candidate.

Under the terms of the agreement, MDxHealth is providing marker discovery, assay development and clinical trial testing services to Pfizer, and will retain rights to the eventual commercial companion diagnostic test. In addition, the partners have announced their mutual intention to ultimately set up a high throughput platform that is clinically validated to rapidly test for epigenetic defects in key DNA damage repair (DDR) genes to support the design and implementation of clinical trials to enable the development of optimized, targeted therapies.

Schering-Plough
In 2005, MDxHealth entered into a collaboration and license agreement with Schering-Plough Corporation. Under the license, Schering-Plough received a worldwide, indefinite duration, and non-exclusive right from MDxHealth to use the results of the MDxHealth MGMT assay to evaluate the methylation status of the MGMT gene in patients treated or to be treated with temozolomide or other Schering-Plough products. Under the terms of the agreement, the rights to the MGMT assay are retained exclusively by MDxHealth. MDxHealth received an upfront license payment, a milestone payment and is entitled, subject to certain conditions, to further milestone payments and sample processing fees from Schering-Plough.

Under the collaboration, MDxHealth provides MGMT testing services for certain of Schering-Plough's clinical trials involving temozolomide, including a multi-center, international, phase III clinical trial for brain cancer, as well as other clinical trials outside of brain cancer.

GlaxoSmithKline Biologicals (GSK)
In 2010, MDxHealth expanded its existing relationship with GlaxoSmithKline Biologicals (GSK) to pursue the development and testing of new companion diagnostic tests that can potentially be used with GSK's immunotherapeutic oncology program. MDxHealth's collaboration with GSK was initiated in 2007 under a Wallonia-BioWin grant concerning mutual research in the immunotherapeutic oncology field. Under the expanded agreement signed in 2010, GSK is collaborating with MDxHealth to assess the potential use of one of MDxHealth's DNA methylation specific PCR biomarkers in GSK's immunotherapy development program.

2.5.2. Molecular Diagnostics Partners

Exact Sciences
In 2010, MDxHealth entered into an exclusive license agreement with Exact Sciences Corporation for stool-based screening of colorectal cancer. Under the terms of the agreement, Exact Sciences obtained exclusive, worldwide rights to use up to two of MDxHealth's DNA methylation biomarkers in stool-based detection of colorectal cancer, as well as non-exclusive access to MDxHealth's MSP platform technology for use with those biomarkers. In return, MDxHealth received an upfront license payment and is entitled to receive, subject to certain conditions, milestone payments and royalties on net sales.

In January 2011, following Exact Sciences' completion of preliminary studies, MDxHealth announced the election by Exact Sciences to include an MDxHealth methylation biomarker, together with MDxHealth's MSP platform technology, in Exact Sciences' ColoGuard stool-based DNA colon cancer screening test. This confirmation triggered a milestone payment to MDxHealth from Exact Sciences.

Veridex
In December 2010, MDxHealth entered into two non-exclusive licenses with Veridex LLC (a Johnson & Johnson Company) for the use of certain of MDxHealth's proprietary DNA methylation products in colorectal and prostate cancer screening. Under the agreements, Veridex licensed non-exclusive rights for the performance of service testing at its own laboratories worldwide using MDxHealth's DNA methylation biomarkers for use in blood-based detection of colorectal cancer, as well as tissue- and urine-based detection of prostate cancer. In return, MDxHealth is entitled to receive, subject to certain conditions, milestone payments and royalties on net sales. The new license agreements replace prior agreements first entered into with Veridex LLC in 2004 granting exclusive worldwide rights to prostate cancer testing services and kits. These license grants to Veridex were the result of an agreement between MDxHealth and Ortho-Clinical Diagnostics, Inc. (OCD, a Johnson & Johnson Company) that was entered into in 2003, when MDxHealth acquired certain methylation markers and technology from Tibotec-Virco (a Johnson & Johnson Company). Under the terms of this 2003 agreement, MDxHealth agreed to first offer to OCD the exclusive right to license, at commercially reasonable terms, any product in the human in vitro diagnostics field that contains those technology components that were once owned by Tibotec-

Virco. Since 2003, MDxHealth has offered products under this first right to license option in the fields of prostate, lung, colon, cervical, brain and bladder cancer, of which Veridex has exercised its license rights only for prostate and blood-based colon, each on a non-exclusive basis for service testing.

LabCorp

In 2008, MDxHealth granted to Laboratory Corporation of America (LabCorp) a royalty bearing sublicense to the MGMT test (exclusive license for the North American market only, of indefinite duration, and for service testing only). To date, the MGMT tests sales by LabCorp remain very limited since the U.S. market use of the test is still essentially for pharmaceutical clinical trials for which the rights have been retained by MDxHealth. In 2008, MDxHealth also entered into an agreement to supply reagents to LabCorp for its colorectal cancer screening test (ColoSure). The sales of the ColoSure test remain very limited since this whole-stool test is not FDA-approved and is not reimbursed by Medicare. In 2007, LabCorp obtained a non-exclusive license to perform laboratory-based diagnostic testing services in North America on prostate tissue samples using selected MDxHealth's DNA methylation biomarkers. Sales of this prostate test remain limited as LabCorp does not appear to be actively promoting the services or investing resources to sponsor clinical trials further validating the utility of the test. In 2008, LabCorp began to commercialize the three afore-mentioned tests in North America.

Predictive Biosciences

In 2010, MDxHealth entered into an exclusive license agreement with Predictive Biosciences for diagnostic applications in bladder cancer. Under the terms of the agreement, Predictive Biosciences obtained exclusive rights in the United States for the use of a number of MDxHealth's DNA methylation biomarkers in bladder cancer testing of urine, blood and other bodily fluids. MDxHealth retained exclusive worldwide rights to these markers in tissue-based bladder cancer tests. In return, MDxHealth received an upfront license payment and is entitled to receive, subject to certain conditions, milestone payments and royalties on net sales.

2.5.3. Research Market

MSP Platform Technology

To support the increasing worldwide adoption of our MSP (methylation-specific PCR) platform technology, MDxHealth has granted non-exclusive licenses to a number of multinational corporations to supply research-use kits designed for use on the MSP platform. Licensees include Millipore (a division of Merck Serono), Qiagen and Takara, each of which have obtained royalty bearing, non-exclusive, worldwide, and of indefinite duration sublicenses to the MSP methylation platform technology for use in the scientific research market only. MDxHealth receives a royalty fee on all current and future sales for this market segment.

Academic and Clinical Collaborators

MDxHealth collaborates on research and clinical development with many of the world's leading cancer research institutes. These important relationships provide the Company with additional resources and expertise for clinical marker validation as well as access to patient samples for testing. The large number of academic institutions and government medical centers and organizations in the U.S. and Europe, with which MDxHealth collaborates on a regular basis, include the Johns Hopkins University Medical Institutions (U.S.), Lovelace Respiratory Research Institute (U.S.), Duke University Medical Center (U.S.), the GROW Institute at the University Hospital of Maastricht (The Netherlands), and the University of Liège (Belgium).

2.6. Technology and platform

MDxHealth's technology platform is called MSP (Methylation-Specific-PCR), which is a patented DNA-based technology that functions on standard commercial PCR equipment. MSP is a powerful and accurate platform with the ability to detect a single cancer cell among thousands of healthy cells in any type of bodily fluid or tissue. MDxHealth has patents and other intellectual property rights on the MSP platform and on a broad portfolio of biomarkers targeted at individual genes that are used in its different products.

MDxHealth Technology

MDxHealth uses a molecular (gene-based) technology to improve cancer diagnosis and treatment. Individual genes (DNA biomarkers) in the human body can become modified in the presence of cancer. MDxHealth has the ability to identify these modifications at the genomic level providing the physicians with a tool to aid in the diagnosis of cancer, assess the risk of recurrence (metastasis) of the cancer, and predict an individual patient's likely response to cancer treatment.

DNA methylation is a valuable tool for assessing cancer because methylated DNA biomarkers occur in almost all malignancies. Gene methylation is a control mechanism that regulates gene expression in DNA and occurs when a methyl group is added to one of the four building blocks of DNA, a cytosine. In several diseases, however, the promoter regions that carry the instructions to produce an essential protein can be over- or hypermethylated, effectively inhibiting protein production. Hypermethylation of genes, such as tumor suppressor genes, is associated with the presence and development of most cancers. And while changes in DNA methylation were initially thought to be the result of cancerous transformations, it is increasingly believed that it plays an active, causative role.

The pattern of gene hypermethylation in tumor cells is often specific to the tissue of origin and can be used to improve cancer detection, assess risk of recurrence, and predict a tumor's response to therapy.

Methylation Specific PCR (MSP)

The components of MDxHealth's molecular tests consist of a methylation technology platform for sensitive detection of methylation in DNA (known as "MSP" or "Methylation-Specific-PCR"), as well as a number of cancer specific methylation markers.

Precise mapping of DNA methylation patterns in CpG islands has become essential for understanding diverse biological processes such as the regulation of imprinted genes, X chromosome inactivation, and tumor suppressor gene silencing in human cancer. MSP can rapidly assess the methylation status of virtually any group of CpG sites within a CpG island, independent of the use of methylation-sensitive restriction enzymes. An MSP assay entails initial modification of DNA by sodium bisulfite, converting all unmethylated, but not methylated, cytosines to uracil, and subsequent amplification with primers specific for methylated versus unmethylated DNA. MSP requires only small quantities of DNA, is sensitive to 0.1% methylated alleles of a given CpG island

locus, and can be performed on DNA extracted from formalin-fixed paraffin-embedded samples (FFPE). MSP eliminates the false-positive results inherent to previous PCR-based approaches, which relied on differential restriction enzyme cleavage to distinguish methylated from unmethylated DNA.

Patents and Licensing

MDxHealth believes that its patent portfolio places the Company in a highly competitive position in the realm of molecular cancer diagnostics. MDxHealth holds exclusive rights to a broad array of more than 45 issued and 90 pending patents in multiple countries worldwide covering the methylation technology platform and multiple methylation genetic markers. MDxHealth continues to be at the forefront of researching and understanding the link between cancer and methylation and how this link can be translated into meaningful clinical diagnostic and PharmacoDx products.

Core to MDxHealth's intellectual property portfolio is the patent family covering the Methylation-Specific Polymerase chain reaction (MSP) process, which represents a groundbreaking advance in applied genomics. Methlylated DNA-based measurement, combining the MSP platform with target biomarkers, enables meaningful comparisons of gene expression responses in a variety of pre-clinical and clinical settings.

Below is a selected summary of MDxHealth's patent portfolio, broken into 3 groups of patents. The first group of patents is foundational molecular technology patents that have issued in the U.S., Japan, Canada, Israel and the major European countries. The second group of patents focuses on cancer specific biomarker panels for tumor detection and profiling and includes over 10 granted patents and over 45 international pending patents.

Detection Technology – Methylation-Specific PCR ("MSP")

	Title	Patent Reference No
MSP Technology	Method of detection of methylated nucleic acid using agents which modify unmethylated cytosine and distinguish modified methylated and non-methylated nucleic acids (WO, EP: Methylation-Specific Detection)	WO97/46705
	Nested Methylation-Specific Polymerase Chain Reaction Cancer Detection Method	WO 02/18649
Amplifluor Technology	Nucleic acid amplification oligonucleotides with molecular energy transfer labels and methods based thereon	WO98/02449
MethyLight technology	Process for high throughput DNA methylation analysis	WO 00/70090
Heavy Methyl technology	Highly sensitive method for the detection of cytosine methylation patterns	WO 02/072880
Microarray technology	Method for determining the degree of methylation of defined cytosines in genomic DNA in the sequence context 5'-CpG-3'	WO 02/18632
	Method for producing complex DNA methylation fingerprints	WO99/28498
	Oligomer-array with PNA- and/or DNA-oligomers on a surface	WO 01/38565
Scorpion patent rights	Method for the detection of cytosine methylations in DNA	EP 1654388

MDxHealth's process for detecting methylation in DNA, called Methylation-Specific PCR, was invented at Johns Hopkins University. The detection technology is extremely sensitive, which is necessary when looking for early-stage cancer, as only one to ten tumor cells may be present in a sample containing thousands of healthy cells. Patents on the MSP technology have been granted in key markets such as Europe, United States, Canada, and Japan. In addition, the MDxHealth methylation technology portfolio comprises patent families on various improvements on MSP technology.

There are various patents covering the methylation detection technology and their duration varies per region and per patent. The patents of the Company have a life of 20 years and the expiry date may vary by region in the world. The earliest patent on an individual biomarker expires in 2014. The methylation detection patents are in-licensed from the Johns Hopkins University and from the Lovelace Respiratory Research Institute.

Methylation Markers for Tumor Profiling

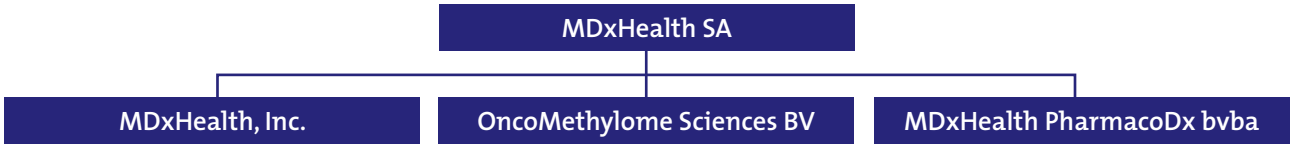
	Title
Prostate Cancer markers	Genetic Diagnosis of Prostate Cancer
	Method of Detection of Prostate Cancer
	Neoplasia Diagnostic Compositions and Methods of Use
	Epigenetic Tests for Prostate Cancer
Colon Cancer markers	Methylation markers for early detection and prognosis of colon cancers
	Early detection and prognosis of colon cancer
	Improved methods of detecting colorectal cancer
	Epigenetic change in selected genes and cancer
	Early detection and prognosis of colon cancers
	Improved methods of detecting colorectal cancer
	Improved detection of gene expression
Other Cancer markers	Method of Predicting the Clinical Response to Chemotherapeutic Treatment with Alkylating Agents
	Novel methylation marker
	HIN-1, a tumor suppressor gene
	Improved methylation detection
	Improved detection of MAGE-A expression
	Methylation makers and methods of use
	Methylation markers predictive for drug response
Lung Cancer Markers	Detection and prognosis of lung cancer

Methylation markers are genes that are known to be abnormally methylated in cancer. MDxHealth has a portfolio of owned or in-licensed methylation markers. Many of these markers have been shown to be highly sensitive and specific in oncology applications and have been, in many instances, described in peer-reviewed journals. There are various patents covering the methylation markers and their duration varies per region and per patent. The earliest patents expire in some regions in 2014 and the patent life on others in filing may be up to 20 years. Some marker patents are in-licensed, some are jointly-owned, and some are filed solely by MDxHealth.

MDxHealth considers patent protection of the technologies, on which its products are based, to be a key factor to its success. The intellectual property portfolio of MDxHealth is managed by an in-house intellectual property team, which works in close collaboration with qualified external patent attorneys both in Europe and the United States.

2.7. Group Structure/Subsidiaries

MDxHealth SA has three subsidiaries: (i) OncoMethylome Sciences BV, a fully owned company, incorporated under the laws of The Netherlands, with registered office at Tour 5 GIGA, Avenue de l'Hôpital 11, 4000 Liège, (ii) MDxHealth Inc., a fully owned company, incorporated under the laws of Delaware, U.S., with registered office at 2505 Meridian Parkway, Suite 310, Durham, NC 27713, U.S. and (iii) MDxHealth PharmacoDx BVBA, a fully owned company, incorporated under the laws of Belgium, with registered office atTechnologiepark 4, VIB Bio-Incubator, 9052 Zwijnaarde/Ghent, Belgium.



2.8. Human Resources

On December 31, 2010, MDxHealth had 37 employees, 68% of whom contributed to research and development activities. MDxHealth selects talented people to participate and drive its development programs. The Company's scientific staff has expertise in molecular biology, PCR and oncology amongst other disciplines. 56% of the research & development personnel hold PhD degrees.

MDxHealth recognizes that the Company's success largely depends on its human capital. It provides retention incentives to employees, including an employee stock option program. More than 76% of MDxHealth's employees are participants in the Company's stock option plan.

There was a decrease in the headcount from 2009 to 2010 due the following main reasons:

- As announced in at the end of 2009, the Company re-focused its activities and pursued several cost-cutting initiatives which led to the departure of some of the personnel in 2010.
- During 2010, the Company closed its Amsterdam lab site upon decision to discontinue its colon cancer screening program. The Company also transferred its Amsterdam based PharmacoDx clinical testing services to Liège to further concentrate its lab facilities and activities.
- The Company also reduced headcount in several departments due to the new focus on a few core cancer applications rather than pursuing the previous strategy of a very broad portfolio of many early-stage projects particularly in screening applications. The Company now it has a focus on personalised medicine tests which require different and more stream-lined expertise and resources.

Total Headcount Evolution	**Dec 31, 2010**	**Dec 31, 2009**	**Dec 31, 2008**
Total	**37**	**66**	**65**
Headcount Evolution by Education Level	**Dec 31, 2010**	**Dec 31, 2009**	**Dec 31, 2008**
PhD	14	19	17
University Degree	16	26	26
Higher Education/ Non-University	7	21	22
High School Level	0	0	0
Total	**37**	**66**	**65**
Headcount Evolution by Department	**Dec 31, 2010**	**Dec 31, 2009**	**Dec 31, 2008**
Research & Development	25	50	50
Sales, General, and Administrative	12	16	15
Total	**37**	**66**	**65**
Headcount Evolution by Group Entity	**Dec 31, 2010**	**Dec 31, 2009**	**Dec 31, 2008**
MDxHealth SA (Belgium)	23	25	24
MDxHealth Pharmaco-Diagnostics BVBA (Belgium)	7	16	16
OncoMethylome Sciences BV (The Netherlands)	1	15	15
MDxHealth Inc. (USA)	6	10	10
Total	**37**	**66**	**65**

2.9. Legal Proceedings

To date, MDxHealth is not involved in any legal proceeding.

2.10. Government Regulation

2.10.1. Health, Safety and Environment

Each MDxHealth office and laboratory is governed by the local laws on health, safety, and the environment. MDxHealth makes it a priority to ensure the health and safety of its employees, and to minimize its impact on the environment. As such, the Company is in compliance in all material respects of health, safety and environmental legislation and has obtained all necessary permits to conduct its current business.

2.10.2. Product Regulation

MDxHealth intends to bring its products to the market initially via testing services performed by a commercial CLIA-certified laboratory in the United States. At a later date, MDxHealth may itself or with partners offer the tests in Europe as CE-marked kits or in the U.S. as FDA-approved kits; however the priority in the near-future will be the development and commercialization of U.S.-CLIA service tests.

Commercialization of testing services in service laboratories in the United States is governed by quality system provisions outlined in the congressional Clinical Laboratory Improvement Amendments CLIA. When tests are commercialized as diagnostic kits in the United States, they require regulatory approval by the Food and Drug Administration (FDA). In Europe, diagnostic test kits must bear the regulatory CE-mark, which is an assertion that the product is in conformance with the European Union In-Vitro Diagnostics Directive.

It is MDxHealth's intention to seek directly the necessary approval when needed. It has recently hired a VP Regulatory Affairs & Quality Assurance and has begun a number of regulatory initiatives. MDxHealth is currently in the process of upgrading its ISO 9001 facility in Liège to CLIA. This will allow MDxHealth to provide clinically relevant tests and services to clients worldwide. The CLIA certificate will regulate work performed and will define standards covering personnel, facilities administration, quality systems and proficiency testing. To maintain its CLIA certificate, MDxHealth will be subject to survey and inspection every two years to assess clients with program standards which may change over time. MDxHealth currently envisages establishing a CLIA-certified lab in the United States. The laws required for renewal of CLIA certificates are the same in the U.S. as in Belgium.

In addition to CLIA requirements, the Company will be subject to various state laws. CLIA provides that a state may adopt laboratory regulations that are more stringent than those under federal law, and a number of states, have done so. Currently the states of Washington, New York, Maryland, Pennsylvania, Rhode Island, Florida and California, have implemented such regulation license procedures. State laws similar to federal laws may require that laboratory personnel meet certain qualifications, specify certain quality controls, or prescribed record maintenance requirements as well as proficiency testing.

Laboratory-developed tests (LDTs) are tests which are used solely within one laboratory and which are not distributed or sold to any other labs or health care facilities. LDTs still must go through rigorous validation procedures and meet several criteria before results are used for decisions regarding patient care. Several governmental and non-governmental entities regulate and guide the development and validation of LDTs. The federal government, through the Centers for Medicare and Medicaid Services (CMS) and the CLIA highly regulate development, evaluation, and use of lab-developed assays. CLIA states that laboratories must demonstrate how well an LDT test performs using certain performance standards.

Although LDTs are not FDA-approved for marketing, some of the reagents, controls, and equipment used in these tests may be manufactured by a third party, and may be FDA-approved. FDA's position on regulation of LDTs is evolving: the review of the 510(k) process and promotion of "research-use only" devices and LDTs are on the agency's agenda. Additional molecularly-targeted assays are still being developed by numerous companies across the spectrum of cancer types (e.g., Genomic Health's Oncotype DX® and CarisDx's TargetNow™).

Historically, FDA has practiced "enforcement discretion" over LDTs but is currently taking the initiative to change. FDA began reviewing the more complex assays run in a CLIA setting several years ago as they have been struggling with the scope and methodology of potential LDT regulation. Tests which required multiple regulated components (instruments, reagents, test platform) and software or an algorithm to interpret results, were targeted for review and evaluation (e.g. Agendia's MammaPrint® gene expression test for breast cancer recurrence).

Initially, laboratories manufactured LDTs that were simple, well-understood laboratory tests or tests which diagnosed rare diseases and conditions that were intended to be used by physicians and pathologists within a single institution in which both were actively part of patient care. These tests were ordinarily either well-characterized, low-risk diagnostics or for rare diseases for which adequate validation would not be feasible and the tests were being used to serve the needs of the local patient population. In addition, the components of traditional LDTs were regulated individually by FDA as ASRs (analyte specific reagents) or other specific or general reagents, and the tests were (and are currently) developed and offered in CLIA high-complexity laboratories with extensive experience in using the tests.

Today, many LDTs use complex elements that may not be FDA-regulated. Further, these tests are often used to assess high-risk but relatively common diseases and conditions and to guide critical treatment decisions. Some LDTs are performed in geographically distant commercial laboratories instead of within the patient's health care setting under the supervision of a patient's pathologist and treating physician. In addition, even when FDA-approved tests are available for a disease or condition, laboratories often continue to use LDTs that have not been reviewed by the agency. Finally, an increasing number of LDT manufacturers are corporations with publicly traded assets rather than hospitals or public health laboratories, which represents a significant shift in the types of tests developed and the business model for developing them.

At this time, FDA believes that a risk-based application of oversight to LDTs is the appropriate approach to achieve the desired public health benefits. FDA is evaluating feedback from stakeholders, including laboratory professionals, clinicians, patients, and industry, to define the issues that pose the greatest risk to the public health. It is anticipated that regulation requirements will be established sometime in 2011.

2.11. Facilities

Liège, Belgium

MDxHealth's registered and main administrative office and assay development facility is based in Liège, Belgium. MDxHealth currently leases 899 m2 of research and office space in the Giga tower of the Liège University Hospital site (Centre Hospitalier Universitaire, "CHU").

Durham, United States

MDxHealth, Inc., the Company's U.S. subsidiary, leases office facilities located at Suite 310, 2505 Meridian Parkway, Durham, North Carolina 27713, United States.

Ghent, Belgium

MDxHealth PharmacoDx bvba, the Company's Belgian subsidiary, leases office and lab facilities plus shares additional facilities at the Bio-Incubator, located at Technologiepark 4, VIB Bio-Incubator, 9052 Zwijnaarde/Ghent, Belgium.

2.12. Investment Policy

MDxHealth has not made firm commitments on material investments. However the Company intends to increase its capital expenditures, preferably in 2011 to set-up and equip a U.S. CLIA-certified service lab. The Company expects to lease facilities for the CLIA lab and estimates that the costs to equip the initial lab infrastructure and obtain all necessary permits will be under EUR 1 million. The Company estimates that the time required to set-up an operational CLIA-certified lab is less than 12 months. At the date of this document, the Company has not entered into any commitments or obligations with respect to the CLIA lab facilities.

2.13. Recent Trends and Events

There are no significant recent trends between end of the fiscal year 2010 and the printing of this registration document.

In 2011, the Company made the following normal course of business announcements:

- Exact Sciences Inc. confirmed that it would proceed with the in-licensing and development of its stool-based colorectal cancer screening test using 2 biomarkers and the MSP technology of MDxHealth. This confirmation triggered the payment of a milestone fee to MDxHealth, but this milestone amount will have no significant impact on the financial results of the Company.
- MDxHealth signed an agreement with Pfizer to collaborate on the development of a companion diagnostic for Parp inibitors, a drug used to treat breast and ovarian cancers. The financial terms of the agreement have not been disclosed. The agreement included a signature fee to MDxHealth that had no significant impact on the current financial results of the Company.
- Predictive Biosciences Inc. published their first performance data using MDxHealth biomarkers and technology.

With regard to trends that are reasonably likely to have a material effect on MDxHealth in 2011, MDxHealth believes the following can be noted:

- MDxHealth will pursue the validation of its prostate products in 2011 with a target to launch them in 2012-2013. The release of the next externally-generated clinical validation study is expected in Q2 2011.
- In 2011, revenues are expected to remain stable and are expected to include revenues primarily from service testing and R&D services for pharmaceutical companies, and grants. Commercial revenues from the direct sales in the U.S. of the Company's first prostate product are expected in 2012.
- Total operating costs are expected to remain consistent with those of 2010.
- Capital expenditures are expected to increase for the set-up of a U.S. CLIA service lab in Q4 2011.
- The cash burn is expected to remain stable with that of 2010.
- The Company announced on November 4, 2010 that it intends to seek new funding in 2011 for its on-going operations, for further product development including additional clinical trials, and for the roll-out of its commercial operations in the U.S. including the set-up of a U.S. CLIA service lab.
- In 2011, the Company intends to start recruiting a sales force for direct sales of its products in the U.S.

3. Corporate *Governance Statement*

3.1. General Provisions

This chapter 3 summarizes the main rules and principles of MDxHealth's Corporate Governance Charter. The complete charter is available on the MDxHealth website, at www.MDxHealth.com.

The Company's corporate governance charter was adopted in accordance with the recommendations set out in the Belgian Corporate Governance Code 2009 (the "2009 Code"), issued on March 12, 2009 by the Belgian Corporate Governance Committee (replacing the 2004 edition). The Company has adopted the 2009 Code as its reference code. The 2009 Code is based on a "comply or explain" system. Belgian listed companies should follow the 2009 Code, but can deviate from its provisions and guidelines (though not from the principles) provided they disclose the justifications for such deviation. MDxHealth complies with the principles of Belgian Code for Corporate Governance, but believes that certain deviations from its provisions are justified in view of the Company's particular situation. With the entry into force of the law of 6 April 2010, it is (i) not possible to deviate from some provisions of the Code and (ii) it is compulsory to indicate the provisions of the Code that were not complied with during the year and to provide an explanation of the reasons for non-compliance. The deviations of MDxHealth are explained in this Chapter 3 and are valid under the law of 6 April, 2010.

3.1.1. Board of Directors

The Board of Directors' role is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The Board of Directors acts as a collegiate body. Pursuant to the Belgian Company Code and the articles of association of the Company, the Board of Directors should be composed of at least three directors. In accordance with the principles of corporate governance, the Board of Directors will, to the extent possible, be composed of at least five directors of which at least three directors are independent directors. To the extent possible, at least half of the Board shall consist of non-executive directors. Currently, the Board of Directors comprises 7 directors, of which 3 are independent directors and 6 are non-executive directors. The directors of the Company are appointed by the general shareholders' meeting.

The Board of Directors is a collegial body, and deliberates and makes decisions as such. Excluding the Board committee meetings, throughout 2010 the Board of Directors met 10 times. All directors were present or represented for these 10 meetings, except for Dr. Bob Pinedo who missed 3 meetings and Mr. Alain Parthoens who missed 1 meeting. Dr. Pinedo and Mr. Parthoens resigned from the Board of Directors in the course of 2010.

3.1.2. Chairman

The chairman of the Board of Directors is responsible for the leadership of the Board of Directors. The chairman takes the necessary measures to develop a climate of trust within the Board of Directors, contributing to open discussion, constructive dissent and support for the decisions of the Board of Directors. The chairman promotes effective interaction between the Board and the Executive Management. The chairman establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

The Board of Directors appoints a chairman amongst the non-executive directors. Currently, Mr. Edward L. Erickson is the chairman of the Board of Directors.

3.1.3. Independent Directors

Effective as of January 8, 2009, new rules entered into force for Belgian publicly-listed companies with respect to the criteria for the independence of directors (article 526ter of the Belgian Company Code).

The three independent MDxHealth directors listed in table 3.1.4 meet these new definitions for independence which include the following criteria:

1. have not held a position as an executive member of an administrative body, as a member of the executive committee or as a person charged with the daily management of the Company or one of its affiliates during the five-year period preceding their election;

2. have not exercised more than three successive mandates as non-executive director of the Company, with a maximum of twelve years;

3. have not been members of the Executive Management of the Company or one of its affiliates, during the three-year period preceding their election;

4. have not received a compensation or other significant advantage of a financial nature from the Company or one of its affiliates, with the exception of the tantièmes and the compensation they may receive or have received as non-executive member of the administrative body or member of the supervisory body;

5. do not own any rights relating to shares representing 10% or more of the total share capital or of a class of shares of the Company. If they own less than 10%: (i) such rights, together with other rights held by companies controlled by the director concerned may not equal or exceed 10%, or (ii) the disposal of such shares or the exercise of the rights attached thereto may not be subject to any contractual arrangement or unilateral undertaking from the independent directors;

6. do not represent a shareholder that satisfies the criteria set forth under point 5;

7. have not or have not had during the past fiscal year a significant business relationship with the Company or one of its affiliates, directly or as shareholder, member of the administrative body or the Executive Management of a Company or person who has such a relationship;

8. have not been a shareholder or employee of the current or previous statutory auditor of the Company or one of its affiliates during the three-year period preceding their election;

9. are not an executive member of the administrative body of another company in which an executive director of the Company is a non-executive member of the administrative body or member of the supervisory body, and have no other important ties with executive directors of the Company through positions with other companies or bodies; and

10. do not have a close family member (meaning a spouse or legal partner or relative up to the second degree) who is a member of the administrative body or the executive committee, who is charged with the daily management or who is a member of the Executive Management of the Company or one of its affiliates, or who does not comply with any of the other criteria mentioned in points 1 to 9 above.

3.1.4. Composition of the Board of Directors

MDxHealth shareholders appointed three new independent directors on May 28, 2010.

The table below describes the composition of the Board of Directors as of the date of this Registration Document.

Name	Age on Dec 31, 2010	Position	Term Start(1)	Term End(2)	Professional Address
Mr. Edward L. Erickson	64	chairman, non-executive independent director	2010	2013	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Dr. Jan Groen	51	executive director	2010	2013	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
ING Belgium NV/SA, represented by **Mr. Denis Biju-Duval**	54	non-executive director	2003	2013	Marnixlaan 24, 1000 Brussels, Belgium
Dr. Karin Louise Dorrepaal	49	non-executive director (independent prior to Q4 2009)	2007	2013	Van Eeghenlaan 7, 1071 EL Amsterdam, The Netherlands
Mr. Mark Myslinski	55	non-executive independent director	2010	2013	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Hilde Windels BVBA represented by **Mrs. Hilde Windels**	45	non-executive independent director	2010	2013	Tour 5 GIGA, Av. de l'Hôpital 11, 4000 Liège, Belgium
Edmond de Rothschild Investment Partners, represented by **Mr. Raphaël Wisniewski**	40	non-executive director	2005	2013	47, Rue du Faubourg Saint-Honoré, 75401 Paris Cedex 8, France

(1) All directors were appointed or re-appointed by the ordinary general shareholders' meeting held on May 28, 2010 for a term of three years.

(2) The term of the mandates of the directors will expire immediately after the annual general shareholders' meeting held on May 31, 2013.

The following paragraphs contain brief biographies of each of the directors or in case of corporate identities being director, their permanent representatives, with an indication of other mandates as member of administrative, management or supervisory bodies in other companies during the previous five years (with the exception of the subsidiaries of the Company):

Mr. Edward L. Erickson has over 25 years of executive level experience in diagnostics, therapeutics, and life science research products. He was recently appointed President Director and CEO of Saladax Biomedical, Inc., a privately-held diagnostic company developing and commercializing assays for measuring therapeutic drug levels in patients. Prior to joining Saladax, he served as President and CEO of BioNanomatrix, Inc., a private genomics company developing and commercializing proprietary DNA analysis systems. Previously, he was the chairman, President and CEO of Cellatope Corporation, a private company developing diagnostic products in the field of autoimmune diseases. Prior to that, he served in top leadership roles, including president, CEO and/or chairman, of three venture-capital backed medical products companies, Immunicon, DepoTech and Cholestech, which successfully completed initial public offerings under his leadership. Earlier in his career, he held senior executive positions at The Ares-Serono Group and Amersham International. Mr. Erickson is also a director of Metabolon. He holds an MBA from the Harvard Graduate School of Business Administration and B.S. and M.S. degrees from the Illinois Institute of Technology.

Dr. Jan Groen joined MDxHealth in 2010 and has more than 25 years of experience in the clinical diagnostic industry, with a particular focus on emerging technologies, product development and commercialization. Dr. Groen was previously the president of Agendia, Inc. and COO of Agendia B.V., responsible for their United States and European diagnostic operations, respectively. Prior to this, he served as vice-president of research & development at Focus Diagnostics, Inc., a subsidiary of Quest Diagnostics, in California. Dr. Groen has held numerous management and scientific positions at ViroClinics B.V., the Erasmus Medical Center, and Akzo-Nobel. Dr. Jan Groen is a supervisory Board Member of IBL International B.V. Dr. Groen holds a Ph.D. degree from the Erasmus University Rotterdam and published more than 125 papers in international scientific journals in the field of clinical diagnostics.

Mr. Denis Biju-Duval works for ING since 2001. He is a managing director at ING Private Equity. He has extensive experience in strategic consulting at the Boston Consulting Group and more than 13 years in the private equity industry both in France and in Belgium. Mr. Biju-Duval is currently head of corporate investments for ING Belgium and a Board Member of various portfolio companies including BioAlliance, Environnement, and Numeca Software, and previously at Devgen. Mr. Biju-Duval is a French national and holds a degree in chemical engineering from INSA Lyon and a M.B.A. from HEC-ISA.

Dr. Karin Dorrepaal is senior vice president corporate strategy and acquisitions at DSM and holds a supervisory Board Member position at Ergo Versicherungsgruppe. Until 2004, Dr. Dorrepaal was a vice president of Booz & Company, Management Consultants, where she specialized in the pharmaceutical industry and advised on issues regarding strategy, sales, marketing and supply chain. Dr. Dorrepaal then served on the executive Board of Schering AG, where she was responsible for Schering's Global Business Unit Diagnostic Imaging as well as its Supply Chain and Procurement. Dr. Dorrepaal received her Ph.D. in medicine from the Free University of Amsterdam and her MBA from the Erasmus University Rotterdam School of Management.

Mr. Mark Myslinski is currently SVP of Diagnostics at Hologic Inc. Previously, Mr. Myslinski was CEO of RedPath Integrated Pathology, Inc and was a Johnson & Johnson executive where his responsibilities included building a new, worldwide evidence-based medicine function for the ortho-clinical diagnostics unit. For five years, Mr. Myslinski was also general

manager of Veridex, a division focused on molecular and cellular diagnostics that achieved rapid sales growth under Mr. Myslinski's tenure. Mr. Myslinski also held executive roles in the venture-backed start-ups Interscope Technologies and Precision Therapeutics, both focused on the field of pathology with an emphasis on cancer.

Mrs. Hilde Windels is currently the CFO of Pronota and SEPS Pharma and a Board Member of Flanders Bio. She was Devgen's CFO from 1999 to 2008. During that period she was part of the Management Team that raised EUR 30million in venture capital funding and that later took the Company public raising further funds on Euronext Brussels. Previously she was responsible for commercial banking at ING Bank in one of its Belgian regional sectors. She holds a degree in economics ("handelsingenieur") from the University of Leuven.

Mr. Raphael Wisniewski is a partner at Edmond de Rothschild Investment Partners. Previously, Mr. Wisniewski worked in the investment banking divisions at Goldman Sachs International and Salomon Smith Barney and in the finance department at Générale de Santé International. He is a director at Genticel, Regado Biosciences, Poxel, Novagali Pharma, Implanet, EOS Imaging and Pangenetics. Mr. Wisniewski holds a degree from HEC and a D.E.A. in Economics and Finance from IEP Paris.

Litigation statement concerning the directors or their permanent representatives

At the date of this registration document, none of the directors, or in case of corporate entities being director, none of their permanent representatives, of the Company, other than those indicated in the paragraph below, has for at least the previous five years:

- any conviction in relation to fraudulent offenses;
- held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation, or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body), except for (i) Mr. Edward Erickson who was CEO, chairman, and also held other executive and non-executive positions through June 2007 at the Company Immunicon Corporation prior to its filing for bankruptcy in June 2008, for which the bankruptcy trustee has initiated legal proceedings against Mr. Erickson and other directors and managers of the bankrupt company and (ii) Mr. Raphael Wisniewski who was a director at 2 companies which were liquidated in 2008, Nautilus Biotech and Androclus Therapeutics
- has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

3.1.5. Committees of the Board of Directors

The Board of Directors of MDxHealth has set up two permanent committees, the audit committee and the nomination and remuneration committee. The committees are advisory bodies only and the decision-making remains within the collegial responsibility of the Board of Directors.

Audit Committee

Effective as of January 8, 2009, new rules entered into force for Belgian publicly-listed companies with respect to (i) the establishment and tasks of the audit committee, (ii) the criteria for the independence of directors (see section 3.1.3), and (iii) the appointment of and dismissal of statutory auditors (see section 3.6).

With respect to the new rules covering the establishment of the audit committee, the following is applicable to MDxHealth:

- MDxHealth has had an Audit Committee in place since the Company's inception.
- According to the new rules, MDxHealth would meet the size criteria in order to operate without a separate audit committee, but the Company has chosen to continue operating with a separate audit committee.
- The new rules require that the audit committee be composed of non-executive directors, which is and has always been the case for MDxHealth's audit committee.
- The new rules require that the audit committee be composed of at least one independent director with the necessary competence in auditing and accounting, which is and has always been the case for MDxHealth's audit committee.
  - Mrs. Hilde Windels meets the criteria of independence:

- She is in her first mandate on the Board of MDxHealth and has never held any Executive Management position with the Company.
- She owns no shares in the Company and is the beneficiary of some Company warrants as disclosed in section 3.3.
- She fulfills the other criteria of independence as listed in section 3.1.3.

- Mrs. Hilde Windels meets the criteria of necessary competence in auditing and accounting:
  - She has been the CFO of Devgen NV, a publicly-listed company, for which she handled its IPO and its financial reporting.
  - She is currently the CFO of 2 privately-held healthcare companies.
  - She has been a commercial banker.
  - She holds a degree in economics.

MDxHealth's audit committee must be composed of at least three members and is limited to non-executive directors. The committee appoints a chairman amongst its members. The chairman of the Board of Directors should not chair the committee.

The role of the audit committee is to assist the Board of Directors in fulfilling its financial, legal and regulatory monitoring responsibilities. The committee reports regularly to the Board of Directors on the exercise of its duties, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken. The audit review and the reporting on that review cover the Company and its subsidiaries as a whole. The specific tasks of the audit committee are outlined in the Company's governance charter and include the following:

- to monitor the financial reporting process;
- to monitor the effectiveness of the Company's internal control and risk management systems;
- to monitor the Company's internal control and risk management;
- to monitor the internal audit (where applicable) and related activities;
- to monitor the statutory audit of the annual statutory and consolidated financial statements, including the follow-up of questions and recommendations by the statutory auditor and, as the case may be, the auditor responsible for the audit of the consolidated financial statements;
- to review and monitor the independence of the statutory auditor, and, as the case may be, the auditor responsible for the audit of the consolidated financial statements, and in particular the provision of additional services to the Company.

The following directors are currently members of the audit committee: Hilde Windels, chairman; ING Belgium NV/SA, represented by Mr. Denis Biju-Duval, non-executive director; and Dr. Karin Louise Dorrepaal, non-executive director.

The audit committee is a collegial body, and deliberates and makes decisions as such. The audit committee met three times in 2010. All members of the audit committee were present or represented at all meetings, except Karin Dorrepaal who did not attend one meeting.

Nomination and Remuneration Committee

The Act of April 6, 2010 relating to the improvement of the corporate governance for publicly listed companies and autonomous governmental companies, and amending the regulation relating to professional prohibitions in the banking and financial sector (*"Loi visant à renforcer le gouvernement d'entreprise dans les sociétés cotées et les entreprises publiques autonomes et visant à modifier le régime des interdictions professionelles dans le secteur bancaire et financier" / "Wet tot versterking van het deugdelijk bestuur bij de genoteerde vennootschappen en de autonome overheidsbedrijven en tot wijziging van de regeling inzake het beroepsverbod in de bank- en financiële sector"*) introduced a new article 526quater in the Belgian Company Code requiring qualifying publicly listed companies to establish a remuneration committee as from the first accounting year started after the date of publication of said Act (i.e. April 23, 2010).

With respect to these new rules covering the establishment of the remuneration committee, the following is applicable to MDxHealth:

- Although this legal obligation to establish a remuneration committee would only apply for MDxHealth as from the accounting year started on January 1, 2011, MDxHealth has had a nomination and remuneration committee in place since the Company's IPO in June 2006.
- According to the new rules, MDxHealth would meet the size criteria in order to operate without a separate nomination and remuneration committee, but the Company has chosen to continue operating with a separate nomination and remuneration committee.

- The new rules require that the nomination and remuneration committee be composed of non-executive directors, which is and has always been the case for MDxHealth's nomination and remuneration committee.

MDxHealth's nomination and remuneration committee must be composed of at least three members and must be composed exclusively of non-executive directors. The committee appoints a chairman amongst its members. The chairman of the Board of Directors can chair the committee, but should not chair the committee when dealing with the designation of his successor. The CEO should participate to the meetings of the committee when it deals with the remuneration of other executive managers.

The role of the nomination and remuneration committee is to make recommendations to the Board of Directors with regard to the election of directors, the remuneration policy for non-executive directors and the resulting proposals to be submitted to the shareholders' meeting, the remuneration policy for Executive Management, and to review and periodically update an overall remuneration policy for all personnel and directors of the Company. The committee's tasks are further described in the Company's corporate governance charter.

The following directors are members of the nomination and remuneration committee: Edward Erickson, independent director, Mark Myslinski (chairman of the committee) independent director, and ING Belgium NV/SA, represented by Mr. Denis Biju-Duval, non-executive director.

The nomination and remuneration committee is a collegial body, and deliberates and makes decisions as such. The nomination and remuneration committee met 2 times in 2010. All of the committee members attended all of the committee meetings.

3.1.6. Process For Evaluating the Board, its Committees, and its Individual Directors

Every year the Board of Directors will, under the lead of its Chairman, assess its size, composition, performance and those of its committees, as well as the contribution of each director.

This evaluation process has five objectives:

- assessing how the Board of Directors and its committees operate,
- checking that the important issues are suitably prepared and discussed,
- checking the Board's and committees' current composition against the desired composition,
- evaluating the actual contribution of each director's work, the director's presence at Board and committee meetings and his involvement in discussions and decision-making, and
- evaluating whether the fees and costs of the full Board and individual directors is in line with the performance of the Company and the performance of the individual director

The Chairman can organize an individual meeting with each director to discuss these items, including the director's own performance and the performance of his colleague directors. The conclusions resulting from these individual meetings will be submitted to the Board by the Chairman.

An individual evaluation of each director will be conducted every year as part of the global evaluation of the Board and each time the Board considers his or her nomination for reappointment by the General Shareholders' Meeting. The non-executive directors should assess their interaction with the Executive Management at least once a year. To this end they will meet at least once a year in the absence of the executive directors.

3.2. Executive Management

The Board of Directors has appointed the Executive Management of the Company. The terms of reference of the Executive Management have been determined by the Board of Directors in close consultation with the CEO.

Effective April 26, 2010 Dr. Jan Groen was appointed as CEO of MDxHealth.

The key management positions in 2010 are illustrated below:

3.2.1. Chief Executive Officer

The CEO is appointed, and can be removed, by the Board of Directors of the Company.

The CEO is charged by the Board of Directors with the day-to-day management of the Company and is therefore also managing director of the Company. In this function, the CEO has the following general responsibilities:

- the implementation of the decisions of the Board of Directors, within the strategy, planning, values and budgets approved by the Board of Directors,
- overseeing the different central departments and business units of the Company, and reporting to the Board of Directors on their activities,
- the development of proposals for the Board of Directors relating to strategy, planning, finances, operations, human resources and budgets, and other matters that are to be dealt with at the level of the Board of Directors.

The specific tasks of the CEO are further described in the Company's corporate governance charter.

3.2.2. Other Members of Executive Management

The other members of the Executive Management, being the heads of the main activities and central departments (and their divisions) of MDxHealth, are appointed and removed by the CEO in close consultation with the Board of Directors of the Company.

The main tasks of the Executive Management are to organize their department in accordance with the guidelines determined by the CEO and to report to the CEO on the operation and activities of their department.

3.2.3. Composition of the Management Team

The composition of the Management Team is set out below and reflects the situation at the date of this report.

Name	Position	Age on Dec 31, 2010
Dr. Jan Groen*	Chief Executive Officer (CEO)	**51**
Mr. Philip Devine*	Chief Financial Officer (CFO)	**44**
Dr. James Clark*	Vice-President of Research & Development	**42**
Mr. Joe Sollee*	Vice-President of Corporate and Legal Affairs	**46**
Mr. Christopher Thibodeau*	Vice President of Commercial Operations	**40**
Dr. Melissa A. Thompson	Vice-President Regulatory Affairs and Quality Systems	**56**

**: For Corporate Governance purposes, these managers are designated as executive managers whereas the full list above is designated as the management team.*

The Executive Management does not constitute an executive committee (*comité de direction / directiecomité*) within the meaning of article 524bis of the Belgian Company Code.

Following are biographies of the Executive Management.

Dr. Jan Groen, Chief Executive Officer
Dr. Jan Groen joined MDxHealth in April 2010 and has more than 25 years of experience in the clinical diagnostics industry, with a particular focus on emerging technologies, product development and commercialization. Dr. Groen was previously the president of Agendia, Inc. and COO of Agendia B.V., responsible for their United States and European diagnostic operations, respectively. Prior to this, he served as VP of Research & Development at Focus Diagnostics, Inc., a subsidiary of Quest Diagnostics, in California. Dr. Groen has held numerous management and scientific positions at ViroClinics B.V., the Erasmus Medical Center, and Akzo-Nobel. Dr. Jan Groen is a supervisory Board Member of IBL International B.V.

Dr. Groen holds a Ph.D. degree in Medical Microbiology from the Erasmus University Rotterdam, a BSc in Clinical Laboratory Studies and has published more than 125 papers in international scientific journals in the field of clinical diagnostics.

Mr. Philip Devine, Chief Financial Officer
Mr. Devine (representing Decofi sprl) joined MDxHealth at the inception of the Company as a co-founder. Prior to joining MDxHealth, Mr. Devine served as CFO of Tibotec-Virco, where he managed the sale of this bio-tech company to Johnson & Johnson. Previously, he was a manager at the management consulting firm McKinsey & Company and an auditor at Deloitte & Touche, where he conducted numerous mergers and acquisitions, led initial public offerings, and served both small and Fortune 500 companies.

Mr. Devine earned his CPA license in Massachusetts, an MBA degree with honors from INSEAD, an MSA degree with highest honors from Bentley College and a BA degree from Dartmouth College.

Dr. James Clark , Vice President of Research & Development
James Clark joined MDxHealth in November 2010. Dr. Clark has in the past been extensively involved in the development and commercialization of biomarkers and companion diagnostics within both GSK-Biologicals and Response Genetics. At GSK-Biologicals he was Technology group head for cancer vaccines and was involved in the development of a companion diagnostic. At Response Genetics, as Chief Operating Officer, he led the team that successfully applied for CLIA laboratory and test certification as well as CE marking of products in Europe.

James Clark holds a Ph.D. in Biochemistry from Glasgow University in Scotland and a BSC in Microbiology from Heriot–Watt University in Edinburgh.

Mr. Joseph Sollee, Vice President of Corporate and Legal Affairs
Mr. Sollee has provided legal counsel to MDxHealth since its inception in 2003, and in April 2008 joined the Management Team. Prior to joining the Company, Mr. Sollee served as Special Counsel with the law firm of Kennedy Covington (now K&LGates), where he led the Life Sciences Practice Group. Mr. Sollee has more than 10 years of experience in the biotech industry, and has held senior legal and management positions at Triangle Pharmaceuticals and TherapyEdge. In addition, he has practiced as a corporate attorney in the Washington D.C. legal firm Swidler & Berlin and as an investment banker at Smith Barney in New York.

Mr. Sollee received a Juris Doctorate in Law and a Masters degree in International Law from Duke University, a BA degree from Harvard University, and has been awarded New York, Washington D.C. and North Carolina legal bar certifications.

Mr. Christopher Thibodeau, Vice President of Commercial Operations
Chris Thibodeau joined MDxHealth in September 2010 and brings over 15 years of sales, marketing and commercial leadership experience in the diagnostics arena. As Vice President Commercial Operations, he is responsible for developing and executing MDxHealth's key strategic sales & marketing and business development initiatives. Prior to joining MDxHealth, Mr. Thibodeau served as Senior Director of Marketing at Agendia Inc., Vice President of Sales and Marketing for Numira Biosciences, National Director of Sales U.S. LABS (an industry leader in cancer diagnostic and genomic testing services); and sales and marketing management roles at Ventana Medical.

Mr. Thibodeau holds a BA degree from the East Stroudsburg University in Pennsylvania and studied French at the Faculté des Lettres in Nancy, France.

Dr. Melissa A. Thompson, CT (ASCP), Vice President of Regulatory Affairs & Quality System

Melissa joined MDxHealth in August 2010 and has more than 25 years of experience in the pharmaceutical, medical device, and molecular diagnostics industries. She has provided extensive consultative services in diagnostics to leading companies such as Johnson & Johnson, Wyeth, Inverness, and Affymetrix, as well start-ups like Signature Genomic Laboratories, Prognomix, Allegro Diagnostics, and ExonHit Therapeutics. She has fostered multiple products through U.S. Food and Drug Administration approval, and has additional background in clinical research and clinical trial design.

Melissa Thompson holds a Ph.D. in Organizational Management from Concordia University and an MBA from Temple University, Philadelphia, PA.

Litigation statement concerning the management

The Company is not aware of any conviction of any member of the Executive Management in the previous five years for fraud or indictable offences, or of any involvement in bankruptcy, late payment, or forced liquidation. Each Executive Management Team member has represented that he or she has not been convicted in the previous five years for fraud or indictable offences, or of any involvement in bankruptcy, late payment, or forced liquidation.

3.2.4. 2010 Remuneration Report

The following report has been prepared by the remuneration and nomination committee and approved by the Board of Directors of MDxHealth. The report is prepared in accordance with appendix F 9.3/2 of the 2009 Belgian Corporate Governance Code.

3.2.4.1 Procedure for (i) developing a remuneration policy for non-executive directors and executive managers and (ii) setting the level of remuneration for nonexecutive directors and executive managers

The Board of Directors proposes to the annual general shareholders' meeting an aggregate remuneration package that corresponds to market practice and expectations for small, listed companies in the biotechnology field.

The non-executive directors are remunerated based on a pre-defined fixed per diem fee for attendance per Board meeting or per Board committee meeting. The fee level is the per diem approved at the last general shareholders' meeting concerning this matter. A record of Board attendance is maintained by the secretary to the Board of Directors, this record is then double-checked by the Board of Directors and confirmed by the acceptance of the Board minutes. The independent or formerly-independent directors, who have not held an executive position within the Company, also receive a fixed annual retainer fee in addition to the per diem fee for attending Board or Board committee meetings.

Non-executive Board Members who provide services to the Company outside of the formal Board meetings or Board committee meetings, must have their work and fees pre-approved by the non-conflicted members of the remuneration and nomination committee. The fee level must be less than the per diem fee level for attendance to the Board meetings and Board committee meetings. These fees are then submitted for approval at the ensuing annual general shareholders' meeting. During the course of 2010, only 2 non-executive directors received fees in addition to the fixed annual retainer fee and the per diem fee for attendance to Board or Board committee meetings. Dr. Karin Dorrepaal received EUR 3,000 and Mr. Robert Timmins received fees of EUR 12,000 of such service fees in 2010. These services were rendered during the first quarter of 2010 when the Company needed extra assistance in the change of the business model of the Company. Dr. Karin Dorrepaal continues to be a director of MDxHealth and Mr. Bob Timmins was not re-nominated at the May 2010 shareholders' meeting. Annually, the nomination and remuneration committee reviews the fee levels paid to directors and compares them to fee levels paid at other comparable companies.

Grants of warrants to directors are recommended by the non-conflicted members of the nomination and remuneration committee, reviewed by the Board of Directors and submitted to the general shareholders' meeting for approval. Non-executive directors may be entitled to warrants. Such warrants must be approved by a general shareholders' meeting. The warrants are used to attract, motivate, and retain key talent at the director level. The number of warrants granted to non-executive directors has remained low compared to the number of total outstanding security instruments. The information on the warrants held by the directors is disclosed

in section 3.3. Non-executive directors are not entitled to bonuses, fringe benefits or pension benefits.

Executive directors are remunerated in the same manner as executive managers. These individuals receive a fixed remuneration plus a variable bonus that is linked to their personal achievements and the achievements of the Company. They do not receive any additional remuneration for the exercise of their Board mandate. The CEO has a variable bonus and a fixed annual bonus of EUR 22,000. The fixed remuneration level, the variable bonus, and the objectives are reviewed by the nomination and remuneration committee, compared to industry and market levels, and confirmed by the Board of Directors. The Board of Directors sets the Company objectives and the personal objectives of the CEO. The CEO sets the personal objectives of the other executive managers. The CEO recommends grants of warrants, bonuses and changes, if any, in the fixed remuneration of executive managers to the nomination and remuneration committee. The nomination and remuneration committee reviews these recommendations and compares them to industry and market practices. The nomination & remuneration committee then proposes the warrant grants, bonuses and remuneration changes, if any, to the Board of Directors for approval.

For the executive director positions, the nomination and remuneration committee proposes remuneration changes and bonuses, if any to the Board of Directors for approval. The remuneration policy of directors was modified in the course of the reported year. The remuneration package approved at the annual general shareholders' meeting of May 28, 2010 is EUR 15,000 as an annual retainer fee for independent directors or former independent directors who have not held executive positions at the Company, plus the following additional fee per meeting held:

- EUR 3,000 per attendance at a Board or committee meeting by the chairman of the Board
- EUR 2,000 per attendance of a Board or committee meeting for independent directors or former independent directors who have not held executive positions at the Company
- EUR 1,000 per attendance at a Board or committee meeting for any other director
- The chairman of the audit committee shall receive EUR 2,500 per attendance at a meeting of the audit committee.

The above-mentioned amounts are on a full day basis and the effective fee per meeting is a pro rata in case the meeting does not last a full day apart from the above remuneration, directors will be entitled to a reimbursement of out-of-pocket expenses actually incurred to participate to Board meetings. Travel expenses will be reimbursed at economy class rate, except where pre-approved otherwise. The directors' mandate may be terminated "ad nutum" (at any time) without any form of compensation. MDxHealth has not made any loans to the members of the Board of Directors.

3.2.4.2 Remuneration policy for executive managers:

The remuneration of the members of the Executive Management is determined by the Board of Directors upon recommendation by the nomination and remuneration committee, after recommendation by the CEO to such committee.

The remuneration of the Executive Management is designed to attract, retain and motivate executive managers. The level and structure of the remuneration are subject to an annual review by the nomination and remuneration committee to take into account market practice. The annual review does not provide mechanisms for automatic adjustments, except for changes that are legally required.

The remuneration of the members of the Executive Management consists of the following elements:

- Each member of the Executive Management is entitled to a basic fixed remuneration designed to fit responsibilities, relevant experience and competences, in line with market rates for equivalent positions.
- The Company pays a variable remuneration dependent on the Executive Management member meeting individual and/or team objectives.
- Each member of the Executive Management may be offered the possibility to participate in a stock based incentive scheme, in accordance with the recommendations set by the nomination and remuneration committee, after recommendation by the CEO to such committee.
- Each member of the Executive Management who is a salaried employee may be entitled to a number of fringe benefits, which may include participating in a defined contribution pension or retirement scheme, disability insurance, a company car, a mobile telephone, internet access and/or a laptop computer according to general Company policy, and other collective benefits (such as hospitalization insurance and meal vouchers).

In 2010, all the members of the Executive Management (excluding the CFO) were engaged on the basis of an employment contract. The employment contracts are generally for an indefinite term, with a trial period. The

employment contracts may be terminated at any time by the Company, subject to a severance payment in line with market standards. The employment contracts include, where appropriate, non-competition undertakings, as well as confidentiality and IP transfer undertakings (that will try to seek maximum protection of the Company's interests, under applicable laws and subject to the employee's agreement).

In 2010, the CFO was engaged on the basis of a service arrangement. This service contract can be terminated at any time, subject to certain pre-agreed notice periods or compensations. Executive members who are engaged on the basis of a services contract do not receive fringe benefits, except that they may be provided with a mobile phone and laptop computer according to general Company policy, and they qualify for reimbursement of expenses incurred while carrying out their professional responsibilities.

A majority of the Executive Management Team was hired in the course of 2010 and as such did not perform a full year of services in 2010.

Remuneration of executive managers is based on their experience, know-how, education, skills, responsibilities, and performance. The remuneration is closely linked to performance. Bonuses, if any, are linked to identifiable objectives and to special projects. Non-performers are not retained in the Company. The majority of the annual remuneration is a fixed compensation amount. There is no minimum nor maximum variable bonus. Warrants can periodically be awarded to employees, primarily as a retention and motivation tool. Warrants typically vest over time (subject to the beneficiary remaining with the Company) and can only be exercised after a specific period of time, except where the Company decides otherwise. There was no significant change in the remuneration policy in 2010. No bonuses were awarded to the Management Team in 2010, with the exception of the CEO.

3.2.4.3 Non-executive director remuneration and other benefits:

The following table provides the 2010 compensation of the non-executive directors in function at the date of this document

Name	Position[1]	Pro-rata of annual retainer fee[2] (EUR K)	Board meeting attendance fees (EUR K)	Committee attendance fees (EUR K)	Other services[3] (EUR K)	Total[4] (EUR K)
Edward Erickson	NED - Chairman Board	9	10	1	0	20
Karin Dorrepaal	NED – member AC	9	9	1	3	22
Raphael Wisniewski	NED – member AC	-	4	1	0	5
Denis Biju-Duval	NED – member AC & NRC	-	4	1	0	5
Mark Myslinski	NED – Chairman NRC	9	5	1	0	15
Hilde Windels	NED – Chairman AC	9	7	1	0	17
Total for current non-executive Board Members		36	39	6	3	84

Notes:

1: "NED" = Non-Executive Director, "ED" = Executive Director, "AC" = Audit Committee, "NRC" = Nomination & Remuneration Committee.

2: Fixed annual retainer fees were commenced on May 28, 2010 following the shareholder approval of the new remuneration policy for directors

3: Karin Dorrepaal was remunerated on a per diem basis for extra work to assist the Board and Company.

4: Excludes expense reimbursement and warrants. 15,000 new warrants were granted to non-executive directors in 2010 (5,000 to Edward Erickson, 5,000 to Mark Myslinski, and 5,000 to Hilde Windels). No other form of remuneration exists for directors.

During the course of 2010, the composition of the Board of Directors was changed. The table bellow provides remuneration paid to directors who resigned during 2010. All the directors below are non-executive directors, with the exception of Herman Spolders bvba who was the former CEO of the Company.

Name	Position[1]	Pro-rata of annual retainer fee[2] (EUR K)	Board meeting attendance fees (EUR K)	Committee attendance fees (EUR K)	Other services[3] (EUR K)	Total[4] (EUR K)
Robert Timmins	NED – Chairman Board, Chairman NRC	–	3	0	12	15
Herman Spolders bvba	ED	-	2	0	0	2
Alain Parthoens	NED – member AC	4	7	1	0	12
Bob Pinedo	NED – member NRC	-	1	0	0	1
Gerard Vaillant	NED – member NRC	-	5	0	0	5
Total for resigned directors		4	18	1	12	35

Notes:

1: "NED" = Non-Executive Director, "ED" = Executive Director, "AC" = Audit Committee, "NRC" = Nomination & Remuneration Committee.

2: Fixed annual retainer fees were commenced on May 28, 2010 following the shareholder approval of the new remuneration policy for directors.

3: Robert Timmins was remunerated on a per diem basis for extra work to assist the Board and Company.

4: Excludes expense reimbursement and warrants. No warrants were granted to directors who resigned in 2010. No other form of remuneration exists for these directors.

During the course of 2010, the Company has not deviated from its remuneration policy for the non-executive directors. The total remuneration and benefits paid to the all directors (both executive and non-executive directors, and including the CEO remuneration) in 2010, 2009, and 2008 was EUR 436,000, EUR 519,000, and EUR 518,000 respectively (gross amount, excluding VAT and stock based compensation).

On May 23, 2006, the Board of Directors decided, with application of Article 523 of the Belgian Company Code, that the Company will indemnify the directors against any claim by a third party based on directors' liability, except in the event of gross negligence and willful misconduct. Therefore the Company has taken out directors' liability insurance. The insurance policy was renewed in 2010.

3.2.4.4 Executive director remuneration and other benefits:

Remuneration earned by the CEO for the reported year

Dr. Jan Groen was hired as CEO starting April 26, 2010. His is remunerated on the basis of his Executive Management position and not for his position as an executive director of the Company. Excluding the value of warrants, the remuneration and benefits provided to the CEO in 2010 were comprised of the following for the eight months of service in 2010:

	Euro (EUR) thousands
Fixed gross remuneration[1]	278
Bonuses paid and awarded(gross)[2]	15
Pension benefits	9
Other benefits[3]	15
Total	**317**

Notes:

1: Total cost to the Company, Including employer social security contributions and vacation pay accrual .

2: Excludes value of 30,000 warrants the Board of Directors has agreed to issue to the CEO as a bonus for 2010 performance. These warrants have not yet been issued as of the date of this report.

3: Includes company-paid housing, company car, meal vouchers, and other similar benefits. Excludes reimbursement of normal professional expenses such as telephone and company travel expenses. Excludes value of 130,000 warrants already created, issued, and accepted in 2010.

Dr. Jan Groen holds no shares in the Company but upon being hired in 2010 he was granted 130,000 new warrants in the Company. The warrants were granted at the extraordinary general shareholders' meeting of June 21, 2010 and have the following characteristics:

- Exercise price of EUR 2.07 (one option gives right to buy one share)
- Vesting: straight-line on a quarterly basis over 4 years (no vesting if less than one year of service or employment is provided)
- Duration of options: 5 years

The IFRS share-based compensation of the stock options granted in 2010 amounts to EUR 137,000.

At the Board meeting of December 7, 2010, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2010:

- EUR 15,000 (pro-rata of the fixed annual bonus of EUR 22,000)
- 30,000 new warrants (employee stock options) to become immediately vested upon issuance of the options. At the date of this report, these warrants have still not been created nor issued. The exercise price will be based on the 30-day average market price prior to their issuance. The IFRS value of these warrants cannot be calculated at the date of this report

During the course of 2010, the Company has not deviated from its remuneration policy for the executive director.

3.2.4.5 Remuneration earned by the other Executive Managers

The 2010 combined remuneration package of the 4 other Executive Management Team members (excluding the CEO), including employer taxes, was EUR 559,000. Some of these managers were hired in 2010 and were only employed for part of the year.

	Euro (EUR) thousands
Fixed gross remuneration[1]	503
Bonuses paid and awarded (gross)[2]	0
Pension benefits	10
Other benefits[3]	46
Total	**559**

Notes:

1: Includes employer taxes and vacation pay accrual. Excludes VAT.

2: Excludes value of warrants the Board of Directors has agreed to issue to certain other executive managers. These warrants have not yet been issued as of the date of this report.

3: Includes for some individuals a company car, meal vouchers, and other similar benefits. Excludes reimbursement of normal professional expenses such as telephone and company travel expenses.

The 2010 combined remuneration package of the 4 other Executive Management Team members (excluding the CEO), including employer taxes, was EUR 559,000. Several of these managers were hired in 2010 and were only employed for part of the year. The total remuneration and benefits paid to the Executive Management Team members (including the CEO) in 2010, 2009 and 2008 was EUR 0.9 million, EUR 2.19 million, and EUR 1.97 million, respectively (gross amount, excluding VAT and stock based compensation). In the aforementioned figures, the service fees and Board fees of the managers hired on the basis of a service agreement are included with the salaries of the other Management Team members. The total amount paid in 2010 decreased compared to previous years due to (i) the size of the Management Team was reduced from 10 to 5 individuals in 2010, and (ii) several of the Management Team members in 2010 only served for a part of the year.

The total service fees paid to the CEO in 2010, 2009 and 2008 were EUR 317 thousand, EUR 366 thousand, and EUR 405 thousand, respectively (gross amount, excluding VAT and stock based compensation). The current CEO only served for 8 months of the year in 2010.

In 2010, no warrants were issued to the other executive managers. However, the Company has contractually agreed to issue new warrants to certain managers. Upon hiring certain executive managers in 2010 and during the Board meeting of December 7, 2010, the Board agreed to grant new warrants (employee stock options) to certain managers of the Company. The total number of warrants for other executive managers is The Company and the Board have committed to issue new warrants to senior managers, as listed below, but as of the date of this report they have still not been created nor issued.

Mr. Christopher Thibodeau:	65,000 ("Other Executive Manager")
Dr. Melissa Thompson:	20,000 (Management Team member)
Mr. Joseph Bigley:	20,000 (other manager)
Dr. James Clark:	20,000 ("Other Executive Manager")
Mr. Joseph Sollee:	20,000 ("Other Executive Manager")
Bioinformatrix bvba, represented by Dr. Wim van Criekinge:	20,000 (other manager)
Decofi sprl, represented by Mr. Philip Devine:	30,000 ("Other Executive Manager")

When created and issued these warrants will likely have the following characteristics:

- Exercise price based on the 30-day market average price in the period preceding their creation (one warrants shall entitle its owner to acquire one share);
- Vesting: straight-line on a quarterly basis over 4 years (no vesting if less than one year of service or employment is provided) although the vesting period may start on a date earlier than the date of the creation and issuance of the warrants;
- Duration of warrants: 10 years.

In the course of 2010, no warrants or other rights were exercised by or lapsed for the executive managers. In the course of 2010, no bonus was paid to the other executive managers, other than the CEO. During the course of 2010, the Company has not deviated from its remuneration policy for the executive managers.

3.2.4.6 Special provisions of the contractual relationship of the Executive Managers

None of the executive managers has a contractual agreement to receive more than 12 months' remuneration in case of severance. The Company has not materially deviated from its remuneration policy during the financial reported year.

3.3. Shares and Warrants Held by Directors and Executive Management

The tables below provide an overview of the shares and warrants held by the non-executive directors and by Executive Management.

While some of the institutional shareholders also serve as a Board Members (see sections 3.1.4 and 4.8), none of their respective permanent representatives own any shares or warrants in the Company. As far as is known by the Company, the non-executive directors hold the following financial instruments in MDxHealth:

As at Dec 31, 2010	Shares		Warrants		Total shares and warrants	
	Number	% of total shares outstanding	Number	% of fully diluted shares	Number	% of fully diluted shares
Mr. Edward Erickson	0	0.00%	5,000	0.04%	5,000	0.04%
Mr. Mark Myslinksi	0	0.00%	5,000	0.04%	5,000	0.04%
Mrs. Hilde Windels	0	0.00%	5,000	0.04%	5,000	0.04%
Dr. Karin Dorrepaal	0	0.00%	15,000	0.11%	15,000	0.11%
Total	**0**	**0.00%**	**30,000**	**0.23%**	**30,000**	**0.23%**

The table below provides an overview of the shares and warrants held by the Executive Management, including the executive directors. The numbers mentioned in the table below do not include the warrants referred to in section 3.2.4.6 that have not yet been created and/or issued but which the Company has agreed to create and issue to the executive managers as set forth therein.

As at Dec 31, 2010	Shares		Warrants		Total shares and warrants	
	Number	% of total shares outstanding	Number	% of fully diluted shares	Number	% of fully diluted shares
Dr. Jan Groen[1]	0	0.00%	130,000	0.95%	130,000	0.95%
Other Executive Managers[1]	10,000	0.08%	42,190	0.31%	52,190	0.38%
Other members of the Management Team[1]	0	0%	0	0%	0	0%
Total	**10,000**	**0.08%**	**172,190**	**1.26%**	**182,190**	**1.33%**

(1) The other executive managers and members of the Management Team are identified in section 3.2.3 above.

As disclosed in section 3.2.4.6, the Board in 2010 has awarded 135,000 warrants to the 4 other executive managers, however these warrants have not yet been created nor issued. These warrants are not included in the above table but if they had been issued would represent 0.97% of the fully diluted number of shares. As disclosed in section 3.2.4.6, the Board in 2010 has awarded 20,000 warrants to another member of the Management Team, however these warrants have not yet been created nor issued. These warrants are not included in the above table.

3.4. Internal Control And Risk Management Systems

The Company has implemented a number of standard control and management systems for a company of its size and industry sector.

At the Board of Directors level, there is a periodic review and approval of the following main topics:

- Overall strategy and strategic options
- 5-year business plan and company goals
- Ensuing year budget and targets
- Comparison of actual results and budgeted figures
- Material in-licensing and out-licensing opportunities and deals
- Material supplier, contractor, and partnership opportunities and deals
- Hiring, motivation, and retention of key talent
- Remuneration and benefits
- Review and approval of press releases
- Financial statements
- Internal controls

Management of the Company is organized on the basis of plans, departments, projects, and corresponding budgets and targets. Progress on the core projects, budgets, and plans are reviewed on a periodic basis. The management has clearly aligned responsibilities as described in the job descriptions which are prepared for all employees of the Company.

A set of measures has been taken to assure the quality of the financial and management information, amongst others:

- the appointment of qualified personnel in key positions with all entities of the Company;
- the definition of a set of standard procedures for key activities such as steps for the approval, purchasing and payment of services and goods;
- the request for the external auditors to pay special attention to areas with specific company and industry risk;
- the request for specialized consultants to assist in designing and/or reviewing key procedures, systems, or reports;
- the audit committee or individual directors periodically review and are consulted on key matters and procedures and when needed external specialist assistance is sought.

A significant part of the Company's funds are spent on research and development projects. To ensure control and management of such projects, the Company has a number of measures, amongst others:

- use of design-control procedures in the development of all products
- each project has its specific development plan which is periodically updated and reviewed
- R&D and commercial services are performed in an ISO-certified laboratory
- external experts are used for advising on the projects (market research studies, scientific advisory Board, clinical advisors, etc.)
- both in-house and external intellectual property specialists manage the IP portfolio
- audits of its laboratory facilities are performed by external specialists and by big pharmaceutical companies using the Company's services
- environmental, safety, and security permits are obtained where necessary and staff is trained on relevant procedures

The legal department of MDxHealth under supervision of the CEO, together with the Management Team has set up internal procedures in order to ensure that acts performed within or by the Company are in compliance with the existing laws and external regulations. The management is also responsible to comply with internal regulations and the Board of Directors is ensuring that the management is respecting the general policies and the corporate plans.

The risks, which the Company is subject to, have been discussed at the start of this document. Risks with respect to infrastructure – such as fire, unwanted access and power failures – have been minimized by taking appropriate measures. For assets which are crucial for the continuity of the Company, being it equipment for R&D or stored human samples, measures have been taken to minimize the risk of loss or destruction of such assets. Next to avoiding risks in this respect, where possible, insurance has been taken to cover loss of these assets, always based however on an economical justification whereby the risk is evaluated against the price to insure the risk. With respect to complying with regulations concerning safety at work, working with biotechnological material and environmental matters in general, appropriate measures were taken within the Company to guarantee compliance with these regulations and to operate with and within the required permits in this respect.

The IT department is responsible for the continuity of the platforms used by the Company to support its operations as well as for the implementation of system access controls

and safely storing data. Appropriate measures were taken to assure the continuity of the operations of the Company taking into account the requirements of the different departments.

All employees of the Company are instructed on the rules and policies of the Company via a booklet of work rules, the terms of their employment contracts, standard operating procedures defined by task/area, and by numerous documents (such as the Dealing Code) that are distributed and explained to the personnel. The directors and key consultants are subjected to the same standard procedures and rules when and where appropriate.

The IP-portfolio, for the protection of knowledge and proprietary technology, is actively managed by evaluating on a regular basis the costs to maintain such protection versus the benefits of doing this. Furthermore it is clearly communicated to employees on how to deal with confidential information (and rules are in place on how to share such information with third parties.

The Board periodically reviews and provides instructions to the Management Team on how to manage credit risks, interest risks, exchange risks, and liquidity risks. As an example, the Board has given instructions on what type of financial instruments the Company can place its cash and on which it is not allowed to do so. The management also seeks external specialized advice on managing such risks.

3.5. Compliance With And Deviations From The 2009 Belgian Corporate Governance Code

MDxHealth has adopted the 2009 Belgian Corporate Governance Code as its reference code. It complies to a large extent with the provisions of this Code, but believes that certain deviations are justified in view of the Company's specific situation. In line with the "comply-or-explain" principle of said Code, it should be noted that MDxHealth does not fully comply with the following provisions:

- Given the size of the Company, no internal audit function exists at this time.
- Given the size of the Company, the Board will strive to include a majority of independent Board Members on the audit committee and on the nomination and remuneration committee, but may deviate from such a majority of independents on such committees if, in the reasonable opinion of the Board, a different composition can bring more relevant experience and expertise to such committee. In 2010, the audit committee was only composed of one independent director who is also the chairman of the committee.
- Although, according to the 2009 Code, non-executive directors should not be entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits, the Board of Directors is however of opinion that, for a company of the size of MDxHealth, it may be necessary to issue warrants to non-executive directors, with a view to attracting directors with the relevant expertise and experience. All non-executive directors currently have been awarded warrants.

3.6. Conflicts of Interest and Related Parties

Article 523 of the Belgian Company Code provides for a special procedure within the Board of Directors in the event of a possible conflict of interest of one or more directors with one or more decisions or transactions by the Board of Directors. In the event of a conflict of interest, the director concerned has to inform his fellow directors of his conflict of interest in advance of the conflict and must act in accordance with relevant rules of the Company Code. For an overview of the various conflicts of interest, please refer to the statutory report of the Board of Directors (section 6.4).

Article 524 of the Belgian Company Code provides for a special procedure that applies to intra-group or related party transactions with affiliates. The procedure applies to decisions or transactions between the Company and affiliates of the Company that are not a subsidiary of the Company. It also applies to decisions or transactions between any of the Company's subsidiaries and such subsidiaries' affiliates that are not a subsidiary of the Company. The procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions, and transactions or decisions with a value of less than 1% of the consolidated net assets of the Company. Such transactions have not occurred.

Presently, MDxHealth is not aware of any potential conflict of interest between the duties that the members of its Board of Directors and of its Management Team owe to MDxHealth, on the one hand, and their private interests or other duties, on the other hand.

3.7. Dealing Code

The rules and procedures that apply when Board Members and executive managers deal in MDxHealth securities are defined in the Company's Dealing Code. The code prohibits Board Members and executive managers from dealing with MDxHealth securities during periods prohibited by applicable laws and regulation or during specific closed periods announced by the Company. The dealing code is available in its entirety on the Company's website (www.MDxHealth.com).

3.8. Statutory Auditor

BDO Réviseurs d'Entreprises Soc. Civ. SCRL, a civil company, having the form of a cooperative company with limited liability (*société coopérative à responsabilité limitée/ coöperatieve vennootschap met beperkte aansprakelijkheid*) organized and existing under the laws of Belgium, with registered office at Da Vincilaan 9, 1935 Zaventem, Belgium, represented by Mr. Bert Kegels was re-appointed on May 29, 2009 as the statutory auditor of the Company for a term of 3 years ending immediately after the closing of the annual shareholder's meeting to be held May 25, 2012. BDO has been the statutory auditor since January 10, 2003. Mr. Bert Kegels has represented BDO since May 29, 2009.

The proposal of the Board of Directors to elect the auditor is submitted to the general shareholders' meeting upon proposal by the audit committee.

The statutory auditor and, as the case may be, the auditor responsible for the audit of the consolidated financial statements, confirms annually in writing to the audit committee his or her independence from the Company, discloses annually to the audit committee any additional services provided to the Company, and discusses with the audit committee the threats to his or her independence and the safeguards applied to mitigate those threats as documented by him or her.

The Company paid EUR 62 thousand in fees to the auditor in 2010. The fees are broken down as follows:

- statutory audit fee of EUR 31 thousand
- audit fee for consolidated and stand-alone financials of EUR 25 thousand
- other missions for EUR 6 thousand.

4. The Company, *Its shares and Shareholders*

4.1. Name, Registered Office and Incorporation

The Company was incorporated on January 10, 2003 under the name OncoGenome Sciences (and later OncoMethlylome Sciences) for an unlimited duration. At the occasion of the extraordinary general shareholders' meeting held on October 5, 2010 the Company's name was changed into MDxHealth. The Company has the legal form of a public limited liability company (*société anonyme – SA / naamloze vennootschap – NV*) organized and existing under the laws of Belgium. Pursuant to the Belgian Company Code, the liability of the shareholders is limited to the amount of their respective committed contribution to the capital of the Company. The Company's registered office is located at Tour 5 GIGA, Avenue de l'Hôpital 11, B-4000 Liège, Belgium.

The Company is registered with the Registry of Legal Persons (*registre des personnes morales – RPM / rechtspersonenregister – RPR*) under company number RPM/RPR 0479.292.440 (Liège).

4.2. Company Purpose

The corporate purpose of MDxHealth is set forth in article 3 of its articles of association and reads as follows:

The Company's corporate purpose is to engage in Belgium and abroad, in its own name and on behalf of third parties, alone or in collaboration with third parties, in the following activities:

- all forms of research and development on or involving biological cells and organisms (including gene methylation) and chemical compounds, as well as the industrialization and commercialization of the results thereof;
- the research and development of biotechnological or derivative products that could have a market value in applications related to human and animal healthcare, diagnostics, pharmacogenomics and therapeutics, based amongst other things on the technology of genetics, genetic engineering and detection, chemistry and cell biology;
- the commercialization of the aforementioned products and application domains;
- the acquisition, disposal, exploitation, commercialization and management of intellectual property, property and usage rights, trade marks, patents, drawings, licenses and any other form of know how.

The Company is also authorized to engage into all commercial, industrial, financial and real estate transactions, which are directly or indirectly related to, or that may be beneficial to the achievement of, its corporate purpose.

It can, by means of subscription, contribution, merger, collaboration, financial participation or otherwise, take interests or participate in any company, existing or to be incorporated, undertakings, businesses and associations in Belgium or abroad.

The Company can manage, re-organize or sell these interests and can also, directly or indirectly, participate in the Board, Management, control and dissolution of companies, undertakings, business and associations in which it has an interest or a participation.

The Company can provide guarantees and security interests for the benefit of these companies, undertakings, businesses and associations, act as their agent or representative, and grant advances, credit, mortgages or other securities.

4.3. History of Share Capital

At the end of 2010, the issued capital of MDxHealth amounted to EUR 10,517,661.90 represented by 13,185,614 common shares without nominal value.

No new shares were issued in 2010. The Extraordinary General Shareholders' meeting of June 21, 2010 approved the formal reduction of the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and neutralization) of (accumulated) sustained losses as demonstrated from the approved annual accounts as per December 31, 2009, without reducing the total number of issued and outstanding shares, in order to improve the ratio of the Company's net assets vis-à-vis its share capital. Therefore, the share capital was reduced by EUR 43,483,535.37, bringing the share capital from EUR 54,001,197.27 to EUR 10,517,661.90.

The table and notes below provide an overview of the history of MDxHealth's share capital since its incorporation.

Date	Transaction	Number of shares issued	Issue price per share (EUR)	Issue price per share post stock-split (EUR)	Capital increase (EUR)	Share capital after transaction (EUR)	Share Issuance Premium after transaction (EUR)	Aggregate # of shares after capital increase
Incorporation								
Jan 10, 2003	Incorporation [1]	202,975	0.30	0.06	61,500.00	61,500.00	0	202,975
Phase I Financing Round December 20, 2002 (Preferred A Shares)								
Feb 7, 2003	Capital increase in cash [2]	197,025	20.00	4.00	3,940,500.00	4,002,000.00	0	400,000
June 30, 2003	Capital increase in cash [3]	33,333	20.00	4.00	666,660.00	4,668,660.00	0	433,333
Sep 30, 2003	Capital increase in cash [4]	218,139	22.31	4.46	4,866,681.09	9,535,341.09	0	651,472
June 20, 2004	Capital increase in cash [5]	195,504	23.87	4.77	4,666,680.48	14,202,021.57	0	846,976
Phase II Financing Round October 19, 2005 (Preferred B Shares)								
Oct 28, 2005	Capital increase in cash [6]	375,000	24.00[7]	4.80[7]	9,000,000.00	23,202,021.57	0	1,221,976
Mar 31, 2006	Capital increase in cash [8]	193,548	31.00	6.20	5,999,988.00	29,202,009.57	0	1,415,524
Stock Split								
May 23, 2006	Stock split 5/1	/	/	/	/	/	0	7,077,620
Initial Public Offering and Exercise of Over-Allotment Warrants								
June 30, 2006	Capital increase in cash [9]	2,933,334	7.50	7.50	22,000,005.00	51,202,014.57	0	10,010,954
June 30, 2006	Capital decrease [10]	/	/	/	-10,217,809.00	40,984,205.57	0	10,010,954
June 30, 2006	Capital increase through exercise of warrants [11]	440,000	7.50	7.50	1,817,200.00	42,801,405.57	1,482,800.00	10,450,954
Exercise of Warrants								
Apr 18, 2007	Capital increase through exercise of warrants [12]	182,560	4.70	4.70	747,666.16	43,549,071.73	1,593,731.31	10,633,514
Private Placement								
Oct 19, 2007	Capital increase in cash [13]	1,063,351	10.00	10.00	4,354,954.02	47,904,025.75	7,872,287.29	11,696,865
Exercise of Warrants								
Oct 25, 2007	Capital increase through exercise of warrants [14]	50,837	4.73	4.73	208,202.93	48,112,228.68	7,904,487.77	11,747,702
Exercise of Warrants								
Apr 24, 2008	Capital increase through exercise of warrants [15]	61,120	4.59	4.59	250,316.96	48,362,545.64	7,934,871.81	11,808,822
Nov 5 , 2008	Capital increase through exercise of warrants [16]	19,375	4.73	4.73	79,350.31	48,441,895.95	7,947,140.25	11,828,197
Private Placement								
Dec 18, 2008	Capital increase in cash [17]	1,332,877	6.29	6.29	5,458,797.75	53,900,693.70	10,872,138.83	13,161,074
Exercise of Warrants								
Apr 17, 2009	Capital increase through exercise of warrants [18]	24,540	4.49	4.49	100,503.57	54,001,197.27	10,881,808.74	13,185,614
Reduction of Share Capital								
June 21, 2010	Share Capital reduction [19]	/	/	/	/	10,517,661,90	10,881,808.74	13,185,614
Current Situation								
Per statutory accounts						10,517,661,90	10,881,808.74	13,185,614
Per IFRS consolidated accounts [20]						10,517,661,90	10,881,808.74	13,185,614

Notes

(1) The shares were subscribed to by BBL NV/SA (ING Belgium NV/SA) (202,974 shares) and PolyTechnos Venture Fund II GmbH & Co KG (1 share). On January 30, 2003, 200,000 shares were transferred to the management and consultants of the Company. Of these 200,000 shares, 199,999 shares were transferred by BBL NV/SA (ING Belgium NV/SA) and 1 share was transferred by PolyTechnos Venture Fund II GmbH & Co KG.

(2) The shares were subscribed to by BBL NV/SA (ING Belgium NV/SA) (97,025 shares), PolyTechnos Venture Fund II GmbH & Co KG (11,833 shares), PolyTechnos Venture Fund II LP (47,500 shares), PolyTechnos Venture Fund Beteiligungs GmbH (6,667 shares), PolyTechnos Partners & Team GmbH (667 shares), Technowal SA (16,667 shares), Société d'Investissement du Bassin Liégois (SIBL) SA (8,333 shares and Société de Développement et de Participation du Bassin de Liège (Meusinvest) SA (8,333 shares). At the same occasion, two different classes of shares were created, i.e., the common shares and the preferred A shares. All shares issued at this occasion and 2,975 shares issued at incorporation were reclassified as preferred A shares. The remaining 200,000 shares are common shares.

(3) The shares were all subscribed to by Life Sciences Partners II B.V.

(4) The shares were subscribed to by ING Belgium NV/SA (89,646 shares), PolyTechnos Venture Fund II GmbH & Co KG (4,997 shares), PolyTechnos Venture Fund II LP (20,062 shares), PolyTechnos Venture Fund Beteiligungs GmbH (2,816 shares), PolyTechnos Partners & Team GmbH (281 shares), Technowal SA (14,940 shares), SIBL SA (7,471 shares), Meusinvest SA (7,471 shares), Life Sciences Partners II B.V. (61,490 shares) and Mr. Pierre Hochuli (8,965 shares).

(5) The shares were subscribed to by ING Belgium NV/SA (83,787 shares), PolyTechnos Venture Fund II GmbH & Co KG (7,435 shares), PolyTechnos Venture Fund II LP (29,850 shares), PolyTechnos Venture Fund Beteiligungs GmbH (4,190 shares), PolyTechnos Partners & Team GmbH (419 shares), Technowal SA (13,965 shares), SIBL SA (6,982 shares), Meusinvest SA (6,982 shares) and Life Sciences Partners II B.V. (41,894 shares).

(6) The shares were subscribed to by ING Belgium NV/SA (105,658 shares), PolyTechnos Venture Fund II GmbH & Co KG (9,376 shares), PolyTechnos Venture Fund II LP (37,641 shares), PolyTechnos Venture Fund Beteiligungs GmbH (5,284 shares), PolyTechnos Partners & Team GmbH (528 shares), Technowal SA (19,484 shares), Meusinvest SA (9,742 shares), Life Sciences Partners II B.V. (58,453 shares), Mr. Pierre Hochuli (3,834 shares), BioDiscovery II FCPR (100,000 shares), Innovation Discovery 3 FCPI (10,500 shares), Sogé Innovation Evolution 2 FCPI (9,750 shares) and Sogé Innovation Evolution 4 FCPI (4,750 shares).

(7) The issue price was EUR 24 (or EUR 4.80 after stock split), being EUR 16.77 (or EUR 3.35 after stock split), being the fractional value of the shares, increased with EUR 7.23 (or EUR 1.45 after stock split), being the issue premium, per share. The total amount of the issue premium was immediately incorporated in the share capital of the Company.

(8) This capital increase was executed pursuant to and in accordance with the terms and conditions of an agreement entered into on October 19, 2005 with respect to the Phase II financing round. The shares were subscribed to by ING Belgium NV/SA (54,533 shares), PolyTechnos Venture Fund II GmbH & Co KG (2,420 shares), PolyTechnos Venture Fund II LP (9,714 shares), PolyTechnos Venture Fund Beteiligungs GmbH (14,996 shares), PolyTechnos Partners & Team GmbH (137 shares), Technowal SA (10,056 shares), Meusinvest SA (5,028 shares), Life Sciences Partners II B.V. (30,169 shares), Mr. Pierre Hochuli (1,979 shares), BioDiscovery II FCPR (51,613 shares), Innovation Discovery 3 FCPI (5,419 shares), Sogé Innovation Evolution 2 FCPI (5,032 shares) and Sogé Innovation Evolution 4 FCPI (2,452 shares).

(9) On May 23, 2006, the general shareholders' meeting of the Company decided to increase the Company's share capital with the issuance of new shares in connection with an initial public offering. The capital increase was completed on June 30, 2006. At the same time, all existing shares of the Company were converted into ordinary shares.

(10) On May 23, 2006, the general shareholders' meeting of the Company decided to decrease the Company's share capital with an amount of EUR 10,217,809 through incorporation of losses. The capital decrease was completed on June 30, 2006.

(11) On May 23, 2006, the general shareholders' meeting of the Company decided to create an over-allotment warrant. The over-allotment warrant was granted to ING Belgium NV/SA and Fortis Bank NV/SA to cover over-allotments in connection with the initial public offering by the Company. On June 30, 2006, the share capital was increased through exercise of 440,000 over-allotment warrants and the issuance of 440,000 new ordinary shares.

(12) On April 18, 2007, 182,560 new shares were issued for an aggregate issue price of EUR 858,597.47 with respect to the exercise of warrants in March 2007. The exercised warrants were vested warrants related to the Warrant Plans of 2004, 2005, and March 2006 which had been granted to employees, directors, and consultants.

(13) On October 19, 2007, 1,063,351 new shares were issued for an aggregate issue price of EUR 10,633,510.00 with respect to a private placement of new shares with institutional and qualified investors.

(14) On October 25, 2007, 50,837 new shares were issued for an aggregate issue price of EUR 240,403.19 with respect to the exercise of warrants in September 2007. The exercised warrants were vested warrants related to the Warrant Plans of 2004, 2005, March 2006, November 2007, and April 2007 which had been granted to employees, directors, and consultants.

(15) On April 24, 2008, 61,120 new shares were issued for an aggregate issue price of EUR 280,701.00 with respect to the exercise of warrants in March 2008. The exercised warrants were vested warrants related to the Warrant Plans of 2004 and March 2006 which had been granted to employees and consultants.

(16) On November 5, 2008, 19,375 new shares were issued for an aggregate issue price of EUR 91,618.75 with respect to the exercise of warrants in September 2008. The exercised warrants were vested warrants related to the Warrant Plans of 2004, 2005, and March 2006 which had been granted to employees, directors and consultants

(17) On December 18, 2008, 1332,877 new shares were issued for an aggregate issue price of EUR 8,383,796.33 with respect to a private placement of new shares with institutional and qualified investors.

(18) On April 17, 2009, 24,540 new shares were issued for an aggregate issue price of EUR 110,173.48 with respect to the exercise of warrants in March 2009. The exercised warrants were vested warrants related to the Warrant Plans of 2004 and March 2006 which had been granted to employees and consultants.

(19) On June 21, 2010, the Extraordinary General Shareholders' meeting approved the formal reduction of the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and neutralization) of (accumulated) sustained losses as demonstrated from the approved annual accounts as per December 31, 2009, without reducing the total number of issued and outstanding shares, in order to improve the ratio of the Company's net assets vis-à-vis its share capital. Therefore, the share capital was reduced by EUR 43,483,535.37, bringing the share capital from EUR 54,001,197.27 to EUR 10,517,661.90.

(20) For the consolidated IFRS accounts, the IPO expenses of June 30, 2006 and the expenses of the private placement of October 2007and December 2008 were recorded as a reduction in the share capital, whereas they were recorded as an expense for the statutory accounts.

4.4. Authorized Capital

By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the Board of Directors has been expressly authorized to increase the share capital in one or more transactions with an amount of up to EUR 10,517,661.90 (the "Authorized Capital Amount"), subject to certain limitations and conditions described below. The Board of Directors can exercise this power for a period starting on the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the *Annexes to the Belgian Official Gazette* and ending on the date of the annual general shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011. This authorization may be renewed in accordance with the relevant legal provisions.

The capital increases to which can be decided according to this authorization, can take place in accordance with the modalities that are to be decided by the Board of Directors, including by means of contribution in cash or in kind, within the limits as permitted by the Belgian Company Code, through conversion of reserves and issuance premiums, with or without issuance of new shares, with or without voting rights, through issuance of convertible bonds, subordinated or not, through issuance of warrants or bonds to which warrants or other tangible values are attached, and/or through issuance of other securities, such as shares in the framework of a stock option plan.

In the framework of the use of its powers within the framework of the authorized capital, the Board of Directors can limit or cancel the preferential subscription right of the shareholders in the interest of the Company, subject to the limitations and in accordance with the conditions provided for by the Belgian Company Code. This limitation or cancellation can also occur to the benefit of the employees of the Company and its subsidiaries, and, to the extent permitted by law, to the benefit of one or more specific persons that are not employees of the Company or its subsidiaries.

The power of the Board of Directors to increase the share is subject to the following special restrictions and conditions:

a. The Board of Directors is authorized to increase the share capital for whatever purpose or whatever transaction that the Board of Directors deems appropriate or necessary provided and to the extent that the total amount of funds raised (consisting of capital contribution and issuance premium) does not exceed EUR 18,000,000.

b. As soon as the Board of Directors will have increased the share capital, in one or more transactions, for an amount equal to the maximum amount provided above, then the Board of Directors can only, to the extent possible, further increase the share capital in one or more transactions beyond this initial maximum amount, provided that such increase is approved by at least two thirds of the members of the Board of Directors, and provided further that the increase takes place within the framework of any of the following transactions: (i) the issuance of stock based remuneration or incentive plans, such as stock option plans, stock purchase plans or other plans, for directors, management and personnel of the Company or its subsidiaries or (ii) the issuance of financial instruments in consideration of the acquisition of shares, assets and liabilities or combinations of shares, assets and liabilities of companies, undertakings, business and associations or (iii) the issuance of financial instruments in consideration of the acquisition of licenses or rights on intellectual property (whether registered or unregistered intellectual property rights, or applications thereof), such as patents, copyrights, data base rights and design rights, and know-how or trade secrets or (iv) the issuance of financial instruments in consideration of entering into partnerships or other business associations.

By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the Board of Directors has also been expressly authorized to increase the share capital in one or more transactions following a notification by the Belgian Banking, Finance and Insurance Commission that it has been informed of a public takeover bid on the Company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more well defined persons who are not employees of the Company) or through contributions in kind, with issuance of shares, warrants or convertible bonds, subject to the terms and conditions provided for in the Belgian Company Code. The Board of Directors can exercise this power for the same period as mentioned above.

At the date of this document, the Board of Directors has not used the above described (renewed) powers under the authorized capital.

4.5. Rights Attached to Shares

4.5.1. Dividend Rights

All shares participate in the same manner in the Company's profits (if any). Pursuant to the Belgian Company Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent audited statutory financial statements, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Company's Board of Directors. The Company's articles of association also authorize the Board of Directors to issue interim dividends on profits of the current financial year subject to the terms and conditions of the Belgian Company Code.

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory financial statements (i.e., the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as prepared in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital, increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the share capital.

The right to payment of dividends on registered and dematerialized shares expires five years after the Board of Directors declared the dividend payable.

4.5.2. Preferential Subscription Rights

In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or warrants, the shareholders have a preferential right to subscribe to the new shares, convertible bonds or warrants, pro rata of the part of the share capital represented by the shares that they already have. The general shareholders' meeting can decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders can also decide to authorize the Board of Directors to limit or cancel the preferential subscription right within the framework of the authorized capital, subject to the terms and conditions set forth in the Belgian Company Code.

4.5.3. Voting Rights

Each shareholder of the Company is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote of its shareholding exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

4.5.4. Rights to Participate and Vote at Shareholder's Meetings

Annual general shareholders' meeting

The annual general shareholders' meeting is held at the registered office of the Company or at the place determined in the notice convening the shareholders' meeting. The meeting is held every year on the last Friday of May at 10 a.m. At the annual general shareholders' meeting, the Board of Directors submits the audited statutory and consolidated financial statements and the reports of the Board of Directors and of the statutory auditor with respect thereto to the shareholders. The shareholders' meeting subsequently decides on the approval of the statutory financial statements, the proposed allocation of the Company's profit or loss, the discharge from liability of the directors and the statutory auditor, and, when applicable, the (re-)appointment or resignation of the statutory auditor and/or of all or certain directors and their remuneration. Other items may also be put on the agenda of the annual general shareholders' meeting for the shareholders to resolve upon. In addition, as relevant, the annual general shareholders' meeting must also

decide on the approval of provisions of service agreements to be entered into with executive directors, members of the management committee and other executives providing (as the case may be) for severance payments exceeding 12 months' remuneration (or, subject to a motivated opinion by the remuneration committee, 18 months' remuneration). As from the annual meeting to be held in 2012, shareholders' meeting must also decide separately on the approval of the remuneration report included in the annual report.

Special and extraordinary general shareholders' meetings

The Board of Directors or the statutory auditor can, at any given time when the interest of the Company so requires, convene a special or extraordinary general shareholders' meeting. Such shareholders' meeting must also be convened every time one or more shareholders holding at least 20% of the Company's share capital so demand. Shareholders that do not hold at least 20% of the Company's share capital do not have the right to have the general shareholders' meeting convened. Shareholders that hold at least 5% of the Company's share capital can, however, submit to the Board of Directors proposals to add or amend agenda items for the general shareholders' meeting. Such proposals must be submitted sufficiently in advance to the convening of the general shareholders' meeting.

Notices convening the general meeting

The notice convening the general shareholders' meeting must indicate the agenda, place, date, and time of the meeting, and the proposed resolutions that will be submitted to the meeting. The meeting cannot deliberate and vote on items that are not mentioned on the agenda, unless all shareholders are present or represented and decide unanimously to place such items on the agenda. In the absence of a registration date (see below), the notice must be published in (i) the *Annexes to the Belgian Official Gazette*, (ii) a newspaper with nationwide distribution in Belgium and (iii) the website of MDxHealth at least 24 days prior to the meeting (or, if a second meeting is required and if the date of the second meeting was mentioned in the notice convening the first meeting, at least 17 days prior to the registration date for the second meeting). A publication in the *Annexes to the Belgian Official Gazette* and on the website of MDxHealth suffices for notices convening the annual general shareholders' meeting if such meeting takes place in Liège and on the place, date and hour referred to above and if the agenda is limited to the submission of the financial statements, the reports of the Board of Directors and statutory auditor relating thereto, and the discharge from liability of the directors and statutory auditor. The holders of registered shares, warrants and bonds are personally notified by letter at least 15 days prior to the meeting.

Formalities to attend the general meeting

All holders of shares, warrants or bonds (if any) issued by the Company can attend shareholders' meetings. Only shareholders, however, can vote at shareholders' meetings. In order to attend the general shareholders' meeting, holders of dematerialized instruments must deposit a certificate issued by a recognized account holder with the clearing agency for the financial instruments concerned or the clearing agency itself, confirming the number of financial instruments that have been registered in the name of the holder concerned and stating that these financial instruments are blocked until after the date of the general meeting. The certificate must be deposited at the Company's registered office or any other place indicated in the notice convening the shareholders' meeting at the latest four business days prior to the meeting. Holders of bearer instruments in physical form must deposit their financial instruments at the Company's registered office or any other place indicated in the notice convening the shareholders' meeting within the same term. Holders of registered instruments must be registered in the relevant register book and, where applicable, can be requested to inform the Board of Directors at the latest four business days prior to the shareholders' meeting whether they will attend the shareholders' meeting.

Registration date

The articles of association also allow the Board of Directors to specify a registration date in the notice convening the shareholders' meeting. If the Board of Directors decides to set a registration date in the notice, only shareholders who have shares at 24:00 hours (Central European Time, GMT+1) on the registration date may participate and vote with such shares at the shareholders' meeting, regardless of the number of shares that they hold on the actual date of the shareholders' meeting. The specified registration date can be no earlier than 15 calendar days, and no later than 5 business days, before the date of the shareholders' meeting. If the Board of Directors decides to set a registration date, the notice convening the shareholders' meeting must be published (i) in the *Annexes to the Belgian Official Gazette*, (ii) a newspaper with nationwide distribution in Belgium and (iii) the website of MDxHealth at least 24 days prior to the registration date (or, if a second meeting is required and if the date of the second meeting was mentioned in the notice convening the first meeting, at least 17 days prior to the registration date for the second meeting).

Power of attorney

Each shareholder has the right to attend a general shareholders' meeting and to vote at the general shareholders' meeting in person or through a proxy holder. The proxy holder does not need to be a shareholder. The Board of Directors can request the participants to the meeting to use a model of power of attorney (with voting instructions), which must be deposited at the Company's registered office at least four business days prior to the meeting.

Quorum and majorities

In general, there is no quorum requirement for a general shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present and represented. Capital increases not decided by the Board of Directors within the framework of the authorized capital, decisions with respect to the Company's dissolution, mergers, de-mergers and certain other reorganizations of the Company, amendments to the articles of association (other than an amendment of the corporate purpose), and certain other matters referred to in the Belgian Company Code do not only require the presence or representation of at least 50% of the share capital of the Company but also the approval of at least 75% of the votes cast. An amendment of the Company's corporate purpose, requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

4.6. Anti-Takeover Provisions

4.6.1. Takeover bids

Public takeover bids on MDxHealth's shares and other voting securities (such as warrants or convertible bonds, if any) are subject to the supervision by the CBFA. Public takeover bids must be made for all of MDxHealth's voting securities, as well as for all other securities that entitle the holders thereof to the subscription to, the acquisition of or the conversion in new voting securities. Prior to making a bid, a bidder must issue and disseminate a prospectus, which must be approved by the CBFA. The bidder must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of MDxHealth.

In addition, as soon as a person or group of persons acting in concert, holding more than 30% of the voting securities issued by MDxHealth would (whether through an acquisition or a subscription etc.) be holding more than 30% of the voting right bearing securities, the outstanding voting rights bearing or voting rights conferring securities of MDxHealth will become subject to a takeover bid, at a price compliant with the provisions of the Belgian takeover legislation.

There are several provisions of Belgian Company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings (see under Section 4.7 below) and merger control, that may apply to MDxHealth and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Company's shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

In addition, the Board of Directors of Belgian companies may in certain circumstances, and subject to prior authorization by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (within the framework of the authorized capital – see Section 4.4 above) or through share buy-backs (i.e., purchase of own shares).

Normally, the authorization of the Board of Directors to increase the share capital of the Company within the authorized capital through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the Company by the CBFA of a public takeover bid on the securities of the Company. The general shareholders' meeting can, however, authorize the Board of Directors to increase the share capital by issuing shares in an amount of not more than 10% of the existing shares of the Company at the time of such a public takeover bid. Such authorization has been granted to the Board of Directors of the Company by decision of the extraordinary shareholders' meeting on February 18, 2011.

The Board of Directors of MDxHealth was not granted the authorization to purchase own shares in case of a threatening serious disadvantage to the Company.

4.6.2. Squeeze out

Pursuant to article 513 of the Belgian Company Code, or the regulations promulgated thereunder, a person or entity, or different persons or entities acting alone or in concert, who, together with the Company, own 95% of the securities conferring voting rights in a public company, can acquire the totality of the securities conferring (potential) voting rights in that company following a squeeze-out offer. The shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the offer, the Company is no longer deemed a public company, unless bonds issued by the Company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value as to safeguard the interests of the transferring shareholders.

4.6.3. Sell-out Right

Holders of securities conferring (potential) voting rights may require an offeror who, acting alone or in concert, following a takeover bid, owns 95% of the voting capital or 95% of the securities conferring voting rights in a public company to buy their securities at the price of the bid, upon the condition that the offeror has acquired, through the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

4.7. Notification of Important Participation

The Belgian Company Code, applicable legislation and the Company's articles of association provide that every natural person or legal entity acquiring or transferring shares or other financial instruments of a listed company that entitle the holder thereof to voting rights, whether or not representing the Company's share capital (such as warrants, stock options, or automatic convertible bonds, if any), must , within four Euronext business days following the transaction, notify the Company and the CBFA of the total number of financial instruments that he or she holds each time where, as a result of the acquisition or transfer, the total number of voting financial instruments exceeds or falls below a threshold of 3%, 5%, 10% or 15% (or every subsequent multiple of 5%) of the total number of financial instruments of the at the moment of the transaction.

All persons acting individually must make the notification. It must also be made by affiliated persons or persons acting in concert with respect to the holding, acquisition or transfer of voting financial instruments. In that event, the voting financial instruments of the affiliated persons or persons acting in concert must be combined for the purpose of determining whether a threshold is passed. The forms to make the aforementioned disclosures, as well as further explanations can be found on the website of the CBFA (www.cbfa.be).

The CBFA and the commercial court can suspend voting rights attached to voting financial instruments that have not been disclosed in accordance with the foregoing provisions. In addition, the president of the commercial court can also order the sale of the financial instruments to a third party. In any event, shareholders cannot vote at shareholders' meetings with more voting rights than they have notified in accordance with the above rules at least 20 days prior to a shareholders' meeting.

4.8. Shareholdership

The table below provides an overview of the shareholders that have notified the Company of their ownership of MDxHealth securities. The overview is based on the most recent transparency declarations submitted to the Company.

Shareholder (or Party representing shareholders)	Number of shares	% of outstanding shares	Situation as of	Notification received
IDinvest Partners (ex-AGF Private Equity)	794,912	6.03%	Dec 18, 2008	Dec 18,2008
APG Algemene Pensioen Groep NV	559,102	4.24%	Feb 3, 2010	Feb 10, 2010
Life Sciences Partners II BV	1,411,195	10.70%	Sept 1, 2008	Oct 17, 2008
Edmond de Rothschild Investment Partners	1,263,915	9.59%	Dec 18, 2008	Dec 18, 2008
ING Belgium NV/SA (private equity dept)	2,147,610	16.29%	Aug 4, 2009	Aug 4 2009
Fortis Investment Management	481,539	3.65%	Mar 13, 2009	Mar 16,2009
Total of Notified Shares	**6,658,273**	**50.50%**		
Total Outstanding Shares	**13,185,614**	**100.00%**		

4.9. Warrants

This section provides an overview of the outstanding warrants as of December 31, 2010. The warrants were created within the context of stock based incentive plans for employees, directors and consultants of the Company.

On May 12, 2004, the shareholders' meeting of the Company issued 30,000 warrants pursuant to a stock option plan. According to this stock option plan, the warrants are granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 5 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. 29,750 of these warrants have been granted to the beneficiaries under the stock option plan. The 250 remaining warrants became null and void on June 30, 2004. In the course of 2006, 500 warrants (out of the 29,750 that were granted) were moreover cancelled (technically, have become definitively unexercisable) following the departure of an employee of OncoMethylome Sciences BV, bringing the total of outstanding warrants under this stock option plan to 29,250 at December 31, 2006. In the course of 2007, 12,617 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 16,633 at December 31, 2007. In the course of 2008, 8,125 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 8,508 at December 31, 2008. In the course of 2009, 4,508 of these warrants were exercised and 4,000 of these warrants expired without being exercised and were thus terminated. At December 31, 2008, all warrants under this plan have been exercised or terminated. No warrants remain exercisable or grantable under this stock option plan.

On July 12, 2005, the Company's Board of Directors issued 15,000 warrants pursuant to a stock option plan in the framework of the authorized capital. All these warrants were granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 5 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. 15,000 of these warrants have been granted to the beneficiaries under the stock option plan. During the course of 2007, 9,900 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 5,100 at December 31, 2007. In the course of 2008, 2,500 of these warrants were exercised,

bringing the total of outstanding warrants under this stock option plan to 2,600 at December 31, 2008. In the course of 2009, none of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 2,600 at December 31, 2009. In the course of 2010, none of these warrants were exercised, and the non-exercised warrants expired bringing the total of outstanding warrants under this stock option plan to zero at December 31, 2010. No warrants remain exercisable or grantable under this stock option plan.

On March 8, 2006, the Board of Directors of the Company approved an additional stock option plan providing for the issuance of up to 66,700 warrants of the Company. The warrants are granted for free to employees, directors and independent service providers of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants. The warrants have a term of 10 years. They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service. The shareholders' meeting of the Company has issued 66,700 warrants pursuant to this stock option plan on March 22, 2006. All these 66,700 warrants have been granted to the beneficiaries under the stock option plan. During the course of 2007, 2,000 of these warrants were cancelled (technically, have become definitively unexercisable) following the departure of the beneficiaries prior to the vesting of the warrants. Also during the course of 2007, 24,100 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 40,600 at December 31, 2007. During the course of 2008, 1,337 additional warrants were cancelled and 5,474 were exercised, bringing the total of outstanding warrants under this stock option plan to 33,789 at December 31, 2008. During the course of 2009, 1,100 additional warrants were cancelled and 400 were exercised, bringing the total of outstanding warrants under this stock option plan to 32,288 at December 31, 2009. During the course of 2010, no warrants were exercised nor cancelled, bringing the total of outstanding warrants under this stock option plan to 32,288 at December 31, 2010. No warrants remain grantable under this stock option plan.

At the shareholders' meeting of May 23, 2006, it was decided that, as a result of the stock-split, each existing warrant at that date, upon the exercise thereof, would entitle the owner thereof to five (5) new shares.

On November 8, 2006, the Board of Directors issued 47,500 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Euronext Brussels during a term of 30 days prior to the date of their grant, or any other price determined by the Board of Directors. The exercise price can, however, never be lower than the fractional value of the shares. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. All 47,500 warrants have been granted and accepted. During the course of 2007, 938 of these warrants were cancelled (technically, have become definitively unexercisable) following the departure of the beneficiaries prior to vesting of the warrants. Also during the course of 2007, 187 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 46,375 at December 31, 2007. During the course of 2008, no further warrants were cancelled nor exercised, leaving the total of outstanding warrants unchanged at 46,375 at December 31, 2008. During the course of 2009, no further warrants were cancelled and no further warrants were exercised, leaving the total of outstanding warrants at 46,375 at December 31, 2009. During the course of 2010, 2,718 warrants were cancelled and no further warrants were exercised, leaving the total of outstanding warrants at 43,657 at December 31, 2010. No warrants remain grantable under this stock option plan.

On April 18, 2007, the Board of Directors issued 55,100 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. All 55,100 warrants have been granted and accepted. During the course of 2007,

125 of these warrants were exercised, bringing the total of outstanding warrants under this stock option plan to 54,975 at December 31, 2007. During the course of 2008, 3,812 warrants were cancelled, bringing the total of outstanding warrants to 51,163 at December 31, 2008. During the course of 2009, 738 warrants were cancelled, bringing the total of outstanding warrants to 50,425 at December 31, 2009. During the course of 2010, 6,314 warrants were cancelled and no further warrants were exercised, leaving the total of outstanding warrants at 44,111 at December 31, 2010. No warrants remain grantable under this stock option plan.

On May 25, 2007, the shareholders' meeting of the Company issued 50,000 warrants to directors and a consultant of the Company pursuant to a stock option plan. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 5 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. All 50,000 warrants have been granted and accepted. The total outstanding warrants under this stock option plan were 50,000 at December 31, 2009. During the course of 2010, 10,313 warrants were cancelled and no warrants were exercised, leaving the total of outstanding warrants at 39,687 at December 31, 2010. No warrants remain grantable under this stock option plan.

On May 30, 2008, the Board of Directors issued 61,000 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. 49,000 warrants have been granted and accepted. The remaining 12,000 warrants became null and void on May 30, 2008. During the course of 2008, 875 of these warrants were cancelled, bringing the total of outstanding warrants under this stock option plan to 48,125 at December 31, 2008. During the course of 2009, 8,625 of these warrants were cancelled, bringing the total of outstanding warrants under this stock option plan to 39,500 at December 31, 2009. During the course of 2010, 7,188 warrants were cancelled and no further warrants were exercised, leaving the total of outstanding warrants at 32,312 at December 31, 2010. No warrants remain grantable under this stock option plan.

On January 27, 2009, the Board of Directors issued 120,500 warrants under the framework of the authorized capital for the benefit of the employees of the Company and its subsidiaries. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 10 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. 116,600 warrants have been granted and accepted. The remaining 3,900 warrants became null and void on January 27, 2009. During the course of 2010, 22,657 warrants were cancelled and no further warrants were exercised, leaving the total of outstanding warrants at 93,943 at December 31, 2010. No warrants remain grantable under this stock option plan.

On June 21, 2010, the shareholders' meeting of the Company issued 145,000 warrants to directors of the Company pursuant to a stock option plan. Each warrant entitles its holder to subscribe to one share of the Company. The warrants are granted for free and can be exercised at a price equal to the average closing price of the Company's shares as listed on Euronext Brussels during a term of 30 days prior to the date of their grant. The warrants have a term of 5 years and become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. All 145,000 warrants have been granted and accepted. The total outstanding warrants under this stock option plan were 145,000 at December 31, 2010. No warrants remain grantable under this stock option plan.

The table below gives an overview (as at December 31, 2010) of the stock option plans described above. The table should be read together with the notes referred to below.

Grant	Issue date	Grant date	Term (years)	Number of warrants issued(1)	Number of warrants granted(1)	Number of warrants exercised(1)	Exercice price (EUR)(2)	Cancelled warrants(3)	Outstanding warrants
2004	May 12	May 12	5	150,000	148,750	126,250	4,46	22,500	0
2005	July 12	July 12	5	75,000	75,000	62,000	4,77	13,000	0
2006(I)	March 22	March 22	10	333,500	333,500	149,870	4,80	22,190	161,440
2006(II)	November 8	October 2	10	47,500	47,500	187	7,72	3,656	43,657
2007(I)	April 18	January 4	10	55,100	55,100	125	10,87	10,864	44,111
2007(II)	May 25	May 25	5	50,000	50,000	0	11,42	10,313	39,687
2008	May 30	May 30	10	61,000	49,000	0	9,10	28,688	32,312
2009	January 27	January 2	10	120,500	116,600	0	6,32	26,557	93,943
2010	June 21	June 21	5	145,000	145,000	0	2,07	0	145,000
Total				**1,037,600**	**1,020,450**	**338,432**		**137,768**	**560,150**

(1) For easy reference, the number of warrants has already been multiplied by five (5) to take into account the 5-for-1stock split impacting only warrants granted and created before May 2006. As a consequence of the stock split, one (1) warrant will entitle the owner thereof to five (5) shares.

(2) For easy reference, the exercise price has already been divided by five (5) to take into account the 5-for-1stock split impacting only warrants granted and created before May 2006.

(3) Cancelled due to non-grant of certain warrants or due to departure of beneficiary prior to vesting of warrants.

4.10. Outstanding financial instruments

The table below provides an overview of the issued and outstanding voting financial instruments at December 31, 2010. The numbers below take into account the stock split (shares and warrants) decided upon by the shareholders' meeting of May 23, 2006.

(A) Actual voting rights attached to:	Number of voting rights
Shares issued prior to January 1, 2010	13,185,614
Total A	**13,185,614**

(B) Potential future voting rights attached to shares representing the share capital to be issued upon the exercise of warrants that have already vested:	
Warrants issued on May 12, 2004	0
Warrants issued on July 12, 2005	0
Warrants issued on March 22, 2006	161,400
Warrants issued on November 8, 2006	43,657
Warrants issued on April 18, 2007	42,594
Warrants issued on May 25, 2007	37,187
Warrants issued on May 30, 2008	21,812
Warrants issued on January 27, 2009	48,661
Warrants issued on June 21, 2010	0
Total B	**355,351**
Total (A) + (B)	**13,540,965**

(C) Potential future voting rights attached to shares representing the share capital to be issued upon the exercise of warrants that have not yet vested and are still conditional:	
Warrants issued on May 12, 2004	0
Warrants issued on July 12, 2005	0
Warrants issued on March 22, 2006	0
Warrants issued on November 8, 2006	0
Warrants issued on April 18, 2007	1,517
Warrants issued on May 25, 2007	2,500
Warrants issued on May 30, 2008	10,500
Warrants issued on January 27, 2009	45,282
Warrants issued on June 21, 2010	145,000
Total C	**204,799**
Total (A) + (B) + (C)	**13,745,764**

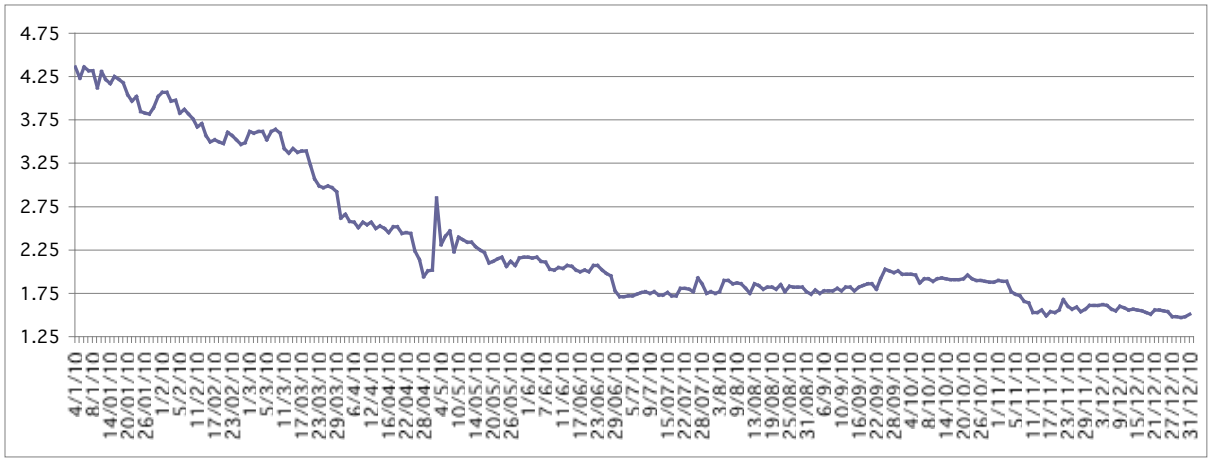
As mentioned in section 3.2.4.5, the Company has in 2010 entered into commitments to create and issue up to 195,000 new warrants. At the date of this document, these 195,000 new warrants have not yet been created nor issued (and are not included in the above table).

4.11. Paying Agent Services

The financial service for the shares of the Company is provided by ING Bank. Shareholders should inform themselves about the costs that other financial intermediaries may charge in connection with paying agency services.

4.12. Share Price Evolution

MDxHealth share price evolution in 2010 is illustrated in the table below.



The table below depicts the highest and lowest quarterly share price and the average daily volume in 2010.

MDxHealth (Brussels + Amsterdam)	1Q10	2Q10	3Q10	4Q10	FY10
High Price	4.34 EUR	2.83EUR	2.01 EUR	1.95 EUR	4.34 EUR
Low Price	2.60 EUR	1.69EUR	1.69 EUR	1.45 EUR	1.45 EUR
Average daily volume	12,736	43,369	28,298	25,673	27,506

5. Audited Consolidated *Financial Statements*

5.1. Consolidated annual accounts

The following consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU. The accounting policies and notes are an integral part of these consolidated financial statements. The following consolidated accounts differ from the statutory annual accounts of the Company, which have been prepared in accordance with Belgian GAAP.

The financial statements in this section 5 of the Registration Document have been approved and authorized for issue by the Board of Directors at its meeting of February 18, 2011. The financial statements have been signed by Dr. Jan Groen, executive director, on behalf of the Board of Directors. The financial statements will be submitted to the shareholders for their final approval at the annual general shareholders' meeting in May 2011.

5.1.1. Condensed consolidated statement of comprehensive income

		Years ended December 31		
Thousands of Euro (EUR) except per share amounts	Notes	2010	2009	2008
Product and service income		1,968	1,031	1,403
Government grant income	5.1.5.2	568	1,517	1,621
Revenues		2,536	**2,548**	**3,024**
Cost of goods & services sold		370	179	243
Gross profit		2,166	**2,369**	**2,781**
Research and development expenses	5.1.5.3	6,812	13,089	10,999
Selling, general and administrative expenses	5.1.5.3	3,745	4,011	3,107
Other operating income		131	0	0
Other operating expenses		106	0	1
Total operating charges		10,532	**17,100**	**14,107**
Operating Profit (EBIT)		(8,366)	**(14,731)**	**(11,326)**
Financial income	5.1.5.5	222	450	1,143
Financial expenses	5.1.5.5	85	20	9
Profit/(Loss) before taxes		(8,229)	**(14,301)**	**(10,192)**
Income taxes		24	0	0
Net Profit/(Loss) for the year from continuing operations		(8,253)	**(14,301)**	**(10,192)**
Profit/(Loss) for the year from discontinued operations		0	0	0
Profit/(Loss) for the year from continuing operations		**(8,253)**	**(14,301)**	**(10,192)**

		Years ended December 31		
Thousands of Euro (EUR) except per share amounts	Notes	2010	2009	2008
Other comprehensive income				
Exchange differences arising on translation of foreign operations		6	0	(43)
Other comprehensive income for the year (net of tax)		0	0	(43)
Total comprehensive profit/(loss) for the year (net of tax)		**(8,247)**	**(14,301)**	**(10,235)**
Basic earnings per share (EPS) EUR	5.1.5.7			
Using weighted average number of shares		(0.63)	(1.09)	(0.86)
Using end of period number of shares		(0.63)	(1.08)	(0.77)

5.1.2. Consolidated statement of financial position

ASSETS

		Years ended December 31		
Thousands of Euro (EUR)	Notes	2010	2009	2008
ASSETS				
Intangible assets	5.1.5.8	47	49	1,644
Property, plant and equipment	5.1.5.9	579	1,022	1,429
Financial assets	5.1.5.10	0	500	500
Grants receivable (> 1 year)	5.1.5.12	483	405	1,087
Non-current assets		**1,109**	**1,976**	**4,660**
Grants receivable (< 1 year)	5.1.5.12	771	2,674	2,412
Trade receivables	5.1.5.11	1,058	533	369
Prepaid expenses and other current assets	5.1.5.11	888	1,537	1,010
Cash and cash equivalents	5.1.5.13	10,593	18,032	30,601
Current assets		**13,310**	**22,776**	**34,392**
TOTAL ASSETS		**14,419**	**24,752**	**39,052**

LIABILITIES & SHAREHOLDERS' EQUITY

		Years ended December 31		
Thousands of Euro (EUR)	Notes	2010	2009	2008
EQUITY AND LIABILITIES				
Share capital	5.1.5.15	10,518	51,089	50,989
Issuance premium	5.1.5.15	10,882	10,882	10,872
Accumulated profit/(loss)		(4,572)	(30,842)	(20,650)
Result of the year		(8,253)	(14,301)	(10,192)
Share-based compensation	5.1.5.19	2,151	1,981	1,633
Translation reserves		(3)	(9)	(9)
Total equity		**10,723**	**18,800**	**32,643**
Grants payable (> 1 year)	5.1.5.12	483	406	1,088
Advance on royalties		141	151	164
Long-term lease debt	5.1.5.16	2	0	0
Non-current liabilities		626	557	1,252
Current portion of lease debt	5.1.5.16.	2	0	1
Trade payables	5.1.5.17	1,556	2,681	2,524
Grants payable (< 1 year)	5.1.5.12	786	1,162	1,953
Other current liabilities	5.1.5.17	726	1,552	679
Current liabilities		**3,070**	**5,395**	**5,157**
TOTAL EQUITY AND LIABILITIES		14,419	**24,752**	**39,052**

5.1.3. Consolidated cash flow statement

Thousands of Euro (EUR)	Notes	Years ended December 31 2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Profit/(Loss)		**(8,366)**	**(14,731)**	**(11,326)**
Depreciation, amortization and impairment results	5.1.5.8/9	348	2,298	1,004
Share-based compensation	5.1.5.19	170	348	281
Interest paid		0	0	(3)
(Gain)/Loss on disposal of fixed assets		112		
Income taxes		(24)		
(Increase)/decrease in accounts receivable [1]		1,952	(256)	102
Increase/(decrease) in account payable [2]		(2,321)	(457)	629
Total adjustments		237	1,933	2,013
Net cash provided by/(used in) operating activities		**(8,129)**	**(12,798)**	**(9,313)**
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase)/Sale of financial assets	5.1.5.10	635	0	(500)
Proceed from sale of fixed assets		58		
Interest received	5.1.5.5	87	434	1,075
Other financial profit/(loss)	5.1.5.9	(23)	(20)	62
Purchase of property, plant and equipment	5.1.5.8	(48)	(261)	(223)
Purchase of intangible assets		(23)	(35)	(2,033)
Net cash provided by/(used in) investing activities		**686**	**118**	**(1,619)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on long-term leases		0	(1)	(2)
Proceeds from issuance of shares (net of issue costs)		0	110	8,475
Net cash provided by/(used in) financing activities		0	**109**	**8,473**
Net increase/(decrease) in cash and cash equivalents		**(7,443)**	**(12,571)**	**(2,459)**
Cash and cash equivalents at beginning of year		18,032	30,601	33,103
Effect on Exchange rate changes	5.1.5.13	4	2	(43)
Cash and cash equivalents at end of period		**10,593**	**18,032**	**30,601**

(1) = long term grants receivable + short term grants receivable + trade receivables + prepaid expenses and other current assets

(2) = advance on royalties + long term grants payable + trade payables + short term grants payable + other current liabilities

5.1.4. Consolidated statement of changes in shareholders' equity

Thousands of Euro (EUR)	Attributable to equity holders of the Company					
	Number of shares	Share capital & issuance premium	Retained earnings	Share-based compensation	Translation reserves	Total equity
Balance at January 1, 2008	**11,747,702**	**53,386**	**(20,650)**	**1,352**	**34**	**34,122**
Total comprehensive income			**(10,192)**		**(43)**	**(10,235)**
Issuance of shares	1,413,372	8,756				8,756
SPO costs against capital		(281)				(281)
Share-based compensation				281		281
Balance at December 31, 2008	**13,161,074**	**61,861**	**(30,842)**	**1,633**	**(9)**	**32,643**
Balance at January 1, 2009	**13,161,074**	**61,861**	**(30,842)**	**1,633**	**(9)**	**32,643**
Total comprehensive income			(14,301)		0	(14,301)
Issuance of shares	24,540	110				**110**
Share-based compensation			348			**348**
Balance at December 31, 2008	**13,185,614**	**61,971**	**(45,143)**	**1,981**	**(9)**	**18,800**
Balance at January 1, 2010	**13,185,614**	**61,971**	**(45,143)**	**1,981**	**(9)**	**18,800**
Total comprehensive income			**(8,253)**		**6**	**(8,247)**
Accumulated losses against capital		(40,571)	40,571			0
Share-based compensation				170		170
Balance at December 31, 2010	**13,185,614**	**21,400**	**(12,825)**	**2,151**	**(3)**	**10,723**

5.1.5. Notes to consolidated financial statements

5.1.5.1 General information

MDxHealth SA is a limited liability company incorporated in Belgium.

MDxHealth is a biotechnology company founded in 2003 which is focused on using a novel and proprietary molecular technology for developing and commercializing products and services for personalized oncology medicine to assist physicians with the diagnosis of cancer, prognosis of recurrence risk, and prediction of response to a specific therapy. The Company has in-licensed, discovered and patented an extensive portfolio of technologies and genetic markers which it uses to develop molecular diagnostic products and personalized medicine tests for the oncology market. The research and development work is done both in-house and through collaboration agreements with an extensive international network of leading oncology experts and medical centers. The molecular technology used by the Company is known as "DNA Methylation" and has been widely confirmed by the Company and many independent scientists, doctors, and journals throughout the world.

Since 2003, MDxHealth has licensed-out a number of methylation markers and its technology for specific applications to third-party commercial laboratories or diagnostic kit companies for them to distribute the product. These out-licensed products are primarily cancer screening applications. Starting in 2010, MDxHealth has retained the rights to certain products (primarily personalized medicine applications) which it intends to commercialize itself via a commercial laboratory in the United States. MDxHealth also performs marker discovery, assay development, and clinical trial trials services for pharmaceutical companies in search of a potential companion diagnostic test for their oncology therapy. The MDxHealth group of companies has its parent company, headquarters, and main laboratory in Belgium, but also operates via three wholly-owned subsidiaries in the United States, Belgium and The Netherlands. The operating activities of the Netherlands subsidiary were ceased in the third

quarter of 2010 upon their transfer to the laboratory facilities in Belgium. MDxHealth's registered and main administrative office and assay development facility is based in Liège, Belgium (Tour 5 GIGA, Avenue de l'Hôpital 11, 4000 Liège). MDxHealth, Inc., the Company's U.S. subsidiary, is located at Suite 310, 2505 Meridian Parkway, Durham, North Carolina 27713, United States. MDxHealth PharmacoDx bvba, the Company's Belgian subsidiary, is located at Technologiepark 4, VIB Bio-Incubator, 9052 Zwijnaarde/Ghent, Belgium. The Company's Netherlands subsidiary, OncoMethylome Sciences BV, has its legal address at is located at Tour 5 GIGA, Avenue de l'Hôpital 11, 4000 Liège.

The consolidated financial statements are presented in Euro because that is the currency of the primary economic environment in which the Company operates.

5.1.5.2 Accounting policies

Use of estimates and judgments

MDxHealth's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as adopted by the European Union up to December 31, 2010.

The preparation of financial statements in accordance with IFRSs as adopted by the EU requires the use of certain critical accounting estimates and management judgment in the process of applying the Company's accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the following Notes:

- Note 5.1.5.6.: Taxes
- Note 5.1.5.19: Warrant plans

Basis of preparation and statement of compliance

The principal accounting policies applied in the preparation of the above consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

All amounts are presented in thousands of Euros (EUR) unless otherwise indicated, rounded to the nearest EUR 1.000.

The financial statements have been prepared on the historical cost basis. Any exceptions to the historical cost convention are disclosed in the valuation rules described hereafter.

The financial statements have been established assuming the Company is a going concern. The Company has generated losses since its inception, which is inherent to the current stage of the Company's business life cycle as a biotech company. To date, the Company has ended each year with cash, investments available for sale or committed funding that exceeded more than one year of cash needs. Based on the current cash availability, the Company believes that the future research programs and company activities can be guaranteed for more than one year.

Changes in accounting policy and disclosures

a) New and amended standards adopted by the Group

During the current year, MDxHealth has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period commencing on January 1, 2010. MDxHealth has not applied any new IFRS requirements that are not yet effective in 2010.

The following new Standards, Interpretations and Amendments issued by the International Financial Reporting Interpretations Committee are effective for the current period:

- Improvements to IFRSs (Issued in April 2009);
- IFRS 1 (revised 2009) additional exemptions for first-time adopters;
- IFRS 2 (revised 2009) Share-based Payment – Group Cash-settled Share-based Payment transactions;
- IFRS 3 (revised 2008) Business Combinations – comprehensive revision on applying the acquisition method;
- IAS 27 (revised 2008) Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3;
- IAS 28 (revised 2008) Investments in Associates – Consequential amendments arising from amendments to IFRS 3;

- IAS 31 (revised 2008) Investments in Joint Ventures – Consequential amendments arising from amendments to IFRS 3;
- IAS 39 (revised 2009) Financial Instruments: Recognition and Measurement;
- IFRIC 17 Distribution of Non-cash Assets to Owners;
- IFRIC 18 Transfers of Assets from Customers.

Their adoption has not led to any major changes in MDxHealth's accounting policies.

b) Standards and Interpretations issued but not yet effective in the current period

The Company elected not to early adopt the following new Standards, Interpretations and Amendments, which have been endorsed by the by the EU but are not yet mandatory as per December 31, 2010:

- Improvements to IFRSs (Issued in May 2010);
- IAS 24 (revised 2009) Related Party Disclosures – Revised definition of related parties, applicable for annual periods beginning on or after January 1, 2011;
- IAS 32 (revised 2009) Financial instruments: Presentation – Amendments relating to classification of rights issues, applicable for annual periods beginning on or after February 1, 2010;
- IFRIC 14 Minimum Funding Requirements and their Interaction, applicable for annual periods beginning on or after January 1, 2011;
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, applicable for annual periods beginning on or after July 1, 2010;

None of these are expected to have a significant impact on the financial statement of the Company.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of MDxHealth SA (Belgium legal entity), OncoMethylome Sciences BV (Netherlands legal entity), MDxHealth PharmacoDx BVBA (Belgian legal entity) and MDxHealth Inc. (United States legal entity) made up to December 31, each year. MDxHealth SA (Belgium) incorporated MDxHealth Inc. (U.S.) as a wholly-owned subsidiary in 2003, OncoMethylome Sciences BV (Netherlands) in 2004, and MDxHealth PharmacoDx BVBA in 2007. These subsidiaries are included following the full consolidation method. All intra-group transactions, balances, income and expenses are eliminated in consolidation.

Foreign currency translation

Functional and presentation currency:

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

Transactions and balances:

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, the monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on translation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

On consolidation, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any are classified as income or as expense in the period in which the operation is disposed of.

Segment information

The Company does not distinguish different segments, neither business nor geographical segments since at this time the majority of revenues are generated from clinical laboratory service testing. In 2010, the majority of product and service revenues were generated from the sale of clinical testing services to pharmaceutical companies evaluating the biomarkers of MDxHealth as potential companion diagnostic tests. These service testing revenues were primarily generated from the performance of testing in the Company's European ISO-certified commercial laboratory.

Revenue recognition

Substantially all of the Company's revenues are generated from technology out-licensing deals, product and service sales or royalties on such sales, research and development service

fees, and government grants. Most commercial agreements include up-front fees, milestone fees, and royalty fees.

License fees are recognized when the Company has fulfilled all conditions and obligations. The license fee will not be recognized if the amount cannot be reasonably estimated and if the payment is doubtful. License up-front (signature fees) and non-refundable fees for access to prior research results and databases are recognized when earned, if the Company has no continuing performance obligations and all conditions and obligations are fulfilled (this means after the delivery of the required information).

If the Company has continuing performance obligations towards the fees, the fee will be recognized on a straight line basis over the contractual performance period.

Milestone fees are recognized as revenue when the amount of the milestone fee is determinable and the earning process and measures relative to the milestone have been fully completed.

Royalties will be generated by the sales by third parties of products or services which incorporate the Company's proprietary technology. Royalties are recognized as revenue once the amounts due can be reliably estimated based on the sale of the underlying products and services and when the collection of the royalties can be reasonably assured. In situations where there is adequate financial information on sales, royalties are recorded based on the reports received from the licensee or based on reliably estimated sales if the information has not been received.

Research and development service fees are recognized as revenue over the life of the research agreement as the required services are provided and costs are incurred. These services are usually in the form of a defined number of full-time equivalents (FTE) at a specified rate per FTE.

Government grants are recognized as revenue over the life of the grant as the required or planned activities are performed and the related costs incurred and when there is reasonable assurance that the Company will comply with the conditions of the grant. The grants are usually in the form of periodic progress payments. Grants related to assets are deducted from the assets acquired. The grants are recognized as income, over the useful life of the related asset, starting from the moment the asset is used by the Company, by way of a reduced depreciation charge.

Deferred revenue represents amounts received prior to revenue being earned.

Research & development costs

The Company considers that the regulatory and clinical risks inherent to the development of its products preclude it from capitalizing development costs. Development costs are capitalized to the extent that all conditions for capitalization have been satisfied. In the consolidated IFRS financial statements of MDxHealth, no research and development costs have been capitalized.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Repair and maintenance costs are charged to the income statement as incurred. Gains and losses on the disposal of property, plant and equipment are included in other income or expenses. Depreciation is charged so as to write off the cost or valuation of assets over their useful lives, using the straight-line method, on the following basis:

- Equipment: 5 years
- IT hardware and software: 3 years
- Furniture: 5 years
- Vehicles: 5 years
- Leasehold improvements: in line with the lease agreement period

Intangible assets

Acquired patents and software licenses are measured internally at purchase cost and are amortized on a straight-line basis over their estimated useful lives on the following basis:

- Patents: shorter of 5 years or the remaining patent life.
- Software: shorter of 5 years or the software license period.

Costs related to patents which are in-licensed are expensed as incurred. Costs related to the filing, maintenance and defense of patents are expensed as incurred. Internal and external research and development program costs are expensed as incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards

of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Impairment of tangible and intangible assets

At each balance sheet date and at each interim reporting date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and at each interim reporting date, and whenever there is an indication that the asset might be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at re-valued amount, in which case the impairment is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at re-valuated amount, in which case the reversal of the impairment is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises merely purchase costs, as the inventory consists solely of raw materials. Raw materials are not ordinarily interchangeable and they are as such accounted for using the specific identification of their individual cost.

The Company does not account for work in progress and finished products, as the production process is very short and finished goods are shipped to customers immediately, thereafter resulting in no such items on the balance sheet at year-end for any of the periods reported.

Trade receivables

Trade receivables do not carry any interest and are stated at their minimal value as reduced by appropriate allowances for irrecoverable amount.

Grants receivable and grants payable

When a government grant is allocated, the Company books the full amount as both a receivable and a payable. No income is recognized when the grant is approved, but is fully deferred at that point. When it is received, the receivable is reduced by the amount. When the grant is recognized as income, the payable is reduced by the amount. The grant is only recorded as a payable/receivable when (i) the grant has been approved by the granting party, (ii) the amounts are measurable, and (iii) the Company believes it will meet the conditions necessary to be able to receive/use the grant.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits held on call with banks, other short highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts, if any, are included in borrowings in current liabilities.

Taxation

Deferred income tax is provided in full using the "balance sheet liability method", on temporary differences

between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner or realization of settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets relating to tax losses carried forward are recognized to the extent that it is probable that the related tax benefits will be realized. Currently, no deferred tax asset is recognized on the balance sheet.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded in the amount of the proceeds received, net of direct issue costs.

Derivative instruments

The Company has not used any derivative financial instruments.

Financial Assets

Investments classified as available for sale financial assets, are current and non-current investments comprising unlisted equity shares. They are stated at fair value, except where fair value cannot be established reliably in which case the securities are carried at cost. Any resultant gain or loss on investments measured at fair value is recognized in a revaluation reserve in equity with the exception of impairment losses which are recognized directly in profit and loss. These investments are held with the objective of realizing a capital gain from a future sale. All purchase and sale of funds are recognized at the date of settlement. Investments are reviewed periodically and revalued by the Directors on a case by case basis. Financial assets are assessed for indicators of impairment at each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impaired. For unlisted shares classified as available for sale a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Retirement benefit schemes and employee savings schemes

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments to defined contribution employee savings schemes are charged as an expense as they fall due. The Company does not offer nor operate any defined benefit schemes for its employees.

Share-based compensation plans for personnel, directors and business associates.

The Company has share-based compensation (stock option) plans for personnel, directors and business associates. The fair value of the employee services received for the granted compensation plans are measured as an expense. The corresponding credit is recorded directly into equity.

The total cost to be charged as an expense over the vesting period is measured at the fair value of the granted compensation plans. The estimate of the number of compensation plans which will be vested is revised at each reporting date. The change in estimates will be recorded as expense with a corresponding correction in equity.

The received amount, less directly attributable transaction costs, will be recorded as share capital and share premium when the compensation plans are exercised.

5.1.5.3 Operating result

Result from operations has been arrived at after charging:

a. Research and development expenditures

Thousands of Euro (EUR)		Years ended December 31 2010	2009	2008
Personnel costs	5.1.5.4	3,619	3,714	3,549
Lab consumables		306	945	831
External research and development collaborator fees		1,667	3,912	4,242
Patent and license fees		347	331	247
Depreciation and amortization		338	2,281	1,000
Other expenses		535	1,906	1,129
Total		**6,812**	**13,089**	**10,999**

R&D expenditures decreased in 2010 as a result of the cost cuts initiated and announced in the second half of 2009 and pursued throughout 2010. Personnel costs were reduced primarily as a result of the closure of the Netherlands laboratory facility in 2010 and to a reduction of the number of personnel throughout the Group. External R&D collaborator fees decreased in 2010 as a result of the discontinuation of certain projects, such as cancer screening trials. Depreciation and amortization expenses decreased in 2010 as a result of lower capital expenditures in recent years and primarily to the one-time accelerated amortization of an intangible asset which occurred in 2009 but not in 2010. This intangible asset consisted of intellectual property which was acquired in January 2008 but which by end-2009 was unlikely to be used nor to generate near-term revenues or profits for the Company as a result of the re-focusing strategy announced in November 2009. The core products now in development are unlikely to use the intellectual property acquired in January 2008 and thus the decision was taken to cease capitalizing this intellectual property as an asset on the balance sheet.

b. Selling, general and administrative expenses

Thousands of Euro (EUR)		Years ended December 31 2010	2009	2008
Personnel costs	5.1.5.4	1,847	2,063	1,599
Depreciation		37	17	4
Professional fees		1,211	878	891
Other expenses		650	1,053	613
Total		**3,745**	**4,011**	**3,107**

SG&A expenses have remained stable in 2010 and include primarily costs for the general management of the Company, such as the finance, marketing, sales, and other similar activities. With the announced change in strategy in 2010 whereby the Company will pursue direct sales of certain of its products via a commercial laboratory in the United States, the SG&A expenses are expected to increase starting in 2011.

5.1.5.4 Personnel costs

The number of employees at the end of the year was:	Years ended December 31 2010	2009	2008
Management (headcount)	5	10	10
Laboratory staff (headcount)	23	44	44
SG&A staff (headcount)	9	12	11
Total	**37**	**66**	**65**

Their aggregate remuneration comprised: Thousands of Euro (EUR)	2010	2009	2008
Wages and salaries	4,185	4,286	3,658
Social security costs	403	366	502
Pension costs	167	185	149
Other costs	711	940	839
Total	**5,466**	**5,777**	**5,148**

Following a cost reduction program announced in the second half of 2009 and to a change in strategy announced in 2010, the Company reduced its employment levels in 2010. The employment levels were reduced primarily through the closure of the laboratory facility in the Netherlands in 2010 and to certain personnel reductions at other sites. The 2010 personnel cost decrease in terms of percentage was not as large as the percentage decrease in the headcount numbers due to the one-time costs and indemnities associated with the departure of personnel in 2010 and to the timing of the departures. Wages and salaries increased in 2009 compared to 2008 due to several new hires at the end of 2008. The wages and salaries increase in 2009 is also partly explained by the re-focusing program announced on November 5, 2009 which led to the planned termination of some employees in 2010 and an indemnity cost at end-2009. Social security costs decreased in 2009 due to larger reductions allowed by the Dutch and Belgian governments for social security charges on personnel involved in R&D.

5.1.5.5 Finance income/(costs)

Thousands of Euro (EUR)	Years ended December 31 2010	2009	2008
Interest on bank deposits	74	40	79
Interest on commercial paper	0	40	373
Gain on sales of liquid assets	13	370	623
Gain on sales of financial assets	135	0	0
Foreign exchange gain/(loss)	(62)	(27)	68
Other financial gain/(loss)	(23)	7	(9)
Net financial results	**137**	**430**	**1,134**

For the years ended December 31, 2010, 2009 and 2008, the gain on sales of liquid assets arose from gains on a money-market account and on sales of tradable shares. The money-market account is invested in short-term interest bearing and publicly-traded obligations with high ratings. In 2010, the sale of the equity stake in Signature Diagnostics AG (formerly shown on the balance sheet as a financial asset) generated a gain of EUR 135 thousand. For accounting purposes, these liquid assets are considered as a cash equivalent on the balance sheet and in the cash flow statements as generating cash flows from investing activities in terms of interest income.

5.1.5.6 Taxes

There is no current tax accounted for in any of the periods presented. The following table provides a reconciliation of the deferred taxes to the profit and loss statement.

	Balance at 31-Dec-10	Income Statement 2010	2009	2008	Balance at 01-Jan-08
Tax losses carried forward	(73,683)	(10,369)	(17,727)	(12,433)	(33,134)
Purchase of intangible assets	(7,035)	0	(590)	(530)	(5,915)
Depreciation of intangible assets	6,998	17	2,586	850	3,544
Government grant NL	0	0	0	(38)	38
Total deductible temporary difference	(73,720)	(10,352)	(15,731)	(12,151)	(35,487)
Deferred taxes @ 34%	25,058	3,519	5,347	4,131	
Unrecognized opening balance of deferred tax asset		21,539	16,192	12,061	
Deferred tax of the year		3,519	5,347	4,131	
Deferred taxes at December 31	25,058	25,058	21,539	16,192	12,062

The Company has not recorded deferred net tax assets on the basis that at December 31, 2010, 2009 and 2008 no profits were realized and the lack of guarantees that it will generate profits in the future which could be offset against current losses.

The deferred taxes are calculated on the following items:

- Tax losses as per tax return. The financial figures under IFRS are not necessarily the same as the local GAAP financial figures used for tax declarations. Tax losses as per tax return refers to accounting rules of the tax authorities which in certain cases differ from IFRS accounting rules;
- In the statutory accounts, the costs related to certain research and development were capitalized and amortized on a straight-line basis over a period of 5 years, starting at January 1, 2003. In the IFRS statements development costs are capitalized to the extent that all conditions for capitalization have been satisfied (currently no R&D is capitalized in the Company's IFRS accounts). In 2009, the Company decided to consider these R&D costs as an expense and to align the statutory accounts with the IFRS accounts.

5.1.5.7 Loss per share

Basic loss per share is calculated by dividing the net result attributable to shareholders by the weighted average number of shares outstanding during the year.

	Years ended December 31		
	2010	2009	2008
Result for the purpose of basic loss per share, being net loss (Thousands of Euro (EUR))	(8,253)	(14,301)	(10,192)
Number of shares	13,185,614	13,178,555	11,840,177
Weighted average number of shares for the purpose of basic loss per share (assuming stock split in all periods)			
Basic loss per share (in Euro (EUR))	(0.63)	(1.09)	(0.86)

At December 31, 2010, 2009 and 2008, the Company has dilutive potential shares in the form of warrants. Under IAS 33, no disclosure is required of the diluted result per share, since as long as the Company is reporting a net loss, the warrants have an anti-dilutive effect rather than a dilutive effect.

5.1.5.8 Intangible assets

	Years ended December 31		
Thousands of Euro (EUR)	2010	2009	2008
Gross value			
At January 1	2,561	2,526	493
Additions	23	35	2,033
Disposals	(5)		
Impairment			
Gross value at December 31	2,579	2,561	2,526
Accumulated amortization			
At January 1	(2,512)	(882)	(420)
Additions	(21)	(17)	(465)
Disposals	2		
Related to subsidy	0	0	3
Impairment	0	(1,213)	
Accumulated amortization at December 31	(2,533)	(2,512)	(882)
Net value at December 31	**47**	**49**	**1,644**

The intangible asset consists of intellectual property rights and software licenses.

These investments are being amortized on a straight-line basis over 3-5 years, unless an impairment is noted during the periodic assessment of these assets. An intangible asset consisting of intellectual property was acquired in January 2008 but by December 2009 it was deemed unlikely to be used nor to generate near-term revenues or profits for the Company as a result of the re-focusing strategy announced in November 2009. The core products now in development are unlikely to use the intellectual property acquired in January 2008 and thus the decision was taken in 2009 to cease capitalizing this intellectual property as an asset on the balance sheet.

5.1.5.9 Tangible assets

Thousands of Euro (EUR)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2008	2,021	187	445	157	2,811
Opening currency exchange rate			(3)		(3)
Additions	113	9	104	4	229
Disposals	(6)	(1)			(7)
Gross value at December 31, 2008	2,128	195	546	161	3,030
Accumulated amortization					
At January 1, 2008	(664)	(66)	(317)	(16)	(1,063)
Opening currency exchange rate		(1)			(1)
Additions	(403)	(46)	(76)	(29)	(554)
Related to subsidy	12	1	2		15
Disposals	1	1			2
Accumulated amortization at December 31, 2008	(1,054)	(111)	(391)	(45)	(1,601)
Net value at December 31, 2008	**1,074**	**84**	**155**	**116**	**1,429**

Thousands of Euro (EUR)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2009	2,128	195	546	161	3,030
Opening currency exchange rate			-1		-1
Additions	217	3	31	11	262
Disposals					
Gross value at December 31, 2009	2,345	198	576	172	3,291
Accumulated amortization					
At January 1, 2009	(1,054)	(111)	(391)	(45)	(1,601)
Opening currency exchange rate		1	1		2
Additions	(411)	(19)	(97)	(28)	(555)
Related to subsidy	5			1	6
Disposals	(121)				(121)
Accumulated amortization at December 31, 2009	(1,581)	(129)	(487)	(72)	(2,269)
Net value at December 31, 2009	**764**	**69**	**89**	**100**	**1,022**

Thousands of Euro (EUR)	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2010	2,345	198	576	172	3,291
Opening currency exchange rate		1	2		3
Additions	31	6	11	2	50
Disposals	(459)	(77)	(69)	(37)	(648)
Gross value at December 31, 2010	1,917	128	520	138	2,703
Accumulated amortization					
At January 1, 2010	(1,581)	(129)	(487)	(72)	(2,269)
Opening currency exchange rate		(1)	(2)		(2)
Additions	(248)	(20)	(48)	(9)	(325)
Disposals	363	45	51	14	473
Accumulated amortization at December 31, 2010	(1,466)	(105)	(486)	(67)	(2,2124)
Net value at December 31, 2010	**451**	**23**	**34**	**71**	**579**

5.1.5.10 Financial assets

On January 30, 2008, the Company took a minority equity stake in Signature Diagnostics AG (SD), a diagnostics start-up company using RNA-based technologies. In 2009 and 2008, the financial assets were recorded on the balance sheet at the price paid by MDxHealth for the shares issued by SD. SD is a privately-held company and there is no active market for its shares. In 2010, the equity stake in SD was sold and the account balance has been reduced to zero.

5.1.5.11 Trade and other receivables

a. Trade receivables

	Years ended December 31		
Thousands of Euro (EUR)	2010	2009	2008
Trade accounts receivable	1,058	533	369
Total trade accounts receivable	**1,058**	**533**	**369**

Trade receivables mainly consist of fees due from the customers of the Company. The trade accounts receivable balances at end-2009 and end-2010 were composed mainly of services provided to pharmaceutical companies in the fourth quarter of those years. Out of the total trade receivable balance at the end of 2010, EUR 132 thousand are more than 60 days outstanding, whereas all the rest is outstanding for less than 60 days. No provision for doubtful accounts has been made in 2010.

b. Other receivables

	Years ended December 31		
Thousands of Euro (EUR)	2010	2009	2008
Prepayments	225	286	304
Deposits	27	19	27
Recoverable VAT	481	982	555
Inventories	108	82	99
Other	47	208	25
Total prepaid expenses and other current assets	**888**	**1,537**	**1,010**

The Company considers that the carrying amount of trade and other receivables approximates their fair value. The recoverable VAT balance decreased in 2010 due to the 2010 closure of the lab facility in the Netherlands and the resulting reduced intercompany services between the parent company and the Dutch subsidiary that previously created significant recoverable VAT balances.

5.1.5.12 Grants receivable

	Years ended December 31		
Thousands of Euro (EUR)	2010	2009	2008
BE Wallonia: ETB bladder subsidy	770	0	0
BE Wallonia: Lung cancer subsidy Extension	0	1,180	1,180
BE Wallonia: Lung cancer subsidy	0	0	0
BE Wallonia: BioWin	327	874	1,191
BE Wallonia: EuroTransBio – Bladder	0	0	0
BE Flanders: IWT	0	0	103
NL SenterNovem: Colon cancer subsidy	0	361	361
NL SenterNovem: EuroTransBio – Colon	0	375	375
NL CTMM Airforce – Lung / Head & Neck	58	100	100
NL CTMM Decode – Colon	99	189	189
Total grants receivables	**1,254**	**3,079**	**3,499**
More than one year	483	405	1,087
Less than one year	771	2,674	2,412
Total grants receivables	**1,254**	**3,079**	**3,499**

In 2008, the Company received grants from the Walloon region for lung cancer research (extension of the first grant received in 2005) and from the Dutch government for several projects: for colon cancer R&D for which the Company received two grants, and one grant for a combination of lung and the head & neck cancer R&D. No new grants were received in 2009. In 2010, the Company was awarded one new grant, the Wallonia/EuroTransBio grant for R&D on bladder cancer aggressiveness markers. With the change in change in strategy announced in 2010, the Company has pursued fewer subsidized early-stage research projects. As a consequence the grant balances have decreased in 2010. Further detail on the grants is available in section 5.1.5.21(E) of this document.

5.1.5.13 Cash and cash equivalents

	Years ended December 31		
Thousands of Euro (EUR)	2010	2009	2007
Cash at bank and in hand	10,593	18,032	30,601
Total cash and cash equivalents	**10,593**	**18,032**	**30,601**

The bank balances and cash held by the Company and short-term bank deposits have an original maturity of less than 3 months. The carrying amount of these assets approximates their fair value. These cash and cash equivalents have no restriction upon them.

5.1.5.14 Financial Risk Management

Capital management:
The Company manages its capital with the aim of ensuring that the Company can continue to operate in continuity.

Credit risk:
The limited number of the group's customers subjects the Company to concentrations of credit risk. In 2008, eight customers generated more than 90% of the turnover and the situation was similar in 2009. In 2010, the Company generated 90% of its turnover with sixteen customers, reducing the concentration of credit risk.

Customer's compliance with agreed credit terms is monitored regularly and closely. No major overdue trade accounts receivable are identified and the year-end 2010 balance was EUR 1,058 thousand.

Receivables related to research grants from the Dutch and Belgian government (EUR 1,254 thousand at December 31, 2010) are recognized when there is a reasonable assurance that the Company will comply with the conditions attached to them and the grant will be received. The Company considers the overall recognition criteria being met when an award letter has been received, the related project costs have been incurred, and grant specific milestones have been achieved or are assumed to be reliably achieved in the future;

The credit risk on cash and cash equivalents (EUR 10,593 thousand) is limited given that the counterparties are banks with high credit scores attributed by international rating agencies

Interest risk:
The group is not subject to material interest risk. All leases have fixed interest rates.

Currency risk:
The group is not currently exposed to material currency risk, but in the future this risk may increase with an expansion of the Company's U.S. activities. The group has cash outflows in U.S. Dollars for the operations of its U.S. wholly-owned subsidiary and for numerous external research and development projects it carries out with U.S.-based medical centers. The Company has material commercial revenues denominated in U.S. Dollars.. The Company has not engaged in hedging of the foreign currency risk via derivative instruments. The Company announced in 2010 that it intends to sell products directly to treating physicians in the United States via a commercial laboratory. This new activity has not started yet in 2010, but is likely to increase the dollar-denominated costs and revenues of the Company as a percentage of the overall costs and revenues starting in 2012.

The monetary items at December 31, 2010 in U.S. Dollars are composed of cash on hand of $127 thousand. For compliance with the IFRS 7 rule, the Company discloses a sensitivity analysis of an increase/decrease of exchange rate on operations in U.S. Dollars of 10%. The exposure of operations to the currency risk is limited to the net amount of $3.3 million ($1.3 million revenue and $4.6 million costs), giving a potential loss of EUR 278 thousand in case of an increase of the U.S. Dollar/EUR exchange rate by 10%, and a potential gain of EUR 227 thousand in case of an decrease of the exchange rate by 10%.

Liquidity risk:
The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has no borrowing arrangements at December 31, 2010 and has no derivative instruments.

Other risks:
The Group subscribes to certain insurance policies to cover matters such as (i) fire, theft, and other damage to its assets, (ii) product liability insurance and clinical trial insurance, and (iii) D&O insurance. To date, no claims have been made under these insurance policies and there is no guarantee that the insurances will cover all damages if they should ever occur.

To date, the Company has received several government grants for various R&D projects. Some of these grant amounts can be re-claimed if the Company does not fulfill all the conditions of the grant agreements.

5.1.5.15 Share capital and reserves

At December 31, the Company's share capital was represented by the following number of shares (units). Only one class of shares (common shares) exists and they have no par value.

	Years ended December 31		
	2010	2009	2008
Common shares	13,185,614	13,185,614	13,161,074
Total outstanding shares	**13,185,614**	**13,185,614**	**13,161,074**

The capital stock and the issuance premium at December 31 amounted to the following:

Thousands of Euro (EUR)	Years ended December 31		
	2009	2008	2007
Share Capital as per statutory accounts	10,518	54,001	53,901
IPO Costs & Capital Increase costs	0	(2,912)	(2,912)
Share capital under IFRS	10,518	51,089	50,989
Issuance premium	10,882	10,882	10,872
Share capital and issuance premium	**21,400**	**61,971**	**61,861**

No new shares were issued in 2010. The Extraordinary General Shareholders' meeting of June 21, 2010 approved the formal reduction of the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and neutralization) of (accumulated) sustained losses as demonstrated from the approved annual accounts as per December 31, 2009, without reducing the total number of issued and outstanding shares, in order to improve the ratio of the Company's net assets vis-à-vis its share capital. Therefore, the share capital was reduced by EUR 43,483,535.37, bringing the share capital per the statutory accounts from EUR 54,001,197.27 to EUR 10,517,661.90. This transaction caused the share capital under IFRS to be reduced from EUR 51,089 thousand to EUR 10,518 thousand.

The table below provides an overview of the history of the Company's share capital since its incorporation in 2003. The overview should be read together with the notes set out below the table.

Date	Transaction	Number (and class) of shares issued	Issue price per share (EUR)	Issue price per share (EUR) post-stock split	Capital increase ('000 EUR)	Share capital after transaction
INCORPORATION						
Jan 10, 2003	Incorporation	202,975	0.30	0.06	62	62
PHASE I FINANCING ROUND DECEMBER 20, 2002 (PREFERRED A SHARES)						
Feb 7, 2003	Capital increase in cash	197,025 (preferred A)	20.00	4.00	3,941	4,002
June 30, 2003	Capital increase in cash	33,333 (preferred A)	20.00	4.00	667	4,669
Sept 30, 2003	Capital increase in cash	218,139 (preferred A)	22.31	4.46	4,867	9,535
June 30, 2004	Capital increase in cash	195,504 (preferred A)	23.87	4.77	4,667	14,202
PHASE II FINANCING ROUND OCTOBER 19, 2005 (PREFERRED B SHARES)						
Oct 28, 2005	Capital increase in cash	375,000 (preferred B)	24.00	4.80	9,000	23,202
Mar 31, 2006	Capital increase in cash	193,548 (preferred B)	31.00	6.20	6,000	29,202
STOCK SPLIT AND CONVERSION OF ALL SHARES TO COMMON SHARES						
May 23, 2006	7,077,620	-	-	-	-	29,202
IPO						
June 30, 2006	Capital increase in cash	2,933,334 (ordinary)	7.50	7.50	22,000	51,202
ABSORPTION OF LOSSES						
June 30, 2006	Absorption of losses	-	-	-	(10,218)	40,984

Date	Transaction	Number (and class) of shares issued	Issue price per share (EUR)	Issue price per share (EUR) post-stock split	Capital increase ('000 EUR)	Share capital after transaction
EXERCISE OF OVER-ALLOTMENT WARRANTS						
June 30, 2006	Capital increase through exercise of over-allotment warrants	440,000 (ordinary)	7.50	7.50	1,817	42,801 (as per statutory accounts)
DEDUCTION OF IPO COSTS (Under IFRS)						
June 30, 2006	Deduction of IPO costs	-	-	-	(2,174)	40,627 (under IFRS)
EXERCISE OF WARRANTS						
April 18, 2007	Capital increase in cash	182,560 (ordinary)	4.70	4.70	748	41,375
SECONDARY OFFERING OF SHARES						
October 19, 2007	Capital increase in cash	1,063,510 (ordinary)	10.00	10.00	4,355	45,730
EXERCISE OF WARRANTS						
October 25, 2007	Capital increase in cash	50,837 (ordinary)	4.73	4.73	208	45,938
DEDUCTION OF Secondary Offering Fees (Under IFRS)						
December 31, 2007	Deduction of SPO costs	-	-	-	(457)	45,481 (under IFRS)
EXERCISE OF WARRANTS						
April 24, 2008	Capital increase in cash	61,120 (ordinary)	4.59	4.59	250	45,731
EXERCISE OF WARRANTS						
November 5, 2008	Capital increase in cash	19,375 (ordinary)	4.73	4.73	80	45,811
SECONDARY OFFERING OF SHARES						
December 18, 2008	Capital increase in cash	1,332,877 (ordinary)	6.29	6.29	5,459	51,270
DEDUCTION OF Secondary Offering Fees (Under IFRS)						
December 31, 2008	Deduction of SPO costs	-	-	-	(281)	50,989 (under IFRS)
EXERCISE OF WARRANTS						
April 17, 2009	Capital increase in cash	24,540 (ordinary)	4.49	4.49	100	51,089
REDUCTION OF SHARE CAPITAL (with no change to number of shares)						
June 21, 2010	Reduction of Share Capital	-	-	-	-	10,518

At incorporation, on January 10, 2003, the Company issued 202,975 common shares in consideration for a contribution in cash of EUR 61,500. On January 30, 2003, 200,000 of these shares were transferred to the Company's management and consultants.

The extraordinary shareholders' meeting of February 7, 2003 approved the issuance of 197,025 new series A preferred shares in consideration for a contribution in cash of EUR 3,940,500. At the same occasion, two different classes of shares were created, i.e., the ordinary or common shares and the series A preferred shares. All shares issued at this occasion and 2,975 of the shares issued at incorporation were re-classified as series A preferred shares. The remaining 200,000 shares are ordinary or common shares. At the same shareholders' meeting 100 series A anti-dilution warrants were also issued to the owners of the existing series A preferred shares.

The extraordinary shareholders' meeting of June 30, 2003 approved the issuance of 33,333 new series A preferred shares in consideration for a contribution in cash of EUR 666,660. At the same time, 20 new series A anti-dilution warrants were issued to the subscriber to the newly issued series A preferred shares.

The extraordinary shareholders' meeting of September 30, 2003 approved the issuance of 218,139 new series A preferred shares in consideration for a contribution in cash of EUR 4,866,681.

The extraordinary shareholders' meeting of May 12, 2004 approved the issuance of 30,000 warrants and authorized the issuance of an additional 15,000 warrants by the Board of Directors in the framework of the authorized capital pursuant to the terms of the approved stock option plan for employees, consultants and directors. In May 2004, 29,750 warrants were granted to beneficiaries under the stock option plan and 250 warrants were never granted and became null and void on June 30, 2004 in accordance with the terms and conditions of the stock option plan.

The extraordinary shareholders' meeting of June 30, 2004 approved the issuance of 195,504 new series A preferred shares in consideration for a contribution in cash of EUR 4,666,680.

On July 12, 2005, the Board of Directors approved the issuance of 15,000 warrants in the framework of the authorized capital pursuant to the terms of the stock option plan approved in 2004. All these warrants were granted to beneficiaries under the stock option plan.

The extraordinary shareholders' meeting of October 28, 2005 approved the issuance of 375,000 new series B preferred shares in consideration for a contribution in cash of EUR 9,000,000. At the same time, the 120 existing series A anti-dilution warrants were cancelled and 160 new series A anti-dilution warrants were issued to the owners of the series A and series B preferred shares.

The extraordinary shareholders' meeting of March 31, 2006 approved the issuance of 193,548 new series B preferred shares in consideration for a contribution in cash of EUR 5,999,988.

The annual general shareholders' meeting of May 23, 2006 approved the split of all outstanding shares at a conversion rate of 5-for-1 and the conversion of all types of shares into a single class of common shares.

On May 23, 2006, the general shareholders' meeting of the Company decided to increase the Company's share capital through issuance of new shares in connection with an initial public offering. The capital increase with an amount of EUR 22,000,005 was completed on June 30, 2006. At the same time, all existing shares of the Company were converted into ordinary shares.

On May 23, 2006, the general shareholders' meeting passed a resolution to make a formal capital reduction, upon the listing of the Company's shares on Euronext, through the incorporation of the Company's Belgian statutory account losses through the period ended December 31, 2005 (for a total amount of EUR 10,217,809) without cancellation of any shares. The capital decrease was completed on June 30, 2006.

On May 23, 2006, the general shareholders' meeting of the Company decided to create an over-allotment warrant. The over-allotment warrant was granted to ING Belgium NV/SA and Fortis Bank NV/SA to cover over-allotments in connection with the initial public offering by the Company. On June 30, 2006, the share capital was increased with an amount of EUR 1,817,200 through exercise of 440,000 over-allotment warrants and the issuance of 440,000 new ordinary shares. An amount of EUR 1,482,800 was allocated to the Company's issuance premium account.

In accordance with IFRS and general industry practice, the Company decided in 2006 to record the costs associated with the IPO in 2006 as direct reduction of the share capital in the equity account of the balance sheet rather than as an expense in the income statement.

On April 18, 2007, the share capital was increased through exercise of (i) 9,937 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of EUR 22.31 per warrant, (ii) 6,900 warrants issued by the Board of Directors on July 12, 2005 (Warrants 2005) at an exercise price of EUR 23.87 per warrant, and (iii) 19,675 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of EUR 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On October 15, 2007, the Board of Directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. The capital increase with an amount of EUR 4,354,954.02 was completed on October 19, 2007.

On October 25, 2007, the share capital was increased through exercise of (i) 2,680 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of EUR 22.31 per warrant, (ii) 3,000 warrants issued by the Board of Directors on July 12, 2005 (Warrants 2005) at an exercise price of EUR 23.87 per warrant, (iii) 4,425 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants March 2006) at an exercise price of EUR 24 per warrant, (iv) 187 warrants issued by the Board of Directors on November 8, 2006 (Warrants November 2006) at an exercise price of EUR 7.72 per warrant and (v) 125 warrants issued by the Board of Directors on April 18, 2007 (Warrants January 2007) at an exercise price of EUR 10.87 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On April 25, 2008, the share capital was increased through exercise of (i) 7,500 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of EUR 22.31 per warrant, and (ii) 4,724 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of EUR 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On November 5, 2008, the share capital was increased through exercise of (i) 625 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of EUR 22.31 per warrant, (ii) 2,500 warrants issued by the Board of Directors on July 12, 2005 (Warrants 2005) at an exercise price of EUR 23.87 per warrant, and (iii) 750 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of EUR 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On December 18, 2008, the Board of Directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. The capital increase for an amount of EUR 5,458,797.75 and the issuance of 1,332,877 new common shares was completed on December 18, 2008.

On April 17, 2009, the share capital was increased through exercise of (i) 4,508 warrants issued by the extraordinary general shareholders' meeting of May 12, 2004 (Warrants 2004) at an exercise price of EUR 22.31 per warrant, and (ii) 400 warrants issued by the extraordinary general shareholders' meeting of March 22, 2006 (Warrants 2006) at an exercise price of EUR 24.00 per warrant. The issue share prices in the above table indicate the weighted average price of the exercised warrants. Pursuant to the stock split decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004 and Warrant 2006 entitles the holder thereof to five shares of the Company.

On June 21, 2010, the Extraordinary General Shareholders' meeting approved the formal reduction of the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and neutralization) of (accumulated) sustained losses as demonstrated from the approved annual accounts as per December 31, 2009, without reducing the total number of issued and outstanding shares, in order to improve the ratio of the Company's net assets vis-à-vis its share capital. Therefore, the share capital was reduced by EUR 43,483,535.37, bringing the share capital per the statutory accounts from EUR 54,001,197.27 to EUR 10,517,661.90. This transaction caused the share capital under IFRS to be reduced from EUR 51,089 thousand to EUR 10,518 thousand.

Voting rights – Each share is entitled to one vote.

Dividends – The Company has never declared or paid any dividends on its shares and does not anticipate paying any dividends in the foreseeable future. Under Belgian law, the Company is required to allocate at least 5% of its net profits during each financial year to the legal reserve until such reserve has reached an amount equal to 10% of the Company's share capital. At December 31, 2010, there were no profits available for distribution under Belgian law.

Preferential subscription rights – On the occasion of any capital increase or issue of warrants, the Company's shareholders have a preferential subscription right. Such preferential subscription right is proportionate to the shareholder's participation in the Company's capital at the time of the capital increase or issue of warrants.

Authorized capital – By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the Board of Directors has been expressly authorized to increase the share capital in one or more transactions with an amount of up to EUR 10,517,661.90 (the "Authorized Capital Amount"), subject to certain limitations and conditions described below. The Board of Directors can exercise this power for a period starting on the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the *Annexes to the Belgian Official Gazette* and ending on the date of the annual general shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011. This authorization may be renewed in accordance with the relevant legal provisions.

The capital increases to which can be decided according to this authorization, can take place in accordance with the modalities that are to be decided by the Board of Directors, including by means of contribution in cash or in kind, within the limits as permitted by the Belgian Company Code, through conversion of reserves and issuance premiums, with or without issuance of new shares, with or without voting rights, through issuance of convertible bonds, subordinated or not, through issuance of warrants or bonds to which warrants or other tangible values are attached, and/or through issuance of other securities, such as shares in the framework of a stock option plan.

In the framework of the use of its powers within the framework of the authorized capital, the Board of Directors can limit or cancel the preferential subscription right of the shareholders in the interest of the Company, subject to the limitations and in accordance with the conditions provided for by the Belgian Company Code. This limitation or cancellation can also occur to the benefit of the employees of the Company and its subsidiaries, and, to the extent permitted by law, to the benefit of one or more specific persons that are not employees of the Company or its subsidiaries.

The power of the Board of Directors to increase the share is subject to the following special restrictions and conditions:

a) The Board of Directors is authorized to increase the share capital for whatever purpose or whatever transaction that the Board of Directors deems appropriate or necessary provided and to the extent that the total amount of funds raised (consisting of capital contribution and issuance premium) does not exceed EUR 18,000,000.

b) As soon as the Board of Directors will have increased the share capital, in one or more transactions, for an amount equal to the maximum amount provided above, then the Board of Directors can only, to the extent possible, further increase the share capital in one or more transactions beyond this initial maximum amount, provided that such increase is approved by at least two thirds of the members of the Board of Directors, and provided further that the increase takes place within the framework of any of the following transactions: (i) the issuance of stock based remuneration or incentive plans, such as stock option plans, stock purchase plans or other plans, for directors, management and personnel of the Company or its subsidiaries or (ii) the issuance of financial instruments in consideration of the acquisition of shares, assets and liabilities or combinations of shares, assets and liabilities of companies, undertakings, business and associations or (iii) the issuance of financial instruments in consideration of

the acquisition of licenses or rights on intellectual property (whether registered or unregistered intellectual property rights, or applications thereof), such as patents, copyrights, data base rights and design rights, and know-how or trade secrets or (iv) the issuance of financial instruments in consideration of entering into partnerships or other business associations.

By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the Board of Directors has also been expressly authorized to increase the share capital in one or more transactions following a notification by the Belgian Banking, Finance and Insurance Commission that it has been informed of a public takeover bid on the Company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more well defined persons who are not employees of the Company) or through contributions in kind, with issuance of shares, warrants or convertible bonds, subject to the terms and conditions provided for in the Belgian Company Code. The Board of Directors can exercise this power for the same period as mentioned above.

At the date of this document, the Board of Directors has not used the above described (renewed) powers under the authorized capital.

Externally imposed capital requirements – None of the current contracts of the Company impose any capital requirements on the Company. Article 633 of the Belgian Company Code requires that if in the statutory Belgian-GAAP accounts the net assets of a limited liability company (société anonyme) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the Company or the continuation of its activities of the Company (and any other proposed measures to address the situation) upon proposal of the Board of Directors of the Company. Article 634 of the Belgian Company Code states that if in the statutory Belgian-GAAP accounts the net assets of a limited liability company (société anonyme) have fallen below EUR 61,500, any interested party can ask the courts to dissolve the Company. The courts may grant the Company time to rectify the situation. At the date of this document, the Company's financial situation is such that no action needs to be taken pursuant to either Article 633 or 634 of the Belgian Company Code.

5.1.5.16 Finance lease obligations and other lease obligations

	Years ended December 31		
Thousands of Euro (EUR)	**2010**	**2009**	**2008**
Amounts payable under finance lease			
Within one year	2	0	1
In the second to fifth year	2	0	0
After five years	0	0	0
Total	**0**	**0**	**1**
Less future finance charges	0	0	0
Present value of lease obligations	0	0	1
Outstanding commitments for future minimum rent payments, which fall due as follows:			
Within one year	399	1,317	858
In the second to fifth year	418	541	778
After five years	0	0	0

The fair value of the Company's lease obligations approximated their carrying value. Outstanding commitments for future minimum rent payments include rental fees related to leased facilities and vehicles. These lease contracts can be terminated early with certain indemnity fees. All figures shown assume that the lease contracts will not be terminated early.

5.1.5.17 Accounts payable

a. Trade accounts payable

	Years ended December 31		
Thousands of Euro (EUR)	**2010**	**2009**	**2008**
Trade accounts payable	656	1,085	1,585
Accruals for invoices to be received	900	1,596	939
Total trade accounts payable	**1,556**	**2,681**	**2,524**

b. Other current liabilities

	Years ended December 31		
Thousands of Euro (EUR)	**2010**	**2009**	**2008**
Payroll	375	774	530
Other accruals	351	778	149
Total other current liabilities	**726**	**1,552**	**679**

The trade accounts payable and other current liabilities balances have been reduced in 2010 following the reduction of costs initiated at end-2009 and the change in strategy which has led to a focus on a smaller set of projects and products.

5.1.5.18 Retirement benefit schemes

The Company operates defined contribution systems for all its qualifying employees. The assets of the schemes are held separately from those of the Company in designated funds.

A total cost of EUR 170 in 2010 (EUR 185,000 in 2009 and EUR 149,000 in 2008) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

The employees of the Company in Belgium are members of a state-managed retirement benefit scheme operated by the government (i.e., legal pension) and are members of a bank-operated private pension scheme. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

5.1.5.19 Stock Option plans (warrants)

The Company has created several pools of warrants under stock option plans for grant to eligible employees, directors, and consultants.

When the annual general shareholders' meeting of May 23, 2006 decided to have a 5-for-1 stock split for all outstanding shares, it also decided to modify all warrants outstanding prior to that date. The exercise price of the warrants was left unchanged but each warrant became convertible into 5 common shares upon their exercise, rather than just 1 share.

The table below provides an overview as per December 31, 2010 of the warrants that have been created, granted and that are still exercisable.

					Warrant data as of December 31, 2010		
Plan date	Total number created	Total number granted	Total terminated	Total exercised	Total outstanding	Total exercisable	Exercise price
May 12, 2004	30,000	29,750	4,500	25,250	0	0	EUR 22.31
July 12, 2005	15,000	15,000	2,600	12,400	0	0	EUR 23.87
March 22, 2006	66,700	66,700	4,438	29,974	32,288	32,288	EUR 24.00
November 8, 2006	47,500	47,500	3,656	187	43,657	43,647	EUR 7.72
April 18, 2007	55,100	55,100	10,864	125	44,111	42,594	EUR 10.87
May 25, 2007	50,000	50,000	10,313	0	39,687	37,187	EUR 11.42
May 30, 2008	61,000	49,000	16,688	0	32,312	21,812	EUR 9.10
January 2, 2009	120,500	116,600	22,657	0	93,943	48,661	EUR 6,32
June 21, 2010	145,000	145,000	0	0	145,000	0	EUR 2.07
	590,800	**574,650**	**75,716**	**67,936**	**430,998**	**226,199**	

The table below presents the same data as the above table, except it provides the number of common shares and the exercise price of the warrants in order to obtain a single common share.

	Warrant data as of December 31, 2010 reflecting potential number of common shares underlying the warrants						
Plan date	Total potential shares from warrants created	Total potential shares from warrants granted	Total potential shares from warrants terminated	Total shares issued from exercised warrants	Total potential shares from outstanding warrants	Total potential shares from exercisable warrants	Exercise price per potential share
May 12, 2004	150,000	148,750	22,500	126,250	0	0	EUR 4.46
July 12, 2005	75,000	75,000	13,000	62,000	0	0	EUR 4.77
March 22, 2006	333,500	333,500	22,190	149,870	161,440	161,440	EUR 4.80
November 8, 2006	47,500	47,500	3,656	187	43,657	43,647	EUR 7.72
April 18, 2007	55,100	55,100	10,864	125	44,111	42,594	EUR 10.87
May 25, 2007	50,000	50,000	10,313	0	39,687	37,187	EUR 11.42
May 30, 2008	61,000	49,000	16,688	0	32,312	21,812	EUR 9.10
January 2, 2009	120,500	116,600	22,657	0	93,943	48,661	EUR 6.32
June 21, 2010	145,000	145,000	0	0	145,000	0	EUR 2.07
	1,037,600	**1,020,450**	**121,868**	**338,432**	**560,150**	**355,351**	

The table below presents the outstanding warrants and their exercise price at the end of December of each year:

	Warrants	Weighted average exercise price (EUR)	Potential shares from exercise of warrants	Weighted average exercise price per potential share (EUR)
Outstanding 31 December 2004	29,750	22.31	148,750	4.46
Granted in 2005	15,000	23.87	75,000	4.77
Outstanding 31 December 2005	44,750	22.83	223,750	4.57
Granted in 2006	114,200	17.23	381,000	5.16
Outstanding 31 December 2006	158,450	18.80	602,250	4.94
Granted in 2007	105,100	11.13	105,100	11.13
Outstanding 31 December 2007	213,683	14.01	463,015	6.47
Granted in 2008	49,000	9.10	49,000	9.10
Outstanding 31 December 2008	240,560	12.41	420,148	7.11
Granted in 2009	116,600	6.32	116,600	6.32
Outstanding 31 December 2009	337,788	10.10	477,340	7.14
Granted in 2010	145,000	2.07	145,000	2.07
Outstanding 31 December 2010	430,998	7.50	560,150	5.77
Exercisable at 31 December 2010	226,199	11.08	355,351	7.05

During the course of 2010, the Company agreed to issue new warrants under a new warrant plan. However this new warrant plan was not created in 2010 nor has it been created yet as of the date of this document. In 2010, per the employment contract and job offer letters given to 2 new hires, the Company agreed to issue these individuals 85,000 new warrants. Furthermore, the Board of Directors meeting of December 2010 decided to award 110,000 new warrants to certain employees and consultants of the Company. This total of 195,000 new warrants has not been created nor issued yet and is not included in the above table. The exercise price of these new warrants has not been determined yet as they will be based on the 30-day average market price prior to their issuance and creation before a notary. The Company expects to issue these 195,000 new warrants in the course of 2011. These new warrants still to be issued are not reflected in the above tables.

Furthermore, the Board agreed in 2010 to award 30,000 additional new warrants to the CEO as a variable bonus for his 2010 performance. These 30,000 warrants have not yet been created nor issued and are not included in the above table. The exercise price of these new warrants has not been determined yet as they will be based on the 30-day average market price prior to their issuance and creation before a notary. The Company expects to issue these 30,000 new warrants in the course of 2011. These 30,000 new warrants are expected to be immediately vested upon the date of creation and issuance, however they cannot be exercised prior to their third year anniversary.

A. Warrant Pool of 2004 for employees, directors, and consultants

By a decision of the extraordinary shareholders' meeting of May 12, 2004, the Company issued 30,000 warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant.

The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant, it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that have not been exercised within 5 years of their creation become null and void.

29,750 of the 30,000 warrants in this warrant pool have been granted. The 250 non-granted warrants were cancelled. A further 500 of the granted warrants were terminated in 2006 and 4,000 in 2009. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1. No warrants remain outstanding or exercisable under this plan at December 31, 2009 and December 31, 2010.

B. Warrant Pool of 2005 for employees and directors

By a decision of the extraordinary shareholders' meeting of July 12, 2005, the Company issued 15,000 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant, it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that have not been exercised within 5 years of their creation become null and void.

All warrants in this warrant pool have been granted. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1. No warrants remain outstanding or exercisable under this plan at December 31, 2010.

C. Warrant pool of March 2006 for employees, directors, and consultants

By a decision of the extraordinary shareholders' meeting of March 22, 2006, the Company issued 66,700 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted

with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant, it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void.

All warrants in this warrant pool have been granted. In 2007, 2,000 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company, a further 1,337 warrants were cancelled in 2008, and additional 1,101 warrants were also cancelled in 2009. The annual general shareholders' meeting of May 23, 2006 modified the warrants of this pool so that they become convertible into 5 common shares upon exercise rather than just 1 share. This was done at the same time as all outstanding shares were split 5-for-1. The number of outstanding and exercisable warrants under this Plan remains the same at December 31, 2010 as at December 31, 2009.

D. Warrant pool of November 2006 for employees

By a decision of the Board of Directors' meeting of November 8, 2006, the Company issued 47,500 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. All warrants in this warrant pool have been granted. In 2007, 938 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company. A further 2,718 warrants were cancelled in 2010.

E. Warrant pool of April 2007 for employees

By a decision of the Board of Directors' meeting of April 18, 2007, the Company issued 55,100 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. All warrants in this warrant pool have been granted. Respectively 3,812 and 738 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company in 2008 and 2009. A further 6,314 warrants were cancelled in 2010.

F. Warrant pool of May 2007 for directors and consultants

By a decision of the extraordinary shareholders' meeting of May 25, 2007, the Company issued 50,000 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that have not been exercised within 5 years of their creation become null and void. In 2010, 10,313 warrants under this Plan were cancelled

G. Warrant pool of May 2008 for employees

By a decision of the Board of Directors' meeting of May 30, 2008, the Company issued 61,000 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. All warrants in this warrant pool have been granted. In 2008, 875 of these warrants were cancelled due to the fact that the warrant beneficiaries ceased providing services to the Company, 8,625 warrants were cancelled in 2009, and 7,188 warrants were cancelled in 2010.

H. Warrant pool of January 2009 for employees

By a decision of the Board of Directors' meeting of January 27, 2009, the Company issued 120,500 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. The warrants were granted to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 10 years from the date of the creation of the warrants. Warrants that have not been exercised within 10 years of their creation become null and void. The 3,900 non-granted warrants were cancelled in 2009. In 2010, 22,657 warrants were cancelled under this Plan.

I. Warrant pool of May 2010 for certain directors

By a decision of the extraordinary general shareholders' meeting of June 21, 2010, the Company issued 145,000 additional warrants giving the beneficiaries the right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of service (as director) to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that have not been exercised within 5 years of their creation become null and void. All 145,000 warrants were granted to a group of four new directors of the Company, including the CEO. The 145,000 warrants remain outstanding at the end of 2010.

The following table provides an overview of the outstanding warrants per personnel category at December 31, 2010:

Category	Number of warrants
Executive directors	130,000
Non-executive directors	30,000
Management Team	42,190
Other employees and consultants	357,960
Total outstanding at December 31, 2010	**560,150**

J. Accounting for share-based payment

The warrants have been accounted for in accordance with International Financial Reporting Standard 2 Share-based payment. IFRS 2 takes effect for all warrants.

The share-based compensation expense recognized in the income statements as such is given below as is the cumulated balance sheet amount:

	Years ended December 31		
Thousands of Euro (EUR)	**2010**	**2009**	**2008**
Share-based compensation	170	348	281
Cumulated Share-based compensation	2,151	1,981	1,633

The Cumulated Share-based compensation amount is part of the Total Shareholders' Equity on the balance sheet. This amount is presented on the balance sheet for both exercised and non-exercised warrants.

The weighted average exercise price of all outstanding warrants (vested and non-vested warrants; assuming 1 warrant = 1 share) is EUR 5.77. The weighted average exercise price of all outstanding vested warrants (assuming 1 warrant = 1 share) is EUR 7.05. The weighted average remaining contractual life of all outstanding warrants at the end of 2010 is 5.2 years.

The fair value of each warrant is estimated on the date of grant using the Black-Scholes methodology with the following assumptions:

After stock split 5:1	Warrants 2004 granted 12 May 2004 to Belgian beneficiaries	Warrants 2004 granted 12 May 2004 to other beneficiaries	Warrants 2005 granted 12 July 2005 to Belgian beneficiaries	Warrants 2005 granted 12 July 2005 to other beneficiaries	Warrants 2006 granted 21 March 2006 to Belgian beneficiaries	Warrants 2006 granted 21 March 2006 to other beneficiaries
Number of warrants granted	28,750	120,000	50,000	25,000	201,250	132,250
Exercise price (EUR)	4.46	4.46	4.77	4.77	4.80	4.80
Expected dividend yield	0%	0%	0%	0%	0%	0%
Expected stock price volatility	51%	51%	51%	51%	51%	51%
Risk-free interest rate	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Expected duration (months)	51.7	48.1	43.7	40.7	88.4	54.4

After stock split 5:1	Warrants 2006 granted 2 October 2006 to Belgian beneficiaries	Warrants 2006 granted 2 October 2006 to other beneficiaries	Warrants 2007 granted 4 January 2007 to Belgian beneficiaries	Warrants 2007 granted 4 January 2007 to other beneficiaries	Warrants 2007 granted 25 May 2007 to Belgian beneficiaries	Warrants 2007 granted 25 May 2007 to other beneficiaries
Number of warrants granted	19,500	28,000	22,100	23,000	15,000	35,000
Exercise price (EUR)	7.72	7.72	10.87	10.87	11.42	11.42
Expected dividend yield	0%	0%	0%	0%	0%	0%
Expected stock price volatility	65%	65%	65%	65%	65%	65%
Risk-free interest rate	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%
Expected duration (months)	84.0	72.0	87.0	68.9	55.3	37.2

After stock split 5:1	Warrants 2008 granted 30 May 2008 to Belgian beneficiaries	Warrants 2008 granted 30 May 2008 to other beneficiaries	Warrants 2009 granted 2 January 2009 to Belgian beneficiaries	Warrants 2009 granted 2 January 2009 to other beneficiaries	Warrants 2010 granted 21 June 2010 to Belgian beneficiaries	Warrants 2010 granted 21 June 2010 to Belgian beneficiaries
Number of warrants granted	12,000	37,000	63,400	53,200	135,000	**10,000**
Exercise price (EUR)	9.10	9.10	6.32	6.32	2.07	**2.07**
Expected dividend yield	0%	0%	0%	0%	0%	**0%**
Expected stock price volatility	52.30%	52.30%	57.24%	57.24%	76.17%	**76.17%**
Risk-free interest rate	4.92%	4.92%	3.98%	3.98%	3.40%	**3.40%**
Expected duration (months)	82.1	61.1	74.08	62.88	51.35	**33.34**

The weighted average risk-free interest rates used are based on Belgian Sovereign Strips at the date of grant with a term equal to the expected life of the warrants.

The expected volatility was determined using the average volatility of the stock over the last two years at the date of the grant date when sufficient data were available or using the average volatility of the sector when these data were not available.

5.1.5.20 Related parties

Transactions between MDxHealth SA, MDxHealth Inc., MDxHealth PharmacoDx BVBA and OncoMethylome Sciences BV, which are related parties, have been eliminated in consolidation and are not disclosed in this note. The intercompany services between the four MDxHealth group entities relate to R&D and administrative services carried out by the subsidiary companies on behalf of the parent company and to administrative services carried out by the parent company for the subsidiaries. In 2010, the services charged by the subsidiaries to the parent company amounted to EUR 5 million (EUR 1.2 million from OncoMethylome Sciences BV, EUR 2 million from MDxHealth PharmacoDx BVBA and EUR 1.8million from MDxHealth Inc.).

Transactions between the Company and its employees, consultants or directors are disclosed below.

There were no other related party transactions.

Remuneration of key management personnel

At December 31, 2010, the Executive Management Team comprised 5 members:

1. Chief Executive Officer and executive director, Dr. Jan Groen
2. VP of Corporate and Legal Affairs, Mr. Joseph Sollee
3. Chief Financial Officer, Decofi sprl (represented by Mr. Philip Devine)
4. Vice-President of Commercial Operations, Mr. Christopher Thibodeau
5. VP of R&D, Dr. James Clark

At December 31, 2010, the broader Management Team comprised the following additional member:

6. VP of Regulatory Affairs and Quality Systems, Dr. Melissa Thompson

Their combined remuneration package, including employer taxes, amounted to the following (all warrant and share data for all years reflect the May 23, 2006 5-for-1 stock split and related change to the warrant plans):

	Years ended December 31		
Thousands of Euro (EUR)	2010	2009	2008
Number of management members and executive directors	6	11	10
Short-term employee benefits	EUR 742	EUR 1,798	EUR 1,697
Post-employment benefits	EUR 19	EUR 60	EUR 39
Other employment costs	EUR 115	EUR 329	EUR 237
Total benefits	EUR 876	EUR 2,187	EUR 1,973
Number of warrants offered	130,000	60,000	25,000
Cumulative outstanding warrants	172,190	263,690	221,690
Exercisable warrants	29,822	179,503	121,068
Exercised warrants	0	10,000	27,935
IFRS share-based compensation expense	EUR 63	EUR 156	EUR 140
Outstanding receivables from persons	0	0	0
Outstanding payables to persons	EUR 8	0	0
Shares owned	10,000	535,966	648,450

In 2010, as an aggregate for the group comprised by the 5 executive managers, no stock options were exercised, 130,000 new stock options were granted and accepted by the CEO (for an annualized IFRS cost of EUR 9), and no shares were sold. The Board and the Company have committed in 2010 to grant an additional 30,000 warrants to the CEO and 135,000 new warrants to the 4 remaining executive managers. These stock options have not been created nor issued yet, do not yet have a fixed exercise price, and are not included in the above table.

In 2009, as an aggregate for the group comprised by the 5 executive managers, 10,000 stock options were exercised, 30,000 new stock options were granted and accepted (for an annualized IFRS cost of EUR 25,626), and 4,280 shares were sold.

No loans, quasi-loans or other guarantees are outstanding with members of the Executive Management Team.

Transactions with non-executive directors

The non-executive and non-independent directors receive a fee for attending and preparing for Board meetings, for assisting the Company with Board matters, and they receive reimbursement for expenses directly related to the Board meetings. In 2010, 2009 and 2008, respectively EUR 34,000, EUR 69,000 and EUR 33,000 were paid as fees and reimbursement for expenses to these non-executive non-independent members of the Board of Directors.

The independent directors receive a fee for attending and preparing meetings of the Board of Directors, for assisting the Company with Board matters, and they receive reimbursement for expenses directly related to the Board meetings. In 2010, 2009 and 2008, respectively EUR 128,000, EUR 87,000 and EUR 100,000 were paid as fees and expense reimbursement to independent members of the Board of Directors.

5,000 warrants were granted to each of the 3 new non-executive directors who joined the Board of Directors in 2010. By a decision of the extraordinary general shareholders' meeting of June 21, 2010, the Company issued 15,000 warrants to non-executive directors in 2010 giving them right to purchase common shares of the Company. The warrants were granted with an exercise price equal to the fair market price of the underlying common shares at the date of grant. Under this plan, 25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of service (as director) to the Company. Non-exercisable warrants become exercisable in case of a change of control of the Company. All warrants were granted for free. The duration of the warrants is 5 years from the date of the creation of the warrants. Warrants that have not been exercised within 5 years of their creation become null and void.

5.1.5.21 Significant agreements, commitments and contingencies

A. Collaborative research agreements and clinical research agreements

The Company has entered into numerous agreements with universities, medical centers and external researchers for research and development work and for the validation of the Company's technology and products. These agreements typically have durations of one to three years. The Company must pay fixed fees to the collaborators and in exchange receives access and rights to the results of the work.

B. Intellectual property in-licensing agreements

The Company has entered into numerous agreements with universities and companies for in-licensing intellectual property. These agreements typically require the Company to pay an up-front fee, annual maintenance fees and/or minimum annual royalty fees, legal fees related to the patents, and certain milestone and royalty fees if the patents are eventually used in a commercialized product. In addition, the Company must provide the licensor with periodic reports.

C. Commercial and intellectual property sub-licensing agreements

The Company has entered into numerous partnering and sub-licensing agreements.

PharmacoDx Partners

MDxHealth collaborates with a range of pharmaceutical companies in the identification and development of biomarkers for potential use as companion diagnostics for their therapeutic drugs or vaccines. MDxHealth usually derives revenues from providing R&D and clinical testing services to these partners. The identity of these partners is not always disclosed. In addition to the pharmaceutical collaborations described in detail below, MDxHealth has entered into collaborations in this manner with other pharmaceutical companies such as Abbott Laboratories, F. Hoffmann-La Roche Ltd., and Pfizer.

Merck Serono

In 2008, MDxHealth entered into a licensing and testing agreement with Merck KGaA of Darmstadt, Germany (now Merck Serono). Under the terms of the agreement, MDxHealth provides MGMT gene promoter methylation testing services for Merck's clinical trial program of Cilengitide. The MDxHealth MGMT test is being used in two Merck clinical trials with its drug Cilengitide for patients with newly diagnosed brain tumors (glioblastomas), including a Phase III clinical trial (CENTRIC) and Phase II clinical trial (CORE). Patient selection for these Merck trials is based on the MGMT gene promoter methylation status of their tumor tissue.

As part of the agreement, Merck obtained a right of reference to the MDxHealth MGMT test in its packaging insert (i.e. drug label) for Cilengitide, and MDxHealth agreed to grant to Merck a worldwide, indefinite duration, and non-exclusive license to use the results of the MDxHealth MGMT gene promoter methylation assay for optimizing glioblastoma multiforme (GBM) treatment with Cilengitide. In return for such commitment, Merck agreed to assist MDxHealth in its development efforts for the MGMT Assay, as well as to certain labeling obligations in favor of MDxHealth. Under the terms of the agreement, the rights to the MGMT assay are retained exclusively by MDxHealth.

Pfizer, Inc.

In 2010, MDxHealth entered into a collaboration agreement with Pfizer to pursue the identification and development of a MDxHealth biomarker predicting response to Pfizer's cancer drug candidate for PARP inhibition, PF-01367338. Newcastle University (UK) is also participating in the collaboration. The collaboration is assessing the potential to develop an MDxHealth test as a companion diagnostic test to guide treatment decisions in treatment of ovarian and breast cancers with the Pfizer drug candidate.

Under the terms of the agreement, MDxHealth is providing marker discovery, assay development and clinical trial testing services to Pfizer, and will retain rights to the eventual commercial companion diagnostic test. In addition, the partners have announced their mutual intention to ultimately set up a high throughput platform that is clinically validated to rapidly test for epigenetic defects in key DNA damage repair (DDR) genes to support the design and implementation of clinical trials to enable the development of optimized, targeted therapies.

Schering-Plough

In 2005, MDxHealth entered into a collaboration and license agreement with Schering-Plough Corporation. Under the license, Schering-Plough received a worldwide, indefinite duration, and non-exclusive right from MDxHealth to use the results of the MDxHealth MGMT assay to evaluate the methylation status of the MGMT gene in patients treated or to be treated with temozolomide or other Schering-Plough products. Under the terms of the agreement, the rights to the MGMT assay are retained exclusively by MDxHealth. MDxHealth received an upfront license payment, a milestone payment and is entitled, subject to certain conditions, to further milestone payments and sample processing fees from Schering-Plough.

Under the collaboration, MDxHealth provides MGMT testing services for certain of Schering-Plough's clinical trials involving temozolomide, including a multi-center, international, phase III clinical trial for brain cancer, as well as other clinical trials outside of brain cancer.

GlaxoSmithKline Biologicals (GSK)

In 2010, MDxHealth expanded its existing relationship with GlaxoSmithKline Biologicals (GSK) to pursue the development and testing of new companion diagnostic tests that can potentially be used with GSK's immunotherapeutic oncology program. MDxHealth's collaboration with GSK was initiated in 2007 under a Wallonia-BioWin grant concerning mutual research in the immunotherapeutic oncology field. Under the expanded agreement signed in 2010, GSK is collaborating with MDxHealth to assess the potential use of one of MDxHealth's DNA methylation specific PCR biomarkers in GSK's immunotherapy development program.

Molecular Diagnostics Partners

Exact Sciences

In 2010, MDxHealth entered into an exclusive license agreement with Exact Sciences Corporation for stool-based screening of colorectal cancer. Under the terms of the agreement, Exact Sciences obtained exclusive, worldwide rights to use up to two of MDxHealth's DNA methylation biomarkers in stool-based detection of colorectal cancer, as well as non-exclusive access to MDxHealth's MSP platform technology for use with those biomarkers. In return, MDxHealth received an upfront license payment and is entitled to receive, subject to certain conditions, milestone payments and royalties on net sales.

In January 2011, following Exact Sciences' completion of preliminary studies, MDxHealth announced the election by Exact Sciences to include an MDxHealth methylation biomarker, together with MDxHealth's MSP platform technology, in Exact Sciences' ColoGuard stool-based DNA colon cancer screening test. This confirmation triggered a milestone payment to MDxHealth from Exact Sciences.

Veridex

In December 2010, MDxHealth entered into two non-exclusive licenses with Veridex LLC (a Johnson & Johnson Company) for the use of certain of MDxHealth's proprietary DNA methylation products in colorectal and prostate cancer screening. Under the agreements, Veridex licensed non-exclusive rights for the performance of service testing at its own laboratories worldwide using MDxHealth's DNA methylation biomarkers for use in blood-based detection of colorectal cancer, as well as tissue- and urine-based detection of prostate cancer. In return, MDxHealth is entitled to receive, subject to certain conditions, milestone payments and royalties on net sales. The new license agreements replace prior agreements first entered into with Veridex LLC in 2004 granting exclusive worldwide rights to prostate cancer testing services and kits. These license grants to Veridex were the result of an agreement between MDxHealth and Ortho-Clinical Diagnostics, Inc. (OCD, a Johnson & Johnson Company) that was entered into in 2003, when MDxHealth acquired certain methylation markers and technology from Tibotec-Virco (a Johnson & Johnson Company). Under the terms of this 2003 agreement, MDxHealth agreed to first offer to OCD the exclusive right to license, at commercially reasonable terms, any product in the human in vitro diagnostics field that contains those technology components that were once owned by Tibotec-Virco. Since 2003, MDxHealth has offered

products under this first right to license option in the fields of prostate, lung, colon, cervical, brain and bladder cancer, of which Veridex has exercised its license rights only for Prostate and blood-based colon, each on a non-exclusive basis for service testing.

LabCorp

In 2008, MDxHealth granted to Laboratory Corporation of America (LabCorp) a royalty bearing sublicense to the MGMT test (exclusive license for the North American market only, of indefinite duration, and for service testing only) and entered into an agreement to supply reagents to LabCorp for its colorectal cancer screening test (ColoSure). In 2007, LabCorp obtained a non-exclusive license to perform laboratory-based diagnostic testing services in North America on prostate tissue samples using selected MDxHealth's DNA methylation biomarkers. In 2008, LabCorp began to commercialize the three afore-mentioned tests in North America.

Predictive Biosciences

In 2010, MDxHealth entered into an exclusive license agreement with Predictive Biosciences for diagnostic applications in bladder cancer. Under the terms of the agreement, Predictive Biosciences obtained exclusive rights in the United States for the use of a number of MDxHealth's DNA methylation biomarkers in bladder cancer testing of urine, blood and other bodily fluids. MDxHealth retained exclusive worldwide rights to these markers in tissue-based bladder cancer tests. In return, MDxHealth received an upfront license payment and is entitled to receive, subject to certain conditions, milestone payments and royalties on net sales.

D. Litigation

Since the incorporation of the Company, the Company has not incurred any claims by third parties nor filed any claims against third parties. As a result, the Company has no provisions for litigation at this time.

E. Grants

Since its incorporation, MDxHealth has been awarded multiple grants from the Belgian regional governments, from the European Union, and from the Dutch government.

To date, MDxHealth has been approved for a total of EUR 9.2 million in grants and has received grant payments for a total of EUR 7.5 million. A total of EUR 7.5 million has already been recognized as revenues in the period 2004-2010. If the Company respects the conditions of the already approved grants, the Company stands to receive a further EUR 1.2 million in grant payments. The total revenue generated by the grants was EUR 568 thousand in 2010.

The main active grants are the following:

(1) Name (2) Source (3) Description (4) Applicability	Start Date	End Date	EUR Amount Approved	EUR Amount Received	Main Conditions
(1) **BIOWIN project** (2) Belgian government – Marshall Plan (3) research into early cancer detection test (4) covers part of personnel/ lab costs, collaborator costs, and sample collection costs	1/7/2007	30/6/2011 (extended compared to original end date of 31/12/10)	EUR 2,179,378	EUR 1,858,471	Respect plans and budget. 311K to be paid during initial period, rest at end of each semi-annual period, except last 15% paid at end
(1) **CTMM Decode** (2) Dutch government – SenterNovem (3) research and development into colon cancer detection test (4) covers part of personnel/lab costs, equipment costs, and sample collection costs	1/9/2008	31/08/2013	EUR 189,016	EUR 89,691	Respect plans and budget. *Comments: Project was modified in 2010 to meet needs of Company*
(1) **CTMM Airforce** (2) Dutch government – SenterNovem (3) research and development into lung cancer and head & neck cancer detection test (4) covers part of personnel/ lab costs, equipment costs, and sample collection costs	1/10/2008	30/09/2013	EUR 100,000	EUR 42,184	Respect plans and budget. *Comments: Project will continue to normal end-date but company expensed all remaining costs of project in 2010*
(1) **Eurotransbio** (2) Belgian government (Wallonia), (3) R&D for biomarkers used for assessing aggressiveness of bladder cancer (4) covers mainly personnel and sample collection costs	1/9/2010	1/9/2012	EUR 770,000	EUR 0	Respect plans and budget. *Comments: Project full start-up only occurred in Q1 2011, thus no revenue from project recognized in 2010*

In 2008, the subsidiary of MDxHealth based in the Netherlands was approved for a 2-year grant project for colorectal cancer research. This project was in coordination with the EuroTransBio and SenterNovem organizations. As part of the project, MDxHealth was approved for up to EUR 499,540 in grant payments, of which EUR 124,878 was paid as an up-front advance. The project was never performed due to changes in the project and the eventual change in strategy of the Company. None of the grant amounts were recognized as revenue, the project grant amounts have now expired, and MDxHealth expects in 2011 to reimburse the up-front advance payment it received. As such, a liability of EUR 124,878 is recorded in the accounts of the Company at December 31, 2010.

In October 2008, the subsidiary of MDxHealth based in the Netherlands was approved for a 5-year project called CTMM AirForce for R&D into lung and head&neck cancer applications. MDxHealth needs to make certain contributions to the project and receives certain grant payments. Since the project cannot be interrupted by request of the Dutch government and since MDxHealth does not believe the project will generate any positive results, MDxHealth decided in 2010 to expense in 2010 all the contributions MDxHealth must make to the project over its remaining term. Any grants MDxHealth may receive in the remaining term of the project will be recognized as income in the corresponding remaining term of the project.

MDxHealth in 2010 received a proposal from the Walloon government to extend the subsidy for the lung cancer project. This possible extension is still under discussion and as such the Company has not recognized in 2010 any subsidy revenues from this project nor recorded any receivables/payables related to the potential grant extension. The Company continued to perform work on the lung cancer project in 2010.

The grants are subject to periodic reporting on the status of the projects and on the costs incurred to date by the project. The approved amounts are the maximum amounts the Company stands to receive. If the Company spends less on the projects than the original budget or deviates from the plans without consent, then it risks receiving lower grant payments than the amounts that were initially approved.

When a government grant is allocated, the Company books the full amount as both a receivable and a payable. No income is recognized when the grant is approved, but is fully deferred at that point. When it is received, the receivable is reduced by the amount. When the grant is recognized as income, the payable is reduced by the amount. The grant is only recorded as a payable/receivable when (i) the grant has been approved by the granting party, (ii) the amounts are measurable, and (iii) the Company believes it will meet the conditions necessary to be able to receive/use the grant.

5.1.5.22 Subsequent events

- On January 10, 2011, MDxHealth announced that its partner, Exact Sciences Inc., has confirmed that it is pursuing the development of its stool-based colorectal cancer screening test using a bio-marker and the MSP-technology which it in-licensed from MDxHealth
- On January 21, 2011 MDxHealth announced the convocation of an extraordinary shareholders meeting to be held February 14, 2011. At this meeting, the shareholders renewed the authorized share capital and allowed the Board of Directors to use the capital for standard corporate transactions such as capital increases, M&A, and new warrants.
- On January 26, 2011, MDxHealth announced that the Company Predictive BioSciences Inc had published its first set of clinical data for a bladder cancer screening test using the MSP technology and markers which it had in-licensed from MDxHealth in 2010.
- On January 31, 2011, MDxHealth announced a new partnership with Pfizer Inc. and Newcastle University for the development of potential companion diagnostic tests for the cancer PARP-inhibitor drug which Pfizer has in development. MDxHealth may receive service fees and milestone fees from this deal. The goal is to develop a test that could eventually be commercialized with the drug, if the drug and the test are eventually successful and approved.

5.1.5.23 Reconciliation between the consolidated financial statements under local GAAP and IFRS

The Company presents the financial statements under IFRS for the previous three years. The date of transition for the Company is as such January 1, 2003. The Board of Directors decided to start preparing and filing the Company's consolidated financial statements under IFRS as of December 31, 2005 and thereafter.

The statutory annual accounts presented under section 6 are prepared on a non-consolidated basis and under local (Belgian) GAAP.

Equity reconciliation and profit & loss reconciliation between local GAAP and IFRS (on a consolidated basis)

	Years ended December 31					
in '000 Euro	**2010**		**2009**		**2008**	
	Equity	**Loss of the year**	**Equity**	**Loss of the year**	**Equity**	**Loss of the year**
Under Belgian GAAP	10,761	(8,100)	18,855	(15,964)	34,709	(10,463)
Purchase of intangible assets	(7,035)		(7,035)	(590)	(6,445)	(530)
Depreciation of intangible assets	6,997	17	6,980	2,586	4,394	850
Deferred taxes assets elimination NL	0		0	15	(15)	(11)
Government grant	0		0		0	(38)
Share-based compensation		(170)		(348)		(281)
Deduction of capital increase costs						281
Total restatements	(38)	(153)	(55)	1,663	(2,066)	271
Under IFRS	10,723	(8,253)	18,800	(14,301)	32,643	(10,192)

- In the statutory accounts the costs related to certain research and development had been previously capitalized and amortized on a straight-line basis over a period of 5 years, starting at January 1, 2003. In the IFRS statements development costs are capitalized to the extent that all conditions for capitalization have been satisfied (to date and currently no R&D is capitalized in the Company's IFRS accounts). To align the statutory accounts with those in the consolidated IFRS accounts, in 2009, the Company decided to fully expense the research and development costs that were previously capitalized in the statutory accounts. This change has no impact on the consolidated IFRS accounts.
- The Dutch subsidiary of the Company (OncoMethylome Sciences BV) has recorded in the past a deferred tax asset on its tax loss carry forward. It is not probable that sufficient taxable profits would exist in the future against which the unused tax losses can be utilized. In the IFRS statements, no deferred tax assets are recorded.
- Under Belgian GAAP no employee benefit expense is recognized for stock offered to employees and other beneficiaries. Under IFRS 2 Share-based Payment, the entity shall measure a compensation expense for the fair value of the services received from employees and others providing similar services by reference to the fair value of the equity instruments granted. There is no net impact on equity as for equity-settled share-based payment transactions under IFRS 2, the compensation expense is recorded by a corresponding increase in equity.

5.1.5.24 Disclosure under Article 114 of the Royal Decree dated January 30, 2001 implementing the Belgian Company Code

Subsidiaries

The Company has three wholly-owned subsidiaries, as follows:

MDxHealth Inc.	
Address	2505 Meridian Parkway, suite 310, Durham, NC 27713, USA
Incorporation Date	April 14, 2003
Number of employees	6 at December 31, 2010: 2 employees engaged in research and development and 4 employees engaged in sales, general and administrative functions. 10 at December 31, 2009: 5 employees engaged in research and development and 5 employees engaged in sales, general and administrative functions. 10 at December 31, 2008: 5 employees engaged in research and development and 5 employees engaged in sales, general and administrative functions.

OncoMethylome Sciences BV	
Address	Tour 5 GIGA, Avenue de l'Hôpital 11, 4000 Liège
Incorporation Date	March 16, 2004
Number of employees	1 at December 31, 2010: 1 employee engaged in sales, general and administrative functions. 15 at December 31, 2009: 12 employees engaged in research and development and 3 employees engaged in sales, general and administrative functions. 15 at December 31, 2008: 13 employees engaged in research and development and 2 employees engaged in sales, general and administrative functions.

MDxHealth PharmacoDx BVBA	
Address	Technologiepark 4, VIB Bio-Incubator, 9052 Zwijnaarde/Ghent, Belgium
Incorporation Date	May 25, 2007 (Register of Legal Persons number BE 0889.683.703)
Number of employees	7 at December 31, 2010: 5 employees engaged in research and development and 2 employees engaged in sales, general and administrative functions. 16 at December 31, 2009: 13 employees engaged in research and development and 3 employees engaged in sales, general and administrative functions. 16 at December 31, 2008: 13 employees engaged in research and development and 3 employees engaged in sales, general and administrative functions.

Remuneration of the Board

The total remuneration of the Board of Directors (including the executive director) in 2010, 2009 and 2008 was EUR 436,000, EUR 519,000 and EUR 518,000 respectively (excluding VAT, stock-based compensation and expenses reimbursement). No advances or credits have been granted to any member of the Board of Directors. None of the members of the Board of Directors have received any non-monetary remuneration other than warrants as disclosed above.

5.2. Management discussion and analysis of financial condition and results of operations

The following discussion pertains to the consolidated financial statements of the Company which have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB). The financial statements can be found in section 5.1 of this document.

Results of Operations for the Year Ended December 31, 2010 compared to Year Ended December 31, 2009

Revenues

Total revenues slightly decreased from EUR 2,548,000 in 2009 to EUR 2,536,000 in 2010, a decrease of 0.5%. Revenues are derived from (i) commercial product sales, services, or royalties and from (ii) grants. Commercial revenues in 2010 increased by 91%, from EUR 1,031,000 in 2009 to EUR 1,968,000 in 2010 as a result mainly of extra testing services and volume performed for the pharmaceutical industry. Grant revenue decreased by 63% in 2010, from EUR 1,517,000 in 2009 to EUR 568,000 in 2010, as the Company discontinued subsidized projects in non-core early-stage research projects that did not fit the new strategy defined for the Company in 2010.

Substantially all of the Company's revenues have been derived from commercial license agreements, from pharmacogenomic contracts and from government grants. The commercial revenues include up-front fees and milestone fees (which are irregular in terms of the timing and amounts) and testing fees, contract research fees, and royalties on sales of products licensed to third parties.

The Company has been awarded EUR 9.2 million in grants and subsidies since its inception of which EUR 568,000 have been recorded as revenues in 2010. Grants recorded in 2010 represent 22% of total revenues and were received from the Belgian and Dutch governments primarily for development work on women's cancers and colon cancer diagnostic products. Grants awarded generally take the form of refunds of specific expenses incurred in connection with approved scientific research activities.

Cost of goods and services sold

The costs of goods include royalties MDxHealth must pay to third parties and the costs associated with providing testing services to third parties. The cost of goods was higher in 2010 than in 2009, as a result of an increase in the mix of total revenues derived from commercial sales, particularly service testing for the pharmaceutical industry which is performed in the Company's ISO-certified lab.

Research and development expenses

Research and development expenses were EUR 6,812,000 in 2010 compared to EUR 13,089,000 in 2009, a decrease of 48%. The main reasons for the decrease in the R&D expenditures in 2010 are the following: (i) the large clinical trials for a colorectal cancer test which were occurring in 2009 were discontinued in 2010 as the Company decided to out-license screening applications rather than develop such test in-house, (ii) several projects and outside collaborations were discontinued in 2010 when they did not fit the new strategy, (iii) several cost cutting and re-focusing efforts were launched at the end of 2009, which included the closure of the lab facilities in the Netherlands, and (iv) the Company performed accelerated amortization on certain intangible assets in 2009 which were not required in 2010. The detail of the research and development expenses is as follows.

	Years ended December 31	
Thousands of Euro	**2010**	**2009**
Personnel costs	3,619	3,714
Lab consumables	306	945
External research and development collaborators	1,667	3,912
Patents and licenses	347	331
Depreciation & amortization	338	2,281
Other expenses	535	1,906
Total	**6,812**	**13,089**

Selling, general and administrative expenses

In 2010, selling, general and administrative expenses amounted to EUR 3,745,000 compared to EUR 4,011,000 in 2009, a decrease of 7%. The decrease in costs is largely due to less general management personnel and less business development personnel in relation to the cost-cutting launched at the end of 2009.

The detail of the administrative and selling expenses is as follows:

Thousands of Euro	Years ended December 31 2010	2009
Personnel costs	1,847	2,063
Depreciation	37	17
Professional fees	1,211	878
Other expenses	650	1,053
Total	**3,745**	**4,011**

Financial results

In 2010, the Company ended the year with a net financial gain of EUR 137 while it recorded a net financial gain of EUR 430,000 in 2009. The net "financial income" decreased in 2010 due to a lower average cash balance and to lower interest rates on deposits. MDxHealth earned EUR 222 thousand of interest income and financial gains in 2010, and this was decreased by foreign exchange differences of EUR 85 thousand due to the fluctuation of the dollar throughout 2010. In 2010, MDxHealth recognized a one-time gain of EUR 135 thousand on the sale of Financial Assets (shares bought in 2008 that were re-sold for a gain in 2010).

Net loss

The net loss was EUR 8,253,000 in 2010 compared to EUR 14,301,000 in 2009, an decrease of 42%. This decrease is due primarily to a decrease in operating costs following the cost-cutting and re-focus efforts launched in Q4 2009.

Results of Operations for the Year Ended December 31, 2009 compared to Year Ended December 31, 2008

Revenues

Total revenues decreased from EUR 3,024,000 in 2008 to EUR 2,548,200 in 2009, a decrease of 15%.

Substantially all of the Company's revenues have been derived from commercial license agreements, from pharmacogenomic contracts and from government grants. The commercial revenues include up-front fees and milestone fees (which are irregular in terms of the timing and amounts) and testing fees, contract research fees, and royalties on sales of products licensed to third parties. No up-front fees were received in 2009 unlike in 2008 where such fees were received on some new commercial agreements.

The Company has been awarded EUR 8.5 million in grants and subsidies since its inception of which EUR 1,517,000 have been recorded as revenues in 2009. Grants recorded in 2009 represent 60% of total revenues and were received from the Belgian and Dutch governments primarily for development work on lung and colon cancer diagnostic products. Grants awarded generally take the form of refunds of specific expenses incurred in connection with approved scientific research activities. The Company expects to receive all or most of the EUR 3 million remaining funds available under approved grants and subsidies in 2010 through 2013.

Cost of goods and services sold

The costs of goods include royalties MDxHealth must pay to third parties and the costs associated with providing testing services to third parties. The cost of goods was lower in 2009 than in 2008, following the trend of the revenues they are associated with.

Research and development expenses

Research and development expenses were EUR 10,999,000 in 2008 compared to EUR 13,091,000 in 2009, an increase of 19%. The main overall increase in R&D expenses is due to (i) the costs of the samples for validating the Company's colorectal blood-based test for which the trial was expanded in 2009, and (ii) the decision to fully amortize certain intangible assets associated with in-licensed intellectual property. External research and development collaboration expenses decreased significantly, and is explained by the end of some large collaborations with external parties. In January 2008, the Company in-licensed some technology from Epigenomics AG which it has been amortizing over 5 years, but in 2009 it was recognized that this intangible asset should be fully written off since the Company no longer had plans to use the technology. Other research and development expenses increased primarily as a result of extra costs related to the concentration of internal research activities by the Company in Europe. Following the announcement on November 5, 2009 to re-focus the Company's activities on certain core projects and areas, there were extra costs related to the reduction of some personnel who were working on non-core activities and costs associated with eliminating the duplication of certain lab processes across the 3 lab sites in Europe.

The detail of the research and development expenses is as follows.

Selling, general and administrative expenses

In 2009, selling, general and administrative expenses amounted to EUR 4,011,000 compared to EUR 3,107,000 in 2008, an increase of 29%. The increase in costs is largely due to more general management personnel and more business development personnel (who were hired mainly at the end of 2008). The detail of the administrative and selling expenses is as follows:

	Years ended December 31	
Thousands of Euro	**2009**	**2008**
Personnel costs	2,063	1,599
Depreciation	17	4
Professional fees	878	891
Other expenses	1,053	613
Total	**4,011**	**3,107**

Financial results

In 2009, the Company ended the year with a net financial gain of EUR 430,000 while it recorded a net financial gain of EUR 1,134,000 in 2008. The net "financial income" decreased in 2009 due to a lower average cash balance and to lower interest rates on deposits. MDxHealth earned EUR 450 thousand of interest income and financial gains in 2009, and this was decreased by foreign exchange differences of EUR 20 thousand due to the fluctuation of the dollar throughout 2009.

Net loss

Net loss was EUR 14,301,000 in 2009 compared to EUR 10,192,000 in 2008, an increase of 40%. This increase is due to a decrease in revenues and an increase in costs. Approximately two-thirds of the 2009 increase in operating costs is due to one-time costs associated with the re-focus initiative announced on November 5, 2009. The Company has made accruals of approximately EUR 1 million in 2009 to cover costs associated with focusing the R&D on a smaller set of core products, reducing the number of personnel in 2010, and concentrating the R&D activities in fewer sites. Furthermore, the Company has recognized EUR 1.3 million in accelerated depreciation and amortization on fixed assets and intangible assets that are no longer deemed of value.

Liquidity, working capital, and capital resources for the years ended December 31, 2010, 2009, and 2008

Year ended December 31, 2010

At December 31, 2010, the cash and cash equivalents of MDxHealth amounted to EUR 10.6 million compared to EUR 18 million at the end of 2009.

In 2010, net cash used in operating activities amounted to EUR 8.1 million and net cash provided by investing activities was EUR 0.7 million. The total net cash consumption of the Company was reduced from EUR 12.6 million in 2009 to EUR 7.4million in 2010. This cash consumption improvement of 41% is due primarily to the cost cuts initiated in Q4 2009, an improvement in working capital, and the sale of financial assets in 2010.

The operating cash flow was mainly impacted by the net result and an improvement in working capital.

Year ended December 31, 2009

At December 31, 2009, the cash and cash equivalents of MDxHealth amounted to EUR 18 million compared to EUR 30.6 million at the end of 2008.

In 2009, net cash used in operating activities amounted to EUR 12.8 million and net cash provided by investing activities was EUR 0.1 million. Net cash provided by financing activities amounted to EUR 0.1 million. Overall, the cash position of MDxHealth decreased by EUR 12.6 million in 2009.

The operating cash flow was mainly impacted by the net result. The increase in account receivable was mainly due to longer collection times on subsidies and reimbursable VAT from the Dutch and Belgian authorities.

The 2009 investing cash flows were mainly impacted by (i) a decrease in the purchase of intangible assets in 2009 as compared to 2008 and (ii) by a decrease in financial revenues in 2009.

The cash flows from financing activities were mainly impacted by the exercise of stock options which generated EUR 0.1 million of net proceeds for MDxHealth.

Year ended December 31, 2008

At December 31, 2008, the cash and cash equivalents of MDxHealth amounted to EUR 30.6 million compared to EUR 33.1 million at the end of 2007.

In 2008, net cash used in operating activities amounted to EUR 9.3 million and net cash used by investing activities were EUR 1.6 million. Net cash provided by financing activities amounted to EUR 8.5 million. Overall, the cash position of MDxHealth decreased by EUR 2.5 million in 2008.

The operating cash flow was mainly impacted by the net result. The decrease in account receivable was mainly due to the large collection of subsidies amounts and to VAT reimbursement from the Dutch authorities.

The 2008 investing cash flows were mainly impacted by (i) a decrease in the purchase of tangible assets for the purchase of equipment compared to 2007 and (ii) an increase in the purchase of intangible assets with the license acquired from Epigenomics in January 2008.

The cash flows from financing activities were mainly impacted by the Secondary Offering of shares on Euronext and the issuance of new shares in 2008 related to the exercise of stock options which together generated EUR 8.5 million of net proceeds for MDxHealth.

5.3. Report of the Board of Directors on the consolidated financial statements

The following report has been established by the Board of Directors on February 18, 2011 for submission to the Annual General Shareholders' Meeting of May 27th, 2011.

Dear MDxHealth Shareholder,

We are pleased to present to you the consolidated financial statements for the year ended December 31, 2010. The Board of Directors, represented by its directors, declares that, to the best of its knowledge, (i) the consolidated financial statements for the year ended December 31, 2010 give a fair view of the assets, liabilities, financial position and results of MDxHealth and of the entities included in the consolidation, and (ii) the consolidated Board report of MDxHealth includes a fair view of the development and performance of the business and the position of the Company and of the undertakings included in the consolidation, as well as a description of the main risks and uncertainties that they face.

5.3.1. Discussion and analysis of the consolidated financial statements of 2010, 2009, and 2008

The consolidated financial statements have been prepared in accordance with IFRS and have been approved for issue by the Board of Directors on February 18, 2011.

Revenues

Substantially all of the Company's revenues have been derived from pharmaceutical company service agreements, commercial license agreements and from government grants.

The commercial revenues are mainly up-front fees, milestone fees and service testing revenues, and thus are irregular in terms of the timing and amounts. Total revenues in 2010, 2009, and 2008 were EUR 2.5 million EUR 2.5 million, and EUR 3.0 million, respectively. The commercial revenues were primarily generated from deals with Merck Corporation, Veridex LLC (a Johnson & Johnson company), Abbott, GSK Biologicals, Pfizer, Exact Sciences and Merck Serono. The government grants include primarily Belgian and Dutch government grants for colon and women's cancer R&D projects.

Operating charges

'000 EUR for year ended Dec 31	2010	2009	2008
Research & development expenses	6,812	13,089	10,999
Selling, general and administrative expenses	3,745	4,011	3,107
Other operating expenses	(25)	0	1
Total Operating Charges	**10,532**	**17,100**	**14,107**

Total operating charges decreased by 38% from EUR 17.1 million in 2009 to EUR 10.5 million in 2010, mainly due to the following: (i) the large clinical trials for a colorectal cancer test which were occurring in 2009 were discontinued in 2010 as the Company decided to out-license screening applications rather than develop such tests in-house, (ii) several projects and outside collaborations were discontinued in 2010 when they did not fit the new strategy, (iii) several cost cutting and re-focusing efforts were launched at the end of 2009, which included the closure of the lab facilities in the Netherlands, and (iv) the Company performed accelerated amortization on certain intangible assets in 2009 which were not required in 2010.

As a consequence, R&D expenses decreased by 48% from EUR 13.1 million in 2009 to EUR 6.9 million in 2010. SG&A expenses decreased by 7% from EUR 4 million in 2009 to EUR 3.7million in 2010, mainly due to the cost-cutting and re-focus efforts launched in Q4 2009.

Net results

EBIT and net loss were EUR -14.7 million, and EUR -14.3 million in 2009 compared to EUR -8.4 million, and EUR -8.3million in 2010. The decreased loss is due primarily to the cost-cuts and the re-focus program launched in Q4 2009. These included the closure or the Netherlands facility, the discontinuance of several projects in-house (such as the colorectal cancer screening test), and the reduction of several operating costs (such as the reduction of the number of personnel).

Cash Flow

The net cash balance decreased by EUR 7.4 million in 2010 due to the continuing losses of the Company. However the total net cash consumption in 2010 was 41% lower than in 2009.

The total net cash consumption improved in 2010 primarily due to the following reasons:

- A reduction of operating costs due to the cost-cutting and re-focus program launched in Q4 2009
- An improvement of working capital, particularly a reduction in accounts receivable
- The sale of the financial assets in2010

Balance Sheet

The balance sheet at December 31, 2010 remained similar in terms of composition to previous years as evidenced by the following key ratios:

For the year ended Dec 31	2010	2009	2008
Cash & cash equivalents as a% of total assets	73%	73%	78%
Working capital as a% of total assets	70%	70%	75%
Solvency ratio (equity/total assets)	74%	76%	84%
Gearing ratio (Financial debt/equity)	0%	0%	0%

Cash and cash equivalents of EUR 10.6 million account for 73% of total assets at December 31, 2010. The other major assets are property, plant and equipment (EUR 0.6 million or 4% of total assets) which is primarily composed of equipment purchased in 2006 and 2007, and grants awarded to the Company and receivable over the period 2011-2013 (EUR 1.3 million or 9% of total assets).

Total equity of EUR 10.7 million accounts for 74% of the total balance sheet at December 31, 2010. The other major liabilities are trade payables (EUR 1.6million or 11% of total assets), and deferred revenues related to the grants already awarded to the Company and which cover the period 2011-2013 (EUR 1.3 million or 9% of total assets).

Taxation

The losses of the Company in the last three years imply that no income taxes are payable for these years. On December 31, 2010, the Company had net tax losses carried forward amounting to EUR 74 million, implying a potential deferred tax asset of EUR 25 million. Due to the uncertainty surrounding the Company's ability to realize taxable profits in the near future, the Company did not recognize any deferred tax assets on its balance sheet.

5.3.2. Capital increases and issuance of financial instruments

No shares were issued in 2010. However, following the approval of the general shareholders' meeting of June 21, 2010, the share capital of the Company was reduced, however there was no change to the number of outstanding shares.

On June 21, 2010, the general shareholders' meeting approved the creation and grant of 145,000 new warrants to 4 new directors of the Company, including the new CEO. The warrants vest straight-line over 4 years (in quarterly installments), have a duration of 5 years, and have an exercise price of EUR 2.07.

5.3.3. Risks

In 2010, the Company was potentially subjected to the following risks:

- The business model of MDxHealth has recently considerably changed and the Company may not be successful in accomplishing any of its new objectives.
- The Company is at an early stage of development and may encounter difficulties in its growth and expansion of activities
- Losses have been incurred since the inception of the Company, further losses are expected in the foreseeable future, and further funding will be needed
- The Company is dependent on intellectual property rights which could be challenged and the Company could be affected by new patents of third parties
- The Company must comply with many conditions in order to maintain the intellectual property rights which it in-licenses from third parties
- The enforcement of the Company's intellectual property rights could involve significant costs and could impact the commercial freedom of the Company in certain areas
- The Company's performance could be hindered by the way its commercial partners utilize certain of its technologies
- The Company's success is dependent upon factors such as its ability to access samples, work with or obtain the support of certain scientific or medical partners, recruit and retain key personnel, generate positive clinical study results, obtain regulatory approval of its products and comply with ongoing regulations, partner with third parties for the manufacture and sale of its products, get the market to accept and use its products, and obtain reimbursement of its products for patients
- The Company operates in markets in which the competition and regulatory environment may change and thus impact the Company's products and strategy
- The Company is subject to product liability risks
- Foreign exchange rate fluctuations could impact the results of the Company

In 2010, financial risk management involved primarily the following:

- *Credit risk:* the small number of customers exposes the Company to credit risk. In 2010, 90% of revenues were generated by 16 customers whereas in 2009 90% of revenues were generated by 8 customers. The credit risk was reduced by the fact that all customers are leading international companies with strong credit ratings.
- *Interest risk:* The Company is not currently subject to material interest risk since it has almost no financial debt
- *Currency risk:* The Company is not currently subject to material currency risk. The Company reports in euros, but generates the majority of its commercial revenues in dollars. No hedging instruments have been used so far. With the new strategic focus on the U.S. market, in future years the currency risk of the Company may increase.
- *Liquidity and investment risk:* The Company has invested all of its cash and cash equivalents in highly-rated and highly-liquid bank savings or money market accounts. The Company has not invested in any derivative instruments or CDOs.

5.3.4. Services performed by the auditor

The Company paid EUR 62 thousand in fees to the auditor in 2010. The fees are broken down as follows:

- statutory of EUR 31 thousand
- audit fee for consolidated and stand-alone financials of EUR 25 thousand
- other missions for EUR 6 thousand

5.3.5. Subsequent events

- On January 10, 2011, MDxHealth announced that its partner, Exact Sciences Inc., has confirmed that it is pursuing the development of its stool-based colorectal cancer screening test using a bio-marker and the MSP-technology which it in-licensed from MDxHealth
- On January 26, 2011, MDxHealth announced that the Company Predictive BioSciences Inc had published its first set of clinical data for a bladder cancer screening test using the MSP technology and markers which it had in-licensed from MDxHealth in 2010.
- On January 31, 2011, MDxHealth announced a new partnership with Pfizer Inc. and Newcastle University

for the development of potential companion diagnostic tests for the cancer Parp-inhibitor drug which Pfizer has in development. MDxHealth may receive service fees and milestone fees from this deal. The goal is to develop a test that could eventually be commercialized with the drug, if the drug and the test are eventually successful and approved.

- On February 18, 2011 MDxHealth held an extraordinary general shareholders' meeting. At this meeting, the shareholders renewed and modified the authorized share capital for a period until the annual general shareholders' meeting of May 2012.

5.3.6. Research & Development

Prior to 2010, the Company primarily performed discovery R&D projects for a wide range of cancer applications so as to out-license biomarkers to 3rd party companies which would develop the products and eventually commercialize them. This strategy did not generate sufficient revenues for the Company and left the Company excessively dependent on external parties for its future. At the end of 2009, MDxHealth announced that it would change its strategy in 2010 and focus its R&D activities on a smaller set of core products. This new strategy was further clarified throughout 2010 by adding a number of new experienced industry managers and directors to the Company. Today, the R&D activities are focused on the development of (i) Clinical Diagnostic products (ClinicalDx) to assist physicians in the diagnosis of cancer, and (ii) Pharmaco Diagnostic products (PharmacoDx) to assist pharmaceutical companies and physicians in getting the correct cancer treatment to the right patient. MDxHealth is now developing products which it intends to commercialize itself, primarily via a CLIA lab which the Company intends to establish in the United States. With this new strategy the R&D is thus focused on "development" of products for its own commercialization.

Research and Discovery

MDxHealth maintains an internal R&D team specialized in new biomarker discovery and optimization. In addition, MDxHealth collaborates with several universities and medical centers throughout the world in new biomarker discovery. For example, MDxHealth collaborates with the Johns Hopkins University and the University of Gent in the area of methylation biomarker discovery using next generation sequencing. This approach has optimized our current assay development process by focusing on the DNA regions of interest, ensuring an "intelligent" and accelerated biomarker discovery process. We also continue our discovery programs for both lung and colon cancer.

Product Development

On October 2010, MDxHealth announced a re-focusing of its diagnostics business on three clinical areas: prostate, colorectal, and lung cancer. Further, the Company has or intends to out-license non-tissue based screening products. The pharmacogenomics activity continues as evidenced by the recent agreements with GSK and Pfizer.

The products on which the most spending was done in 2010 are the following:

- *Colorectal cancer:* The Company performed R&D on a test for the screening of colon cancer. As screening tests are not part of the companies new strategy, this test was out-licensed in July. After this time no further work was performed on this test.
- *Bladder cancer:* The Company performed R&D on a urine-based test for the detection of bladder cancer and for the monitoring of recurrence. As non-tissue based tests are not part of the Company's new strategy, this test was out-licensed in November 2010. After this time no further work was performed on this urine test, however the Company continues to perform research on a tissue-based test for bladder cancer.
- *Lung cancer:* The Company performed some R&D on a blood and a sputum-based test for the screening of lung cancer. This development work will form the basis of the Lung Confirm test.
- *Prostate cancer:* The Company is further validating a Prostate *ConfirmMDx* diagnostic test.

The most advanced products include the following:

- *Prostate cancer ConfirmMDx and InformMDx tests:* Prostate tests are now being developed "in-house " and we intend to commercialize them as LDT's through a U.S. CLIA-certified laboratory.
- *Brain Cancer Predict (MGMT for Glioblastoma):* The Company is developing a test to predict brain cancer patient response to alkylating agent medication (MGMT). The test is being used by Merck Serono and other pharmaceutical companies in clinical trials for brain cancer drugs. The MGMT tissue-based test is currently being commercialized in North America via Laboratory Corporation of America (LabCorp).

The Company's other development projects are:

- *Lung cancer Inform test:* This test will provide a risk assessment of Stage I lung cancer patients with confirmation of whether the patient is either at low risk or high risk of recurrence.
- *Companion diagnostics:* The Company is working on several tests, including a colon predictive test, to determine which patients will respond to certain drugs for particular cancers. This work is often done in partnership with pharmaceutical companies which have a drug in development.

The Company's re-focusing on a core set of clinical areas will allow MDxHealth to reduce external funding of basic research in non-core clinical areas and will allow the Company to increase efforts on development of the existing products.

5.3.7. Disclosures within the framework of the takeover directive (see also section 4.5 and 4.6 of the Registration Document)

Justification to Continue using the accounting rules on the basis of going concern

Despite cumulated losses, the Board has decided to continue to apply the accounting rules on the basis of going concern. This decision is justified by (i) the success of the technology of the Company in various cancer applications and scientific publications, (ii) continued interest in the Company's technology, (iii) the continued industry growth in the field of molecular diagnostics and personalized medicine, (iv) the fact that sufficient cash is available to support further development of the Company's products over the next 12 months period in function of the current business plan, and (v) The Board of Directors is confident that additional financing can be obtained. As announced November 4, 2010, the Company is evaluating alternatives to raise additional funds. Considering the situation, there is enough cash to sustain the current projects of the Company at least until the date of the annual general shareholders' meeting scheduled for May 2012.

Capital structure

At the end of 2010, the issued capital of MDxHealth SA amounted to EUR 10,517,661.90 represented by 13,185,614 shares without nominal value. All shares have the same rights and obligations and participate equally in the profits of MDxHealth SA.

Restrictions concerning the transfer of securities

The Company's articles of association do not impose any restrictions on the transfer of securities in addition to the restrictions provided for in the Belgian Company Code.

Holders of securities with special control rights

The Company has not granted any special control rights to the holders of its securities.

Mechanism for control of share plans for employees

There are no shares or similar plans for employees in addition to the stock option plans disclosed elsewhere in this document.

Restrictions concerning the exercise of the voting right

Each shareholder of MDxHealth SA is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended, amongst others, in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company

and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote of its shareholding exceeding the thresholds above; and

- of which the voting right was suspended by a competent court or the CBFA.

Agreements between shareholders which are known to the issuer and may result in restrictions on the transfer of securities and/or exercise of voting rights

There are no declared or known agreements between shareholders.

Rules for the appointment and the replacement of Directors and the amendment of the articles of association

Pursuant to the Company's articles of association, the Board of Directors of the Company is to be composed of at least 3 directors. The Company's corporate governance charter requires that the Board of Directors is, to the extent possible, composed of at least five directors, of which at least 3 directors are independent directors, and to the extent possible, at least half of the directors are non-executive directors. The directors of the Company are appointed by the general shareholders' meeting. However, in accordance with the Belgian Company Code, if the mandate of a director becomes vacant due to his death or resignation, the remaining directors have the right to appoint temporarily a new director to fill the vacancy until the first general shareholders' meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. The corporate governance charter provides that directors can be appointed for a maximum (renewable) term of four years. At the date of this document, the Board of Directors is composed of 7 members, 3 of whom are independent directors.

Amendments to the articles of association (other than an amendment of the corporate purpose) require the presence or representation of at least 50% of the share capital of the Company and the approval of at least 75% of the votes cast. An amendment of the Company's corporate purpose, requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

Powers of Directors, in particular the power to issue or buy back shares

The Board of Directors of MDxHealth SA has the broadest powers to manage and represent the Company, except to the extent provided otherwise by applicable law or the Company's articles of association.

By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the Board of Directors has been expressly authorized to increase the share capital in one or more transactions with an amount of up to EUR 10,517,661.90 (the "Authorized Capital Amount"), subject to certain limitations and conditions described below. The Board of Directors can exercise this power for a period starting on the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the *Annexes to the Belgian Official Gazette* and ending on the date of the annual general shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011. This authorization may be renewed in accordance with the relevant legal provisions.

The capital increases to which can be decided according to this authorization, can take place in accordance with the modalities that are to be decided by the Board of Directors, including by means of contribution in cash or in kind, within the limits as permitted by the Belgian Company Code, through conversion of reserves and issuance premiums, with or without issuance of new shares, with or without voting rights, through issuance of convertible bonds, subordinated or not, through issuance of warrants or bonds to which warrants or other tangible values are attached, and/or through issuance of other securities, such as shares in the framework of a stock option plan.

In the framework of the use of its powers within the framework of the authorized capital, the Board of Directors can limit or cancel the preferential subscription right of the shareholders in the interest of the Company, subject to the limitations and in accordance with the conditions provided for by the Belgian Company Code. This limitation or cancellation can also occur to the benefit of the employees of the Company and its subsidiaries, and, to the extent permitted by law, to the benefit

of one or more specific persons that are not employees of the Company or its subsidiaries.

The power of the Board of Directors to increase the share is subject to the following special restrictions and conditions:

a) The Board of Directors is authorized to increase the share capital for whatever purpose or whatever transaction that the Board of Directors deems appropriate or necessary provided and to the extent that the total amount of funds raised (consisting of capital contribution and issuance premium) does not exceed EUR 18,000,000.

b) As soon as the Board of Directors will have increased the share capital, in one or more transactions, for an amount equal to the maximum amount provided above, then the Board of Directors can only, to the extent possible, further increase the share capital in one or more transactions beyond this initial maximum amount, provided that such increase is approved by at least two thirds of the members of the Board of Directors, and provided further that the increase takes place within the framework of any of the following transactions: (i) the issuance of stock based remuneration or incentive plans, such as stock option plans, stock purchase plans or other plans, for directors, management and personnel of the Company or its subsidiaries or (ii) the issuance of financial instruments in consideration of the acquisition of shares, assets and liabilities or combinations of shares, assets and liabilities of companies, undertakings, business and associations or (iii) the issuance of financial instruments in consideration of the acquisition of licenses or rights on intellectual property (whether registered or unregistered intellectual property rights, or applications thereof), such as patents, copyrights, data base rights and design rights, and know-how or trade secrets or (iv) the issuance of financial instruments in consideration of entering into partnerships or other business associations.

By virtue of the resolution of the Extraordinary General Shareholders' Meeting held on February 18, 2011, the Board of Directors has also been expressly authorized to increase the share capital in one or more transactions following a notification by the Belgian Banking, Finance and Insurance Commission that it has been informed of a public takeover bid on the Company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more well defined persons who are not employees of the Company) or through contributions in kind, with issuance of shares, warrants or convertible bonds, subject to the terms and conditions provided for in the Belgian Company Code. The Board of Directors can exercise this power for the same period as mentioned above.

At the date of this document, the Board of Directors has not used the above described (renewed) powers under the authorized capital.

Significant agreements which take effect, alter or terminate upon a change of control of the issuer following a takeover bid

According to the terms and conditions of the warrants issued by MDxHealth, non-vested warrants become exercisable in case of a change of control of the Company (see also Section 5.1.5.19 of the Registration Document). In addition, material agreements with EXACT Sciences (as further described in Section 5.1.5.21 of the Registration Document) include change of control clauses.

Agreements with Directors or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a public takeover bid

There are individual agreements between the Company and certain Members of the Management Committee that provide a severance payment of up to 12 months, should this agreement be terminated due to the Company's change of control.

Done on February 18, 2011
On behalf of the Board of Directors

5.4. Statutory auditor's report

5.4.1. Statutory auditor's report to the general meeting of shareholders of MDxHealth SA on the consolidated financial statements for the year ended December 31, 2010

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the year ended 31 December 2010, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of EUR 14,419 thousand and a consolidated loss of EUR 8,253 thousand .

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institut des Réviseurs d'Entreprises. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, as to whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the Company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting policies and consolidation principles, the reasonableness of the significant accounting estimates made by the Company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion the consolidated financial statements for the year ended 31 December 2010 give a true and fair view of the group's assets and liabilities, its financial position and the results of its operations in accordance with International Financial Reporting Standards as adopted by the European Union.

Additional statements

The preparation of the consolidated Directors' report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statements, which do not modify our audit opinion on the consolidated financial statements:

The consolidated Directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Zaventem, 18 February 2011

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory Auditor
Represented by Bert Kegels

5.4.2. Statutory auditor's report to the general meeting of shareholders of MDxHealth on the consolidated financial statements for the year ended December 31, 2009

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements, with an emphasis of matter paragraph.

We have audited the consolidated financial statements for the year ended 31 December 2009, prepared in accordance with International Financial Reporting Standards as agreed by the European Union, which show a balance sheet total of EUR 24,752 thousand and a consolidated loss of EUR 14,301 thousand.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institut des Réviseurs d'Entreprises. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, as to whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the Company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting policies and consolidation principles, the reasonableness of the significant accounting estimates made by the Company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the group's assets and liabilities, its financial position and the results of its operations in accordance with International Financial Reporting Standards as agreed by the European Union.

Although the Company has incurred considerable losses which affect the financial position of the Company, the financial statements are prepared in going concern. This assumption is only justified to the extent that the Company further can rely on the financial support of the shareholders or other financial sources. Without prejudice to the above unqualified opinion, we draw your attention to the annual report in which the Board of Directors, according to Belgian legal requirements, justifies the application of the valuation rules in going concern. No adjustments were made with respect to valuation or classification of balance sheet items that would be required in case the Company discontinues its activities

Additional statements

The preparation of the consolidated Directors' report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statements, which do not modify our audit opinion on the consolidated financial statements:

The consolidated Directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Zaventem, March 10, 2010
BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory Auditor
Represented by Bert Kegels

5.4.3. Statutory auditor's report to the general meeting of shareholders of MDxHealth on the consolidated financial statements for the year ended December 31, 2008

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the ended as at December 31, 2008, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of EUR 39,052 thousand and a loss for the year of EUR 10,192 thousand.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, as to whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the Company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of the significant accounting estimates made by the Company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures provide a reasonable basis for our opinion.

Zaventem, March 12, 2009
BDO Atrio
Bedrijfsrevisoren/Réviseurs d'Entreprises Soc. Civ. SCRL
Represented by
Luc Annick

Statutory Auditor

6. Statutory *Financial Statements*

The statutory financial statements as filed with the Belgian National Bank are based upon Belgian GAAP. An unqualified audit opinion will be issued by the statutory auditor.

The information included in this section is an extract from the statutory accounts that will be filed with the Belgian National Bank and do not include all information as required by articles 98 and 100 of the Company laws. The full statutory accounts have not yet been filed with the Belgian National Bank as of the date of this document. Once filed with the Belgian National Bank, the full statutory accounts will also be made available in the investors section of MDxHealth's website (www.MDxHealth.com).

6.1. Statutory income statement

STATUTORY INCOME STATEMENT	Years ended December 31		
Thousands of Euro (EUR)	**2010**	**2009**	**2008**
I. Operating income	**2,827**	**2,787**	**2,819**
A. Turnover	1,931	1,227	1,401
D. Other operating income	896	1,560	1,418
II. Operating charges	**11,854**	**16,469**	**12,825**
A. Purchase of goods and materials	537	665	399
B. Services and other goods	8,455	12,475	9,072
C. Remuneration, social security costs, pensions	2,200	1,641	1,677
D. Depreciation & amounts written off fixed assets	660	1,685	1,672
G. Other operating charges	2	3	5
III. Operating profit/(loss)	**(9,027)**	**(13,682)**	**(10,006)**
IV. Financial income	**297**	**608**	**1,161**
A. Income from financial assets	0	0	18
B. Income from current assets	76	339	790
C. Other	221	269	353
V. Financial charges	**143**	**198**	**60**
A. Debt charges	0	0	11
C. Other	143	198	49
VI. Current profit/(loss) before taxes	**(8,873)**	**(13,272)**	**(8,905)**
VII. Extraordinary income	**0**	**0**	**0**
Extraordinary "reprise" depreciations on intangible and tangible assets	0	0	0
VIII. Extraordinary charges	**2**	**2,872**	**2**
A. Extraordinary depreciations & amounts written off fixed assets	2	2,872	2
IX. Profit/(loss) before taxes	**(8,875)**	**(16,144)**	**(8,907)**
X. Income taxes	**0**	**0**	**0**
XI. Profit/(loss) for the year after taxes	**(8,875)**	**(16,144)**	**(8,907)**

APPROPRIATION ACCOUNT	Year ended December 31		
Thousands of Euro (EUR)	2010	2009	2008
A. Loss to be appropriated			
A1. Loss for the period available for appropriation	(8,875)	(16,144)	(8,907)
A2. Loss brought forward	(43,483)	(27,339)	(18,432)
B. Transfer from capital and reserves			
B1. From capital and share premium account	43,483		
C. Transfer to equity			
C1. To capital			
D. Result to be carried forward			
D2. Loss to be carried forward	8,875	43,483	27,339

6.2. Statutory balance sheet

STATUTORY BALANCE SHEET AFTER APPROPRIATIONS	Year ended December 31		
Thousands of Euro (EUR)	2010	2009	2008
ASSETS	**4,699**	**5,286**	**8,064**
I. Formation expenses	**0**	**1**	**2**
II. Intangible assets	**85**	**98**	**3,691**
III. Tangible fixed assets	**544**	**620**	**797**
B. Plant, machinery and equipment	457	516	747
C. Furniture and vehicles	87	104	50
IV. Financial assets	**4,070**	**4,567**	**3,574**
A. Affiliated enterprises	4,065	4,065	3,065
A1. Investments	4,065	4,065	3,065
A2. Amounts receivable	0	0	0
C. Other financial assets	5	502	509
C1. Investments	0	500	500
C2. Amounts received and cash guarantee	5	2	9
CURRENT ASSETS	**13,349**	**21,272**	**34,005**
V. Amounts receivable after one year			
VI. Stocks and contracts in progress	**108**	**82**	**99**
VII. Amounts receivable within one year	**2,521**	**3,613**	**4,107**
A. Trade debtors	941	459	1,172
B. Other amounts receivable	1,580	3,154	2,935
VIII. Investments	**9,678**	**16,305**	**28,497**
B. Other investments and deposits	9,678	16,305	28,497
IX. Cash at bank and in hand	**834**	**1,099**	**1,172**
X. Deferred charges and accrued income	**208**	**172**	**132**
TOTAL ASSETS	**18,048**	**26,557**	**42,070**

Thousands of Euro (EUR)	Year ended December 31		
STATUTORY BALANCE SHEET AFTER APPROPRIATIONS	2010	2009	2008
CAPITAL AND RESERVES	**12,525**	**21,400**	**37,440**
I. Capital	**10,518**	**54,001**	**53,901**
A. Issued capital	**10,518**	**54,001**	**53,901**
II. Share premium account	**10,882**	**10,882**	**10,872**
III. Revaluation surpluses			
IV. Reserves			
V. Accumulated profit/(loss)	**(8,875)**	**(43,483)**	**(27,339)**
VI. Investment grants	**0**	**0**	**6**
VII. Provisions and postponed taxes			
A. Provisions for liabilities and charges			
A4. Other liabilities & charges			
AMOUNTS PAYABLE	5,523	5,157	4,631
VIII. Debts payable after 1 year			
A. Financial debts			
A3. Leasing and other similar rights			
A4. Credit institutions			
IX. Debts payable within 1 year	**4,499**	**4,332**	**2,465**
A. Current portion of debts after one year			
B. Financial debts			
B1. Credit institutions			
C. Trade debts	4,196	3,992	2,111
C1. Suppliers	4,196	3,992	2,111
D. Advances received on contracts in progress	141	151	164
E. Taxes, remuneration & social security	162	189	190
E1. Taxes			
E2. Remuneration & social security	162	189	190
F. Other amounts payables			
X. Accrued charges and deferred income	**1,024**	**825**	**2,166**
TOTAL LIABILITIES	**18,048**	**26,557**	**42,070**

6.3. Accounting policies (Belgian GAAP)

The valuation rules have been prepared in accordance with the provisions of Chapter II of the Royal Decree of January 30, 2001 relating to the implementation of the Belgian Company Code.

Formation expenses and costs relating to capital increases

These are recognized as assets and are amortized 20% annually. During the financial year, the costs related to capital increases are recognized as expenses in the profit and loss statement.

Intangible assets

Research and development costs

The Company applies the same recognition criteria for Research and Development costs for Belgian GAAP than for IFRS.

Certain external Research costs are capitalized and depreciated in the same financial year. These assets are capitalized at purchase price or at actual costs incurred or, if lower, at their useful value.

Certain external Development costs are capitalized if the project is already likely to generate a profitable product. These assets are capitalized at purchase price or at actual costs incurred or, if lower, at their useful value.

These assets are amortized on a straight-line basis over a period of 5 years. In the event that Development costs are exceptionally depreciated over a period exceeding 5 years, this will be justified.

Patents, licenses and similar rights

These assets are capitalized at purchase price or, if lower, at their useful value. These assets are depreciated on a straight-line basis over a period of 5 years.

Tangible fixed assets

These assets (which are detailed below on a line-by-line basis) are capitalized as follows:

- At purchase price

	Depreciation	Method L/D* Other	Basis NR/R**	Depreciation Rate Principal Min – Max	Depreciation Rate Accessory Costs Min – Max
1.	Industrial, administrative or commercial buildings (a)	L	NR		
2.	Other buildings	L	NR		
3.	Installations and equipment (a)	L	NR	20% – 33.33%	20% – 33.33%
4.	Vehicles (a)	L	NR	20% – 20%	20% – 20%
5.	Office equipment and furniture (a)	L	NR	10% – 20%	10% – 20%

* L: Linear D: Degressive
** NR: Not revalued R: revalued
(a): including leased assets

In the event where the accounting value exceeds the useful value (or the realized value for the assets that are no longer used), the Company should perform additional or exceptional depreciations.

The Company applies an accelerated depreciation plan in agreement with the relevant tax authorities. In such a case, the amount of the tax deductible and excessive accelerated depreciation compared to the economically justifiable depreciations is to be mentioned.

- Excessive amount of the financial year;
- Excessive cumulated amount.

The tangible fixed assets, of which the life-time is not limited in time, are reduced in value in case of depreciation or lasting value reduction.

Financial assets

These assets are capitalized at purchase price excluding any miscellaneous fees.

The shares and participations are reduced in value in case of depreciation or lasting reduction in value, as a result of the situation, the profitability or perspective of the Company in which the shares or the participations are held.

Reductions in value of amounts receivable included in the financial fixed assets are recorded when the payment thereof or part thereof at their due date is uncertain or has become compromised.

Amounts receivable (after one year – within one year)

The amounts receivable that are represented by fixed revenue instruments are capitalized at purchase price excluding any miscellaneous fees.

Other amounts receivable (commercial and other amounts receivable that are not represented by fixed revenue instruments) are capitalized at their nominal value.

This capitalization is accompanied by the recording thereof in the regularization accounts on the liabilities side and of the pro rata temporis booking of the results of:

- The interests contractually included in the nominal value of the amounts receivable;
- The difference between the purchase cost and the nominal value of the amounts receivable;
- The advances of payable amounts receivable at a date of more than 1 year, that are not subject to interest or that are subject to an interest rate that is abnormally low. These advances are calculated at the applicable market rate for such amounts receivable at the time they enter into the Company's estate.

Treasury placements and available cash

Placements with financial institutions are capitalized at their nominal value.
The titles are capitalized at purchase cost excluding miscellaneous fees.

Reductions in value are recorded in the event where the realization value at the date of the closing of the financial year is below the purchase cost.

Provisions for risks and charges

The provisions for risks and charges are individualized taking into account the corresponding risks and charges they are intended to cover.

The provisions for risks and charges can only be maintained provided that they exceed, as per the date of the closing of the financial year, an actual appreciation of depreciations, charges and risks for which they have been established.

Debts (payable after one year – payable within one year)

All debts are capitalized at their nominal value at the date of the closing of the financial year.

The valuation rules applicable to amounts receivable are also applicable for debts, with the difference however that the implicit *pro rata* interests are recorded in the regularization accounts on the assets side.

At the date of the closing of the financial year, all charges to be paid in relation to the financial year concerned and the previous financial years are taken into account.

Regularization accounts

Regularization accounts on the assets side

These accounts include:

- The *pro rata* parts of the charges incurred during the financial year or during a previous financial year but that are related to one or more subsequent financial years.
- The *pro rata* parts of the proceeds that will only be received during a subsequent financial year but that relate to a previous financial year.

Regularization accounts on the liabilities side

These accounts include:

- The *pro rata* parts of the charges that will only be paid during a subsequent financial year but that relate to a previous financial year.
- The *pro rata* parts of the proceeds received during the financial year or a previous financial year but that relate to one or more subsequent financial years.

The commercial contract revenue fees which are not linked to a completed or unique event are spread over the remaining term of the agreement.

Currencies

The amounts receivable and debts in currencies are converted at the applicable exchange rate at the date of the closing of the financial year.

Currency losses are recorded in the statement of results.

Unrealized currency gains are reported as proceeds to be recorded on the regularization accounts on the liabilities side.

6.4. Report of the Board of Directors on the statutory financial statements

The following report has been established by the Board of Directors on February 18, 2011 for submission to the Annual General Shareholders' Meeting of May 27, 2011.

Dear MDxHealth Shareholder,

We are pleased to present to you the statutory financial statements for the year ended December 31, 2010.

Pursuant to the provisions of the Belgian Company Code (C.C.) and the articles of association of the Company, we report on the situation of your company for the fiscal year of the Company closed on 31 December 2010.

Comments on the annual accounts

We submit for your approval the annual accounts for the fiscal year closed on 31 December 2010. The annual accounts give a true and fair view of the course of affairs of the Company during the past fiscal year. From the annual accounts you can derive the following:

1 Results of the fiscal year

The Company has closed its annual accounts with respect to the past fiscal year with a loss of EUR 8,875,494.20

This loss results mainly from the costs related to the research and development of new products which have not yet generated significant revenues. On November 5, 2009, the Company announced a re-focus on fewer products and a cost reduction program. On October 19, 2010, the Company announced its new strategy. Costs decreased in 2010 mainly due to the closure of the Amsterdam lab facility, a reduction in the number of projects and personnel, and the out-licensing of cancer screening applications to third parties.

2 Statutory and non-distributable reserves

The Company has a corporate capital of EUR 10,517,661.90. The Company has no statutory reserve.

As the Company has closed its annual accounts with respect to the past fiscal year with a loss, the Company is not legally obliged to reserve additional amounts.

3 Allocation of the results

We propose to carry forward the loss to the next fiscal year.

Material events that took place since the end of the fiscal year

- On January 10, 2011, MDxHealth announced that its partner, Exact Sciences Inc., has confirmed that it is pursuing the development of its stool-based colorectal cancer screening test using a bio-marker and the MSP-technology which it in-licensed from MDxHealth.
- On January 26, 2011, MDxHealth announced that the Company Predictive BioSciences Inc had published its first set of clinical data for a bladder cancer screening test using the MSP technology and markers which it had in-licensed from MDxHealth in 2010.
- On January 31, 2011, MDxHealth announced a new partnership with Pfizer Inc. and Newcastle University for the development of potential companion diagnostic tests for the cancer Parp-inhibitor drug which Pfizer has in development. MDxHealth may receive service fees and milestone fees from this deal. The goal is to develop a test that could eventually be commercialized with the drug, if the drug and the test are eventually successful and approved.
- On February 18, 2011 MDxHealth held an extraordinary general shareholders' meeting. At this meeting, the shareholders renewed and modified the authorized share capital for a period until the annual general shareholders' meeting of May 2012.

Circumstances which could significantly affect the development of the Company

The Company has more than 12 months of cash on hand, however it does not have enough funds to bring the Company to a situation of profitability. As announced November 4, 2010, the Company is evaluating alternatives to raise additional funds. To carry out the Company's new strategy announced on October 19, 2010, the Company will need a U.S.-based service laboratory (CLIA lab). Such a lab is needed to perform direct sales of laboratory-developed-tests (LDTs) to U.S. physicians. The Company currently does not own nor operate such a lab and is evaluating alternatives to establish and operate such a facility in the United States.

Activities in the field of research and development

Prior to 2010, the Company primarily performed discovery R&D projects for a wide range of cancer applications so as to out-license biomarkers to 3rd party companies which would develop the products and eventually commercialize them. This strategy did not generate sufficient revenues for the Company and left the Company excessively dependent on external parties for its future. At the end of 2009, MDxHealth announced that it would change its strategy in 2010 and focus its R&D activities on a smaller set of core products. This new strategy was further clarified throughout 2010 by adding a number of new experienced industry managers and directors to the Company. Today, the R&D activities are focused on the development of (i) Clinical Diagnostic products (ClinicalDx) to assist physicians in the diagnosis of cancer, and (ii) Pharmaco Diagnostic products (PharmacoDx) to assist pharmaceutical companies and physicians in getting the correct cancer treatment to the right patient. MDxHealth is now developing products which it intends to commercialize itself, primarily via a CLIA lab which the Company intends to establish in the United States. With this new strategy the R&D is thus focused on "development" of products for its own commercialization.

Research and Discovery

MDxHealth maintains an internal R&D team specialized in new biomarker discovery and optimization. In addition, MDxHealth collaborates with several universities and medical centers throughout the world in new biomarker discovery. For example, MDxHealth collaborates with the Johns Hopkins University and the University of Gent in the area of methylation biomarker discovery using next generation sequencing. This approach has optimized our current assay development process by focusing on the DNA regions of interest, ensuring an "intelligent" and accelerated biomarker discovery process. We also continue our discovery programs for both lung and colon cancer.

Product Development

On October 2010, MDxHealth announced a re-focusing of its diagnostics business on three clinical areas: prostate, colorectal, and lung cancer. Further, the Company has or intends to out-license non-tissue based screening products. The pharmacogenomics activity continues as evidenced by the recent agreements with GSK and Pfizer.

The products on which the most spending was done in 2010 are the following:

- *Colorectal cancer:* The Company performed R&D on a test for the screening of colon cancer. As screening tests are not part of the companies new strategy, this test was out-licensed in July. After this time no further work was performed on this test.
- *Bladder cancer:* The Company performed R&D on a urine-based test for the detection of bladder cancer and for the monitoring of recurrence. As non-tissue based tests are not part of the Company's new strategy, this test was out-licensed in November 2010. After this time no further work was performed on this urine test, however the Company continues to perform research on a tissue-based test for bladder cancer.
- *Lung cancer:* The Company performed some R&D on a blood and a sputum-based test for the screening of lung cancer. This development work will form the basis of the Lung Confirm test.
- *Prostate cancer:* The Company is further validating a Prostate *ConfirmMDx* diagnostic test.

The most advanced products include the following:

- *Prostate cancer ConfirmMDx and InformMDx tests:* Prostate tests are now being developed "in-house " and we intend to commercialize them as LDT's through a U.S. CLIA-certified laboratory.
- *Brain Cancer Predict (MGMT for Glioblastoma):* The Company is developing a test to predict brain cancer patient response

to alkylating agent medication (MGMT). The test is being used by Merck Serono and other pharmaceutical companies in clinical trials for brain cancer drugs. The MGMT tissue-based test is currently being commercialized in North America via Laboratory Corporation of America (LabCorp).

The Company's other development projects are:

- *Lung cancer Inform test:* This test will provide a risk assessment of Stage I lung cancer patients with confirmation of whether the patient is either at low risk or high risk of recurrence.
- *Companion diagnostics:* The Company is working on several tests, including a Colon predictive test, to determine which patients will respond to certain drugs for particular cancers. This work is often done in partnership with pharmaceutical companies which have a drug in development.

The Company's re-focusing on a core set of clinical areas will allow MDxHealth to reduce external funding of basic research in non-core clinical areas and will allow the Company to increase efforts on development of the existing products.

Obligations not reflected in the 2010 financial statements

During the course of 2010, the Company agreed to issue new warrants under a new warrant plan. However this new warrant plan was not created in 2010 nor has it been created yet as of the date of this document. In 2010, per the employment contract and job offer letters given to 2 new hires, the Company agreed to issue these individuals 85,000 new warrants. Furthermore, the Board of Directors meeting of December 2010 decided to award 110,000 new warrants to certain employees and consultants of the Company. This total of 195,000 new warrants has not been created nor issued yet and is not included in the above table. The exercise price of these new warrants has not been determined yet as they will be based on the 30-day average market price prior to their issuance and creation before a notary. The Company expects to issue these 195,000 new warrants in the course of 2011. These new warrants still to be issued are not reflected in the above tables.

Furthermore, the Board agreed in 2010 to award 30,000 additional new warrants to the CEO as a variable bonus for his 2010 performance. These 30,000 warrants have not yet been created nor issued and are not included in the above table. The exercise price of these new warrants has not been determined yet as they will be based on the 30-day average market price prior to their issuance and creation before a notary. The Company expects to issue these 30,000 new warrants in the course of 2011. These 30,000 new warrants are expected to be immediately vested upon the date of creation and issuance, however they cannot be exercised prior to their third year anniversary.

Branches of the Company

The Company has no branch.

Justification to Continue using the accounting rules on the basis of going concern

Despite cumulated losses, the Board has decided to continue to apply the accounting rules on the basis of going concern. This decision is justified by (i) the success of the technology of the Company in various cancer applications and scientific publications, (ii) continued interest in the Company's technology, (iii) the continued industry growth in the field of molecular diagnostics and personalized medicine, (iv) the fact that sufficient cash is available to support further development of the Company's products over the next 12 months period in function of the current business plan, and (v) The Board of Directors is confident that additional financing can be obtained. As announced November 4, 2010, the Company is evaluating alternatives to raise additional funds. Considering the situation, there is enough cash to sustain the current projects of the Company at least until the date of the annual general shareholders' meeting scheduled for May 2012.

Financial risks (article 96 8° C.C.)

Virtually all of the Company's currency risk currently relates to U.S. Dollars. Most of the revenues, except for government grants, have been in U.S. Dollars. At this time, the Company does not use hedging instruments to cover the exchange rate risk.

Risk factors (article 96 1° C.C.)

In 2010, the Company was potentially subjected to the following risks:

- The business model of MDxHealth has recently considerably changed and the Company may not be successful in accomplishing any of its new objectives.

- The Company is at an early stage of development and may encounter difficulties in its growth and expansion of activities
- Losses have been incurred since the inception of the Company, further losses are expected in the foreseeable future, and further funding will be needed
- The Company is dependent on intellectual property rights which could be challenged and the Company could be affected by new patents of third parties
- The Company must comply with many conditions in order to maintain the intellectual property rights which it in-licenses from third parties
- The enforcement of the Company's intellectual property rights could involve significant costs and could impact the commercial freedom of the Company in certain areas
- The Company's performance could be hindered by the way its commercial partners utilize certain of its technologies
- The Company's success is dependent upon factors such as its ability to access samples, work with or obtain the support of certain scientific or medical partners, recruit and retain key personnel, generate positive clinical study results, obtain regulatory approval of its products and comply with ongoing regulations, partner with third parties for the manufacture and sale of its products, get the market to accept and use its products, and obtain reimbursement of its products for patients
- The Company operates in markets in which the competition and regulatory environment may change and thus impact the Company's products and strategy
- The Company is subject to product liability risks
- Foreign exchange rate fluctuations could impact the results of the Company

In 2010, financial risk management involved primarily the following:

- *Credit risk:* the small number of customers exposes the Company to credit risk. In 2010, 90% of revenues were generated by 16 customers whereas in 2009 90% of revenues were generated by 8 customers. The credit risk was reduced by the fact that all customers are leading international companies with strong credit ratings.
- *Interest risk:* The Company is not currently subject to material interest risk since it has almost no financial debt
- *Currency risk:* The Company is not currently subject to material currency risk. The Company reports in euros, but generates the majority of its commercial revenues in dollars. To date, the Company's operating costs in dollars have exceeded its revenues in dollars. No hedging instruments have been used so far. With the new strategic focus on the U.S. market, in future years the currency risk of the Company may increase.
- Liquidity and investment risk: The Company has invested all of its cash and cash equivalents in highly-rated and highly-liquid bank savings or money market accounts. The Company has not invested in any derivative instruments or CDOs.

Performance by the statutory auditor of exceptional activities or execution of special instructions (Article 134 C.C.)

During the past fiscal year, in addition to their usual activity, the statutory auditor performed additional activities on behalf of the Company mainly for the issuance of special reports related to warrant plans, grant report certification and for participation to the audit committees. The total amount paid for these additional activities is EUR 2,000.

Indendence and competence of an audit committee member

The rules for publicly-listed companies require that the audit committee be composed of at least one independent director with the necessary competence in auditing and accounting, which is and has always been the case for MDxHealth's audit committee.

- Mrs. Hilde Windels, chairperson of the committee, meets the criteria of independence:
  - She is in her first mandate on the Board of MDxHealth and has never held any Executive Management position with the Company.
  - She owns no shares in the Company and is the beneficiary of some company warrants as disclosed in section 3.3.
  - She fulfills the other criteria of independence as listed in section 3.1.3.
- Mrs. Hilde Windels meets the criteria of necessary competence in auditing and accounting:
  - She has been the CFO of Devgen NV, a publicly-listed company, for which she handled its IPO and its financial reporting
  - She is currently the CFO of 2 privately-held healthcare companies.
  - She has been a commercial banker.
  - She holds a degree in economics.

Conflicts of interest (Article 523 C.C.)

In accordance with Article 523 of the Belgian Company Code, the Board of Directors clearly stated each time they experienced an interest of a patrimonial nature potentially departing from the interests of the Company. The following conflict of interest has been reported in 2010:

Minutes of the Meeting of the Board of Directors held on December 7, 2010

In anticipation of the commencement of discussions on Nomination and Remuneration Committee matters, all non-director attendees at the meeting were asked to and did excuse themselves from the meeting.

Furthermore, prior to the deliberation on this item, Dr. Jan Groen, director of the Company, gave the following statement to the Board of Directors, as far as necessary and applicable in accordance with Article 523 of the Belgian Company Code. Dr. Jan Groen informed the meeting about the fact that he has a financial interest that conflicts with the contemplated decision by the Board of Directors to approve the minutes of the Nomination and Remuneration Committee held on December 6, 2010 as said minutes contain inter alia the approval of the determination of Dr. Jan Groen's bonus as well as the grant of options to purchase shares of the Company to Dr. Jan Groen.

Dr. Jan Groen stated that he will also inform the statutory auditor of the Company about the aforementioned in accordance with Article 523 of the Belgian Company Code.

The Board of Directors took note of the aforementioned statement and started with the deliberation on the Committee Matters.

At the invitation of the chairman, Mr. Myslinski, chair of the Nomination and Remuneration Committee, provided an overview of remuneration and personnel matters regarding the Management Team and other Company staff members, including the need to align the Company's remuneration policies and terms following the strategic restart of the Company.

The Board of Directors considered that the financial consequences of the approval of the minutes of the Nomination and Remuneration Committee held on December 6, 2010, as far as Dr. Jan Groen's remuneration is concerned, were limited, as they approve (i) a pro rata portion of an annualized bonus amount of EUR 22,000 (based on the portion of the portion of the calendar year 2010 employed with the Company) and (ii) the grant of options to purchase 30,000 shares of the Company, subject to necessary shareholder action. The bonus will have a very limited impact on the profit and loss statement of the Company, while the grant of the options will have a limited dilutive effect for the Company's shareholders, depending on the exercise price.

After full discussions, upon a motion duly made, seconded and unanimously carried, the Board approved the minutes of the Nomination and Remuneration Committee held December 6, 2010 in Liège, in the form presented to the Board, and adopted and ratified the resolutions set forth therein.

Further, among other items, Dr. Groen re-confirmed to the full Board his decision to accept options in lieu of additional cash bonus as set forth in the minutes of the Nomination and Remuneration Committee, and the Board instructed the chair, Mr. Erickson, to undertake in early 2011 a review and evaluation of the Board, its committees and individual directors in accordance with and as prescribed by Section 2.5 of the Company's Corporate Governance Charter.

Disclosures within the framework of the takeover directive (see also section 4.5 and 4.6 of the Registration Document)

Capital structure
At the end of 2010, the issued capital of MDxHealth SA amounted to EUR 10,517,661.90 represented by 13,185,614 shares without nominal value. All shares have the same rights and obligations and participate equally in the profits of MDxHealth SA.

Restrictions concerning the transfer of securities
The Company's articles of association do not impose any restrictions on the transfer of securities in addition to the restrictions provided for in the Belgian Company Code.

Holders of securities with special control rights
The Company has not granted any special control rights to the holders of its securities.

Mechanism for control of share plans for employees
There are no shares or similar plans for employees in addition to the stock option plans disclosed elsewhere in this document.

Restrictions concerning the exercise of the voting right
Each shareholder of MDxHealth SA is entitled to one vote per share. There are no different categories of shares. Voting rights can be suspended, amongst others, in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote of its shareholding exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

Agreements between shareholders which are known to the issuer and may result in restrictions on the transfer of securities and/or exercise of voting rights
There are no declared or known agreements between shareholders.

Rules for the appointment and the replacement of Directors and the amendment of the articles of association
Pursuant to the Company's articles of association, the Board of Directors of the Company is to be composed of at least 3 directors. The Company's corporate governance charter requires that the Board of Directors is, to the extent possible, composed of at least five directors, of which at least 3 directors are independent directors, and to the extent possible, at least half of the directors are non-executive directors. The directors of the Company are appointed by the general shareholders' meeting. However, in accordance with the Belgian Company Code, if the mandate of a director becomes vacant due to his death or resignation, the remaining directors have the right to appoint temporarily a new director to fill the vacancy until the first general shareholders' meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. The corporate governance charter provides that directors can be appointed for a maximum (renewable) term of four years. At the date of this document, the Board of Directors is composed of 7 members, 3 of whom are independent directors.

Amendments to the articles of association (other than an amendment of the corporate purpose) require the presence or representation of at least 50% of the share capital of the Company and the approval of at least 75% of the votes cast.

An amendment of the Company's corporate purpose, requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

Powers of Directors, in particular the power to issue or buy back shares

The Board of Directors of MDxHealth SA has the broadest powers to manage and represent the Company, except to the extent provided otherwise by applicable law or the Company's articles of association.

By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the Board of Directors has been expressly authorized to increase the share capital in one or more transactions with an amount of up to EUR 10,517,661.90 (the "Authorized Capital Amount"), subject to certain limitations and conditions described below. The Board of Directors can exercise this power for a period starting on the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the *Annexes to the Belgian Official Gazette* and ending on the date of the annual general shareholders' meeting to be held in 2012 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2011. This authorization may be renewed in accordance with the relevant legal provisions.

The capital increases to which can be decided according to this authorization, can take place in accordance with the modalities that are to be decided by the Board of Directors, including by means of contribution in cash or in kind, within the limits as permitted by the Belgian Company Code, through conversion of reserves and issuance premiums, with or without issuance of new shares, with or without voting rights, through issuance of convertible bonds, subordinated or not, through issuance of warrants or bonds to which warrants or other tangible values are attached, and/or through issuance of other securities, such as shares in the framework of a stock option plan.

In the framework of the use of its powers within the framework of the authorized capital, the Board of Directors can limit or cancel the preferential subscription right of the shareholders in the interest of the Company, subject to the limitations and in accordance with the conditions provided for by the Belgian Company Code. This limitation or cancellation can also occur to the benefit of the employees of the Company and its subsidiaries, and, to the extent permitted by law, to the benefit of one or more specific persons that are not employees of the Company or its subsidiaries.

The power of the Board of Directors to increase the share is subject to the following special restrictions and conditions:

a) The Board of Directors is authorized to increase the share capital for whatever purpose or whatever transaction that the Board of Directors deems appropriate or necessary provided and to the extent that the total amount of funds raised (consisting of capital contribution and issuance premium) does not exceed EUR 18,000,000.

b) As soon as the Board of Directors will have increased the share capital, in one or more transactions, for an amount equal to the maximum amount provided above, then the Board of Directors can only, to the extent possible, further increase the share capital in one or more transactions beyond this initial maximum amount, provided that such increase is approved by at least two thirds of the members of the Board of Directors, and provided further that the increase takes place within the framework of any of the following transactions: (i) the issuance of stock based remuneration or incentive plans, such as stock option plans, stock purchase plans or other plans, for directors, management and personnel of the Company or its subsidiaries or (ii) the issuance of financial instruments in consideration of the acquisition of shares, assets and liabilities or combinations of shares, assets and liabilities of companies, undertakings, business and associations or (iii) the issuance of financial instruments in consideration of the acquisition of licenses or rights on intellectual property (whether registered or unregistered intellectual property rights, or applications thereof), such as patents, copyrights, data base rights and design rights, and know-how or trade secrets or (iv) the issuance of financial instruments in consideration of entering into partnerships or other business associations.

By virtue of the resolution of the extraordinary general shareholders' meeting held on February 18, 2011, the Board of Directors has also been expressly authorized to increase the share capital in one or more transactions following a notification by the Belgian Banking, Finance and Insurance

Commission that it has been informed of a public takeover bid on the Company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more well defined persons who are not employees of the Company) or through contributions in kind, with issuance of shares, warrants or convertible bonds, subject to the terms and conditions provided for in the Belgian Company Code. The Board of Directors can exercise this power for the same period as mentioned above.

On the date of this document, the Board of Directors has not used the above described (renewed) powers to increase the capital within the framework of the authorized capital.

Significant agreements which take effect alter or terminate upon a change of control of the issuer following a takeover bid

According to the terms and conditions of the warrants issued by MDxHealth, non-vested warrants become exercisable in case of a change of control of the Company (see also Section 5.1.5.19 of the Registration Document). In addition, material agreements with EXACT Sciences (as further described in Section 5.1.5.21 of the Registration Document) include change of control clauses.

Agreements with Directors or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a public takeover bid

There are individual agreements between the Company and certain Members of the Management Committee that provide a severance payment of up to 12 months, should this agreement be terminated due to the Company's change of control.

After deliberation and decision upon the annual accounts, the shareholders' meeting shall be requested to release the directors and the statutory auditor from liability for the execution of their mandate during the past fiscal year.

Done on February 18, 2011

On behalf of the Board of Directors

7. Business *Glossary*

Alkylating agents	A class of oncology therapeutic drugs. Alkylating agents stop tumor growth by making DNA strands unable to uncoil and separate, a necessary step in DNA replication and tumor growth.
Assay	A term for a single experiment or a diagnostic test incorporating the required markers to analyze a clinical specimen.
Bioinformatics	The use of techniques from applied mathematics, informatics, statistics, and computer science to solve biological problems and identify significant correlations.
Biopsy	A procedure where a tumor tissue sample is removed from the body for laboratory examination to determine whether or not cancer or some other disease is present. A biopsy can be performed using a needle to extract a small amount of cells or as a surgical procedure to remove a larger piece of tissue.
Biotechnology	Biotechnology is a technology based on or influencing biological processes, especially when used in agriculture, food science, and medicine.
Cancer	Cancer is a type of disease caused by genetic instability and characterized by uncontrolled division of cells and the ability of these cells to invade other organs.
Cell	The basic unit of a living organism. Each cell is surrounded by a membrane and has a nucleus containing a set of genes that provide it with the information necessary to operate and divide.
cGMP certification	Current Good Manufacturing Practices- quality systems requirements for manufacture, testing and development of medical products to ensure manufacturing practices , designs and controls provide safe, accurate, reliable and repeatable results. cGMP's are enforced by the FDA Food and Drug Administration. GMP compliance is recognized worldwide as an international standard of manufacture.
Chemotherapy	Drug treatment that destroys cancer cells. Chemotherapy may be used in addition to surgery and is sometimes used in combination with other therapies such as radiation.
CLIA	The U.S. Clinical Laboratory Improvement Amendments (CLIA) establishes quality standards for all laboratory testing to ensure the accuracy, reliability and timeliness of patient test results.
Clinical sample	A sample taken from the body (ex. blood, urine, tissue) and analyzed in order to gain information about a person's medical state.
Clinical trial	A research study, usually in diseased patients, to test drugs, procedures, or testing technologies to determine how well they work compared to other practices or the natural course of the disease.
Clinical verification	A product development stage that consists of testing a product prototype on a set of clinical samples.
Commercial Implementation Trial (product pipeline step)	A phase within the product development process that supports the acceptance of the newly developed assay in the market.
Commercial Pivotal Trial (product pipeline step)	A phase within the product development process to evaluate the clinical validation of the assay in collaboration with a clinical facility.

CPT codes	Current Procedural Terminology Codes- numbers assigned to every medical task used by physicians and or laboratories to determine amount of reimbursement that practitioner will receive from insurer. CPT codes are assigned by AMA American Medical Association to provide uniform definition for services and reimbursement.
Cytosine	Cytosine is one of the 5 main nucleotides of DNA and RNA used in storing and transporting genetic information.
Development Validation (product pipeline step)	A phase within the product development process to evaluate the performance of the newly developed assay using a defined sample set.
Development Verification (product pipeline step)	A phase within the product development process to define the performance characteristics of the assay
Diagnosis	Identification of a condition or disease (ex. breast cancer), by its signs, symptoms, and the results of laboratory or histopathological tests.
DNA (Deoxyribonucleic Acid)	DNA is a nucleic acid polymer, usually in the form of a double helix, of which the genes are made and code for life processes.
Freedom to operate (FTO)	FTO, within an intellectual property setting, refers to the ability of a company to commercially produce, market and use a new product, process or service without infringing the intellectual property rights of others.
Gene	A unit of genetic information. Genes are encoded in a cell's DNA and the proteins they express control the physical development and behavior of the cell or the whole organism.
Gene expression	Gene expression is a multi-step process by which a gene's DNA sequence is converted into proteins.
In-Vitro Diagnostics (IVD)	IVDs are tests performed outside the human body on clinical samples such as blood, urine, or biopsy tissue.
Kit (diagnostic kit)	In-vitro diagnostic test that is packaged in a box which that can be shipped to end-user laboratories.
LDT	Laboratory Developed Test-refer to assays developed in a laboratory for use within that laboratory. While these tests are not currently regulated by FDA Food and Drug Administration, the lab must validate all aspects of the test to ensure patient safety, reliability, repeatability, accuracy as well as validating all instruments, reagents and or supplies used in the test.
Marker	A substance native to the organism, whose presence is indicative of a particular medical condition.
Marker ID	A product development stage that consists of identifying and prioritizing promising markers.
Marker & Assay Development	A product development stage that consists of testing promising markers on clinical samples (to establish initial sensitivity and specificity for a defined clinical indication), and consequently developing a robust and reproducible assay for the marker in question.
Methylation	Control mechanism that regulates gene expression in DNA without causing a permanent genetic alteration.
Methylation-Specific PCR (MSP)	A technology for detecting gene methylation.
MGMT	The O6-methylguanine DNA-methyltransferase (MGMT) gene has been widely studied and shown to be able to predict glioblastoma cancer patient response to alkylating agents
PCR	The polymerase chain reaction is a technique for the in vitro amplification of specific DNA sequences by the simultaneous primer extension of complementary strands of DNA.

Pharmacogenomics	The study and application of DNA and RNA based biomarkers to predict how an individual's genes affect the body's response to a therapeutic drug.
PSA	Prostate-Specific-Antigen, a widely used but widely criticized blood-based screening test for prostate cancer.
Recurrence	A return of cancer after treatment.
Research Discovery (product pipeline step)	Research phase of the product development process that consists primarily of discovering new biomarkers in clinical samples from patients with and without cancer or between samples from patients responding or not responding to a certain drug.
Research Feasibility (product pipeline step)	A phase within the product development process to optimize the biomarker performance for the development of the diagnostic assay.
Screening	The testing of a population for disease.
Sensitivity	A measure of a diagnostic test's accuracy. Sensitivity measures the percentage of people with a certain medical condition that produces a positive test result. Tests with good sensitivity produce few false negative results.
Service laboratory	Laboratory that provides medical testing services.
Service lab and kit development	The final stages of product development that are specific to the underlying product's intended distribution channel (service laboratories or diagnostic kit companies).
Specificity	A measure of a diagnostic test's accuracy. Specificity measures what percentage of people without a medical condition the test result is negative. Tests with good specificity produce few false positive results.
Temozolomide	An approved alkylating chemotherapeutic drug marketed by Schering-Plough corporation.
Tumor	Tissue growth where the cells that make up the tissue have multiplied uncontrollably. A tumor can be benign (non-cancerous) or malignant (cancerous).

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