MDxHealth®

Annual Report 2017

Improving patient outcomes
by delivering personalized
molecular diagnostic solutions
for urologic oncology

MDxHealth is a leading multinational healthcare company that provides actionable molecular diagnostic information to personalize the diagnosis and treatment of urologic cancers.

The Company's tests are based on proprietary genetic, epigenetic (methylation) and other molecular technologies and assist physicians with the diagnosis of urologic cancers, prognosis of recurrence risk, and prediction of response to a specific therapy.

ConfirmMDx®

ConfirmMDx® for Prostate Cancer is a tissue-based epigenetic test which assesses patient risk for undetected cancer following a negative prostate biopsy, thereby aiding in the decision for repeat biopsy and early detection.

SelectMDx®

SelectMDx® for Prostate Cancer, is a urine-based mRNA test which helps in the identification of men at increased risk for aggressive disease who would benefit from a prostate biopsy and early detection.

These prostate cancer tests can not only improve early detection of aggressive disease but importantly, help reduce the economic burden associated with unnecessary invasive biopsy procedures on low risk men, along with the concomitant morbidity and cost of complications.

AssureMDx™

In addition, MDxHealth has launched its first bladder cancer detection test for patients with unresolved hematuria. AssureMDx™ for Bladder Cancer is a non-invasive urine-based test, which assesses a combination of somatic mutations and epigenetic alterations indicative of bladder cancer.

MDxHealth's European headquarters are in Herstal, Belgium, with laboratory operations in Nijmegen, The Netherlands, and US headquarters and laboratory operations based in Irvine, California.
MDxHealth is listed on the Euronext Brussels stock exchange (Ticker symbol MDXH.BR).

CLIA Lab US

- Laboratory developed test (LDT)
- Large national sales force **50 reps**
- Reimbursement Medicare & commercial

Service Lab EU

- CE-marked in-vitro diagnostic (IVD) kits
- Direct sales **5 reps**
- Distributors

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Message from the CEO

Dr. Jan Groen

2017 marked a year of good growth and development for MDxHealth as we look to establish ourselves as the world's leading urological molecular diagnostics company, setting us on a route towards sustained operational profitability.

Dear Shareholders,

During the year we continued to execute our strategic objectives to strengthen and diversify our business in a very promising market. Driven by our mission, we continued to expand the use of our ConfirmMDx® test which assesses patient risk for undetected cancer, accelerated the adoption of our SelectMDx® non-invasive liquid biopsy prostate cancer test and delivered healthy revenue growth with increasing reimbursement in the US. Since the launch of these products we have tested close to 100,000 patients worldwide. In 2017 alone, we tested over 33,000 patients with our two products, up nearly 40% on the 2016 total.

2017 saw the launch of our CE marked SelectMDx in vitro diagnostic (IVD) kit and the commencement of the initial commercial rollout in the US of AssureMDx™, MDxHealth's third test, a liquid biopsy laboratory developed test (LDT) to assess the risk of bladder cancer for patients diagnosed with hematuria. We also strengthened the data set for AssureMDx, to support its data package for future reimbursement coverage, with a prospective multi-center validation study of AssureMDx for Bladder Cancer in over 1,000 patients with hematuria.

The start of 2018 has been very encouraging and has brought further evidence illustrating the strength of our product offering. We have seen strong organic growth of patient test volumes for ConfirmMDx, which is expected to remain a significant driver of revenue growth in 2018 and beyond. Additionally, we were particularly pleased with the inclusion of SelectMDx in the 2018 European Association of Urology Guidelines (EAU), one year earlier than expected. The inclusion of SelectMDx in these clinical guidelines serve as an important means of recognition of the clinical value of the test, and also serves to drive economic value for MDxHealth by enabling adoption of the test in EU member states' specific guidelines and, in turn, helping to drive payor adoption.

We also released positive data from a study published in The Prostate in January 2018 with a new blood-based liquid biopsy test in development (MonitorMDx™ for Prostate Cancer) to guide personalized treatment decisions for castration-resistant prostate cancer (CRPC) patients. This test shows that we have the capability to engage and work alongside

Opening of our new Nijmegen Lab operations in October 2017. From left to richt: prof Wim van Criekinge, CSO MDxHealth, Prof. Jack Schalken, co-developer of the SelectMDx test, CEO dr. Jan Groen, Deputy of the province of Gelderland Mr. Michiel Scheffer and Non-Executive Director Rudi Marien.

pharmaceutical companies, developing products to support their drug development programs and to monitor patients enrolled in their clinical trials.

Financial and operational progress

While we encountered some challenges in the latter part of the year relating to short term revenue growth, overall both our revenue and patient test volumes continued to grow. Revenue for the year totalled $40.5 million, 35% higher than in 2016, with revenue from products and services totalling $28.2 million, up 13% compared to 2016. Revenue and earnings were further driven by the one-time sale of colorectal related patents to Exact Sciences.

The challenges at the end of the year resulted from unforeseen operating issues in the US, including lower than expected billable cases for ConfirmMDx from contracted customers and from multi-center clinical utility studies. These types of programs are an important element in securing continued Medicare coverage by providing ongoing clinical utility data, education and training, supporting the appropriate use of ConfirmMDx in the workflow of urologists. To address these challenges, we increased our US sales force from 33 to 50 in the second half of 2017. This investment was accompanied by a realignment of our sales team structure to better tailor our commercial efforts towards key customer channels.

MDxHealth remains well-placed financially, with a robust balance sheet and capital structure. In March 2018 we successfully raised $44.2 million (€36.0 million). The proceeds will mainly be used to increase the adoption of our tests by urologists and payors in the US and Europe and to fund studies aimed at expanding the clinical indications for SelectMDx, supporting the further commercial roll-out of AssureMDx and launching InformMDx. Proceeds will also be planned for use to expand the usability of our tests by porting them onto IVD sample-to-answer platforms (POC) and on further investments in our promising product pipeline. Following the raise, our cash position was $51.3 million as at March 31, 2018.

During 2017 we made good progress increasing our reimbursement coverage of ConfirmMDx by adding 20 new payor contracts including the US Government Services Administration, Kaiser Permanente, and several Blue Cross Blue Shield Association®-licensee payors, bringing the total number of contracted payors to 67.

For our first liquid biopsy test, SelectMDx, in 2017 we focused on driving further market penetration and acceptance in the US and Europe. In the US, we added four new payor contracts, bringing the total to fifteen, and in Europe we signed nine distribution agreements covering seven countries. This strategy supported the significant global growth of SelectMDx total test volumes, which were up almost 200% to 11,700 in 2017, from 4,000 in 2016. In Europe, where SelectMDx is also available as a CE-Marked IVD PCR kit, test volume grew by more than 300%.

Early in 2018 we also attracted our first major pharmaceutical company, Ferrer Internacional, to distribute SelectMDx in Spain, a region which contains over 3,000 urologists. We also signed a distribution contract with Fondazione Luigi Maria Monti - Istituto Dermopatico dell' Immacolata (IDI), a leading research hospital

in Rome, to provide SelectMDx for prostate cancer as a service test. IDI plans to perform SelectMDx testing locally by purchasing SelectMDx CE-marked IVD kits from MDxHealth. IDI's broad hospital network across the country will significantly contribute to the successful market penetration of SelectMDx in Italy.

Overall, this good operational progress has laid an important foundation for MDxHealth to drive momentum in 2018 and beyond. We are well-placed to continue expanding our innovative urological franchise, increasing our market share and realizing the market potential of our commercial stage tests across the globe.

Outlook

MDxHealth's world leading uro-oncology focused molecular diagnostic solutions position the Company to capitalize on two critical global trends in healthcare currently: the ever growing incidence of cancer and the demand for fast, actionable, cost-effective cancer diagnosis and patient monitoring. MDxHealth's suite of commercial products and its innovative liquid biopsy pipeline seek to meet these needs in a market which is estimated to be worth $4.2 billion and to grow by 7% to 4.6 billion in 2022.

We believe that the use of SelectMDx in active monitoring and primary care settings could potentially quadruple the market opportunity for SelectMDx in the mid-term to more than 4 million patients annually in the US and Europe.

Four pillar growth strategy

MDxHealth has a clear focus for growth in 2018 and beyond, centred around four key pillars. First, driving adoption of our commercial tests with urologists and payors in the US and Europe. Second, increasing the clinical utility of SelectMDx, which we believe has significant potential to go beyond its current pre-biopsy indications for use in both the primary care and recurrence monitoring settings.

Third, we are working to expand the usability of our tests by porting them onto IVD 'sample to result' platforms. Finally, to address the increasing need for pharmaceutical companies to use precision diagnostics to assist them in taking products from clinic to market, we will look for opportunities to work with partners to develop and apply precision tests especially in prostate cancer, as companion diagnostics. We believe that this area represents a substantial opportunity for us.

We are positive about the outlook for the current year and believe MDxHealth can achieve a higher level of Product and Services revenue growth than in 2017.

More broadly, we remain confident in the potential of ConfirmMDx, which we expect to continue driving momentum in the mid-term and for which we have a renewed approach aimed at capturing additional market share. In the longer term, we expect SelectMDx to continue driving growth and we have identified numerous value driving inflection points in the coming years.

In 2018 we expect to submit a clinical data package in consideration for Medicare coverage of SelectMDx through a Local Coverage Determination (LCD). Clinical utility studies and budget impact studies will drive the company's effort to secure contracts with an increasing number of private payors for SelectMDx. The results of the prospective 4M study, comparing SelectMDx with mpMRI and histopathology, are also expected to be released in the course of the first half of 2018. These data are key to the inclusion in the guidelines in the US and to further reinforce the existing inclusion in the European guidelines.

We believe that the use of SelectMDx in active monitoring and primary care settings could quadruple the market opportunity for SelectMDx in the mid-term to more than 4 million patients annually in the US and Europe. In 2018 we expect data validating the expansion into active monitoring from two large scale studies conducted alongside John Hopkins University and the Canary Foundation.

Concluding remarks

Due to the dedication of our team, which now numbers 209 in the US and 23 in the EU, we are fulfilling our mission to improve patient outcomes through the delivery of clinically meaningful and actionable molecular assays for urologic oncology. We sincerely thank our employees, consultants and advisors, whose continuing contributions enable our success.

On behalf of the Board of Directors of MDxHealth, we want to extend our gratitude to our shareholders, investors, collaborators and the urology community whose belief and on going support have enabled us to make a significant investment in our people, who in turn have ambitiously built MDxHealth into the company it is today.

Kindest Regards,

Belgium, 27 April, 2018
Dr. Jan Groen
Chief Executive Officer

Strategy & Business Review

Key Figures 2017

	~33K patients tested	$40.5M total revenue	$12.3M operating loss	$-10.4M EBITDA	Cash collection increase
Growth compared to FY 2016	+39%	+35%	2016: $12.8m	2016: $-11.1	+17%

Thousands of $/ except per share amounts Years ended December 31	2017	2016
Product and service income	28,162	24,924
Royalties	12,346	4,943
Government grant income	-	103
Revenues	**40,508**	**29,970**
Cost of goods & services sold	10,203	10,103
Gross profit	**30,305**	**19,867**
Research and development expenses	**3,505**	**1,977**
Selling, general and administrative expenses	39,142	30,953
Other operating income	71	220
Other operating expenses	3	3
Total operating charges	**42,579**	**32,713**
Operating Loss (EBIT)	**-12,274**	**-12,846**
Financial income	137	36
Financial expenses	10	477
Loss before taxes	**-12,401**	**-13,287**
Income taxes	-113	-113
Net Loss for the year from continuing operations	**-12,288**	**-13,174**
Loss for the year from discontinued operations	-	-
Loss for the year	**-12,288**	**-13,174**
Other comprehensive income		
Items that will be reclassified to profit or loss		
Exchange differences arising on translation of foreign operations	1,923	36
Net result/loss for the year (net of tax)	**-10,365**	**-13,138**
Basic earnings per share (EPS) $		
Using weighted average number of shares	-0.25	-0.29
Using end of period number of shares	-0.25	-0.26
Number of outstanding shares	**49,949,408**	**49,845,595**
Total number of employees	**232**	**162**

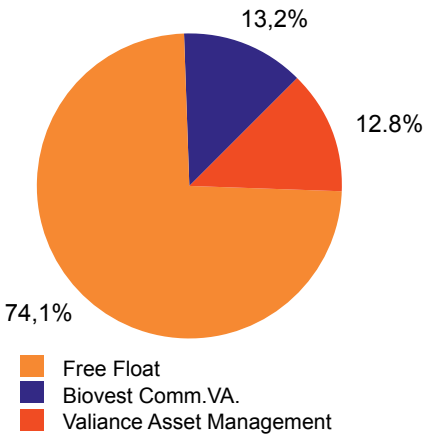
Share Facts 2017

Stock exchanges	**Euronext: MDXH.BR** **OTC: MDXDHF**
Total shares outstanding	**49,949,408**
52 week range	**€ 3.08 - 5.68**
Market cap	**€ 160.3 million**
Analyst coverage	**US: - Taglich Brothers** **EU: - Kempen** **- KBC** **- Degroof Petercam** **- Goetzpartners**

Following the capital increase that was completed on 26 March 2018 by means of a private placement through an accelerated book building procedure, the share capital has increased from € 39,844,140.38 to € 47,813,068.45 and the number of issued and outstanding shares has increased from 49,949,408 to 59,939,289 ordinary shares, through the issuance of a total of 9,989,881 new shares.

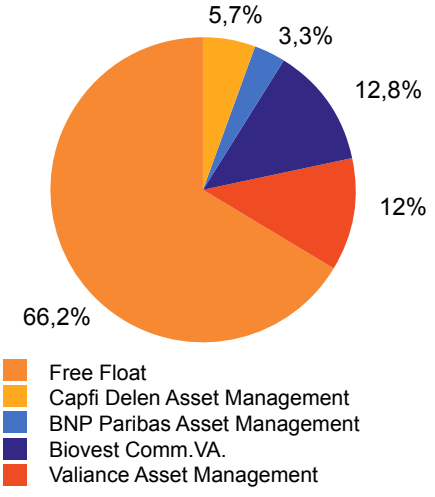
Shareholders

As per December 31, 2017



Shareholders

Situation after Capital Increase



Business Model

MDxHealth provides service testing in the US and Europe with the ambition of providing in vitro diagnostic kits globally to hospitals and laboratories

In the US, MDxHealth provides CLIA service testing of laboratory developed tests (LDTs). ConfirmMDx, SelectMDx and AssureMDx, are sold directly to physicians through a sales force of 50 representatives.

The Company's sales strategy is to increase adoption in the US by educating community-based, large group practices and academic urologists on the clinical and economic benefits of the tests in the portfolio through studies and relationships with key opinion leaders and institutions.

In Europe and beyond, MDxHealth provides SelectMDx service testing sold directly to hospitals, commercial labs and private clinics through direct sales representatives in Benelux, Germany and Italy supported by European global distributors, lab partners and pharmaceutical companies. In 2017, SelectMDx was launched in Europe as a CE-marked IVD kit for testing to be conducted within hospitals and laboratories.

Strategy and mission

MDxHealth is a global healthcare company listed on the Euronext Brussels stock exchange that provides personalized molecular diagnostic information to improve the diagnosis and treatment of cancer. Our tests are based on proprietary genetic, epigenetic (methylation) and other molecular technologies and assist physicians with the diagnosis of urologic cancers, prognosis of recurrence risk, and prediction of response to a specific therapy.

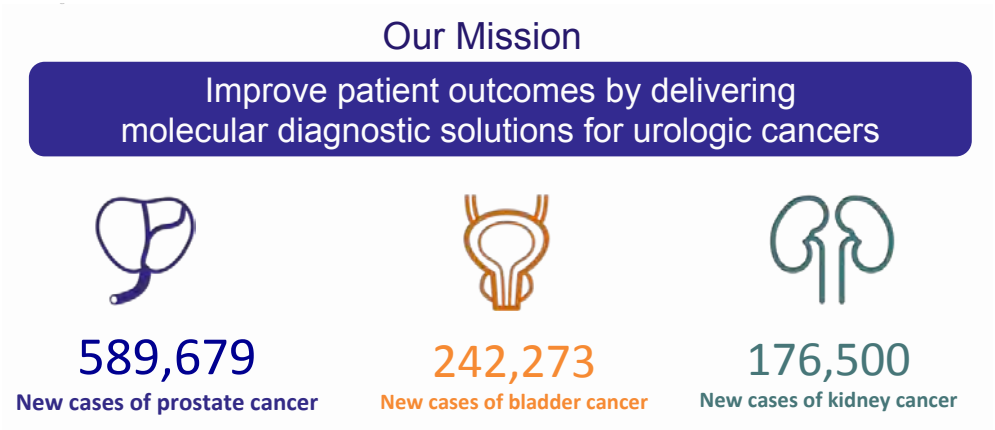
MDxHealth currently offers our laboratory solutions from a 13,444sq. ft. College of American Pathology (CAP)-accredited and Clinical Laboratory Improvement Amendments of 1988 (CLIA) and ISO 9001:2008 certified, molecular laboratory facility located at our US headquarters in Irvine, California and through our state-of the-art 7,534 sq. ft. diagnostic facilities at the Novio Tech Campus in Nijmegen, The Netherlands.

Irvine, CA, USA

Nijmegen, The Netherlands

Our European corporate headquarters are located in Herstal, Belgium.

Total staff of the company amounts to 232, located both in the USA, Belgium and The Netherlands.



Mission

MDxHealth's world leading uro-oncology focused molecular diagnostic solutions position the Company to capitalize on two critical global trends in healthcare: the ever growing incidence of cancer and the demand for fast, actionable, cost-effective cancer diagnosis and patient monitoring. Our suite of commercial products and our innovative liquid biopsy pipeline seek to meet these needs in a market which is estimated to be worth $ 4.2 billion and to grow by 7% to 4.6 billion in 2022.

MDxHealth's tests employ cutting edge molecular technologies ranging from NextGen Sequencing to proprietary epigenetic methodologies, and assist physicians with the diagnosis of cancer, prognosis of recurrence risk, and prediction of response to a specific therapy. Our goal is to deliver on the promise of precision medicine.

Over the past decade MDxHealth has assembled a world-class scientific team and acquired unique experience in the application of Next-Generation and Deep Sequencing technologies for the identification and validation of powerful biomarkers.

Through a strategic collaboration with UGENTEC, MDxHealth is employing machine learning techniques to leverage artificial intelligence (AI) for the development of novel genomic signatures which can improve the company's ability to detect cancer earlier, while there is the best opportunity for cure, and to help determine the most appropriate treatment regimen for an individual cancer patient.

MDxHealth has also partnered with leading academic institutions, pharmaceutical companies and other industry leaders to develop and validate diagnostic, prognostic and predictive tests on a variety of sample types, including tissue, sputum, urine and blood, to provide the least invasive approach to addressing a specific cancer type. Through these external collaborations, internal development efforts, in-licensing and acquisition, we have built a robust pipeline of biomarkers which address prostate, bladder, colorectal, lung, breast and brain cancers, among many others.

We continue to collaborate with pharma on potential companion diagnostics, while we have out-licensed certain biomarkers which fall outside of our core focus.

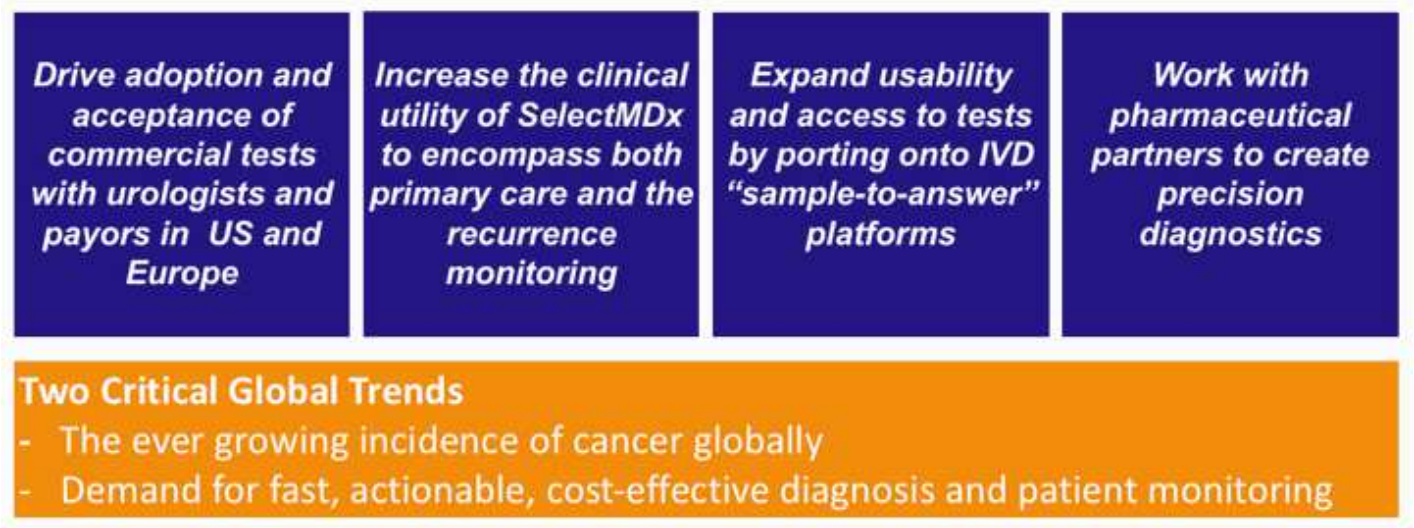
Molecular (onco)pathology is the fastest growing segment in diagnostics, growing at a 3 year CAGR of 14%. Molecular Diagnostics generated $6B in market revenue in 2016. At MDxHealth our strategic focus is on urologic oncology, developing and commercializing our proprietary molecular diagnostic tests for prostate, bladder and kidney cancers that aid in early diagnosis, prognosis of aggressiveness and monitoring treatment response.

Strategy

MDxHealth has a clear focus for growth in 2018 and beyond, centered around four key pillars: 1) driving adoption and acceptance of our commercial tests with urologists and payors in the significant markets of the US and Europe; 2) increasing the clinical utility of our SelectMDx test to encompass both primary care and the active and recurrence monitoring of patients; 3) expanding usability and access to our tests by porting them onto IVD sample-to-answer platforms; and 4) working with pharmaceutical partners to create precision diagnostics.

US market

Key to MDxHealth's growing sales momentum is its sales reorganization. Alongside the increase in the sales force in the US in late 2017, we reorganized it to tailor our commercial efforts to key customer channels. A total of 42 sales reps and 8 strategic account managers now cover redesigned geographies and specific strategic accounts incorporating over 12,000 urologists, 80% of whom are involved in the diagnosis of prostate cancer within following



customer groups:

- Large urology group practices with 152 centers responsible for approximately 30% of all the biopsy procedures;
- Integrated Health Networks including Kaiser Permanente and Veteran Affairs hospitals;
- Community based urologists.

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European market

Currently, 1 in 7 men in Europe will develop detectable prostate cancer before the age of 85. More than two million men in Europe are living with this disease. In the period 2017-2025 we will see a 20% increase of newly diagnosed prostate cancers in Europe or 330,000 new cases per year. Despite the urology market potential in Europe being close to 40% larger than that of the U.S., the complexity of the European market is multi-fold due to 53 countries, each with individual rules, regulations, guideline organizations and state/private reimbursement schemes.

Successful penetration of the European urology market and clinical adoption of SelectMDx is being achieved with a multi-faceted approach to build brand recognition and raise awareness of the SelectMDx for Prostate Cancer test.

Drivers for this include:

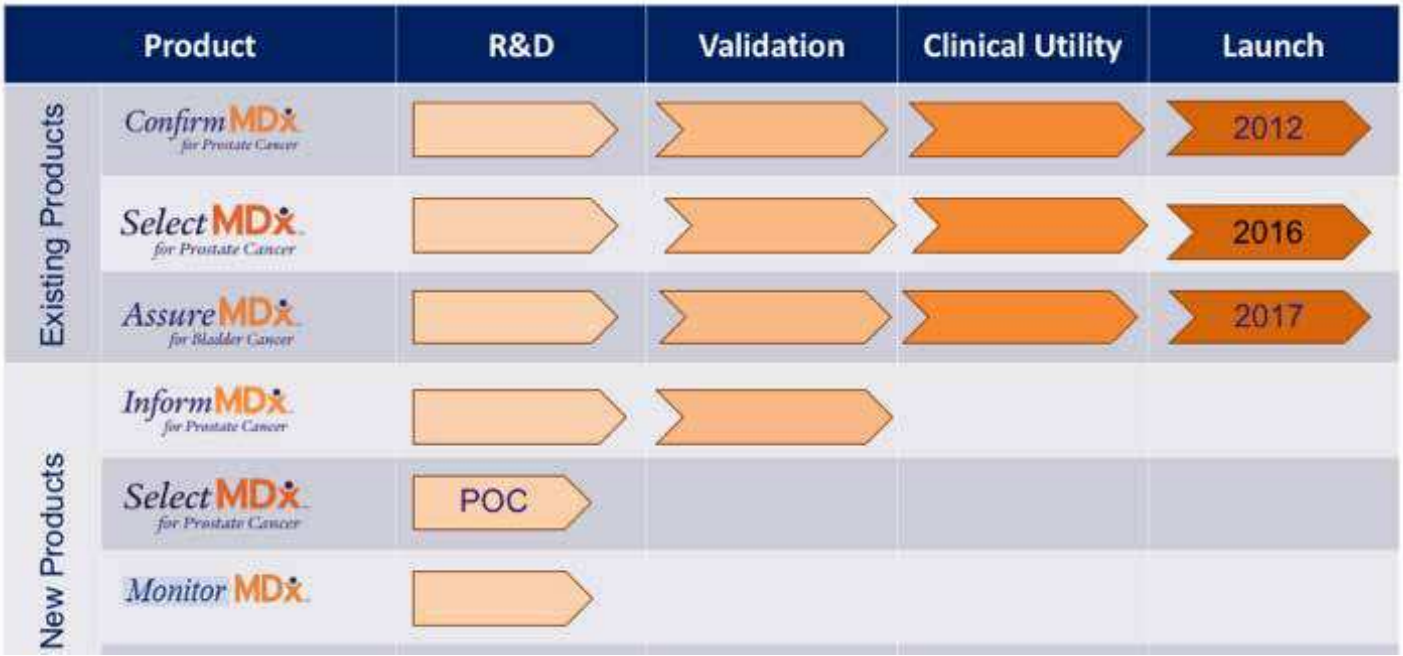
- Prostate Cancer Key Opinion Leader support and guidance
- Expanding MDxHealth's portfolio offerings in urologic oncology via SelectMDx service- and amplification kits
- IVD rollout strategy: clients start with send-out service testing and later transition to IVD testing in-house as scale permits.
- Distribution/Partnering agreements with existing centralized laboratories (e.g. Unilabs in multiple countries & Limbach in Germany) and pharmaceutical companies (e.g. Ferrer in multiple countries). Pharmaceutical partners bring a market penetration advantage based on their knowledge and experience with the introduction of innovative products and their proactive coverage of the main DMU, being the urologist.

SelectMDx is currently indicated in the US and Europe for use in testing men with elevated PSA levels of 3-10 ng/ml before biopsy. However, the Company sees significant opportunity for SelectMDx to extend its use beyond the current validated pre-biopsy indication through active monitoring of 300,000 patients annually in the US and through use by general practitioners in the primary care setting for patients with lower levels of elevated PSA. The Company believes that these initiatives can potentially quadruple the market opportunity for SelectMDx to more than 2 million patients annually in the US and a similar number for Europe.

In addition, MDxHealth plans to expand its IVD strategy by porting some of its products onto commercially established IVD platforms tuned towards sample to answer technology, an increasingly important capability in the field of molecular diagnostics

Another key differentiator for MDxHealth is its cutting-edge understanding of precision disease identification. The company's diagnostic engine backed up by multiple research collaborations is driving greater applicability of MDxHealth's tests and a strong pipeline of precision diagnostic products that maximize ease of use through its 'liquid biopsy' technology. An excellent example of this is our blood test in development for castrate resistant cancer, positive data on which was published in The Prostate at the start of 2018.

Product offering and pipeline



Currently, MDxHealth offers three molecular diagnostic tests, ConfirmMDx and SelectMDx for prostate cancers and AssureMDx for bladder cancer. MDxHealth will continue to focus on research and development to support its strategy and to ensure the maintenance of its position as a world leading provider of molecular diagnosis in urological cancer.

SelectMDx

SelectMDx for Prostate Cancer, is a urine-based mRNA test which helps in the identification of men at increased risk for aggressive disease who would benefit from a prostate biopsy and early detection (also see page 19).

ConfirmMDx

ConfirmMDx for Prostate Cancer is a tissue-based epigenetic test which assesses patient risk for undetected cancer following a negative prostate biopsy, thereby aiding in the decision for repeat biopsy and early detection (also see page 20)

Both SelectMDx and ConfirmMDx can not only improve early detection of aggressive prostate cancer, but importantly, can help reduce the economic burden associated with unnecessary invasive biopsy procedures on low risk men, along with the concomitant morbidity and cost of complications.

AssureMDx

In addition, MDxHealth has launched its first bladder cancer detection test for patients with unresolved hematuria. The test, AssureMDx™ for Bladder Cancer, is a non-invasive urine-based test which assesses a combination of somatic mutations and epigenetic alterations indicative of bladder cancer. The AssureMDx test yields a very high negative predictive value, helping to identify patients at very low risk for bladder cancer who may safely avoid an invasive cystoscopy procedure, as well as unnecessary exposure to radiation from CT scans. The test will also indicate which patients are at increased risk for bladder cancer, allowing for earlier detection and treatment (also see page 23).

New products still in preclinical development are InformMDx for Prostate Cancer and MonitorMDx for Prostate Cancer.

InformMDx™

InformMDx for Prostate Cancer is a tissue-based gene expression panel that can stratify patients for risk of disease progression and development of distant metastases. There are approximately 142,000 medically eligible patients who can benefit from InformMDx every year.

InformMDx could be performed on biopsy tissue to guide initial treatment decisions at the time of diagnosis, or on prostatectomy tissue to determine which patients would benefit from aggressive post-surgical treatment.

SelectMDx (POC)

MDxHealth is evaluating the feasibility of transferring the SelectMDx assay to a Point of Care (POC) testing platform. This will position SelectMDx on a new market segment and will broaden the business opportunities for the assay. Point-of-care technologies are quickly becoming part of the transformation of the healthcare landscape. Point-of-Care-Testing (POCT) - testing that is performed near or at the site of a patient with the result leading to a possible change in the care of the patient - can have a positive impact on operational efficiency and patient care. The launch of such a test is scheduled not earlier than 2020.

MonitorMDx™

MonitorMDx is a blood-based test that measures gene methylation of circulating cell-free DNA in men with castrate-resistant prostate cancer (CRPC). Approximately 50,000 medically eligible patients could benefit from MonitorMDx every year. For these patients with advanced metastatic disease, traditional hormonal therapies have failed, and treatment typically consists of a combination of chemotherapy, second-generation antiandrogens and/or other therapeutics.

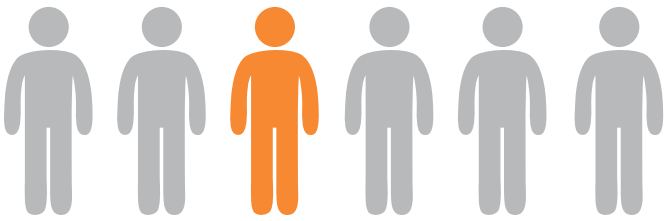
Because of the high mortality rate and limited life expectancy associated with CRPC, treatment decisions and assessment of therapeutic response must be made as quickly as possible. Current methods for monitoring CRPC patients include serum PSA, circulating tumor cell counts and measurement of the androgen receptor splice variant ARv7, but there is significant room for improvement.

MonitorMDx addresses a significant unmet clinical need by providing a rapid, non-invasive method for predicting prognosis. Importantly DNA methylation levels in blood may also provide more accurate information about therapeutic response (or failure), allowing clinicians to adjust treatment regimens in real-time and potentially increase survival.

Prostate Cancer

Unmet diagnostic needs in prostate cancer

One out of six men will be diagnosed with prostate cancer[1]



Although prostate cancer is the second most common cancer diagnosed in men globally, its accurate diagnosis and follow-up remain a challenge and come at a considerable cost to the healthcare system. According to the American Cancer Society, prostate cancer remains one of the deadliest cancers in men. Approximately 1 in every 6 men will be diagnosed with prostate cancer during their lifetime. One in every 39 men will die from prostate cancer. There are more than 2.9 million men in the United States living with diagnosed prostate cancer. Annually, over $6 billion is spent on the treatment of newly diagnosed prostate cancer patients in the US alone. In Europe and the US combined approximately 600,000 men are diagnosed with prostate cancer annually.

The USPSTF guidance against routine PSA screening in 2012 initially led to a reduction in prostate cancer detection rates, but recent reports suggest that delayed detection has resulted in an increase in higher grade prostate cancers upon the first biopsy of up to 40-50%, compared to 25% in 2010. This trend is likely to continue, given the revision of the original grade of D to C in the spring of 2017. Under the current standard of care, men with an elevated (i.e., ≥ 4.0 ng/ml) or rising prostate-specific antigens (PSA) score and/or abnormal digital rectal exam (DRE) are considered at high risk for cancer and will often be referred for a prostate biopsy to determine if cancer is present.

The standard trans rectal ultrasound guided prostate biopsy procedure takes 10-12 core needle samples, which are submitted to a pathologist for visual inspection under a microscope to determine the presence or absence of prostate cancer.

Over 1 million initial prostate biopsies are performed each year in the US and Europe and less than 20% find cancer. Most men selected for biopsy could have avoided a painful and invasive procedure, with its associated complications and costs. Furthermore, 30% of biopsies miss cancer and sampling errors are an inherent and well-documented issue.

Concerns over missed cancer (i.e. false-negative biopsies) coupled with the high rate of clinically significant cancer detected upon repeat biopsy and many men refusing a second biopsy, pose a diagnostic dilemma that MDxHealth's portfolio of tests is uniquely positioned to address.

- 20% of patients with a negative initial biopsy will undergo a repeat biopsy, with many undergoing 3rd and 4th biopsies[2]
- Repeat biopsies are invasive procedures resulting in increased risk of infection and hospitalization
- Significant costs are attributed to unnecessary procedures and their associated complications

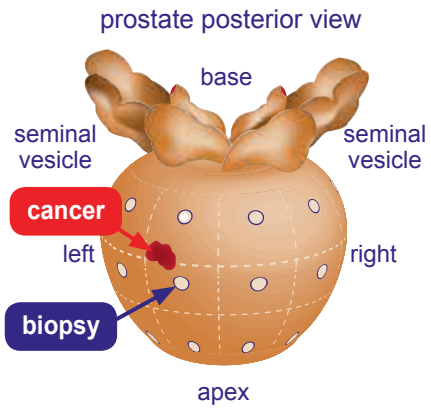
How It Works

Overview of challenges with standard of care

Standard Of Care

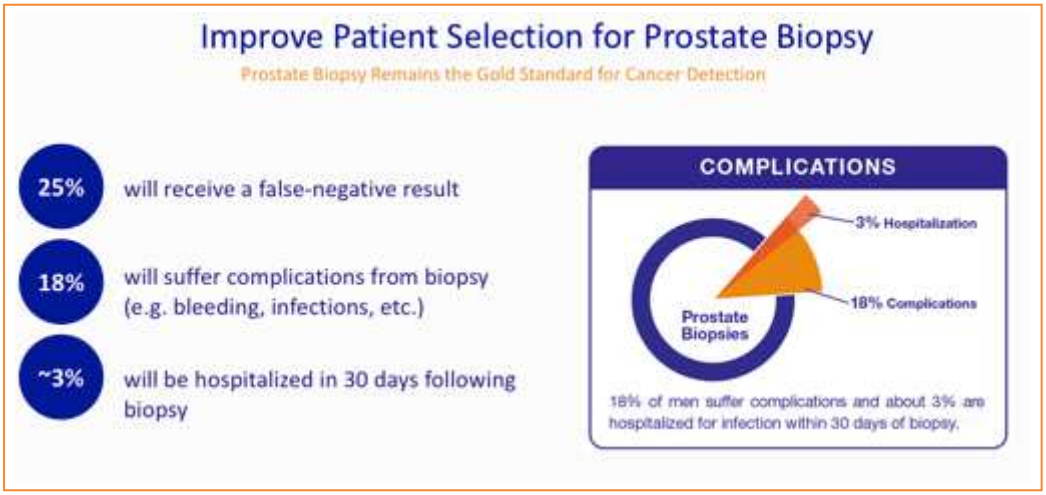
Transrectal ultrasound guided prosatate biopsy needle cores =12

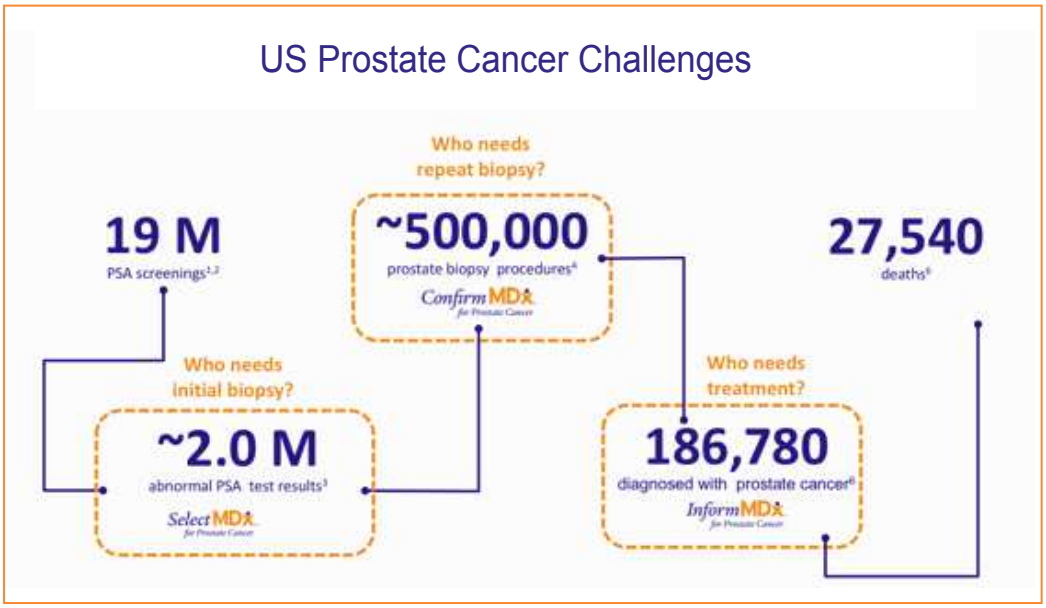
<1% prostate sampled



Challenges

- Needle may miss cancer
- Pathologists can only interpret what is seen on the screen
- Follow up is a repeat biopsy
- High rate of infection and complications





SelectMDx for Prostate Cancer

Valuable liquid biopsy test for patients and physicians

Available as LDT and IVD product

- Non-Invasive urine test
- Identifies patient for MRI or biopsy
- Avoiding 53% of unnecessary biopsies
- Included in guidelines of European Association of Urology (EAU)

98% NPV for high grade prostate cancer

2 M men with elevated PSA only 25% at risk for High grade disease

SelectMDx for Prostate Cancer is a proprietary urine-based, molecular diagnostic test that offers a non-invasive 'liquid biopsy' method to assess a man's risk for prostate cancer. SelectMDx helps identify men at increased risk of harboring aggressive, potentially lethal, prostate cancer who may benefit most from a prostate biopsy and earlier detection. The test helps to reduce the need for MRI procedures and invasive prostate biopsies by up to 50%, thereby reducing healthcare costs.

In March 2018, the test was included in the Guidelines of the European Association of Urology (EAU).
SelectMDx has a high specificity because it measures mRNA levels of two key biomarkers associated with Gleason Score ≥7 prostate cancer detection. SelectMDx is able to provide the likelihood of prostate cancer upon biopsy and the probability for high-grade versus low-grade disease. The test yields a 98% negative predictive value (NPV) for clinically significant prostate cancer.

ConfirmMDx for Prostate Cancer

Valuable Tissue Biopsy test for physicians and payors

MDxHealth lead product

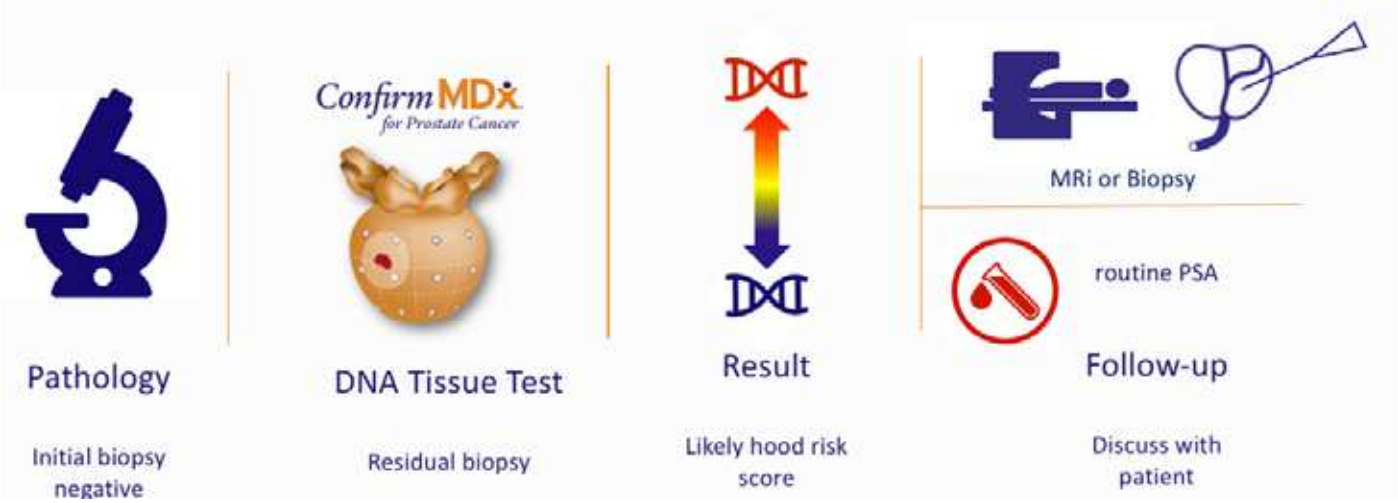
- Tissue test in NCCN guidelines
- Medicare coverage
- Identifies men at risk for High grade disease
- Avoiding 53% of unnecessary repeat biopsies

96% NPV for high grade prostate cancer

500K Initial biopsy, 25% false negative, 18% complications

ConfirmMDx for Prostate Cancer helps urologists identify low-risk men who may forego an unnecessary repeat biopsy and high-risk men who may benefit from intervention. ConfirmMDx is the first epigenetic, and only tissue-based test in the 2016 NCCN Guidelines for early detection of prostate cancer and that addresses false negative biopsy concerns. ConfirmMDx has qualified for Medicare reimbursement and is covered by numerous private health insurance plans.

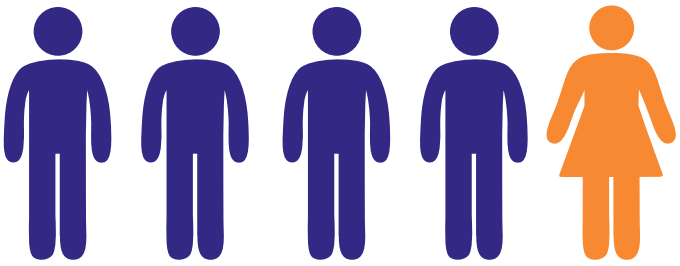
ConfirmMDx has a high specificity because it measures the methylation of three key biomarkers and one reference marker associated with prostate cancer. The test's epigenetic field effect detects DNA methylation changes that are often indistinguishable by histopathology. ConfirmMDx is able to provide the likelihood and location of prostate cancer upon repeat biopsy with a 96% negative predictive value (NPV).



Bladder Cancer

Unmet diagnostic needs in bladder cancer

Men are four times more likely to get bladder cancer than women



Bladder cancer is the fourth most common cancer in men (less in women) and its accurate diagnosis and follow-up remain a challenge, making it the most expensive cancer to treat.

Hematuria (presence of blood in urine) is the first sign of bladder cancer and it has been estimated that there are approximately 10.8 million hematuria visits to urologists per year in the US alone. Urologists conduct cytopathology from a bladder wash or urine sample; however, these methods only have 20-50% sensitivity for low grade tumors so patients generally undergo a cystoscopy.

In the US, approximately 3 million cystoscopies are planned or conducted annually. 230,000 cystoscopies are performed in patients with a near-zero risk of bladder cancer. Only about 28% of patients undergoing a cystoscopy will be diagnosed with cancer and 20,000 bladder cancer cases are missed annually among moderate- and high-risk hematuria patients.

It is estimated that 70% of patients in the US treated for early stage bladder cancer will experience a recurrence; therefore, lifelong surveillance with cystoscopy is recommended.

However, cystoscopy is unideal for monitoring because it is too invasive of a procedure to ask a patient to undergo repeatedly. A highly sensitive and non-invasive diagnostic test is needed to monitor early tumors and recurrence for the 400,000 patients under surveillance in the US.

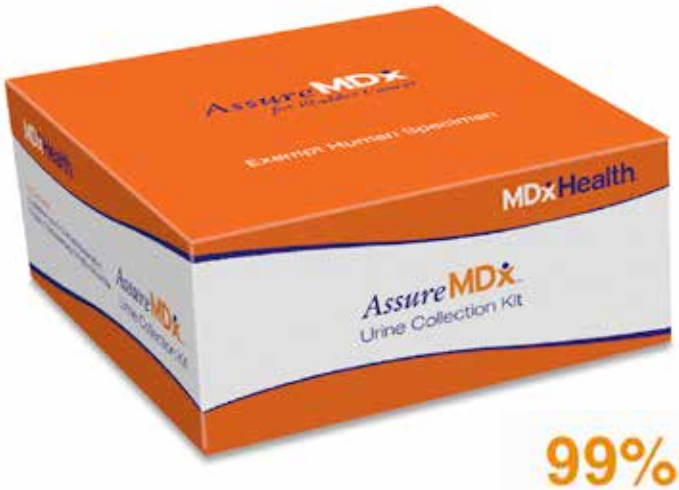
There are approximately 190,000 patients diagnosed with prostate cancer each year in the US. We estimated that out of the estimated 475,000 prostate biopsies performed annually, 285,000 (60%) patients will receive a negative biopsy result. With a reported 25-30% false-negative biopsy rate, as many as 85,000 of these patients will harbor undetected cancer.

There is an immediate need for improved patient stratification to rule in patients at high risk for aggressive prostate cancer and to rule out patients who can forego unnecessary repeat prostate biopsies that are both costly and potentially harmful due to complications and infections.

AssureMDx for Bladder Cancer

Valuable liquid biopsy test for patients and physicians

Available as LDT and IVD product



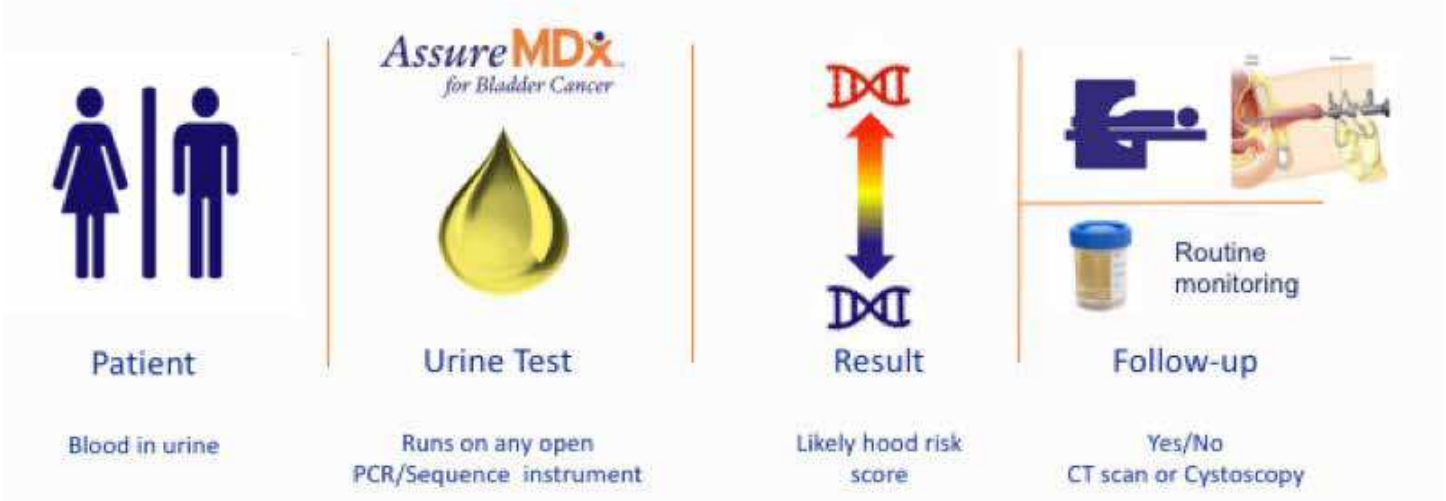
- Non-Invasive urine test
- Recommends cystoscopy or CT scan
- Avoiding unnecessary cystoscopies

99% NPV for bladder cancer

10 M Hematuria patients

In 2017 MDxHealth launched AssureMDx for Bladder Cancer, its first bladder cancer detection test for patients with unresolved hematuria. The test is a non-invasive urine-based test which assesses a combination of somatic mutations and epigenetic alterations indicative of bladder cancer.

AssureMDx has been validated to improve upon the standard of care, helping rule out the risk of bladder cancer with a negative predictive value (NPV) of 99%. The high NPV led study investigators to report that the test could potentially spare as many as 77% of hematuria patients from undergoing cystoscopy unnecessarily. Furthermore, the test's 93% sensitivity and 85% specificity can help doctors identify patients at increased risk for bladder cancer, who may benefit from cystoscopy.



Our Business

Business Highlights 2017

SelectMDx for Prostate Cancer

***Inclusion in European Urology Guidelines and launch of IVD PCR Kit**

- **11,700** Patients tested
- **EU** Volume up 300%
- **4** New payor contracts
- **9** European distribution agreements
- **3** 2 Clinical publications and 1 abstract

ConfirmMDx for Prostate Cancer

***Inclusion in European Urology Guidelines**

- **21,400** Patients tested
- **18** Payor contracts
- **2** Integrated Health Systems contracts
- **4** New payor contracts
- **6** 3 Clinical publications and 3 abstracts

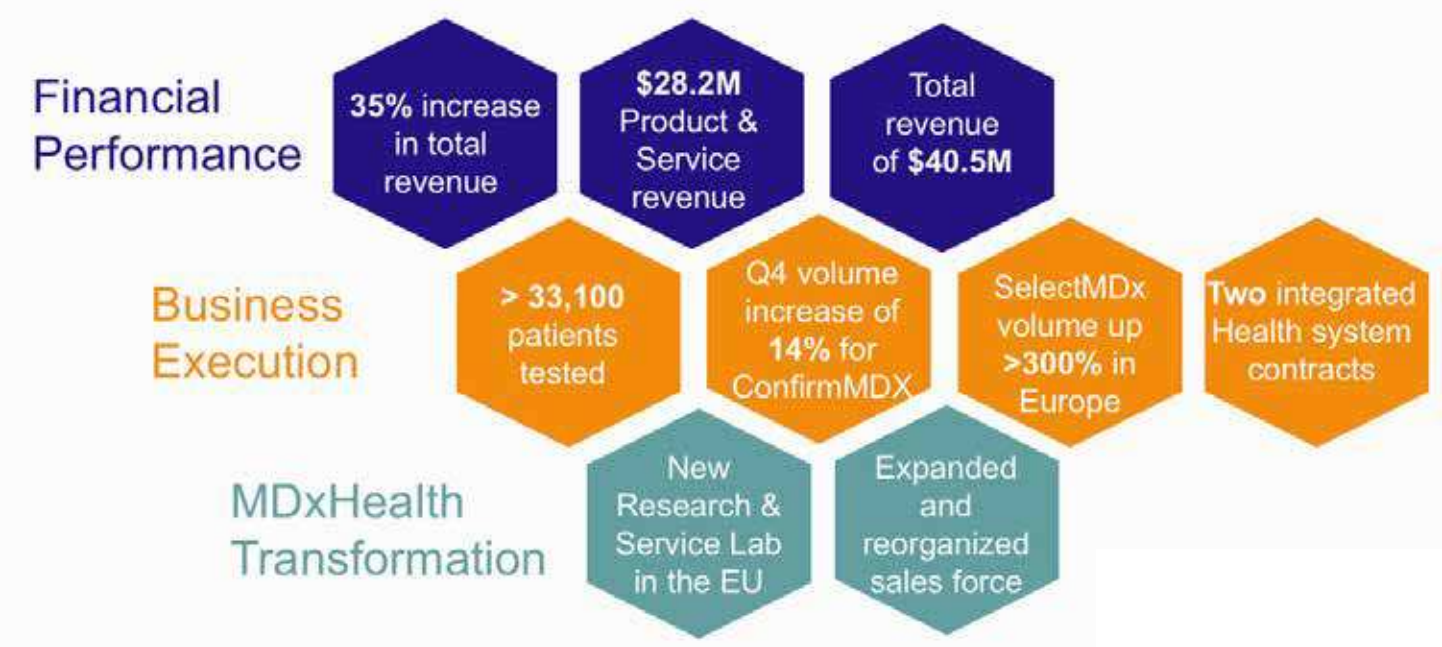
AssureMDx for Bladder Cancer

Initial commercial rollout in the US

- **1** Clinical publication

*"SelectMDx and ConfirmMDx were included in the clinical guidelines of the European Association of Urology (EAU) post-closing.

Overview 2017



2017 Business Review

2017 was an important year for the continuing development of MDxHealth into the world's leading urological molecular diagnostic company. While the Company encountered some challenges in the latter part of the year relating to short term revenue, patient test volumes and revenue continued to grow. The Company made good operational progress in 2017, aligning its commercial organization and management structure.

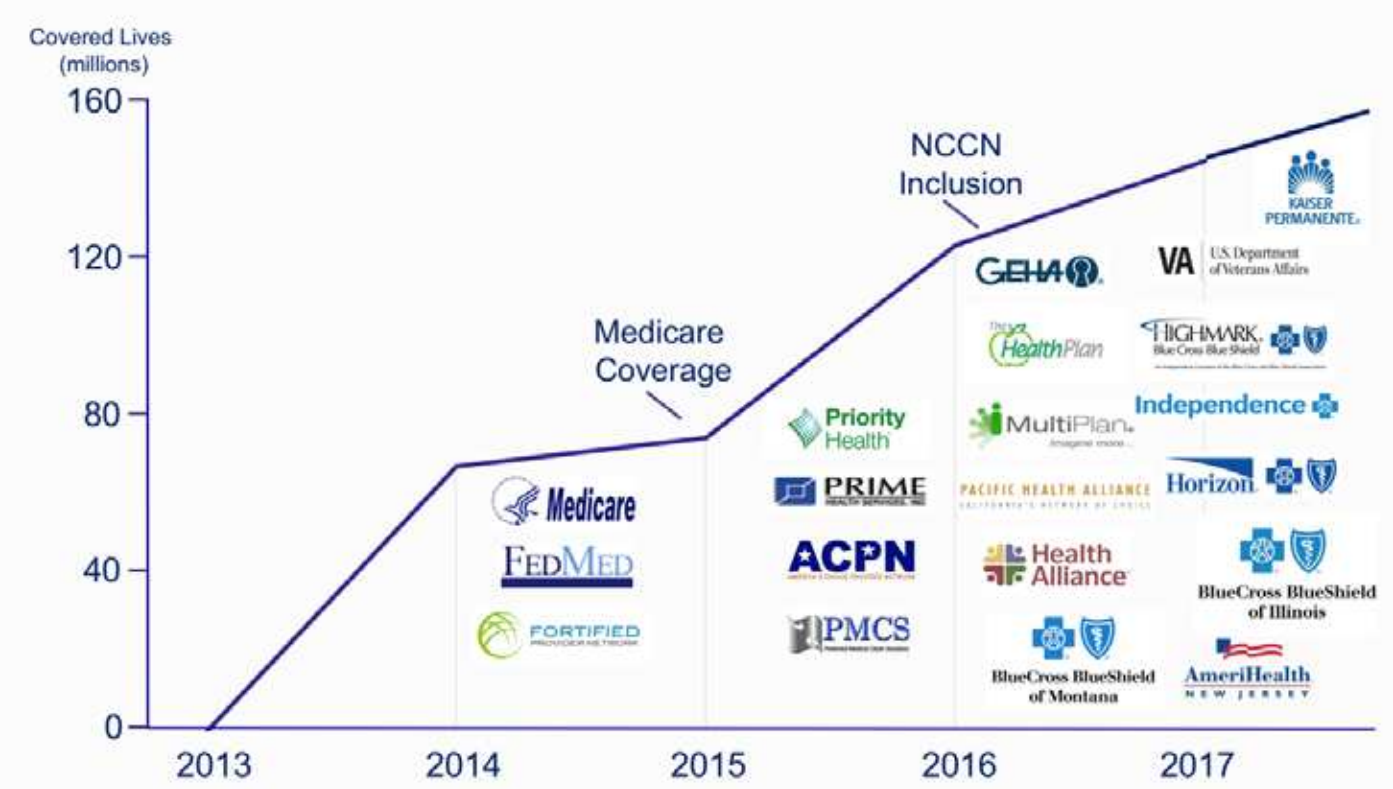
ConfirmMDx for Prostate Cancer

- **20** new US payor contracts for ConfirmMDx Total number of contracted payors to **67**
- Sales force increased from 33 to **50**
- Global test volume up from 20,400 in 2016 to **21,400** in 2017
- Q4 total test volume up **14%** to 6,400 in 2017
- **Two** major contracts with Integrated health care systems
- Unique CPT code

ConfirmMDx

Our lead product ConfirmMDx for Prostate Cancer helps urologists identify low-risk men who may forego an unnecessary repeat biopsy and high-risk men who may benefit from intervention. ConfirmMDx is the first epigenetic tissue-based test in the NCCN Guidelines for early detection of prostate cancer and that addresses false negative biopsy concerns. ConfirmMDx has qualified for Medicare reimbursement and covered by numerous private health insurance plans.

During 2017, MDxHealth focused on increasing adoption and acceptance of ConfirmMDx in the US with a concentration on private payors. Throughout 2017 an additional 20 new US payor contracts for ConfirmMDx were signed. Payors reimbursing the tests now include the US Government Services Administration, 10 of 36 Blue Cross Blue Shield Association-licensee payors, Medicaid programs and commercial payors, bringing the total number of contracted payors to 62.



ConfirmMDx patient volumes continued to grow in the year despite some challenges. Initial revenue expectations included volumes from a healthcare services contract with Kaiser Permanente Southern California and volumes from a large multi-center study aimed at supporting on-going Medicare coverage for ConfirmMDx. These programs are central to securing ongoing Medicare coverage by providing required on-going clinical utility data, extensive education and training and supporting the consistent use of ConfirmMDx in the every-day workflow of urologists, both during and after the completion of the studies. Delivery of the projected number of billable cases failed to materialize due to unforeseen operating issues. Based on available data, ConfirmMDx currently occupies an estimated 8% market penetration rate and the Company believes that there is a substantial opportunity for this to continue to grow in the mid-term.

SelectMDx

MDxHealth's focus during 2017 was to drive further market penetration, both in the US and Europe, as a result of the on-going roll out of SelectMDx. SelectMDx is MDxHealth's first liquid biopsy test which helps to identify men at increased risk of harboring aggressive, potentially lethal, prostate cancer who may benefit most from a prostate biopsy and earlier detection

MDxHealth has signed nine new contracts with European and Middle-East distributors, which combined with the international launch of the CE-marked SelectMDx IVD-kit, enabled the Company to leverage the commercial infrastructure built over the last several years and make rapid and meaningful progress in the expansion of this product.

SelectMDx
for Prostate Cancer

- **Four** new US payor contracts for SelectMDx Now totalling 15 payors
- **Nine** SelectMDx distribution agreements signed in 2017; **Seven** countries across Europe now covered
- Global launch of the SelectMDx IVD PCR Kit and adoption by first large medical lab
- Total global test volume of 11,700 up 257%
- EU test volume up more than **300%,** 3,100 patients tested in EU in2017
- Included in the EAU clinical guidelines since February 2018

In October, the Company added to its commercial and R&D infrastructure through the opening of a new service and research laboratory at the Novio Tech Campus in Nijmegen, the Netherlands. This state-of-the-art laboratory has expanded the Company's capacity to perform SelectMDx tests in Europe and support on-going research, development and commercial activities.

In 2017, the Company initiated and completed two US clinical validation studies for SelectMDx in an active surveillance population with the John Hopkins University and the Canary Foundation. Data from these studies is expected in 2018.

In addition, 2017 saw the publication of cost-effectiveness studies conducted in the Netherlands and published in the British Journal of Urology. In addition, five cost-effectiveness studies were completed in Spain, Italy, Germany, France and the US. These studies demonstrated that SelectMDx improves patient outcomes while significantly reducing healthcare costs by foregoing unnecessary invasive procedures, including biopsies and multiparametric MRI (mpMRi). In April, publication of an analytical validation study in Translational Medicine Communications, demonstrated the robustness, reproducibility and interlaboratory performance of the SelectMDx test.

In addition, SelectMDx was evaluated in the following studies:

- Data from a retrospective study, conducted by the Radboud Medical Center and published in The Prostate, demonstrated that SelectMDx correlated with multipara metric MRI (mpMRI) and outperformed the PCA3 test;
- SelectMDx adopted by the Michigan Medicine Prostate Cancer Risk Clinic at US University of Michigan hospital as a pre-biopsy diagnostic tool to monitor men with previously diagnosed genetic mutations;
- A US and European cost-effectiveness studies demonstrated that SelectMDx improved patient outcomes while significantly reducing healthcare costs by preventing over-diagnosis and overtreatment of men with clinically insignificant prostate cancer.

AssureMDx

AssureMDx for Bladder Cancer is a proprietary urine-based, molecular diagnostic test that offers a non-invasive 'liquid biopsy' method to improve the identification of patients at increased risk for bladder cancer who will benefit from further clinical evaluation. The test delivers a negative predictive value (NPV) of 99% for bladder cancer, helping to reduce the need for unnecessary invasive cystoscopy procedures by up to 77%, thereby reducing healthcare costs

Initial commercial rollout of AssureMDx for Bladder Cancer commenced in 2017 in the US.

Post period highlights

In January 2018, MDxHealth announced promising research results published in peer-reviewed journal The Prostate, with a new liquid biopsy test in development to help guide personalized treatment of castration-resistant prostate cancer (CRPC) patients. Data from this study is indicative of MDxHealth's strategy to bring new high precision liquid biopsy tests to market and to support pharmaceutical companies in the development of personalized therapeutics based on significant clinical data.

In March, the Company raised $44.0 million (€36.0 million) in gross proceeds by means of a private placement of 9,989,881 new shares at an issue price of EUR 3.60 per share through an accelerated book building.

In March, MDxHealth broadened its existing license with LabCorp (Laboratory Corporation of America) for rights to certain patents owned and controlled by MDxHealth relating to the MGMT biomarker for use in oncology, including testing for patients with brain cancer, such as Glioblastoma (GBM). LabCorp's rights are exclusive, subject to certain limited exceptions. Under the terms of the expanded license agreement, which previously covered the US and Canada only, but is now worldwide, MDxHealth is entitled to receive an upfront payment and royalties on sales and may be entitled to receive additional license fees, subject to certain conditions.

2017

Financial Review

The review of the Company's financial condition and results of operations pertains to the Company's consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB) as adopted by the EU ("IFAS"). The financial statements can be found below in Part IV of the present report.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017 COMPARED TO YEAR ENDED DECEMBER 31, 2016

Revenues

Total revenue for the year ended December 31, 2017, increased by 35% to $40.5 million, compared to $30 million a year earlier. Revenue included the sale of the Company's patents directed towards colorectal cancer to Exact Sciences. Excluding revenue from Exact Sciences for both periods, total products and services revenue increased by approximately 13% to $28.2 million during 2017.

While its growth was hampered by delays encountered during the fourth quarter in obtaining billable cases from contracted customers and from a large post-marketing study, ConfirmMDx® remained the lead product and accounted for 91% of product and services revenue.

The reduction of ConfirmMDx's contribution from 97% in 2016 to 91% in 2017, also results from continued strong growth of SelectMDx, both in the US and in Europe. Test volumes for SelectMDx grew by more than 250%, and accounted for 35% of total volumes. The lower price point of SelectMDx compared to ConfirmMDx and the early stage of payor adoption however limited the revenue for SelectMDx to approximately $1.8 million, an increase of 257% year-on-year.

Revenue recognised on the sales of ConfirmMDx and SelectMDx represented just over 51% of total gross billings, a slight increase compared to 2016 and to the first half of 2017, with a marginal improvement in the revenue recognition rate for ConfirmMDx being offset by the lower rate applicable to the fast-growing test volumes of SelectMDx.

Cost of goods and services sold

The cost of goods includes royalties that MDxHealth must pay to third parties and the costs associated with providing testing services to third parties. Cost of goods sold for 2017 came in at $10.2 million, compared to $10.1 million in 2016. The gross profit margin on products and services improved from 60% in 2016 to 64% as a result of continued efficiency improvements and increasing volumes for SelectMDx.

Research and development expenses

The Company continued to validate the clinical utility of its expanded offering through clinical trials and publications. Research and development expenses amounted to $3,505 thousand in 2017 compared to $1,977 thousand in 2016. The increase of 77% directly resulted from capitalizing less development expenses associated with the Company's tests in 2017 compared to 2016. In aggregate, and including capitalized expenses, R&D expenditure amounted to $5,350 thousand or 19% of products and services income, compared to 17,7% in 2016.

Thousands of $/ For the years ended December 31	*2017*	*2016*
Personnel costs	1,089	836
Lab consumables	474	238
External research and development collaborator fees	692	31
Depreciation and amortization	589	649
Other expenses	661	223
Total	**3,505**	**1,977**

Selling, general and administrative expenses

Operating expenses for 2017 of $39,1 million increased by $8,2 million compared to 2016, mainly as a result of the accelerated expansion of the sales force and the management team in the US to address the mounting market opportunity for its robust portfolio of molecular diagnostic tests for urology. Also reflected in the increase is the full year impact of investments made during 2017, such as the build-out of the European operations including commercial and laboratory staff. The details of administrative and selling expenses is as follows:

Thousands of $/ For the years ended December 31	*2017*	*2016*
Personnel costs	24,031	18,390
Depreciation	1,605	1,007
Professional fees	4,183	3,031
Marketing expenses	3,592	2,122
Travel expenses	1,641	1,886
Offices & facilities expenses	1,171	918
Royalties to third parties	520	1,546
Patent expenses	165	641
Other expenses	2,234	1,412
Total	**39,142**	**30,953**

Financial results

The financial results largely related to the revaluation of the contingent liability associated with the acquisition of NovioGendix in 2015, for a total of $372 thousand in 2016, and $17 thousand in 2017. Other financial losses relate to bank costs incurred during the year.

Net loss

EBITDA for the year improved by $0.7 million as the loss was reduced from $13.2 million in 2016 to $12.2 million.

LIQUIDITY, WORKING CAPITAL, AND CAPITAL RESOURCES FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Year ended December 31, 2017

Cash and cash equivalents stood at $16.8 million at December 31, 2017, compared to $30.8 million at December 31, 2016. The gross proceeds from the sale of patents to Exact Sciences of $15.0 million, net new financing of $0.6 million and $1.9 million of favorable foreign exchange translation effects were offset by an operational cash burn of $25.5 million, the non-recurring payment of royalties and milestones of $1.1 million and investments in tangible and intangible assets of $4.9 million. Cash collections from ConfirmMDx and SelectMDx amounted to $23.1 million, 17% more than a year earlier. The unique ConfirmMDx CPT code, effective January 2018, is expected to further streamline the Company's reimbursement efforts and significantly reduce collection periods.

Year ended December 31, 2016

Cash and cash equivalents stood at $30.8 million at the end of 2016 after having successfully raised $21.7 million (€20.4 million) in a private placement of 4,526,962 new shares at €4.50 ($4.99) per share. The number of outstanding shares at December 31 was 49,845,595.

Increased private payor adoption and a sustained focus on reimbursement has helped to improve working capital throughout 2016. Cash used by operations amounted to $16.6 million, compared to $14.4 million in 2015, and included cash collections of $19.7 million, a 61% increase year-on-year. The award of a unique current procedural terminology (CPT) code by the American Medical Association (AMA), which will become effective January 1, 2018, is expected to significantly shorten collection periods from Medicare and private payors.

Click here
to return to table of contents

Part II:

Corporate Governance

This section summarizes the main rules and principles of MDx-Health's Corporate Governance Charter. The complete Corporate Governance Charter is available on the MDxHealth website, at http://www.mdxhealth.com/shareholder-information

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 Corporate Governance Charter forms an integral part of this Report of the Board of Directors. MDxHealth has adopted the 2009 Code as its reference code. It complies to a large extent with the provisions of the 2009 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 2009 Code, MDxHealth does not fully comply with the following provisions:

- Given the size of the Company, no internal audit function exists at this time.
- According to provision 7.7 of 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 this provision of the 2009 Code is not appropriate and adapted to take into account the realities of companies in the life sciences industry that are in a development and growth phase, such as MDxHealth. Notably, the ability to remunerate independent and other Non-Executive Directors with warrants allows to limit the portion of remuneration in cash that MDxHealth would otherwise need to pay to attract or retain renowned experts with the most relevant skills, knowledge and expertise. All Non-Executive Independent Directors nominated before the May 2017 annual general shareholders' meeting have been awarded warrants to subscribe for shares of the Company.

The performance and functioning of the Board of Directors, its committees, and the Executive Management team are summarized below.

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 4 are Independent Directors and 2 are Non-Executive Directors. The Directors of the Company are appointed by the general shareholders' meeting.

The Company's Board of Directors strives to maintain a well-balanced general diversity at the Board of Directors. Currently, there are 3 female Directors among a total of 7 Board members (representing a ratio of 43% female Directors against 57% male Directors). The Belgian Company Code provides that by January 1, 2017, at least one third of the members of the Board of Directors will have to be of the opposite gender. The deadline to comply with this obligation is January 1, 2019 for companies that meet on a consolidated basis at least two of the following criteria: (a) an average number of employees of less than 250; (b) a balance sheet total of €43 million or less; and (c) an annual turnover of €50 million or less. The Company complies with at least two of these criteria. The Company was successful in meeting its goal to meet the one-third gender diversity requirement by January 1, 2018.

The Board of Directors is a collegial body, and deliberates and makes decisions as such. Excluding the Board committee meetings, the Board of Directors met 8 times throughout 2017. All Directors were present or represented at these 8 meetings.

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, LabDx LLC, with Mr. Walter Narajowski as permanent representative, is the chairman of the Board of Directors. Mr. Narajowski assumed the role of Board chair in 2017 following the resignation of Shaffar LLC, with Mr. Mark Shaffar as permanent representative, from the Board in October 2017.

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 four Independent MDxHealth Directors listed in the table below meet at least the criteria set out in article 526ter of the Belgian Company Code, which can be summarized as follows:

- Not being an executive member of the board of directors, exercising a function as a member of the executive committee or as a person entrusted with daily management of the Company or a company or person affiliated with the Company, and not having been in such a position during the previous five years before his or her nomination.
- Not having served for more than three terms as a non-executive director of the board of directors, without exceeding a total term of more than twelve years.
- Not being an employee of the senior management (as defined in article 19, 2° of the Belgian Act of September 20, 1948 regarding the organisation of the business industry) of the Company or a company or person affiliated with the Company and not having been in such a position for the previous three years before his or her nomination.
- Not receiving, or having received, any significant remuneration or other significant advantage of a financial nature from the Company or a company or person affiliated with the Company, other than any bonus or fee (tantièmes) he or she receives or has received as a non-executive member of the board of directors.
- Not holding (directly or via one or more companies under his or her control) any shareholder rights representing 10% or more of the Company's shares or of a class of the Company's shares (as the case may be), and not representing a shareholder meeting this condition.
- If the shareholder rights held by the director (directly or via one or more companies under his or her control) represent less than 10%, the disposal of such company's share or the exercise of the rights attached thereto may not be subject to contracts or unilateral undertakings entered into by the director. The director may also not represent a shareholder meeting this condition.
- Not having, or having had within the previous financial year, a significant business relationship with the Company or a company or person affiliated with the Company, either directly or as partner, shareholder, member of the board of directors, member of the senior management (as defined in article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of a company or person who maintains such a relationship.
- Not being or having been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a company or person affiliated with the current or former statutory auditor of the Company.
- Not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies.
- Not being a spouse, legal partner or close family member (by marriage or birth) to the second degree of a member of the board of directors, a member of the executive committee, a person charged with the daily management, or a member of the senior management (as defined in Article 19, 2 of the aforementioned Belgian Act of September 20, 1948) of the Company or a company or person affiliated with the Company, or of a person who finds him or herself in one or more of the circumstances described in the previous bullets.

Composition of the Board of Directors

The table below describes the composition of the Board of Directors as of the date of this Annual Report.

Name	Age on Dec 31, 2017	Position	Term Start	Term End[(1)]	Professional Address
Lab Dx L.L.C., represented by **Mr Walter Narajowksi**	64	Chairman, Non-Executive Independent Director	2016	2020	CAP Business Center Rue d'Abhooz, 31 4040 Herstal, Belgium
Dr. Jan Groen	58	Executive Director	2010	2021	CAP Business Center, Rue d'Abhooz, 31 4040 Herstal, Belgium
Gengest BVBA, represented by **Mr. Rudi Mariën**	72	Non-Executive Director	2011	2021	Karel van de Woestijnestraat 1-3, 9000 Gent, Belgium
Hasseltberg BVBA, represented by **Mrs. Ruth Devenyns**	52	Non-Executive Independent Director	2011	2020	Kardinaal Sterckxlaan 47 - 1860 Meise, Belgium
Valiance Advisors LLP, represented by **Mr. Jan Pensaert**	46	Non-Executive Director	2014	2018	Lilly House 13 Hanover Square London W1S 1HN United Kingdom
Qaly-Co BVBA, represented by **Dr. Lieve Verplancke**	58	Non-Executive Independent Director	2017	2021	Dikkemeerweg 54 1653 Dworp, Belgium
Hilde Windels BVBA, represented by **Ms. Hilde Windels**	52	Non-Executive Independent Director	2017	2020	Kasteellaan 89 9000 Gent - Belgium

Notes:

The term of the mandates of each Director will expire immediately after the annual general shareholders' meeting held on the last Thursday of the month of May in the calendar year indicated.

Mr. Walter Narajowski has over 25 years of executive and board level experience in the diagnostic industry. Until the end of 2015, Mr. Narajowski served as Senior Vice President and General Manager at Roka Bioscience (NASDAQ: ROKA) in San Diego. Previously, Mr. Narajowski was CEO of Pathway Diagnostics, a biomarker development and testing company, which was subsequently sold to Quest Diagnostics. Prior to Pathway, Mr. Narajowski served as Vice President and General Manager of Focus Diagnostics, an infectious disease CLIA reference laboratory and diagnostic product business. The majority of Mr. Narajowski's career was with Abbott Laboratories where he served as Vice President, General Manager of critical care products, vice president, general manager of the infusion pump business, General Manager of physician office diagnostics, and a Director of research and development. Mr. Narajowski received his MS in bioengineering from the University of Utah, and his BS in electrical engineering from the Illinois Institute of Technology.

Dr. Jan Groen joined MDxHealth in 2010 and has over 30 years of executive and Board level experience in the clinical diagnostic and biotech industry, with a particular focus on emerging technologies, product development and commercialization. Dr. Groen was previously the president and COO of Agendia, a venture backed CLIA laboratory developing and commercializing proprietary genomic products and 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 private owned company focusing on infectious diseases and immunology, which was acquired by Quest Diagnostics in 2006. 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 board member of MyCartis BvBa. Dr. Groen holds a Ph.D. degree in medical microbiology from the Erasmus University Rotterdam and published more than 125 papers in international scientific journals in the field of clinical diagnostics.

Mr. Rudi Mariën is President and Managing Director of Gengest BVBA and Biovest CVA. He was the Vice President of Cerba European Lab. Through his management company, Gengest BVBA, Mr. Mariën has Board mandates in different listed and private biotech companies. Mr. Mariën was co-founder, reference shareholder and Chairman of Innogenetics, and has been the founder, shareholder and Managing Director of several clinical reference laboratories including the Barc Group, a leading international centralized clinical laboratory, exclusively dedicated to pharmaceutical studies. Mr. Mariën holds a degree in pharmaceutical sciences from the University of Gent, and is specialized in clinical biology.

Mrs. Ruth Devenyns has a long standing experience in healthcare financing. She began her career with KBC in the Economic Research Department. In 1995, she joined KBC Securities where she established KBC's investment banking franchise in healthcare, initially as a sell-side analyst and subsequently on the banking side. Around 2000 she moved to the buy-side and successfully built and managed a portfolio of private biotech companies in Belgium and abroad. In 2012, Ms Devenyns left KBC to become an independent consultant, offering investment/financial advisory & director services with a focus on healthcare. In that capacity she worked for Korys (the Colruyt family office), and Bank Degroof Petercam, supporting the healthcare investment banking activities. Ms Devenyns was CFO of Ogeda from 2016 until the company was acquired by Astellas in May 2017 in a €800 million transaction. She is currently the CEO of Camel-IDS, a privately held clinical stage radionuclide therapy company in oncology.

Mr. Jan Pensaert is the founder and CEO/CIO of Valiance Advisors LLP, a specialist investment business with offices in London and Guernsey, formed in 2008. From 2003 to 2007, he was CEO of La Fayette Investment Management, a leading fund of hedge funds, where he was responsible for the overall business management of the firm, as well as second member of the investment committee. Prior to La Fayette, Mr. Pensaert was responsible for the European-based investment management and research activities of the Permal Group (assets under management of $10 billion at the time) from 2001-2003. Prior to that, he was active at Lazard in Corporate Finance M&A, where he advised on transactions with a total value of more than $40 billion. He holds a BA in Business Economics from the University of Gent, Belgium, and a Masters in Banking & Finance from the University of Aix-Marseille.more than $40 billion. He holds a BA in Business Economics from the University of Gent, Belgium, and a Masters in Banking & Finance from the University of Aix-Marseille.

Lieve Verplancke MD a Belgian national, began her career in 1984 with The Beecham Group (now part of GlaxoSmithKline), and has since held key management positions with Merck & Co., as well as Bristol-Myers Squibb, where she served as Managing Director, leading their Belgian/GDL subsidiary, until 2012. Ms. Verplancke has also served as a Board Member for Brussels-based Europe Hospitals; the Imelda Hospital in Bonheiden; and the Euronext fund, Quest for Growth and Materialise. She is also the Founder and Managing Director of Qaly@Beersel, an elderly care center in Belgium. In addition to being a medical doctor (MD – KULeuven University), Ms. Verplancke holds a postgraduate degree in Economics and an MBA from the University of Antwerp. She has also completed courses at INSEAD, CEDEP, Columbia University and the Vlerick Business School, and is a certified Executive Coach (PCC).

Hilde Windels is an executive director of Biocartis, has 20 years of experience in the biotechnology sector with a track record of building and structuring organizations, fundraising, M&A, public capital markets and corporate strategies. At Biocartis, she was CEO ad interim and Deputy CEO from September 2015 until September 2017 and CFO from 2011 until September 2015. Previously, Mrs. Windels worked as independent CFO for several private biotech companies and from 1999 to 2008 she was CFO of Devgen. Currently, Mrs. Windels also serves as a board member at EryTech, Ablynx and Biocartis. In the past, she also served on the boards of Devgen, MDxHealth and FlandersBio. Mrs. Windels holds a Masters in Economics from the University of Leuven, Belgium.

Litigation statement concerning the Directors or their permanent representatives

At the date of this Annual Report, none of the Company's Directors, or in case of corporate entities being Directors, none of their permanent representatives, other than those indicated in the paragraph below, for at least the previous five years:

- has any conviction in relation to fraudulent offenses;
- has 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:
    - Mrs. Ruth Devenyns, who was a director of two US companies that filed for bankruptcy, PR Pharmaceuticals in 2008 and Altea Therapeutics in 2011: and
    - Mr Rudi Mariën, who was, through his management company, a director of a Belgian company, Pharmaneuroboost that filed for bankruptcy in 2013.
- 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.

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

MDxHealth has had an audit committee in place since the Company's inception. According to applicable law, 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.

MDxHealth's audit committee must be composed of at least three members and is limited to Non-Executive Directors who have a collective competence in the business of the Company. The committee appoints a chairman amongst its members. The chairman of the Board of Directors should not chair the committee. A majority of its members should be Independent Directors The audit committee must include amongst its members 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.

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 inform the Board of Directors of the result of the audit of the financial statements and the manner in which the audit has contributed to the integrity of the financial reporting and the role that the audit committee has played in that process;
- to monitor the financial reporting process, and to make recommendations or proposals to ensure the integrity of the process;
- to monitor the effectiveness of the Company's internal control and risk management systems, and the Company's internal audit process and its effectiveness;
- to monitor the audit of the annual statutory and consolidated financial statements, including the follow-up 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 assess 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, in particular with respect to the appropriateness of the provision of additional services to the Company; and to make recommendations to the Board of Directors on the selection, appointment and remuneration of the Company's statutory auditor in accordance with article 16 § 2 of Regulation (EU) No 537/2014.

The following Non-Executive Directors were members of the audit committee in 2017: Hasseltberg BVBA, represented by Mrs Ruth Devenyns (chair), Qaly-Co BVBA, represented by its permanent representative, Dr. Lieve Verplancke, following the resignation from the Audit Committee by Valiance Advisors LLP, represented by Mr. Jan Pensaert in November 2017, and Hilde Windels BVBA, represented by its permanent representative, Ms. Hilde Windels, following the resignation from the Audit Committee by LabDx L.L.C., represented by Mr. Walter Narajowski, in November 2017. As required by law, the chair of the audit committee is competent in accounting and auditing, as is evidenced by her role as chief financial officer of Ogeda SA, and her previous roles in venture capital and investment banking.

The audit committee is a collegial body, and deliberates and makes decisions as such. The audit committee met 2 times in 2017. All members of the audit committee were present or represented at all meetings.

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 who have the necessary competence in terms of remuneration policy. A majority of its members should be Independent 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 in the meetings of the committee when it deals with the remuneration of other executive managers.

The role of the remuneration and nomination committee is to make recommendations to the Board of Directors with regard to the appointment and remuneration of Directors and members of the executive management and, in particular, to:

- identify, recommend and nominate, for the approval of the Board of Directors, candidates to fill vacancies in the Board of Directors and executive management positions as they arise. In this respect, the remuneration and nomination committee must consider and advise on proposals made by relevant parties, including management and shareholders;
- advise the Board of Directors on any proposal for the appointment of the chief executive officer and on the chief executive officer's proposals for the appointment of other members of the executive management;
- draft appointment procedures for members of the Board of Directors and the chief executive officer;
- ensure that the appointment and re-election process is organized objectively and professionally;
- periodically assess the size and composition of the Board of Directors and make recommendations to the Board of Directors with regard to any changes;
- consider issues related to succession planning;
- make proposals to the Board of Directors on the remuneration policy for Directors and members of the executive management and the persons responsible for the day-to-day management of the Company, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the shareholders' meeting;
- make proposals to the Board of Directors on the individual remuneration of Directors and members of the executive management, and the persons responsible for the day-to-day management of the Company, including variable remuneration and long-term incentives, whether or not share-related, in the form of share options or other financial instruments, and arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the board of directors to the shareholders' meeting;
- prepare a remuneration report to be included by the Board of Directors in the annual corporate governance statement;
- present and provide explanations in relation to the remuneration report at the annual shareholders' meeting; and
- report regularly to the Board of Directors on the exercise of its duties.

The following Non-Executive Directors were members of the nomination and remuneration committee in 2017: Lab Dx L.L.C., represented by Mr. Walter Narajowski (chair), Gengest BVBA, represented by Mr. Rudi Mariën, and Qaly-Co BVBA, represented by its permanent representative, Dr. Lieve Verplancke, following the resignation from nomination and remuneration committee and the Board by Shaffar LLC, represented by Mr. Mark Shaffar, in October 2017.

The nomination and remuneration committee is a collegial body, and deliberates and makes decisions as such.

The nomination and remuneration committee met 3 times in 2017. All of the committee members attended all of the committee meetings.

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:

1. assessing how the Board of Directors and its committees operate,
2. checking that the important issues are suitably prepared and discussed,
3. checking the Board's and committees' current composition against the desired composition,
4. 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
5. 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 each Director's own performance and the performance of its colleague Directors. The conclusions resulting from these individual meetings will be submitted to the Board by the Chairman.

Executive Management

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.

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.

The key management positions at the date of this report are illustrated below:

Dr Jan Groen
CEO

Joe Sollee
EVP, General Counsel &
Chief Compliance Officer

M Brawer
EVP & CMO

Jean-Marc Roelandt
EVP & Chief
Financial Officer

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.

Other Members of Executive Management Team

The other members of the executive management team, 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.

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	Age on Dec 31, 2017	Position	Permanent Address
Dr. Jan Groen	*58*	*Chief Executive Officer (CEO)*	*CAP Business Center Rue d'Abhooz, 31 4040 Herstal, Belgium*
Marcofin BVBA, represented by Jean-Marc Roelandt	*52*	*Executive Vice President & Chief Financial Officer*	*CAP Business Center Rue d'Abhooz, 31 4040 Herstal, Belgium*
Joseph Sollee	*53*	*Executive Vice President, General Counsel & Chief Compliance Officer*	*15279 Alton Pkwy, Ste 100 Irvine, CA 92618, USA*
Dr. Michael Brawer	*64*	*Executive Vice President & Chief Medical Officer*	*15279 Alton Pkwy, Ste 100 Irvine, CA 92618, USA*

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 team members (also referred to as executives):

Dr. Jan Groen, Chief Executive Officer
See "Board of Directors - Composition of the Board of Directors".

Mr. Jean-Marc Roelandt, as representative of Marcofin BVBA, Executive Vice President & Chief Financial Officer
Mr. Roelandt, the representative of Marcofin BVBA, joined MDxHealth in January 2017 and brings over 20 years of financial leadership experience in a range of multinational industries. Mr. Roelandt was born in 1965 in Ghent, Belgium and holds a master's degree in Applied Economic Sciences from the University of Ghent, Belgium. He started his professional career as audit manager at Ernst & Young and qualified as a Certified Public Accountant (Instituut van de Bedrijfsrevisoren) in 1996, after which he held various senior positions in several publicly listed Belgian companies. He was Chief Financial Officer of Ubizen NV from April 1999 until he joined BHF Kleinwort Benson (previoulsy known as RHJ International) in January of 2005. At BHF Kleinwort Benson Group, he served as Chief Financial Officer and Managing Director for more than 11 years. In addition to his responsibilities as a member of BHF Kleinwort Benson Group's executive management, he was also appointed Executive Director and Chief Financial Officer of Kleinwort Benson Bank in London in July 2015. He held those positions until the public take-over of BHF Kleinwort Benson Group in 2016.

Mr. Joseph Sollee, Executive Vice President, General Counsel & Chief Compliance Officer
Mr. Sollee has provided legal counsel to MDxHealth since its inception in 2003, and in April 2008 joined our management team. Prior to joining the Company, Mr. Sollee served as Special Counsel with the law firm of Kennedy Covington (now K&L Gates), where he led the Life Sciences Practice Group. Mr. Sollee has more than 20 years of experience in the life sciences 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 in investment banking at Smith Barney in New York. Mr. Sollee received a Juris Doctorate in Law (JD) and a Master's degree in International & Comparative Law (LLM) from Duke University, a BA degree from Harvard University, and has been certified into the legal bars of New York, Washington D.C. and North Carolina.

Dr. Michael Brawer, Executive Vice President & Chief Medical Officer
Dr. Brawer joined MDxHealth in September 2017 and is an accomplished urologist and former professor of urology and pathology, with over 25 years of industry experience leading clinical affairs for urology-focused diagnostic and pharmaceutical companies. Most recently, Dr. Brawer served as Vice President of Medical Affairs, Urology at Myriad Genetics where he led all clinical aspects of development, education and commercialization of their prognostic prostate cancer assay. Previously, Dr. Brawer held senior leadership positions for GTx Inc, Tokai Pharmaceuticals and Threshold Pharmaceuticals. Prior to his corporate career, Dr. Brawer was a practicing urologist and the Director of the Northwest Prostate Institute for almost a decade, after holding teaching positions in pathology and urology at the University of Washington and University of Arizona.

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Statutory auditor

Services performed by the auditor and performance of exceptional activities or execution of special instructions (Article 134 Belgian Company Code)

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, was re-appointed on May 26, 2017 as the statutory auditor of the Company for a term of 3 years ending immediately after the closing of the annual shareholders' meeting to be held in 2020. Mr. Gert Claes has represented BDO since May 29, 2015.

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

The statutory auditor and 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.

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, for participation to the audit committees and for participation to special projects.

The Company expensed €114 thousand (USD equivalent $128 thousand) in fees to the auditor in 2017. The fees are broken down as follows:

- Audit fee for statutory and consolidated financials of €68 thousand ($76 thousand)
- Audit related services (legal missions) €5 thousand ($5 thousand)
- Tax consulting services €41 thousand ($47 thousand)

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Remuneration report

The following report has been prepared by the nomination and remuneration committee and approved by the Board of Directors of MDxHealth on April 20, 2018. This report contains the remuneration report as referred to in Article 96, §3 of the Belgian Company Code (the "Remuneration Report"). The Company has reviewed the remuneration policy of its management, Executive and Non-Executive Directors in light of Article 96 of the Belgian Company Code, as supplemented by the relevant provisions of the 2009 Belgian Corporate Governance Code, and has prepared this Remuneration Report in accordance with the requirements contained therein.

Procedure adopted 2017 to develop a remuneration policy

During 2017, MDxHealth has continued to apply the remuneration policy first adopted in 2012. In conformity with the applicable legislation, the nomination and remuneration committee of the Board of Directors, composed of Non-Executive members of the Board, has the tasks (i) to formulate proposals on the remuneration policy applicable to directors, managers and other executives, as well as on the determination of their remuneration on an individual basis, and (ii) to prepare the remuneration report to be inserted in the corporate governance statement of the annual report.

The remuneration report will be submitted to a vote by the annual general shareholders' meeting. The main recommendations seek to align the interests of the Board members with the goals of the Company, and can be summarized as follows:

- the setting in place of an equity incentive program, including a general pool of stock options in the form of warrants, for management and other personnel;
- the non-granting of fees to Non-Independent Directors for serving on the Board;
- the demand (but not the request) to Independent Directors serving as representatives of investors that own an amount of Company shares greater than the five percent (5%) transparency filing threshold to waive their Board fees;
- the change from the variable component of Board remuneration to a fixed annual compensation scheme;

- the annual grant of ten thousand (10,000) stock warrants to each Non-Executive Board member, under the terms of a Company warrant program.

These recommendations, as reflected in the remuneration policy, were first implemented in 2012 and, except for an increase in the fixed annual warrant grant from six thousand (6,000) to ten thousand (10,000) warrants, remained applicable for the accounting year 2017. The increase in annual warrants grants was first approved at the annual general shareholders' meeting held in May 2014.

Procedure adopted 2017 to determine the level of remuneration

Directors

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 talents 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. Non-Executive Directors are not entitled to bonuses, fringe benefits or pension benefits.

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 nomination and remuneration committee. These fees are then submitted for approval at the ensuing annual general shareholders' meeting.

For the executive Director position, the nomination and remuneration committee proposes remuneration changes and bonuses, if any to the Board of Directors for approval.

CEO and Managers

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 fixed remuneration level, the variable bonus, and the objectives of the CEO 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. He 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. It then proposes the warrant grants, bonuses and remuneration changes, if any, to the Board of Directors, and to the extent required by applicable law, to the general shareholders' meeting, for approval.

Declaration on the remuneration policy

Remuneration policy in 2017

The Board of Directors determines, upon recommendation of the nomination and remuneration committee, the remuneration policy for Directors and Managers.

Directors

The remuneration policy for Non-Executive and executive Directors was modified at the annual shareholders' meeting of May 25, 2012, and remained in effect for the accounting year 2017.

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- Non-Executive Directors

The Non-Executive Directors are remunerated on the basis of a pre-defined fixed annual retainer fee. The fee level is the applicable fixed annual retainer fee approved at the last annual general shareholders' meeting concerning this matter, i.e.:

- €35,000 (USD equivalent $39,540)[1] for the Chair of the Board of Directors;
- €30,000 ($33,891)[1] for the Chair of the Audit Committee;
- €28,000 ($31,632)[1] for the Chair of the Nomination and Remuneration Committee; and
- €25,000 ($28,243)[1] for any other Director.

A record of Board attendance is maintained by the secretary to the Board of Directors. This record is then reviewed by the Board of Directors and confirmed by the approval of the Board minutes. Regular attendance at scheduled meetings of the Board of Directors, including committee meetings, is expected. In the event that a Director fails to attend at least 75% of the scheduled meeting of the Board of Directors during a calendar year, the Board may reduce such Director's applicable annual retainer fee by a pro rata amount to reflect actual attendance.

Apart from the above remuneration, Directors will be entitled to a reimbursement of out of pocket expenses actually incurred to participate to Board meetings.

Although all Non-Executive Directors have the right to receive the foregoing applicable annual retainer fee, the Board suggests that each Non-Independent Director elect, in his or her discretion, to waive its right to receive such fees. In calendar year 2017, the two Non-Independent Directors, who have not held an executive position within the Company, agreed to waive their Director's fees.

The mandate of Non-Executive Directors can be terminated at any time without any compensation. Non-Executive Directors do not receive any form of pension plan benefits from the Company. The Company has not made any loans to the members of the Board of Directors.

- Executive Directors

[1] exchange rate 1€ = 1,1297$ (historical rate 2017)

Executive Directors do not receive any remuneration for their position as a Director. Executive Directors are only remunerated for their role 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 mandate of executive Directors may be terminated at any time without any form of compensation. Their remuneration package is approved by the general shareholders' meeting. The CEO is the only executive Director of the Board of Directors of the Company and he does not earn any remuneration in respect of his executive Director position.

- Relative importance of the components of remuneration

The relative importance of the various components of remuneration as referred to in article 96, §3, al. 2, 2°, b) of the Belgian Company Code, is provided below under the "Remuneration Amounts for the Reported Year" section of this Remuneration Report.

CEO and Managers

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 majority of the annual remuneration is a fixed compensation amount. There is no minimum or maximum variable bonus.

The CEO has a fixed remuneration, a fixed bonus and a variable bonus linked to the performance of the Company and to his capacity to manage remuneration costs.

The management team members receive a fixed remuneration plus a variable bonus that is linked to their personal achievements (i.e. experience, know-how, education, skills, responsibilities, and performance) and the achievements of the Company. The remuneration is closely linked to performance. Bonuses, if any, are linked to identifiable objectives and to special projects and are set and measured on a calendar-year basis. Non-performers are not retained in the Company. The performance objectives of the management team members are primarily evaluated with regard to the following criteria: (i) respect of the Board-approved annual budget, and (ii) meeting measurable operational targets. The various objectives and their weighting may differ for the individual managers. The nomination and remuneration committee of the Board of Directors meets annually to review the performance of the managers, to compare the actual measurable results to the objectives that were pre-defined by the committee, and to establish the measurable objectives for the ensuing calendar year.

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 2017, all the members of the executive management 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 notice or payment in line with market standards (see also above). 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).

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.

Executive managers of the Company that are employed under employee contracts are entitled to enroll in defined-contribution type pension plans (such as 401K plans in the United States). The assets of these pension plans are held and managed by third-party organizations and the Company only makes contributions to these plans during the term of service of the employee. Executive managers of the Company that are engaged on the basis of a service agreement are not entitled to any pension plans or pension plan contributions from the Company.

Warrants

Stock options granted by the Company generally take the form of warrants in the sense of article 496 et seq. of the Belgian Company Code. Warrants can periodically be awarded to managers, Directors, employees, or even certain consultants, 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 2017.

Expected changes with respect to accounting year 2018 and the following accounting year

No significant change to the remuneration policy of Directors and Executive managers is envisaged for 2018 or the following accounting year.

The bonuses of the management team members for 2018 and the following accounting year will be primarily linked to the following objectives:

- respect of the Board-approved annual budget, with a focus on revenue growth and cash-flow management;
- meeting measurable operational targets, including specific product development and commercialization goals.

Remuneration amounts for the reported year

Remuneration earned by the Non-Executive Directors for the reported year

The following table provides the 2017 compensation of the Non-Executive Directors in function at the date of this document:

Name[1]	Position[2]	Pro-rata of annual retainer fee (€K)	Other services (€K)	Total[3] (€K)
Mr. Narajowski	NED – Board Chair (as from November 2017) and NRC Chair	30	0	30
Mr. Shaffar	NED – Board Chair, member NRC (until October 2017)	29	0	23
Mrs. Devenyns	NED – AC Chair	30	0	30
Mr. Mariën	NED – member NRC	0	0	0
Mr. Pensaert	NED – member AC	0	0	0
Ms. Verplancke	NED – member AC and NRC	6	0	6
Ms. Windels	NED – member AC	4	0	4
TOTAL for Non-Executive Board members		99	0	99

Notes:

[1]: Mr. Walter Narajowski serves on the Board as a permanent representative of LabDx, L.L.C. Mr. Rudi Mariën serves on the Board as a permanent representative of Gengest BVBA. Mr. Jan Pensaert serves on the Board as a permanent representative of Valiance Advisors LLP. Mrs. Devenyns serves on the Board as a permanent representative of Hasseltberg BVBA. Ms. Verplancke serves on the Board as a permanent representative of Qaly-Co BVBA. Ms. Windels serves on the Board as a permanent representative of Hilde Windels BVBA. Mr. Mark Shaffar served on the Board until October 2017 as a permanent representative of Shaffar, LLC.

[2]: "NED" = Non-Executive Director, "AC" = Audit Committee, "NRC" = Nomination & Remuneration Committee.

[3]: Excludes expense reimbursement and warrants. No other form of remuneration exists for Directors.

During the course of 2017, the composition of the Board of Directors changed.

During the course of 2017, the Company has not deviated from its remuneration policy for the Non-Executive Directors. The total remuneration of the Board of Directors (including the Executive Director) in 2017, 2016 and 2015 was €582,000 ($661,000), €668,000 ($732,000), and €671,000 ($745,000) respectively (excluding VAT, stock-based compensation and expenses reimbursement).

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

The insurance policy was renewed in 2016. Additionally, the Company's US subsidiary, MDxHealth, Inc., has entered into indemnification agreements directly with each of its Directors, as well as each Director of the Company, to indemnify each such person for liabilities to the extent that they may arise from, or claims therefor which are based on, US-associated activities of the US subsidiary or of the Company, including any claims based on a theory of derivative liability in the right of the US subsidiary.

Remuneration earned by the Executive Director for the reported year

Dr. Jan Groen is not remunerated for his position as an Executive Director of the Company. Neither is he entitled to any severance pay in case of termination of his mandate as an Executive Director of the Company.

Remuneration earned by the CEO for the reported year

Dr. Jan Groen was hired as CEO starting April 26, 2010. He is remunerated on the basis of his executive management position. The CEO has a variable bonus linked to the performance of the Company, which can amount to a maximum of 30% of his annual compensation, and a fixed annual supplementary compensation of 22,000, linked to his capacity to manage human resources costs. Excluding the value of warrants, the remuneration and benefits provided to the CEO in 2017 were composed as follows:

	Euro (€)	$ equivalent
Fixed gross remuneration[1]:	415,647	469,556
Supplementary paid compensation2 (gross)	22,000	24,853
Pension benefits:	15,778	17,824
Other benefits[3]:	33,197	37,502
Total	**486,622**	**549,735**

Notes:

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

2: Excludes value of 400,000 warrants already created, issued, and accepted (under several warrants plans).

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.

The total service fees paid to the CEO in 2017, 2016 and 2015 were €487,000, €573,000 and €583,000, respectively (in USD equivalent $550,000, $632,000 and $648,000 respectively) (gross amount, excluding VAT and stock based compensation). It is to be noted that the present CEO was hired in and as from April 2010.

Dr. Jan Groen holds 148,813 shares in the Company. However, upon being hired in April 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 €2.07 (one stock option (warrant) 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 above 30,000 warrants granted in 2011 amounts to €26,000.

At the Board meeting of December 7, 2011, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2011:

- €82,000 cash bonus
- 45,000 new warrants (employee stock options) formally issued on March 15, 2012 to vest straight-line over 4 years. The exercise price is based on the 30-day average market price prior to their issuance. The warrants are not exercisable until after the third anniversary of the date of their grant.

The IFRS share-based compensation of the above 45,000 warrants granted in 2012 amounts to €51,000.

At the Board meeting of December 5, 2012, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2012:

- €85,000 cash bonus
- 45,000 new warrants (employee stock options) formally granted on January 1, 2013 to vest straight-line over 4 years. The exercise price is based on the 30-day average market price prior to their grant. The warrants are not exercisable until after the third anniversary of the date of their grant.

The IFRS share-based compensation of the above 45,000 warrants granted in 2013 amounts to €52,000.

At the Board meeting of January 27, 2014, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2013:

- €75,800 cash bonus
- 50,000 new warrants (employee stock options) formally granted on March 12, 2014 to vest straight-line over 4 years. The exercise price is based on the 30-day average market price prior to their grant. The warrants are not exercisable until after the third anniversary of the date of their grant.

The IFRS share-based compensation of the above 50,000 warrants granted in 2014 amounts to €86,900.

At the Board meeting of January 22, 2015, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2014:

- €105,797 cash bonus
- 50,000 new warrants (employee stock options) formally granted on February 9, 2015 to vest straight-line over 4 years. The exercise price is based on the 30-day average market price prior to their grant. The warrants are not exercisable until after the third anniversary of the date of their grant.

The IFRS share-based compensation of the above 50,000 warrants granted in 2015 amounts to €104,750.

At the Board meeting of February 4, 2016, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2015:

- €104,756 cash bonus
- 50,000 new warrants (employee stock options) formally granted on February 4, 2016 to vest straight-line over 4 years. The exercise price is based on the 30-day average market price prior to their grant. The warrants are not exercisable until after the third anniversary of the date of their grant.

The IFRS share-based compensation of the above 50,000 warrants granted in 2016 amounts to €78.050.

At the Board meeting of February 21, 2017, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2016:

- €113,959 cash bonus
- 50,000 new warrants (employee stock options) formally granted on February 21, 2017 to vest straight-line over 4 years. The exercise price is based on the 30-day average market price prior to their grant. The warrants are not exercisable until after the third anniversary of the date of their grant.

The IFRS share-based compensation of the above 50,000 warrants granted in 2017 amounts to €121.500.

At the Board meeting of February 21, 2018, the non-conflicted members of the Board of Directors agreed to the following bonus for the performance of Dr. Jan Groen in 2017:

- no cash bonus
- no new warrants (employee stock options).

During the course of 2017, the Company has not deviated from its remuneration policy for the Executive Director.

Remuneration earned by other Executive Managers

The 2017 combined remuneration package of the other executive management team members (excluding the CEO) - i.e. Christopher Thibodeau, Joseph Sollee, Michael Brawer and Jean-Marc Roelandt - including employer taxes, was €1,500,377.

	Euro (€)	$ equivalent
Fixed gross remuneration[1]:	933,574	1,054,659
Bonuses paid and awarded[2] (gross) :	0	0
Pension benefits:	23,606	26,668
Other benefits[3]:	32,361	36,559
Total	**989,541**	**1,117,886**

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.

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 total remuneration and benefits paid to the executive management team members (including the CEO) in 2017, 2016 and 2015 was €989,541, €2,073,642 and €1,849,261, respectively (USD equivalent $1,117,886, $2,286,399 and $2,051,940 respectively) (gross amount, excluding VAT and stock based compensation). In the aforementioned figures, the service fees of the managers hired on the basis of a service agreement are included with the salaries of the other management team members.

The primary performance objectives for the bonuses of the above management team members in 2017 were the following:

- respect of the Board-approved annual budget, with a focus on cash-flow management
- meeting measurable operational targets, such as the commercialization of its ConfirmMDx for Prostate test and attainment of revenue targets

In the course of 2017, 67,813 warrants were exercised by Directors and Executive managers.

During the course of 2017, the Company has not deviated from its remuneration policy for the executive managers.

Special provisions of the contractual relationship of the Executive Managers

The executive managers have contractual agreements. The contracts with each of Dr. Groen and Mr. Sollee date from before the entry into force of the law of April 6 2010 on corporate governance in public and listed companies and are in conformity with common employment law. At the meeting of the Board of Directors on December 4, 2013, the Board directed the nomination and remuneration committee to review and assess the remuneration of members of the executive management against industry standards. Following its review and assessment, the nomination and remuneration committee prepared a report and proposal on January 16, 2014, recommending to the Board that certain changes to the existing remuneration terms and levels be implemented. Upon the advice and recommendation of the nomination and remuneration committee, the non-conflicted members of the Board of Directors approved on January 27, 2014, that a number of changes be implemented, including notably an extension of the severance notice or payment, and a retention bonus to encourage employee retention in the event of certain events. Inclusive of the aforementioned changes, the special contractual provisions with Dr. Groen and Mr. Sollee include the following terms:

- the employment contract with Dr. Jan Groen provides that if the employment contract is terminated for a reason other than serious misconduct, he will be entitled to a severance pay of three (3) months gross remuneration per initiated period of five (5) years of service with the Company, however, such severance pay will be at a minimum equivalent to eighteen (18 months) of gross remuneration. This agreement was entered into on April 3, 2010, i.e. before the entry into force of the law of April 6, 2010 on corporate governance in public and listed companies;
- the employment contract with Mr. Joseph Sollee provides that if the employment contract is terminated for a reason other than serious misconduct, he will be entitled to a severance pay of nine (9) months gross remuneration and benefits;

Acting under the direction of Board, the Company engaged Marcofin BVBA under the terms of a Management Services

Agreement, with Mr. Jean-Marc Roelandt serving as its permanent representative and acting in the role of Chief Financial Officer, to provide financial management services and assistance for the daily operations of the Company's activities, effective as of January 16, 2017. The special contractual provisions of the Marcofin Management Services Agreement include the following terms:

- the services contract with Marcofin BVBA provides that if the contract is terminated for a reason other than serious misconduct, serious breach, bankruptcy or material failure to perform, Marcofin will be entitled to a severance pay of four (4) months gross remuneration and benefits.

Acting under the direction of Board, the Company hired Dr. Michael Brawer, acting in the role of Chief Medical Officer, effective as of September 6, 2017. The employment contract with Dr. Brawer provides that if the employment contract is terminated for a reason other than serious misconduct, he will be entitled to a severance pay of six (6) months gross remuneration and benefits.

The contracts with the Executive managers and the Executive Director do not include a provision as referred to in Article 96, §3, al 2, 11° of the Belgian Company Code: there is no contractual clause in the employment contracts or service agreements with the Executive Directors/management stating that the variable part of the remuneration based upon faulty financial information will be recovered by the Company.

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2017 Share-based compensation of Directors and Executive Managers

During the course of 2017, the following share-based compensation was awarded to Directors and Executive managers of MDxHealth:

- Each Non-Executive Director serving on the Board as of May 26, 2017, the date of the 2017 annual general shareholders meeting, received 10,000 new warrants
- Dr. Jan Groen, CEO and Executive Director, received 50,000 new warrants
- The other members of the Executive management team received a total of 75.000 for Brawer new warrants

In reference to the 10,000 new warrants received by the Non-Executive Directors in 2017, each such Non-Executive Director received:

- 10,000 new warrants at the annual general shareholders meeting of May 26, 2017, with the following characteristics:
- Exercise price of €4.97 (one stock option (warrant) gives right to buy one share)
- Cliff vesting over 1 year for all beneficiaries
- Duration of options: 10 years

Out of the 425.000 warrants granted to the other members of the Executive Management team, 100,000 warrants were granted, based on a decision of the Board of Directors on February 21, 2017, with the following characteristics:

- Exercise price of €5.35 (one stock option (warrant) gives right to buy one share)
- Straight-line vesting over 4 years for all beneficiaries
- Exercise Period: the warrants are not exercisable until after the third anniversary the date of their grant
- Duration of warrants: 10 years

The remaining 325,000 warrants were granted to beneficiaries with the following characteristics :

- Exercise price of €4.61 and €4.98 (one stock option (warrant) gives right to buy one share)
- Straight-line vesting over 4 years for all beneficiaries
- Exercise Period: the warrants are not exercisable until after the third anniversary the date of their grant
- Duration of warrants: 10 years

The Company has not materially deviated from its remuneration policy during the financial reported year.

Done on April 20, 2018
On behalf of the Board of Directors

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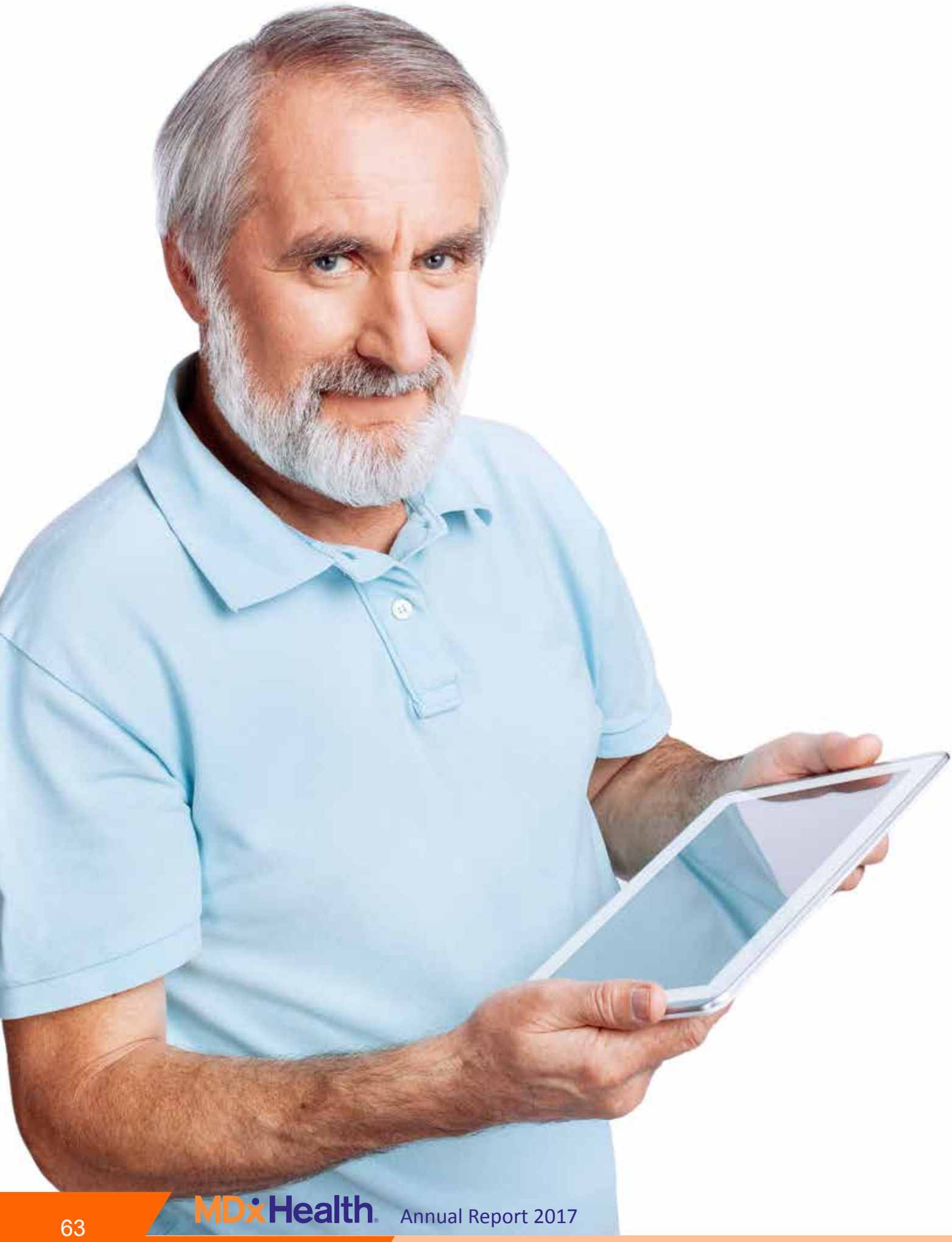

Part III: Principle Risks & Uncertainties

MDxHealth operates in a rapidly changing environment that involves a number of risks and uncertainties, some of which are beyond its control. This discussion highlights some of the principal risks and uncertainties, which may affect MDxHealth's business, financial condition and results of operation. The Company cannot be certain that it will successfully address these risks. Additional risks and uncertainties not presently known, which management currently deems immaterial or which are like those faced by other companies in the Company's industry or business in general, may also impair its business operations.

Strategic and commercial risks

The molecular diagnostics industry is highly competitive and characterized by rapid technological changes

The molecular diagnostics field is characterized by rapid technological changes, frequent new product introductions, changing customer preferences, emerging competition, evolving industry standards, reimbursement uncertainty and price competition. Moreover, the molecular diagnostics field is intensely competitive both in terms of service and price, and continues to undergo significant consolidation, permitting larger clinical laboratory service providers to increase cost efficiencies and service levels, resulting in more intense competition.

The market for assessing men at risk for prostate cancer is large. As a result, this market has attracted competitors, some of which possess substantially greater financial, selling, logistical and laboratory resources, more experience in dealing with third-party payors, and greater market penetration, purchasing power and marketing budgets, as well as more experience in providing diagnostic services. Some companies and institutions are developing serum-based tests and diagnostic tests based on the detection of proteins, nucleic acids or the presence of fragments of mutated genes in the blood that are associated with prostate cancer. These competitors could have technological, financial, reputational, and market access advantages over MDxHealth.

The commercial success of MDxHealth will depend on the market acceptance and adoption of its tests

Healthcare providers typically take a long time to adopt new products, testing practices and clinical treatments, partly because of perceived liability risks and the uncertainty of third-party coverage and reimbursement. It is critical to the success of the Company's sales efforts that it educates enough patients, clinicians and administrators about molecular diagnostics testing, in general, as well as about its tests, and demonstrate their clinical benefits. It is likely that clinicians may not adopt, and third-party payors may not cover or adequately reimburse for, the Company's tests unless they determine, based on published peer-reviewed journal articles and the experience of other clinicians, that they provide accurate, reliable and cost-effective information.

As the healthcare reimbursement system in the United States evolves to place greater emphasis on comparative effectiveness and outcomes data, MDxHealth cannot predict whether it will have sufficient data, or whether the data it has will be presented to the satisfaction of any payors seeking such data, in the process of determining coverage for its diagnostic tests.

The administration of clinical and economic utility studies is expensive and demands significant attention from the management team. Data collected from these studies may not be positive or consistent with the Company's existing data, or may not be statistically significant or compelling to the medical community. If the results obtained from ongoing or future studies are inconsistent with certain results obtained from previous studies, adoption of diagnostic services would suffer and MDxHealth's business would be harmed.

If MDxHealth's tests or the technology underlying its current or future tests do not receive sufficient favorable exposure in peer-reviewed publications, the rate of clinician adoption of its tests and positive reimbursement coverage decisions for its tests could be negatively affected. The publication of clinical data in peer-reviewed journals is a crucial step in commercializing and obtaining reimbursement for diagnostic tests, and the Company's inability to control when, if ever, its results are published may delay or limit its ability to derive sufficient revenue from any product that is the subject of a study.

MDxHealth's financial results are largely dependent on sales of one test, and it will need to generate sufficient revenues from this and other future solutions to grow its business.

Revenues in 2017 were still largely dependent on the sales of the Company's ConfirmMDx test for Prostate Cancer. Revenues from sales of ConfirmMDx accounted for approximately 91% of products – and services revenues and is expected to decrease further over the next several years, based on anticipated sales of the SelectMDx for Prostate Cancer and AssureMDx for Bladder Cancer tests. However, there can be no assurance that SelectMDx and AssureMDx will be successfully commercialized. If the Company is unable to increase sales of ConfirmMDx or successfully develop and commercialize other solutions or enhancements, its revenues and its ability to achieve profitability would be impaired, and the market price of its shares could decline.

MDxHealth faces uncertainties over the reimbursement of its tests by third party payors

Successful commercialization of the Company's tests depends, in large part, on the availability of coverage and adequate reimbursement from government and private payors. Favorable third-party payor coverage and reimbursement are essential to meeting the Company's immediate objectives and long-term commercial goals. The Company does not

recognize revenue for test results delivered without a contract for reimbursement or without a history of consistent payment. In the US, for new diagnostic solutions, each private and government payor decides whether to cover the test, the amount it will reimburse for a covered test and the specific conditions for reimbursement. Clinicians and recipients may be likely not to order a diagnostic test unless third-party payors pay a substantial portion of the test price. Therefore, coverage determinations and reimbursement levels and conditions are critical to the commercial success of a diagnostic product.

Governmental payors, as well as private insurers, and other private payors have implemented and will continue to implement measures to control the cost, utilization and delivery of healthcare services, including laboratory services. US Congress has from time to time considered and implemented changes to laws and regulations governing healthcare service providers, including specialized diagnostic service providers. These changes have adversely affected and may in the future adversely affect coverage for laboratory services, including the molecular diagnostics testing services MDxHealth provides.

Outside of the US, various coverage, pricing and reimbursement approvals are required. The Company expects that it will take several years to establish broad coverage and reimbursement for its tests with payors in countries outside of the US where it commercializes its solutions, and its efforts may not be successful. Even if public or private reimbursement is obtained, it may cover competing tests, the reimbursement may be conditioned upon local performance of the tests or other requirements MDxHealth may have difficulty satisfying. Reimbursement levels outside of the US may vary considerably from the reimbursement amounts the Company receives in the US. In addition, because MDxHealth plans in many circumstances to rely on distributors to obtain reimbursement for its tests, to the extent it does not have direct reimbursement arrangements with payors, the Company may not be able to retain reimbursement coverage in certain countries with a particular payor if its agreement with a distributor is terminated or expires or a distributor fails to pay for other reasons.

Operational risks

If MDxHealth is unable to protect its intellectual property effectively, it may be unable to prevent third parties from using its intellectual property

MDxHealth relies on patent protection as well as a combination of trademark, copyright and trade secret protection and other contractual restrictions to protect its proprietary technologies, all of which provide limited protection and may not adequately protect its rights or permit MDxHealth to gain or keep any competitive advantage. It is not certain that any of its currently pending or future patent applications will result in issued patents, or that any patents issued or licensed to the Company will not be challenged, invalidated or held unenforceable. Issued patents may not be broad enough to provide any meaningful protection. If MDxHealth fails to protect its intellectual property, third parties may be able to compete more effectively and the Company may incur substantial litigation costs in its attempts to recover or restrict use of its intellectual property.

MDxHealth is dependent on licenses and collaborations with third parties

The Company licenses technology from third parties necessary to develop and commercialize its products. Termination of any of these licenses could prevent the Company from producing or selling some or all of its tests, and a failure of the licensors to abide by the terms of the licenses or to prevent infringement by third parties could harm the Company's business and negatively impact its market position.

MDxHealth is also engaged in several collaborations and licenses with commercial partners, such as leading pathology laboratories with large urology client bases. Failure to maintain these partnerships could adversely affect revenues and profitability.

MDxHealth faces an inherent risk of product liability claims

The marketing, sale and use of MDxHealth's tests could lead to product or professional liability claims against it if someone were to allege that its tests failed to perform as they were designed, or if someone were to misinterpret test results or improperly rely on them for clinical decisions. Although MDxHealth maintains product and professional liability insurance which is deemed to be appropriate and adequate, it may not fully protect the Company from the financial impact of defending against product liability or professional liability claims or any judgments, fines or settlement costs arising out of any such claims. Furthermore, any product liability lawsuit could harm its reputation, which could impact its results of operations.

Failure to attract or retain key personnel or to secure the support of key scientific collaborators could materially adversely impact MDxHealth's business

Competition for desirable personnel is intense, and there can be no assurance that MDxHealth will be able to attract and retain the necessary staff. The failure to maintain management or to attract sales personnel as the Company moves towards the commercialization of its tests could materially adversely affect the business, financial condition and results of operations.

MDxHealth has established relationships with leading key opinion leaders and scientists at important research and academic institutions that it believes are key to establishing tests using its technologies as a standard of care for cancer assessment and diagnosis. If its collaborators determine that cancer testing using its technologies are not appropriate options for prostate cancer diagnosis, or superior to available prostate cancer methods, or that alternative technologies would be more effective in the early diagnosis of prostate cancer, the Company would encounter significant difficulty establishing tests using its technologies as a standard of care for prostate cancer diagnosis, which would limit its revenue growth and profitability.

MDxHealth laboratory facilities may become inoperable

MDxHealth currently perform all its testing in its laboratory facilities located in Irvine, California and Nijmegen, The Netherlands. The Company does not have redundant laboratory facilities in the US or in Europe. Its laboratory facilities could become inoperable due to circumstances beyond its control, which could adversely affect its business and operations. The facilities, the equipment MDxHealth uses to perform its tests and services and its other business process systems would be costly to replace and could require substantial time to repair or replace.

The facilities may be damaged or destroyed by natural or man-made disasters, including earthquakes, wildfires, floods, acts of terrorism or other criminal activities, infectious disease outbreaks and power outages, which may render it difficult or impossible for MDxHealth to perform its tests for some period.

The facilities may also be rendered inoperable because of regulatory sanction. In the US, MDxHealth is subject to federal and state laws and regulations regarding the operation of clinical laboratories. The US Federal Clinical Laboratory

Improvement Amendments (CLIA) and laws of California and certain other states, impose certification requirements for clinical laboratories, and establish standards for quality assurance and quality control, among other things. Clinical laboratories are subject to inspection by regulators, and to sanctions for failing to comply with applicable requirements. Sanctions available under CLIA include prohibiting a laboratory from running tests, requiring a laboratory to implement a corrective plan, and imposing civil monetary penalties.

MDxHealth relies on a limited number of suppliers for manufacture and supply of its laboratory instruments and materials

Many of the consumable supplies and reagents used as raw materials in the Company's testing process are procured from a limited number of suppliers, some of which are sole-source. In addition, it relies on a limited number of suppliers, or in some cases a single supplier, for certain equipment with which it performs testing services. Because the actual production or manufacture of such critical equipment and materials cannot be ensured, MDxHealth may be subject to significant delays caused by interruption in production or manufacturing, which could adversely affect its business, results of operations and financial condition.

Failure in MDxHealth's information technology, telephony or other systems could significantly disrupt business operations

Information technology and telephony systems are used extensively in virtually all aspects of the business, including laboratory testing, sales, billing, customer service, logistics and management of medical data. The Company's information technology, telephony and other systems, are vulnerable to damage and failure, computer viruses, natural disasters and physical or electronic break-ins. Despite the precautionary measures MDxHealth has taken to prevent breakdowns in its information technology and telephony systems, sustained or repeated system failures that interrupt its ability to process test orders, deliver test results or perform tests in a timely manner or that cause it to lose patient information could adversely affect its business, results of operations and financial condition.

Security breaches or loss of data may harm MDxHealth's reputation, expose it to liability and adversely affect its business

MDxHealth faces four primary risks relative to protecting sensitive and critical personally identifiable information, intellectual property or other proprietary business information about its customers, payors, recipients and collaboration partners, including test results: loss of access risk, inappropriate disclosure or access risk, inappropriate modification risk, and the risk of being unable to identify and audit controls over the first three risks.

The secure processing, storage, maintenance and transmission of this critical information is vital to the Company's operations and business strategy, and it devotes significant resources to protecting such information. Although measures to protect sensitive information from unauthorized access or disclosure are taken, MDxHealth's information technology and infrastructure, and that of its third-party billing and collections provider, may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance or other disruptions.

Security breaches, the loss or misappropriation of data, privacy violations or the failure to implement satisfactory remedial measures could disrupt operations and lead to loss of reputation, regulatory penalties and other material financial losses and adversely affect MDxHealth's business, prospects, results of operations and financial condition.

Regulatory risks

Failure to comply with governmental payor regulations could result in MDxHealth being excluded from participation in Medicare, Medicaid or other governmental payor programs, which would adversely affect MDxhealth's business.

Failure to comply with applicable Medicare, Medicaid and other governmental payor rules could result in exclusion from participation in one or more governmental payor programs, returning funds already paid, civil monetary penalties, criminal penalties and/or limitations on the operational function of its laboratories. If MDxHealth were unable to receive reimbursement under a governmental payor program, a material portion of its revenue would decline, which could adversely affect results of operations and financial condition.

MDxHealth conducts business in a heavily regulated industry, and changes in regulations or violations of regulations may, directly or indirectly, adversely affect its results of operations and financial condition and harm its business

MDxHealth's business operations and activities are subject to a range of healthcare laws and regulations (at the local, national and federal levels). The clinical laboratory testing industry is highly regulated, and there can be no assurance that the regulatory environment in which the Company operates will not change significantly and adversely to it in the future. In addition, the commercialization of any of its tests as kits will subject the Company to additional healthcare laws and regulations governing diagnostics products.

While MDxHealth believes that it is currently in material compliance with applicable laws and regulations, a determination that it has violated these laws, or the public announcement that it is being investigated for possible violations of these laws, would adversely affect its business, prospects, results of operations and financial condition.

If its operations or products are found to be in violation of any applicable laws and regulations, MDxHealth may be subject to penalties, including civil and criminal penalties, damages, fines, the curtailment or restructuring of its operations, the exclusion from participation in governmental healthcare programs and imprisonment, any of which could adversely affect its business and results of operations. In addition, a significant change in any of these laws may require the Company to change its business model to maintain compliance with these laws, which could reduce revenue or increase costs and adversely affect its business, prospects, results of operations and financial condition.

MDxHealth's operating results could be materially adversely affected by unanticipated changes in tax laws and regulations, adjustments to its tax provisions, exposure to additional tax liabilities, or forfeiture of its tax assets.

MDxHealth is subject to laws and regulations on tax levies and other charges or contributions in different countries, including transfer pricing and tax regulations for the compensation of personnel and third parties. MDxHealth's tax structure involves several transfers and transfer price determinations between its parent company and its subsidiaries or other affiliates. The Company's effective tax rates could be adversely affected by changes in tax laws, treaties and regulations, both internationally and domestically. An increase of the effective tax rates could have an adverse effect on its business, financial position, results of operations and cash flows.

Financial risks

MDxHealth has a history of losses, and expects to incur net losses for the next several years

MDxHealth has incurred substantial net losses since its inception, and there can be no assurance that it will achieve profitability. Even if the Company achieves significant revenues, it may not become profitable, and even if it achieves profitability, it may not be able to sustain or increase profitability on a quarterly or annual basis. Failure to become and remain consistently profitable could adversely affect the market price of MDxHealth's common stock and could significantly impair its ability to raise capital, expand its business or continue to pursue its growth strategy.

MDxHealth might require substantial additional funding to respond to business challenges or take advantage of new business opportunities, which may not be available on acceptable terms, or at all

At the end of 2017, cash and cash equivalents totalled $16.8 million. Following the Company's completion of a EUR 36 Million (USD 44 million) capital increase in March 2018 and based on its assessment of operational and industry factors, the Board of Directors believes that there is enough cash to sustain the Company's current projects at least until the date of the annual general shareholders' meeting scheduled for May 2018. Although the Company believes that it has sufficient capital to fund its operations for at least the next twelve months, capital outlays and operating expenditures are expected to increase over the next several years as infrastructure, commercial operations and research and development activities expand. MDxHealth may require additional equity or debt funding from time to time to respond to business challenges or take advantage of new business opportunities, which may not be available at acceptable terms, or at all.

If additional funds are raised through the sale of equity, convertible debt or other equity-linked securities, stockholders' ownership will be diluted. Any equity securities issued also may provide for rights, preferences or privileges senior to those of holders of common stock. If additional funds are raised by issuing debt securities, these debt securities would have rights, preferences and privileges senior to those of holders of common stock, and the terms of the debt securities issued could impose significant restrictions on the Company's operations.

If adequate funds are not available, MDxHealth may have to scale back its operations or limit its research and development activities, which may cause the Company to grow at a slower pace, or not at all, and the business could be adversely affected.

MDxHealth may engage in acquisitions that could disrupt its business, cause dilution to its stockholders and reduce its financial resources.

In addition to the acquisition of NovioGendix, a privately held company based in Nijmegen (The Netherlands), in September 2015, MDxHealth may enter into other transactions in the future to acquire other businesses, products or technologies. Any acquisitions may not strengthen the Company's competitive position, and these transactions may be viewed negatively by customers or investors.

The Company could incur losses resulting from undiscovered liabilities of the acquired business that are not covered by the indemnification it may obtain from the seller. In addition, MDxHealth may not be able to successfully integrate the acquired personnel, technologies and operations into its existing business in an effective, timely and non-disruptive

manner. Acquisitions may also divert management from day-to-day responsibilities, increase expenses and reduce cash available for operations and other uses. MDxHealth cannot predict the number, timing or size of future acquisitions or the effect that any such transactions might have on its operating results.

MDxHealth is exposed to fluctuations in currency exchange rates

MDxHealth's results of operations may be particularly affected by volatility in currency exchange rates and its ability to effectively manage currency transaction risks. In general, the Company conducts its business, earn revenue and incur costs in the local currency of the countries in which it operates. During the year ended December 31, 2017, approximately 99% of revenue was generated, and approximately 81% of total costs were incurred in, US dollars. As MDxHealth continues to expand internationally, its exposure to currency risks will increase. Historically, foreign currency exposure has not been managed in a manner that would eliminate the effects of changes in foreign exchange rates.

Further financial risks are described in note 16 to the Consolidated Financial Statements

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Part IV: Financial Statements

Part IV:

Financial Statements

Consolidated financial statements

The following consolidated accounts are prepared 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 non-consolidated statutory annual accounts of the Company, which have been prepared in accordance with Belgian GAAP

The financial statements in this section of the Annual Report have been approved and authorized for issue by the Board of Directors at its meeting of February 21, 2018. 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 of May 31, 2018.

Consolidated statement of profit and loss

Thousands of $ except per share amounts / Years ended December 31	Notes	2017	2016
Product and service income	3	28,162	24,924
Royalties	3	12,346	4,943
Government grant income	3	--	103
Revenues		**40,508**	**29,970**
Cost of goods & services sold	3	-10,203	-10,103
Gross profit		**30,305**	**19,867**
Research and development expenses	4	-3,505	1,977
Selling, general and administrative expenses	4	-39,142	-30,953
Other operating income		71	220
Other operating expenses		-3	-3
Operating Loss (EBIT)		**-12,274**	**-12,846**
Financial income	6	10	36
Financial expenses	6	-137	-477
Loss before income tax		**-12,401**	**-13,287**
Income tax	7	113	113
Loss for the year		**-12,288**	**-13,174**
Earnings per share (EPS)			
Basic, $	**16**	**-0.25**	**-0.29**
Diluted, $	**16**	**-0.25**	**-0.29**

Consolidated statement of comprehensive income

Thousands of $/ For The Years ended December 31	Notes	2017	2016
Loss for the year		**-12,288**	**-13,174**
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		1,923	36
Total comprehensive loss for the year (net of tax)		**-10,365**	**-13,138**

Consolidated statement of financial position

Assets

Thousands of $/ For the years ended December 31	Notes	2017	2016
Assets			
Non-current assets			
Goodwill	8	1,145	1,145
Intangible assets	9	15,492	12,829
Property, plant and equipment	10	2,568	2,259
Non-current assets		**19,205**	**16,233**
Inventories	11	1,919	1,479
Current assets			
Trade receivables	12	19,825	18,498
Prepaid expenses and other current assets	12	745	640
Cash and cash equivalents	13	16,827	30,871
Current assets		**39,316**	**51,488**
TOTAL ASSETS		**58,521**	**67,721**

Liabilities & Shareholders' Equity

Thousands of $/ For the years ended December 31	Notes	2017	2016
EQUITY			
Share capital	15	45,946	45,853
Issuance premium	15	101,239	101,105
Accumulated (loss)		-98,800	-85,626
Result of the year		-12,288	-13,174
Share-based compensation	22	6,212	5,269
Translation reserves		1,237	-686
Total equity		**43,546**	**52,741**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	17/18	523	108
Deferred tax liabilities	7	616	729
Deferred revenue		60	0
Long-term liabilities	21	661	1,550
Total non-current liabilities		**1,860**	**2,387**
Current liabilities			
Loans and borrowings	17/18	361	430
Trade payables	19	8,055	7,546
Other current liabilities	19	3,816	3,535
Short-term liabilities	21	883	1,082
Total current liabilities		**13,115**	**12,593**
Total liabilities		**14,975**	**14,980**
TOTAL EQUITY AND LIABILITIES		**58,521**	**67,721**

Consolidated statement of changes in equity

Thousands of $	ATTRIBUTABLE TO OWNERS OF MDXHEALTH SA				
	Share capital & issuance premium	Retained Earnings	Share-Based Compemsation	Translation Reserves	Total Equity
Notes	15		22		
Balance at January 1, 2016	**125,909**	**- 85,626**	**4,701**	**- 722**	**44,262**
Loss for the year		-13,174			-13,174
Other comprehensive income				36	36
Total comprehensive income for the year		**-13,174**	**-**	**36**	**-13,138**
Transactions with owners in their capacity as owners:					
Issuance of shares	21,972				21,972
Deduction of transaction costs	-923				-923
Share-based compensation costs			568		568
Balance at December 31, 2016	**146,958**	**-98,800**	**5,269**	**-686**	**52,741**
Balance at January 1, 2017	**146,958**	**-98,800**	**5,269**	**-686**	**52,741**
Loss for the year		-12,288			-12,288
Other comprehensive income				1,923	1,923
Total comprehensive income for the year		**-12,288**		**1,923**	**-10,365**
Transactions with owners in their capacity as owners:					
Issuance of shares	227				227
Share-based compensation costs			943		943
Balance at December 31, 2017	**147,185**	**-111,088**	**6,212**	**1,237**	**43,546**

Consolidated statement of cash flow

Thousands of $/ For the years ended December 31	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss		**-12,274**	**-12,846**
Depreciation, amortization and impairment	9/10	1,886	1,720
Share-based compensation	22	943	568
Interest paid	6	-39	-12
(Increase) in inventories	11	-440	-52
(Increase) in receivables	12	-1,432	-7,566
Increase in payables	19	867	1,716
Total adjustments		1,785	-3,739
Net cash (outflow) from operating activities		**-10,489**	**-16,585**
CASH FLOWS FROM OPERATING ACTIVITIES			
Purchase of property, plant and equipment	10	-1,172	-1,112
Purchase of intangible assets	9	-3,688	-3,775
Other financial profit/(loss)	6	-88	-434
Interest received	6	-	5
Earn out related to business combination		-1,105	-
Net cash (outflow) from investing activities		**--6,053**	**-5,316**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		713	152
Repayments of borrowings		-367	-72
Proceeds from issuance of shares (net of transaction costs)	15	227	21,015
Net cash (outflow) from financing activities		**573**	**21,095**
Net (decrease) in cash and cash equivalents		**-15,969**	**-806**
Cash and cash equivalents at beginning of the financial year		30,871	31,680
Effect on Exchange rate changes		1,925	-3
Cash and cash equivalents at end of the financial year	13	16,827	30,871

Notes

Notes to consolidated financial statements

NOTE 1: Status and principal activity Back to Notes list

MDxHealth SA ("The Company") is a limited liability company incorporated in Belgium.

MDxHealth is a molecular diagnostics company that develops and commercializes advanced epigenetic and other molecular tests for cancer assessment and the personalized treatment of patients. Applying its DNA methylation platform and proprietary biomarkers, the Company helps address a large and growing unmet medical need for better cancer diagnosis and treatment information. The Company develops and commercializes advanced molecular diagnostic products for personalized cancer treatment that provide physicians with tools to aid in the diagnosis and or prognosis of cancers, aid in the physician's ability to predict disease progression and response to therapy. MDxHealth's products and pipeline cover major cancer areas such as prostate, bladder, kidney, cervical and brain cancer.

MDxHealth's products are developed based on a DNA methylation platform integrating proprietary DNA biomarkers. These assays deliver highly accurate analytical results and can be performed on a variety of sample types including formalin-fixed paraffin embedded (FFPE) tissue, fresh/frozen tissue, urine, plasma, serum, sputum, broncho-alveolar lavages and stool using commercially available PCR equipment.

MDxHealth offers its products in North America through a CLIA certified, ISO 9001 certified and CAP accredited service laboratory. Since September 2015, following the acquisition of NovioGendix, MDxHealth also operates in The Netherlands, offering its SelectMDx test in Europe through its laboratory in Nijmegen.

The Company is headquartered in Belgium. The parent company, MDxHealth SA, has its registered and corporate office in Cap Business Center, Rue d'Abhooz 31, 4040 Herstal, Belgium. MDxHealth, Inc., the Company's US subsidiary, is located at 15279 Alton Parkway – Suite 100 – Irvine, CA 92618, United States. MDxHealth B.V., the Company's Dutch subsidiary, is located at Transistorweg 5, 6534 Nijmegen, The Netherlands.

The functional and presentation currency is the US Dollar.

NOTE 2: Summary of Significant Accounting policies Back to Notes list

2.1. Basis of preparation and statement of compliance

MDxHealth's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations issues by the IFRS Interpretations Committee (IFRS IC) applicable to companies reported under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) as adopted by the European Union.

The principal accounting policies applied in the preparation of the 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 US Dollars ($) unless otherwise indicated, rounded to the nearest $1,000.

2.2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of MDxHealth SA (Belgium), MDxHealth Inc. (United States), and MDxHealth BV (The Netherlands) for each fiscal year ending on December 31.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is

exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. The acquisition method of accounting is used to account for business combinations by the Company.

All intercompany transactions, balances, income and expenses and unrealized gains on transactions between Company companies are eliminated upon consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

2.3. Going concern

The Company has experienced net losses and significant cash used in operating activities since our inception in 2003, and as of December 31, 2017, had an accumulated deficit of 111.1 million dollars, a net loss of 12.3 million dollars and net cash used in operating activities of 10.5 million dollars and as of December 31, 2016 had an accumulated deficit of 98.8 million dollars, a net loss of 13.2 million dollars and net cash used in operating activities of 16.6 million dollars. Management expects the Company to continue to incur net losses and have significant cash outflows for at least the next twelve months. While these conditions, among others, could raise substantial doubt about our ability to continue as a going concern, these consolidated financial statements have been prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of our assets and the satisfaction of liabilities in the normal course of business. A successful transition to attaining profitable operations is dependent upon achieving a level of positive cash flows adequate to support our cost structure. As at December 31, 2017, the Company had cash and cash equivalents of 16.8 million dollars. Taking into account this liquidity position as well as the proceeds from the capital increase of March 22, 2018, in which the Company raised 44.2 million dollars in gross proceeds through a private placement of 9,989,881 new shares, our board of directors is of the opinion that our liquidity position is sufficient to continue our current operations at least until end of May 2019.

2.4. Use of estimates and judgments

Management makes certain critical accounting estimates and management judgment when applying the company's accounting policies, which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The areas involving more judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the following notes:

Note 3: Revenue Recoqnition, in respect of detailed criteria for the recoqnition of revenue;
Note 7: Deferred income tax, in respect of recoverability of tax loss carry forward;
Note 8: Goodwill, in respect of allocation to cash generating unit and of valuation and recoverability of goodwill;
Note 9: The discount rate has decreased from 40% in 2016 to 30% in 2017 because of the improved probability of commercial success of the technology.
Note 21 and 24: Estimation of the fair value of contingent liabilities and contingent purchase consideration in a business combination;
Note 22: Share based compensation, in respect of valuation of equity instruments issued

2.5. New standards, interpretations and amendments

2.5.1. New standards, interpretations and amendments adopted by the company

During the current financial year, the company 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, 2017. The company has not applied any new ifrs requirements that are not yet effective as per december 31, 2017.

The following new standards, interpretations and amendments issued by the iasb and the ifric are effective for the current annual period:

- IAS 7 cash flow statement — amendments as result of the disclosure initiative (january 2016)
- IAS 12 income taxes — amendments regarding the recognition of deferred tax assets for unrealized losses (january 2016)

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

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

The Company elected not to early adopt the following new Standards relevant for the Company, Interpretations and Amendments, which have been issued by the IASB and the IFRS IC but are not yet effective as per December 31, 2017 and/or not yet adopted by the European Union as per December 31, 2017 and for which the impact might be relevant.

- IFRS 9 financial instruments — classification and measurement (original issue july 2014, and subsequent
- amendments)
- IFRS 15 revenue from contracts with customers (original issue may 2014 and subsequent amendments)
- IFRS 15 revenue from contracts with customers – clarifications (original issue april 2016)
- IFRS 16 leases (original issue january 2016)
- IFRS 2 share-based payment — amendments to clarify the classification and measurement of share-based
- payment transactions (june 2016) *
- IFRS 22 foreign currency transactions and advance consideration (december 2016) *
- IFRS 23 uncertainty over income tax treatments (june 2017) *

(* Not yet endorsed by the eu as of december 31, 2017)

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the group's future financial statements:

IFRS 9, financial instruments: addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and requires a new impairment model for financial assets. The company has assessed the estimated impacts from the new measurement, classification and de-recognition rules on the company's financial assets and liabilities and has concluded that they will not have any material impact. IFRS 9 will be implemented as from january 1, 2018 under the exemption not to restate comparative information for prior periods. No differences in carrying amounts of financial assets and liabilities resulting from the adoption of the standard are expected to be made in retained earnings and reserves on initial application at 1 january 2018.

IFRS 15, revenue from contracts with customers: IFRS 15 was issued which establishes a single comprehensive model

for entities to use in accounting for revenue arising from contracts with customers. **IFRS** 15 replaces ias 18 which covers contracts for goods and services and **IAS** 11 which covers construction contracts.

IFRS 15 provides also new presentation and disclosure requirements, which are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in company's financial statements. Many of the disclosure requirements in **IFRS 15** are completely new. In 2017 we developed and started testing appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information.

The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: identify the contract(s) with a customer
- Step 2: identify the performance obligations in the contract
- Step 3: determine the transaction price
- Step 4: allocate the transaction price to the performance obligations in the contract
- Step 5: recognize revenue when (or as) the entity satisfies a performance obligation

Under **IFRS 15**, an entity recognized revenue when a performance obligation is satisfied, i.E. When 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Management has assessed in detail its revenue recognition methodology and the impact of the new standard and the directors of the company identified that the application of **IFRS** 15 will not have a material impact on the amounts reported and disclosures made in the company's consolidated financial statements. As there is no impact resulting from the application of **IFRS** 15, the company will adopt **IFRS** 15 using the cumulative effect option. No differences in carrying amounts of financial assets and liabilities resulting from the adoption of the standard are expected to be made in retained earnings and reserves on initial application at january 1, 2018.

IFRS 16, leases: IFRS 16 was issued in january 2016 and will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the company's operating leases. As at the reporting date, the company has non-cancellable operating lease commitments of $2,661 thousand, see note 17. The company estimates that approximately 20% of these relate to payments for short-term and low value leases which will be recognized on a straight-line basis as an expense in profit and loss.

However, the company has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognized on adoption of the new standard and how this may affect the company's profit and losses and classification of cash flows going forward.

It is not expected that the initial application of the above-mentioned **IFRS** standards, interpretations and amendments will have a significant impact on the consolidated financial statements.

2.6. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The company's functional and presentation currency is the us dollar based on the continuing development of the commercial activities in the us market.

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

The results and financial positions of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognized in other comprehensive income.

2.7. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Substantially all the company's revenues are generated from the sale of clinical laboratory testing services, technology out-licensing deals, research and development service fees, and government grants. Most commercial agreements include up-front fees, milestone fees, and royalty fees.

MdxHealth recognizes revenue for its clia laboratory services based on an accrual basis (a) after test results are delivered and billed, (b) when the fee is fixed or determinable and (c) the collection of the fee is reasonably assured.

The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The specific accounting policies for the company's main types of revenue are explained in note 3.

The company assesses whether the fee is fixed or determinable based on an existing contractual arrangement for the nature of the fee charged for the products or services delivered or, when no contractual arrangement exists, based on an analysis of each individual payor's payment patterns and history for each product or service. The determination of whether there is sufficient history to reliably estimate a payor's individual payment patterns is based on payment history of up to 24 months. Absent the availability sufficiently reliable payment history for an individual payor, reference is made to the payment history of the relevant payor company to which the individual payor belongs.

License fees are recognized when the company has fulfilled all conditions and obligations. A 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 all earning criteria relative to the milestone have been achieved.

Royalties are generated from 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.

2.8. Segment information

Information for the company's operating segments has been determined by reference to the information used by the chief operating decision maker of the company [CODM] to review the performance of the company and in making decisions on allocation of resources, the nature of the activities and the management structure and accountabilities. The company's CEO has been identified as the chief operating decision maker in accordance with his designated responsibility for the allocation of resources to operating segments and assessing their performance through periodic reporting. The CODM periodically reviews the company's performance based on information at a company level. The company does not distinguish different business segments since most revenues are generated from clinical laboratory service testing, or the out-licensing of the company's patented DNA methylation platform and biomarkers. On an ancillary and opportunistic basis, the company may engage in contracting out its R&D and scientific expertise to commercial and non-commercial entities. The company is not organized nor does it operate along business lines and all functions supported all the company's commercial endeavours.

2.9. Goodwill

Goodwill on acquisitions of subsidiaries is presented separately. Goodwill represents the excess between the fair value of the consideration paid for an acquisition and the fair value of the company's share of the net identifiable assets of the acquired company at the date of the acquisition. Where intangible assets are identified in the acquired company, such as intellectual property, brands, ongoing contracts or customer lists, these are valued to form part of the net identifiable assets.

Goodwill is not amortized but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment of goodwill is not reversed.

Goodwill is allocated to cash generating units, which are expected to receive future economic benefits from synergies that are most likely to arise from the acquisition. These cash generating units form the basis of any future assessment of impairment of the carrying value of the goodwill.

2.10. Externally acquired intangible assets

Intangible assets are recognized on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are determined using appropriate valuation techniques.

Externally acquired patents and software licenses are initially recognized at cost and are subsequently 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
- Developed technology: 10 years
- In-process research and development: indefinite until the completion or abandonment of the associated research and development effort.
- The amortization expense on intangible assets with finite lives is recognized in the consolidate income statement based on its function which may be “research and development expenses” and/or “general and administrative expenses”.

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

2.11. Internally generated intangible assets (development costs)

Development costs are capitalized if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The company is able to sell the product
- Sale of the product will generate future economic benefits, and;
- Expenditures on the project can be measured reliably.

Internally generated intangible assets are carried at their cost less any accumulated amortization and any accumulated impairment losses. Amortization over the asset’s useful life shall begin when the asset is available for use.

2.12. 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 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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.13. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortizations and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be.Impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.14. 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 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.

2.15. Inventories

Inventories are initially recognized at cost, and subsequently 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.

2.16. Trade receivables

Trade receivables do not carry any interest and are recognized initially at fair value and subsequently measured at amortized cost, less provision for impairment.

2.17. Government grants

A government 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. This note is to be read together with the note related to revenue recognition.

2.18. 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-term highly liquid investments and bank overdrafts. Bank overdrafts, if any, are included in borrowings included in current liabilities.

2.19. Taxation

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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.

Deferred tax liabilities are recognized for all taxable differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.20. Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.21. Financial assets

- Measurement on initial recognition

At initial recognition financial assets are measured at fair value including transaction costs unless the financial asset is carried at fair value through profit or loss, in which case the transaction costs are immediately recognised in profit or loss. The best estimate of the fair value at initial recognition is usually the transaction price, represented by the fair value of the consideration given or received in exchange for the financial instrument. Any difference between the fair value estimated by the entity and the transaction price ("day one gain or loss") is recognised:

  - in the income statement if the estimate is evidenced by a quoted price in an active market; and
  - deferred as an adjustment to the carrying amount of the financial instrument in all other cases.

- Subsequent measurement

After initial recognition, trade and other receivables and some other financial assets are measured at amortised cost using the effective interest method, less provision for credit loss.

2.22. Financial liabilities

- Measurement on initial recognition

At initial recognition financial liabilities are measured at fair value including transaction costs unless the financial liability is carried at fair value through profit or loss, in which case the transaction costs are immediately recognised in profit or loss. The best estimate of the fair value at initial recognition is usually the transaction price, represented by the fair value of the consideration given or received in exchange for the financial instrument. Any difference between the fair value estimated by the entity and the transaction price ("day one gain or loss") is recognised:

  - in the income statement if the estimate is evidenced by a quoted price in an active market; and
  - deferred as an adjustment to the carrying amount of the financial instrument in all other cases.

- Subsequent measurement

After initial recognition, borrowings, trade and other payables, are measured at amortised cost using the effective interest method.

The contingent consideration payable related to business combinations are carried at fair value.

2.23. Contingent consideration

Contingent consideration is classified as a long-term and short-term liability depending the right to defer the settlement of the liability for more or less than 12 months after the reporting date.

The fair value of any contingent consideration at the date of acquisition is computed as the sum of the probability weighted values of the fair values of the purchase prices associated with each of the potential product development

routes. The fair value of each route is in turn computed as the sum of the survival probability discounted present values of the contingent payments in each such route including the milestone and commercialization payments.

Any contingent consideration included in the consideration payable for a business combination is recorded at fair value at the date of acquisition. The fair values are reviewed on a regular basis, and at least at each reporting date, and any changes are reflected in the income statement.

2.24. Retirement benefit schemes and employee savings schemes

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.

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

The company grants stock options in accordance with several share-based compensation plans in consideration for services performed by personnel, directors and business associates. The cost of the services rendered is measured at the fair value of the granted options and recognized as an expense in the income statement. The corresponding credit is recorded directly into equity.

The estimate of the number of options which will ultimately vest is revised at each reporting date. The change in estimate is recorded as an 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 options are exercised.

NOTE 3: Revenue and Cost of goods & services sold Back to Notes list

Revenues

Thousands of $/ For the years ended December 31	2017	2016
Product and service income	28,162	24,924
Royalties	12,346	4,943
Government grant income	-	103
Total	**40,508**	**29,970**

The commercial revenues other than direct sales for ConfirmMDx for Prostate Cancer were primarily generated from royalties and milestone fees, services provided to pharmaceutical companies, and sales of SelectMDx.

Total revenue for the year ended December 31, 2017, increased by 35% to $40,508 thousand, compared to $29,970 thousand a year earlier. Revenue included the sale of the Company's patents directed towards colorectal cancer to Exact Sciences. Excluding revenue from Exact Sciences for both periods, total products and services revenue increased by approximately 13% to $28.2 million during 2017.

Segment revenue

In 2017, the Company earned 100% of its revenue from external customers from its clinical laboratory testing services and out-licensing of intellectual property. In 2017, the clinical laboratory testing in the US CLIA laboratory represented 67% of the Company's revenue (2016: 82%), while the out-licensing of intellectual property revenue and grant income in Europe represented 31% (2016: 17%).

Revenues of approximately $ 12,171 thousand (2016: $ 5.020 thousand) are derived from a single external customer.

The amount of its revenue from external customers broken down by location from the customers is shown in the table below:

Thousands of $/ For the years ended December 31	2017
Germany	92
The Netherlands	180
Poland	37
United States of America	40,165
Rest of EU	13
Rest of the world	21
Total	**40,508**

At the end of 2017, 46% of the non-current assets were located in the US (2016: 78%) and the remaining 54% in Europe (2016: 22%).

Critical estimates and judgments

The Company assesses whether the fee is fixed or determinable based on an existing contractual arrangement for the nature of the fee charged for the products or services delivered or, when no contractual arrangement exists, based on an analysis of each individual payor's payment patterns and history for each product or service, The determination of whether there is sufficient history to reliably estimate a payor's individual payment patterns is based on payment history of up to 24 months. Absent the availability sufficiently reliable payment history for an individual payor, reference is made to the payment history of the relevant payor group to which the individual payor belongs.

To the extent that all conditions and criteria set forth above are not met, including where there is no evidence of payment history at the time test results are delivered and billed, product and service revenues will be recognized on a cash basis, meaning that revenues will not be recognized until actual cash payment is received from the payor.

In 2017, a net amount of $54.5 million was billed for tests performed, of which approximately 51% was recognized as revenue (2016: 50%). The balance is only recognized when and to the extent a payment is collected, leaving a significant portion of invoiced amounts unrecognized. The deferral of part of the revenue is expected to gradually decrease as the Company continues to conclude firm agreements for reimbursement with a growing number of payors. At the end of 2017, the Company concluded agreements with 67 payors for ConfirmMDx and 15 payors for SelectMDx. At the end of 2014, a Local Coverage Determination (LCD) for Medicare reimbursement of ConfirmMDx for Prostate Cancer was issued by Palmetto GBA, an administrative contractor for Medicare. The issuance of the LCD not only sets the reimbursement rate for all US Medicare patients, but also establishes reimbursement for all Medicare Advantage patients in the US covered by private commercial payors. By virtue of the Center for Medicare and Medicaid Services policies, payors contracted to offer Medicare Advantage programs are legally obligated to honor the LCD. In the course of 2018, the Company expects to submit a clinical data package in consideration for an LCD for Medicare reimbursement of SelectMDx for Prostate Cancer.

As a result of the Company's revenue recognition policy, total revenue in any given year includes amounts related to tests performed in previous years as (a) deferred unrecognized amounts are collected, (b) recognized amounts are collected for different amounts than initially accrued for and (c) balances outstanding for more than 2 years are written off.

Cost of goods & services sold

Thousands of $/ For the years ended December 31	2017	2016
Cost of goods & services sold	10,203	10,103
Total	**10,203**	**10,103**

The costs of goods include the costs associated with providing testing services to third parties.

NOTE 4: Operating result Back to Notes list

Research and development expenditures

Thousands of $/ For the years ended December 31	Notes	2017	2016
Personnel costs	5	1,089	836
Lab consumables		474	238
External research and development collaborator fees		692	31
Depreciation and amortization		589	649
Other expenses		661	223
Total		**3,505**	**1,977**

Research and development expenses, before capitalization, have increased because of the acquisition of Noviogendix in 2015 and the continuing development of products in pipeline. Development expenses amounting to $1,846 thousand associated with the improvement of ConfirmMDx and the development of SelectMDx and AssureMDx were capitalized and included in intangible assets, compared to $2,968 thousand for the same period in 2016.

Selling, general and administrative expenses

Thousands of $/ For the years ended December 31	Notes	2017	2016
Personnel costs	5	24,031	18,390
Depreciation		1,605	1,007
Professional fees		4,183	3,031
Marketing expenses		3,592	2,122
Travel expenses		1,641	1,886
Offices & facilities expenses		1,171	918
Royalties to third parties		520	1,546
Other expenses		2,234	1,412
Patent expenses		165	641
Total		**39,142**	**30,953**

Selling, general and administrative expenses mainly represent general management costs, consulting, selling and marketing costs. The Company invested in the build-out of the organization to support the global commercial launch of SelectMDx. The Company is pursuing a direct sales strategy for SelectMDx in Benelux, Germany, France, Spain and Italy, supported by European and global distributors and commercial lab partners. The Company appointed a global commercial team to cover business development and direct sales.

The capitalized SG&A expenses relate to the internal development of an improved Laboratory Information Management System.

NOTE 5: Personnel costs

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Thousands of $/ For the years ended December 31	2017	2016
The number of employees at the end of the year was:		
Management (headcount)	5	3
Laboratory staff (headcount)	15	17
SG&A staff (headcount)	203	142
Total	223	162
Their aggregate remuneration comprised:		
Wages and salaries	19,561	16,060
Social security costs	1,478	1,220
Pension costs	675	548
Health insurance expenses	1,770	1,377
Share-based compensation	943	568
Other costs	693	644
Total	**25,120**	**20,417**

The personnel numbers in the table reflect year-end numbers.

NOTE 6: Finance income / (expenses)

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Thousands of $/ For the years ended December 31	2017	2016
Interest on bank deposits	0	6
Foreign exchange gain/(loss)	-5	-5
Other financial gain/(loss)	-122	-442
Net financial results	**-127**	**-441**

The financial results largely related to the revaluation of the contingent liability associated with the acquisition of NovioGendix in 2015, for a total of $372 thousand in 2016, and $17 thousand in 2017. Other financial losses relate to bank costs incurred during the year.

NOTE 7: Taxes

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Current income tax

No income taxes were payable in view of the losses incurred by the group. On December 31, 2017 the Group had a net tax loss carried forward amounting to $185,761 thousand (2016: $161,828 thousand), implying a potential deferred tax asset of $63,140 thousand (respectively $55,005 thousand million in 2016). The tax losses related to MDxHealth SA in Belgium are available for carry forward indefinitely.

The Company has a notional interest deduction to offset future taxable profits amounting to $299 thousand in 2017 and $976 thousand in 2016, of which $704 thousand expired during 2017.

Tax credits amounted to $450 thousand in 2017 and $381 thousand in 2016.

It is uncertain if the Company will have taxable profits in the near future to allow all or part of the deferred tax asset to be utilized and as a result, no deferred tax asset was recognized in 2017.

Deferred tax assets	Income Statement	
Thousands of $/ For the years ended December 31	**2017**	**2016**
Loss for the year	-12,288	-13,174
Income tax expense	-	-
Loss before income tax	-12,288	-13,174
Tax using the MdxHealth's domestic tax rate of 33,99%	-4,177	-4,478
Effect of unused tax losses not recognized as deferred tax assets (*)	-4,177	-4,478

Deferred tax liabilities	In the consolidated statement of financial position		In the consolidated income statement	
Thousands of $/ For the years ended December 31	**2017**	**2016**	**2017**	**2016**
Developed Technology	260	373	113	113
In-process research and development	356	356	-	-
Total	**616**	**729**	**113**	**113**

In the context of the business combination with NovioGendix, the Company recognized a deferred tax liability of $1,950 thousand resulting from the recognition of the intangible assets of NovioGendix at the acquisition date. At the same time (i.e. the acquisition date) a deferred tax asset was recognized for the tax losses carried forward of NovioGendix amounting to $1,108 thousand.

NOTE 8: Goodwill

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The goodwill resulted from the allocation of the purchase price paid for the acquisition of NovioGendix in September 2015 and amounted to $ 1,145 thousand. The Company being the sole CGU, the annual impairment test was performed based on the recoverable amount of the entire Company. The Company's recoverable amount of $192.6 million was determined using the publicly quoted market price of the Company's outstanding shares at December 31, 2017 of $3.9, and was found to be in excess of its carrying value of $43.6 million, including the goodwill.

NOTE 9: Intangible assets

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Thousands of $	Intellectual and property rights & Software licenses	Development assets	Developed Technology	In-Process R&D from	TOTAL
Gross value					
At January 1, 2016	**3,721**	**2,355**	**4,500**	**3,300**	**13,876**
Additions– externally acquired	807		-	-	807
Additions– internally developed	-	2,968	-	-	2,968
Currency translation adjustments	-	-1		-	-1
Gross value at December 31, 2016	**4,528**	**5,322**	**4,500**	**3,300**	**17,650**
Accumulated amortization					
At January 1, 2016	**-3,565**	**-118**	**-163**	**-**	**-3,846**
Additions	-60	-471	-450		-981
Currency translation adjustments	6		-	-	6
Accumulated amortization at December 31, 2016	**-3,619**	**-589**	**-613**	**-**	**-4,821**
Net value at December 31, 2016	**909**	**4,733**	**3,887**	**3,300**	**12,829**
Gross value					
At January 1, 2017	**4,528**	**5,322**	**4,500**	**3,300**	**17,650**
Additions– externally acquired	483	1,322			1,805
Additions– internally developed		1,877			1,877
Impairment		10			10
Gross value at December 31, 2017	**5,011**	**8,531**	**4,500**	**3,300**	**21,342**
Accumulated amortization					
At January 1, 2017	**-3,619**	**-589**	**-613**	**-**	**-4,821**
Additions	-108	-471	-450		-1,029
Accumulated amortization at December 31, 2017	-3,727	-1,060	-1,063	-	-5,850
Net value at December 31, 2017	**1,284**	**7,471**	**3,437**	**3,300**	**15,492**

Development expenses amounting to $3,682 thousand associated with the improvement of ConfirmMDx and Select-MDX aimed at increased cost efficiency and automation, and the further development of AssureMDx were capitalized and included in intangible assets.

The Company has the following significant amounts with indefinite lifetime: (goodwill) and definite lifetime but not yet in use (In-process R&D):

Thousands of $/ For the years ended December 31	2017	2016
Goodwill	1,145	1,145
In Process R&D	3,300	3,300
Total	**4,445**	**4,445**

The Company tests whether goodwill and In-process R&D has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) including the goodwill is determined based on the value-in-use calculations by reference to the market value of the company as reflected by the quoted prices of its publicly listed shares.

The recoverable amount of the In-process R&D is determined based on the cash flow projections derived from the financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the assumptions stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the Company operates.

	2017	2016
Sales volume (% annual growth rate)	5%	5%
Budgeted gross margin (%)	44%	52%
Contributory asset charges (%)	7,7%	7,0%
Long term growth rate (%)	3%	3%
Pre-tax discount rate (%)	30%	40%

The discount rate has decreased from 40% in 2016 to 30% in 2017 because the probability of success of the business has been demonstrated by a positive history of commercial sales.

NOTE 10: Property, plant and equipment

Thousands of $	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	Leasing	TOTAL
Gross value At January 1, 2016	4,206	143	319	300	285	5,253
Additions	777	50	151	95	39	1,112
Disposals	-4		-5			-9
Currency translation adjustments	-1	-	-	-	-	-1
Gross value at December 31, 2016	**4,978**	**193**	**465**	**395**	**324**	**6,355**
Accumulated amortization						
At January 1, 2016	- 2,693	- 136	- 227	- 269	- 40	- 3,365
Additions	-511	-9	-80	-34	-105	-739
Disposals	3	-	5	-	-	8
Accumulated amortization at December 31, 2016	**-3,201**	**-145**	**-302**	**-303**	**-145**	**-4,096**
Net value at December 31, 2016	**1,777**	**48**	**163**	**92**	**179**	**2,259**

Thousands of $	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	Leasing	TOTAL
Gross value						
At January 1, 2017	4,978	193	465	395	324	6,355
Additions	680	87	190	152	76	1,185
Disposals	-105	-1	-196			-302
Currency translation adjustments	-4	-9	-26	-3	-1	-43
Gross value at December 31, 2017	**5,549**	**270**	**433**	**544**	**399**	**7,195**

Accumulated amortization						
At January 1, 2017	**-3,201**	**-145**	**-302**	**-303**	**-145**	**-4,096**
Additions	-561	-21	-108	-65	-107	862
Disposals	102		196			298
Currency translation adjustments	18		16	-1		33
Accumulated amortization at December 31, 2017	**-3,642**	**-166**	**-198**	**-369**	**-252**	**4,627**
Net value at December 31, 2017	**1,906**	**104**	**235**	**175**	**147**	**2,568**

NOTE 11: Inventories

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Thousands of $/ For the years ended December 31	2017	2016
Raw materials and consumables	1,919	1,479
Total Inventories	**1,919**	**1,479**

Inventories are recognized at the lower of cost or net realizable value.Inventories recognized as an expense during the year ended December 31, 2017 amounted to $ 4,708 thousand (2016: $ 4,689 thousand). These were included in cost of sales and services.

NOTE 12: Trade and other receivables

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Trade receivables

Thousands of $/ For the years ended December 31	2017	2016
Trade accounts receivable	19,825	18,498
Total trade accounts receivable	**19,825**	**18,498**

Trade receivables mainly consist of fees due from the customers of the Company.

In 2017, the trade accounts receivable balances were mainly composed of services for ConfirmMDx for Prostate Cancer for $17,797 thousand. The average Days Sales Outstanding (DSO) stood at 257 days in 2017 compared to 271 days in 2016[2]. The remaining balances related to receivables for SelectMDx for Prostate Cancer, in both Europe and United States.

$15,936 thousand and $3,889 thousand of total trade accounts receivable at December 31, 2017 relate to claims submitted in 2017 and 2016, respectively.

2: DSO has changed compared to last year's financial statements and is calculated as (trade accounts receivable from products and services/revenue from products and services) x 365. Previously, DSO was calculated as the average number of days between the submission of a claim to the payors and the time of (partial) collection.

Prepaid expenses and other current assets

Thousands of $/ For the years ended December 31	2017	2016
Prepayments	615	484
Deposits	20	45
Recoverable VAT	106	37
Other	4	14
Total prepaid expenses and other current assets	**745**	**580**

NOTE 13: Cash and cash equivalents

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Thousands of $/ For the years ended December 31	2017	2016
Cash at bank and in hand	16,827	30,871
Total cash and cash equivalents	**16,827**	**30,871**

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.

The Company has restricted cash for an amount of $343 thousand representing a guarantee with respect to the loan granted by ING (see Note 18 for more information on bank loans). The group holds no other restricted cash.

NOTE 14: Financial Risk Management

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Capital management

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

Credit risk

At the end of 2017, the Company operated with more than 1,000 different customers, systematically reducing credit risk compared to prior periods.

In the US healthcare system, and particularly within the molecular diagnostic CLIA laboratory industry, where there are rapid technological advances in diagnostic services, companies provide services to healthcare professionals and their patients, while being reimbursed from commercial and governmental insurance systems. Often these services are provided out of network and without supplier contracts. As a result, there is reimbursement risk, separate from credit risk that is characterized by uncertainty in reimbursement value, delays in payment, and ultimately non-payment. This impacts the Company's revenue recognition and cash collections.

In addition to reimbursement risk associated with commercial third party payors, credit risk may also arise from amounts due directly from patients. In many cases, payors will cover the entire cost of testing. The ConfirmMDx test falls under the Clinical Laboratory Fee Schedule, so there is no co-payment, co-insurance or deductible for patients covered under traditional Medicare. However, patients covered by commercial insurance companies may be responsible for a co-payment, co-insurance, and/or deductible depending on the health insurance plan and individual patient benefit. Credit risk exists for those patients who cannot meet their co-payment or deductible portions.

Customer's compliance with agreed credit terms is regularly and closely monitored. Trade accounts receivable amounted to $19,825 thousand at December 31, 2017 and no allowance for doubtful debt was recorded.

The credit risk on cash and cash equivalents $16,827 thousand is limited given that the counterparties are banks with high credit scores attributed by international rating agencies.

Interest risk

The Company is subject to interest risk in regards of the bank loans agreements entered during 2016 and 2017. In reference to note 18, the Company has contracted bank loans for a total of $1,162 thousand with ING and KBC for which the interest rate charged is equivalent to LIBOR + 1.20%.

Despite the non-materiality of the amounts, the Group has performed a sensitivity analysis to report the exposure to variations in interest rates of +2% and -2%. Consequently, the Group is exposed to additional interests' charges of $1 thousand if LIBOR increases by 2%, and to a reduction of $1 thousand if LIBOR is lowered at its minimal value, meaning 0%..

Currency risk

Considering the continuing development of the commercial activities in the US market, the Company has decided to change its presentation currency from the EURO to the US Dollar as of January 1, 2013. The functional currency changed also from the EURO to the US Dollar as of July 1, 2014. In consequence, the currency risk is concentrated on European operations.

The monetary items at December 31, 2017 in EURO are composed of cash on hand of €8,578 thousand.

In accordance with IFRS 7, the Company performed a sensitivity analysis of an increase/decrease of exchange rate on operations of 10%.The exposure of operations to the currency risk is limited to the net amount of €6,380 thousand (€324 thousand revenue and €6,704 thousand costs), resulting in a potential loss of €728 thousand in case of an increase of the USD/Euro exchange rate by 10%, and a potential gain of €595 thousand in case of a 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 three loan agreements with banks and six financial leases at December 31, 2017 (see note 18) and no derivative instruments.

For the years ended december 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total con-tractual cash flows	Car-rying amount
Non derivatives						
Trade payables	8,055				8,055	8,055
Borrowings	198	153			351	338
Finance lease liabilities	186	137	275	0	598	546
Total						**8,939**

For the years ended december 31, 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Non derivatives						
Trade payables	7,546					7,546
Borrowings	366	44			410	403
Finance lease liabilities	78	50	3		131	135
Total						**8,084**

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.

NOTE 15: Share capital and reserves Back to Notes list

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	2017	2016
Common shares	49,949,408	49,845,595
Total outstanding shares	**49,949,408**	**49,845,595**

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

	Thousands of $/		Thousands of €/	
Years ended December 31	**2017**	**2016**	**2017**	**2016**
Share Capital as per statutory accounts	51,476	51,383	39,844	39,761
IPO Costs & Capital Increase costs	-5,530	-5,530	-4,550	-4,550
Share capital under IFRS	45,946	45,853	35,294	35,211
Issuance premium	101,239	101,105	83,530	83,411
Share capital and issuance premium	147,185	146,958	118,824	118,622

The share capital and issuance premium increased in 2017 because of the capital increase related to warrants exercise in May 2017.

The history of the Share Capital can be found in "General Information; Capital and Shares".

Externally imposed capital requirements

None of the current contracts of the Company imposes any capital requirements on the Company. Article 633 of the Belgian Company Code requires that if in the non-consolidated statutory accounts prepared in accordance with Belgian-GAAP, the net assets of a limited liability company (société anonyme) have fallen below 50% of a company's 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 €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.

NOTE 16: Earnings per share

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The basic earnings 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	2017	2016
Loss for the year, in thousands of $	-12,288	-13,174
Basic EPS, in $	-0.25	-0.29
Dilluted EPS, in $	-0.25	-0.29

Weighted average number of shares	2017	2016
Weighted average number of shares for basic EPS	49,913,851	46,075,366
Weighted average number of shares for diluted EPS	**49,913,851**	**46,075,366**

At December 31, 2017, the Company has dilutive potential shares in the form of warrants. The Company is reporting a net loss. As result, the warrants have an anti-dilutive effect rather than a dilutive effect.

In March 2018 the Company issued 9,989,881 new ordinary shares as a result of a capital increase, which resulted in a basic and diluted earnings per share of -0.21.

NOTE 17: Loans and Borrowings

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		Interest rate	Maturity	Outstanding at December 31 2017	2016
$ 303,000.00	bank loan	LIBOR + 1.20%	30-04-2017	0	76
$ 75,000.00	bank loan	LIBOR + 1.20%	30-11-2017	0	38
$ 134,366.00	bank loan	LIBOR + 1.20%	31/10/2019	134	0
$ 159,289.00	bank loan	LIBOR + 1.20%	31/10/2019	159	0
$ 220,000.00	bank loan	LIBOR + 1.20%	30/11/2017	0	110
$ 152,800.00	bank loan	LIBOR + 1.20%	30/11/2017	0	76
$ 118,000.00	bank loan	LIBOR + 1.20%	31/08/2018	44	103
$ 74,496.00	finance lease (third parties)	EURIBOR 3m + 1.50%	12/09/2022	70	0
$ 285,964.61	finance lease (third parties)	3.50%	30/07/2018	38	106
$ 36,026.64	finance lease (third parties)	3.50%	01/03/2019	15	29
$ 233,699.02	finance lease (third parties)	15.5% - 18.67%	01/03/2022	174	0
$ 99,791.28	finance lease (third parties)	7.80%	30/11/2019	50	0
$ 204,591.77	finance lease (third parties)	3.1% - 3.7%	30/09/2022	200	0
Total outstanding loan and barowing				884	538

All bank loans, for a total of $1,162 thousand and have been used to finance the acquisition of laboratory equipment of the US facilities in Irvine. They have a maturity of 2-years, with a reimbursement period of 3 months. The interest rate applicable each quarter is fixed by the LIBOR rate in USD with a margin of 1.20%. These loans are secured by a cash pledge. More information on interest rate risk and a sensitivity analysis is presented in Note 16 Financial Risks Management – interest risk.

The Company has several finance lease obligations with Cisco Systems Capital Corporation, Roche Diagnostics and De Lage Landen. The lease has a term of 3 to 5 years and includes an option to purchase the equipment. The Company has determined that this lease is a finance lease because (i) the purchase option is assumed to be significantly lower than the fair value of the equipment and (ii) it was very likely at inception of the lease that the Company would exercise its purchase option. The amount outstanding as of December 31, 2017 is $477 thousand and the associated interest expense for 2017 amounted to $14 thousand.

Thousands of $/ For the years ended December 31	2017	2016
Outstanding commitments for future minimum financial lease payments, which fall due as follows:		
Within one year	355	441
In the second to fifth year	529	97
After five years	0	0

Thousands of $/ For the years ended december 31, 2016	2016	Cash flows	Fair value changes	2017
Long-term borrowings	108	415		523
Short-term borrowings	430	-69		361
Long-term earn out to business combinations	1,550	-906	17	661
Short-term earn out to business combinations	1,082	-199		883
Total liabilities from financing activities	**3,170**	**-759**	**17**	**2,428**

NOTE 18: Operating lease obligations

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Thousands of $/ For the years ended December 31	2017	2016
Outstanding commitments for future minimum financial lease payments, which fall due as follows:		
Within one year	999	561
In the second to fifth year	1,662	1,113
After five years	-	-

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.

NOTE 19: Trade and other payables

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Trade accounts payable

Thousands of $/ For the years ended December 31	2017	2016
Trade accounts payable	6,085	6,046
Accruals for invoices to be received	1,970	1,500
Total trade accounts payable	**8,055**	**7,546**

Other current liabilities

Thousands of $ For the years ended December 31	2017	2016
Payroll	3,806	3,490
Other accruals	10	45
Total other current liabilities	**3,816**	**3,535**

The trade accounts payable and other current liabilities balances have predominantly increased as a direct result of increasing activity of its CLIA lab facility in Irvine, California and with the expansion of the EU facilities in The Netherlands.

NOTE 20: Retirement benefit schemes

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

A total cost of $675 thousand in 2017 (2016: $548 thousand) 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 obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

Because the Company must guarantee the statutory minimum return on these plans, not all actuarial and investment risks relating to these plans are transferred to the insurance company or pension fund managing the plans. The Company has considered the potential impact of the employer's obligation to guarantee a minimum return and that this was assessed not to be significant.

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. Hence, strictly speaking, those plans classify as defined benefit plans. The IASB recognized that the accounting for such so-called "contribution-based plans" in accordance with the currently applicable defined benefit methodology is problematic. Considering as well the uncertainty with respect to the future evolution of the minimum guaranteed rates of return in Belgium, the Company adopted a retrospective approach whereby the net liability recognized in the statement of financial position is based on the sum of the positive differences, determined by individual plan participant, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date (i.e. the net liability is based on the deficit measured at intrinsic value, which is not significant).

NOTE 21: Financial instruments and fair value

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The table shows the Group's significant financial assets and liabilities. All financial assets and liabilities are carried at amortized cost with the exception of the contingent considerations in relation to acquisitions reported at fair value through profit and loss.

All financial assets and liabilities are considered to have carrying amounts that do not materially differ from their fair value.

Thousands of $ For the years ended December 31	2017	2016	Hierarchy
Assets at amortized cost			
Receivables	19,825	18,498	
Cash and cash equivalents	16,827	30,871	
Total financial assets	**36,652**	**49,369**	
Liabilities			
Financial liabilities at fair value:			
Contingent consideration payable	1,544	2,632	Level 3
Subtotal financial liabilities at fair value	**1,544**	**2,632**	
At amortized cost:			
Loans and borrowings	884	538	
Trade payables	8,055	7,546	
Other liabilities	3,816	3,535	
Subtotal financial liabilities at amortized cost	**12,755**	**11,619**	
Total financial liabilities	**14,299**	**14,251**	

Recognized fair value measurements - Valuation technique and principal inputs

The carrying value of the financial instruments has been determined on the basis of the following methods and assumptions:

- The carrying value of the cash and cash equivalents, the trade receivables, the trade payables and the other liabilities approximate their fair value due to their short-term character;
- Loans and borrowings are evaluated based on their interest rates and maturity date. Their fair value approximates their carrying value.
- The contingent liabilities are evaluated at their fair value calculated on the present value of future earn out based on the defined milestones.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : quoted prices in active markets for identical assets and liabilities;
- Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.No financial assets or financial liabilities have been reclassified between the valuation categories during the year.

No financial assets or financial liabilities have been reclassified between the valuation categories during the year.

The fair value of the contingent consideration payable is based on an estimated outcome of the conditional purchase price/contingent payments arising from contractual obligations. It is initially recognized as part of the purchase price and subsequent changes in fair value are recorded through profit and loss. The discount rate used in 2017 was 9.3%.

NOTE 22: Share based payments

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This section provides an overview of the outstanding warrants as of December 31, 2017. The warrants were created within the context of stock based incentive plans for employees, directors and consultants of the Company.

The Company has created several pools of warrants under stock option plans for grant to eligible employees, Directors, and consultants. On May 12, 2004 (30,000), July 12, 2005 (15,000), March 22, 2006 (66,700), November 8, 2006 (47,500), April 18, 2007 (55,100), May 25, 2007 (50,000), May 30, 2008 (61,000), January 2, 2009 (120,500), June 21, 2010 (145,000), May 27, 2011 (225,000), March 15, 2012 (195,000), June 15, 2012 (700,000), June 23, 2014 (1,500,000), June 19, 2017 (2,500,000). In aggregate 4,710,800 warrants were issued, subject to warrants being granted to and accepted by the beneficiaries. Of these 4,710,800 warrants, (i) 701,427 warrants were terminated or lapsed, (ii) 477,123 warrants were exercised, (iii) 2,123,750 warrants were granted but not yet exercised, and (iv) 2,308,500 warrants were not yet granted by the Company. For the year 2017, 114,000 warrants were terminated or lapsed, 103,813 warrants were exercised and 120,185 warrants were vested. As a result, as at December 31, 2017, there are 2,123,750 warrants outstanding, entitling their holders to subscribe to 2,123,750 shares of the Company.

	Number of potential shares from outstanding warrants
At January 1, 2017	1,436,563
Number of warrants cancelled/forfeited during the year	-114,000
Number of warrants exercised during the year	-103,813
Number of warrants granted during the year	905,000
At December 31, 2017	**2,123,750**

The warrants are granted to employees (mainly), consultants or directors of the Company and its subsidiaries. Each warrant entitles its holders to subscribe to one new share of the Company at a subscription price determined by the board of directors, within the limits decided upon at the occasion of their issuance.

The warrants issued have generally a term of ten years as of issuance. Upon expiration of their term, the warrants become null and void.

In general, the warrants vest in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. However, there are certain exceptions to this rule which are, if applicable, specified in the relevant stock option plans. The 30,000 warrants granted under the May 2011 Stock Option Plan to the CEO became vested immediately on the date of grant (i.e. December 7, 2010). The warrants granted under the May 2012 Stock Option Plan and under the June 23, 2014 Stock Option Plan to directors all vest on the date of the annual meeting that takes place in the calendar year following the calendar year in which they were granted, provided that the mandate of the relevant director has not ended or been terminated. The warrants granted under the May 2012 Stock Option Plan and under the June 23, 2014 Stock Option Plan to beneficiaries who are not directors all vest in instalments of 25% per year, the first tranche of 25% vesting on the first anniversary date of the date of grant and the following tranches vesting on a quarterly basis.

The table below presents the outstanding warrants and their exercise price at the end of each accounting year covered by the financial statements:

	Warrants	Weighted average exercise price (€)	Potential shares from exercise of warrants	Weighted average exercise price per potential share (€)
Granted in 2016	388,000	3.69	388,000	3.69
Outstanding 31 December 2016	1,436,563	3.63	1,436,563	3.63
Granted in 2017	905,000	4.86	905,000	4.86
Outstanding 31 December 2017	2,123,750	4.26	2,123,750	4.26
Exercisable at 31 December 2017	1,042,437	3.70	1,042,437	3.70

The following table provides an overview of the outstanding potential shares from warrants per personnel category at December 31, 2017:

Category	Number of potential shares from outstanding warrants
Executive Director	200,000
Non-Executive Directors	224,000
Management team (excluding the Executive Director)	677,500
Other employees, consultants, and former service providers	1,022,250
Total outstanding at December 31, 2017	**2,123,750**

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 statement of comprehensive income is given below as is the cumulated amount per the consolidated statement of financial position:

Thousands of $/ Years ended December 31	2017	2016
Share-based compensation	943	568
Cumulated Share-based compensation	6,212	5,269

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 €4.26 ($ conversion 3.83 at December 31, 2017). The weighted average remaining contractual life of all outstanding warrants at the end of 2017 is 6.23 years.

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

Dates	Number of warrants granted		Exercise price (€)	Expected dividend Yield	Expected stock price volatility	Risk-free interest rate	Expected duration (months)	
	to Belgian benef.	to other benef.					to Belgian benef.	to other benef.
30-May-08	12,000	37,000	€ 9.10	-	52.30%	4.92%	82.10	61.10
02-Jan-09	63,400	53,200	€ 6.32	-	57.24%	3.98%	74.08	62.88
21-Jun-10	135,000	10,000	€ 2.07	-	76.17%	3.40%	51.35	33.34
27-May-11	100,000	125,000	€ 1.71	-	68.81%	4.15%	76.21	58.19
15-Mar-12	75,000	120,000	€ 1.72	-	67.74%	3.43%	78.57	60.56
15-Aug-12	12,000	24,000	€ 1.52	-	54.50%	2.57%	73.54	61.54
14-Sep-12	-	85,000	€ 1.65	-	55.58%	2.59%	72.56	60.56
01-Dec-12	-	10,000	€ 2.19	-	57.13%	2.19%	75.98	57.99
01-Jan-13	65,000	107,000	€ 2.00	-	57.13%	2.09%	80.97	62.92
01-Feb-13	-	23,000	€ 2.26	-	49.99%	2.39%	79.96	61.91
01-Apr-13	-	5,000	€ 2.30	-	51.52%	2.18%	78.02	59.97
01-May-13	-	15,000	€ 2.13	-	49.75%	1.93%	77.03	58.98
31-May-13	12,000	18,000	€ 2.05	-	49.62%	2.22%	76.04	57.99
12-Mar-14	76,000	177,000	€ 3.60	-	47.75%	2.24%	72.69	54.67
01-Apr-14	-	12,000	€ 4.32	-	48.82%	2.21%	72.03	54.02
30-May-14	18,000	18,000	€ 4.25	-	48.68%	1.86%	70.09	52.08
01-Jun-14	-	4,000	€ 4.24	-	48.81%	1.86%	70.03	52.01
01-Jul-14	-	15,000	€ 4.02	-	48.58%	1.72%	69.04	51.02
1-avr-15	-	4,000	€ 5.02	-	47.42%	0.40%	60.03	47.97
23-Jun-14	12,000	12,000	€ 4.13	-	48.12%	1.78%	75.32	63.29
10-Oct-14	-	17,500	€ 4.01	-	46.93%	1.01%	69.73	57.70
9-Feb-15	60,000	95,000	€ 4.49	-	46.75%	0.62%	79.73	61.71
29-May-15	20,000	30,000	€ 4.91	-	46.52%	0.81%	64.14	52.11
1-Apr-15	-	3,000	€ 5.02	-	47.42%	0.40%	72.03	54.02
1-May-15	-	20,000	€ 5.05	-	46.59%	0.62%	71.05	53.03

1-Jun-15	-	6,000	€ 4.90	-	46.58%	0.81%	70.03	52.01
1-Jul-15	-	4,000	€ 4.62	-	47.02%	1.27%	69.04	51.02
1-Aug-15	-	4,000	€ 4.64	-	46.54%	0.98%	68.02	50.01
1-Sep-15	-	85,000	€ 4.24	-	49.31%	1.15%	73.02	48.99
1-Oct-15	-	8,000	€ 4.20	-	48.99%	0.90%	72.03	54.02
1-Nov-15	-	4,000	€ 3.81	-	50.88%	0.92%	71.01	52.99
1-Dec-15	-	18,000	€ 3.89	-	51.18%	0.85%	70.03	52.01
1-Feb-16	-	10,000	€4.13	-	51.18%	0.85%	67.99	49.97
4-Feb-16	50,000	134,000	€3.78	-	52.49%	0.72%	67.89	49.87
2-Apr-16	-	52,000	€3.62	-	53.40%	0.58%	65.33	53.33
29-May-16	30,000	40,000	€4.13	-	51.85%	0.54%	64.11	52.11
1-Jan-16	-	4,000	€3.79	-	51.12%	1.06%	69.01	50.99
1-Jun-16	-	2,000	€3.43	-	53.73%	0.49%	64.01	52.01
1-Aug-16	-	4,000	€3.62	-	53.51%	0.16%	62.01	50.01
21-Oct-16	-	20,000	€4.44	-	54.19%	0.28%	59.34	47.34
22-Jan-16	-	20,000	€3.83	-	52.81%	0.86%	68.32	56.32
1-Dec-16	-	22,000	€4.65	-	54.16%	0.75%	57.99	39.98
1-Jan-17	-	19,000	€4.56	-	53.84%	0.73%	56.98	50.96
1-Mar-17	-	95,000	€5.26	-	52.62%	0.68%	55.04	49.02
1-Apr-17	-	18,000	€5.41	-	51.80%	0.81%	54.02	48.00
11-Apr-17	20,000	200,000	€5.35	-	51.83%	0.72%	65.68	47.67
1-Jun-17	-	2,000	€5.01	-	51.86%	0.59%	52.01	52.01
1-Jul-17	-	22,000	€4.96	-	50.94%	0.77%	63.02	44.98
29-Jul-17	-	10,000	€4.72	-	50.95%	0.87%	50.10	44.05
1-Sep-17	-	34,000	€4.92	-	48.08%	0.71%	60.99	42.97
1-Oct-17	-	70,000	€4.80	-	47.32%	0.76%	53.98	41.95
2-Nov-17	-	99,000	€4.61	-	45.23%	0.66%	52.93	40.90

1-Dec-17	-	6,000	€3.92	-	46.50%	0.56%	51.98	39.98
20-Jun-17	30,000	30,000	€4.97	-	51,57%	0.59%	81.40	63.39
27-Jun-17	250,000	-	€4.98	-	51.04%	0.66%	81.17	63.16

The above inputs for the Black-Scholes model have been determined based on the following:

- The dividend return is estimated by reference to the historical dividend payment of the Group. Currently, this is estimated to be zero as no dividends have been paid since inception.
- The expected volatility was determined using the average volatility of the stock over the last two years at the date of grant.
- Risk-free interest rate is based on the interest rate applicable for the 10Y Belgian government bond at the grant date

NOTE 23: Related parties Back to Notes list

Transactions between MDxHealth SA, MDxHealth Inc. and MDxHealth B.V. which are related parties, have been eliminated on consolidation and are not disclosed in this note. Since 2012, the intercompany services relate to royalties paid by MDxHealth Inc. to MDxHealth SA and to interest on intercompany loans. In 2017, the services charged by the parent company to the subsidiary amounted to $4,913 thousand.

Transactions between the Company and its employees, consultants or Directors are described below. There were no other related party transactions.

Remuneration of key management personnel

During the year ended December 31, 2017, the executive management team included four members:

1. Chief Executive Director, Dr. Jan Groen
2. Executive Vice President of Corporate Development & General Counsel, Mr. Joseph Sollee
3. Executive Vice President and US Chief Operating Officer, Mr. Christopher Thibodeau
4. Chief Finance Officer and Executive Vice President of Finance, Mr Jean-Marc Roelandt
5. Executive Vice President & Chief Medical Officer, Dr Michael Brawer

Their combined remuneration package, including employer taxes, amounted to the following:

Thousands of $ except per personnel, warrants & share amounts For the years ended December 31	2017	2016
Number of management members and Executive Directors	5	6
Short-term employee benefits	1,549	2,133
Post-employment benefits	44	63
Other employment costs	74	90
Total benefits	1,667	2,286
IFRS share-based compensation expense	204	191
Outstanding receivables from persons	-	-
Outstanding payables to persons	-	-
Shares owned	260,590	226,277
Number of warrants offered	475,000	160,000
Cumulative outstanding warrants	952,500	682,813
Exercisable warrants	398,188	442,814
Exercised warrants	67,813	90,000

In 2017, in aggregate for the four members of the executive management team, 67,813 warrants were exercised and 475,000 new warrants were granted and accepted (for an annualized IFRS cost of $204 thousand).

In 2016, in aggregate for the six members of the executive management team, 90,000 warrants were exercised and 160,000 new warrants were granted and accepted (for an annualized IFRS cost of $191 thousand).
No loans, quasi-loans or other guarantees are outstanding with members of the executive management team.

Transactions with Non-Executive Directors

Since 2012, the Non-Independent Directors do not receive a fee payment for attending and preparing for Board meetings or for assisting the Company with Board matters. They receive reimbursement for expenses directly related to the Board meetings, totalling less than $1 thousand in 2017.

The Independent Directors receive a fee for attending and preparing meetings of the Board of Directors and for assisting the Company with Board matters, and they receive reimbursement for expenses directly related to the Board meetings. In 2017 and 2016, respectively $136 thousand and $130 thousand were paid as fees and expense reimbursement to independent members of the Board of Directors.

A total of 60,000 warrants were granted to Non-Executive Directors in 2017. A total of 6,000 warrants were exercised in 2017.

NOTE 24: Significant agreements, commitments and contingencies Back to Notes list

Fair value of Earn Out

On September 18, 2015, MDxHealth acquired NovioGendix, a Dutch molecular diagnostic research and service company with expertise in the urological oncology. The terms of the acquisition consisted of initial consideration paid in 1,086,956 shares of MDxHealth common stock, issued at €4.14 representing the average closing price of the Company's shares on Euronext Brussels during a period of 30 days ending on September 17, 2015. In addition to this equity, additional cash consideration of €250 thousand was paid. On top of the acquisition price, MDxHealth is committed to pay future milestone fees. The Company paid €1,000 thousand, being $1,100 thousand regarding these milestone fees. $17 thousand has been adjusted for the value of money in time The fair value of this earn out as of December 31, 2017 is estimated at $1,544 thousand over the period 2018-2019. The Company is contractually required to pay at maturity to the holder of the obligation the amount of maximum $2,200 thousand.

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 typically receives access and rights to the results of the work.

MDxHealth collaborates on research and clinical development with many of the world's leading academic and government 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. MDxHealth's collaborators include such prestigious institutions as Johns Hopkins University Medical Institutions (US), Duke University Medical Center (US), Harvard Medical School (US), Cleveland Clinic (US), University of Colorado (US), University of California at Los Angeles (US), Radboud University (The Netherlands) and University of Gent (Belgium) among others.

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..

Commercial and intellectual property sub-licensing agreements

The Company has entered into numerous partnering and sub-licensing agreements. In regard to the Company's developed tests, the Company has entered into a range of marketing and sales arrangements with commercial entities. These important relationships provide the Company with additional resources and infrastructure to expand the geographic reach and awareness of the Company's solutions, primarily in relation to the ConfirmMDx and SelectMDx tests. MDxHealth's marketing partners include Cerba Healthcare (Belgium), Ferrer Internacional (Spain), Teva Pharmaceuticals (Isreal), and SouthGenetics (South and Central America) and, in the US, LabCorp, Miraca Life Sciences, Bostwick Laboratories and Li Path.

In regard to intellectual property that MDxHealth has developed or improved, MDxHealth has sublicensed certain of its non-core epigenetic technologies to commercial partners, several of whom have launched products that generate royalties and other fees. These sublicenses include:

- an exclusive sublicense to Laboratory Corporation of America (LabCorp) for the MGMT test (for the North American market only, of indefinite duration, and limited to service testing only). MDxHealth retained certain rights to develop and commercialize the MGMT test as a companion diagnostic on a worldwide basis. LabCorp began to commercialize the MGMT test in North America in 2008.
- non-exclusive sublicense agreements for the Company's patented methylation specific PCR (MSP) technology for diagnostic applications, in exchange for certain license fees and running royalties, to several partners including oncgnostics GmbH, Qiagen GmbH and Takara Bio.

Litigation

As of the date of this document and as far as MDxHealth is aware, the Company is not involved in any legal proceedings.

NOTE 25: Subsequent events

Back to Notes list

In 2018, through the date of this document, the Company made the following normal course of business announcements:

- MDxHealth develops a blood test to guide precision-treatment of castration-resistant prostate cancer patients. The PCR-based, non-invasive blood test was developed to measure the hypermethylation levels of two biomarkers (GSTP1 and APC) in plasma cell-free DNA. The results of a prospective study, with 47 CRPC patients and 30 controls, indicate that the baseline value of the biomarkers, prior to treatment, is prognostic for overall survival. In addition, the subsequent variations of biomarker levels during treatment could help identify non-responders, which may enable improved personalized treatment of CRPC patients in the future.
- MDxHealth has entered into a commercial service agreement with Fondazione Luigi Maria Monti - Istituto Dermopatico dell' Immacolata (IDI), a leading research Hospital in Rome, to provide SelectMDx® for prostate cancer as a service test.
- MDxHealth's non-invasive liquid biopsy test SelectMDx®, that helps to identify patients at increased risk of having aggressive prostate cancer, has been included in the 2018 European Association of Urology (EAU) guidelines. The EAU guidelines assist clinicians in making informed treatment decisions, taking into account the available scientific data. The inclusion of SelectMDx in the EAU guidelines will enable adoption of the test in EU member states specific guidelines and contribute to drive payor adoption.
- MDxHealth announced on March 22, 2018, the successful pricing of its capital increase. The company raised eur 36 million (usd 44 million) in gross proceeds by means of a private placement of 9,989,881 new shares at an issue price of eur 3.60 per share through an accelerated bookbuilding.
- In March 2018, MDxHealth broadened its existing license with LabCorp (Laboratory Corporation of America) for rights to certain patents owned and controlled by MDxHealth relating to the MGMT biomarker for use in oncology, including testing for patients with brain cancer, such as Glioblastoma (GBM). LabCorp's rights are exclusive, subject to certain limited exceptions. Under the terms of the expanded license agreement, which previously covered the US and Canada only, but is now worldwide, MDxHealth is entitled to receive an upfront payment and royalties on sales and may be entitled to receive additional license fees, subject to certain conditions.

NOTE 26: Subsidiaries Back to Notes list

The Company has the following two wholly-owned direct subsidiaries:

MDxHealth Inc.	
Address	15279 Alton Parkway – Suite 100 – Irvine, CA 92618
Incorporation Date	April 14, 2003
Number of employees	200 at December 31, 2017, 151 at December 31, 2016,
MDxHealth B.V.	
Address	Transistorweg 5, 6534 AT Nijmegen, The Netherlands
Incorporation Date	October 18, 2006
Incorporated into MDxHealth on	September 18, 2015
Number of employees	12 at December 31, 2017, 8 at December 31, 2016

Remuneration of the Board

The total remuneration of the Board of Directors (including the Executive Director) in 2017 and 2016 was $661,000, and $732,000 respectively (excluding VAT, stock-based compensation and reimbursement of expenses). 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.

NOTE 27: Principal audit fees and services Back to Notes list

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, for participation to the audit committees and for participation to special projects.

The Company expensed €114 thousand (USD equivalent $128 thousand) in fees to the auditor in 2017. The fees are broken down as follows:

- Audit fee for statutory and consolidated financials of €68 thousand ($76 thousand)
- Audit related services (legal missions) €5 thousand ($5 thousand)
- Tax consulting services €41 thousand ($47 thousand)

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Auditor's opinion

Statutory auditor's report to the general meeting of MDxHealth SA for the year ended 31 December 2017

In the context of the statutory audit of the consolidated financial statements of MDxHealth (the Company) and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report on the audit of the consolidated financial statements as well as our report on the other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general meeting of 26 May 2017, following the proposal formulated by the board of directors, based on the advice of the audit committee. Our statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on 31 December 2019. We have performed the statutory audit of the consolidated financial statements of the company MDxHealth SA for twelve consecutive years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements s, including a summary of significant accounting policies and other explanatory information, and which is characterized by a consolidated statement of financial position total of 58,521 (000) USD and for which consolidated income statement and other comprehensive income shows a loss for the year of 12,288 (000) USD.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2017, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the board of directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION

DISCUSSION OF THE MATTER

As described in notes 2.7 and 3 of the financial statements, substantially all the Group's revenues are generated from the sale of clinical laboratory testing services, technology out-licensing deals, research and development service fees, and government grants. Most commercial agreements include up-front fees, milestone fees, and royalty fees. The group's revenue recognition model includes critical accounting estimates based on management judgment. These estimates and underlying judgments are continuously revisited based on updated historical experience and new expected future evolutions

Revenue recognition was significant to our audit procedures, because of its important financial impact on the consolidated annual accounts, and the significant level of management judgment in making the accounting estimates.

PROCEDURES PERFORMED

Our audit procedures included, amongst others:

- We tested the Group's internal control procedures on revenues and evaluated the Group's assumptions and estimates used in assessing the revenue recognition, in particular with respect to completeness, existence and accuracy.
- We tested the existence of persuasive evidence of underlying agreements and contracts and we substantively tested and challenged the underlying calculations, key assumptions and estimates used in the revenue model.
- We evaluated the reasonability of the calculations regarding the percentage claims collected versus percentage claims billed and the trend of the of percentage collected versus billed.
- We considered the historical accuracy of accrued revenue amounts and used the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current year including how these compare to the experience in previous years.
- We reviewed the adequacy of the Group's disclosures in note 2.7 and 3 in respect of the use of estimates and judgments in the revenue recognition model.

TREASURY POSITION

DISCUSSION OF THE MATTER

As described in Note 2.3 of the consolidated financial statements, the Group has disclosed the effect of its recurring operating losses on its treasury position and going concern. However, taking into consideration the proceeds from the capital increase through a private placement of 22 March 2018 and the current treasury position, the Group estimates that its treasury position is sufficient to cover its cash requirements at least for the next twelve months, so that there is no going concern issue at this moment.

The treasury position is significant to our audit because of the company's history of recurring losses resulting in significant negative cash flows.

PROCEDURES PERFORMED

Our audit procedures included, among others:

- We reviewed the private placement transaction of 22 March 2018 resulting in a funding of 44.2 million USD;
- We obtained the budget and the cash forecast for the year 2018 and 2019 and reviewed it for reasonability;
- We challenged the assumptions underlying this budget and cash forecast, especially with respect to the expected level of operating expenses and revenues;
- We discussed with management any potential future financing possibilities and assessed their reasonability.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the board of directors and with the Audit Committee regarding, among other matters, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the board of directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the board of directors and with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements
Responsibilities of the board of directors

The board of directors is responsible for the preparation and the contents of the management report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (revised in 2018) that is supplementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, as well as to report on these elements.

Aspects related to the management report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 119 of the Company Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- Part I : Key Figures
- Part I : 2017 Financial Overview

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

We do not express any form of assurance whatsoever on the management report on the consolidated financial statements nor on the other information contained in the annual report on the consolidated financial statements.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of consolidated financial statements, and we remained independent of the Group throughout the course of our mandate.
- The fees related to additional services which are compatible with the statutory audit as referred to in article 134 of the Company Code were duly itemised and valued in the notes to the consolidated financial statements.

Other statements

- This report is in compliance with the contents of our additional report to the audit committee as referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem, 27 April 2018

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by Gert Claes

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Condensed non-consolidated financial statements

The statutory financial statements to be filed with the Belgian National Bank are prepared in accordance with 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 and does 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 investor section of MDxHealth's website (www.mdxhealth.com).

Statutory Income Statement

Thousands of €/ For the years ended December 31	2017	2017 in $ equivalent	2016
I. Operating income	**16,743**	**18,914**	**9,351**
A. Turnover	16,688	18,852	9,050
D. Other operating income	55	62	301
II. Operating charges	**5,794**	**6,545**	**6,945**
A. Purchase of goods and materials	388	438	221
B. Services and other goods	3,749	4,235	5,619
C. Remuneration, social security costs, pensions	1,250	1,412	1,086
D. Depreciation & amounts written off fixed assets	407	460	19
G. Other operating charges	-	-	-
III. Operating profit/(loss)	**10,949**	**12,369**	**2,406**
IV. Financial income	**1,604**	**1,812**	**1,496**
B. Income from current assets	1,575	1,779	1,319
C. Other	29	33	177
V. Financial charges	**560**	**632**	**158**
A. Debt charges	25	28	7
C. Other	535	604	151
VI. Current profit/(loss) before taxes	**11,993**	**13,549**	**3,744**
VII. Extraordinary income	**-**	**-**	**-**
VIII. Extraordinary charges	**-**	**-**	**-**
A. Extraordinary depreciations & amounts written off fixed assets	-	-	-
B. Extraordinary depreciation on financial assets	-	-	-
IX. Profit/(loss) before taxes	**11,993**	**13,549**	**3,744**
X. Income taxes	**-**	**-**	**-**
XI. Profit/(loss) for the year after taxes	**11,993**	**13,549**	**3,744**

Appropriation account

Thousands of €/ For the years ended December 31	2017	2017 in $ equivalent	2016
A. Loss/gain to be appropriated			
A1. Loss/Gain for the period available for appropriation	11,993	13,549	3,744
A2. Loss brought forward	(19,470)	(22,518)	(23,214)
B. Transfer from capital and reserves	-	-	-
B1. From capital and share premium account	-	-	-
C. Transfer to equity			
D. Result to be carried forward			
D2. Loss to be carried forward	7,477	8,969	19,470

Statutory balance sheet

Statutory balance sheet after appropriations

Thousands of €/ For the years ended December 31	2017	2017 in $ equivalent	2016
ASSETS	**9,273**	**11,121**	**8,198**
I. Formation expenses		**-**	**-**
II. Intangible assets	**-**	**-**	**-**
III. Tangible fixed assets	**86**	**103**	**19**
B. Plant, machinery and equipment	86	103	19
C. Furniture and vehicles	-	-	-
IV. Financial assets	**9,187**	**11,018**	**8,179**
A. Affiliated enterprises	9,171	10,999	8,172
A1. Investments	9,171	10,999	8,172
A2. Amounts receivable	-	-	-
C. Other financial assets	-	-	-
C1. Investments	-	-	-
C2. Amounts received and cash guarantee	16	19	7
CURRENT ASSETS	**109,639**	**131,490**	**111,633**
V. Amounts receivable after one year	**-**	**-**	**-**
VI. Stocks and contracts in progress	**-**	**-**	**-**
VII. Amounts receivable within one year	**97,102**	**116,454**	**83,428**
A. Trade debtors	97,051	116,393	83,327
B. Other amounts receivable	51	61	101
VIII. Investments	**12,469**	**14,954**	**28,139**
B. Other investments and deposits	-	-	-
IX. Cash at bank and in hand	**12,469**	**14,954**	**28,139**
X. Deferred charges and accrued income	**68**	**82**	**66**
TOTAL ASSETS	**118,912**	**142,611**	**119,831**

Statutory balance sheet after appropriations

Thousands of € For the years ended December 31	2017	2017 in $ equivalent	2016
CAPITAL AND RESERVES	**115,897**	**139,994**	**103,702**
I. Capital	**39,844**	**47,785**	**39,761**
A. Issued capital	39,844	47,785	39,761
II. Share premium account	**83,530**	**100,178**	**83,411**
III. Revaluation surpluses	**-**	**-**	**-**
IV. Reserves	**-**	**-**	**-**
V. Accumulated profit/(loss)	**(7,477)**	**(8,969)**	**(19,470)**
VI. Investment grants	**-**	**-**	**-**
VII. Provisions and postponed taxes	**-**	**-**	**-**
A. Provisions for liabilities and charges	-	-	-
A4. Other liabilities & charges	-	-	-
AMOUNTS PAYABLE	**3,015**	**3,617**	**16,128**
VIII. Debts payable after 1 year	**169**	**203**	**42**
A. Financial debts	169	203	42
A4. Credit institutions	169	203	42
IX. Debts payable within 1 year	**1,679**	**2,014**	**3,045**
A. Current portion of debts after one year	-	-	-
B. Financial debts	172	206	340
B1. Credit institutions	172	206	340
C. Trade debts	1,273	1,527	2,421
C1. Suppliers	1,273	1,527	2,421
D. Advances received on contracts in progress	-	-	-
E. Taxes, remuneration & social security	234	281	284
E1. Taxes	-	-	-
E2. Remuneration & social security	234	281	284
X. Accrued charges and deferred income	**1,167**	**1,400**	**13,042**
TOTAL LIABILITIES	**118,912**	**142,611**	**119,831**

Part V: Additional information

Shareholder information

Capital and shares

The descriptions provided below are only a summary and do not purport to give a complete overview of the Company's articles of association nor all relevant provisions of Belgian law. Neither should it be viewed as legal advice regarding the shares.

History of share capital

At the end of 2017, the issued capital of MDxHealth amounted to € 39,844,140.38 represented by 49,949,408 common shares without nominal value.

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 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	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	197,025	20.00	4.00	3,940,500.00	4,002,000.00	0	400,000
Jun. 30, 2003	Capital increase in cash	33,333	20.00	4.00	666,660.00	4,668,660.00	0	433,333
Sep. 30, 2003	Capital increase in cash	218,139	22.31	4.46	4,866,681.09	9,535,341.09	0	651,472
Jun. 20, 2004	Capital increase in cash	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	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	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								
Jun. 30, 2006	Capital increase in cash	2,933,334	7.50	7.50	22,000,005.00	51,202,014.57	0	10,010,954
Jun. 30, 2006	Capital decrease	/	/	/	-10,217,809.00	40,984,205.57	0	10,010,954
Jun. 30, 2006	Capital increase through exercise of warrants	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	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	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	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	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	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	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	24,540	4.49	4.49	100,503.57	54,001,197.27	10,881,808.74	13,185,614
Reduction of Share Capital								
Jun. 21, 2010	Share Capital reduction	/	/	/	/	10,517,661.90	10,881,808.74	13,185,614
Private Placement								
Apr. 8, 2011	Capital increase in cash	5,436,713	1.50	1.50	4,336,865.96	14,854,527.86	14,700,012.24	18,622,327
Private Placement								
Jul. 4, 2012	Capital increase in cash	6,891,113	1,45	1,45	5,497,040.84	20,351,568.70	19,202,971.61	25,513,440
Private Placement								
Jun. 25, 2013	Capital increase in cash	8,737,863	2,05	2,05	6,970,193.32	27,321,762.02	30,232,776.07	34,251,303
Private Placement								
Nov. 7, 2014	Capital increase in cash	3,425,000	3,60	3,60	2,732,122.50	30,053,884.52	39,830,653.57	37,676,303
Exercise of Warrants								
Apr. 30, 2015	Capital increase through exercise of warrants	172,187	2.01	2.01	137,353.57	30,191,238.09	40,039,189.53	37,848,490

Private Placement								
Jun. 26, 2015	Capital increase in cash	6,150,000	4.50	4.50	4,905,855.00	35,097,093.09	62,808,334.53	43,998,490
Private Placement								
Sep. 18, 2015	Capital increase in cash	1,086,956	4.14	4.14	867,064.80	35,964,157.89	66,441,267.57	45,085,446
Exercise of Warrants								
Nov. 27, 2015	Capital increase through exercise of warrants	68,187	1.70	1.70	54,392.77	36,018,550.66	66,502,756.44	45,153,633
Exercise of Warrants								
May 9, 2016	Capital increase through exercise of warrants	116,000	1.70	1.70	92,533.20	36,111,083.86	66,607,143.24	45,269,633
Private Placement								
Nov. 7, 2016	Capital increase in cash	4,526,962	4.50	4.50	3,611,157.59	39,722,241.45	83,367,314.65	49,796,595
Exercise of Warrants								
Nov. 10,2016	Capital increase through exercise of warrants	49,000	1.69	1.69	39,087.30	39,761,328.75	83,410,887.35	49,845,595
Exercise of Warrants								
May 5, 2017	Capital increase through exercise of warrants	103,813	1.94	1.94	82,811.63	39,844,140.38	83,529,614.08	49,949,408
Per statutory accounts						39,844,140.38	83,529,614.08	49,949,408
Per IFRS consolidated accounts						35,294,092.43	83,529,614.08	49,949,408

Authorized capital

By virtue of the resolution of the extraordinary general shareholders' meeting held on June 20, 2016, the Board of directors was expressly authorized to increase the share capital in one or more transactions by a total value of thirty-six million, one hundred and eleven thousand, eighty-three euros and eighty-six cents (€36,111,083.86) (the "Authorized Capital Amount").

The Board of Directors may 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 2021 which shall resolve on the annual accounts relating to the financial year ending on December 31, 2020.
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 as are to be decided by the Board of Directors, such as:

- 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.

If, following a capital increase that has been decided within the framework of the Authorized Capital, an issuance premium is paid, the Board of Directors is authorized and obliged to book the amount of such issuance premium onto the account "Issuance Premiums", that shall serve as guarantee for third parties in the same manner as the Company's share capital and which, apart from the possibility to convert this reserve into share capital, can only be disposed of in accordance with the rules provided by the Belgian Company Code for amendments to the articles of association.

By virtue of the resolution of the extraordinary general shareholders' meeting held on June 20, 2016, the Board of directors was also expressly authorized to increase the share capital in one or more transactions following a notification by the Belgian Financial Services and Markets Authority that it has been informed of a public takeover bid for 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 Companies Code. The Board of directors may exercise this power for a period of up to three years starting as of the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the Annexes to the Belgian Official Gazette.

The Board of Directors is authorized, with power of substitution, to amend the articles of association upon each capital increase realized within the framework of the Authorized Capital, to bring them in accordance with the new situation of the share capital and the shares. At the date of this document, the Board of Directors has used the above described powers under the Authorized Capital as follows:

- The board of directors has used its powers under the authorised capital provided for in article 6.1. on November 7, 2016 by issuing 4.526.962 new shares for a total of three million six hundred, eleven thousand, one hundred fifty-seven euro and fifty-nine cents (€ 3,611,157.59),
- on March 26, 2018, the board of directors has used its powers under the authorised capital provided for in article 6.1.by issuing 9.989.881 shares for a total of seven million, nine hundred sixty-eight thousand, nine hundred twenty-eight euro and seven cents (€7,968,928.07).

As a result, the available amount for a share capital increase under the authorized capital is equal to twenty-four million, five hundred thirty thousand, nine hundred ninety-eight euro and twenty cents (€ 24,530,998.20).

Rights attached to shares

Dividend Rights

All shares entitle the holder thereof to an equal right to participate 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 statutory audited 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 declare interim dividends on profits of the current financial year subject to the terms and conditions of the Belgian Company Code.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law based on the Company's statutory unconsolidated financial statements rather than its consolidated financial statements. In particular, 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 non-consolidated financial statements (i.e., summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all 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 (or, if higher, the issued 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.

The Company has never declared or paid any dividends on its shares and does not anticipate paying any dividends in the foreseeable future. At December 31, 2017, there were no profits available for distribution under Belgian law.

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 existing shareholders have a preferential right to subscribe, pro rata, to the new shares, convertible bonds or warrants. The general shareholders' meeting may decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision by the shareholder's meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital. The shareholders may 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.

Voting Rights

Each shareholder of the Company is entitled to one vote per share. There are no different categories of shares.
All shareholders have the same voting rights.Voting rights may be mainly 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%, 7.5%, 10%, 15%, 20% and any further 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, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 days prior to the date of the general shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

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 Thursday of May at 10 a.m. If this day would be a Belgian public holiday, the annual general shareholders' meeting shall be held on the previous Business Day. In these articles of association, "Business Day" shall mean any calendar day, with the exception of Saturdays, Sundays and Belgian public holidays.
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. 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 held in 2012, the 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 may, whenever 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 convene such special or extraordinary general shareholders' meeting.

Notices convening the general meeting

The notice convening the general shareholders' meeting must indicate : (i) the agenda, place, date, and time of the meeting; (ii) the items to be discussed and the proposed resolutions that will be submitted to the meeting; (ii) a clear description of the formalities to be fulfilled by the shareholders in order to be entitled to participate to the general meeting and to exercise their voting right, including the period within which the shareholders should indicate to the Company their intention to participate to the meeting; (iv) a description of the procedure to vote by proxy (or at distance to the extent permitted by the articles of association); (v) details with regard to the right of shareholders to amend items of the

agenda, require additional items/proposed resolutions to be put on the agenda, and ask questions; (vi) the timeframe within which such rights may be exercised and an electronic address to which shareholders may send their queries; (vii) the registration date and explanations related thereto; and (viii) the place as well as the website on which all relevant documents can be obtained. 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.

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, (iii) via media as may reasonably be relied upon for the effective dissemination of information to the public throughout the European Economic Area and (iv) the website of the Company at least 30 calendar days prior to the general meeting (or, if a second meeting is required, if the date of the second meeting was mentioned in the notice convening the first meeting and if the agenda has not changed, at least 17 days prior to 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, the discharge from liability of the Directors and statutory auditor, the approval of provisions of service agreements and the approval of the remuneration report.

The holders of registered shares, warrants and bonds are personally notified by letter at least 30 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. To attend the general shareholders' meeting, holders of securities issued by the Company should consider the formalities and procedures described below.

Registration for the meeting

Firstly, the right for a holder of securities to participate to and, as applicable, to vote at a general meeting is only granted on the basis of the registration of the securities concerned, fourteen days prior to the general meeting (the "registration date") at midnight, via registration, in the applicable register book for the securities concerned (for registered securities) or in the accounts of a certified account holder or relevant settlement institution for the securities concerned. Secondly, to be admitted to the general shareholders' meeting, the holders of securities issued by the Company must notify the Company or a centralizing bank designated in the convening notice whether they want to participate to the meeting. The notice must reach the Company by mail at its registered office or by e-mail at the latest on the sixth calendar day prior to the general shareholders' meeting. For the holders of dematerialized securities or securities in book-entry form, the notification should also include a certificate confirming the number of securities that have been registered in their name on the registration date. The certificate can be obtained by the holder of the dematerialized securities with his or her financial intermediary, the certified account holder or the applicable settlement institution for the securities concerned.

The registration procedure set forth here above is also applicable in the event where a second meeting needs to be convened, the required quorum not being present or represented at the first meeting.

Power of attorney

Each holder of securities has the right to attend a general shareholders' meeting and to vote at the general shareholders' meeting in person or through a proxy holder, in conformity with applicable law. 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). Such proxies must be in writing or via an electronic form, and must bear the shareholder's signature (which may be a digital signature as defined in article 1322, paragraph 2 of the Belgian Civil Code or as otherwise permitted by applicable law). In accordance with applicable law, the dated and signed proxy must be sent by letter, fax, email or any other means specified in article 2281 of the Belgian Civil Code to the Company's registered office or the place indicated in the notice and must reach the Company at the latest on the sixth calendar day prior to the general shareholders' meeting concerned. The holders of a proxy must comply with the provisions of the Belgian Company Code regarding proxies for general shareholders' meetings.

Holders of securities who wish to be represented by proxy must, in any case, comply with the formalities to register for the meeting, as explained under "Registration for the meeting" above.

Amendments to the agenda and additional proposed resolutions

Shareholders who alone or together with other shareholders hold at least 3% of the outstanding shares of the Company have the right to put additional items on the agenda of the annual and extraordinary general shareholders' meetings and to table draft resolutions in relation to items that have been or are to be included in the agenda. If the required quorum for the extraordinary general shareholders' meeting is not reached and a second extraordinary general shareholders' meeting is convened, this right will not apply in relation to the agenda of the second extraordinary general shareholders' meeting. Shareholders wishing to exercise this right must prove on the date of their request, that they own at least 3% of the outstanding shares. The ownership must be based, for dematerialized shares, on a certificate issued by the applicable settlement institution for the securities concerned, or by a certified account holder, confirming the number of securities that have been registered in the name of relevant shareholders and, for registered shares, on a certificate of registration of the relevant shares in the share register book of the Company. In addition, the shareholder concerned must, in any case, comply with the formalities to register for the meeting (as explained under "—Registration for the meeting" above) with at least 3% of the outstanding shares. A request to put additional items on the agenda and/or to table draft resolutions must be submitted in writing, and must contain in the event of an additional agenda item, the text of the agenda item concerned and, in the event of a draft resolution, the text of the draft resolution. The request must also mention the mail or e-mail address to which the Company will send the confirmation of receipt of the request. The request must reach the Company by mail at its registered office or by e-mail at the e-mail address mentioned in the notice convening to the general meeting at the latest on the twenty second calendar day prior to the annual and extraordinary general shareholders' meeting. In case of amendments to the agenda and proposed additional resolutions as aforementioned, the Company will publish an amended agenda with, as the case may be, additional agenda items and additional draft resolutions no later than on the fifteenth calendar day prior to the annual and/or extraordinary general shareholders' meeting. In addition, the Company shall make amended forms available for votes by mail and votes by proxy. Proxies and votes by mail that reach the Company prior to the publication of an amended agenda remain valid for the agenda items to which the proxies and votes by mail apply, subject, however, to applicable law and the further clarifications set out on the proxy forms and postal voting form.

Right to ask questions

Within the limits of article 540 of the Belgian Companies Code, shareholders have the right to ask questions to the Directors in connection with the report of the Board of Directors or the items on the agenda of such shareholders' meeting.

Shareholders can also ask questions to the statutory auditor in connection with its report. Such questions can be submitted in writing prior to the meeting or can be asked at the meeting. Written questions must be received by the Company by mail at its registered office or by e-mail no later than the sixth day prior to the meeting. Written and oral questions will be answered during the meeting concerned in accordance with applicable law. In addition, for written questions to be considered, the shareholders who submitted the written questions concerned must comply with the formalities to attend the meeting, as explained under "Registration for the meeting" above.

Quorum and majorities

In general, there is no quorum requirement for a shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present and represented. However, capital increases (other than those decided by the Board of Directors pursuant to 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 shareholders' meeting, which 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 shareholders' meeting may validly deliberate and decide regardless of the number of shares present or represented. The special majority requirements, however, remain applicable.

Disclosures within the framework of the takeover directive

Capital structure

At the end of 2017, the issued capital of MDxHealth SA amounted to €39,844,140.38 represented by 49,949,408 fully paid-up common shares without nominal value. All shares have the same rights and obligations and participate equally in the profits of MDxHealth SA.

MDxHealth SA does not own any of the issued and outstanding shares of MDxHealth SA.

Shareholders holding more than 3% of the outstanding shares of the Company who make themselves known to the Company and to the FSMA are disclosed above in "Board Report; Corporate Governance Statement; Shareholding Structure" and on the Company's website at www.mdxhealth.com/investors/shareholder-information.

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 other than 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 is only one category of shares (common 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 FSMA 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 FSMA.

Agreements between shareholders which are known to the Company 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.

Significant agreements which take effect alter or terminate upon a change of control of the Company 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. In addition, material agreements with Exact Sciences 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 18 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.

Notification of Important Participations

The Belgian Company Code, applicable legislation and article 14 of 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 immediately and at the latest four Euronext business days following the transaction, notify the Company and the FSMA 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 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 FSMA (www.FSMA.be).

The FSMA 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.

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Glossary

Assay	A Term For A Single Experiment Or A Diagnostic Test Incorporating The Required Markers To Analyze A Clinical Specimen.
Biopsy	A Procedure Where A Tumor Tissue Sample Is Removed From The Body For Laboratory Examination To Determine Whether Cancer Or Some Other Disease Is Present. A Biopsy Can Be Performed Using A Needle To Extract A Small Number 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.
Cap	The College Of American Pathologists (Cap) Is A Us Accrediting Agency For The Us Centers For Medicare And Medicaid Services (Cms).
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.
Clia	The Us 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 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.
Cms	Us Centers For Medicare & Medicaid Services
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.
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.
Epigenetics	Refers To Heritable Changes In Gene Expression (Active Versus Inactive Genes) That Does Not Involve Changes To The Underlying Dna Sequence (I.e., A Change In Phenotype Without A Change In Genotype). This In Turn Affects How Cells Read The Genes. Epigenetic Change Is A Regular And Natural Occurrence But Can Also Be Influenced By Several Factors Including Age, The Environment/Lifestyle, And Disease State.
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.
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 Specific Medical Condition.
	Medicaid Is A Medical Assistance Program In The Us Established By Title Xix Of The Us Social Security Act. The Medicaid Program Is A No-Cost Or Low-Cost Public Health Insurance Program For Us Residents That Provides Needed Health Care Services For Low-Income And Disabled Individuals.
Medicaid	Medicaid Is A Medical Assistance Program In The Us Established By Title Xix Of The Us Social Security Act. The Medicaid Program Is A No-Cost Or Low-Cost Public Health Insurance Program For Us Residents That Provides Needed Health Care Services For Low-Income And Disabled Individuals.
Medicare	Medicare Is A National Social Insurance Program, Administered By The U.s. Federal Government, Established In 1966 Under Title Xviii Of The Us Social Security Act. Medicare Provides Health Insurance For Us Residents Aged 65 And Older Who Have Worked And Paid Into The System. It Also Provides Health Insurance To Younger People With Certain Disabilities And Designated Diseases.
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.
Npv	Npv Or “Negative Predictive Value” Is The Probability That Subjects With A Negative Test Truly Don't Have The Disease Being Tested. It Is A Numerical Value For The Proportion Of Individuals With A Negative Test Result Who Are Free Of The Target Condition.
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.
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.
Specificity	A Measure Of A Diagnostic Test’s Accuracy. Specificity Measures What Percentage Of People Without A Medical Condition For Whom The Test Result Is Negative. Tests With Good Specificity Produce Few False Positive Results.
Tumor	Tissue Growth Where The Cells That Make Up The Tissue Have Multiplied Uncontrollably. A Tumor Can Be Benign (Non-Cancerous) Or Malignant (Cancerous).
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.

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