MDxHealth

2015 INTERIM REPORT

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This Interim Report contains forward-looking statements and estimates with respect to the anticipated future performance of MDxHealth and the market in which it operates. Such statements and estimates are based on assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable but may not prove to be correct. Actual events are difficult to predict, may depend upon factors that are beyond MDxHealth's control, and may turn out to be materially different. MDxHealth expressly disclaims any obligation to update any such forward-looking statements in this Interim Report to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required by law or regulation.

I. INTERIM MANAGEMENT REPORT

Highlights

Key non-audited financials, as of June 30, 2015

Amounts as at and for the six months ended

USD thousands	June 30, 2015	June 30, 2014
Total revenues	7,860	4,804
Total operating expenses	10,499	10,434
EBITDA (Loss)	-5,277	-7,932
Operating profit (EBIT)	-5,475	-8,086
Net loss	-5,484	-8,043
Earnings per share, basic ($)	-0.12	-0.23
Number of outstanding shares	43,998,490	34,251,303
Cash and cash equivalents	40,444	12,709

Revenues

Total revenues rose 64% to $7.9 million in H1 2015, compared to $4.8 million in H1 2014. Revenue from ConfirmMDx sales increased 77%, to $6.9 million in H1 2015 compared to $3.9 million in H1 2014. ConfirmMDx represented 87% of the overall revenue mix in H1 2015, as compared to 81% in the same period last year. Revenue recognition of ConfirmMDx sales continue to improve as positive coverage decisions from commercial payors are obtained, Medicare and Medicare Advantage reimbursements have increased, and overall 3rd party and patient collections have improved. Continued investments in sales and revenue cycle infrastructure have been important to revenue growth.

Operating Expenses

Operating expenses for H1 2015 were $10.4 million, the same as H1 2014. This was attributable to balanced spending with continued build-up of the U.S. commercial operations in support of the ConfirmMDx for Prostate Cancer test, offset by lower expensed R&D costs resulting from the capitalization of allowed development costs..

Results

Consistent with the trend of lowering losses since 2014, H1 2015 loss narrowed over the same period in 2014 due to higher revenues, helped by stable expenses. The Company's operating loss (EBIT) decreased by 32% in H1 2015.

Cash Position

MDxHealth ended the first half of 2015 with cash and cash equivalents of $40.4 million compared to $12.7 million on June 30, 2014. The increase is primarily a result of the June 2015 capital increase.

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, and (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.

Considering the situation, the Board of Directors believes that 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 2016.

Post-closing events

- Positive top-line data announced for the Company's urine-based 'liquid biopsy' test for bladder cancer
- Signed worldwide exclusive license agreement with University Erasmus MC for DNA methylation markers for the Company's bladder cancer test
- Signed insurance contract with UPMC Health Plan for ConfirmMDx in Pennsylvania, providing access to one of the largest healthcare providers in the State
- Appointed Philip J. Ginsburg, M.D. as Chief Medical Officer. Dr. Ginsburg joins MDxHealth with over 20 years of commercial medical laboratory and urology experience. In this new role, Dr. Ginsburg will have overall responsibility for clinical strategy, including scientific and clinical affairs
- In March 2015, the Company appointed Mr. Brett Swansiger as Vice President of Managed Care and Strategic Accounts. Mr. Swansiger has over 17 years of experience with the life science industry, 10 of which focused on establishing reimbursement and positive medical policies with managed care organizations.

Related parties

Transactions between MDxHealth SA and MDxHealth Inc., which are related parties, have been eliminated in consolidation and are not disclosed in this note. The intercompany services between the two 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.

Beside remuneration, warrants and bonus there are no other transactions to key personnel than these already mentioned in the 2014 financial statements.

There were no other related party transactions.

Principal risks related to the business activities

The principal risks related to the MDxHealth's business activities have been outlined in the 2014 Registration Document, which is available on the internet at www.mdxhealth.com/investors/financials.htm. The risks have not materially changed from those laid out in the 2014 Registration Document.

Declaration of responsible persons

The Board of Directors of MDxHealth SA, represented by all its members, declares that, as far as it is aware, the financial statements in this Interim Report, made up according to the applicable standards for financial statements, give a true and fair view of the equity, financial position and the results of the company and its consolidated companies. The Board of Directors of MDxHealth SA, represented by all its members, further declares that this Interim Report gives a true and fair view on the information that has to be contained herein. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting) as adopted by the European Union.

II. CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION at June 30, 2015 compared to December 31, 2014

In thousands of USD
According to IFRS

	as at June 30, 2015	as at Dec 31, 2014
ASSETS		
Intangible assets	2,361	2,011
Property, plant and equipment	893	724
Grants receivable (> 1 year)	37	**105**
Non-current assets	**3,291**	**2,840**
Inventory(1)	1,791	860
Grants receivable (< 1 year)	147	139
Trade receivables	9,124	7,500
Prepaid expenses and other current assets	358	717
Cash and cash equivalents	40,444	18,897
Current assets	**51,864**	**28,113**
Total assets	**55,155**	**30,953**
EQUITY AND LIABILITIES		
Share capital	41,914	37,825
Issuance premium	78,983	53,273
Accumulated profit/(loss)	(71,153)	(55,897)
Result of the year	(5,484)	(15,256)
Share-based compensation	4,493	4,264
Translation reserves	(580)	(433)
Equity attributable to equity holders	**48,173**	**23,776**
Total equity	**48,173**	**23,776**
Advance on royalties	11	0
Long term debt (> 1 year)	151	0
Grants payable (> 1 year)	25	83
Non-current liabilities	**187**	**83**
Short-term debt (< 1 year)	152	0
Trade payables	4,834	5,264
Grants payable (< 1 year)	102	110
Other current liabilities	1,707	1,720
Current liabilities	**6,795**	**7,094**
Total equity and liabilities	**55,155**	**30,953**

(1) Increase in inventory is attributed to the reagents and supplies related to the ConfirmMDx for Prostate Cancer testing.

III. CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For six months ended June 30, 2015 and 2014

In thousands of USD (except per share amounts)
According to IFRS

	For six months ended	
Continuing Operations	**June 30, 2015**	**June 30, 2014**
Product and service income	7,811	4,668
Government grant income	49	136
Revenues	**7,860**	**4,804**
Cost of goods and services sold	2,836	2,456
Gross Profit	**5,024**	**2,348**
Research and development expenses	1,209	1,328
Selling, general and administrative expenses	9,714	9,162
Other operating income	424	56
Other operating expenses	0	0
Total operating charges	**10,499**	**10,434**
EBIT	**(5,475)**	**(8,086)**
Financial income	11	49
Financial expenses	20	7
Profit/(loss) before taxes	**(5,484)**	**(8,043)**
Income taxes	0	0
Net Profit/(loss) for the period from continuing operations	**(5,484)**	**(8,043)**
Profit/(loss) for the period from discontinued operations	0	0
Profit/(loss) for the period from continuing operations [1]	**(5,484)**	**(8,043)**
Other comprehensive income		
Exchange differences arising on translation of foreign operations	0	4
Total comprehensive profit/(loss) for the period (net of tax) [1]	**(5,484)**	**(8,039)**
Net profit/(loss) per share – basic	(0.12)	(0.23)
Shares used in computing per share amount – basic (number outstanding shares)	43,998,490	34,251,303

[1]: All amounts are attributable to equity holders of MDxHealth SA since there are no minority interests

IV. UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For six months ended June 30, 2015 and 2014

In thousands of USD *According to IFRS*	**for six months ended** **June 30, 2015**	 **June 30, 2014**
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Profit/(Loss)	(5,475)	(8,086)
Depreciation, amortization and impairment results	198	153
Share-based compensation	229	204
Change in inventories	(931)	(665)
(Increase)/decrease in accounts receivable (1)	(1,205)	(2,828)
Increase/(decrease) in accounts payable (2)	(497)	33
Total adjustments	(2,206)	(3,103)
Net cash provided by/(used in) operating activities	**(7,681)**	**(11,189)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	11	13
Other financial profit/(loss)	(20)	29
Investment in intangible assets	(353)	(460)
Purchase of property, plant and equipment	(365)	(180)
Net cash provided by/(used in) investing activities	**(727)**	**(598)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loan	303	0
Proceeds from issuance of shares (net of issue costs)	29,799	0
Net cash provided by/(used in) financing activities	**30,102**	**0**
Net increase/(decrease) in cash and cash equivalents	**21,694**	**(11,787)**
Cash and cash equivalents at beginning of year	**18,897**	**24,683**
Effect of exchange rates	(147)	(187)
Cash and cash equivalents at end of period	**40,444**	**12,709**

(1) = long term grants receivable + short term grants receivable + trade receivables + prepaid expenses & other current assets
(2) = long term grants payable + trade payables + other current liabilities

V. UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of USD (except share amounts)
According to IFRS

	Number of shares	Share capital	Issuance Premium	Retained earnings	Share-based compensation	Translation reserves	Total Equity
Balance at 31 December 2013	**34,251,303**	**35,483**	**41,694**	**-55,821**	**3,864**	**-683**	**24,537**
Total comprehensive income				**-8,043**		**4**	**-8,039**
Share-based compensation					204		204
Currency translation adjustments		-342	-402	-76	-38	654	-204
Balance at 30 June 2014	**34,251,303**	**35,141**	**41,292**	**-64,940**	**4,030**	**-25**	**16,498**

	Number of shares	Share capital	Issuance Premium	Retained earnings	Share-based compensation	Translation reserves	Total Equity
Balance at 31 December 2014	**37,676,303**	**37,825**	**53,273**	**-71,153**	**4,264**	**-433**	**23,776**
Total comprehensive income				**-5,484**			**-5,484**
Issuance of shares	6,322,187	5,643	25,710				31,353
SPO costs against capital		-1,554					-1,554
Share-based compensation					229		229
Currency translation adjustments						**-147**	**-147**
Balance at 30 June 2015	**43,998,490**	**41,914**	**78,983**	**-76,637**	**4,493**	**-580**	**48,173**

VI. EXPLANATORY NOTES

Accounting policies

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting) as adopted by the European Union.

These interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2014.

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenue and expenses during the reporting period. If in the future such estimates and assumptions, which are based on management's best estimates and judgment, deviate from the actual circumstances, the original estimates and assumptions will be modified and the effects of the revisions will be reflected in the period in which the circumstances change.

Notwithstanding the losses sustained during the Company's existence, the Company has, to date, ended each year with cash. The company expects to continue to incur losses during the financial year 2015. Based on the current cash availability, the board of directors however believes that the future research programs and the Company activities can be continued for more than one year. Consequently the accounts have been prepared on a going concern basis.

2. Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2014, except for the impact of the adoption of the Standards and Interpretations described below.

New Standards, Interpretations and Amendments adopted by the Group

During the current financial year, the Group 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 year starting on January 1, 2015. The Group has not applied any new IFRS requirements that are not yet effective as per June 30, 2015.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current annual period:

- Annual Improvements to IFRSs 2011-2013 Cycle (issued by the IASB in December 2013)
- IFRIC 21 – Levies (May 2013)

The adoption of these new standards and amendments has not led to major changes in the Group's accounting policies.

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

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued and adopted but are not yet effective as per June 30, 2015.

- Annual Improvements to IFRSs 2010-2012 Cycle (issued by the IASB in December 2013)
- IAS 19 - Employee Benefits — Amendments relating to Defined Benefit Plans: Employee Contributions (November 2013)

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but not yet endorsed by the European Union as per June 30, 2015.

- Annual Improvements to IFRSs 2012-2014 Cycle (issued by the IASB in September 2014)
- IFRS 7 - Financial Instruments: Disclosures (Amendment December 2011) — Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures
- IFRS 9 - Financial Instruments — Classification and Measurement (Original issue November 2009, and subsequent amendments)
- IFRS 15 - Revenue from Contracts with Customers (Original issue May 2014)
- IAS 1 - Presentation of Financial Statements — Amendments resulting from the disclosure initiative (December 2014)
- IAS 16 – Property, Plant and Equipment — Amendments regarding the clarification of acceptable methods of depreciation and amortization (May 2014)
- IAS 38 – Intangible Assets — Amendments regarding the clarification of acceptable methods of depreciation and amortization (May 2014)

None of the other new standards, interpretations and amendments, which are effective for periods beginning after 1st July 2015 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements. This includes IFRS15 which has been reviewed; however, the company is continuing its detailed investigation for potential changes to its revenue recognition and estimation process.

VII. STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MDXHEALTH SA ON THE REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of MDxHealth as of 30 June 2015 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Zaventem, 19 August 2015

BDO Bedrijfsrevisoren Burg. Ven. CBVA / BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by Gert Claes

VIII. CORPORATE INFORMATION

Registered office

MDxHealth SA has the legal form of a public limited liability company (société anonyme - SA / naamloze vennootschap - NV) organized and existing under the laws of Belgium. The company's registered office is located at CAP Business Center, Rue d'Abhooz 31, B-4040 Herstal, 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).

Listings
Euronext Brussels and Euronext Amsterdam: MDXH

Financial calendar
November 3, 2014 – Second business update (Q3 2015)

Financial year
The financial year starts on 1 January and ends on 31 December.

Statutory auditor
BDO Bedrijfsrevisoren / Réviseurs d'entreprises CVBA/SCRL
Da Vincilaan 9
1935 Zaventem
Belgium

Availability of the Interim Report
This document is available to the public free of charge and upon request:
MDxHealth SA - Investor Relations
CAP Business Center - Rue d'Abhooz, 31 – 4040 Herstal - Belgium
Tel: +32 4 364 20 70
E-mail: ir@mdxhealth.com

For informational purposes, an electronic version of the Interim Report 2015 is available on the website of MDxHealth at www.mdxhealth.com/investors/documents