MDxHealth

BOARD REPORT

Board Report

The following report has been established by the Board of Directors on 14 April 2021 for submission to the Annual General Shareholders' Meeting of May 27, 2021.

Dear MDxHealth Shareholder,

The present board report has been prepared in accordance with Article 3:32 of the Belgian Companies and Associations Code with respect to the consolidated financial statements for the financial year ended December 31, 2020. In accordance with the Belgian Companies and Associations Code and the articles of association of the Company, we report on the situation of MDxHealth SA (the "**Company**") and its subsidiaries for the fiscal year closed on December 31, 2020, and this on a consolidated basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS OF 2020 AND 2019

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

The financial statements in this section of the Board Report have been approved and authorized for issue by the Board of Directors at its meeting of April 14, 2021.The financial statements have been signed by Koen Hoffman, Chair 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 27, 2021.

Revenues

Total revenue for 2020 was $18.5 million compared to total revenue of $11.8 million for 2019. During the fourth quarter of 2019, and based on current and historical collections data available at the time, the Company updated certain assumptions to its estimates, primarily related to management's decision to reduce the amount of time it carries accounts receivable from 24 months to 12 months, which negatively affected the 2019 revenues by $10.1 million.

ConfirmMDx accounted for 94% of total services revenue in 2020 and 92% in 2019.

At the end of 2020, the Company had concluded agreements with 112 payors for ConfirmMDx (2019: 90) and 42 payors for SelectMDx (2019: 32). In 2018 Medicare established a Final Positive Local Coverage Determination for use of ConfirmMDx for Prostate Cancer.

Cost of goods and services sold

Cost of goods includes royalties that MDxHealth must pay to third parties and the costs associated with providing testing services to customers. Cost of goods sold for 2020 amounted to $10.4 million, compared to $11.8 million in 2019.

Research and development expenses

The Company continued to validate the clinical utility of its expanded offering through clinical trials and publications. Research and development expenses amounted to $4,543 thousand in 2020 compared to $8,997 thousand in 2019. During 2020, the Company recorded an impairment loss on some of its intangible assets related to previously acquired IP and no development expenses were capitalized over the year. A change in presentation for patent expenses has been brought in 2020 to report patent expenses under Research and Development, previously under General and Administrative expenses. Excluding patent expenses as well as depreciation and impairment expenses, total research and development expenses increased by 4% over 2020.

THOUSANDS OF $ ***FOR THE YEARS ENDED DECEMBER 31***	***2020***	***2019***
Personnel costs	1,277	1,143
Depreciation and amortization	1,203	1,283
Impairment	273	5,147
Lab consumables	390	480
Patent expenses	396	0
External research and development collaborator fees	874	880
Other expenses	130	64
Total research and development expenses	**4,543**	**8,997**

Selling and Marketing expenses

THOUSANDS OF $ ***FOR THE YEARS ENDED DECEMBER 31***	***2020***	***2019***
Personnel costs	12,839	12,125
Depreciation	603	562
Professional fees	497	255
Marketing expenses	1,315	2,664
Travel expenses	260	837
Offices & facilities expenses	503	439
Clinical validation	377	546
Other expenses	358	381
Total selling and marketing expenses	**16,752**	**17,809**

During 2020, selling and marketing expenses decreased by 6% in total, primarily driven by a decrease in marketing and travel expenses, partially offset by personnel costs increase of 6%.

General and administrative expenses

General and administrative expenses mainly represent general management costs, revenue cycle management, human resources, information technology, legal, finance, consulting, office and building costs. Professional fees decrease is primarily due to a reduction in consulting services in the Company's US-based facilities. The expenses by nature are presented below:

THOUSANDS OF $ ***FOR THE YEARS ENDED DECEMBER 31***	***2020***	***2019***
Personnel costs	9,209	8,465
Depreciation and amortization	1,526	1,575
Professional fees	1,522	2,538
Travel expenses	6	124
Offices & facilities expenses	530	537
Royalties to third parties	107	174
Patent expenses	0	890
Board fees & expenses	238	170
Other expenses	852	723
Total general and administrative expenses	**13,990**	**15,196**

Financial results

During 2019, the Company entered into a loan facility with Kreos Capital in the amount of €9.0 million, or approximately $10 million. The loan had a term of four years with the first 12 months of interest-only payments followed by 36 months of principal and interest payments. On October 20, 2020, MDxHealth and Kreos Capital executed an amendment to the 2019 loan facility, extending the interest-only period from 12 months to 18 months. As a result of this amendment, repayment of principal has been extended by 6 months, from November 2020 to May 2021. As part of the amendment, the Company agreed to increase the end-of-loan fee by €67,500 (approx. $80,000) as well as to provide for €180,000 of the €9 million loan to be convertible into shares of MDxHealth at a 25% premium to the 30-day volume weighted average price immediately prior to signing the amendment. If exercised, this amount will be reduced from the principal amount due under the loan agreement.

In April 2020, the Company announced that its U.S. subsidiary, MDxHealth, Inc., had qualified for a "Paycheck Protection Program" (PPP) loan with the U.S. Small Business Administration (SBA) in the amount of $2.3 million, as part of the U.S Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan has a term of five years and carries an interest rate of 1.0% per year. Payments on the loan are deferred for the first eighteen months following disbursement of the loan, with principal and interest payments beginning on the nineteenth month. Interest on the loan continues to accrue during the eighteen month deferment period. Cash proceeds from the loan were received in July 2020.

The financial results primarily relate to interest charges for the loan facility with Kreos Capital for a total of $1,2 million. Finally, the revaluation of the contingent consideration related to the acquisition of NovioGendix in 2015 represents a total of $118,000 in 2020, and $104,000 in 2019. Other financial losses relate to bank costs incurred during the year.

Net loss

Total operating expenses in 2020 were $35.2 million, an improvement of $8.0 million over 2019. Excluding non-cash expenses such as depreciation, amortization and stock-based compensation, operating expenses for 2020 were $30.3 million, an improvement of $2.4 million, or 7%, over 2019. Operating loss for 2020 was $27.1 million, a decrease of $16.0 million compared to an operating loss of $43.2 million for 2019.

Liquidity, working capital and capital resources

Year ended December 31, 2020

Cash collections from ConfirmMDx and SelectMDx amounted to $21.0 million, a decrease of 12% compared to 2019, despite larger decreases in billable volume due to COVID-19. Total cash burn for 2020 was $22.9 million, representing a reduction of $0.6 million in cash burn compared to $23.5 million in 2019. Cash and cash equivalents as of December 31, 2020 were $16.0 million.

Year ended December 31, 2019

Cash collections from ConfirmMDx and SelectMDx amounted to $23.5 million, a decrease of 11% compared to 2018. The cash use for 2019 was $4.4 million, of which $1.3 million were H1-2019 non-recurring restructuring charges, and actual operating cash use was $22.3 million. This represents a reduction of $6.3 million in operating burn compared to $28.5 million in 2018. Cash use in the fourth quarter ended December 31, 2019, was $3.9 million, reflecting continued operating discipline and improved cash collections. Cash and cash equivalents as of December 31, 2019 were $22.1 million.

Balance sheet

The key ratios from balance sheet at December 31, 2020 in comparison with 2019 are presented in the following table :

For the years ended December 31	**2020**	**2019**
Cash & cash equivalents as a % of total assets	50%	54%
Working capital as a % of total assets	31%	50%
Solvency ratio (equity/total assets)	18%	49%
Gearing ratio (Financial debt/equity)	271%	55%

Cash and cash equivalents of $16.0 million account for 50% of total assets at December 31, 2020. The other major assets are intangible and tangible assets ($8.8 million or 28% of total assets), and receivables over the period 2020 ($3.8 million or 12% of total assets).

Total equity of $5.8 million accounts for 18% of the total balance sheet at December 31, 2020. The other major liabilities are loans and borrowings ($13.1 million or 41% of total assets), lease liabilities ($2.8 million or 9% of total assets), trade payables ($5.3 million or 17% of total assets) and other liabilities (short term and long term for $4.8 million or 15% 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, 2020, the Company had net tax losses carried forward amounting to $276 million, implying a potential deferred tax asset of $69 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.

SUBSEQUENT EVENTS

On January 21, 2021, the company announced the successful pricing of its capital increase with the offering of new ordinary shares. The Company raised EUR 25.0 million (USD 30.4 million) in gross proceeds by means of a private placement of 27,777,777 new shares (being approximately 30.63% of the Company's outstanding shares) at an issue price of EUR 0.90 per share through an accelerated bookbuild offering. As a result of the issuance of new shares, the Company's share capital increased from EUR 68,998,734.95 to EUR 90,132,067.69 and its issued and outstanding shares increased from 90,691,449 to 118,469,226 ordinary shares.

2021 OUTLOOK

Michael K. McGarrity, CEO of MDxHealth, commented: "While the dynamics of the pandemic make it difficult to provide guidance at this time, we are confident that we have advanced adoption of our menu of SelectMDx and ConfirmMDx into the urology market, and that adoption of our product menu as the standard of care in the diagnostic pathway of patients being worked up and suspected of prostate cancer, is taking hold and will drive long term growth beyond 2021.

"In addition, we are now focused on advancing our menu into Active Surveillance (AS) of prostate cancer with the development of our AS-MDx and MonitorMDx tests. These two menu additions would provide clinically actionable results for clinicians evaluating patients for active surveillance. This is a well characterized market opportunity to monitor patients in active surveillance where the standard of care is an annual biopsy. We are confident that we can deliver a less invasive actionable solution.

"We believe these initiatives, coupled with our current menu, will allow MDxHealth to be the only company in the space that affords clinicians a menu of advanced tests to take a patient from positive PSA screen all the way through the diagnostic pathway continuum of care with clinical confidence.

"We are committed to continue to advance the diagnosis and treatment of prostate cancer and our commitment to growth and value creation for all of our stakeholders, including patients, customers, employees and shareholders."

ACTIVITIES IN THE FIELD OF RESEARCH AND DEVELOPMENT

In 2020, 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 clinical trials. Extensive work was performed in development of the Company's clinical solutions for prostate and bladder cancers.

OBLIGATIONS NOT REFLECTED IN THE 2020 FINANCIAL STATEMENTS

All known obligations are reflected in the 2020 financial statements.

GOING CONCERN

The Company has experienced net losses and significant cash used in operating activities since its inception in 2003, and as of December 31, 2020, had an accumulated deficit of $215.3 million, a net loss of $28.6 million, and net cash used in operating activities of $20.2 million. Management expects the Company to continue to incur net losses and have significant cash outflows for at least the next twelve months. While these conditions, among others, could raise substantial doubt about our ability to continue as a going concern, these consolidated financial statements have been prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of our assets and the satisfaction of liabilities in the normal course of business. A successful transition to attaining profitable operations is dependent upon achieving a level of positive cash flows adequate to support the Company's cost structure.

As at December 31, 2020, the Company had cash and cash equivalents of $16.0 million.. In addition, in January 2021, the Company raised €25.0 million ($ 30.4 million) in gross proceeds by means of a private placement of 27,777,777 new shares (being approximately 30.63% of the Company's outstanding shares) at an issue price of €0.90 per share through an accelerated bookbuild offering (for further details of this transaction, refer to Note 26 Subsequent Events). The Company and its Board of Directors believe that, the cash position at the year-end, along with the cash received from the issuance of new shares in January 2021, will provide the Company with sufficient liquidity to continue its current operations at least for the next twelve months.

RISKS RELATED TO THE USE OF FINANCIAL INSTRUMENTS

The functional currency changed from the EURO to the US Dollar as of July 1, 2014. In consequence, the currency risk is concentrated on European operations.

Virtually all of the Company's currency risk currently relates to Euro. At this time, the Company does not use hedging instruments to cover the exchange rate risk.

RISK FACTORS

In 2020, the Company was potentially subjected to the following risks

- The ongoing outbreak of the novel coronavirus (COVID-19) has resulted in significant declines in sales of the Company's ConfirmMDx and SelectMDx tests during 2020, and volumes may decline in 2021 and the business may experience other adverse effects depending on progress made on the global deployment of vaccines and other governmental measures to combat the spread of the virus.
- MDxHealth has a history of losses, and expects to incur net losses in the future and may never achieve profitability.
- MDxHealth might require substantial additional funding to respond to business needs or take advantage of new business opportunities, which may not be available on acceptable terms, or at all.

- MDxHealth's term loan contains restrictions that limit its flexibility in operating its business, and if the Company fails to comply with the covenants and other obligations under its loan agreement, the lenders may be able to accelerate amounts owed under the facility and may foreclose upon the assets securing its obligations.
- MDxHealth's federal loan contains restrictions that limit its flexibility in operating its business, and if the Company fails to comply with the covenants and other obligations under its federal loan agreement, the lenders may be able to accelerate amounts owed under the facility and may foreclose upon the assets securing its obligations.
- The molecular diagnostics industry is highly competitive and characterised by rapid technological changes and the Company may be unable to keep pace with its competitors.
- The commercial success of MDxHealth will depend on the market acceptance and adoption of its tests.
- MDxHealth's financial results are largely dependent on sales of one test, and it will need to generate sufficient revenues from this and other future solutions to grow its business.
- MDxHealth faces uncertainties over the reimbursement of its tests by third party payors.
- If MDxHealth is unable to retain intellectual property protection or if it is required to expend significant resources to protect its intellectual property position, its competitive position could be undercut.
- Billing and collections processing for the Company's tests is complex and time-consuming, and any delay in transmitting and collecting claims could have an adverse effect on revenue.
- MDxHealth faces an inherent risk of product liability claims.
- MDxHealth's laboratory facilities may become inoperable due to natural or man-made disasters or regulatory sanctions.
- MDxHealth relies on a limited number of third-party suppliers for services and components used in the production and operation of its testing solutions, and some of those services and components are supplied from a single source. Disruption of the supply chain, unavailability of third-party services required for the performance of the tests, component modifications or failure to achieve economies of scale could have a material adverse effect on the Company.
- Security breaches or loss of data may harm MDxHealth's reputation, expose it to liability and adversely affect its business.
- Failure to comply with governmental payor regulations could result in MDxHealth being excluded from participation in Medicare, Medicaid or other governmental payor programs, which would adversely affect MDxHealth's business.
- MDxHealth conducts business in a heavily regulated industry, and changes in regulations or violations of regulations may, directly or indirectly, adversely affect its results of operations and financial condition and harm its business.
- MDxHealth's expansion of its business beyond the United States has resulted in additional regulatory requirements with which it must comply.
- If the FDA were to begin requiring approval or clearance of the Company's tests, the Company could incur substantial costs and time delays associated with meeting requirements for premarket clearance or approval.

- MDxHealth's operating results could be materially adversely affected by unanticipated changes in tax laws and regulations, adjustments to its tax provisions, exposure to additional tax liabilities, or forfeiture of its tax assets.
- The Company will likely not be in a position to pay dividends in the near future and intends to retain all earnings.
- Certain significant shareholders of the Company may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes.
- There has been no prior public market for the New Shares and an active market for the Company's Shares may not be sustained.
- The market price of the Shares may fluctuate widely in response to various factors.
- Future sales of substantial amounts of the Shares, or the perception that such sales could occur, could adversely affect the market value of the Shares.
- Any future capital increases by the Company could have a negative impact on the price of the Shares and could dilute the interests of existing shareholders.

In 2020, risk management involved primarily the following:

- Credit risk: At the end of 2020, the Company operated with more than 1,000 different customers, representing a significant reduction in credit risk when compared to prior periods.
- Interest risk: The Company is not currently subject to material interest risk since its financial debts is subject to fixed interest rate.
- Currency risk: The functional currency changed from the EURO to the US Dollar as of July 1, 2014. In consequence, the currency risk is concentrated on European operations.
- 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.

INDEPENDENCE AND COMPETENCE OF AN AUDIT COMMITTEE MEMBER

Article 7:99 of the Belgian Companies and Associations Code provides that the audit committee be composed of at least (i) one Independent Director and (ii) one member with the necessary competence in auditing and accounting, which is and has always been the case for MDxHealth's audit committee.

Hilde Windels BV, represented by its permanent representative, Ms. Hilde Windels, served as chair of the audit committee since August 2018.

As required by law, Ms. Hilde Windels was competent in accounting and auditing, as is evidenced by her role chief executive officer, chief financial officer and Non-Executive Director of multiple life sciences companies. In addition, both Hilde Windels BV and Ms. Hilde Windels meet the criteria to be qualified as Independent Director as provided by article 7:87 of the Belgian Companies and Associations Code and provision 3.5 of the 2020 Belgian Corporate Governance Code.

In January 2021, Regine Slagmulder BV, represented by its permanent representative, Dr. Regine Slagmulder, replaced Hilde Windels BV, represented by its permanent representative, Ms. Hilde Windels, as a member and chair of the audit committee. At the date of this report, Regine Slagmulder BV, represented by its permanent representative, Dr. Regine Slagmulder, still serves as chair of the audit committee.

As required by law, Dr. Regine Slagmulder, is competent in accounting and auditing, as is evidenced by her role as professor in management accounting & control and strategy practice consultant at McKinsey & Company. In addition, both Regine Slagmulder BV and Dr. Regine Slagmulder meet the criteria to be qualified as Independent Director as provided by article 7:87 of the Belgian Companies and Associations Code and provision 3.5 of the 2020 Belgian Corporate Governance Code.

INTERNAL CONTROL AND RISK MANAGEMENT

A. Introduction

The Company operates a risk management and control framework in accordance with the Belgian Companies and Associations Code and the 2020 Code. MDxHealth is exposed to a wide variety of risks within the context of its business operations that can result in its objectives being affected or not achieved. Controlling those risks is a core task of the Board of Directors (including the audit committee), the executive management and all other employees with managerial responsibilities.
The risk management and control system has been set up to reach the following goals:

- achievement of the Company's objectives;
- achieving operational excellence;
- ensuring correct and timely financial reporting; and
- compliance with all applicable laws and regulations.

B. Control environment

Three lines of defense

The Company applies the 'three lines of defense model' to clarify roles, responsibilities and accountabilities, and to enhance communication within the area of risk and control. Within this model, the lines of defense to respond to risks are:

- First line of defense: line management is responsible for assessing risks on a day-to-day basis and implementing controls in response to these risks.
- Second line of defense: the oversight functions like Finance and Controlling and Quality and Regulatory oversee and challenge risk management as executed by the first line of defense. The second line of defense functions provide guidance and direction and develop a risk management framework.
- Third line of defense: independent assurance providers such as external accounting and external audit challenge the risk management processes as executed by the first and second line of defense.

Policies, procedures and processes

The Company fosters an environment in which its business objectives and strategy are pursued in a controlled manner.
This environment is created through the implementation of different Company-wide policies, procedures and processes such as the Company's values, the Quality Management System and the Delegation of Authorities rule set.
The employees are regularly informed and trained on these subjects in order to develop sufficient risk management and control at all levels and in all areas of the organization.

C. Risk management

Sound risk management starts with identifying and assessing the risks associated with the Company's business and external factors. Once the relevant risks are identified, the Company strives to prudently manage and minimize such risks, acknowledging that certain calculated risks are necessary to ensure that the Company achieves its objectives and continues to create value for its stakeholders. All employees of the Company are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility.

D. Control activities

Control measures are in place to minimize the effect of risks on the Company's ability to achieve its objectives. These control activities are embedded in the Company's key processes and systems to assure that the risk responses and the Company's overall objectives are carried out as designed. Control activities are conducted throughout the organization, at all levels and within all departments.

E. Information and communication

The Company recognizes the importance of timely, complete and accurate communication and information both top down as well as bottom-up. The Company therefore put several measures in place to assure amongst others:

- security of confidential information;
- clear communication about roles and responsibilities; and
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility.

F. Monitoring of control mechanisms

Monitoring helps to ensure that internal control systems operate effectively. The quality of the Company's risk management and control framework is assessed by the following functions:

- Quality and Regulatory: 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 arrangements, standard operating procedures defined by task/area, and by numerous documents (such as the Code of Business Conduct and Ethics and the Dealing Code) that are distributed and explained to the personnel.
- External Audit: In the Company's review of the annual accounts, the statutory auditor focuses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements. The outcome of the audits, including work on internal controls, is reported to management and the audit committee.
- Audit Committee: The Board of Directors and the audit committee have the ultimate responsibility with respect to internal control and risk management.

In addition, the legal department of MDxHealth, under supervision of the CEO and 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 Board of Directors has established a Code of Business Conduct and Ethics to aid MDxHealth's Directors, officers and employees in making ethical and legal decisions when conducting Company business and performing their day-to-day duties. The Code of Business Conduct and Ethics is available in its entirety on the Company's website (www.mdxhealth.com). In addition, the Board has appointed a Chief Compliance Officer to oversee ongoing compliance with the Code of Business Conduct and Ethics and existing laws and external regulations, and to report regularly to the Board of Directors and the Audit Committee on compliance matters.

<u>G. Risk management and internal control with regard to the process of financial reporting</u>

The accurate and consistent application of accounting rules throughout the Company is assured by means of set of control procedures, including:

- 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;
    - Multi-year business plan and company goals;
    - Ensuing year budget and targets;
    - Comparison of actual results and budgeted figures;
    - Hiring, motivation, and retention of key talent;
    - Remuneration and benefits;
    - Financial statements; and
    - 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.

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.

INFORMATION THAT HAS AN IMPACT IN CASE OF PUBLIC TAKEOVER BIDS

The Company provides the following information in accordance with article 34 of the Belgian Royal Decree dated November 14, 2007:

(i) The share capital of the Company amounts to EUR 90,132,067.69 and is fully paid-up. It is represented by 118,469,226 ordinary shares, each representing a fractional value of (rounded) EUR 0.7608 and representing one 118,469,226th of the share capital. The Company's shares do not have a nominal value.

(ii) Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.

(iii) There are no holders of any shares with special control rights.

(iv) There are no share option plans for members of the personnel other than the share option plans disclosed elsewhere in this report. These share option plans contain provisions on accelerated vesting in case of change of control.

(v) Each shareholder of the Company is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.

(vi) There are no agreements between shareholders which are known by the Company that may result in restrictions on the transfer of securities and/or the exercise of voting rights.

(vii) The rules governing appointment and replacement of Board members and amendment to articles of association are set out in the Company's articles of association and the Company's Corporate Governance Charter.

(viii) The powers of the Board of Directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The Board of Directors was not granted the authorization to purchase its own shares "to avoid imminent and serious danger to the Company" (i.e., to defend against public takeover bids). The Company's articles of association of association do not provide for any other specific protective mechanisms against public takeover bids.

(ix) At the date of this report, the Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

- The Company has borrowed an amount equal to EUR 9,000,000, as of November 1, 2019, under a senior secured loan agreement with Kreos Capital. The main characteristics of the loan agreement can be summarized as follows:

  - Term: A 48-month term, consisting of first 12 months interest payments only and subsequently 36 months equal monthly instalments of principal and interest. On 20 October 2020, the Company and Kreos Capital executed an amendment to the loan facility, extending the interest-only period from 12 months to 18 months;

  - Interest: The loan accrues interest at a rate of 9.5% per annum;

  - Fees: A number of fees are payable to Kreos Capital, consisting notably of (i) a transaction fee equal to EUR 112,500, (ii) a drawdown fee equal to 7% of the amount drawn down (being EUR 630,000) under the loan agreement, which will not be payable in cash but shall remain outstanding as a "convertible loan" (see below), and (iii) an end-of-loan payment upon final repayment of the loan, equal to 5% of the amount drawn down under the loan agreement, which the Company, as part of the amendment, agreed to increase by EUR 67,500;

- Convertible loan: Upon drawdown of the loan, the 7% drawdown fee will not be paid in cash but shall remain outstanding as a payable (without accruing interest), and will be convertible into ordinary shares by means of a contribution in kind to the share capital of the Company. The convertible loan does not require any amortisation or repayment and the Company does not have the right to prepay or otherwise terminate the convertible loan. The convertible loan expires on the earlier of (i) the tenth anniversary of the drawdown of the loan and (ii) the sale of the entire issued share capital of MDxHealth (the "Expiration Date");

- Conversion of the convertible loan: Prior to the Expiration Date, Kreos Capital may at any time convert the convertible loan into new ordinary shares. Upon the Expiration Date, the convertible loan will convert automatically into ordinary shares. The amendment provided that EUR 180,000 of the EUR 9 million loan would be convertible into shares of the Company at a 25% premium to the 30-day volume weighted average price immediately prior to signing the amendment (i.e., 0.952) (rounded);

- Cancellation of the convertible loan: In lieu of converting the convertible loan, Kreos Capital may instead cancel the convertible loan at any time (but before the Expiration Date) after the earlier to occur of (i) repayment or prepayment in full of the loan, and (ii) sale of the entire issued share capital of the Company. In such case, Kreos Capital will be paid an amount equal to 150% of the principal amount of the convertible loan;

- Board observer: Kreos Capital has a non-voting board observer;

- Change of control: The loan agreement contains a change of control clause, which was approved by the Company's shareholders at the annual general shareholders' meeting that was held on 28 May 2020;

- Collateral: Security has been granted over all assets owned by the Company and its subsidiaries, including IP rights (but excluding any shares in, and IP rights licensed to, the Company or its subsidiaries);

- Contractual restrictions: The loan agreement does not contain financial covenants, but it does contain other customary restrictions on the business of the Company and its subsidiaries (such as limitations on future disposals, financial indebtedness, security and acquisitions subject to certain carve-outs and limitations).

No takeover bid has been instigated by third parties in respect of the Company's equity during the current financial year.

STATUTORY AUDITOR

Services performed by the auditor and performance of exceptional activities or execution of special instructions (Article 3:65 Belgian Companies and Associations Code)

BDO Réviseurs d'Entreprises. SCRL, 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, 1930 Zaventem, Belgium, was re-appointed on May 27, 2020 as the statutory auditor of the Company for a term of 3 years ending immediately after the closing of the annual shareholders' meeting to be held in 2023. Mr. Gert Claes has represented BDO since May 29, 2015.

As Mr. Gert Claes has been the permanent representative of the statutory auditor for a period of 6 years, in accordance with Belgian law, Mr. Claes must be replaced by another permanent representative. In view hereof, at the occasion of the annual general shareholders' meeting to be held on May 27, 2021, the Board of Directors intends to propose to the shareholders to replace Mr. Gert Claes by Mr. Bert Kegels as permanent representative of the statutory auditor of the Company.

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

During the past fiscal year, in addition to their usual activity, the statutory auditor performed additional activities on behalf of the Company mainly for the issuance of special reports related to warrant plans, grant report certification, for participation to the audit committees and for participation to special projects.

The Company expensed EUR 83,000 (USD 95,000) in fees to the auditor in 2020. The fees are broken down as follows:

- Audit fee for statutory and consolidated financials of EUR 75,000 (USD 85,000)
- Audit related services (legal missions) EUR 8,000 (USD 10,000)

Done on April 14, 2021
For the board of directors

/s/ *Koen Hoffman*
Administrateur, as permanent
representative of Ahok BV