Annual Report

December 31

2013

Advanced epigenetic tests to support cancer diagnosis and treatment.

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Dear Fellow Shareholders,

MDxHealth's vision is to provide physicians with products and services that improve the diagnosis and personalized treatment of their cancer patients. The realization of this vision has been the significant, wide scale acceptance of the ConfirmMDx® for Prostate Cancer test within the U.S. urology community, establishing the Company's position as a leader in molecular diagnostics based on the important and growingfield of cancer epigenetics.

Epigenetics is an exciting area of molecular biology that studies changes in gene activity that do not involve changes to the genetic code. Epigenetic "markers" tell genes to switch on or off, to speak loudly or whisper. It is through these epigenetic markers that environmental factors like diet, stress and prenatal nutrition can make an imprint on genes that are passed from one generation to the next. Epigenetic markers can be used for earlier and more accurate diagnosis but also scientists are learning how to manipulate epigenetic markers in the lab, which means they are developing drugs that treat illness. MDxHealth products like PredictMDx® for Glioblastoma and ConfirmMDx for Prostate Cancer, together with Cologuard®, a noninvasive stool test to detect colorectal cancer from MDxHealth licensee Exact Sciences, Inc., represent a new generation of diagnostics in the fast growing field of cancer epigenetics.

During 2013, MDxHealth was highly successful in the implementation of its operating plan and commercialization of its lead product, ConfirmMDx for Prostate Cancer. Executing upon its marketing strategy, the Company further established brand awareness and adoption of the test within the U.S. urology market. The Company expanded its customer base, with approximately 10% of U.S. based urologists ordering the ConfirmMDx test, leading to rapid growth in ConfirmMDx test volumes and revenue. The Company is now starting to reap the rewards of its commercial strategy in the U.S. and has laid a solid foundation for future growth in terms of both product revenue and development of new epigenetic-based molecular diagnostic cancer tests.

The ConfirmMDx for Prostate Cancer test, which addresses false-negative prostate biopsy concerns, is only one application of the Company's innovative epigenetic technology. The Company is also exploring the use of its biomarkers to assess the aggressiveness of the disease, and recently presented positive data at the 2014 Genitourinary Cancers Symposium (ASCO GU). Furthermore, consistent with its focus in the urology market, the Company is accelerating the development of its ConfirmMDx for Bladder Cancer test. The test is designed to rule-out bladder cancer in patients diagnosed with hematuria, who are traditionally followed with cytology and cystoscopy. Although the standard of care, these methodologies are prone to miss small papillary bladder tumors, satellite lesions as well as carcinoma in situ. The ConfirmMDx for Bladder Cancer test is designed to improve on patient stratification, with increased negative predictive value to help rule out the presence of cancer, sparing many patients invasive cystoscopy procedures, and aiding in the identification of high-risk patients requiring further examination. In 2010, MDxHealth published the positive results of a validation study of the two-gene epigenetic bladder cancer test in the journal *European Urology*.

MDxHealth has also continued investment in *next generation sequencing (NGS)* based assays for both proprietary service offerings, as well as for its pharmaceutical partners. NGS offers the prospect of improving performance, reducing cost and increasing throughput of molecular diagnostic assays.

Growing Market Share in Prostate Cancer Testing

MDxHealth's strategy to become a dominant player in the field of molecular diagnostic testing in urology began with establishing its Clinical Laboratory Improvement Act (CLIA) certified and College of American Pathologists (CAP) accredited laboratory in Irvine, California and completing pivotal clinical validation studies and the U.S. launch of the ConfirmMDx for Prostate Cancer test in mid-2012. ConfirmMDx for Prostate Cancer is an important diagnostic tool that helps guide patient management decisions on men with previous negative biopsy results, but believed to be at risk for undetected prostate cancer and under consideration for a repeat prostate biopsy.

In 2013, the Company expanded the body of evidence supporting the clinical validity and utility of the ConfirmMDx for Prostate Cancer test with several publications and numerous abstracts and posters presented at urology conferences. The Company reported on clinical validation and budget impact studies that demonstrated the potential for reduction of repeat biopsies and the associated healthcare savings. In 2014, the Company plans to publish the results of a promising clinical utility field study, wherein a 10-fold reduction in repeat biopsies was observed. Also, the Company previously reported the successful completion of a blinded, multicenter confirmatory validation study, which was conducted at five leading cancer centers in the U.S. The 360-patient study met all of the trial endpoints and the manuscript has been accepted for publication in the *Journal of Urology*.

In 2014, MDxHealth is focusing efforts on expanding reimbursement of the ConfirmMDx for Prostate Cancer test. Since product launch, the Company has secured 10 contracts with preferred provider networks and healthcare insurance providers in the U.S., extending access to ConfirmMDx test to more than 144 million covered lives across 50 states. Building upon the continued positive interactions with Palmetto GBA, the Medicare contractor responsible for molecular diagnostic test reimbursement, MDxHealth expects to receive coverage with evidence development (CED) for its ConfirmMDx test within H2 2014. Furthermore, the Company's dedicated managed care team is engaged in capturing additional payor contracts, increasing coverage and shortening the payment cycle.

To increase awareness of the ConfirmMDx test and accelerate adoption, MDxHealth entered into strategic marketing partnerships with leading national and regional laboratories, including PLUS Diagnostics and Bostwick Laboratories. The Company is currently in negotiations with additional regional and national laboratory partners and expects to expand its partner base in 2014. To date, over 1,000 urologists have ordered the ConfirmMDx for Prostate Cancer test, illustrating that the test provides clinically meaningful, actionable information.

In 2014, MDxHealth is also expanding the global reach of the ConfirmMDx for Prostate Cancer test with introductions in key international markets. Early in 2014, the Company signed an agreement with Teva Pharmaceutical Ltd. for commercialization of the test in

Israel, and anticipates similar agreements for ConfirmMDx for Prostate Cancer in other markets outside the U.S.

Advances in Glioblastoma Testing

During 2013, MDxHealth's MGMT (O6-methylguanine-DNA methyl transferase) test, PredictMDx® for Glioblastoma, which is used to identify patients with advanced cancer who are most likely to respond to targeted therapy, was included in the 2013 National Comprehensive Cancer Network (NCCN) Guidelines in the U.S. The NCCN is an alliance of 23 world-leading cancer centers that establishes treatment guidelines for cancer patients. In addition, the American Medical Association (AMA) awarded the PredictMDx for Glioblastoma test with a Tier 1 reimbursement code, which are assigned to report gene-specific and genomic procedures. This code helps MDxHealth's partners secure payment for the testing procedure.

According to data from the international prognostic Phase III (RTOG 0525) validation study published in the *Journal of Clinical Oncology,* the PredictMDx for Glioblastoma test successfully identified newly diagnosed glioblastoma patients who are more likely to live longer and have a longer progression free time period following treatment with temozolomide.

The Road to Profitability

The strong adoption rate of the ConfirmMDx for Prostate Cancer test demonstrates the success of the Company's defined business model, which is focused on delivering high-value, molecular diagnostics that provide physicians with actionable information to improve the management and personalized treatment of their patients. The strong performance of ConfirmMDx for Prostate Cancer in the U.S. market has set the Company on the path towards profitability.

In 2013, ConfirmMDx test volume grew over 500% compared to the previous year, with nearly 7,000 patient results delivered compared to 1,100 patient results in 2012. Total Company revenues increased by 28 percent, compared with the previous year, rising to USD 7.6 million. In June 2013, the Company raised USD 24 million dollars through a private placement, ending the year with a cash balance of USD 25 million. These strong results allow the Company to invest in expansion of its sales and marketing efforts, collection and reimbursement department and its product pipeline.

To meet the growing demand for the ConfirmMDx test, MDxHealth is investing in the automation and enhancement of its epigenetic platform, as well as advancing its NGS platform and other technological innovations to drive biomarker discovery and development.

MDxHealth expects 2014 to be another year of strong growth and progress. The Company will continue to invest in and grow the prostate cancer business by obtaining coverage of the ConfirmMDx test from the U.S. Medicare system, by increasing the number of insurance contracts, and by expanding the Company's sales and reimbursement capabilities. The Board of Directors of MDxHealth sincerely appreciates the support and contributions of its shareholders and investors, scientific collaborators, the

medical community, and reimbursement organizations who have entrusted the Company to deliver advanced epigenetic products to aid physicians in the personalized treatment of those in their care. Additionally, the Board congratulates the employees and its advisors for all of the progress the Company achieved in 2013.

Dr. Jan Groen
Chief Executive Officer

Mr. Edward L. Erickson
Chairman of the Board

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2013 ANNUAL REPORT

This document serves as an Annual Report for the fiscal year ended December 31, 2013 and does not require the Belgian Financial Services and Markets Authority (FSMA) to review and approve.

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

The financial statements in section 5 Consolidated Financial Statements and section 6 Statutory Financial Statements of the Annual Report have been audited by BDO Réviseurs d'Entreprises Soc. Civ. SCRL and approved and authorized for issue by the Board of Directors at its meeting of February 26, 2014. 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 30, 2014.

This Annual Report is for MDxHealth SA. The information in this document covers the consolidated situation of MDxHealth SA and its subsidiaries. Throughout this document, MDxHealth SA is frequently referred to as "MDxHealth" or the "Company".

Language of this Annual Report

MDxHealth prepared this Annual Report in English and it has been translated into French. The English version is legally binding. MDxHealth has verified the consistency between the English and French versions and assumes responsibility for the translation.

Responsibility for this Annual Report

The Board of Directors of MDxHealth, represented by all its members referred to in Chapter 4.12.2, assumes the responsibility for the contents of this Annual Report. The Board of Directors declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Forward-Looking Statements

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

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

Availability of the Annual Report

The Annual Report is available to the public free of charge upon request to:

MDxHealth SA
Attention: Investor Relations
CAP Business Center
Rue d'Abhooz, 31
4040 Herstal, Belgium
Email: ir@mdxhealth.com

An electronic version of the Annual Report is also available on MDxHealth's website (www.mdxhealth.com).

Posting this Annual Report on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the shares to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Company or on any other website does not form part of the Annual Report.

Other Available Information

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

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

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

1. KEY FINANCIAL

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In '000 USD	2013	2012	2011
Revenues	7,554	5,913	3,740
Gross profit	1,761	4,752	3,370
Research and development expenses	4,567	6,786	6,689
Selling, general and administrative expenses	13,219	9,587	6,661
Other operating (income)/expenses	46	-177	-100
Operating Profit/(Loss) (EBIT)	-16,071	-11,444	-9,880
Financial income	114	258	298
Financial expenses	218	347	89
Income taxes	-	-	-
Net profit / (Loss)	-16,175	-11,533	-9,671

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In '000 USD	2013	2012	2011
ASSETS			
Total non-current assets	1,762	1,092	998
Total current assets	27,622	8,862	18,012
Of which cash and cash equivalents	24,683	15,455	14,392
Total assets	29,384	19,954	19,010
LIABILITIES AND SHAREHOLDERS' EQUITY			
Total equity	24,537	15,987	14,647
Non-current liabilities	-	22	362
Current liabilities	4,847	3,945	4,001
Total liabilities and shareholders' equity	29,384	19,954	19,010

CONSOLIDATED CASH FLOW STATEMENT

In '000 USD	2013	2012	2011
Operating cash flow	-14,105	-10,918	-9,047
Investing cash flow	-1,251	-527	-264
Financing cash flow	24,280	12,730	9,451
Net change in cash and cash equivalents	8,924	1,285	140
Cash and cash equivalents at end of period	24,683	15,455	14,392

2. ACTIVITIES OF MDXHEALTH

2.1. COMPANY OVERVIEW AND HISTORY

MDxHealth is a molecular diagnostics company that develops and commercializes advanced epigenetic assays and service testing for cancer assessment and the personalized treatment of patients. Specifically, MDxHealth offers:

Clinical Molecular Diagnostics (*ClinicalMDx*) solutions: Providing physicians with innovative and meaningful tests which aid in the identification and treatment of their cancer patients.

Pharmaco Molecular Diagnostics (*PharmacoMDx*) solutions: Collaborating with pharmaceutical companies on the development of companion diagnostics, biomarker discovery, and clinical trial testing.

MDxHealth's strategy is to independently develop, and commercialize its core products, advanced epigenetic tests for the diagnosis, prognosis and personalized treatment of cancer, through its U.S.-based CLIA and ISO 9001:2008 certified, and CAP-accredited laboratory facility in Irvine, California. Following initial launch and market penetration in the U.S., MDxHealth is expanding into markets outside the U.S.

MDxHealth's ConfirmMDx® for Prostate Cancer test, launched mid-2012, has exhibited strong commercial uptake, with approximately 7,000 patients tested in 2013. The ConfirmMDx for Prostate test has been shown to help distinguish patients who have a true-negative biopsy from those who may have undetected cancer, thereby aiding in the reduction of unnecessary repeat biopsies. Since launch, over 1,000 urologists have ordered the ConfirmMDx test, representing approximately 10% of U.S. practicing urologists. In 2014, the Company has continued to expand its direct sales and marketing force in the U.S. to commercialize the ConfirmMDx for Prostate test.

MDxHealth has offered its PredictMDx® for Glioblastoma (MGMT, O6-methylguanine-DNA methyl transferase) test, which provides actionable information to oncologists seeking to provide personalized treatment of patients with brain cancer, to PharmacoMDx clients since 2008. With increased recognition of the value of the PredictMDx for Glioblastoma test, the Company has expanded commercial plans to offer the test to clinicians in Europe, Israel and other regions internationally. In the U.S., the Laboratory Corporation of America (LabCorp) is offering the MGMT test to clinicians through a licensing agreement with MDxHealth.

MDxHealth was founded in January 2003 and has developed a considerable portfolio of intellectual property. The Company's current tests are based on its patented molecular technology, Methylation Specific PCR (MSP), which was originally developed at Johns Hopkins University, and are combined with individual patented genes ("biomarkers") that when methylated or non-methylated in patient tumor samples, aid physicians with the diagnosis of cancer, the likely progression of cancer, and the responsiveness of the cancer to certain therapies. The Company continues to invest in internal R&D and cutting edge technologies such as next generation sequencing platforms through strategic collaborations, including its NXTGNT *Centre of Excellence in Pharmaco(epi)Genetics* joint venture with Ghent University. The Company's research and clinical development activities are often carried out in collaboration with world-renowned cancer research institutes. Additionally, the Company has out-licensed patented biomarkers and its MSP technology platform for diagnostic and research purposes for various cancers.

The Company's European headquarters is located in Herstal, Belgium and its U.S. headquarters is located in Irvine, California. At the end of 2013, MDxHealth employed a total of 84 employees.

2.2. CLINICALMDX SOLUTIONS

MDxHealth's ClinicalMDx strategy is to develop and commercialize advanced epigenetic tests through its U.S.-based CLIA and ISO 9001:2008 certified, and CAP-accredited laboratory facility. The ClinicalMDx business also includes epigenetic products commercialized by our partners and third party sub licensees (see Section 2.6 below). MDxHealth's ClinicalMDx solutions are mainly focused on urological cancer types, including prostate, bladder and kidney cancers, as well as other cancers such as glioblastoma, by providing physicians with innovative and meaningful tests that aid in the identification and treatment of their cancer patients. These tests are designed to address current diagnostic dilemmas faced by clinicians and will deliver actionable results to help improve patient management decisions.

MDxHealth's ClinicalMDx solutions include four different product types:

ConfirmMDx: tests to assess the presence or absence of cancer

InformMDx: tests that will provide insights into the aggressiveness of the cancer

RecurMDx: tests that will provide insights into the risk of cancer recurrence

PredictMDx: tests indicative for patient response to therapy

All of these tests are intended to augment the existing diagnostic process for patients with cancer while minimizing the need for invasive and costly procedures required for the diagnosis of cancer patients, as well as improving upon patient stratification and personalized treatment selection.

2.2.1. ConfirmMDx® for Prostate Cancer

MDxHealth developed and validated ConfirmMDx for Prostate Cancer, a multiplexed epigenetic assay, to improve upon the current prostate cancer detection paradigm by employing well-validated epigenetic biomarkers to resolve false-negative biopsy concerns and reduce unnecessary biopsy procedures. Leveraging MDxHealth's proprietary MSP technology and genes, ConfirmMDx for Prostate Cancer enables the testing of residual negative prostate biopsy FFPE material to evaluate the gene methylation status of the three prostate cancer biomarkers, GSTP1, RASSF1 and APC. ConfirmMDx for Prostate Cancer detects, or rules out, the epigenetic field effect associated with the presence of prostate cancer at the DNA level. Such molecular changes can be present despite a normal appearance by microscopic review. Recent clinical studies have demonstrated that DNA methylation provides a higher negative predictive value (NPV) than standard histopathology alone to differentiate patients at risk for occult prostate cancer.

2.2.1.1. Prostate Cancer Background

Prostate cancer is the most frequent cancer in men, with one out of six men being diagnosed with prostate cancer during their lifetime. Annually there are approximately 30

million men screened by the Prostate-Specific Antigen (PSA) test resulting in approximately 4.5 million abnormal PSA test results (>4.0) leading to over 1.3 million biopsy procedures, of which 240,000 are diagnosed with prostate cancer with 29,000 annual deaths. Although prostate cancer remains one of the deadliest cancers in men, its accurate diagnosis and follow-up remain a challenge and come at a considerable cost to the healthcare system. Approximately USD 4.4 billion is spent annually on screening, diagnosing and staging and an additional USD 9.9 billion is spent annually on treatment of these patients, totaling nearly USD 15 billion being spent annually on prostate cancer in the U.S. alone. Annually, over USD 4 billion is spent on pharmaceuticals for prostate cancer, which is expected to increase to USD 8.7 billion by 2019.

Notwithstanding the recent U.S. Preventive Services Task Force (USPSTF) recommendation questioning the clinical utility and potential harms associated with PSA screening, serial testing maintains strong support from the American Urological Association as an effective method to detect prostate cancer at an early, more curable stage. Under the current standard of care, men with an elevated or rising PSA are considered at high risk and will often be referred for a prostate biopsy. For patients with a rising and/or PSA score ≥ 4.0, a biopsy is routinely performed to determine if the patient has prostate cancer. The urologist typically uses an 18 gauge needle to obtain 8 to 12 tissue cores as per the standard of care.

Importantly, an abnormal PSA result can often be caused by other factors including age, infection, inflammation, or other benign conditions such as benign prostatic hypertrophy (BPH). This leads to the inclusion of many non-cancer patients being subjected to prostate biopsies (false-positive PSA). The rate of cancer detection in patients biopsied is approximately 27%, leaving approximately 73%, equating to more than 1 million men annually, with a negative result for cancer by routine histology and pathology review.

An elevated PSA and/or abnormal DRE places men at high risk of cancer and as a result many men will undergo a biopsy procedure. The standard prostate biopsy procedure taking 10-12 core samples and histopathological review remains the gold standard for the diagnosis of prostate cancer. However, this schema actually samples less than 1% of the entire prostate gland and results in limited histopathological analysis. Sampling error is an inherent and well documented issue with false-negative rates (FNR) of prostate biopsy procedures reported as high as 20-30%. Concerns over false-negative biopsy results, coupled with the high rate of clinically significant cancer detected upon repeat biopsy, pose a diagnostic dilemma for urologists managing patients with a persistently elevated or rising PSA or other risk factors. Fear of occult prostate cancer leads to additional procedures, leading many men to receive 2nd, 3rd and 4th repeat biopsy procedures to rule-out the presence of cancer.

2.2.1.2. Clinical Application of ConfirmMDx® for Prostate Cancer

ConfirmMDx for Prostate Cancer, addresses false-negative biopsy concerns, helping urologists:

- "Rule-out" otherwise cancer-free men from undergoing unnecessary repeat biopsies and screening procedures, helping to reduce complications, patient anxiety and excessive healthcare expenses associated with these procedures.

"Rule-in" high risk men with a previous negative biopsy result who may be harboring undetected cancer (false-negative biopsy result) and therefore may benefit from a repeat biopsy and potentially treatment.

The use of epigenetic testing for prostate cancer detection using MSP and cancer-associated biomarkers to improve upon histopathology has been well validated in both scientific and clinical studies. DNA methylation, the most common and useful measure of epigenetic abnormality testing, is responsible for the silencing of key tumor suppressor genes. DNA methylation biomarkers associated with prostate cancer have been extensively evaluated and more than 43 studies on the ConfirmMDx genes and technology have been published in peer reviewed, scientific and medical journals.

GSTP1 is the most intensely studied and widely reported epigenetic biomarkers associated with prostate cancer diagnosis, encoding the glutathione S-transferase Pi 1 protein involved in detoxification, due to its high sensitivity and specificity. Complementing GSTP1, methylation of the APC and RASSF1 genes are frequently found in prostate cancer and have demonstrated a "field effect" aiding in the identification of biopsies with false-negative histopathological results.

The concept of a field cancerization effect, when first reported in medical literature by Slaughter et al in 1953, described the changes in tissues surrounding cancer lesions and their association with development of tumors. Later, the term "field effect" evolved to include molecular changes in adjacent, benign-looking tissues. The epigenetic field effect is a molecular mechanism whereby cells adjacent to cancer foci can contain DNA methylation changes, which may be indistinguishable by histopathology, but detectable by MSP testing. The presence of epigenetic field effects associated with prostate cancer has been widely published and is the basis of activity for the ConfirmMDx assay to aid in the detection of occult prostate cancer on previously biopsied, histopathologically negative tissue.

As reported in the *Journal of Urology (Volume 189, Issue 3, 1110-1116, 2013)*, MDxHealth's MATLOC (Methylation Analysis to Locate Occult Cancer) study demonstrated that ConfirmMDx for Prostate Cancer improved upon histopathology alone, by accurately identifying two-thirds of the prostate cancer patients missed in the previous biopsy and correctly identifying approximately two-thirds of the men who could forego a repeat biopsy. In this study, ConfirmMDx yielded sensitivity of 68%, specificity of 64%, and a NPV of 90% to confirm the absence of cancer in histopathologically negative biopsy cores. This represents a significant improvement over histopathology alone which yields a NPV of approximately 75%.

ConfirmMDx for Prostate Cancer can aid urologists with patient management decisions regarding the need for repeat biopsy with the identification of low-risk patients negative for DNA hypermethylation, who may forego an immediate repeat biopsy and return to routine screening, while identifying high-risk patients with a positive DNA hypermethylation pattern, who may benefit from an immediate repeat biopsy and potentially treatment.

Incorporating ConfirmMDx for Prostate Cancer into clinical practice can substantially reduce the number of unnecessary repeat biopsies, yielding clinical and economic value for healthcare providers, patients and payers. In a budget impact model (BIM) developed to evaluate the effect of the ConfirmMDx assay on healthcare spending, the model demonstrates the potential healthcare savings associated with the reduction of repeat

biopsies and complications avoided. The BIM compares a standard of care scenario, based upon up-to-date prostate cancer biopsy statistics, procedures and 2013 Medicare fee schedules, to a new scenario wherein the ConfirmMDx assay is employed for decisions on repeat biopsy. With a significant reduction in procedures and healthcare costs in the first year of adoption, the model supports the coverage of the ConfirmMDx assay given the clinical and economic benefits.

In summary, ConfirmMDx for Prostate Cancer is an important diagnostic aid for patient management decisions regarding repeat prostate biopsy on men with histopathologically negative previous biopsy results but considered at risk for occult prostate cancer. The MSP technology and epigenetic genes have been extensively tested and validated in both retrospective and prospectively designed studies. The assay provides ease-of-use as it is designed to test residual prostate core biopsy tissues from the previous negative biopsy, eliminating the need and expense associated with return patient visits for specimen acquisition. The improved clinical performance over histopathology alone provides urologists with actionable information and can aid in the earlier detection of clinically significant cancer while greatly contributing to a reduction of unnecessary, invasive, sometimes harmful and costly repeat biopsies.

2.2.2. InformMDx™ for Prostate Cancer

MDxHealth is developing an InformMDx test for Prostate Cancer to aid in the prognostication of men diagnosed with a Gleason Score ranging from 2 – 6, considered low to intermediate risk for progression (~160,000 men annually). The test will help stratify these men with improved precision beyond standard histopathological methods into two risk groups: those with aggressive disease who require immediate treatment and those with more indolent disease who may be safely monitored by “active surveillance,” thus potentially avoiding the side effects of impotence and incontinence as a result of radical prostatectomy or risks associated with radiation therapy.

At the 2014 ASCO Genitourinary Cancers Symposium in San Francisco, USA (January 30 - February 1, 2014), MDxHealth presented data demonstrating that epigenetic profiling of a selected genes provided prognostic information, corresponding to Gleason score, that could help to identify patients with aggressive prostate cancer. The results were reported on a selected panel of genes that MDxHealth had previously identified as exhibiting prognostic value, including the GSTP1, APC and RASSF1 genes from the ConfirmMDx for Prostate Cancer test.

Patients identified as positive for cancer on the initial or subsequent biopsy are assigned a Gleason score (GS) characterizing the primary and secondary grade of tumor present. Scores for each section range from 1 to 5, and combined create the Gleason score ranging from GS2 to GS10. Not all cancers detected are clinically significant. Some patients are classified as having low to intermediate risk of progression, with Gleason scores of 2-6, making them likely candidates for non-interventional “active surveillance,” whereas others are classified with more aggressive disease, with Gleason scores ranging from 7-10, meriting radical therapy.

However, literature suggests these scores can be subjective resulting in over-grading and over-treatment of some patients, while conversely under-grading and under-treatment of other patients. As a result, urologists and their patients are confronted with the difficult decision of choosing the most appropriate therapy. All of the current patient management

and treatment options pose potential risks and side effects. Patients placed on "active surveillance" or "watchful waiting" are at risk of progressive disease if their cancer was under-graded by pathology, whereas patients treated by radical prostatectomy commonly suffer side effects of incontinence and impotence. Patients treated with radiation therapy are at increased risk of developing another form of cancer and morbidity, a high cost to pay if the patient's cancer was over-graded by pathology and the disease may not have progressed.

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

If further studies confirm the prognostic value of the genes used in ConfirmMDx, this would add significant value to the test and open expanded labeling, potentially covering the indication of both the ConfirmMDx and InformMDx products, creating greater utility for this diagnostic test.

2.2.3. ConfirmMDx® for Bladder Cancer

MDxHealth is investigating the possibility to fast track the commercialization of its own urine-based bladder cancer test, ConfirmMDx for Bladder Cancer. The test will be designed to rule-out bladder cancer in patients diagnosed with hematuria, who are traditionally followed with cytology and cystoscopy. In 2010, MDxHealth published results of a validation study of the two gene epigenetic bladder cancer test with positive results in the journal *European Urology*.

Bladder cancer is the fourth most common cancer in men and the eight most common cancer in women. Over 170,000 cases are diagnosed every year in the U.S. and EU, with over 50,000 deaths. Worldwide, the incidence of bladder cancer varies substantially, with over 380,000 cases each year, and the highest rates in Europe and North America and in areas (e.g. North Africa) endemic with the parasite Schistoma heamatobium.

More than 90% of bladder cancers in the EU and U.S. are urothelial carcinomas, derived from the urothelium or lining of the bladder. Other important histologic types include squamas cell carcinoma (3%) and adenocarcinoma (2%). In other regions of the world, where infections with Schistoma heamatobium are endemic, 40% of urothelial tumors are pure squamous cell carcinomas. Around 80% of patients with urothelial cell carcinoma (UCC) of the bladder initially present with superficial disease. These UCC's have a high chance of recurrence (60-80%) requiring extensive and long-term monitoring for progression to more invasive disease. There are an estimated 1 million individuals in the U.S. and EU living with a diagnosis or history of bladder cancer that require this life-long surveillance.

Hematuria is the most common sign of bladder cancer, with 90% of bladder cancer patients presenting with macro or micro hematuria, however only 15-35% of patients with hematuria are diagnosed with bladder cancer. In the U.S., over 8 million Americans are diagnosed with hematuria each year. Under today's standard of care, diagnosis and surveillance of bladder cancer consists of cystoscopy and cytology. A urine sample is

obtained for cytopathology review to identify the cause of hematuria and to rule out bladder cancer. Cytopathology yields a high specificity of more than 90%, however suffers from a low sensitivity of approximately 50%, leaving many patients without a definitive diagnosis and at risk for low grade bladder tumors. When the cause of hematuria remains unclear, patients are referred to a urologist for further evaluation, leading to about 1 million patient referrals each year. Cytopathologic review is often repeated, and if equivocal, a cystoscopy procedure will be performed.

Cystoscopy is an endoscopic method whereby a 9mm tube with a microscopic lens is inserted into the urethra for visualization of the inner surfaces of the urinary tract, including the bladder. Although operator-dependent, the reported sensitivity and specificity of white light cystoscopy range from 62-84% and 43-98%, respectively. Detection of small papillary bladder tumors, satellite lesions as well as carcinoma in situ (CIS) can be difficult with cystoscopy, which may explain the high early recurrence rate after transurethral resection of tumors. Other advances in cystoscopy, such as photodynamic diagnosis or fluorescence cystoscopy, improve upon the current white light methodology, however the increased sensitivity is compromised by the lower specificity and false-positive rates. Cystoscopy remains the standard of care for diagnosis and follow up of bladder cancer, however it is an invasive procedure.

2.2.4. PredictMDx® for Glioblastoma

PredictMDx for Glioblastoma is an epigenetic molecular diagnostic test for a type of brain cancer called glioblastoma multiforme and assesses the methylation status of the MGMT gene which is correlated with response to drug therapy. The MGMT gene regulates a key DNA repair component; if the MGMT gene is methylated, cancer patients have shown improved response to alkylating drug therapy. Studies on thousands of clinical trial patients have demonstrated that PredictMDx for Glioblastoma can help oncologists identify newly diagnosed glioblastoma patients that are likely to respond to the most commonly used class of brain cancer drugs (alkylating agents).

Grade 4 glioma (glioblastoma; GBM) is a highly aggressive form of brain with a poor rate of survival. The median overall survival for adult GBM patients is between 12 to 16 months. There are few therapy options for newly diagnosed GBM patients; the last advancement occurring in 2005 with the FDA approval of the alkylating agent temozolomide. In the US there are approximately 9,000 individuals diagnosed with GBM each year. The majority of these patients will receive temozolomide/radiotherapy treatment, as the current standard-of-care, despite the evidence that over half of all GBM patients on this therapy will not do better than with radiation therapy alone.

Post-hoc analysis of the clinical study on which the temozolomide FDA approval was based, demonstrated that the greatest treatment benefit occurred with patients who exhibited methylation of the MGMT gene (Hegi et al. NEJM March 2005). The study showed that the median overall survival of MGMT methylated patients was 21.7 months vs. 12.7 for patients with no MGMT methylation. With this knowledge, clinical studies are being designed to address this appropriate treatment of MGMT non-methylated patients. Studies are planned to either select patients for a new experimental therapy or to stratify the patients into the control or experimental arms of the studies. Knowing which patient may or may not respond to the current standard-of-care is key to the future analysis of clinical studies in GBM.

The clinical validation of the PredictMDx for Glioblastoma was published in 2013 (Gilbert et al. JCO, Oct 2013) which utilized the PredictMDx to prospectively stratify 833 patients into treatment arms. The paper showed that the MDxHealth assay performed excellently with the median overall survival of the MGMT methylated vs unmethylated patients reported as 21.2 months vs 14.0 months. This study confirmed that the PredictMDx for Glioblastoma test functioned in the same manner as the research assay design used in previous papers.

Based on these studies, MDxHealth's PredictMDx for Glioblastoma (MGMT) test, was included in the 2013 National Comprehensive Cancer Network (NCCN) Senior Adult Oncology Guidelines. The test provides actionable information to oncologists seeking to provide personalized treatment of elderly patients with glioblastoma (GBM), the most common and most aggressive malignant primary brain tumor in humans. Additionally, the American Medical Association (AMA) also awarded the PredictMDx for Glioblastoma test a Tier 1 reimbursement code, 81287, which provides a clear basis for comprehensive reimbursement. Tier 1 codes are assigned to report gene-specific and genomic procedures to guide payors on the resource level and reimbursement rates.

MDxHealth's strategy has been to partner with leading pathology service providers, such as the Laboratory Corporation of America (LabCorp) in the U.S., Teva Pharmaceutical Industries in Israel, and HistoGeneX in Belgium, to distribute MDxHealth's PredictMDx for Glioblastoma (MGMT) test to clinicians. Although the Company maintains the right to offer and sell the MGMT test worldwide, either as a service (e.g. LDT, CE, FDA) or in the form of a reagent testing kit, the Company believes its strategic partnerships deliver optimal results for clients and their patients. Additionally, MDxHealth has retained the exclusive right to offer MGMT testing to pharmaceutical companies performing clinical trials. The Company is currently providing PredictMDx for Glioblastoma testing services for several multi-center brain cancer clinical trials for its pharmaceutical clients. Both LabCorp and HistoGeneX support the Company's pharmaco diagnostic services through collaborative testing service agreements.

2.3. PHARMACOMDX SOLUTIONS

The cost of cancer care continues to rise and challenge healthcare budgets throughout the world. Better targeting of expensive chemotherapies and targeted therapies is needed to optimize existing resources and patient outcomes. In addition, MDxHealth offers PharmacoMDx services and support to pharmaceutical and other drug development companies at all stages of the theranostic development process, including (i) biomarker discovery, selection and optimization, (ii) bioinformatics, (iii) validation of companion diagnostic assays and (iv) clinical trial testing. MDxHealth's PharmacoMDx services, provided to both existing collaborators and on contracted services basis, focus on the identification and development of epigenetic biomarkers and molecular tests into companion diagnostics.

PharmacoMDx business program is designed to help physicians and healthcare Providers:

- Distinguish between drug responders and non-responders
- Personalize the treatment of each individual patient
- Optimize treatment options and patient outcomes
- Identify and develop targeted drug therapies

- Demonstrate higher drug efficacy rates
- Expedite the regulatory approval of drugs
- Reduce the overall costs of drug development

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

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

In December 2012, MDxHealth entered into a collaboration agreement with the Ghent University (UGent) to establish NXTGNT, a new Center in Pharmaco (Epi)genomics. The mission of the NXTGNT joint-venture is to accelerate innovation in personalized medicine by using advanced technology, knowledge and expertise in (epi)genetics. MDxHealth's goal is to leverage the collaborative expertise of NXTGNT to offer solutions to its pharmaceutical company collaborators focused on the discovery and application of effective individualized epigenetic-based diagnostic and personalized therapeutic products.

The formation of the NXTGNT joint venture is the result of many years of productive collaboration between MDxHealth and multiple epigenetics and bioinformatics groups within Ghent University. NXTGNT, which is located at Ghent University within the laboratory of Pharmaceutical Biotechnology, houses MDxHealth's research team and lab equipment for development of epigenetic tests together with the Ghent University team for (epi)genetic sequencing. NXTGNT works in close collaboration with the Laboratory of Bioinformatics and Computational Genomics, located at the UGent Faculty of BioEngeneering, providing extensive expertise in epigenetic characterization and computing and visualization of (epi)genomic datasets.

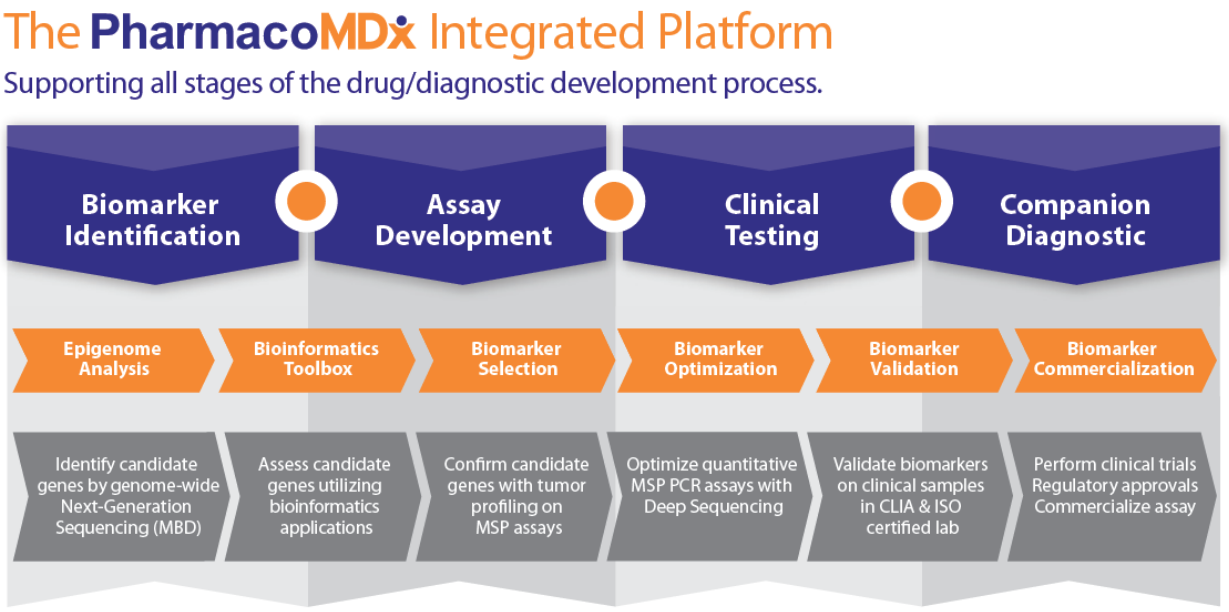
The PharmacoMDx Integrated Platform

MDxHealth's PharmacoMDx program is designed to deliver more effective diagnostic opportunities for pharmaceutical companies in support of their drug development programs. Regulatory authorities, such as the U.S. FDA, have started to require pharmaceutical companies to integrate companion diagnostics into the drug development process, particularly in connection with targeted therapies, to ensure safety and efficacy, and control costs. As a result, pharmaceutical companies increasingly rely on companion

diagnostic tests to stratify patients for clinical trials (i.e. select those patients for whom the drug under investigation would be most effective). This allows pharmaceutical companies to conduct clinical trials faster and with smaller patient cohorts.

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

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



Some examples of MDxHealth's PharmacoMDx business offerings include:

Biomarker identification, genome-wide epigenetic profiling, selection and optimization – Epigenetic treatment followed by expression arrays (pharmacological unmasking) identifies transcripts under control of methylation. This approach, which results in genes that are functionally responding to the treatment by being re-expressed, has provided numerous novel cancer-specific methylation events over the past decade. Genome-wide epigenetic profiling is being complemented by MBD2_Seq, which is more open-ended, as no prior probes need to be spotted on an array, resulting in a true genome-wide epigenetic profile. The workflow has been further refined to handle small

fresh clinical samples. By applying its high-throughput biomarker identification platform, MDxHealth is helping various pharmaceutical companies, such as GlaxoSmithKline Biologicals and Abbvie, to discover and evaluate methylation biomarkers that will identify those patients most likely to respond to cancer treatments in development.

Candidate Genes Approach – Utilizing the Company's experience in the development of methylation-specific deep sequencing technology, MDxHealth also offers a discovery product to researchers and to pharma called EpiHealth. EpiHealth is a panel of hundreds of defined genes whose expression is controlled by DNA methylation. This concise panel allows collaborators to test xenografts, cell lines and primary material and to focus on known published genes thereby decreasing the overall project development time. Knowledge gained from the profiles of the primary material allow for rapid downstream development of MSP assays for clinical application.

Clinical trial service testing – MDxHealth has assisted a number of pharmaceutical companies, including Merck-Serono and Roche, to incorporate epigenetic testing into clinical trials for new cancer therapies, and MDxHealth provides clinical trial testing services through its own lab facilities as well as in collaboration with contract reference labs. With the results of these PharmacoMDx trials and many others underway, it is anticipated that patients with advanced glioblastoma and other cancers will ultimately be treated with targeted therapies with the goal of improved survival benefit and overall patient outcomes.

2.4. SALES AND MARKETING STRATEGY

MDxHealth successfully launched its ConfirmMDx for Prostate Cancer test in 2012, and intends to bring additional ClinicalMDx service products to the U.S. market, as centralized laboratory-developed service tests (LDTs) performed in its CLIA-certified and CAP-accredited laboratory in Irvine, California.

The Company first established its own direct U.S. sales force in 2012 in connection with the launch of the ConfirmMDx for Prostate Cancer test. Additionally, to help to build awareness of the test and gain market share, the Company has entered into strategic marketing partnerships with leading national and regional laboratories, including PLUS Diagnostics and Bostwick laboratories, to co-promote the ConfirmMDx test through their existing network of urologists. In early 2013, the Company further expanded its direct U.S. sales and marketing force to accelerate commercialization of ConfirmMDx in the urology market. The Company's direct urology sales force has expanded from 5 in 2012, to 15 in 2013, and to 20 as of the first quarter of 2014.

In 2013, the ConfirmMDx for Prostate Cancer test became a key driver of the revenues and valuation for the Company, representing close to 50% of the company's revenue. In 2012 and prior years, substantially all of the Company's revenues were derived from non-ClinicalMDx activities, including: (i) royalties on out-licensing agreements, (ii) PharmacoMDx services rendered, and (iii) government grants in Europe. However, with the transition of the Company's business model starting in 2010 from a discovery license company to a commercial clinical diagnostic company, and based on the opening of a U.S.-based lab in California, the receipt of CLIA and CAP accreditation by the U.S. lab, and the launch in 2012 of the ConfirmMDx for Prostate Cancer test on the U.S. market,

MDxHealth expects its ClinicalMDx revenues to outpace its other revenue sources in 2014, in line with the trends exhibited in 2013.

Although the Company's primary focus is the urology market, MDxHealth currently provides PredictMDx for Glioblastoma testing services in the U.S. and Europe in conjunction with its partners LabCorp and HistoGeneX. The PredictMDx for Glioblastoma test is currently being used for patient stratification in several multi-center brain cancer clinical trials. The Company may consider selling its other ClinicalMDx tests in Europe as CE-marked services offerings or reagent kits via a distributor(s) and out-licensing the applications in other regions of the world.

MDxHealth is also expanding its reach into international markets. In December 2013, MDxHealth signed a partnership with Teva Pharmaceuticals Industries Ltd. a leading global pharmaceutical company in Israel, for commercialization of ConfirmMDx® for Prostate Cancer and PredictMDx® for Glioblastoma tests in Israel. Teva Pharmaceuticals Industries will be the exclusive distributor of both tests in Israel with samples being sent to MDxHealth for analysis. MDxHealth is currently exploring additional partnerships in several international markets and intends to make its ClinicalMDx tests available in 2014.

MDxHealth's PharmacoMDx efforts are focused on delivering support and solutions to pharmaceutical and biotech companies at all stages of the drug/diagnostic development process, and cover a range of services including (i) biomarker identification, selection and optimization, (ii) bioinformatics, (iii) validation of companion diagnostic assays and (iv) clinical trial testing (v) regulatory submission and (vi) commercialization. MDxHealth has partnered with a number of drug developers to provide PharmacoMDx services. The company has partnered with GSK Biologicals to provide services to assist in the development of a potential companion diagnostic test with GSK Biologicals' immunotherapeutic cancer (vaccine) program and it has performed an early-stage biomarker identification project with Clovis Oncology, after it assumed the rights to Pfizer's PARP inhibitor compound. MDxHealth's PharmacoMDx services provided to both existing collaborators and on a contracted service basis generated 40% of the revenue of MDxHealth in 2013 and remained a significant portion of total revenue. In 2014, the Company expects a lower contribution from PharmacoMDx and an increase in ConfirmMDx for Prostate Cancer revenues.

In July 2013, MDxHealth signed a partnership agreement with Summit Pharmaceuticals International Corporation (SPI), a subsidiary of Sumitomo Corporation, to gain access to the Japanese market with its pharmaco molecular diagnostic (PharmacoMDx) epigenetic technologies and products. Expanding upon MDxHealth's PharmacoMDx program, the partnership aims to provide companion diagnostic solutions, or theranostics, to pharmaceutical companies in the Japanese market.

MDxHealth has out-licensed some of its cancer screening products, MSP technology and biomarkers to strategic partners. The Company has out-licensing agreements with partners focused in the following areas: stool-based colorectal cancer screening, blood-based colorectal cancer screening, prostate cancer tests, urine-based bladder cancer detection and monitoring tests, cervical cancer screening or triage test, and brain cancer testing. MDxHealth has also out-licensed its MSP technology and certain biomarkers to third party kit companies who may incorporate the technology and markers into the products they sell to the research market, such as academic investigators. The main out-licensing deals include technology licenses for MSP research kits. In exchange for these

licenses, MDxHealth typically negotiates up-front licensing fees, as well as royalty and milestone payments for future product sales. Out-licensing is not a core strategy of the Company, and most of these existing out-licensing deals are not currently generating material revenues for MDxHealth. Further discussions around its strategic partners are outlined in the section on strategic partners.

2.5. BILLING & REIMBURSEMENT

In 2012, MDxHealth established in-house billing operations to support ClinicalMDx testing in the U.S., and actively billed insurance companies and other payors. With increasing sales volumes, MDxHealth continues to expand its billing and collections department to maximize reimbursement and Company growth.

In May 2012, the Company began recognizing revenue for its ClinicalMDx products and services, based on the launch of the ConfirmMDx for Prostate Cancer test. The Company initiated billing to U.S. based third party payors in Q4 2012 for tests performed in 2012. MDxHealth has held claims to Medicare and will pursue payment once Medicare has reviewed and approved the Company's medical dossier and finalizes its reimbursement determination for the test, expected in late 2014 to early 2015. The Company's revenue recognition policy is based on both cash collections and accrual basis. The Company only recognizes revenue when services are rendered and there is a determinable price and good likelihood of collections. When contracts are not in place, a collection analysis for each specific payor is competed on a quarterly basis to ascertain their reimbursement value and pattern. If this pattern does not meet specific requirements, revenue is only recognized upon collection. Uncollected outstanding billable cases have therefore generally been excluded from the Company's 2013 revenues. However, as billing and reimbursement trends are established with each payor, the Company is transitioning more of its payors to an accrual-based revenue recognition policy.

In the U.S., medical service providers promote their products and services to medical professionals who prescribe these services and products to their patients. The payment for the rendered services and products to patients are mostly paid by third party payors who are government payors such as Medicare, Medicaid, or Veterans Administration, and private health insurance payors who provide health insurance to individuals usually through employer sponsored health benefit programs. Third party payors represent approximately 70% of medical reimbursements, while 30% is handled through government programs such as Medicare. A small percentage of payments for medical services are paid directly by patients. Even though Medicare represents the smaller percentage of reimbursements in the United States, it represents a key reimbursement benchmark that is used by third party payors. Third party payors usually pay a multiple above Medicare allowable rates. The U.S. budget deficit, healthcare reform (Obamacare), and efforts by the medical profession and service providers to create transparency and equity in reimbursements has created unprecedented change and uncertainty. This uncertainty creates risks in the amount of reimbursement MDxHealth will receive for its ConfirmMDx for Prostate Cancer test and the timing of reimbursements.

Significant industry changes have affected the diagnostic laboratory industry, impacting coding, coverage, and reimbursement; with material industry announcements and changes occurring on a frequent basis. The following is a summary of the reimbursement landscape in the U.S. at the date of this document.

Private Payors:

In 2012, MDxHealth filed claims for reimbursement with third party payors using pre-existing molecular stacking CPT codes applicable for the ConfirmMDx for Prostate Cancer test. The benefit levels vary per insurance carrier and plan, with higher patient cost share across third party payors. To ensure uninterrupted access, MDxHealth has developed financial assistance programs based on individual patient circumstances.

Effective January 1, 2013, the American Medical Association (AMA) CPT® Editorial panel responsible for establishing CPT codes retired the pre-existing molecular stacking CPT codes that MDxHealth used during 2012, and established new CPT codes for molecular diagnostics. Therefore, for testing performed in 2013, MDxHealth billed a patient's insurance company for the ConfirmMDx for Prostate Cancer test using a new miscellaneous code for molecular diagnostics, and to seek unique codes for its tests through the American Medical Association and Centers for Medicare and Medicaid Services under the new evolving guidelines. MDxHealth will pursue case-by-case reimbursement where policies are not in place, or payment history has not been established, or for patients needing financial assistance in compliance with state and federal laws.

During 2013, the Company expanded its billing portfolio to include close to 140 distinct third party payors. Of these payors, over 50 payors are reimbursing MDxHealth with an acceptance rate of 50% or greater. According to the Company's revenue recognition policy, the acceptance rate for these 50 plus payors allows the company to recognize revenue on an accrual basis (i.e. at the time service is rendered and claim submitted). During 2013, the Company also signed contracts with 9 Preferred Provider Organizations (PPO's) and other networks, which facilitates claims processing from third party payors that have contracts with these PPO's.

During 2014, as the Company expands its urology market share, the number of third party payors the Company transacts with is expects to increase, together with those payors qualifying as accrual-based payors.

Governmental Payors (Medicare, etc.):

Since the launch of the ConfirmMDx for Prostate cancer test, MDxHealth has delayed submitting claims for reimbursement to government programs such as Medicare, and in accordance with industry practices for new tests, is holding such claims until Medicare has reviewed and approved the Company's medical dossier and finalizes its reimbursement determination for the test. Due to Medicare's delay in defining new requirements to obtain coverage under Medicare, the Company has begun to submit those claims that are reaching the 12 month time limit to file claims. The Company does not expect Medicare to process these claims, however filing claims within the 12 month filing limit allows the Company to register these claims in the Medicare system.

On September 20, 2012, the Centers for Medicare and Medicaid Services (CMS) announced that Noridian Administrative Services (NAS) was awarded the contract for the administration of Medicare Part A and Part B fee-for-service claims in A/B MAC Jurisdiction E, which was previously called Jurisdiction 1. The Jurisdiction E A/B MAC serves beneficiaries in California, Nevada, and Hawaii, as well as U.S territories of American Samoa, Guam, and the Northern Mariana Islands. The transition was effective in September 13, 2013.

The Molecular Diagnostic Program (MolDx), a formal program to evaluate coding and pricing for molecular diagnostic services, developed and managed by Palmetto GBA, is under separate contract with CMS. CMS has not released information regarding changes to this contract. MDxHealth is well prepared should this contract be implemented nationally. In accordance with the MolDx program, MDxHealth applied for and received a Palmetto Test Identifier (PTI) for ConfirmMDx for Prostate Cancer. As part of the MolDx program technology assessment requirement, MDxHealth prepared and submitted its scientific dossier, which is currently under review.

In February 2013, a pivotal health economics study for the ConfirmMDx for Prostate Cancer test was published in the *American Health & Drug Benefits Journal*. Authored by a prestigious team of experts, Wade Aubry MD, Robert Lieberthal PhD, Arnold Willis MD, Grant Bagley MD JD, Simon M. Willis MS III5, Andrew Layton BA, this budget impact analysis demonstrates achievable cost savings of MDxHealth's ConfirmMDx for Prostate Cancer test, which is used by urologists to identify men who may avoid unnecessary repeat prostate biopsies, thereby reducing overall healthcare spending. This analysis is an essential tool for payors to examine affordability for budgeting and instituting coverage decisions for reimbursement of prostate cancer diagnostics.

In Q1, 2013, MDxHealth began developing, a cost effectiveness analysis to evaluate cost-efficiencies associated with outcomes not investigated by design in a budget impact model. Many payors and policy makers require both analyses when evaluating coverage for new diagnostics.

In August 2013, Medicare, through Palmetto GBA, a Medicare Administration Contractor (MAC), announced a new set of requirements to obtain Medicare coverage. The new requirements stipulate that a prospective clinical utility study be submitted as part of the Medicare dossier for reimbursement coverage. The study design and endpoints must be approved by Medicare prior to study initiation. MDxHealth is working directly with Medicare to finalize its clinical utility study, designed to show the utility of the ConfirmMDx for Prostate cancer test.

MDxHealth expects to receive a provisional coverage decision in the second half of 2014 once the prospective clinical utility study is approved by Palmetto GBA and the Company has initiated the study. This provisional coverage is expected through a process called CED (coverage with evidence development) and is expected to apply to all eligible Medicare patients.

2.6. STRATEGIC PARTNERS

2.6.1. Commercial Collaborators

Exact Sciences

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

Exact Sciences completed the development of their Cologuard test with the goal to provide a more accurate, non-invasive diagnostic test to screen for the early stages of colorectal cancer, as compared to the current standard of care, Faecal Immunochemical Testing (FOBT), which aims to detect small amounts of blood in stool samples. In December 2012 and January 2013, Exact Sciences submitted the first and second modules, respectively, of its modular premarket approval application (PMA) to the U.S. Food and Drug Administration (FDA) for Cologuard. Exact Sciences submitted the final clinical module with the FDA in 2013. On March 27, 2014 the Molecular and Clinical Genetics Panel of the United States Food and Drug Administration's (FDA) Medical Devises Advisory Committee strongly endorsed approval of Cologuard™. The Committee determined by a unanimous vote of 10 to zero that Exact Sciences has demonstrated safety, effectiveness and a favorable risk benefit profile of Cologuard, the company's stool-based DNA (sDNA), non-invasive colorectal cancer screening test. Pending on the final review of the Cologuard PMA (premarket approval application) by the FDA, the product could be on the market in the second half of 2014, which will start a royalty stream and certain milestone payments to MDxHealth.

PLUS Diagnostics, now a division of Miraca Life Sciences

In April 2012, MDxHealth entered into an agreement with PLUS Diagnostics to co-promote MDxHealth's ConfirmMDx® for Prostate Cancer assay in the United States. PLUS Diagnostics, a leading U.S. anatomic pathology company that offers a full range of multi-specialty services, is helping to supplement the efforts of MDxHealth's direct sales force to build awareness of ConfirmMDx for Prostate Cancer through its national network of urologists. In late 2013 Plus Diagnostics was acquired by Miraca Life Sciences. MDxHealth is extending its partnership agreement with Miraca thereby further expanding the network.

Bostwick Laboratories

In July 2013, MDxHealth entered into an agreement with Bostwick Laboratories to co-promote MDxHealth's ConfirmMDx® for Prostate Cancer assay in the United States. Bostwick Laboratories is a leading national, full-service laboratory specializing in anatomic and clinical pathology, with a focus on uropathology. Bostwick will assist MDxHealth to continue building awareness and access for ConfirmMDx within the urology community. Bostwick views MDxHealth's epigenetic test as providing additional clinical utility for their urology clients and patients.

Teva Pharmaceuticals Ltd

In January 2014, MDxHealth signed a partnership with Teva Pharmaceuticals Industries Ltd. a leading global pharmaceutical company in Israel, for commercialization of ConfirmMDx® for Prostate Cancer and PredictMDx® for Glioblastoma tests in Israel. Teva Pharmaceuticals Industries will be the exclusive distributor of both tests in Israel. Samples will be sent to MDxHealth's CLIA-registered laboratory in Irvine, California for testing. Teva will reimburse MDxHealth for all the testing services.

Summit Pharmaceutical Ltd. (a subsidiary of Sumitomo Corporation)

In July 2013, MDxHealth entered into a partnership with Summit Pharmaceuticals International Corporation (SPI) a subsidiary of Sumitomo Corporation to gain access to the Japanese market with its pharmaco molecular diagnostic (PharmacoMDx) epigenetic

technologies and products. The partnership aims to provide companion diagnostic solutions, or theranostics, to pharmaceutical companies in the Japanese market. Summit Pharmaceuticals International Corporation is a group of specialists in Japan that provides high-quality integrated services from drug discovery research to the production stage of pharmaceuticals and chemicals. SPI is a subsidiary of Sumitomo Corporation which is a leading general trading company with 140 locations in 66 countries throughout the world.

HistoGeneX

On July 16, 2013, MDxHealth entered into Pharmaco Molecular Diagnostic services collaboration with HistoGeneX. The collaboration enables MDxHealth to combine its epigenetic technologies with HistoGeneX's well-established pharmaco diagnostic services to provide to pharmaceutical companies and oncologists with integrated molecular diagnostic testing services. HistoGeneX's laboratory in Belgium will also perform MGMT service testing on behalf of MDxHealth's current and future clients.

Veridex

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

LabCorp

In 2008, MDxHealth granted to LabCorp a royalty bearing sublicense to 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. In 2007, LabCorp obtained a non-exclusive license to perform laboratory-based diagnostic testing services in North America on prostate tissue samples using selected MDxHealth DNA methylation biomarkers. Sales of this prostate test remain limited as LabCorp does not appear to be actively promoting the services or investing resources to sponsor clinical trials further validating the utility of the test. In 2008, LabCorp began to commercialize the two afore-mentioned tests in North America.

GlaxoSmithKline Biologicals (GSK)

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

Clovis Oncology

In 2010, MDxHealth entered into a collaboration agreement with Pfizer to pursue the identification and development of an MDxHealth biomarker predicting response to Pfizer's cancer drug candidate for PARP inhibition, PF-01367338. However in 2011, Pfizer out-licensed their compound to Clovis Oncology, effectively handing over the entire program and future development rights. After the transfer, MDxHealth continued to work with Clovis on the identification and feasibility stage of a cancer drug candidate for PARP inhibition, PF-01367338. Newcastle University (UK) also participated in the collaboration. The collaboration is assessing the potential to develop an MDxHealth test as a companion diagnostic test to guide treatment decisions in treatment of ovarian and breast cancers with the PARP drug candidate.

Self-Screen

In 2010, MDxHealth entered into an exclusive joint-venture agreement with Self-Screen B.V. for confirmation testing of cervical cancer. Under the terms of the agreement, Self-Screen and MDxHealth each contributed certain intellectual property rights and research and development efforts in the field of cervical cancer testing in vaginal swab and scraps, fluids washes and other body fluids, MDxHealth received the worldwide commercialization rights to any cervical epigenetic cancer test developed in the joint venture, and Self-Screen obtained a limited non-exclusive license to use MDxHealth's MSP platform technology and certain cervical cancer biomarkers to provide cervical cancer testing services in certain identified northern-European countries. In 2014, Self-Screen plans to submit its application to obtain CE approval for its cervical cancer test.

Merck Serono

In 2012, MDxHealth entered into a renewed collaboration agreement with Merck KGaA for the commercial development of MDxHealth's MGMT diagnostic test as a companion diagnostic to Merck's drug candidate cilengitide. However, in June 2013, Merck KGaA's cilengitide drug failed to meet the primary endpoints for their Phase III clinical trial. As a result, Merck discontinued the cilengitide drug development and discontinued its support for the development of the MGMT companion diagnostic for cilengitide. MDxHealth was compensated for the termination of the agreement, however discontinuation of the program reduced the Company's revenue in 2013 versus expectation.

Predictive Biosciences

In 2010, MDxHealth entered into an exclusive U.S. license agreement with Predictive Biosciences for diagnostic applications in bladder cancer. MDxHealth received an upfront

license payment along with specific milestone payments and royalties on net sales. In June 2013, due to the loss of Medicare coverage for their CertNDx, Predictive Biosciences ceased business operations.

MSP Platform Technology – Various Partners

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

2.6.2. Academic and Clinical Collaborators

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

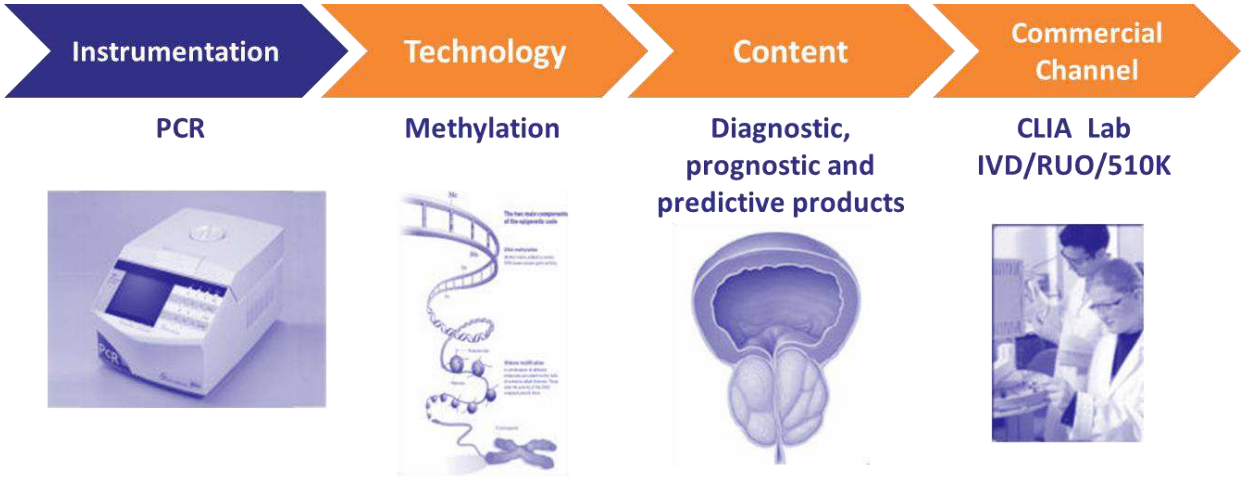
In December 2012, MDxHealth entered into a collaboration agreement with the Ghent University to establish NXTGNT, a new Center in Pharmaco (Epi)genomics. The mission of the NXTGNT joint-venture is to accelerate innovation in personalized medicine by using advanced technology, knowledge and expertise in (epi)genetics. MDxHealth's goal is to leverage the collaborative expertise of NXTGNT to offer solutions to its pharmaceutical company collaborators focused on the discovery and application of effective individualized epigenetic-based diagnostic and personalized therapeutic products.

The formation of the NXTGNT joint venture is the result of several years of productive collaboration between MDxHealth and multiple epigenetics and bioinformatics groups within Ghent University. NXTGNT, which is located at Ghent University within the laboratory of Pharmaceutical Biotechnology, houses MDxHealth's research team and lab equipment for development of epigenetic tests together with the Ghent University team for (epi)genetic sequencing. NXTGNT works in close collaboration with the Laboratory of Bioinformatics and Computational Genomics, located at the UGent Faculty of BioEngeneering, providing extensive expertise in epigenetic characterization and computing and visualization of (epi)genomic datasets.

2.7. TECHNOLOGY AND BIOMARKERS

MDxHealth's proprietary MSP technology platform is a powerful and accurate platform with the ability to detect a single cancer cell among thousands of healthy cells in any type of bodily fluid or tissue. MSP functions on standard commercial PCR equipment. MDxHealth

has patents and other intellectual property rights on the MSP platform and on a broad portfolio of biomarkers targeted at individual genes that are used in its different products.



MDxHealth Technology

The components of MDxHealth's molecular tests consist of an epigenetic technology for sensitive detection of methylation in DNA, as well as a number of cancer specific methylation markers.

Precise mapping of DNA methylation patterns in CpG islands has become essential for understanding diverse biological processes such as the regulation of imprinted genes, X chromosome inactivation, and tumor suppressor gene silencing in human cancer. MSP can rapidly assess the methylation status of virtually any group of CpG sites within a CpG island, independent of the use of methylation-sensitive restriction enzymes. An MSP assay entails initial modification of DNA by sodium bisulfite, converting all unmethylated, but not methylated, cytosines to uracil, and subsequent amplification with primers specific for methylated versus unmethylated DNA. MSP requires only small quantities of DNA, is sensitive to 0.1% methylated alleles of a given CpG island locus, and can be performed on DNA extracted from formalin-fixed paraffin-embedded samples (FFPE). MSP eliminates the false-positive results inherent to previous PCR-based approaches, which relied on differential restriction enzyme cleavage to distinguish methylated from unmethylated DNA.

Patents and Licensing

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

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

Below is a selected summary of MDxHealth's patent portfolio, broken into two groups of patents. The first group of patents includes foundational molecular technology patents that have issued in the U.S., Japan, Canada, Israel and the major European countries. The second group of patents includes cancer specific biomarker panels for tumor detection and profiling and includes over 10 granted patents and over 20 international pending patents.

Epigenetic Detection Technology – MSP

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

MDxHealth's methylation detection patents are in-licensed from the Johns Hopkins University and from the Lovelace Respiratory Research Institute. Patents on the MSP technology have been granted in key markets such as Europe, United States, Canada, and Japan. In addition, the MDxHealth methylation technology portfolio comprises patent families on various improvements on MSP technology (*non-exclusive license from third party). There are various patents covering the methylation detection technology and their duration varies per region and per patent. The patents of the Company have a life of 20 years and the expiry date may vary by region in the world. The earliest patent on an individual biomarker expires in 2014. MDxHealth considers patent protection of the technologies, on which its products are based, to be a key factor to its success. The intellectual property portfolio of MDxHealth is managed by an in-house intellectual property team, which works in close collaboration with qualified external patent attorneys both in Europe and the United States.

Epigenetic Markers for Tumor Profiling

	Title
Prostate Cancer markers	Genetic Diagnosis of Prostate Cancer
	Method of Detection of Prostate Cancer
	Tumor Suppressor Gene
	Characterizing Prostate Cancer
	Detecting Prostate Cancer
Lung Cancer Markers	Detection and Prognosis of Lung Cancer
	Methylation Markers and Methods of Use
Brain Cancer Markers	Method of Predicting the Clinical Response to Chemotherapeutic Treatment with Alkylating Agents
	Improved Methylation Detection
Colon Cancer markers	Epigenetic Change in Selected Genes and Cancer
Bladder Cancer markers	Novel Markers for Bladder Cancer Detection (I)
	Novel Markers for Bladder Cancer Detection (II)
Other Cancer markers	Novel Methylation Marker
	HIN-1, a Tumor Suppressor Gene
	Improved Detection of MAGE-A Expression
	Improved Detection of Gene Expression

2.8. GROUP STRUCTURE/SUBSIDIARIES

MDxHealth SA is listed on the NYSE Euronext in Brussels. The Company owns one subsidiary, MDxHealth Inc., incorporated under the laws of Delaware, U.S., with its principal office at 15279 Alton Parkway, Suite 100, Irvine CA 92618. This subsidiary operates a CLIA and ISO 9001:2008 certified, and CAP -accredited laboratory (1.249 m^2).

2.9. HUMAN RESOURCES

On December 31, 2013, MDxHealth had 84 employees, 10% of whom contributed to research and development activities. The ratio of the number of women to men in the Company is 1 to 1. MDxHealth selects talented people to participate and drive its development programs. The Company's scientific staff has expertise in molecular biology, diagnostics, and oncology amongst other disciplines. The overall employment level of the Group is as follow.

Total Headcount Evolution	Dec 31, 2013	Dec 31, 2012	Dec 31,2011
Total	**84**	**70**	**39**
Headcount Evolution by Department			
Research & Development	14	36	26
Sales, General, and Administrative	70	34	13
Total	84	70	39
Headcount Evolution by Group Entity			
MDxHealth SA (Belgium)	11	20	22
MDxHealth Pharmaco-Diagnostics BVBA (Belgium)	0	0	4
MDxHealth Inc. (U.S.A)	73	50	13
Total	**84**	**70**	**39**

2.10. LEGAL PROCEEDINGS

MDxHealth is not involved in any legal proceedings. To date, the only legal proceedings that MDxHealth has been involved in was a case filed against MDxHealth, Inc. in 2011. This case involved a U.S. employee whose employment contract was terminated in 2011. The case was resolved prior to commencement of formal court proceedings and without any material financial impact on the Company.

2.11. GOVERNMENT REGULATION

2.11.1. Health, Safety and Environment

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

2.11.2. Product Regulation

MDxHealth own products are on the market via testing services performed by its commercial CLIA-accredited laboratory in the United States. Currently, MDxHealth plans that it will be offering the tests in the rest of the world with a partner(s).

Commercialization of testing services in service laboratories in the United States is governed by quality system provisions outlined in the congressional Clinical Laboratory Improvement Amendments of 1988 (CLIA). When tests are commercialized as diagnostic kits in the United States, they require regulatory approval by the Food and Drug Administration (FDA) either through a 510(k) (Class II) or Premarket Approval (PMA) (Class III) . In Europe, diagnostic test kits must bear the regulatory CE-mark, which is an assertion that the product is in conformance with the European Union In-Vitro Diagnostics Directive.

The Company's Irvine, California laboratory facility has procured the required Federal and state licensures necessary to conduct testing within the U.S. In addition to the CLIA

certificate of accreditation, the Irvine facility has been accredited by the College of American Pathologists. The College of American Pathologists (CAP) is an accrediting agency for the Centers for Medicare and Medicaid Services (CMS). The CAP certificate regulates work performed and defines standards covering personnel, facilities administration, quality systems and proficiency testing for the Company's U.S. lab facility. To maintain its CAP certificate, MDxHealth will be subject to survey and inspection every two years to assess its compliance to the CLIA standards. Additionally, although not required to perform clinical laboratory testing in the U.S., certification to ISO 9001:2008 has been obtained through DEKRA notified body and registrar. This certification is important since it is recognized by the pharmaceutical industry. In addition to CLIA requirements, the Irvine facility is subject to various state laws. CLIA provides that a state may adopt laboratory regulations that are more stringent than those under federal law, and a number of states have instituted their own out-of-state licensure requirements. Currently the states of New York, Maryland, Pennsylvania, Rhode Island, Florida and California have implemented such licensing requirements. State laws in addition to the federal laws require that laboratory personnel meet certain qualifications, specify performance of quality control, and prescribed record maintenance requirements as well as proficiency testing.

Laboratory-developed tests (LDTs) are tests which are used solely within one laboratory and are not distributed or sold to any other labs or health care facilities. LDTs still must go through rigorous analytical and/or clinical validation procedures and meet performance criteria before results are used for decisions regarding patient care. The federal government, through the CMS, highly regulate the development, evaluation, and use of LDTs.

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

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

While the FDA has for some time regulated in vitro diagnostic products ("IVDs") as medical devices, and has taken the position that it has the authority to regulate LDTs, the agency

has exercised what it describes as “enforcement discretion” and has not actively regulated LDTs. At this time, the FDA believes that a risk-based application of oversight to LDTs is the appropriate approach to achieve the desired public health benefits. FDA is evaluating feedback from stakeholders, including laboratory professionals, clinicians, patients, and industry, to define the issues that pose the greatest risk to the public health. This is currently still being reviewed by FDA and comments from industry.

The Company does not anticipate needing FDA-approval for its diagnostic service tests. In contrast to IVDs (In-Vitro Diagnostic kits), which require FDA approval prior to commercialization, LDTs generally require less time to develop and bring to market. In July 2010, the FDA indicated that it was reviewing the regulatory requirements applying to LDTs, thus there can be no assurance that FDA regulation, including pre-market review or approval, will not be required in the future for LDTs. MDxHealth intends to conduct the appropriate clinical validation trials to demonstrate the clinical efficacy and utility of its tests, as well as support adoption of these tests by the clinical community. The Company will perform the required internal correlation and validations studies to certify the performance of its tests in its CLIA service lab.

2.12. FACILITIES

Belgium, Liège, Herstal and Ghent

The Group’s headquarters and MDxHealth’s registered and main administrative office and assay development facility was based in Liège, Belgium. MDxHealth leased 342 m^2 of research and office space in the Giga tower of the Liège University Hospital site (Centre Hospitalier Universitaire, “CHU”). The facilities were ISO-certified.

As of August 22, 2013, the Group’s headquarters has moved to Herstal, Belgium. MDxHealth leases 60 m^2 of office space in the CAP Business Center.

MDxHealth SA research laboratories (168 m^2) are located at the campus of the University of Ghent, building FFW, at the Harelbekestraat 72, 3rd floor, 9000 Ghent.

United States, Irvine, CA

MDxHealth, Inc., the Company’s U.S. subsidiary, leases facilities located at 15279 Alton Parkway, Suite 100, Irvine, CA 92168. The space leased in Irvine is 1,249 m^2 of laboratory and office space. The lab facilities are CLIA and ISO 9001:2008 certified and CAP-accredited.

2.13. INVESTMENT POLICY

MDxHealth has not made firm commitments on material investments. However the Company intends to increase its capital expenditures in 2014, primarily for the continued growth of its US-based commercial laboratory. Further equipment will likely be needed for the handling of the prostate test volume and for handling service activities performed for pharmaceutical partners.

2.14. RECENT TRENDS AND EVENTS

There are no significant recent trends between end of the fiscal year 2013 and the printing of this annual report.

With regard to trends that are reasonably likely to have a material effect on MDxHealth in 2014, MDxHealth believes the following can be noted:

The Company is accelerating the sales efforts of ConfirmMDx for Prostate Cancer. In its Irvine, CA facility, the Company will continue to focus on the development and validation of its own tests to support its ClinicalMDx service offerings through its CLIA laboratory. In 2014 the Company continues with the development of epigenetic assays for its CLIA Lab. In Belgium, the Company will focus on assay development and service activities for its pharmaceutical partners.

For the fiscal year 2014, the Company expects strong revenue growth, and is expecting the majority of revenues to come from its ClinicalMDx products and services. In the course of 2014 the Company expects to receive Medicare coverage for its ConfirmMDx test. Operating expenses are expected to increase primarily from the expansion of sales and marketing efforts in the U.S. Accordingly, 2014 net loss and cash burn are expected to increase versus 2013, while R&D expenses are expected to be remain at current levels.

3. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

Results of Operations for the Year Ended December 31, 2013 compared to Year Ended December 31, 2012

Revenues

Total revenues increased by 28%, from USD 5,913,000 in 2012 to USD 7,554,000 in 2013. Revenues are derived from commercial product sales, services, or royalties and from grants. Commercial revenues in 2013 increased by 58%, from USD 4,779,000 in 2012 to USD 7,554,000 in 2013 mainly as a result of the success of the sale of ConfirmMDx for Prostate Cancer. For the full year, 50% of the Company's revenue came from ConfirmMDx for Prostate Cancer, compared to 8% in 2012. No grant revenue was generated in 2013, compared to USD 1,134,000 in 2012.

Substantially all of the Company's revenues have been derived from commercial license agreements, from pharmacogenomic contracts and from direct sales since 2012, but also from government grants. The commercial revenues include up-front fees and milestone fees (which are irregular in terms of the timing and amounts) and testing fees, contract research fees, and royalties on sales of products licensed to third parties. They also include the proceeds of direct sales of ConfirmMDx for Prostate Cancer.

Given the ConfirmMDx for Prostate Cancer assay was recently introduced to the market in 2012, the company's revenue recognition policy has limited the amount of revenue recognized in 2013. Based on 2013 reported cases and historical average reimbursement amounts, the total estimated value of tests performed in 2013 was USD 9.3 million. Of this amount, the Company recognized USD 3.8 million, leaving uncollected outstanding unrecognized revenues of USD 5.4 million. This uncollected amount has been excluded from the Company's 2013 revenues. Of the USD 5.4 million, USD 2.9 million is the estimated value of 2013 Medicare cases not recognized and USD 2.5 million unrecognized non-Medicare billings. Of the reported revenue for the ConfirmMDx for Prostate Cancer assay in 2013, 83% is based on an accrual basis and 27% on a cash collection basis for non-accrual payers. Collections from accrual payers represented 74% of total collections, while the collections from non-accrual payers, which has been included in reported revenue represented 26% of total collections. Given that the volume of billable cases is larger than the collection volumes, there exists unrecognized revenue potential not reflected in the financial statements. These unrecognized transactions will most likely impact revenues in future months as they either are collected or the payment pattern for given 3rd party payors warrants accrual accounting treatment for these 2013 transactions per the company's revenue recognition policy. Also, recognition of revenue for Medicare cases is dependent upon the future Medicare coverage decision by Palmetto GBA, the Medicare Administration Contractor for CMS.

Cost of goods and services sold

The costs of goods include royalties MDxHealth must pay to third parties and the costs associated with providing testing services to third parties. The cost of goods was higher in 2013 than in 2012, as a result of the start of the CLIA activity generated by the launch of ConfirmMDx for Prostate Cancer.

Research and development expenses

Research and development expenses were USD 6,786,000 in 2012 compared to USD 4,567,000 in 2013, a decrease of 33%. The main reasons for the decrease in the R&D expenditures in 2013 are the following: (i) capitalization of R&D expenses as intangible assets, for the development of the ConfirmMDx for Prostate Cancer; (ii) the reduction of R&D activity in the course of 2013 in Belgium.

Thousands of USD / Years ended December 31	2013	2012
Personnel costs	2,517	3,145
Lab consumables	815	821
External research and development collaborators	309	1.961
Depreciation & amortization	473	441
Other expenses	453	418
Total	**4,567**	**6,786**

Selling, general and administrative expenses

In 2013, selling, general and administrative expenses amounted to USD 13,219,000 compared to USD 9,587,000 in 2012, an increase of 38%. The increase in costs is largely due to building U.S. the product development, marketing, quality, and administrative functions in relation to the set-up of the CLIA laboratory in California and the hiring of the direct sales force for the commercialization of the ConfirmMDx® for Prostate Cancer test. The detail of the administrative and selling expenses is as follows:

Thousands of USD / Years ended December 31	2013	2012
Personnel costs	8,611	4,902
Depreciation	248	69
Professional fees	1,862	1,751
Other expenses	2,005	2,401
Patent expenses	493	464
Total	**13,219**	**9,587**

Financial results

In 2013, the Company ended the year with a net financial loss of USD 104,000 while it recorded a financial loss of USD 89,000 in 2012. MDxHealth earned USD 16,000 of interest income and financial gains in 2013 compared to USD 85,000 in 2012. The net financial loss is mainly impacted by the currency exposure to USD.

Net loss

The net loss was USD 16,175,000 in 2013 compared to USD 11,533,000 in 2012, an increase of 40%. This increase is due primarily to an increase in operating costs caused by the set-up of the CLIA laboratory in California to support the commercial development of the activity.

Results of Operations for the Year Ended December 31, 2012 compared to Year Ended December 31, 2011

Revenues

Total revenues increased from USD 3,740,000 in 2011 to USD 5,913,000 in 2012, an increase of 71%. Revenues are derived from commercial product sales, services, or royalties and from grants. Commercial revenues in 2012 increased by 102%, from USD 2,558,000 in 2011 to USD 4,779,000 in 2012 mainly as a result of milestones generated by pharmacogenomic activity. Grant revenue increased by 4% in 2012, from USD 1,182,000 in 2011 to USD 1,134,000 in 2012, as the Company was awarded 1 new grant in 2012 and completed the work on all current projects.

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

Given the ConfirmMDx for Prostate Cancer assay was recently introduced to the market in 2012, the company's revenue recognition policy has limited the amount of revenue recognized in 2012, with ConfirmMDx for Prostate Cancer revenue representing a small portion (less than 10%) of the Company's total revenue. Of the reported revenue for the ConfirmMDx for Prostate Cancer assay in 2012, 80% is based on a cash collection basis. Given that the volume of billable cases is larger than the collection volumes, there exists unrecognized revenue potential not reflected in the financial statements. These unrecognized transactions will most likely impact revenues in future months as they either are collected or the payment pattern for given 3rd party payors warrants accrual accounting treatment for these 2012 transactions per the Company's revenue recognition policy.

The Company has been awarded USD 12.2 million in grants and subsidies since its inception of which USD 1,134,000 have been recorded as revenues in 2012. Grants recorded in 2012 represent 19% of total revenues and were received from the Belgian government primarily for development work on lung cancers, bladder cancers and cervical cancers. Grants awarded generally take the form of refunds of specific expenses incurred in connection with approved scientific research activities.

Cost of goods and services sold

The costs of goods include royalties MDxHealth must pay to third parties and the costs associated with providing testing services to third parties. The cost of goods was higher in 2012 than in 2011, as a result of the start of the CLIA activity generated by the launch of ConfirmMDx for Prostate Cancer.

Research and development expenses

Research and development expenses were USD 6,689,000 in 2011 compared to USD 6,786,000 in 2012, an increase of 10%. The main reasons for the increase in the R&D expenditures in 2012 are the following: (i)) the development of MGMT test as a companion diagnostic for Merck KGgA's Cilengitide cancer drug; (ii) enhancements to the ConfirmMDx for Prostate Cancer test; (iii) and other development work for pharmaceutical clients.

Thousands of EUR / Years ended December 31	2012	2011
Personnel costs	3,145	2,764
Lab consumables	821	647
External research and development collaborators	1,961	2,035
Patents and licenses	-	-
Depreciation & amortization	441	384
Other expenses	418	859
Total	**6,786**	**6,689**

Selling, general and administrative expenses

In 2012, selling, general and administrative expenses amounted to USD 9,587,000 compared to USD 6,661,000 in 2011, an increase of 56%. The increase in costs is largely due to building U.S. the product development, marketing, quality, and administrative functions in relation to the set-up of the CLIA laboratory in California and the hiring of the direct sales force for the launch of the ConfirmMDx™ for Prostate Cancer test in H1 2012. The detail of the administrative and selling expenses is as follows:

Thousands of EUR / Years ended December 31	2012	2011
Personnel costs	4,902	3,218
Depreciation	69	54
Professional fees	1,751	1,872
Other expenses	2,401	1,012
Patent expenses	464	505
Total	**9,587**	**6,661**

Financial results

In 2012, the Company ended the year with a net financial loss of USD 89,000 while it recorded a net financial gain of USD 209,000 in 2011. MDxHealth earned USD 85,000 of interest income and financial gains in 2012 compared to USD 213,000 in 2011. The net financial loss is also impacted by the currency exposure to USD.

Net loss

The net loss was USD 11,533,000 in 2012 compared to USD 9,671,000 in 2011, an increase of 29%. This increase is due primarily to an increase in operating costs caused by the set-up of the CLIA laboratory in California to support the commercial development of the company.

Liquidity, working capital, and capital resources for the years ended December 31, 2013, 2012, and 2011

Year ended December 31, 2013

At December 31, 2013, the cash and cash equivalents of MDxHealth amounted to USD 24.7 million compared to USD 15.5 million at the end of 2012.

In 2013, net cash used in operating activities amounted to USD 14.1 million and net cash used by investing activities was USD 1.3 million. Excluding the net proceeds of USD 24.3 million generated from the private placement of new shares with institutional investors in June 2013, the net cash consumption of the Company increased by USD 3.9 million mainly driven by the development of the US activity.

Year ended December 31, 2012

At December 31, 2012, the cash and cash equivalents of MDxHealth amounted to USD 15.5 million compared to USD 14.4 million at the end of 2011.

In 2012, net cash used in operating activities amounted to USD 11 million and net cash used by investing activities was USD 0.5 million. Excluding the net proceeds of USD 12.7 million generated from the private placement of new shares with institutional investors in July 2012, the net cash consumption of the Company increased by USD 3.3 million mainly driven by the set-up of the US-based CLIA lab launched in 2011 and accomplished in 2012.

Year ended December 31, 2011

At December 31, 2011, the cash and cash equivalents of MDxHealth amounted to USD 14.4 million compared to USD 14.2 million at the end of 2010.

In 2011, net cash used in operating activities amounted to USD 9 million and net cash used by investing activities was USD 0.3 million. Excluding the net proceeds of USD 9.5 million generated from the private placement of new shares with institutional investors in April 2011, the net cash consumption of the Company was reduced from USD 9.9 million in 2010 to USD 8.8 million in 2011. The set-up of the US-based CLIA lab in 2011 caused the Company to experience an increase in cash used for investing activities.

4. COMBINED REPORT OF THE BOARD OF DIRECTORS ON THE CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

The following report has been established by the Board of Directors on February 26, 2014 for submission to the Annual General Shareholders' Meeting of May 30, 2014.

Dear MDxHealth Shareholder,

We are pleased to present to you both the consolidated financial statements and the statutory financial statements for the year ended December 31, 2013.

Pursuant to the provisions of the Belgian Company Code (C.C.) and the articles of association of the Company, we report on the situation of your company for the fiscal year of the Company closed on 31 December 2013.

4.1. COMMENTS ON THE ANNUAL ACCOUNTS

4.1.1. Discussion and analysis of the consolidated financial statements of 2013, 2012, and 2011

The consolidated financial statements have been prepared in accordance with IFRS and have been approved for issue by the Board of Directors on February 26, 2014.

Revenues

Total revenues increased from USD 5,913,000 in 2012 to USD 7,554,000 in 2013, an increase of 28%. Revenues are derived from commercial product sales, services, or royalties and from grants. Commercial revenues in 2013 increased by 58%, from USD 4,779,000 in 2012 to USD 7,554,000 in 2013 mainly as a result of the success of the sale of ConfirmMDx for Prostate Cancer. No grant revenue was generated in 2013, compared to USD 1,134,000 in 2012.

Total revenues in 2013, 2012 and 2011 were USD 7.6 million, USD 5.9 million, and USD 3.7 million, respectively. The commercial revenues other than direct sales for ConfirmMDx for Prostate Cancer were primarily generated from deals with Merck Corporation, Veridex LLC (a Johnson & Johnson company), Abbott, GSK Biologicals, Pfizer, Exact Sciences, Predictive BioSciences, and Merck Serono.

Operating charges

Thousands of USD / Years ended December 31	2013	2012	2011
Research & development expenses	4,567	6,786	6,689
Selling, general and administrative expenses	13,219	9,587	6,661
Other operating expenses/(revenues)	-46	-177	-100
Total Operating Charges	**17,832**	**16,196**	**13,249**

Total operating charges increased by 10% from USD 16.2 million in 2012 to USD 18.8 million in 2013, mainly due to the development of the CLIA lab in California.

As a consequence, SG&A expenses increased by 38% from USD 9.6 million in 2012 to USD 13.2 in 2013, mainly due to the buildup of U.S. R&D, Marketing, Quality, and

Administrative functions to support the development of the commercial operation in the US, while R&D expenses decreased by 33% from USD 6.8 million in 2012 to USD 4.6 million in 2013.

Net results

EBIT and net loss were USD -11.4 million, and USD -11.5 million in 2012 compared to USD -16.1 million, and USD -16.2 million in 2013.

Cash Flow

The net cash balance increased by USD 9.0 million in 2013 due to a capital increase in July compensated by the continuing losses of the Company.

Balance Sheet

The balance sheet at December 31, 2013 remained similar in terms of composition to previous years as evidenced by the following key ratios:

Years ended December 31	2013	2012	2011
Cash & cash equivalents as a % of total assets	84%	77%	76%
Working capital as a % of total assets	78%	75%	71%
Solvency ratio (equity/total assets)	84%	80%	77%
Gearing ratio (Financial debt/equity)	**0%**	**0%**	**0%**

Cash and cash equivalents of USD 24.7 million account for 87% of total assets at December 31, 2013. The other major assets are property, plant and equipment (USD 1.8 million or 6 % of total assets), and receivable over the period 2014 (USD 2.9 million or 10 % of total assets).

Total equity of USD 24.5 million accounts for 84% of the total balance sheet at December 31, 2013. The other major liabilities are trade payables (USD 4.8 million or 16 % of total assets).

Taxation

The losses of the Company in the last three years imply that no income taxes are payable for these years. On December 31, 2013, the Company had net tax losses carried forward amounting to USD 146 million, implying a potential deferred tax asset of USD 50 million. Due to the uncertainty surrounding the Company's ability to realize taxable profits in the near future, the Company did not recognize any deferred tax assets on its balance sheet.

4.1.2. Comments on the statutory financial statements

We submit for your approval the annual accounts for the fiscal year closed on 31 December 2013. The annual accounts give a true and fair view of the course of affairs of the Company during the past fiscal year. From the annual accounts you can derive the following:

a) Results of the fiscal year

The company has closed its annual accounts with respect to the past fiscal year with a loss of EUR 2,859,606.33 (USD equivalent 3,801,000).

This loss results mainly from the costs related to the development of new products which have not yet generated significant revenues and to the set-up of the US CLIA laboratory and team to support direct sales of tests since mid-2012.

b) Statutory and non-distributable reserves

The company has a corporate capital of EUR 27,321,762.03. The company has no statutory reserve.

As the Company has closed its annual accounts with respect to the past fiscal year with a loss, the Company is not legally obliged to reserve additional amounts.

c) Allocation of the results

We propose to carry forward the loss to the next fiscal year.

4.2. MATERIAL EVENTS THAT TOOK PLACE SINCE THE END OF THE FISCAL YEAR

In 2014, through the date of this document, the Company made the following normal course of business announcements:

- MDxHealth signed an exclusive distribution agreement with Teva Pharmaceutical Ltd. for commercialization of the ConfirmMDx for Prostate Cancer and PredictMDx® for Glioblastoma tests in Israel. The Company also presented a study at the annual ASCO Genitourinary Cancers symposium on January 28-31, 2014 in San Francisco, showing the potential prognostic value of the ConfirmMDx genes to identify men with a low versus high risk for aggressive prostate cancer. Additionally, a case study was published in The Journal of OncoPathology describing use of the ConfirmMDx for Prostate Cancer test as part of a multidisciplinary approach to successfully confirm prostate cancer diagnosis missed by five previous biopsies.
- On February 5th, 2014 MDxHealth partner Exact Sciences reported that the U.S. Food and Drug Administration has confirmed by notice in the Federal Register that its Molecular and Clinical Genetics Panel of the Medical Devices Advisory Committee will review the premarket approval application (PMA) for the Cologuard test on March 27, 2014 MDxHealth will receive milestone payments and royalties from the sale of the Cologuard test.

4.3. SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There has been no significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published.

4.4. CAPITAL INCREASES AND ISSUANCE OF FINANCIAL INSTRUMENTS

On June 25, 2013, the Board of Directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. The capital increase for an amount of EUR 18 million and the issuance of 8,737,683 new common shares was completed on June 25, 2013.

4.5. ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT

In 2013, the Company conducted product development projects based on the discovery R&D performed in the prior years for both its clinical diagnostic product pipeline and pharmaceutical research and clinical trial customers. Extensive work was performed in development of the Company's clinical diagnostic pipeline for Prostate Cancer, as well as on behalf of Merck KGgA in connection with the development of the Company's MGMT assay as a potential companion diagnostic for Merck's drug candidate.

Research and Discovery

MDxHealth maintains an internal R&D team specialized in new biomarker discovery and optimization. In addition, MDxHealth collaborates with several universities and medical centers throughout the world in new biomarker discovery. For example, MDxHealth collaborates with the Johns Hopkins University and the University of Gent in the area of methylation biomarker discovery using next generation sequencing. This approach has optimized our current assay development process by focusing on the DNA regions of interest, ensuring an "intelligent" and accelerated biomarker discovery process.

Product Development

The Company currently focuses its diagnostics business on three clinical areas: prostate, brain, and bladder cancer.

The products on which the most spending was done in 2013 are the following:

- *Prostate cancer, ConfirmMDx*: The Company is commercializing an epigenetic *ConfirmMDx for Prostate Cancer* diagnostic test. The Company launched this test in the United States in mid-2012 via its new US-based CLIA laboratory.
- *Prostate cancer, InformMDx*: The Company is developing an epigenetic *InformMDx for Prostate Cancer* diagnostic test. The Company intends to launch this test in the United States via its new US-based CLIA laboratory.
- *Brain cancer, PredictMDx (MGMT):* The Company developed a test to predict brain cancer patient response to alkylating agent medication, *PredictMDx for Glioblastoma* (MGMT). The test is being used by several pharmaceutical companies in clinical trials for brain cancer drugs.
- *Bladder cancer, ConfirmMDx*: The Company performed R&D on a urine-based test for the detection of bladder cancer and for the monitoring of disease recurrence.

The most advanced products include the following:

- *ConfirmMDx for Prostate Cancer*: The Company launched this test in the United States in mid-2012 via its new US-based CLIA laboratory.
- *PredictMDx for Glioblastoma (MGMT):* The MGMT tissue-based test is currently being commercialized as an LDT in North America via Laboratory Corporation of America (LabCorp). The Company has been further developing the MGMT test to predict brain cancer patient response to alkylating agent medication. The test is being used by several pharmaceutical companies in clinical trials for brain cancer drugs.

In addition to the above R&D work, the Company is working on several tests to determine which patients will respond to certain drugs for particular cancers. This work is often done in partnership with pharmaceutical companies which have a drug in development.

4.6. OBLIGATIONS NOT REFLECTED IN THE 2013 FINANCIAL STATEMENTS

All known obligations are reflected in the 2013 financial statements.

4.7. BRANCHES OF THE COMPANY

The company has no branch.

4.8. JUSTIFICATION TO CONTINUE USING THE ACCOUNTING RULES ON THE BASIS OF GOING CONCERN

Despite cumulated losses, the Board has decided to continue to apply the accounting rules on the basis of going concern. This decision is justified by (i) the success of the technology of the Company in various cancer applications and scientific publications, (ii) continued interest in the Company's technology, (iii) the continued industry growth in the field of molecular diagnostics and personalized medicine, and (iv) the fact that sufficient cash is available to support further development of the Company's products over the next 12 months period in function of the current business plan.

Considering the situation, the Board of Directors believes that there is enough cash to sustain the current projects of the Company at least until the date of the annual general shareholders' meeting scheduled for May 2015.

4.9. FINANCIAL RISKS (ARTICLE 96 8° C.C.)

Effective January 1, 2013, the Company changed the presentation currency of the consolidated financial statements from the euro to the US Dollar. MDxHealth believes that this change provides greater alignment of the presentation currency with MDxHealth's most significant operating currency and underlying financial performance. The functional currency, however, remains to date the Euro as Europe continues to be the primary economic environment in which funds from financing activities are generated and tax planning and consolidated reporting is performed. Virtually all of the Company's currency

risk currently relates to U.S. Dollar. At this time, the Company does not use hedging instruments to cover the exchange rate risk.

4.10. RISK FACTORS (ARTICLE 96 1° C.C.)

In 2013, the Company was potentially subjected to the following risks:

- The business model of MDxHealth has recently considerably changed and the Company may not be successful in accomplishing any of its new objectives;
- The Company is at an early stage of development and may encounter difficulties in its growth and expansion of activities;
- Losses have been incurred since the inception of the Company, further losses are expected in the foreseeable future, and further funding will be needed;
- The Company is dependent on intellectual property rights which could be challenged and the Company could be affected by new patents of third parties;
- The Company must comply with many conditions in order to maintain the intellectual property rights which it in-licenses from third parties;
- The enforcement of the Company's intellectual property rights could involve significant costs and could impact the commercial freedom of the Company in certain areas;
- The Company's performance could be hindered by the way its commercial partners utilize certain of its technologies;
- The Company's success is dependent upon factors such as its ability to access samples, work with or obtain the support of certain scientific or medical partners, recruit and retain key personnel, generate positive clinical study results, obtain regulatory approval of its products and comply with ongoing regulations, partner with third parties for the manufacture and sale of its products, get the market to accept and use its products, and obtain reimbursement of its products for patients;
- The Company operates in markets in which the competition and regulatory environment may change and thus impact the Company's products and strategy, such as in the United States, where the reimbursement for testing service from Medicare and 3rd party private insurance payors is in the early stages and still uncertain;
- The Company is subject to product liability risks;
- Foreign exchange rate fluctuations could impact the results of the Company.

In 2013, financial risk management involved primarily the following:

- Credit risk: The limited number of the group's customers subjects the Company to concentrations of credit risk. In 2011, 87% of the commercial turnover was generated by 10 customers. In 2012, the Company generated 74% of its commercial turnover with six customers, increasing its credit risk. In 2013, the Company reduced its credit risk by generating 50% of its revenues related to ConfirmMDx for Prostate Cancer with a large range of customers. The remaining revenue is generated by 95% with 8 customers, out of which Merck KGaA represents 53%. In 2012, 2 individual

customers each represented more than 9% of the total commercial revenues of the Company and together they accounted for 46% of total commercial revenues.

- Interest risk: The Company is not currently subject to material interest risk since it has no financial debt.
- Currency risk: With the expansion of the Company's U.S. activities, the group is currently exposed to a larger currency risk than in the past. The group has cash outflows in US Dollars for the operations of its U.S. wholly-owned subsidiary and for numerous external research and development projects it carries out with U.S.-based medical centers. In 2013, the Company has material commercial revenues denominated in US Dollars. The Company has not engaged in hedging of the foreign currency risk via derivative instruments.
- Liquidity and investment risk: The Company has invested all of its cash and cash equivalents in highly-rated and highly-liquid bank savings or money market accounts. The company has not invested in any derivative instruments or CDOs.

4.11. INDEPENDENCE AND COMPETENCE OF AN AUDIT COMMITTEE MEMBER

The rules for publicly-listed companies require that the audit committee be composed of at least one Independent Director with the necessary competence in auditing and accounting, which is and has always been the case for MDxHealth's audit committee.

Mrs. Ruth Devenyns, who assumed the position of Audit Committee Chairperson since August 2011, meets the criteria of independence:

- She is in her first mandate on the Board of MDxHealth and has never held any Executive management position with the Company.
- She owns no shares in the Company. She has been granted 6,000 warrants in 2013 entitling her to subscribe to the Company's shares. However, this does not prejudice her independence in the sense of article 526ter of the Company code because (i) the number of warrants granted to Non-Executive Directors is limited, (ii) the shareholders' general meeting approved such grant by approving the May 2012 Stock Option Plan on June 15, 2012 and (iii) the granting of a limited number of warrants to Non-Executive Directors was recommended by the nomination and remuneration committee in order to attract and retain talents in the Company.
- She fulfills the other criteria of independence as listed in section 4.12.2.2 of the Annual Report.

Mrs. Ruth Devenyns meets the criteria of necessary competence in auditing and accounting. She has worked in the venture capital sector.

4.12. CORPORATE GOVERNANCE STATEMENT

4.12.1. General Provisions

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

The Company's corporate governance charter was adopted in accordance with the recommendations set out in the Belgian Corporate Governance Code 2009 (the "2009 Code"), issued on March 12, 2009 by the Belgian Corporate Governance Committee (replacing the 2004 edition). The complete Corporate Governance Charter of MDxHealth is available on the MDxHealth website, at www.mdxhealth.com. The Corporate Governance Charter forms an integral part of this Report of the Board of Directors.MDxHealth has adopted the 2009 Belgian Corporate Governance Code as its reference code. It complies to a large extent with the provisions of this Code, but believes that certain deviations are justified in view of the Company's specific situation. In line with the "comply-or-explain" principle of said Code, it should be noted that MDxHealth does not fully comply with the following provisions:

- Given the size of the Company, no internal audit function exists at this time.
- Although, according to the 2009 Code, Non-Executive Directors should not be entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits, the Board of Directors is however of opinion that, for a company of the size of MDxHealth, it may be necessary to issue warrants to Non-Executive Directors, with a view to attracting Directors with the relevant expertise and experience. All Non-Executive Independent Directors nominated before the May 2012 annual general shareholders' meeting have been awarded warrants.
- The performance and functioning of the Board of Directors, its' committees, and of the Executive Management team are summarized below.

4.12.2. 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 6 Directors, of which 3 are Independent Directors and 5 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 is 1 female Director among a total of 6 Board members (representing a ratio of 17% female Directors against 83% male Directors). The Company is using its best efforts to ensure that the Board of Directors will meet the 2/3 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 5 times throughout 2013. All Directors were present or represented at these 5 meetings.

4.12.2.1. 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, Greenlands Consulting LLC, with Mr. Edward L. Erickson as permanent representative, is the chairman of the Board of Directors.

4.12.2.2. Independent Directors

Effective as of January 8, 2009, new rules entered into force for Belgian publicly-listed companies with respect to the criteria for the independence of Directors (article 526ter of the Belgian Company Code).The three Independent MDxHealth Directors listed in the following table 3.1.4 meet these definitions for independence which include the following criteria:

1. have not held a position as an executive member of an administrative body, as a member of the executive committee or as a person charged with the daily management of the company or one of its affiliates during the five-year period preceding their election;
2. have not exercised more than three successive mandates as Non-Executive Director of the Company, with a maximum of twelve years;
3. have not been members of the executive management of the Company or one of its affiliates, during the three-year period preceding their election;
4. have not received a compensation or other significant advantage of a financial nature from the Company or one of its affiliates, with the exception of the tantièmes and the compensation they may receive or have received as Non-Executive member of the administrative body or member of the supervisory body;
5. do not own any rights relating to shares representing 10% or more of the total share capital or of a class of shares of the Company. If they own less than 10%: (i) such rights, together with other rights held by companies controlled by the Director concerned may not equal or exceed 10%, or (ii) the disposal of such shares or the exercise of the rights attached thereto may not be subject to any contractual arrangement or unilateral undertaking from the Independent Directors;
6. do not represent a shareholder that satisfies the criteria set forth under point 5;
7. have not or have not had during the past fiscal year a significant business relationship with the Company or one of its affiliates, directly or as shareholder, member of the administrative body or the executive management of a company or person who has such a relationship;

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

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

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

4.12.2.3. 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, 2013	Position	Term Start[1]	Term End[2]	Professional Address
Greenlands Consulting LLC, represented by Mr. Edward L. Erickson	67	Chairman, Non-Executive Independent Director	2010	2017	CAP Business Center Rue d'Abhooz, 31 4040 Herstal, Belgium
Dr. Jan Groen	54	Executive, Director	2010	2017	CAP Business Center, Rue d'Abhooz, 31 4040 Herstal, Belgium
Mr. Mark Myslinski	58	Non-Executive Independent Director	2010	2017	CAP Business Center Rue d'Abhooz, 31 4040 Herstal, Belgium
Gengest BVBA, represented by Mr. Rudi Mariën	68	Non-Executive Director	2011	2017	Karel van de Woestijnestraat 1-3, 9000 Gent, Belgium
Mrs. Ruth Devenyns	48	Non-Executive Independent Director	2011	2015	Kardinaal Sterckxlaan 47 1860 Meise, Belgium
Mr. Rudi Pauwels	53	Non-Executive Independent Director	2013	2017	CAP Business Center Rue d'Abhooz, 31 4040 Herstal, Belgium

Notes:

1) *All Directors were appointed or re-appointed by the ordinary general shareholders' meeting held on May 31, 2013 for a term of four years.*
2) *The term of the mandates of all Directors will expire immediately after the annual general shareholders' meeting held on May 26, 2017.*

Mr. Edward L. Erickson has over 30 years of executive and Board level experience in diagnostics, therapeutics, and life science research products having served as president, CEO or a Director of over a dozen companies in these industries. He currently serves as a Director of Saladax Biomedical, Inc., where he was previously President and CEO.

Saladax is a privately-held diagnostics company developing and commercializing companion diagnostic and therapeutic dose management assays. He also serves as a Director of CertiRx Corporation, a privately-held company in the field of document and product authentication and anti-counterfeiting. Prior to joining Saladax, he served as President and CEO of BioNanomatrix, Inc., a privately-held genomics company developing and commercializing proprietary DNA analysis systems. Previously, he was the Chairman, President and CEO of Cellatope Corporation, a private company developing diagnostic products in the field of autoimmune diseases. Prior to that, he served in top leadership roles, including president, CEO and/or chairman, of three venture-capital backed medical products companies, Cholestech, Immunicon, and DepoTech, which successfully completed initial public offerings under his leadership. Earlier in his career, he held senior executive positions at The Ares-Serono Group and Amersham International. Mr. Erickson holds an MBA with High Distinction from the Harvard Graduate School of Business Administration and B.S. and M.S. degrees from the Illinois Institute of Technology. He did military service as an officer in the U.S. Navy's nuclear submarine force.

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

Mr. Mark D. Myslinski currently serves as Chief Commercial Officer for Saladax Biomedical, Inc. Previously, Mr. Myslinski was President and CEO of Rapid Pathogen Screening, Inc., SVP and General Manager of Diagnostics at Hologic Inc., CEO of RedPath Integrated Pathology, Inc., and was a Johnson & Johnson executive where his responsibilities included building a new, worldwide evidence-based medicine function for the Ortho Clinical Diagnostics, Inc. For five years, Mr. Myslinski was also General Manager of Veridex, LLC a division of Ortho Clinical Diagnostics, Inc. focused on molecular and cellular diagnostics that achieved rapid sales growth under Mr. Myslinski's tenure. Mr. Myslinski also held executive roles in the venture-backed start-ups InterScope Technologies and Precision Therapeutics, both focused on the field of pathology with an emphasis on cancer.

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 stock-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 the biotechnology sector. A former analyst and investment banker, Ruth Devenyns was in charge of the venture capital activities in the sector at KBC Private Equity until end of March 2012. She was involved in several IPO's, private placements and M&A-transactions and held various Directorships including Ablynx, Applied Maths and Pronota. At KBC Private Equity she also managed various investments in agro-biotech and seed companies such as CropDesign and Ceres. In June 2012 she joined Korys, the investment structure of the Colruyt family, and became an Independent Director of Euronext-listed Devgen until its acquisition by Syngenta in December 2012. Currently, Ruth Devenyns is a Director at Biocartis, representing Korys, and Director of FlandersBio, the biotech sector organization in Flanders.

Mr. Rudi Pauwels is a serial entrepreneur who co-founded several European biotech companies, including Tibotec Virco, Galapagos Genomics, Biocartis and MDxHealth. Dr. Pauwels currently serves as chairman and CEO of Biocartis. Starting his career at the Rega Institute for Medical Research in Leuven, Dr. Pauwels pioneered the development of novel anti-HIV treatments and diagnostic tools that enable more personalized HIV therapy.

4.12.2.4. Committees of the Board of Directors

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

Audit Committee

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

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

- MDxHealth has had an audit committee in place since the Company's inception.
- According to the new rules, MDxHealth would meet the size criteria in order to operate without a separate audit committee, but the Company has chosen to continue operating with a separate audit committee.
- The new rules require that the audit committee be composed of Non-Executive Directors, which is and has always been the case for MDxHealth's audit committee.
- The new rules require that the audit committee be composed of at least one Independent Director with the necessary competence in auditing and accounting, which is and has always been the case for MDxHealth's audit committee.

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

The role of the audit committee is to assist the Board of Directors in fulfilling its financial, legal and regulatory monitoring responsibilities. The committee reports regularly to the

Board of Directors on the exercise of its duties, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken. The audit review and the reporting on that review cover the Company and its subsidiaries as a whole. The specific tasks of the audit committee are outlined in the Company's governance charter.

The following Non-Executive Directors were members of the audit committee in 2013: Ruth Devenyns (chairperson), Greenlands Consulting LLC, represented by Mr. Edward Erickson, Dr. Karin Louise Dorrepaal (until May 31st, 2013), and Gengest BVBA, represented by Mr. Rudi Mariën (from May 31st, 2013).

The audit committee is a collegial body, and deliberates and makes decisions as such. The audit committee met 3 times in 2013. All members of the audit committee were present or represented at all meetings.

Nomination and Remuneration Committee

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

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

- Although this legal obligation to establish a remuneration committee would only apply for MDxHealth as from the accounting year started on January 1, 2011, MDxHealth has had a nomination and remuneration committee in place since the Company's IPO in June 2006.
- According to the new rules, MDxHealth would meet the size criteria in order to operate without a separate nomination and remuneration committee, but the Company has chosen to continue operating with a separate nomination and remuneration committee.
- The new rules require that the nomination and remuneration committee be composed of Non-Executive Directors, which is and has always been the case for MDxHealth's nomination and remuneration committee.

MDxHealth's nomination and remuneration committee must be composed of at least three members and must be composed exclusively of Non-Executive Directors. The committee appoints a chairman amongst its members. The chairman of the Board of Directors can chair the committee, but should not chair the committee when dealing with the designation

of his successor. The CEO should participate to the meetings of the committee when it deals with the remuneration of other executive managers.

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

The following Non-Executive Directors were members of the nomination and remuneration committee in 2013: Greenlands Consulting LLC, represented by Mr. Edward Erickson, Independent Director, Mr. Mark Myslinski (chairman of the committee) Independent Director, and Gengest BVBA, represented by Mr. Rudi Mariën, Non-Independent Director.

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

The nomination and remuneration committee met 2 times in 2013. All of the committee members attended all of the committee meetings.

4.12.2.5. Process for Evaluating the Board, its Committees, and its Individual Directors

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

This evaluation process has five objectives:

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

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

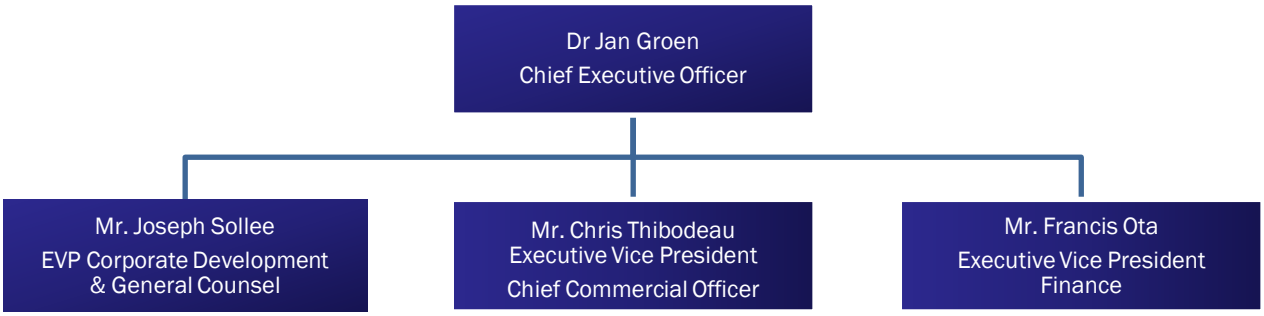
An individual evaluation of each Director will be conducted every year as part of the global evaluation of the Board and each time the Board considers his or her nomination for

reappointment by the General Shareholders' Meeting. The Non-Executive Directors should assess their interaction with the executive management at least once a year. To this end they will meet at least once a year in the absence of the Executive Directors.

4.12.3. 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 in 2013 are illustrated below:



4.12.3.1. Chief Executive Officer

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

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

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

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

4.12.3.2. 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.

4.12.3.3. Composition of the Management Team

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

Name	Position	Age on Dec 31, 2013
Dr. Jan Groen	Chief Executive Officer (CEO)	54
Mr. Joseph Sollee	Executive Vice President of Corporate Development & General Counsel	49
Mr. Christopher Thibodeau	Executive Vice President & Chief Commercial Officer (CCO)	43
Mr. Francis Ota	Executive Vice President of Finance	61

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

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

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

Mr. Francis Ota, Executive Vice President of Finance

Mr. Ota joined MDxHealth in March 2012 and served as a Senior Finance Executive with a number of leading healthcare companies. Prior to joining MDxHealth, Mr. Ota served as CFO of Captek Holdings, a specialty nutraceutical company.

Prior to that, he was Senior Director of Finance at Focus Diagnostics, Inc. a CLIA service laboratory acquired by Quest Diagnostics in 2006. Mr. Ota also held senior finance roles with Medtronic and Hewlett Packard.

Francis Ota earned a Master in Business Administration (MBA) from the Haas School of Business, University of California Berkeley and a Bachelor of Science in Finance and International Business from Leeds School of Business, University of Colorado, Boulder.

Mr. Joseph Sollee, Executive Vice President of Corporate Development & General Counsel

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 15 years of experience in the biotech industry, and has held senior legal and management positions at Triangle Pharmaceuticals and TherapyEdge. In addition, he has practiced as a corporate attorney in the Washington D.C. legal firm Swidler & Berlin and as an investment banker at Smith Barney in New York.

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

Mr. Christopher Thibodeau, Executive Vice President & Chief Commercial Officer

Mr. Thibodeau joined MDxHealth in September 2010 and brings 20 years of commercial leadership experience, principally in the life sciences and diagnostics arena. As Executive Vice President and Chief Commercial Officer, he is responsible for MDxHealth's commercial operations. Prior to joining MDxHealth, Mr. Thibodeau served as Senior Director of Marketing at Agendia Inc., Vice President of Sales and Marketing for Numira Biosciences, National Director of Sales U.S. LABS (an industry leader in cancer diagnostic and genomic testing services); and sales and marketing management roles at Ventana Medical. Mr. Thibodeau holds a BA degree from the East Stroudsburg University in Pennsylvania and studied French at the Faculté des Lettres in Nancy, France.

4.12.4. Remuneration Report 2013

The following report has been prepared by the nomination and remuneration committee and approved by the Board of Directors of MDxHealth. This report contains the remuneration report as referred to in Article 96, §3 of the Belgian Company Code (Code des Sociétés/ Wetboek van Vennootschappen) (the "Remuneration Report").

The Remuneration Report has been prepared by the nomination and remuneration committee and has been approved by the Board of Directors of the Company on February 26, 2014. 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 Belgian Corporate Governance Code, and has prepared this Remuneration Report in accordance with the requirements contained therein.

4.12.4.1. Procedure adopted in 2013

Procedure adopted to develop a remuneration policy

During 2013, MDxHealth has continued to apply the remuneration policy 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 implemented in 2012, which aimed at better aligning the interests of the Board members with the goal of the Company, 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 six thousand (6,000) 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 implemented in 2012 and remained applicable for the accounting year 2013. A final decision on potential additional warrants grants, however, had not yet been taken when the 2013 Remuneration Report was approved.

Procedure adopted to determine the level of remuneration

a) 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.

b) 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.

4.12.4.2. Declaration on the remuneration policy

Remuneration policy in 2013

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

a) 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 2013.

- 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.:

  - EUR 35,000 (USD equivalent is 46,483[1]) for the Chair of the Board of Directors;
  - EUR 30,000 (USD equivalent is 39,843[1]) for the Chair of the Audit Committee;
  - EUR 28,000 (USD equivalent is 37,187[1]) for the Chair of the Nomination and Remuneration Committee; and
  - EUR 25,000 (USD equivalent is 33,203[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

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[1] Exchange rate 1 EUR = 1.3281 USD (historical rate 2013)

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 2013, the two Non-Independent Directors, who have not held an executive position within the Company, agreed to waive their Director' 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

  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 under section 4.12.4.3 of this Remuneration Report.

b) 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 2013, 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 2013.

Expected changes with respect to accounting year 2014 and the following accounting year

No significant change to the remuneration policy of Directors and Executive managers is envisaged for 2014.

The bonuses of the management team members for 2014 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

A final decision on potential additional warrant grants had not yet been taken when the 2013 Remuneration Report was approved.

4.12.4.3. Remuneration amounts for the reported year

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

The following table provides the 2013 compensation of the Non-Executive Directors in function at the date of this document

Name[1]	Position[2]	Pro-rata of annual retainer fee[3] (EUR K)	Other services (EUR K)	Total[4] (EUR K)
Edward Erickson	NED – Board Chair, member AC & NRC	35	0	35
Karin Dorrepaal	NED – member AC	25	0	25
Raphaël Wisniewski	NED	0	0	0
Rudi Mariën	NED – member AC & NRC	0	0	0
Mark Myslinski	NED – NRC Chair	28	0	28
Ruth Devenyns	NED – AC Chair	30	0	30
Rudi Pauwels	NED	12	0	12
TOTAL for current Non-Executive Board members		130 EUR K 173 USD K	0	130 EUR K 173 USD K

Notes:

[1]: Mr. Edward Erickson serves on the Board as a permanent representative of Greenlands Consulting, LLC. Mr. Raphaël Wisniewski formerly served on the Board as a permanent representative of Edmond de Rothschild Investment Partners. Rudi Mariën serves on the Board as a permanent representative of Gengest BVBA.

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

[3]: A pro-rata portion of the fixed annual retainer fees were paid in calendar year 2013 to Karin Dorrepaal and Raphaël Wisniewski, each of whose mandates expired at the at the annual general shareholders meeting of May 31, 2013, and to Rudi Pauwels, whose mandate commenced at and from the annual general shareholders meeting of May 31, 2013.

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

During the course of 2013, the composition of the Board of Directors changed.

During the course of 2013, 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 2013, 2012 and 2011 was EUR 639,000 (USD 850,000), EUR 597,000 (USD 767,000) and EUR 645,000 (USD 898,000) 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 willful misconduct. Therefore the Company has taken out Directors' liability insurance. The insurance policy was renewed in 2013. Additionally, on August 1, 2012, the Company's U.S. subsidiary, MDxHealth, Inc., 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, U.S.-associated activities of the U.S. subsidiary or of the Company, including any claims based on a theory of derivative liability in the right of the U.S. 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 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 bonus of maximum EUR 22,000, linked to its capacity to manage human resources costs. Excluding the value of warrants, the remuneration and benefits provided to the CEO in 2013 were comprised as follows :

	Euro (EUR)	USD equivalent
Fixed gross remuneration[1]:	394,877	524,436
Bonuses paid and awarded[2] (gross)	75,800	100,670
Pension benefits:	13,856	18,402
Other benefits[3]:	29,618	39,335
Total	**514,151**	**682,843**

Notes:

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

2: Excludes value of 250,000 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 2013, 2012 and 2011 were EUR 514,000, EUR 505,000 and EUR 524,000, respectively (in USD equivalent USD 683,000, USD 649,000 and USD 729,000 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 no 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 EUR 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 130,000 warrants granted in 2010 amounts to EUR 162,000.

Dr. Groen was granted an additional 30,000 new warrants in the Company at the Board of Directors' meeting of May 27, 2011 and have the following characteristics:

- Exercise price of EUR 1.71 (one stock option (warrant) gives right to buy one share)
- Immediate and full vesting of all stock options on the date of grant (December 7, 2010)
- Duration of options: 10 years

The IFRS share-based compensation of the above 30,000 warrants granted in 2011 amounts to EUR 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:

- EUR 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 EUR 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:

- EUR 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 2012 amounts to EUR 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:

- EUR 75,800 cash bonus

During the course of 2013, the Company has not deviated from its remuneration policy for the Executive Director.

Remuneration earned by other Executive Managers

The 2013 combined remuneration package of the 3 other executive management team members (excluding the CEO) - i.e. Christopher Thibodeau, Joseph Sollee and Francis Ota - including employer taxes, was EUR 645,941.

	EUR	USD equivalent
Fixed gross remuneration[1]:	499,733	663,695
Bonuses paid and awarded[2] (gross)	114,607	152,210
Pension benefits:	21,210	28,169
Other benefits[3]:	10,391	13,800
Total	**645,941**	**857,874**

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 2013, 2012 and 2011 was EUR 1.2 million, EUR 1.4 million and EUR 1.3 million, respectively (in USD equivalent USD 1.5 million, USD 1.8 million and USD 1.8 million - 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.

At the Board meeting of January 27, 2014, cash bonuses were awarded to certain executive management team members for their performance in 2013 as follows (amounts exclude employer taxes):

CEO	EUR 75,800 (USD equivalent 100,670)
Other Executive Management	EUR 114,608 (USD equivalent 152,210)

The primary performance objectives for the bonuses of the above management team members in 2013 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 2013, no warrants or other rights were exercised by or lapsed for the executive managers.

During the course of 2013, 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 which 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.

Pending the aforementioned changes:

- 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 nine (9 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 four (4) months gross remuneration and benefits; this period is extended to six (6) months in case of a change of control;
- the employment contract with Mr. Christopher Thibodeau 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; and
- the employment contract with Mr. Francis Ota 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 and benefits.

Upon the advice and recommendation of the nomination and remuneration committee, the severance pay will be amended to 18 months for Dr. Jan Groen, to 9 months (in all cases) for Mr. Joseph Sollee, and to 6 months for Mr. Christopher Thibodeau and Mr. Francis Ota. The Board has directed the chair of the nomination and remuneration committee to work with each of the executive managers to implement such changes during 2014.

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.

2013 Share-based compensation of Directors and Executive Managers

During the course of 2013, the following share-based compensation was given to Directors of MDxHealth:

- Each Non-Executive Director received 6,000 new warrants
- Dr. Jan Groen, CEO and Executive Director, received 45,000 new warrants
- The 3 other current members of the Executive management team received a total of 75,000 new warrants

The warrants granted to Non-Executive Directors at the annual general shareholders meeting of May 31, 2013 have the following characteristics:

- Exercise price of EUR 2.05 (one stock option (warrant) gives right to buy one share)
- Cliff vesting over 1 year for all beneficiaries
- Duration of options: 10 years

The warrants granted to executive management in 2013, based on a decision of the Board of Directors on December 5, 2012 in connection with executive managers having met 2012 performance objectives, have the following characteristics:

- Exercise price of EUR 2.00 (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, except that a final decision in relation to additional warrant grants had not yet been taken when the 2013 Remuneration Report was approved.

4.12.5. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

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

For the reporting of financial information, the Company has specifically implemented the following controls and procedures:

- The Audit Committee reviews all financial information before it is released;
- The Board of Directors reviews internal monthly financial information;
- The financial auditors not only audit the year-end financial statements, but at the request of the Company they also perform a limited review of the Interim half-year financial statements;
- The Company managers and finance department personnel explain all material variances in historical figures and between the budget and actual figures;

- The Board of Directors, the Company managers and finance department personnel perform reviews and controls of the key financial figures at each reporting period, some of which are described below.

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

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

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

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

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

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

- Use of design-control procedures in the development of all products;
- Each project has its specific development plan which is periodically updated and reviewed;

- R&D and commercial services are performed in an ISO-certified laboratory;
- External experts are used for advising on the projects (market research studies, scientific advisory Board, clinical advisors, etc.);
- Both in-house and external intellectual property specialists manage the IP portfolio;
- Audits of its laboratory facilities are performed by external specialists and by big pharmaceutical companies using the Company's services;
- Environmental, safety, and security permits are obtained where necessary and staff is trained on relevant procedures.

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

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

The IT department is responsible for the continuity of the platforms used by the Company to support its operations as well as for the implementation of system access controls and safely storing data. Appropriate measures were taken to assure the continuity of the operations of the Company taking into account the requirements of the different departments.

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

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

The Board periodically reviews and provides instructions to the management team on how to manage credit risks, interest risks, exchange risks, and liquidity risks. As an example,

the Board has given instructions on what type of financial instruments the Company can place its cash and on which it is not allowed to do so. The management also seeks external specialized advice on managing such risks.

4.12.6. Compliance and deviations from the 2009 Belgian Corporate Governance Code

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

Given the size of the Company, no internal audit function exists at this time.

Although, according to the 2009 Code, Non-Executive Directors should not be entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits, the Board of Directors is however of opinion that, for a company of the size of MDxHealth, it may be necessary to issue warrants to Non-Executive Directors, with a view to attracting Directors with the relevant expertise and experience. All Non-Executive Independent Directors nominated before the May 2012 annual general shareholders' meeting have been awarded warrants.

4.12.7. Dealing Code

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

4.12.8. Services performed by the auditor and performance of exceptional activities or execution of special instructions (Article 134 C.C.)

BDO Réviseurs d'Entreprises Soc. Civ. SCRL, a civil company, having the form of a cooperative company with limited liability (*société coopérative à responsabilité limitée/ coöperatieve vennootschap met beperkte aansprakelijkheid*) organized and existing under the laws of Belgium, with registered office at Da Vincilaan 9, 1935 Zaventem, Belgium, represented by Mr. Bert Kegels was re-appointed on May 25, 2012 as the statutory auditor of the Company for a term of 3 years ending immediately after the closing of the annual shareholder's meeting to be held in 2015. BDO has been the statutory auditor since January 10, 2003. Mr. Bert Kegels has represented BDO since May 29, 2009.

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

The statutory auditor and, as the case may be, the auditor responsible for the audit of the consolidated financial statements, confirms annually in writing to the audit committee his or

her independence from the Company, discloses annually to the audit committee any additional services provided to the Company, and discusses with the audit committee the threats to his or her independence and the safeguards applied to mitigate those threats as documented by him or her.

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 total amount paid for these additional activities is EUR 27 thousand (USD equivalent 35 thousand).

The Company expensed EUR 109 thousand (USD equivalent 145 thousand) in fees to the auditor in 2013.

The fees are broken down as follows:

- Statutory of EUR 6 thousand (USD equivalent 8 thousand)
- Audit fee for consolidated financials of EUR 49 thousand (USD equivalent 65 thousand)
- Audit related services (comfort letter procedures, legal missions,…) EUR 23 thousand (USD equivalent 31 thousand)
- Other missions EUR 2 thousand (USD equivalent 3 thousand) and tax consulting services EUR 29 thousand (USD equivalent 39 thousand)

4.12.9. Conflicts of interest (Article 523 C.C.)

Article 523 of the Belgian Company Code provides for a special procedure within the Board of Directors in the event of a possible conflict of interest of one or more Directors with one or more decisions or transactions by the Board of Directors. In the event of a conflict of interest, the Director concerned has to inform his fellow Directors of his conflict of interest in advance of the conflict and must act in accordance with relevant rules of the Company Code.

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

In accordance with Article 523 of the Belgian Company Code, the Board of Directors clearly stated each time they experienced an interest of a patrimonial nature potentially departing from the interests of the Company. The following conflict of interest has been reported in 2013:

Minutes of the Meeting of the Board of Directors held on June 24, 2013

Prior to the deliberations, Gengest BVBA represented by Rudi Mariën, informed the other members of the Board of Directors, that it potentially has an interest of a financial nature that conflicts with the interests of the Company in connection with the proposed issuance of the new shares. Gengest BVBA explained such as follows:

Mr. Rudi Mariën owns directly or indirectly shares in Biovest Comm. VA and is the permanent representative of Gengest BVBA, a Director of the Company.

The decision to issue shares with cancellation of the preferential subscription rights for the benefit of Biovest Comm. VA could lead to a situation where the interests of Rudi Mariën, the permanent representative of Gengest BVBA and of the Company are not aligned, inter alia with respect to the decision on the price and of the number of shares to be issued to Biovest Comm. VA.

Mr. Mariën informed the Board of Directors of the above potential conflict and of its potential consequences and did not participate in the deliberation with respect to the decisions concerned. The Board of Directors took note of Mr. Mariën's position and decided to inform the statutory auditor of the Company thereof, in accordance with article 523 of the Company Code.

The financial consequences of the capital increase are further described in the notes to the financial statement under section 5.1.5.15 of this report.

4.12.10. Disclosures within the framework of the takeover directive

Capital structure

At the end of 2013, the issued capital of MDxHealth SA amounted to EUR 27,321,762.02 represented by 34,251,303 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 in section 4.8 of the 2013 Annual Report and on the Company's web-site 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 issuer and may result in restrictions on the transfer of securities and/or exercise of voting rights

There are no declared or known agreements between shareholders.

Rules for the appointment and the replacement of Directors and the amendment of the articles of association

Pursuant to the Company's articles of association, the Board of Directors of the Company is to be composed of at least 3 Directors. The Company's corporate governance charter requires that the Board of Directors is, to the extent possible, composed of at least five Directors, of which at least three Directors are Independent Directors, and to the extent possible, at least half of the Directors are Non-Executive Directors. The Directors of the Company are appointed by the general shareholders' meeting. However, in accordance with the Belgian Company Code, if the mandate of a Director becomes vacant due to his death or resignation, the remaining Directors have the right to appoint temporarily a new Director to fill the vacancy until the first general shareholders' meeting after the mandate became vacant. The new Director completes the term of the Director whose mandate became vacant. The corporate governance charter provides that Directors can be appointed for a maximum (renewable) term of four years. At the date of this document, the Board of Directors is composed of 7 members, 3 of whom are Independent Directors.

No shareholder is known to have a significant influence on the nomination of the Directors or to have a significant influence on any decision that may cause a direct or indirect advantage to this shareholder.

Amendments to the articles of association (other than an amendment of the corporate purpose) require the presence or representation of at least 50% of the share capital of the Company and the approval of at least 75% of the votes cast. An amendment of the Company's corporate purpose, requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if

any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

Powers of Directors, in particular the power to issue or buy back shares

The Board of Directors of MDxHealth SA has the broadest powers to manage and represent the Company, except to the extent provided otherwise by applicable law or the Company's articles of association.

By virtue of the resolution of the extraordinary general shareholders' meeting held on June 27, 2013, the Board of Directors has been expressly authorized to increase the share capital in one or more transactions with an amount of up to EUR 15,000,000.00 (the "Authorized Capital"), subject to certain limitations and conditions described below. The Board of Directors can exercise this power for a period starting on the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the Annexes to the Belgian Official Gazette and ending on the date of the annual general shareholders' meeting to be held in 2016 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2015. 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 27, 2013, the Board of Directors has also been expressly authorized to increase the share capital in one or more transactions following a notification by the Belgian Financial Services and Markets Authority that it has been informed of a public takeover bid on the company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more well defined persons who are not employees of the Company) or through contributions in kind, with issuance of shares, warrants or convertible bonds, subject to the terms and conditions provided for in the Belgian Company Code. The Board of Directors can exercise this power for a period of maximum 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, in order to bring them in accordance with the new situation of the share capital and the shares.

Significant agreements which take effect alter or terminate upon a change of control of the issuer following a takeover bid

According to the terms and conditions of the warrants issued by MDxHealth, non-vested warrants become exercisable in case of a change of control of the Company. 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.

4.12.11. Notification of Important Participations

The Belgian Company Code, applicable legislation and the Company's articles of association provide that every natural person or legal entity acquiring or transferring shares or other financial instruments of a listed company that entitle the holder thereof to voting rights, whether or not representing the Company's share capital (such as warrants, stock options, or automatic convertible bonds, if any), must, as soon as possible and at the latest four trading 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.

4.12.12. Shareholdership

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

Shareholder (or Party representing shareholders)	Number of shares	% of outstanding shares	Situation as of	Notification Received
Biovest Comm.VA.	6,156,525	17.97%	June 25, 2013	July 2, 2013
Valiance Asset Management	6,466,834	18.88%	June 25, 2013	July 1, 2013
Petercam	1,510,182	4.41%	June 25, 2013	July 5, 2013
ING Belgium NV/SA	-	-	June 25, 2013	June 26, 2013
Edmond de Rothschild Investment Partners	1,713,915	5.00%	Dec. 18, 2008	Dec. 18, 2008
Life Sciences Partners II BV	705,195	2.06%	June 25, 2013	July 1, 2013
IDInvest Partners	794,912	2.32%	June 25, 2013	July 9,2013
Total of Notified Shares	**17,347,563**	**50.65%**		
Total Outstanding Shares	**34,251,303**	**100.00%**		

Edmond de Rothschild Investment Partners was formerly represented on the Board of Directors of MDxHealth by Mr. Raphaël Wisniewski. Mr. Wisniewski's Director mandate expired on May 31, 2013. Biovest Comm. VA is an investment company owned and managed by Mr. Rudi Mariën. Rudi Mariën also serves as a permanent representative of Gengest BVBA on the Board of Directors of MDxHealth.

Done on February 26, 2014

On behalf of the Board of Directors

5. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

5.1. CONSOLIDATED ANNUAL ACCOUNTS

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

The financial statements in this section 5 of the Annual Report have been approved and authorized for issue by the Board of Directors at its meeting of February 26, 2014. 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 30, 2014.

5.1.1. Consolidated statement of comprehensive income

Thousands of USD except per share amounts / Years ended December 31	Notes	2013	2012	2011
Product and service income		7,554	4,779	2,558
Government grant income	5.1.5.21	-	1,134	1,182
Revenues		**7,554**	**5,913**	**3,740**
Cost of goods & services sold		5,793	1,161	370
Gross profit		**1,761**	**4,752**	**3,370**
Research and development expenses	5.1.5.3.	4,567	6,786	6,689
Selling, general and administrative expenses	5.1.5.3.	13,219	9,587	6,661
Other operating income		147	191	102
Other operating expenses		193	14	2
Total operating charges		**17,832**	**16,196**	**-13,250**
Operating Profit (EBIT)		**-16,071**	**-11,444**	**-9,880**
Financial income	5.1.5.5.	114	258	298
Financial expenses	5.1.5.5.	218	347	89
Profit/(Loss) before taxes		**-16,175**	**-11,533**	**-9,671**
Income taxes		-	-	-
Net Profit/(Loss) for the year from continuing operations		**-16,175**	**11,533**	**-9,671**
Profit/(Loss) for the year from discontinued operations		-	-	-

Profit/(Loss) for the year		**-16,175**	**-11,533**	**-9,671**
Other comprehensive income		-	-	-
Items that will be reclassified to profit or loss				
Exchange differences arising on translation of foreign operations		16	-73	3
Total comprehensive profit/(loss) for the year (net of tax)		**-16,159**	**-11,606**	**-9,668**
Basic earnings per share (EPS) USD	5.1.5.7			
Using weighted average number of shares		-0.54	-0.53	-0.56
Using end of period number of shares		-0.47	-0.45	-0.52

5.1.2. Consolidated statement of financial position

ASSETS

Thousands of USD / Years ended December 31	Notes	2013	2012	2011	Opening balance January 1, 2011
ASSETS					
Intangible assets	5.1.5.8.	981	37	57	63
Property, plant and equipment	5.1.5.9.	781	1,055	941	774
Financial assets	5.1.5.10.	-	-	-	-
Grants receivable (> 1 year)	5.1.5.12.	-	-	-	645
Non-current assets		**1,762**	**1,092**	**998**	**1,482**
Grants receivable (< 1 year)	5.1.5.12.	23	459	1,070	1,030
Trade receivables	5.1.5.11.	1,997	2,236	1,639	1,414
Prepaid expenses and other current assets	5.1.5.11.	748	712	911	1,187
Inventories		171	-	-	-
Cash and cash equivalents	5.1.5.13.	24,683	15,455	14,392	14,154
Current assets		**27,622**	**18,862**	**18,012**	**17,785**
TOTAL ASSETS		**29,384**	**19,954**	**19,010**	**19,267**

LIABILITIES & SHAREHOLDERS' EQUITY

Thousands of USD / Years ended December 31	Notes	2013	2012	2011	Opening balance January 1, 2011
EQUITY AND LIABILITIES					
Share capital	5.1.5.15.	35,483	25,270	18,125	14,054
Issuance premium	5.1.5.15.	41,694	25,336	19,020	14,541
Accumulated profit/(loss)		-39,646	-26,087	-16,594	-6,109
Result of the year		-16,175	-11,533	-9,671	-10,941
Share-based compensation	5.1.5.19.	3,864	3,387	3,086	2,874
Translation reserves		-683	-386	681	91
Total equity		**24,537**	**15,987**	**14,647**	**14,328**
Grants payable (> 1 year)	5.1.5.12.	-	-	-	645
Advance on royalties		-	22	155	188
Long-term liabilities		-	-	207	-
Long-term lease debt	5.1.5.16.	-	-	-	3
Non-current liabilities		**-**	**22**	**362**	**836**
Current portion of lease debt	5.1.5.16.	-	-	-	3
Trade payables	5.1.5.17.	3,271	2,192	2,620	2,080
Grants payable (< 1 year)	5.1.5.12.	-	-	521	1,050
Other current liabilities	5.1.5.17.	1,576	1,753	860	970
Current liabilities		**4,847**	**3,945**	**4,001**	**4,103**
TOTAL EQUITY AND LIABILITIES		**29,384**	**19,954**	**19,010**	**19,267**

5.1.3. Consolidated cash flow statement

Thousands of USD / Years ended December 31	Notes	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Profit/(Loss)		**-16,071**	**-11,444**	**-9,880**
Depreciation, amortization and impairment results	5.1.5.8/9	418	513	427
Share-based compensation	5.1.5.19	312	234	326
(Gain)/Loss on disposal of fixed assets		60	-21	-
Interests paid		-	-17	-
Change in inventories		-171	-	-
(Increase)/decrease in accounts receivable [(1)]		467	213	656
Increase/(decrease) in account payable [(2)]		880	-396	-576
Total adjustments		1,966	526	833
Net cash provided by/(used in) operating activities		**-14,105**	**-10,918**	**-9,047**
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase)/Sale of financial assets	5.1.5.10	-	-	-
Proceed from sale of fixed assets		70	48	-
Interest received	5.1.5.5	8	85	213
Other financial profit/(loss)	5.1.5.5	-112	-19	-4
Purchase of property, plant and equipment	5.1.5.9	-257	-641	-450
Purchase of intangible assets	5.1.5.8	-960	-	-23
Net cash provided by/(used in) investing activities		**-1,251**	**-527**	**-264**
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on long-term leases		-	-	-5
Proceeds from issuance of shares (net of issue costs)	5.1.5.15	24,280	12,730	9,456
Net cash provided by/(used in) financing activities		**24,280**	**12,730**	**9,451**
Net increase/(decrease) in cash and cash equivalents		**8,924**	**1,285**	**140**
Cash and cash equivalents at beginning of year		15,455	14,392	14,154

Effect on Exchange rate changes		304	-222	98
Cash and cash equivalents at end of period	5.1.5.13	**24,683**	**15,455**	**14,392**

Notes:
1) Long term grants receivable + short term grants receivable + trade receivables + prepaid expenses and other current assets.
2) Advance on royalties + long term grants payable + trade payables + short term grants payable + other current liabilities.

5.1.4. Consolidated statement of changes in shareholders' equity

	Attributable to equity holders of the Company					
Thousands of USD	**Number of shares**	**Share capital & issuance premium**	**Retained earnings**	**Share-based compensation**	**Translation reserves**	**Total equity**
Notes	*5.1.5.15*	*5.1.5.15*		*5.1.5.19*		
Balance at January 1, 2011	**13,185,614**	**28,595**	**-17,050**	**2,874**	**-91**	**14,328**
Total Comprehensive income	-	-	-9.671	-	3	-9.668
Issuance of shares	5,436,713	10,552	-	-	-	10,552
Deduction of SPO costs	-	-1,096	-	-	-	-1,096
Share-based compensation	-	-	-	303	-	303
Currency translation adjustments	-	-906	456	-91	769	228
Balance at December 31, 2011	**18,622,327**	**37,145**	**-26,265**	**3,086**	**681**	**14,647**
Balance at January 1, 2012	**18,622,327**	**37,145**	**-26,265**	**3,086**	**681**	**14,647**
Total Comprehensive income	-	-	-11.533	-	-73	-11,606
Issuance of shares	6,891,113	13,194	-	-	-	13,194
Deduction of SPO costs	-	-464	-	-	-	-464
Share-based compensation	-	-	-	240	-	240
Currency translation adjustments	-	732	177	61	-994	-24
Balance at December 31, 2012	**25,513,440**	**50,607**	**-37,621**	**3,387**	**-386**	**15,987**
Balance at January 1, 2013	**25,513,440**	**50,607**	**-37,621**	**3,387**	**-386**	**15,987**
Total comprehensive income	-	-	-16,175	-	16	-16,159
Issuance of shares	8,737,863	24,824	-	-	-	24,824
Deduction of SPO costs	-	-543	-	-	-	-543

Share-based compensation	-	-	-	324	-	324
Currency translation adjustments	-	2,289	-2,025	153	-313	104
Balance at December 31, 2013	**34,251,303**	**77,177**	**-55,821**	**3,864**	**-683**	**24,537**

5.1.5. Notes to consolidated financial statements

5.1.5.1. General information

MDxHealth SA is a limited liability company incorporated in Belgium.

MDxHealth is a molecular diagnostics company that develops and commercializes advanced epigenetic tests for cancer assessment and the personalized treatment of patients.

Applying our patented DNA methylation platform and biomarkers, we help address a large and growing unmet medical need for better cancer diagnosis and treatment information.

MDxHealth (formerly OncoMethylome Sciences) was established in 2003 and is headquartered in Belgium. Its US headquarters is located in Irvine, CA.

MDxHealth develops molecular diagnostic products on its own or in partnership with pharmaceutical companies. Some of its products are already commercialized and the company has a broad pipeline of other products for major cancer indications.

Using our extensive scientific expertise and our patented DNA-based methylation technology, MDxHealth focuses on providing high value MDx products that address significant unmet clinical needs and can be used in clinical laboratory testing.

Our mission is to develop and commercialize advanced molecular diagnostic products for personalized cancer treatment. This will be achieved with products 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 or response to therapy.

We have an innovative and broad MDx product pipeline covering major cancer areas such as prostate, bladder, kidney, colon, lung and brain cancer.

We develop MDx products based on our patented DNA methylation platform integrating our 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.

We have two main product areas for which we use our leading methylation platform:

1. Clinical Diagnostic products, which we develop, validate and commercialize independently to assist physicians in the assessment of cancer diagnosis and prognosis.
2. Pharmaco Molecular Diagnostic products, which we develop and validate in collaboration with pharmaceutical companies to accelerate clinical trials and regulatory approvals and improve treatment decisions.

MDxHealth has a lab in Gent, Belgium, and offers its products in North-America through a CLIA Certified, ISO 9001 Acredited and CAP accredited Service Lab.

The MDxHealth group of companies has its parent company, headquarters in Belgium, but also operates in the United States. MDxHealth's registered and corporate office is based in Herstal, Belgium (Cap Business Center, Rue d'Abhooz 31, 4040 Herstal). MDxHealth, Inc., the Company's U.S. subsidiary, is located at 15279 Alton Parkway – Suite 100 – Irvine, CA 92618, United States.

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, however, remains to date the Euro as Europe continues to be the primary economic environment in which funds from financing activities are generated and tax planning and consolidated reporting is performed.

5.1.5.2. Accounting policies

Use of estimates and judgments

MDxHealth's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as adopted by the European Union up to December 31, 2013.

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

Note 5.1.5.6. : Taxes
Note 5.1.5.19: Warrant plans

Basis of preparation and statement of compliance

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

All amounts are presented in thousands of US Dollars (USD) unless otherwise indicated, rounded to the nearest USD 1,000.

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

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

Changes in accounting policy and disclosures

New Standards, Interpretations and Amendments adopted by the Group

During the current financial year, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, that are relevant to its operations and effective for the accounting year starting on January 1, 2013. The Group has not applied any new IFRS requirements that are not yet effective as per December 31, 2013.

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

- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards (Amendment March 2012) — Amendments for government loan with a below-market rate of interest when transitioning to IFRSs
- IFRS 7 - Financial Instruments: Disclosures (Amendment December 2011) — Amendments related to the offsetting of assets and liabilities
- IFRS 13 - Fair Value Measurement - Original Issue May 2011
- IAS 1 Presentation of Financial Statements (Amendment June 2011) — Amendments to revise the way other comprehensive income is presented
- IAS 19 - Employee Benefits (Amendment June 2011) — Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects
- IAS 27 - Consolidated and Separate Financial Statements — Reissued as IAS 27 Separate Financial Statements (May 2011)
- IAS 28 - Investments in Associates — Reissued as IAS 28 Investments in Associates and Joint Ventures (May 2011)
- IFRIC 20 - Stripping Cost in the Production Phase of Surface Mine

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

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

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued but are not yet effective as per December 31, 2013.

- Annual Improvements to IFRSs 2010-2012 Cycle (issued by the IASB in December 2013)
- Annual Improvements to IFRSs 2011-2013 Cycle (issued by the IASB in December 2013)
- IFRS 7 - Financial Instruments: Disclosures (Amendment December 2011) — Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures
- IFRS 7 – Financial Instruments: Disclosures (Amendment November 2013) — Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9
- IFRS 9 - Financial Instruments — Classification and Measurement (Original issue November 2009, and subsequent amendments)
- IFRS 10 - Consolidated Financial Statements – Original Issue May 2011
- IFRS 10 - Consolidated Financial Statements (Amendment June 2012) – Amendments to transitional guidance
- IFRS 10 - Consolidated Financial Statements (Amendment October 2012) – Amendments for investment entities
- IFRS 11 - Joint Arrangements - Original Issue May 2011
- IFRS 11 - Joint Arrangements (Amendment June 2012) – Amendments to transitional guidance
- IFRS 12 - Disclosure of Interests in Other Entities - Original Issue May 2011
- IFRS 12 - Disclosure of Interests in Other Entities (Amendment June 2012) – Amendments to transitional guidance
- IFRS 12 - Disclosure of Interests in Other Entities (Amendment October 2012) – Amendments for investment entities
- IAS 19 - Employee Benefits (Amendment November 2013) — Amendments relating to Defined Benefit Plans: Employee Contributions
- IAS 27 - Consolidated and Separate Financial Statements (Amendment October 2012) — Amendments for investment entities
- IAS 32 - Financial Instruments: Presentation (Amendment December 2011) — Amendments relating to the offsetting of assets and liabilities
- IAS 36 – Impairment of Assets (Amendment May 2013) — Recoverable Amounts Disclosures for Non-Financial Assets
- IAS 39 – Financial Instruments: Recognition and Measurement (Amendment June 2013) — Novation of Derivatives and Continuation of Hedge Accounting

- IAS 39 – Financial Instruments: Recognition and Measurement (Amendment November 2013) — Amendments for continuation of hedge accounting (fair value hedge of interest rate exposure) when IFRS 9 is applied
- IFRIC 21 – Levies (May 2013)

None of the other new standards, interpretations and amendments, which are effective for annual periods beginning after 1st January 2014 and which have not been adopted early, are expected to have a material effect on the Group's future financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of MDxHealth SA (Belgium legal entity), and MDxHealth Inc. (United States legal entity) for each fiscal year ending on December 31st. The consolidated financial statements for years up to December 31, 2011 also incorporated the financial statements of OncoMethylome Sciences BV (Netherlands legal entity) and MDxHealth PharmacoDx BVBA (Belgian legal entity). Both entities have either been liquidated or merged into MDxHealth SA as of December 31, 2012. MDxHealth SA (Belgium) incorporated MDxHealth Inc. (U.S.) as a wholly-owned subsidiary in 2003. The subsidiaries are included following the full consolidation method. All intra-group transactions, balances, income and expenses are eliminated in consolidation.

Foreign currency translation

Functional and presentation currency

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, however, remains to date the Euro as Europe continues to be the primary economic environment in which funds from financing activities are generated and tax planning and consolidated reporting is performed.

Transactions and balances

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

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

Segment information

The Company does not distinguish different segments, neither business nor geographical segments since at this time the majority of revenues are generated from clinical laboratory service testing or from grants in Belgium. In 2013, 100% of revenues were derived from testing/R&D services. In 2013, the majority of product and service revenues were generated from the sale of clinical testing/R&D services to pharmaceutical companies evaluating the biomarkers of MDxHealth as potential companion diagnostic tests. These service testing revenues were primarily generated from the performance of testing in the Company's European ISO-certified commercial laboratory in Belgium. All of the grant revenues have been earned in Belgium by the parent company based in Liège and now in Herstal. In 2013, 50% of the commercial revenues have been earned by the parent company, which performed services in Belgium on behalf of customers mainly based in Europe and the remaining 50% have been earned by the US subsidiary with ConfirmMDx for Prostate.

At the end of 2013, 86% of the non-current assets (other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) were located in the United States, and the remaining 14% composed by equipment located in Belgium.

Revenue recognition

Substantially all of the Company's revenues are generated from technology out-licensing deals, product and service sales or royalties on such sales, research and development service fees, and government grants. Most commercial agreements include up-front fees, milestone fees, and royalty fees.

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

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

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

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

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

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

Given the ConfirmMDx for Prostate Cancer assay was recently introduced to the market in 2012, the Company's revenue recognition policy has limited the amount of revenue recognized in 2013. Based on 2013 reported cases and historical average reimbursement amounts, the total estimated value of tests performed in 2013 was USD 9.3 million. Of this amount, the Company recognized USD 3.8 million, leaving uncollected outstanding unrecognized revenues of USD 5.4 million. This uncollected amount has been excluded from the Company's 2013 revenues. Of the USD 5.4 million, USD 2.9 million is the estimated value of 2013 Medicare cases not recognized and USD 2.5 million unrecognized non-Medicare billings. Of the reported revenue for the ConfirmMDx for Prostate Cancer assay in 2013, 83% is based on an accrual basis and 27% on a cash collection basis for non-accrual payers. Collections from accrual payers represented 74% of total collections, while the collections from non-accrual payers, which has been included in reported revenue represented 26% of total collections. Given that the volume of billable cases is larger than the collection volumes, there exists unrecognized revenue potential not reflected in the financial statements. These unrecognized transactions will most likely impact revenues in future months as they either are collected or the payment pattern for given 3rd party payors warrants accrual accounting treatment for these 2013 transactions per the Company's revenue recognition policy. Also, recognition of revenue for Medicare cases is dependent upon the future Medicare coverage decision by Palmetto GBA, the Medicare Administration Contractor for CMS.

MDxHealth recognizes revenue for its CLIA laboratory services based on an accrual basis when test results are delivered and billed when the following criteria are met:

1) There is persuasive evidence that an agreement exists.

2) Test results have been delivered or services have been rendered and billed.

3) The fee is fixed or determinable.

4) Collection of the fee is reasonably assured.

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 based on a historical analysis of each individual payor's payment patterns and history for each product or service, when no contractual arrangement exists. The determination of whether there is sufficient history to reliably estimate a payor's individual payment patterns is based on at least several months of payment history. The percentage of the number of tests paid relative to the number of tests billed must be at a consistently

high percentage of tests billed and at a reliably consistent reimbursement rate. This reimbursement analysis will be updated at least each quarter to determine if the accrual method of revenue recognition will be applied or continued.

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 when payment is received from the payor.

Deferred revenue represents amounts received prior to revenue being earned.

Research & development costs

Generally, the Company considers that the regulatory and clinical risks inherent to the development of its products preclude it from capitalizing development costs. Development costs are capitalized to the extent that all conditions for capitalization have been satisfied. In the 2013 consolidated IFRS financial statements of MDxHealth, there was internal development costs related to the enhancement of the ConfirmMDx for Prostate assay that has met the conditions for capitalization and USD 924,000 was capitalized.

Property, plant and equipment

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

Equipment: 5 years

IT hardware and software: 3 years

Furniture: 5 years

Vehicles: 5 years

Leasehold improvements: in line with the lease agreement period

Intangible assets

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

Patents: shorter of 5 years or the remaining patent life

Software: shorter of 5 years or the software license period

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

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

Impairment of tangible and intangible assets

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

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

Inventories

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

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

Trade receivables

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

Grants receivable and grants payable

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

Cash and cash equivalents

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

Taxation

Deferred income tax is provided in full using the “balance sheet liability method”, on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Trade payables

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

Equity instruments

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

Derivative instruments

The Company has not used any derivative financial instruments.

Financial Assets

Investments classified as available for sale financial assets, are current and non-current investments comprising unlisted equity shares. They are stated at fair value, except where fair value cannot be established reliably in which case the securities are carried at cost. Any resultant gain or loss on investments measured at fair value is recognized in a revaluation reserve in equity with the exception of impairment losses which are recognized directly in profit and loss. These investments are held with the objective of realizing a capital gain from a future sale. All purchase and sale of funds are recognized at the date of settlement. Investments are reviewed periodically and revalued by the Directors on a case by case basis.

Financial assets are assessed for indicators of impairment at each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impaired. For unlisted shares classified as available for sale a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Retirement benefit schemes and employee savings schemes

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

Share-based compensation plans for personnel, Directors and business associates

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

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

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

5.1.5.3. Operating result

- Research and development expenditures

Thousands of USD / Years ended December 31	Notes	2013	2012	2011
Personnel costs	5.1.5.4.	2,517	3,145	2,764
Lab consumables		815	821	647

External research and development collaborator fees	1,233	1,961	2,035
Capitalization of intangible assets	- 924	-	-
Depreciation and amortization	473	441	384
Other expenses	453	418	859
Total	**4,567**	**6,786**	**6,689**

R&D expenditures decreased in 2013 as a result of the decreased activity in Belgium. As a consequence, personnel costs and external R&D collaborator fees were reduced in 2013. Depreciation and amortization expenses increased since 2012 as a result of large acquisition of capital expenditures in the United States.

- Selling, general and administrative expenses

Thousands of USD / Years ended December 31	Notes	2013	2012	2011
Personnel costs	5.1.5.4.	8,611	4,902	3,218
Depreciation		248	69	54
Professional fees		1,862	1,751	1,872
Other expenses		2,005	2,401	1,012
Patent expenses		493	464	505
Total		**13,219**	**9,587**	**6,661**

SG&A expenses have continued to increase since 2012 as a consequence of the change in strategy in 2010 whereby the Company pursues direct sales of certain of its products via a commercial laboratory in the United States. SG&A expenses include primarily costs for the general management of the Company, such as the finance, marketing, sales, and other similar activities.

5.1.5.4. Personnel costs

The number of employees at the end of the year was:

Thousands of USD / Years ended December 31	2013	2012	2011
The number of employees at the end of the year was:			
Management (headcount)	4	4	6
Laboratory staff (headcount)	42	37	23
SG&A staff (headcount)	38	29	10
Total	**84**	**70**	**39**

Their aggregate remuneration comprised:			
Wages and salaries	8,886	6,409	4,596
Social security costs	713	501	409
Pension costs	292	191	93
Other costs	1,237	946	884
Total	**11,128**	**8,047**	**5,982**

The personnel numbers in the table reflect year-end numbers. The year-end headcount in 2013 was higher than in 2012, and the total personnel costs increased significantly in 2013 because of the increase in headcount during 2013.

5.1.5.5. Finance income/ (expenses)

Thousands of USD / Years ended December 31	2013	2012	2011
Interest on bank deposits	16	85	213
Foreign exchange gain/(loss)	-100	-138	4
Other financial gain/(loss)	-20	-36	-8
Net financial results	**-104**	**-89**	**209**

The largest portion of the financial results is composed of foreign exchange losses from exposure to EUR/USD.

5.1.5.6. Taxes

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

	Balance at	Income Statement		
Thousands of USD/ Years ended December 31	31-Dec-13	2013	2012	2011
Tax losses carried forward	146,005	17,462	13,689	11,865
Purchase of intangible assets	-9,702	-	-	-
Depreciation of intangible assets	9,688	12	12	14
Total deductible temporary difference	145,992	17,474	13,701	11,879
Deferred taxes @ 34%	49,623	5,939	4,657	4,038

Unrecognized opening balance of deferred tax asset	-	41,792	36,426	33,482
Difference exchange rate opening balance	-	1,891	718	-1,059
Deferred tax of the year	-	5,940	4,648	4,003
Deferred taxes at December 31	49,623	49,623	41,792	36,426

The Company has not recorded deferred net tax assets on the basis that at December 31, 2013, 2012 and 2011 no profits were realized and the lack of guarantees that it will generate profits in the future which could be offset against current losses.

The deferred taxes are calculated on the following items:

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

5.1.5.7. Loss per share

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

Thousands of USD except per share amounts / Years ended December 31	2013	2012	2011
Result for the purpose of basic loss per share, being net loss	-16,175	-11,533	-9,671
Number of shares *Weighted average number of shares for the purpose of basic loss per share (assuming stock split in all periods)*	30,037,977	22,071,704	17,207,292
Basic loss per share (in USD)	-0.57	-0.56	-0.52

At December 31, 2013, 2012, and 2011, the Company has dilutive potential shares in the form of warrants. Under IAS 33, no disclosure is required of the diluted result per share, since as long as the Company is reporting a net loss, the warrants have an anti-dilutive effect rather than a dilutive effect.

5.1.5.8. Intangible assets

The Company has decided to convert Euros into USD as from the year 2011 because retrospective application is impossible for previous years (IAS 8.29).

Thousands of USD / Years ended December 31	2013	2012	2011
Gross value			
At January 1	3,426	3,360	3,446
Additions	924	-	23
Disposals	-	-	-
Impairment	-	-	-
Currency translation adjustments	192	66	-109
Gross value at December 31	4,542	3,426	3,360
Accumulated amortization			
At January 1	-3,389	-3,303	-3,385
Additions	-18	-21	-26
Disposals	-	-	-
Related to subsidy	-	-	-
Impairment	-	-	-
Currency translation adjustments	-154	-65	108
Accumulated amortization at December 31	-3,561	-3,389	-3,303
Net value at December 31	981	**37**	**57**

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

These investments are being amortized on a straight-line basis over 3-5 years, unless impairment is noted during the periodic assessment of these assets.

5.1.5.9. Tangible assets

Thousands of USD	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2011	2,561	171	695	184	3,611
Additions	400	3	38	135	576
Disposals	-1	0	-28	0	-29
Impairment	0	-21	-74	-9	-104
Currency translation adjustments	-81	-5	-22	-5	-113
Gross value at December 31, 2011	2,879	148	609	305	3,941
Accumulated amortization					
At January 1, 2011	-1,959	-140	-649	-90	-2,838
Additions	-303	-22	-39	-19	-383
Disposals	0	0	28	0	28
Impairment	0	21	74	9	104
Currency translation adjustments	62	4	20	3	89
Accumulated amortization at December 31, 2011	-2,200	-137	-566	-97	-3,000
Net value at December 31, 2011	**679**	**11**	**43**	**208**	**941**

Thousands of USD	Laboratory equipment	Furniture	IT equipment	Leasehold improvements	TOTAL
Gross value					
At January 1, 2012	2,879	148	609	305	3,941
Additions	297	127	113	87	624
Disposals	-294	-30	-54	-3	-381
Impairment	0	0	0	0	0
Currency translation adjustments	52	4	16	2	74
Gross value at December 31, 2012	2,934	249	684	391	4,258

Accumulated amortization					
At January 1, 2012	-2,200	-137	-566	-97	-3,000
Additions	-300	-32	-25	-152	-509
Disposals	289	30	47	3	369
Impairment	0	0	0	0	0
Currency translation adjustments	-43	-4	-15	-1	-63
Accumulated amortization at December 31, 2012	-2,254	-143	-559	-247	-3,203
Net value at December 31, 2012	**680**	**106**	**125**	**144**	**1,055**

Thousands of USD	**Laboratory equipment**	**Furniture**	**IT equipment**	**Leasehold improvements**	**TOTAL**
Gross value					
At January 1, 2013	2,934	249	684	391	4,258
Additions	197	14	46	0	257
Disposals	-521	-110	-543	-188	-1,362
Impairment	0	0	0	0	0
Currency translation adjustments	104	2	24	8	138
Gross value at December 31, 2013	2,714	155	211	211	3,291
Accumulated amortization					
At January 1, 2013	-2,254	-143	-559	-247	-3,203
Additions	-236	-46	-39	-86	-407
Disposals	452	108	541	125	1,226
Impairment	0	0	0	0	0
Currency translation adjustments	-96	-5	-23	-2	-126
Accumulated amortization at December 31, 2013	-2,134	-86	-80	-210	-2,510
Net value at December 31, 2013	**580**	**69**	**131**	**1**	**781**

5.1.5.10. Financial assets

The Company does no longer hold financial assets.

5.1.5.11. Trade and other receivables

a. Trade receivables

Thousands of USD / Years ended December 31	2013	2012	2011
Trade accounts receivable	1,997	2,236	1,639
Total trade accounts receivable	**1,997**	**2,236**	**1,639**

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

In 2013, the trade accounts receivable balances were mainly composed of services for ConfirmMDx for Prostate Cancer for USD 1,558,000. The remaining balances were related to services provided to pharmaceutical companies as at end 2012 and 2011. Out of the total trade receivable balance at the end of 2013, USD 1,185,000,- are more than 60 days outstanding, whereas all the rest is outstanding for less than 60 days. A provision for doubtful accounts has been made in 2013 for the balance related to Predictive Biosciences which went into bankruptcy, and for some other customers in the US, for a total of USD 285,000.

b. Other receivables

Thousands of USD / Years ended December 31	2013	2012	2011
Prepayments	365	268	209
Deposits	44	17	26
Recoverable VAT	214	210	533
Inventories	171	123	82
Other	125	94	61
Total prepaid expenses and other current assets	**919**	**712**	**911**

The Company considers that the carrying amount of trade and other receivables approximates their fair value. The Recoverable VAT balance remains stable compared to 2012.

5.1.5.12. Grants receivable

Thousands of USD / Years ended December 31	2013	2012	2011
BE Wallonia : ETB bladder subsidy	-	189	437
BE Wallonia : Lung cancer subsidy Extension	-	135	-
BE Wallonia : BioWin	-	-	423
BE Wallonia: Eurostars - Cervix	23	135	210
NL CTMM Airforce – Lung / Head & Neck	-	-	-
NL CTMM Decode – Colon	-	-	-
Total grants receivables	**23**	**459**	**1,070**
More than one year	-	-	-
Less than one year	23	459	1,070
Total grants receivables	**23**	**459**	**1,070**

In 2013, the Company fulfilled all its obligation related to subsidies. The remaining balance related to the Eurostars grant is expected to be received in 2014.

In 2012, the Company was awarded one new grant, the Wallonia Lung cancer subsidy extension (3 program) which started retroactively in September 1, 2011 for a twelve months period.

In 2011, the Company was awarded two new grants, the Wallonia Eurostars grant for R&D on cervix cancer which started in September 1, 2011 and a lung subsidy extension from the Walloon region that was retroactive to September 2010 and finished in June 2011.

5.1.5.13. Cash and cash equivalents

Thousands of USD / Years ended December 31	2013	2012	2011
Cash at bank and in hand	24,683	15,455	14,392
Total cash and cash equivalents	**24,683**	**15,455**	**14,392**

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

5.1.5.14. Financial Risk Management

Capital management

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

Credit risk

The limited number of the group's customers subjects the Company to concentrations of credit risk. In 2011, 87% of the commercial turnover was generated by 10 customers. In 2012, the Company generated 74% of its commercial turnover with six customers, increasing its credit risk. In 2012, 2 individual customers each represented more than 9% of the total commercial revenues of the Company and together they accounted for 46% of total commercial revenues. In 2013, the Company reduced its credit risk from the reliance on a small number of customers by generating 50% of its revenues related to ConfirmMDx for Prostate Cancer with a large range of customers. The remaining revenue is generated by 95% with 8 customers, out of which Merck KGaA represents 53%.

Customer's compliance with agreed credit terms is monitored regularly and closely. No major overdue trade accounts receivable are identified and the year-end 2013 balance was USD 1,997,000.

Receivables related to research grants from the Belgian government (USD 23 thousand at December 31, 2013) are recognized when there is a reasonable assurance that the Company will comply with the conditions attached to them and the grant will be received. The company considers the overall recognition criteria being met when an award letter has been received, the related project costs have been incurred, and grant specific milestones have been achieved or are assumed to be reliably achieved in the future.

The credit risk on cash and cash equivalents USD 24,683,000 (EUR 17,898,000) is limited given that the counterparties are banks with high credit scores attributed by international rating agencies.

Interest risk

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

Currency risk

The Company has started in 2012 to sell products directly to treating physicians in the United States via its commercial laboratory. This new activity has increased the Dollar-denominated costs and revenues of the Company as a percentage of the overall costs and revenues.

With the expansion of the Company's U.S. activities, the group is currently exposed to a larger currency risk than in the past. The group has cash outflows in US Dollars for the operations of its U.S. wholly-owned subsidiary and for numerous external research and development projects it carries out with U.S.-based medical centers. In 2013, the Company had material commercial revenues denominated in US Dollars. The Company has not engaged in hedging of the foreign currency risk via derivative instruments.

The monetary items at December 31, 2013 in USD are composed of cash on hand of USD 3,636,000.

For compliance with the IFRS 7 rule, the Company discloses a sensitivity analysis of an increase/decrease of exchange rate on operations in USD of 10%.

The exposure of operations to the currency risk is limited to the net amount of USD 13.4 million (USD 6.5 million revenue and USD 19.9 million costs), giving a potential loss of USD 1,152,000 in case of an increase of the USD/EUR exchange rate by 10%, and a potential gain of USD 1,270,000 in case of an decrease of the exchange rate by 10%.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The company has no borrowing arrangements at December 31, 2013 and has no derivative instruments.

Other risks

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

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

5.1.5.15. Share capital and reserves

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

Years ended December 31	2013	2012	2011
Common shares	34,251,303	25,513,440	18,622,327
Total outstanding shares	**34,251,303**	**25,513,440**	**18,622,327**

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

Years ended December 31	Thousands of USD / 2013	2012	2011	Thousands of EUR / 2013	2012	2011
Share Capital as per statutory accounts	37,680	26,852	19,221	27,322	20,352	14,855
IPO Costs & Capital Increase costs	-2,197	-1,582	-1,096	-1,393	-1,199	-847
Share capital under IFRS	35,483	25,270	18,125	25,729	19,153	14,008
Issuance premium	41,694	25,336	19,020	30,233	19,203	14,700
Share capital and issuance premium	77,177	50,606	37,145	55,962	38,356	28,708

The share capital and issuance premium increased in 2013 as a result of the private placement with institutional investors of 8,737,683 new shares on June 25, 2013. The new shares were issued at EUR 2.06 per share.

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

Date	Transaction	Number (and class) of shares issued	Issue price per share (EUR)	Issue price per share (EUR) post-stock split	Capital increase (000 EUR)	Share capital after transaction (000 EUR)	Share capital after transaction (000 USD)
Incorporation							
Jan.10, 2003	Incorporation	202,975	0.30	0.06	62	62	
Phase I financing round December 20, 2002 (preferred A shares)							
Feb.07, 2003	Capital increase in cash	197,025 (preferred A)	20.00	4.00	3,941	4,002	
Jun.30, 2003	Capital increase in cash	33,333 (preferred A)	20.00	4.00	667	4,669	
Sep.30, 2003	Capital increase in cash	218,139 (preferred A)	22.31	4.46	4,867	9,535	
Jun.30, 2004	Capital increase in cash	195,504 (preferred A)	23.87	4.77	4,667	14,202	
Phase II financing round October 19, 2005 (preferred B shares)							
Oct.28, 2005	Capital increase in cash	375 (preferred B)	24.00	4.80	9,000	23,202	
Mar 31, 2006	Capital increase in cash	193,548 (preferred B)	31.00	6.20	6,000	29,202	
Stock split and conversion of all shares to common shares							
May 23, 2006	7,077,620	-	-	-	-	29,202	
IPO							
Jun. 30, 2006	Capital increase in cash	2,933,334 (ordinary)	7.50	7.50	22,000	51,202	
Absorption of losses							
Jun. 30, 2006	Absorption of losses	-	-	-	(10,218)	40,984	
Exercise of over-allotment warrants							
Jun. 30, 2006	Capital increase through exercise of over-allotment warrants	440,000 (ordinary)	7.50	7.50	1,817	42,801 (as per statutory accounts)	
Deduction of IPO costs (under IFRS)							
Jun. 30, 2006	Deduction of IPO costs	-	-	-	(2,174)	40,627 (under IFRS)	

Date	Transaction	Number (and class) of shares issued	Issue price per share (EUR)	Issue price per share (EUR) post-stock split	Capital increase (000 EUR)	Share capital after transaction (000 EUR)	
Exercise of warrants							
Apr. 18, 2007	Capital increase in cash	182,560 (ordinary)	4.70	4.70	748	41,375	
Secondary offering of shares							
Oct. 19, 2007	Capital increase in cash	1,063,510 (ordinary)	10.00	10.00	4,355	45,729	
Exercise of warrants							
Oct. 25, 2007	Capital increase in cash	50,837 (ordinary)	4.73	4.73	208	45,938	
Deduction of secondary Offering Fees (Under IFRS)							
Dec. 31, 2007	Deduction of SPO costs	-	-	-	(457)	45,481 (under IFRS)	
Exercise of warrants							
Apr. 24, 2008	Capital increase in cash	61,120 (ordinary)	4.59	4.59	250	45,731	
Exercise of warrants							
Nov. 05, 2008	Capital increase in cash	19,375 (ordinary)	4.73	4.73	80	45,811	
Secondary offering of shares							
Dec. 18, 2008	Capital increase in cash	1,332,877 (ordinary)	6.29	6.29	5,459	51,270	
Deduction of secondary Offering Fees (Under IFRS)							
Dec. 31, 2008	Deduction of SPO costs	-	-	-	(281)	50,989 (under IFRS)	
Exercise of warrants							
Apr. 17, 2009	Capital increase in cash	24,540 (ordinary)	4.49	4.49	100	51,089	
Reduction of share capital (with no change to number of shares)							
Jun. 21, 2010	Reduction of Share Capital	-	-	-	-	10,518	
Secondary Offering of shares							
Apr. 08, 2011	Capital increase in cash	5,436,713 (ordinary)	1.50	1.50	4,337	14,855	19,921[1]
Secondary Offering of shares							
Jul. 4, 2012	Capital increase in cash	6,819,113 (ordinary)	1.45	1.45	5,497	20,352	26,852[2]
Secondary Offering of shares							
Jun. 25, 2013	Capital increase in cash	8,737,863 (ordinary)	2.06	2.06	6,971	27,322	37,680[3]
Deduction of secondary Offering Fees (Under IFRS)							
Jun. 30, 2011	Deduction of SPO costs	-	-	-	(847)	-	-
Jul. 4, 2012	Deduction of SPO costs	-	-	-	(352)	-	-
Jun. 25, 2013	Deduction of SPO costs	-	-	-	(394)	25.729 (under IFRS)	35.483

[1] USD conversion at December 31, 2011 rate (1 Euro = 1.2939 USD)

[2] USD conversion at December 31, 2012 rate (1 Euro = 1.3194 USD)

[3] USD conversion at December 31, 2013 rate (1 Euro = 1.3791 USD)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

decided upon by the general shareholders' meeting of May 23, 2006, each Warrant 2004, Warrant 2005 and Warrant 2006 entitles the holder thereof to five shares of the Company.

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

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

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

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

On June 21, 2010, the Extraordinary General Shareholders' meeting approved the formal reduction of the share capital in accordance with article 614 of the Belgian Company Code through the incorporation (and neutralization) of (accumulated) sustained losses as demonstrated from the approved annual accounts as per December 31, 2009, without reducing the total number of issued and outstanding shares, in order to improve the ratio of the Company's net assets vis-à-vis its share capital. Therefore, the share capital was reduced by EUR 43,483,535.37, bringing the share capital per the statutory accounts from EUR 54,001,197.27 to EUR 10,517,661.90. This transaction caused the share capital under IFRS to be reduced from EUR 51,089,000 to EUR 10,518,000.

On April 8, 2011, the Board of Directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. 5,436,713 new common shares were issued at EUR 1.50 per share, resulting in an increase of the share

capital for an amount of EUR 4,336,865.96 (with the remaining balance allocated to issuance premium).

On July 4, 2012, the Board of Directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. 6,819,113 new common shares were issued at EUR 1.45 per share, resulting in an increase of the share capital for an amount of EUR 5,497,040.84 (with the remaining balance allocated to issuance premium).

On June 25, 2013, the Board of Directors decided to increase the Company's share capital in connection with a private placement with qualified institutional investors. 8,737,683 new common shares were issued at EUR 2.06 per share, resulting in an increase of the share capital for an amount of EUR 18,000,000.

Voting rights – Each share is entitled to one vote.

Dividends – The Company has never declared or paid any dividends on its shares and does not anticipate paying any dividends in the foreseeable future. Under Belgian law, the Company is required to allocate at least 5% of its net profits during each financial year to the legal reserve until such reserve has reached an amount equal to 10% of the Company's share capital. At December 31, 2013, there were no profits available for distribution under Belgian law.

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

Authorized Capital – By virtue of the resolution of the extraordinary general shareholders' meeting held on June 27, 2013, the Board of Directors has been expressly authorized to increase the share capital in one or more transactions with an amount of up to EUR 15,000,000.00 (the "Authorized Capital"), subject to certain limitations and conditions described below. The Board of Directors can exercise this power for a period starting on the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the Annexes to the Belgian Official Gazette and ending on the date of the annual general shareholders' meeting to be held in 2016 which shall resolve on the annual accounts relating to the accounting year ending on December 31, 2015. 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 27, 2013, the Board of Directors has also been expressly authorized to increase the share capital in one or more transactions following a notification by the Belgian Financial Services and Markets Authority that it has been informed of a public takeover bid on the company's financial instruments, through contributions in cash with cancellation or limitation of the preferential subscription rights of the shareholders (including for the benefit of one or more well defined persons who are not employees of the company) or through contributions in kind, with issuance of shares, warrants or convertible bonds, subject to the terms and conditions provided for in the Belgian Company Code. The Board of Directors can exercise this power for a period of maximum 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, in order to bring them in accordance with the new situation of the share capital and the 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 statutory Belgian-GAAP accounts the net assets of a limited liability company (*société anonyme*) have fallen below 50% of its share capital as a result of sustained losses, a shareholders' meeting must be convened within two months as from the determination of such situation in order to deliberate and to resolve upon the dissolution of the Company or the continuation of its activities of the Company (and any other proposed measures to address the situation) upon proposal of the Board of Directors of the Company. Article 634 of the Belgian Company Code states that if in the statutory Belgian-GAAP accounts the net assets of a limited liability company (*société anonyme*) have fallen below EUR 61,500, any interested party can ask the courts to dissolve the Company. The courts may grant the Company time to rectify the situation. At the date of

this document, the Company's financial situation is such that no action needs to be taken pursuant to either Article 633 or 634 of the Belgian Company Code.

5.1.5.16. Finance lease obligations and other lease obligations

Thousands of USD / Years ended December 31	2013	2012	2011
Amounts payable under finance lease			
Within one year	-	-	-
In the second to fifth year	-	-	-
After five years	-	-	-
Total	**-**	**-**	**-**
Less future finance charges	-	-	-
Present value of lease obligations	-	-	-
Outstanding commitments for future minimum rent payments, which fall due as follows :			
Within one year	409	346	457
In the second to fifth year	510	240	345
After five years	-	-	-

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

5.1.5.17. Accounts payable

a) Trade accounts payable

Thousands of USD / Years ended December 31	2013	2012	2011
Trade accounts payable	2,313	1,429	1,272
Accruals for invoices to be received	958	763	1,348
Total trade accounts payable	**3,271**	**2,192**	**2,620**

b) Other current liabilities

Thousands of USD/ Years ended December 31	2013	2012	2011
Payroll	1,577	1,519	734
Other accruals	-	234	126
Total other current liabilities	**1,577**	**1,753**	**860**

The trade accounts payable and other current liabilities balances have increased in 2013 mainly because MDxHealth incurred costs related to the increasing activity of its CLIA lab facility in Irvine, California.

Payroll liabilities at year–end 2013 remains stable compared to 2012. The other accruals in 2011 and 2012 were related to the long-term liability with CTMM.

5.1.5.18. Retirement benefit schemes

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

A total cost of USD 292,000 in 2013 (USD 191,000 in 2012 and USD 93,000 in 2011) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

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

5.1.5.19. Stock Option plans (warrants)

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

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

The table below provides an overview as per December 31, 2013 of the warrants that have been created, granted and that are still exercisable. Terminated warrants are described below as cancelled warrants. Generally, those warrants described as cancelled are due to forfeitures.

Warrant data as of December 31, 2013 reflecting potential number of common shares underlying the warrants

Plan	Date	Term (in years)	Total potential shares from warrants created	Total potential shares from warrants granted	Total potential shares from warrants terminated	Total shares issued from exercised warrants	Total potential shares from outstanding warrants	Total potential shares from exercisable warrants	Exercise price per potential share (EUR)
(A)	May 12, 2004[4]	5	150,000	148,750	22,500	126,250	-	-	4.46
(B)	Jul. 12, 2005[4]	5	75,000	75,000	13,000	62,000	-	-	4.77
(C)	Mar.22, 2006[4]	10	333,500	333,500	22,190	149,870	161,440	161,440	4.80
(D)	Nov.08, 2006	10	47,500	47,500	37,813	187	9,500	9,500	7.72
(E)	Apr.18, 2007	10	55,100	55,100	37,100	125	17,875	17,875	10.87
(F)	May25, 2007	5	50,000	50,000	50,000	-	-	-	11.42
(G)	May30, 2008	10	61,000	49,000	22,500	-	26,500	26,500	9.10
(H)	Jan.02, 2009	10	120,500	116,600	86,600	-	30,000	30,000	6.32
(I)	Jun.21, 2010	5	145,000	145,000	5,000	-	140,000	122,500	2.07
(J)	May27, 2011	10	225,000	225,000	70,000	-	155,000	127,813	1.71
(K)	Mar. 15, 2012	10	195,000	195,000	20,000	-	175,000	88,750	1.72
(L-1)	Aug. 15, 2012	10	36,000	36,000	-	-	36,000	36,000	1.52
(L-2)	Sep. 14, 2012	10	85,000	85,000	-	-	85,000	34,063	1.65
(L-3)	Dec. 1, 2012	10	10,000	10,000	-	-	10,000	3,125	2.19
(L-4)	Jan. 1, 2013	10	172,000	172,000	-	-	172,000	32,875	2.00
(L-5)	Feb. 1, 2013	10	23,000	23,000	-	-	23,000	4,313	2.26
(L-6)	Apr. 1, 2013	10	5,000	5,000	-	-	5,000	-	2.30
(L-7)	May 1, 2013	10	15,000	15,000	-	-	15,000	1,875	2.13
(L-8)	May 31, 2013	10	30,000	30,000	-	-	30,000	-	2.05
	Total		**1,833,600**	**1,816,450**	**386,703**	**338,432**	**1,091,315**	**696,629**	

[4] Each warrant created under this plan is convertible into 5 common shares upon their exercise. The data presented in this table reflect the number of potential shares underlying the warrants.

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

	Warrants	Weighted average exercise price (EUR)	Potential shares from exercise of warrants	Weighted average exercise price per potential share (EUR)
Outstanding 1 January 2011	430,998	7.50	560,150	5.77
Granted in 2011	225,000	1.71	225,000	1.71
Forfeited in 2011	97,409		97,409	
Outstanding 31 December 2011	558,589	5.29	687,741	4.30
Granted in 2012	326,000	1.60	326,000	1.60
Forfeited in 2012	126,426		126,426	
Outstanding 31 December 2012	758,163	3.70	887,315	3.16
Granted in 2013	245,000	2.04	245,000	2.04
Forfeited in 2013	41,000		41,000	
Outstanding 31 December 2013	962,163	3.17	1,091,315	2.79
Exercisable at 31 December 2013	**567,477**	**4.04**	**696,629**	**3.29**

The following table gives an overview of the general terms and conditions for share-based payment arrangements that were created since the inception of the Company.

Plan #	Issuance date	Grant date	Term in years	Beneficiaries	Vesting method	Rights attached to the warrant	Total potential shares from warrants created	Total potential shares from outstanding warrants
(A)	12-May-04	12-May-04	5	granted for free to employees, Directors and independent service providers of the Company and its subsidiaries	They become exercisable in cumulative tranches of 25% per year, i.e., 25% as of their issuance, 50% as of the first anniversary date, 75% as of the second anniversary date and 100% as of the third anniversary date of the issuance, provided that the beneficiary has provided at least one year of service.	Each warrant entitles its holder to subscribe to one common share of the Company at a subscription price equal to the subscription price paid at the occasion of the most recent capital increase preceding the issuance of the warrants	150,000	-
(B)	12-Jul-05	12-Jul-05	5				75,000	-
(C)	22-Mar-06	22-Mar-06	10				333,500	161,440
(D)	8-Nov-06	8-Nov-06	10	granted for free to employees of the Company and its subsidiaries	They become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service	Each warrant entitles its holder to subscribe to one share of the Company and can be exercised at a price equal to the average closing price of the Company's shares as listed on Euronext Brussels during a term of 30 days prior to the date of their grant, or any other price determined by the Board of Directors. The exercise price can, however, never be lower than the fractional value of the shares.	47,500	9,500
(E)	18-Apr-07	4-Jan-07	10	granted for free to employees of the Company and its subsidiaries			55,100	17,875
(F)	25-May-07	25-May-07	5	granted for free to Directors and independent service providers of the Company and its			50,000	-

				subsidiaries				
(G)	30-May-08	30-May-08	10	granted for free to employees of the Company and its subsidiaries			61,000	26,500
(H)	27-Jan-09	2-Jan-09					120,500	30,000
(I)	21-Jun-10	21-Jun-10	5	granted for free to Directors of the Company			145,000	140,000
(J)	27-May-11	27-May-11	10	granted for free to employees and independent service providers of the Company and its subsidiaries	They become exercisable in cumulative tranches of 25% per year, provided that the beneficiary has provided at least one year of service. The exception to this vesting rule for all beneficiaries of the warrant plan, is that the 30,000 warrants received by the CEO under this warrant plan, became fully and immediately vested on the date of grant, December 7, 2010.		225,000	155,000
(K)	15-Mar-12	15-Mar-12	10	granted for free to selected beneficiaries by decision of the nomination and remuneration committee and the Board of Directors	25% of the warrants become exercisable during each year following the date of the grant (on a straight-line basis, or 6.25% per quarter) it being understood however that no warrants are exercisable unless the beneficiary has provided as least 1 full year of services to the Company.		195,000	175,000
(L-1)	15-Jun-12	15-Aug-12	10 years from the date of issuance	granted for free to selected participants who are Directors	Warrants shall all vest on the date of the annual shareholders' meeting that takes place in the calendar year following the calendar year where the Stock Options were granted, provided that on the date preceding the date of the former annual shareholders' meeting the mandate of such (Non-Executive) selected Director has not terminated	The warrants are to be granted with an exercise price equal to the higher of (i) the average price of the shares on Euronext during the period of 30 days preceding the date of issuance of the stock options and (ii) the average price of the shares on Euronext during the 30 days preceding the date grant of the stock options.	36,000	36,000
(L-2)		14-Sept-12		granted to selected participants who are not Directors	25% of the warrants granted to selected participants who are not Directors of the company become vested in instalments of 25% per year during a period of 4 years as of the date of grant (being it understood that during the first year after the date of grant, 25% of the stock options shall vest on the first anniversary date of the date of grant and that during the second, third and fourth years after the date of grant, the stock options granted shall vest on a	The warrants are to be granted either to selected employees, with an exercise price determined by the Board of Directors and equal to at least the fair market price of the underlying common shares at the date of grant	85,000	85,000
(L-3)		1-Dec-12					10,000	10,000
(L-4)		1-Jan-13					172,000	172,000
(L-5)		1-Feb-13					23,000	23,000

(L-6)		1-Apr-13			quarterly basis).		5,000	5,000
(L-7)		1-May-13					15,000	15,000
(L-8)		31-May-13		granted for free to selected participants who are Directors	Warrants shall all vest on the date of the annual shareholders' meeting that takes place in the calendar year following the calendar year where the Stock Options were granted, provided that on the date preceding the date of the former annual shareholders' meeting the mandate of such (Non-Executive) selected Director has not terminated	The warrants are to be granted with an exercise price equal to the higher of (i) the average price of the shares on Euronext during the period of 30 days preceding the date of issuance of the stock options and (ii) the average price of the shares on Euronext during the 30 days preceding the date grant of the stock options.	30,000	30,000

The following table provides an overview of the outstanding warrants per personnel category at December 31, 2013:

Category	Number of warrants
Executive Director	250,000
Non-Executive Directors	76,000
Management team (excluding the Executive Director)	300,000
Other employees, consultants, and former service providers	465,315
Total outstanding at December 31, 2013	**1,091,315**

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

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

Thousands of USD / Years ended December 31	2013	2012	2011
Share-based compensation	312	234	326
Cumulated Share-based compensation	3,864	3,387	3,086

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

The weighted average exercise price of all outstanding warrants (vested and non-vested warrants; assuming 1 warrant = 1 share) is EUR 2.79 (USD conversion 3.85 at December 31, 2013). The weighted average exercise price of all outstanding vested warrants (assuming 1 warrant = 1 share) is EUR 3.29 (USD conversion 4.54 at December 31, 2013). The weighted average remaining contractual life of all outstanding warrants at the end of 2013 is 6.12 years.

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

	Number of warrants granted		Exercise price (EUR)	Expected dividend yield	Expected stock price volatility	Risk-free interest rate	Expected duration (months)	
	to Belgian beneficiaries	to other beneficiaries					to Belgian beneficiaries	to other beneficiaries
12-May-04	8,750	120,000	€ 4.46	0	51.00%	3.25%	51.70	48.10
12-Jul-05	50,000	25,000	€ 4.77	0	51.00%	3.25%	43.70	40.70
22-Mar-06	201,250	132,250	€ 4.80	0	51.00%	3.25%	88.40	54.40
8-Nov-06	19,500	28,000	€ 7.72	0	65.00%	4.41%	84.00	72.00
4-Jan-07	32,100	23,000	€ 10.87	0	65.00%	4.41%	87.00	68.90
25-May-07	15,000	35,000	€ 11.42	0	65.00%	4.41%	55.30	37.20
30-May-08	12,000	37,000	€ 9.10	0	52.30%	4.92%	82.10	61.10
2-Jan-09	63,400	53,200	€ 6.32	0	57.24%	3.98%	74.08	62.88
21-Jun-10	135,000	10,000	€ 2.07	0	76.17%	3.40%	51.35	33.34
27-May-11	100,000	125,000	€ 1.71	0	68.81%	4.15%	76.21	58.19
15-Mar-12	75,000	120,000	€ 1.72	0	67.74%	3.43%	78.57	60.56
15-Aug-12	12,000	24,000	€ 1.52	0	54.50%	2.57%	73.54	61.54
14-Sept-12	-	85,000	€ 1.65	0	55.58%	2.59%	72.56	60.56
1-Dec-12	-	10,000	€ 2.19	0	57.13%	2.19%	75.98	57.99
1-Jan-13	65,000	107,000	€ 2.00	0	57.13%	2.09%	80.97	62.92
1-Feb-13	-	23,000	€ 2.26	0	49.99%	2.39%	79.96	61.91
1-Apr-13	-	5,000	€ 2.30	0	51.52%	2.18%	78.02	59.97
1-May-13	-	15,000	€ 2.13	0	49.75%	1.93%	77.03	58.98
31-May-13	12,000	18,000	€ 2.05	0	49.62%	2.22%	76.04	57.99

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

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

5.1.5.20. Related parties

Transactions between MDxHealth SA, MDxHealth Inc., MDxHealth PharmacoDx BVBA and OncoMethylome Sciences BV, which are related parties, have been eliminated in consolidation and are not disclosed in this note. Previous to 2012, the intercompany services between the MDxHealth group entities relate to R&D and administrative services carried out by the subsidiary companies on behalf of the parent company and to administrative services carried out by the parent company for the subsidiaries. Since 2012, the intercompany services relate to royalties paid by the MDxHealth Inc. to MDxHealth SA and to interests on group loan. In 2013, the services charged by the parent company to the subsidiary amounted to USD 1.1 million.

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

There were no other related party transactions.

Remuneration of key management personnel

At December 31, 2013, the executive management team comprised 4 members:

1. Chief Executive Officer and Executive Director, Dr. Jan Groen
2. Executive Vice President of Corporate Development & General Counsel, Mr. Joseph Sollee
3. Executive Vice President of Finance, Mr. Francis Ota
4. Executive Vice President & Chief Commercial Officer, Mr. Christopher Thibodeau

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

Thousands of USD except per personnel, warrants & share amounts / Years ended December 31	2013	2012	2011
Number of management members and Executive Directors	4	4	4
Short-term employee benefits	1,441	1,665	1,644
Post-employment benefits	47	41	39
Other employment costs	53	90	81
Total benefits	1,541	1	1
IFRS share-based compensation expense	136	105	122
Outstanding receivables from persons	-	-	-
Outstanding payables to persons	-	-	-
Shares owned	-	-	-
Number of warrants offered	120,000	120,000	145,000
Cumulative outstanding warrants	515,000	395,000	317,190
Exercisable warrants	328,139	222,501	147,504
Exercised warrants		-	-

In 2013, as an aggregate for the group comprised by the 4 executive managers, no warrants were exercised, 120,000 new warrants were granted and accepted (for an annualized IFRS cost of USD 70 thousand), and no shares were sold.

In 2012, as an aggregate for the group comprised by the 4 executive managers, no warrants were exercised, 120,000 new warrants were granted and accepted (for an annualized IFRS cost of USD 62,000), and no shares were sold.

In 2011, as an aggregate for the group comprised by the 4 executive managers, no warrants were exercised, 145,000 new warrants were granted and accepted (for an annualized IFRS cost of USD 79,000), and no shares were sold. The above table does not include the 100,000 new warrants that were granted by the Board of Directors to 3 of the 4 executive managers in December 2011 but which were only issued and created in March 2012.

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-Executive and Non-Independent Directors do not receive a fee payment for attending and preparing for Board meetings, for assisting the Company with Board matters. They receive reimbursement for expenses directly related to the Board meetings for a total of EUR 12,000 (USD 16,000) in 2013.

The Independent Directors receive a fee for attending and preparing meetings of the Board of Directors, for assisting the Company with Board matters, and they receive reimbursement for expenses directly related to the Board meetings. In 2013, 2012, and 2011, respectively EUR 135,000 (USD 179,000), EUR 134,000 (USD 172,000) and EUR 87,000 (USD 121,000) were paid as fees and expense reimbursement to independent members of the Board of Directors.

30,000 warrants were granted to Non-Executive Directors in 2013. No warrants were exercised in 2013.

5.1.5.21. Significant agreements, commitments and contingencies

A. Collaborative research agreements and clinical research agreements

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

B. Intellectual property in-licensing agreements

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

C. Commercial and intellectual property sub-licensing agreements

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

- *PharmacoDx Partners*

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

Merck Serono

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

In 2012, MDxHealth entered into an expanded collaboration agreement with Merck KGaA for the commercial development of MDxHealth's MGMT diagnostic test as a companion diagnostic to Merck's drug candidate Cilengitide. However, Merck has recently announced that the Phase III trial for Cilengitide did not meet primary endpoints, and therefore it is unlikely that Merck will continue its development of Cilengitide or its support for the development and commercialization of the Company's MGMT test as an FDA-approved companion diagnostic to Cilengitide. Merck's discontinuation of its development support will have a material negative impact on the Company's potential revenues from this commercial project.

Pfizer, Inc. (transferred to Clovis Oncology)

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

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

During the course of 2011, Pfizer transferred the PARP program and the related companion diagnostic program to Clovis Oncology.

GlaxoSmithKline Biologicals (GSK)

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

- *Molecular Diagnostics Partners*

Exact Sciences

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

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

Veridex

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

which Veridex has exercised its license rights only for Prostate and blood-based colon, each on a non-exclusive basis for service testing.

LabCorp

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

Predictive Biosciences

In 2010, MDxHealth entered into an exclusive license agreement with Predictive Biosciences for diagnostic applications in bladder cancer. Under the terms of the agreement, Predictive Biosciences obtained exclusive rights in the United States for the use of a number of MDxHealth's DNA methylation biomarkers in bladder cancer testing of urine, blood and other bodily fluids. MDxHealth retained exclusive worldwide rights to these markers in tissue-based bladder cancer tests. In return, MDxHealth received an upfront license payment and is entitled to receive, subject to certain conditions, milestone payments and royalties on net sales. In 2013, Predictive Biosciences ceased business and all granted licenses have been returned to the company.

PLUS Diagnostics

In April 2012, MDxHealth entered into an agreement to co-promote MDxHealth's ConfirmMDx™ for Prostate Cancer assay in the United States. PLUS Diagnostics, a leading U.S. anatomic pathology company that offers a full range of multi-specialty services will build awareness of ConfirmMDx for Prostate Cancer through its national network of urologists.

Bostwick Laboratories

On July 29, 2013, MDxHealth and Bostwick Laboratories entered into a marketing agreement to commercialize MDxHealth's ConfirmMDx for Prostate Cancer test. Bostwick Laboratories is a national, full-service laboratory specializing in anatomic and clinical pathology, with a focus on uropathology. The agreement provides MDxHealth with access to one of the largest urology networks in the United States.

HistoGeneX

On July 16, 2013 - MDxHealth entered into Pharmaco Molecular Diagnostic services collaboration with HistoGeneX. The collaboration enables MDxHealth to combine its epigenetic technologies with HistoGeneX's well-established pharmaco diagnostic services to provide to pharmaceutical companies and oncologists with integrated molecular diagnostic testing services. HistoGeneX's laboratory in Belgium will also perform MGMT service testing on behalf of MDxHealth's current and future clients.

Sumitomo

On July 9, 2013, MDxHealth signed an agreement with Summit Pharmaceuticals International Corporation (SPI), a subsidiary of Sumitomo Corporation, to gain access to the Japanese market with its pharmaco molecular diagnostic (PharmacoMDx) epigenetic technologies and products. Expanding upon MDxHealth's PharmacoMDx program, the partnership aims to provide companion diagnostic solutions, or theranostics, to pharmaceutical companies in the Japanese market.

D. Litigation

MDxHealth is not involved in any legal proceedings. To date, the only legal proceedings that MDxHealth has been involved in was a case filed against MDxHealth, Inc. in 2011. This case involved a US employee whose employment contract was terminated in 2011. The case was resolved prior to commencement of any formal court proceedings and without any material financial impact on the Company.

E. Grants

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

To date, MDxHealth has been approved for a total of EUR 9.3 million in grants (USD 12.8 conversion at December 31, 2013) and has received grant payments for a total of EUR 9.3 million. A total of EUR 9.3 million has already been recognized as revenues in the period 2004-2013. If the Company respects the conditions of the already approved grants, the Company stands to receive the remaining balance of the Eurostars project in 2014. No revenues generated by grants were recognized in 2013.

The main active grant is the following:

(1) Name (2) Source (3) Description (4) Applicability	Start Date	End Date	Amount Approved (EUR)	Amount Received (EUR)	Main Conditions
(1) **Eurostars** (2) Belgian government (Wallonia), (3) R&D for cervix cancer (4) covers mainly personnel and sample collection costs	1/9/2011	31/08/2012	162,015	145,813	Respect plans and budget.

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

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

5.1.5.22. Subsequent events

In 2014, through the date of this document, the Company made the following normal course of business announcements:

- MDxHealth announced on January 23, 2014 the signing of an exclusive agreement with Teva Pharmaceuticals Ltd. for commercialization of ConfirmMDx® for Prostate Cancer and PredictMDx® for Glioblastoma tests in Israel. ConfirmMDx provides physicians with actionable information that helps improve patient care, particularly the avoidance of unnecessary repeat prostate biopsies. The PredictMDx test is used to identify glioma patients who have methylation of the MGMT (O6-Methylguanine-DNA Methyltransferase) gene. In clinical studies, these patients have shown the potential to respond better to certain chemotherapeutic drugs.
- On February 5th, 2014 MDxHealth's partner Exact Sciences reported that the U.S. Food and Drug Administration has confirmed by notice in the Federal Register that its Molecular and Clinical Genetics Panel of the Medical Devices Advisory Committee will review the premarket approval application (PMA) for the Cologuard test on March 27, 2014 MDxHealth will receive milestone payments and royalties from the sale of the Cologuard test

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

Subsidiaries

The Company has one wholly-owned subsidiary, as follows:

MDxHealth Inc.

Address	15279 Alton Parkway – Suite 100 – Irvine, CA 92618
Incorporation Date	April 14, 2003
Number of employees	73 at December 31, 2013, 50 at December 31, 2012, 13 employees at December 31, 2011

Remuneration of the Board

The total remuneration of the Board of Directors (including the Executive Director) in 2013, 2012 and 2011 was EUR 639,000 (USD 850,000) , EUR 597,000 (USD 767,000) and EUR 645,000 (USD 898,000) respectively (excluding VAT, stock-based compensation and expenses reimbursement). No advances or credits have been granted to any member of the Board of Directors. None of the members of the Board of Directors have received any non-monetary remuneration other than warrants as disclosed above.

5.2. STATUTORY AUDITOR'S REPORT

5.2.1. Statutory auditor's report to the general meeting of shareholders of MDxHealth SA on the consolidated financial statements for the year ended December 31, 2013

In accordance with the legal requirements, we report to you on the performance of the engagement of statutory auditor, which has been entrusted to us. This report contains our opinion on the consolidated balance sheet as at 31 December 2013, the consolidated profit and loss statement for the year ended 31 December 2013 and the explanatory notes, as well as the required additional information.

Report on the consolidated financial statements – unqualified opinion

We have audited the consolidated financial statements of the Company MDxHealth SA for the year ended 31 December 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of USD 29,384,000 and a consolidated loss for the year of USD 16,175,000.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from management and the company's officials the explanations and information necessary for our audit.

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

Unqualified opinion

In our opinion, the consolidated financial statements of the Company MDxHealth SA as of 31 December 2013 give a true and fair view of the net assets and financial position of the group as at 31 December 2013, as well as its consolidated results and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

Management is responsible for the preparation and the content of the consolidated Directors' report.

As part of our engagement and in accordance with the additional Belgian standard on auditing added to the International Standards on Auditing, it is our responsibility, for all significant aspects, to ascertain the compliance of certain legal and regulatory requirements. Based on that requirement we report the following additional statement, which does not modify our audit opinion on the consolidated financial statements:

- The consolidated Directors' report includes the information required by law, is consistent, in all material aspects, with the consolidated financial statements and does not include any obvious inconsistencies with the information that we became aware of during the performance of our engagement.

Zaventem, 26 February 2014

BDO Réviseurs d'Entreprises Soc. Civ. SCRL

Statutory auditor

Represented by Bert Kegels

5.2.2. Statutory auditor's report to the general meeting of shareholders of MDxHealth SA on the consolidated financial statements for the year ended December 31, 2012

In accordance with the legal requirements, we report to you on the performance of the engagement of statutory auditor, which has been entrusted to us. This report contains our opinion on the consolidated balance sheet as at 31 December 2012, the consolidated profit and loss statement for the year ended 31 December 2012 and the explanatory notes, as well as the required additional information.

Report on the consolidated financial statements – unqualified opinion

We have audited the consolidated financial statements of the Company MDxHealth SA for the year ended 31 December 2012, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of EUR 15,124,000 and a consolidated loss for the year of EUR 8,976,000.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from management and the company's officials the explanations and information necessary for our audit.

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

Unqualified opinion

In our opinion, the consolidated financial statements of the Company MDxHealth SA as of 31 December 2012 give a true and fair view of the net assets and financial position of the group as at 31 December 2012, as well as its consolidated results and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

Management is responsible for the preparation and the content of the consolidated Directors' report.

As part of our engagement, it is our responsibility, for all significant aspects, to ascertain the compliance of certain legal and regulatory requirements. Based on that requirement we report the following additional statement, which does not modify our audit opinion on the consolidated financial statements:

- The consolidated Directors' report includes the information required by law, is consistent, in all material aspects, with the consolidated financial statements and does

not include any obvious inconsistencies with the information that we became aware of during the performance of our engagement.

Zaventem, 27 February 2013

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by Bert Kegels

5.2.3. Statutory auditor's report to the general meeting of shareholders of MDxHealth SA on the consolidated financial statements for the year ended December 31, 2011

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statement.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements of MDxHealth SA for the year ended 31 December 2011, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of EUR 14,692,000 and a consolidated loss of EUR 6,947,000.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institut des Réviseurs d'Entreprises. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, as to whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated financial statements contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the company's internal control relating to the preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We have also assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. Finally, we have obtained from management and the company's officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion the consolidated financial statements for the year ended 31 December 2011 give a true and fair view of the group's assets and liabilities, its financial position, the results of its operations and cash flow in accordance with International Financial Reporting Standards as adopted by the European Union.

Additional statement

The preparation of the consolidated Directors' report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statement, which do not modify our audit opinion on the consolidated financial statements:

The consolidated Directors' report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Zaventem, 14 March 2012

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory Auditor
Represented by Bert Kegels

6. STATUTORY FINANCIAL STATEMENTS

The statutory financial statements to be filed with the Belgian National Bank are based upon Belgian GAAP. An unqualified audit opinion will be issued by the statutory auditor.

The information included in this section is an extract from the statutory accounts that will be filed with the Belgian National Bank and do not include all information as required by articles 98 and 100 of the Company laws. The full statutory accounts have not yet been filed with the Belgian National Bank as of the date of this document. Once filed with the Belgian National Bank, the full statutory accounts will also be made available in the investors section of MDxHealth's website (www.mdxhealth.com).

6.1. STATUTORY INCOME STATEMENT

STATUTORY INCOME STATEMENT

Thousands of EUR / Years ended December 31	2013 in USD equivalent	2013	2012	2011
I. Operating income	**4,866**	**3,664**	**4,580**	**3,022**
A. Turnover	4,510	3,396	3,437	1,892
D. Other operating income	356	268	1,143	1,130
II. Operating charges	**8,097**	**6,097**	**6,987**	**8,655**
A. Purchase of goods and materials	502	378	537	639
B. Services and other goods	4,319	3,252	3,895	5,314
C. Remuneration, social security costs, pensions	2,611	1,966	2,237	2,274
D. Depreciation & amounts written off fixed assets	575	433	333	427
G. Other operating charges	90	68	(15)	1
III. Operating profit/(loss)	**(3,231)**	**(2,433)**	**(2,407)**	**(5,633)**
IV. Financial income	**483**	**364**	**261**	**212**
B. Income from current assets	483	364	261	211
C. Other	0	0	0	1
V. Financial charges	**1,051**	**791**	**465**	**65**
A. Debt charges	0	0	13	1
C. Other	1,051	791	452	64
VI. Current profit/(loss) before taxes	**(3,798)**	**(2,860)**	**(2,611)**	**(5,486)**
VII. Extraordinary income	**0**	**0**	**49**	**0**
VIII. Extraordinary charges	**0**	**0**	**93**	**1,289**
A. Extraordinary depreciations & amounts written off fixed assets	0	0	0	0
B. Extraordinary depreciation on financial assets	0	0	93	1,289
IX. Profit/(loss) before taxes	**(3,798)**	**(2,860)**	**(2,655)**	**(6,775)**
X. Income taxes	**0**	**0**	**0**	**0**
XI. Profit/(loss) for the year after taxes	**(3,798)**	**(2,860)**	**(2,655)**	**(6,775)**

APPROPRIATION ACCOUNT

Thousands of EUR / Years ended December 31	2013 in USD equivalent	2013	2012	2011
A. Loss to be appropriated				
A1. Loss for the period available for appropriation	(3,798)	(2,860)	(2,655)	(6,775)
A2. Loss brought forward	(25,244)	(18,305)	(15,650)	(8,875)
B. Transfer from capital and reserves				
B1. From capital and share premium account	0	0	0	0
C. Transfer to equity				
D. Result to be carried forward				
D2. Loss to be carried forward	29,188	21,165	18,305	15,650

6.2. STATUTORY BALANCE SHEET

STATUTORY BALANCE SHEET AFTER APPROPRIATIONS

Thousands of EUR / Years ended December 31	2013 in USD equivalent	2013	2012	2011
ASSETS	**4,881**	**3,539**	**3,729**	**6,176**
I. Formation expenses	**0**	**0**	**0**	**0**
II. Intangible assets	**34**	**25**	**48**	**72**
III. Tangible fixed assets	**118**	**85**	**257**	**384**
B. Plant, machinery and equipment	118	85	203	318
C. Furniture and vehicles	0	0	54	65
IV. Financial assets	**4,729**	**3,429**	**3,424**	**5,720**
A. Affiliated enterprises	4,719	3,422	3,422	5,715
A1. Investments	4,719	3,422	3,422	5,715
A2. Amounts receivable	0	0	0	0
C. Other financial assets	0	0	0	5
C1. Investments	0	0	0	0
C2. Amounts received and cash guarantee	10	7	2	5
CURRENT ASSETS	**47,185**	**34,214**	**19,267**	**12,629**
V. Amounts receivable after one year	**0**	**0**	**0**	**0**
VI. Stocks and contracts in progress	**0**	**0**	**43**	**63**
VII. Amounts receivable within one year	**22,642**	**16,418**	**7,491**	**2,460**
A. Trade debtors	22,297	16,168	6,923	1,203
B. Other amounts receivable	345	250	568	1,257
VIII. Investments	**24,417**	**17,705**	**11,608**	**8,918**
B. Other investments and deposits	203	147	310	8,918
IX. Cash at bank and in hand	**24,214**	**17,558**	**11,298**	**1,060**
X. Deferred charges and accrued income	**125**	**91**	**125**	**128**
TOTAL ASSETS	**52,065**	**37,753**	**22,996**	**18,805**

STATUTORY BALANCE SHEET AFTER APPROPRIATIONS

Thousands of EUR / Years ended December 31	2013 in USD equivalent	2013	2012	2011
CAPITAL AND RESERVES	**51,186**	**36,388**	**21,248**	**13,905**
I. Capital	**37,678**	**27,321**	**20,351**	**14,855**
A. Issued capital	37,678	27,321	20,351	14,855
II. Share premium account	**41,693**	**30,232**	**19,202**	**14,700**
III. Revaluation surpluses	**0**	**0**	**0**	**0**
IV. Reserves	**0**	**0**	**0**	**0**
V. Accumulated profit/(loss)	**(29,188)**	**(21,165)**	**(18,305)**	**(15,650)**
VI. Investment grants	**0**	**0**	**0**	**0**
VII. Provisions and postponed taxes	**0**	**0**	**0**	**0**
A. Provisions for liabilities and charges	0	0	0	0
A4. Other liabilities & charges	0	0	0	0
AMOUNTS PAYABLE	**1,882**	**1,365**	**1,748**	**4,900**
VIII. Debts payable after 1 year	**0**	**0**	**0**	**160**
A. Financial debts	0	0	0	0
A4. Credit institutions	0	0	0	0
IX. Debts payable within 1 year	**1,882**	**1,365**	**1,748**	**4,492**
A. Current portion of debts after one year	0	0	0	0
B. Financial debts	0	0	0	0
B1. Credit institutions	0	0	0	0
C. Trade debts	1,477	1,071	1,341	4,012
C1. Suppliers	1,477	1,071	1,341	4,012
D. Advances received on contracts in progress	0	0	17	120
E. Taxes, remuneration & social security	405	294	375	360
E1. Taxes	4	3	48	0
E2. Remuneration & social security	401	291	327	360
X. Accrued charges and deferred income	**0**	**0**	**15**	**408**
TOTAL LIABILITIES	**52,065**	**37,753**	**22,996**	**18,805**

6.3. ACCOUNTING POLICIES (BELGIAN GAAP)

The valuation rules have been prepared in accordance with the provisions of Chapter II of the Royal Decree of January 30, 2001 relating to the implementation of the Belgian Company Code.

Formation expenses and costs relating to capital increases

These are recognized as assets and are amortized 20% annually. During the financial year, the costs related to capital increases are recognized as expenses in the profit and loss statement.

Intangible assets

Research and development costs

The Company applies the same recognition criteria for Research and Development costs for Belgian GAAP as for IFRS.

Certain external Research costs are capitalized and depreciated in the same financial year. These assets are capitalized at purchase price or at actual costs incurred or, if lower, at their useful value.

Certain external Development costs are capitalized if the project is already likely to generate a profitable product. These assets are capitalized at purchase price or at actual costs incurred or, if lower, at their useful value.

These assets are amortized on a straight-line basis over a period of 5 years. In the event that Development costs are exceptionally depreciated over a period exceeding 5 years, this will be justified.

Patents, licenses and similar rights

These assets are capitalized at purchase price or, if lower, at their useful value. These assets are depreciated on a straight-line basis over a period of 5 years.

Tangible fixed assets

These assets (which are detailed below on a line-by-line basis) are capitalized as follows:

- At purchase price

Depreciation	Method L/D* Other	Basis NR/R**	Depreciation Rate Principal Min - Max	Depreciation Rate Accessory Costs Min - Max
1. Industrial, administrative or commercial buildings [(a)]	L	NR		
2. Other buildings	L	NR		
3. Installations and equipment [(a)]	L	NR	20% – 33.33%	20% - 33.33%
4. Vehicles [(a)]	L	NR	20% - 20%	20% - 20%
5. Office equipment and furniture [(a)]	L	NR	10% – 20%	10% - 20%

* L: Linear D : Digressive
** NR : Not revalued R : Revalued
(a) : including leased assets

In the event where the accounting value exceeds the useful value (or the realized value for the assets that are no longer used), the Company should perform additional or exceptional depreciations.

The Company applies an accelerated depreciation plan in agreement with the relevant tax authorities. In such a case, the amount of the tax deductible and excessive accelerated depreciation compared to the economically justifiable depreciations is to be mentioned.

- Excessive amount of the financial year;
- Excessive cumulated amount.

The tangible fixed assets, of which the life-time is not limited in time, are reduced in value in case of depreciation or lasting value reduction.

Financial assets

These assets are capitalized at purchase price excluding any miscellaneous fees.

The shares and participations are reduced in value in case of depreciation or lasting reduction in value, as a result of the situation, the profitability or perspective of the Company in which the shares or the participations are held.

Reductions in value of amounts receivable included in the financial fixed assets are recorded when the payment thereof or part thereof at their due date is uncertain or has become compromised.

Amounts receivable (after one year – within one year)

The amounts receivable that are represented by fixed revenue instruments are capitalized at purchase price excluding any miscellaneous fees.

Other amounts receivable (commercial and other amounts receivable that are not represented by fixed revenue instruments) are capitalized at their nominal value.

This capitalization is accompanied by the recording thereof in the regularization accounts on the liabilities side and of the *pro rata temporis* booking of the results of:

- The interests contractually included in the nominal value of the amounts receivable;

- The difference between the purchase cost and the nominal value of the amounts receivable;
- The advances of payable amounts receivable at a date of more than 1 year, that are not subject to interest or that are subject to an interest rate that is abnormally low. These advances are calculated at the applicable market rate for such amounts receivable at the time they enter into the Company's estate.

Treasury placements and available cash

Placements with financial institutions are capitalized at their nominal value. The titles are capitalized at purchase cost excluding miscellaneous fees.

Reductions in value are recorded in the event where the realization value at the date of the closing of the financial year is below the purchase cost.

Provisions for risks and charges

The provisions for risks and charges are individualized taking into account the corresponding risks and charges they are intended to cover.

The provisions for risks and charges can only be maintained provided that they exceed, as per the date of the closing of the financial year, an actual appreciation of depreciations, charges and risks for which they have been established.

Debts (payable after one year - payable within one year)

All debts are capitalized at their nominal value at the date of the closing of the financial year.

The valuation rules applicable to amounts receivable are also applicable for debts, with the difference however that the implicit *pro rata* interests are recorded in the regularization accounts on the assets side.

At the date of the closing of the financial year, all charges to be paid in relation to the financial year concerned and the previous financial years are taken into account.

Regularization accounts

Regularization accounts on the assets side

These accounts include:

- The *pro rata* parts of the charges incurred during the financial year or during a previous financial year but that are related to one or more subsequent financial years.
- The *pro rata* parts of the proceeds that will only be received during a subsequent financial year but that relate to a previous financial year.

Regularization accounts on the liabilities side

These accounts include:

- The *pro rata* parts of the charges that will only be paid during a subsequent financial year but that relate to a previous financial year.
- The *pro rata* parts of the proceeds received during the financial year or a previous financial year but that relate to one or more subsequent financial years.
- The commercial contract revenue fees which are not linked to a completed or unique event are spread over the remaining term of the agreement.

Currencies

The amounts receivable and debts in currencies are converted at the applicable exchange rate at the date of the closing of the financial year.

Currency losses are recorded in the statement of results.

Unrealized currency gains are reported as proceeds to be recorded on the regularization accounts on the liabilities side.

7. BUSINESS GLOSSARY

Alkylating agents	A class of oncology therapeutic drugs. Alkylating agents stop tumor growth by making DNA strands unable to uncoil and separate, a necessary step in DNA replication and tumor growth.
Assay	A term for a single experiment or a diagnostic test incorporating the required markers to analyze a clinical specimen.
Bioinformatics	The use of techniques from applied mathematics, informatics, statistics, and computer science to solve biological problems and identify significant correlations.
Biopsy	A procedure where a tumor tissue sample is removed from the body for laboratory examination to determine whether or not cancer or some other disease is present. A biopsy can be performed using a needle to extract a small amount of cells or as a surgical procedure to remove a larger piece of tissue.
Biotechnology	Biotechnology is a technology based on or influencing biological processes, especially when used in agriculture, food science, and medicine.
Cancer	Cancer is a type of disease caused by genetic instability and characterized by uncontrolled division of cells and the ability of these cells to invade other organs.
CAP	The College of American Pathologists (CAP) is a U.S. accrediting agency for the U.S. 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.
cGMP certification	Current Good Manufacturing Practices- quality systems requirements for manufacture, testing and development of medical products to ensure manufacturing practices , designs and controls provide safe, accurate, reliable and repeatable results. cGMP's are enforced by the FDA Food and Drug Administration. GMP compliance is recognized worldwide as an international standard of manufacture.
Chemotherapy	Drug treatment that destroys cancer cells. Chemotherapy may be used in addition to surgery and is sometimes used in combination with other therapies such as radiation.
CLIA	The U.S. Clinical Laboratory Improvement Amendments (CLIA) establishes quality standards for all laboratory testing to ensure the accuracy, reliability and timeliness of patient test results.
Clinical sample	A sample taken from the body (ex. blood, urine, tissue) and analyzed in order to gain information about a person's medical state.
Clinical trial	A research study, usually in diseased patients, to test drugs, procedures, or testing technologies to determine how well they work compared to other practices or the natural course of the disease.

Clinical verification	A product development stage that consists of testing a product prototype on a set of clinical samples.
Commercial Implementation Trial (product pipeline step)	A phase within the product development process that supports the acceptance of the newly developed assay in the market.
Commercial Pivotal Trial (product pipeline step)	A phase within the product development process to evaluate the clinical validation of the assay in collaboration with a clinical facility.
CPT codes	Current Procedural Terminology Codes- numbers assigned to every medical task used by physicians and or laboratories to determine amount of reimbursement that practitioner will receive from insurer. CPT codes are assigned by AMA American Medical Association to provide uniform definition for services and reimbursement.
Cytosine	Cytosine is one of the 5 main nucleotides of DNA and RNA used in storing and transporting genetic information.
Development Validation (product pipeline step)	A phase within the product development process to evaluate the performance of the newly developed assay using a defined sample set.
Development Verification (product pipeline step)	A phase within the product development process to define the performance characteristics of the assay.
Diagnosis	Identification of a condition or disease (ex. breast cancer), by its signs, symptoms, and the results of laboratory or histopathological tests.
DNA (Deoxyribonucleic Acid)	DNA is a nucleic acid polymer, usually in the form of a double helix, of which the genes are made and code for life processes.
Freedom to operate (FTO)	FTO, within an intellectual property setting, refers to the ability of a company to commercially produce, market and use a new product, process or service without infringing the intellectual property rights of others.
Gene	A unit of genetic information. Genes are encoded in a cell's DNA and the proteins they express control the physical development and behavior of the cell or the whole organism.
Gene expression	Gene expression is a multi-step process by which a gene's DNA sequence is converted into proteins.
In-Vitro Diagnostics (IVD)	IVDs are tests performed outside the human body on clinical samples such as blood, urine, or biopsy tissue.
Kit (diagnostic kit)	In-vitro diagnostic test that is packaged in a box which that can be shipped to end-user laboratories.
LDT	Laboratory Developed Test-refer to assays developed in a laboratory for use within that laboratory. While these tests are not currently regulated by FDA Food and Drug Administration, the lab must validate all aspects of the test to ensure patient safety, reliability, repeatability, accuracy as well as validating all instruments, reagents and or supplies used in the test.
Marker	A substance native to the organism, whose presence is indicative of a particular medical condition.

Marker ID	A product development stage that consists of identifying and prioritizing promising markers.
Marker & Assay Development	A product development stage that consists of testing promising markers on clinical samples (to establish initial sensitivity and specificity for a defined clinical indication), and consequently developing a robust and reproducible assay for the marker in question.
Methylation	Control mechanism that regulates gene expression in DNA without causing a permanent genetic alteration.
Methylation-Specific PCR (MSP)	A technology for detecting gene methylation.
MGMT	The O^6-methylguanine DNA-methyltransferase (MGMT) gene has been widely studied and shown to be able to predict glioblastoma cancer patient response to alkylating agents.
PCR	The polymerase chain reaction is a technique for the in vitro amplification of specific DNA sequences by the simultaneous primer extension of complementary strands of DNA.
Pharmacogenomics	The study and application of DNA and RNA based biomarkers to predict how an individual's genes affect the body's response to a therapeutic drug.
PSA	Prostate-Specific-Antigen, a widely used but widely criticized blood-based screening test for prostate cancer.
Recurrence	A return of cancer after treatment.
Research Discovery (product pipeline step)	Research phase of the product development process that consists primarily of discovering new biomarkers in clinical samples from patients with and without cancer or between samples from patients responding or not responding to a certain drug.
Research Feasibility (product pipeline step)	A phase within the product development process to optimize the biomarker performance for the development of the diagnostic assay.
Screening	The testing of a population for disease.
Sensitivity	A measure of a diagnostic test's accuracy. Sensitivity measures the percentage of people with a certain medical condition that produces a positive test result. Tests with good sensitivity produce few false negative results.
Service laboratory	Laboratory that provides medical testing services.
Service lab and kit development	The final stages of product development that are specific to the underlying product's intended distribution channel (service laboratories or diagnostic kit companies).
Specificity	A measure of a diagnostic test's accuracy. Specificity measures what percentage of people without a medical condition the test result is negative. Tests with good specificity produce few false positive results.
Tumor	Tissue growth where the cells that make up the tissue have multiplied uncontrollably. A tumor can be benign (non-cancerous) or malignant (cancerous).

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