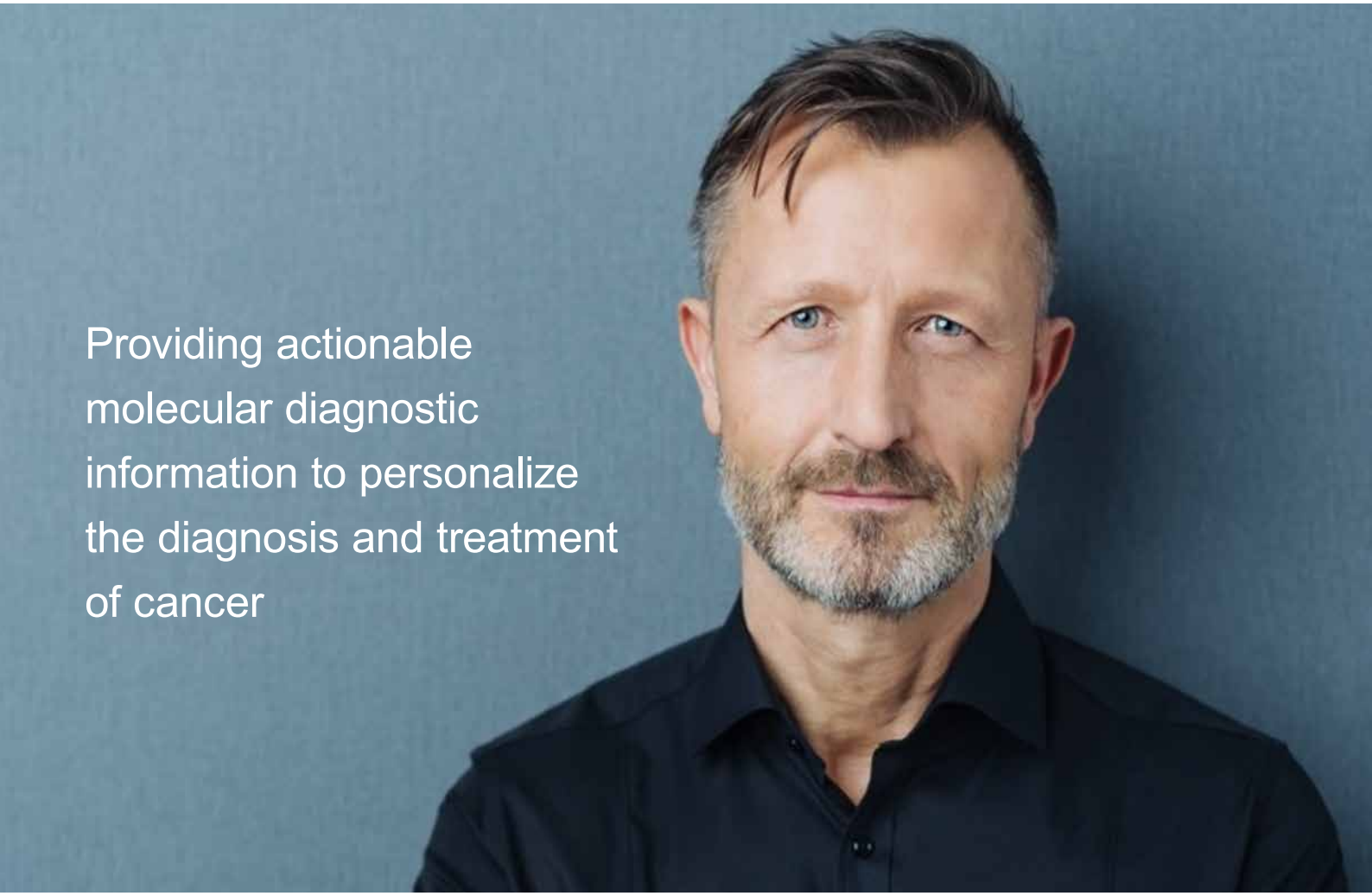
MDxHealth®



Annual Report 2020

About

MDxHealth is a commercial-stage, innovative healthcare company that provides actionable molecular diagnostic information to personalize the diagnosis and treatment of cancer. The Company's tests are based on proprietary genetic, epigenetic (methylation) and other molecular technologies and assist physicians with the diagnosis of urologic cancers, prognosis of recurrence risk, and prediction of response to a specific therapy.

MDxHealth continues to capitalize on the critical global trends in healthcare: the ever-growing need for early detection coupled with the need for cost-effective solutions for diagnosing, monitoring and treating cancer. Our suite of commercial products addresses these unmet needs in a market which is currently estimated at $4.2 billion and is expected to grow by 7% to $4.6 billion in 2022.

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

Visit mdxhealth.com and follow us on social media at: twitter.com/mdxhealth, facebook.com/mdxhealth and linkedin.com/company/mdxhealth.

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EU Laboratory
NovioTech Campus
Transistorweg 5
6534 AT Nijmegen
THE NETHERLANDS

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Message from the CEO

Dear Shareholders,

While 2020 was an historic year for all of us around the globe due to the COVID pandemic, I believe it is also what will turn out to be an historic year for MDxHealth and all its stakeholders. While our business was significantly impacted by the global pandemic and our results reflected the challenge in the U.S. market, in particular with prostate cancer screenings down almost 50% in 2020, we view 2020 as a pivotal year for the company for a number of very positive reasons.

It is important to note the following developments for MDxHealth in 2020, all of which underscore and reflect the commitment we made to focus and execution, and will serve as the basis for our success and growth going forward:

- Our menu of SelectMDx and ConfirmMDx continued to be adopted by our urology customer base in 2020, and while our volumes were impacted by the pandemic, our customer base remains intact, and we are very confident that return of patient flow into the system will reflect this engagement.
- On the commercial side, our sales team also remained highly engaged with our focus on driving sustainable adoption of our clinical diagnostic pathway that provides best in class actionable results for the diagnosis and treatment of prostate cancer.
- We secured support for our growth initiatives from the first significant U.S.-managed investment into the company by MVM Partners, representing the highest quality healthcare investors in the life sciences market. This support coupled with continued support from our Reference shareholders, Valiance and Biovest in Europe, served as the foundation for additional support and investment from both EU and US investors in January of 2021.
- Our SelectMDx test was included in July 2020 in the gold standard National Comprehensive Cancer Network (NCCN) Guidelines, and we have visibility to coverage for our SelectMDx test by Medicare and commercial payers.
- In addition, we communicated in 2020 our intention to focus on expansion of our menu into active surveillance testing for prostate cancer patients. We are confident and believe that our menu as conceived will allow MDxHealth to be the only company in the space to take a patient from positive screen all the way through the diagnostic and therapeutic pathway of prostate cancer.
- Finally, we have initiated and instituted an operating discipline across the organization that will drive and leverage capital allocation and sustainable execution.

Each of these, and all of these collectively, point to a restructured and focused business with a fact-based and evidence-based approach to our focus, investment of resources, and commitment to excellence. As I emphasized last year, the one factor that has not changed is our people. They have all risen to the challenge and are committed to delivering on our promise and positive path forward.

We remain confident in the potential of our unique menu to provide urologists with a clear clinical pathway to accurately identify high-grade prostate cancer, while improving healthcare economics by optimizing the use of invasive procedures. We believe this clinical pathway, with SelectMDx guiding cancer detection in a pre-biopsy setting and ConfirmMDx in a post-biopsy setting, will continue to drive momentum and market share. We will now focus on expanding our menu to potentially extend our best-in-class offering into active surveillance.

I would like to close by thanking our shareholders and employees for your continued support and restating our unwavering commitment to deliver value to all our stakeholders including patients, customers, employees and shareholders.

Respectfully,

Belgium April 14, 2021

Michael K. McGarrity

Chief Executive Officer

Business Review

Key Figures 2020

	~29K	$18.5M	$27.1M	$-23.5M	$16.0M
	patients tested	total revenue	operating loss	EBITDA	Cash and cash equivalents
Growth compared to FY 2019	- 30%	2019: $11.8m	2019: $43.2m	2019: $-33.5m [1]	

Thousands of $ (except per share amounts) For the years ended December 31	2020	2019
Services	18,064	11,443
Licenses	250	250
Royalties	58	92
Government grants	88	0
Revenues	**18,460**	**11,785**
Cost of goods & services sold	-10,416	-11,755
Gross profit	**8,044**	**30**
Research and development expenses	-4,543	-8,997
Selling and marketing expenses	-16,752	-17,809
General and administrative expenses	-13,990	-15,196
Other operating income	118	1
Other operating expenses	0	-1,198
Operating Loss	**-27,123**	**-43,169**
Financial income	4	10
Financial expenses	-1,543	-516
Loss before income tax	**-28,662**	**-43,675**
Income tax	0	575
Loss for the year	**-28,662**	**-43,100**
Earnings per share attributable to parent (EPS)		
Basic and Diluted, $	**-0.34**	**-0.69**

[1] *EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization*

Share Facts 2020

Stock exchange	Euronext: MDXH.BR
Total shares outstanding	90,691,449
52 week range	€ 0.51 - € 1.18
Market cap (as of Dec 31, 2020)	€ 80.7 million
Analyst coverage	EU: - KBC - Kempen - Degroof Petercam

Following the capital increase that was completed on 15 May 2020 by means of an equity investment in the Company provided by MVM V LP and MVM GP (No.5) LP, funds managed by MVM Partners LLP (collectively "MVM"), the share capital increased from € 56,260,102.01 to € 68,998,734.95 and the number of issued and outstanding shares increased from 70,528,525 to 90,691,449 ordinary shares, through the issuance of a total of 20,162,924 new ordinary shares.

In addition, on 26 January 2021, the Company announced that as a result of the Transaction that was completed on 26 January 2021, its share capital had increased from EUR 68,998,734.95 to EUR 90,132,067.69 and the number of issued and outstanding shares had increased from 90,691,449 to 118,469,226 ordinary shares, through the issuance of a total of 27,777,777 new shares.

MDxHealth has assembled a world-class team and acquired unique experience in the application of Next-Generation and Deep Sequencing technologies for the identification and validation of life-changing biomarkers.

MDxHealth is leveraging artificial intelligence (AI) for the development of novel genomic signatures which can improve the company's ability to detect cancer earlier, while there is the best opportunity for cure, and to help determine the most appropriate treatment regimen for an individual cancer patient.

MDxHealth has also partnered with leading academic institutions and other industry leaders to develop and validate diagnostic, prognostic and predictive tests to provide the least invasive approach to addressing a specific cancer type. Through these external collaborations, internal development efforts, in-licensing and acquisition, we have built a robust pipeline of biomarkers.

Business Highlights 2020 Overview 2020

2020 Business Review

While 2020 has indeed presented challenges due to the COVID-19 pandemic and the impact on the market, the Company has made significant progress based on its commitment to execute on its stated goals of advancing turnaround of every operating discipline within the business. The company has hit important key milestones during the year, including an infusion of growth capital from funds managed by MVM Partners LLP, one of the highest quality U.S. healthcare investors as well as inclusion of its SelectMDx for Prostate Cancer test in the 2020 National Comprehensive Cancer Network (NCCN) Guidelines for Prostate Cancer Early Detection.

Business Highlights

ConfirmMDx

- For the year ended December 31, 2020, billable test volume was down 18% to 14,945 versus 18,195 for 2019

SelectMDx

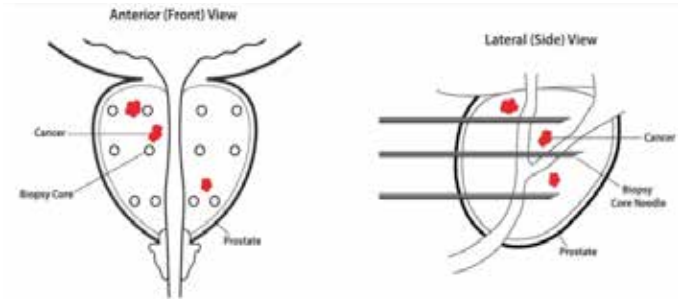
- SelectMDx for Prostate Cancer test included in the 2020 National Comprehensive Cancer Network (NCCN) Guidelines for Prostate Cancer Early Detection.
- For the year ended December 31, 2020, global billable test volume was down 39% to 13,201 versus 21,669 for 2019

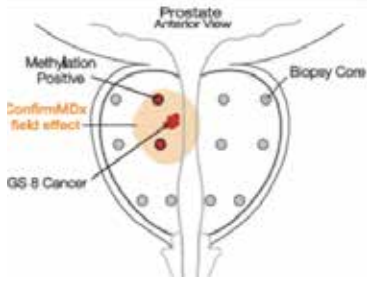
Molecular Diagnostic Assays

MDxHealth currently offers two complementary commercial stage tests, ConfirmMDx for Prostate Cancer and SelectMDx for Prostate Cancer, which provide urologists with a clear clinical pathway to accurately identify clinically significant prostate cancer while minimizing the use of invasive procedures. ConfirmMDx and SelectMDx are designed to improve the early detection of clinically significant prostate cancer, but more importantly, to reduce unnecessary biopsy procedures and the costs associated with them. Both tests have been included in National Comprehensive Cancer Network and European Urology Association clinical guidelines.

The ConfirmMDx for Prostate Cancer Tissue Assay (Post-biopsy)

Unfortunately, ~30% of men with a cancer-negative prostate biopsy actually have cancer. Prostate cancer is difficult to diagnosis because it is both heterogenous and multi-focal. The gold standard for diagnosing prostate cancer is a transrectal ultrasound guided biopsy. This procedures samples less than 1% of the entire gland leaving men at risk for undetected prostate cancer.





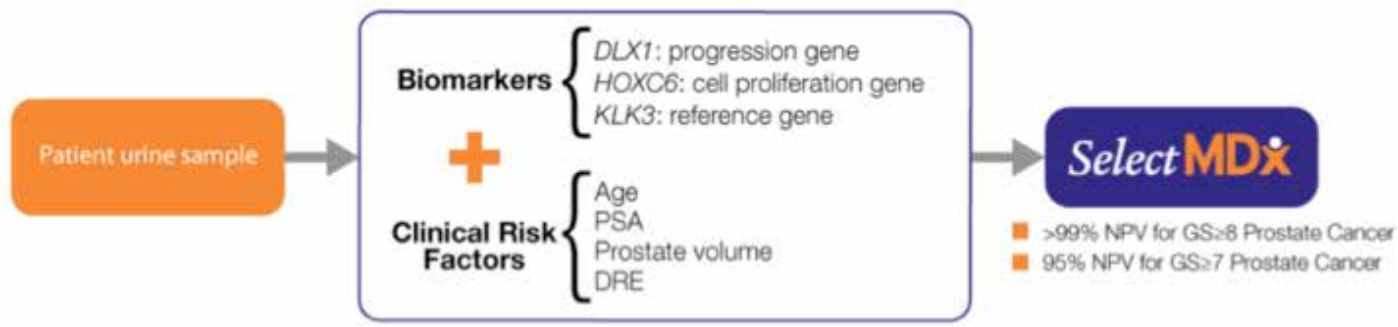
ConfirmMDx is able to detect an epigenetic field effect associated with the presence of cancer at the DNA level. These DNA methylation changes are indistinguishable by histopathology. The test is able to help urologists determine a man's risk for harboring clinically significant prostate cancer despite having a cancer-negative biopsy result. ConfirmMDx is covered by Medicare and there are over 55 studies on the genes and technology.

The SelectMDx for Prostate Cancer Liquid Biopsy Assay (Pre-biopsy)

The current standard for prostate cancer screening is the Prostate Specific Antigen (PSA) blood test. Unfortunately, PSA is not specific to clinically significant prostate cancer — it is more of an indicator of prostate health. There are many factors such as BPH, inflammation, prostatitis and a naturally occurring enlarged prostate that can cause an elevated PSA. In men with an elevated PSA level between 3-10 ng/mL, only 25-40% of biopsies reveal cancer — and the majority of these identified cancers are indolent. Also, following a prostate biopsy procedure, ~18% of men suffer complications (blood in urine) and ~3% are hospitalized for infection (sepsis).

Post period 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 (approximately 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. The net proceeds of this capital increase will be used to drive further commercial focus and execution, to advance the Company's corporate strategy and for general corporate purposes.



SelectMDx is an mRNA assay that helps physicians identify men at risk for clinically significant prostate cancer that may benefit from a prostate biopsy. SelectMDx measures the mRNA levels of 2 genes specific to clinically significant prostate cancer (HOXC6 and DLX1). The results of the genes are then combined with standard clinical risk factors in an advanced clinical model to determine a patient's risk for clinically significant cancer.

Part II:

Corporate Governance

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

Introduction

This Corporate Governance Statement is included in the Company's report of the Board of Directors on the statutory accounts for the financial year ended on December 31, 2020 in accordance with article 3:6, §2 of the Belgian Companies and Associations Code of March 23, 2019 (as amended) (the "Belgian Companies and Associations Code").

On May 17, 2019, the Belgian Royal Decree of May 12, 2019 designating the corporate governance code to be complied with by listed companies was published in the Belgian Official Gazette. On the basis of this royal decree, Belgian listed companies are required to designate the new 2020 Belgian Corporate Governance Code (the "2020 Code") as reference code within the meaning of article 3:6, §2 of the Belgian Companies and Associations Code. The 2020 Code applies to reporting years beginning on or after January 1, 2020 (compulsory application).

The corporate governance charter that the Company applied in 2020 was adopted in accordance with the recommendations set out in the 2009 Belgian Corporate Governance Code (the "2009 Code"). For the financial year ended on December 31, 2020, the Company complied to a large extent with the provisions of the 2020 Code, except for the following deviations which the Company believed were justified in view of the Company's specific situation. Notably, in line with the "comply-or-explain" principle of said 2020 Code, MDxHealth did not fully comply with the following provisions:

- Given the size of the Company, no internal audit function existed in 2020.
- Each Non-Independent Non-Executive Director serving on the Board as of July 30, 2020 (at the occasion of a special general shareholders meeting), received 10,000 new subscription rights. This was contrary to provision 7.6 of the 2020 Code, which provides that no share options should be granted to Non-Executive Directors. The Company believed that this provision of the 2020 Code was not appropriate and adapted to take into account the realities of companies in the biotech and life sciences industry that are still in a

development phase. Notably, the ability to remunerate Non-Executive Directors with share options allowed the Company to limit the portion of remuneration in cash that the Company would otherwise need to pay to attract or retain renowned experts with the most relevant skills, knowledge and expertise. The Company was of the opinion that granting Non-Independent Non-Executive Directors the opportunity to be remunerated in part in share-based incentives rather than all in cash enabled the Non-Independent Non-Executive Directors to link their effective remuneration to the performance of the Company and to strengthen the alignment of their interests with the interests of the Company's shareholders. The Company believed that this was in the interest of the Company and its stakeholders. Furthermore, the Company believed that this was customary for Directors active in companies in the life sciences industry.

- As the Company has no distributable reserves and therefore does not meet the legal requirements to proceed to a shares buy-back, and currently does not hold any of its own shares as treasury stock, and does not have the ability to acquire its own shares, in 2020, Non-Executive Directors did not receive a part of their remuneration in the form of shares of the Company. In addition, the Company believed that the interests of the Non-Independent Non-Executive Directors were sufficiently oriented to the creation of long-term value for the Company.

- As a part of the remuneration of the executive management consists of options to subscribe for the Company's shares, which should allow the executive management over time to acquire shares of the Company, in line with the objectives of the option plans, the Board of Directors did not set a minimum threshold of shares to be held by the executive management.

- In accordance with share option plans approved by the Company's general shareholders' meeting, members of the executive management were granted with share options with a shorter vesting period than three years. The Company was of the opinion that this allowed for more flexibility when structuring share-based awards. For example, it is customary for option plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seemed to be more in line with prevailing practice.

- In accordance with provision 7.12 of the 2020 Code, the Board of Directors should include provisions that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. The Company believed that this provision of the 2020 Code was not appropriate and adapted to take into account the realities of companies in the biotech and life sciences industry, including, notably, for management teams located in the United States. The share option plans set up by the Company do however contain bad leaver provisions that can result in the share options, whether vested or not, automatically and immediately becoming null and void. Notwithstanding the company's position that share options are not to be qualified as variable remuneration, the Board of Directors was of the opinion that such bad leaver provisions sufficiently protect the Company's interests and that it is therefore currently no necessary to provide for additional contractual provisions that give the company a contractual right to reclaim any (variable) remuneration from the members of the executive management. For that reason, there were no contractual provisions in place between the Company and the members of the executive management that give the Company a contractual right to reclaim from said executives any variable remuneration that would be awarded.

- The performance and functioning of the Board of Directors, its committees, and the executive management team are summarized below.

In April 2021, the Board of Directors intends to approve an amended and restated version of the Company's corporate governance charter to align it with the provisions of the 2020 Belgian Code on Corporate Governance and the Belgian Companies and Associations Code. The Company intends to comply to a large extent with the provisions of the 2020 Code, except for the following deviations which the Company believes to be justified in view of the Company's specific situation. Notably, in line with the "comply-or-explain" principle of the 2020 Code, MDxHealth will not fully comply with the following provisions:

- Given the size of the Company, does not intend to put in place internal audit function. In line with provision 4.14, the need for an internal audit function will be reviewed annually.

- Following the modification of the Directors' remuneration on July 30, 2020, effective as from July 1, 2020, the Non-Executive Directors that are not Independent Directors shall not be entitled to a remuneration in cash, but shall each year be entitled to receive share options for a maximum of 10,000 shares of the Company. This is contrary to provision 7.6 of the 2020 Code, which provides that no share options should be granted to Non-Executive Directors. The Company believes that this provision of the 2020 Code is not appropriate and adapted to take into account the realities of companies in the biotech and life sciences industry that are still in a development phase. Notably, the ability to remunerate Non-Executive Directors with share options allowes the Company to limit the portion of remuneration in cash that the Company would otherwise need to pay to attract or retain renowned experts with the most relevant skills, knowledge and expertise. The Company is of the opinion that granting Non-Independent Non-Executive Directors the opportunity to be remunerated in part in share-based incentives rather than all in cash enables the Non-Independent Non-Executive Directors to link their effective remuneration to the performance of the Company and to strengthen the alignment of their interests with the interests of the Company's shareholders. The Company believes that this is in the interest of the Company and its stakeholders. Furthermore, the Company believes that this is customary for Directors active in companies in the life sciences industry.

- In accordance with provision 7.6 of the 2020 Code, Non-Executive Directors should receive a part of their remuneration in the form of shares of the Company. The Company has however no distributable reserves and therefore does not meet the legal requirements to proceed to a shares buy-back. As a result, the Company does not own any treasury shares and is unable to grant existing shares to Non-Executive Directors as part of their remuneration. The interests of the Non-Independent Non-Executive Directors are currently considered to be sufficiently oriented to the creation of long-term value for the Company. Finally, the Board will propose to remunerate the Independent Directors in cash, but leaving it at the own initiative of the Independent Directors whether or not they wish to use such funds (in whole or in part) to acquire existing shares of the Company.

- In accordance with provision 7.9 of the 2020 Code, the Board should set a minimum threshold of shares to be held by the executive management. A part of the remuneration of the executive management consists of options to subscribe for the Company's shares, which should allow the executive management over time to acquire shares of the Company, in line with the objectives of the option plans.

- Pursuant to article 7:91 of the Belgian Companies and Associations Code and provision 7.11 of the 2020 Code, shares should not vest and share options should not be exercisable within three years as of their granting. It has been expressly provided by the Company's general shareholders' meeting that the Board of Directors is explicitly authorized to deviate from the provisions of 7:91 of the Belgian Companies and Associations Code, for all persons who fall within the scope of these provisions (whether directly or pursuant to articles 7:108 and

7:121 of the Belgian Companies and Associations Code, or otherwise). The Company is of the opinion that this allows for more flexibility when structuring share-based awards. For example, it is customary for option plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seems to be more in line with prevailing practice.

- In accordance with provision 7.12 of the 2020 Code, the Board of Directors should include provisions that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. The Company believes that this provision of the 2020 Code is not appropriate and adapted to take into account the realities of companies in the biotech and life sciences industry, including, notably, for management teams located in the United States. The share option plans set up by the Company do however contain bad leaver provisions that can result in the share options, whether vested or not, automatically and immediately becoming null and void. Notwithstanding the company's position that share options are not to be qualified as variable remuneration, the Board of Directors is of the opinion that such bad leaver provisions sufficiently protect the Company's interests and that it is therefore currently no necessary to provide for additional contractual provisions that give the company a contractual right to reclaim any (variable) remuneration from the members of the executive management. For that reason, there are no contractual provisions in place between the Company and the members of the executive management that give the Company a contractual right to reclaim from said executives any variable remuneration that would be awarded.

The articles of association and the corporate governance charter will be available on the Company's website (https://mdxhealth.com/) and can be obtained free of charge at the Company's registered office.

The 2020 Code and the 2009 Code can be accessed on the following website: www.corporategovernancecommittee.be/

Board of Directors

The Company has opted for a "one tier" governance structure whereby the Board of Directors is the ultimate decision making body, with the overall responsibility for the management and control of the Company, and is authorized to carry out all actions that are considered necessary or useful to achieve the Company's object. The Board of Directors has all powers except for those reserved to the general shareholders' meeting by law or the Company's articles of association. The Board of Directors acts as a collegiate body.

The Board of Directors' role is to pursue sustainable value creation by the Company, by determining the Company's strategy, putting in place effective, responsible and ethical leadership, and monitoring the Company's performance. The Board of Directors acts as a collegiate body. Pursuant to the Belgian Companies and Associations 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 2020 Code, the Board of Directors should have a composition appropriate to the company's purpose, its operations, phase of development, structure of ownership and other specifics. The Board of Directors shall be composed of at least three Independent Directors and a majority of the Board shall consist of Non-Executive Directors. Currently, the Board of Directors comprises 9 Directors, of which 5 are Non-Executive Independent Directors and 3 are Non-Executive Directors. The Directors of the Company are appointed by the general shareholders' meeting.

The Company's Board of Directors strives to maintain a well-balanced general diversity at the Board of Directors. Currently, there are 3 female Directors among a total of 9 Board members (representing a ratio of 33.33% female Directors against 66.67% male Directors). The Belgian Companies and Associations Code provides that at least one third of the members of the Board of Directors should be of the opposite gender. In order to calculate the required number of directors of a different gender, fractions must be rounded to the nearest whole number, which means that the Company's Board in its current composition must include at least 3 female Directors. The Company has met the one-third gender diversity requirement since January 1, 2018 and continues to comply with such requirement at the date of this Annual Report.

The Board of Directors is a collegial body, and deliberates and makes decisions as such. Excluding the Board committees meetings, the Board of Directors met 12 times throughout 2020. All Directors were present or represented at these 12 meetings, except that each of the following missed a single meeting during this period: Valiance Advisors LLP, represented by its permanent representative, Mr. Jan Pensaert; and Hilde Windels BVBA, represented by its permanent representative, Ms. Hilde Windels. In addition, in accordance with article 7:95 of the Belgian Companies and Associations Code and article 23 of the Company's articles of association, the Board of Directors passed resolutions with unanimous and written consent of all Directors at 2 occasions.

Chair

The chair of the Board of Directors is responsible for the leadership of the Board of Directors. The chair 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 chair promotes effective interaction between the Board and the executive management. The chair 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 chair amongst the Non-Executive Directors. Currently, Ahok BV, with Mr. Koen Hoffman as permanent representative, is the chair of the Board of Directors. Mr. Hoffman assumed the role of Board chair in 2020.

Independent Directors

The Company has currently five Independent (Non-Executive) Directors.

A Director in a listed company is considered to be independent if he or she does not have a relationship with that company or with a major shareholder of the Company that compromises his or her independence. If the Director is a legal entity, his or her independence must be assessed on the basis of both the legal entity and his or her permanent representative. A Director will be presumed to qualify as an Independent Director if he or she meets at least the criteria set out in article 7:87 of the Belgian Companies and Associations Code and Clause 3.5 of the 2020 Code, which can be summarized as follows:

1. Not being an executive, or exercising a function as a person entrusted with the daily management of the company or an affiliated company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying share options of the company related to this position.
2. Not having served for a total term of more than twelve years as a Non-Executive Board member.
3. Not being an employee of the senior management (as defined in article 19,2° of the law of September 20, 1948 regarding the organization of the business industry) of the company or an affiliated company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying share options of the company related to this position.
4. Not receiving, or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the company or an affiliated company or person, apart from any fee they receive or have received as a Non-Executive Board member.
5. Not holding shares, either directly or indirectly, either alone or in concert, representing globally one tenth or more of the company's capital or one tenth or more of the voting rights in the company at the moment of appointment.
6. Not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under point 5.
7. Not having, nor having had in the past year before their appointment, a significant business relationship with the company or an affiliated company or person, either directly or as partner, shareholder, Board member, member of the senior management (as defined in article 19,2° of the law of September 20, 1948 regarding the organization of the business industry) of a company or person who maintains such a relationship.
8. Not being or having been within the last three years before their appointment, a partner or member of the audit team of the company or person who is, or has been within the last three years before their appointment, the external auditor of the company or an affiliated company or person.

9. Not being an executive of another company in which an executive of the company is a Non-Executive Board member, and not have other significant links with executive Board members of the company through involvement in other companies or bodies.
10. Not having, in the company or an affiliated company or person, a spouse, legal partner or close family member to the second degree, exercising a function as Board member or executive or person entrusted with the daily management or employee of the senior management (as defined in article 19,2° of the law of September 20, 1948 regarding the organization of the business industry), or falling in one of the other cases referred to in 1 to 9 above, and as far as point 2 is concerned, up to three years after the date on which the relevant relative has terminated their last term.

If the Board of Directors submits the nomination of an Independent Director who does not meet the abovementioned criteria to the general meeting, it shall explain the reasons why it assumes that the candidate is in fact independent.

The Company is of the view that the Independent Directors comply with each of the criteria of the Belgian Companies and Associations Code and the 2020 Code.

An Independent Director who ceases to satisfy the requirements of independence must immediately inform the chair of the Board of Directors thereof.

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, 2020	Position	Term Start	Term End (1)	Professional Address
Ahok BV, represented by **Mr. Koen Hoffman**	52	Chair, Non-Executive Independent Director	2018	2021	Absoluut Plaza Schoonzichtstraat 23A, B-9051 Gent, Belgium
Dr. Eric Bednarski	49	Non-Executive Director	2020	2023	CAP Business Center, Rue d'Abhooz 31, B-4040 Herstal, Belgium
Mr. Michael K. McGarrity	57	Executive Director	2019	2023	CAP Business Center, Rue d'Abhooz 31, B-4040 Herstal, Belgium
Gengest BV, represented by **Mr. Rudi Mariën**	75	Non-Executive Director	2017	2021	Karel van de Woestijnestraat 1-3, B-9000 Gent, Belgium
Regine Slagmulder BV, represented by **Dr. Regine Slagmulder**	54	Non-Executive Independent Director	2020	2023	Brakelstraat 20, 9830 Sint-Martens-Latem, Belgium
TSTILL Enterprises LLC, represented by **Mr. Timothy Still**	55	Non-Executive Independent Director	2020	2023	CAP Business Center, Rue d'Abhooz 31, B-4040 Herstal, Belgium
Valiance Advisors LLP, represented by **Mr. Jan Pensaert**	49	Non-Executive Director	2018	2021	CAP Business Center, Rue d'Abhooz 31, B-4040 Herstal, Belgium
Qaly-Co BV, represented by **Dr. Lieve Verplancke**	61	Non-Executive Independent Director	2017	2021	Dikkemeerweg 54, B-1653 Dworp, Belgium
Hilde Windels BV, represented by **Ms. Hilde Windels**	55	Non-Executive Independent Director	2020	2023	Kasteellaan 89, B-9000 Gent, Belgium

Notes:

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

Mr. Koen Hoffman obtained a Master in Applied Economics and an MBA at Vlerick Business School. Between 1992 and July 2016, he was active at KBC Group in which he started his career in the corporate finance department and later became the CEO of KBC Securities as from October 2012. Since August 2016, he is the CEO of Value Square asset management. Mr Koen Hoffman serves also as board member at Fagron (Chair),Greenyard (chair), Mithra Pharmaceuticals and SnowWorld.

Dr. Eric Bednarski currently serves as a Partner of MVM Partners LLP. Before joining MVM in 2008, he was a Partner at Advent Healthcare Ventures and a Principal at Advent International Corporation. Prior to Advent, he was a Director in the Corporate Finance Group of Silicon Valley Bank. Dr. Bednarski has a B.S. degree in Neural Science from Brown University and a Ph.D. in Biological Sciences from the University of California, Irvine.

Mr. Michael K. McGarrity has more than 25 years of experience in the healthcare industry with a unique combination of device, diagnostics and biotechnology experience. Michael was most recently the CEO of Sterilis Medical. Prior to Sterilis Michael was the CEO of Nanosphere (NASDAQ: NSPH), a nanotechnology-based molecular diagnostics company, where he engineered an operational and strategic turnaround that resulted in its successful sale to Luminex (NASDAQ: LMNX) in 2016. Prior to Nanosphere, McGarrity spent 13 years at Stryker Corporation (NYSE: SYK).

Mr. Rudi Mariën is President and Managing Director of Gengest BV and Biovest NV. He was the Vice President of Cerba European Lab. Through his management company, Gengest BV, Mr. Mariën has Board mandates in different listed and private biotech companies. Mr. Mariën was co-founder, reference shareholder and Chair 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.

Dr. Regine Slagmulder is a partner and full professor in management accounting & control at Vlerick Business School. Previously, she worked as a strategy practice consultant at McKinsey & Company. She also previously worked as a professor of management accounting at INSEAD and at the University of Tilburg. She serves as an independent director and chair of the audit committee on the board of the investment company Quest for Growth (since 2011) and of Ekopak (since 2021), both listed on Euronext. Dr. Slagmulder graduated in civil electrotechnical engineering and industrial management from the University of Ghent, after which she took a management doctorate at Vlerick Business School. As part of her research activities, she was a research fellow attached to INSEAD, Boston University (USA) and the P. Drucker Graduate Management Center at Claremont University (USA).

Mr. Timothy Still has over 29 years of experience in medical devices and diagnostics. He has extensive experience in designing and implementing highly focused commercial and business development strategies within both large and small companies. Mr. Still has been directly responsible for building the commercial viability at many of his previous companies, five of which have been successfully acquired (representing >$1.1B in proceeds). Mr. Still was most recently the President and CEO of Myoscience, located in Fremont, CA. Mr. Still was hired to develop a new commercial strategy at the company, and re-direct the technology platform into the pain management/orthopedic marketplace. While leading Myoscience, he raised over $12M in convertible debt, rebuilt the commercial organization, and successfully negotiated a strategic exit in the Spring of 2019. Myoscience was acquired by Pacira Pharmaceuticals for a valuation of ~40X trailing revenue in an industry known for valuation ranges of ~7X. Mr. Still received a B.S. degree (with Honors) in Biological Sciences from the University of California at Davis, and an MBA (Deans Scholar) in Marketing and Entrepreneurship from the University of Southern California.

Mr. Jan Pensaert is the Founding Managing Partner of Valiance. He brings over 20 years of experience in growth investing. He leads the Investment Committee for the Valiance Funds and is responsible for all aspects of the Funds' investment processes. Jan currently serves on the Board of several Valiance entities funds and portfolio companies including MDxHealth, JenaValve, MyCartis and 4Tech. Prior to founding Valiance, Jan was CEO of La Fayette, where during his tenure the La Fayette Funds increased in AUM from $750 million to $5.5 billion. Before that, he was responsible for the Permal Group's European-based investment management and research activities, and prior to that he worked at Lazard in Corporate Finance M&A. Jan holds a BA in Business Economics from Gent University in Belgium, and a Masters in Banking & Finance from the University of Aix-Marseille, France.

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

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

Committees of the Board of Directors

The Board of Directors of MDxHealth has set up two permanent Board committees which are responsible for assisting the Board of Directors and making recommendations in specific fields: the audit committee (in accordance with article 7:99 of the Belgian Companies and Associations Code and provision 4.10 of the 2020 Code) and the nomination and remuneration committee (in accordance with article 7:100 of the Belgian Companies and Associations Code and provision 4.17 and 4.19 of the 2020 Code). The terms of reference of these Board committees are primarily set out in the corporate governance charter.

Audit Committee

MDxHealth has had an audit committee in place since the Company's inception. According to article 7:99 §3 of the Belgian Companies and Associations Code, 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 audit committee of the Company consists of three Directors. According to the Belgian Companies and Associations Code, all members of the audit committee must be Non-Executive Directors, and at least one member must be independent within the meaning of article 7:87 of the Belgian Companies and Associations Code. The chairperson of the audit committee is to be appointed by the members of the audit committee. The composition of the audit committee complies with the 2020 Code, which require that a majority of the members of the audit committee are independent.

The members of the audit committee must have a collective competence in the business activities of the Company as well as in accounting, auditing and finance, and at least one member of the audit committee must have the necessary competence in accounting and auditing. According to the Board of Directors, the members of the audit committee satisfy this requirement, as evidenced by the different senior management and Director mandates that they have held in the past and currently hold.

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

- to inform the Board of Directors of the result of the audit of the financial statements and the manner in which the audit has contributed to the integrity of the financial reporting and the role that the audit committee has played in that process;
- to monitor the financial reporting process, and to make recommendations or proposals to ensure the integrity of the process;
- to monitor the effectiveness of the Company's internal control and risk management systems, and the Company's internal audit process and its effectiveness;
- to monitor the audit of the annual statutory and consolidated financial statements, including the follow-up questions and recommendations by the statutory auditor and, as the case may be, the auditor responsible for the audit of the consolidated financial statements;
- to assess and monitor the independence of the statutory auditor, in particular with respect to the appropriateness of the provision of additional services to the Company. More specifically, the audit committee analyses, together with the statutory auditor, the threats for the statutory auditor's independence and the security measures taken to limit these threats, when the total amount of fees exceeds the criteria specified in article 4 §3 of Regulation (EU) No 537/2014; and
- to make recommendations to the Board of Directors on the selection, appointment and remuneration

The following Non-Executive Directors were members of the audit committee in 2020: Hilde Windels BV, represented by its permanent representative, Ms. Hilde Windels (chair), Qaly-Co BV, represented by its permanent representative, Dr. Lieve Verplancke, Valiance Advisors LLP, represented by its permanent representative, Mr. Jan Pensaert. As required by law, the chair of the audit committee is 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 January 2021, Regine Slagulder 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 the chair of the audit committee.

The audit committee is a collegial body and deliberates and makes decisions as such. The audit committee met 4 times in 2020. All members of the audit committee were present or represented at all meetings.

Nomination and Remuneration Committee

According to article 7:100 §4 of the Belgian Companies and Associations Code, MDxHealth would meet the size criteria in order to operate without a separate remuneration committee, but the Company has chosen to continue operating with a separate remuneration committee.

MDxHealth's nomination and remuneration committee must be composed of at least three members and must be composed exclusively of Non-Executive Directors who have the necessary competence in terms of remuneration policy. A majority of its members must be Independent Directors. The nomination and remuneration committee is chaired by the chair of the Board of Directors or another Non-Executive Director appointed by the committee. The chair of the Board of Directors should not chair the committee when dealing with the designation of his successor. The CEO should participate in an advisory capacity in 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 appointment and remuneration of Directors and members of the executive management and, in particular, to:

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

The following Non-Executive Directors are members of the nomination and remuneration committee: TSTILL Enterprises LLC, represented by its permanent representative, Mr. Timothy Still (chair); Mr. Eric Bednarski, replacing Gengest BV, represented by Mr. Rudi Mariën, since September 23, 2020; Qaly-Co BV, represented by its permanent representative, Dr. Lieve Verplancke; Ahok BV, represented by its permanent representative, Mr. Koen Hoffman; and Valiance Advisors LLP, represented by its permanent representative, Mr. Jan Pensaert.
The nomination and remuneration committee is a collegial body and deliberates and makes decisions as such.

The nomination and remuneration committee met four times in 2020. All of the committee members with the exception of Dr. Bednarski attended all of the committee meetings. Dr. Bednarski did not attend the four meetings of the nomination and remuneration committee held in 2020, as they occurred prior to their becoming members of the committee.

Process for evaluating the Board, its committees, and its individual Directors

The Board should assess at least every three years its own performance and its interaction with the executive management, as well as its size, composition, functioning and that of its committees. The evaluation should be carried out through a formal process, whether or not externally facilitated, in accordance with a methodology approved by the Board.

At the end of each Board member's term, the nomination and remuneration committee should evaluate this Board member's presence at the Board or committee meetings, their commitment and their constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The nomination and remuneration committee should also assess whether the contribution of each Board member is adapted to changing circumstances.

The Board will act on the results of the performance evaluation. Where appropriate, this will involve proposing new Board members for appointment, proposing not to re-appoint existing Board members or taking any measure deemed appropriate for the effective operation of the Board.

Executive management

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.

Chief Executive Officer

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

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

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

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

Other members of the executive management team

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

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

Composition of the executive management team

The composition of the Management Team is set out below and reflects the situation at the date of this Annual Report:

Name	Age on Dec 31, 2020	Position	Permanent Address
Mr. Michael K. McGarrity	*57*	*Chief Executive Officer*	*15279 Alton Parkway Ste 100, Irvine, CA 92618 USA*
Mr. John Bellano	*52*	*Chief Commercial Officer*	*15279 Alton Parkway Ste 100, Irvine, CA 92618 USA*
Mr. Ron Kalfus	*46*	*Chief Financial Officer*	*15279 Alton Parkway Ste 100, Irvine, CA 92618 USA*
Mr. Joseph Sollee	*56*	*Executive Vice President of Corporate Development & General Counsel*	*15279 Alton Parkway Ste 100, Irvine, CA 92618 USA*

In 2020 the Management Team consisted of Mr. Michael McGarrity, as Chief Executive Officer, Mr. Ron Kalfus, as Chief Financial Officer, Mr. John Bellano, as Chief Commercial Officer, and Mr. Joseph Sollee, as Executive Vice President of Corporate Development and General Counsel.

Following are biographies of the executive management team members (also referred to as executives) as of the date of this Annual Report:

Mr. Michael K. McGarrity, Chief Executive Officer

See “Board of Directors - Composition of the Board of Directors”.

Mr. John Bellano, Chief Commercial Officer

Mr. Bellano joined MDxHealth in June 2019. He has more than 25 years of experience in the healthcare Industry. Mr. Bellano started his career in pharmaceuticals and transitioned to molecular diagnostics where he has spent the past 20 years of his career, most recently as Chief Commercial Officer of Sterilis Solutions Prior to Sterilis Solutions he served as the commercial leader for pharmacogenomic companies Assurex Health and AltheaDx. While at Assurex Health (Myriad Genetics) revenue grew from $700k to a run rate of $100 Million during his 5-year span with the organization.

Ron Kalfus, Chief Financial Officer

Mr. Kalfus joined MDxHealth in July 2019. He has over 20 years of leadership experience in both public and private companies within diagnostics/biotech and other sectors, and brings extensive knowledge in financial operations and management. Mr. Kalfus joined MDxHealth from Rosetta Genomics, where he helped lead efforts to reposition the company for commercial success with its oncology diagnostic products, and raised over $60 million in capital to fund these efforts. Prior to Rosetta, Mr. Kalfus served as the CFO and Treasurer of MabCure, a Belgium-based publicly-traded biotechnology startup in the field of early cancer detection using antibodies.

Mr. Joseph Sollee, Executive Vice President, General Counsel & Chief Compliance Officer

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

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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).

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. .

G. RISK MANAGEMENT AND INTERNAL CONTROL WITH REGARD TO THE PROCESS OF FINANCIAL REPORTING

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.

Principal shareholders

The Company has an international shareholder base with both large and smaller specialised shareholders focused on the healthcare and life sciences sectors, and a number of more local retail investors. Based on the number of shares on the date of this report and transparency notifications received by the Company until that date, the shareholder base of the Company is as set out in the table below. Applicable transparency disclosure rules and the articles of association of the Company provide for shareholder notification thresholds of 3%, 5%, or a multiple of 5% (i.e. 10%, 15%, 20%, etc.) of the total number of existing voting rights. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of the relevant thresholds (as set out above), it is possible that the information below in relation to a shareholder is not or no longer up-to-date. All transparency notifications are available on the Company's website (https://mdxhealth.com/).

		On a non-diluted basis	*On a fully diluted basis*
	Date of Notification	**% of the voting rights attached to Shares [1]**	**% of the voting rights attached to Shares [2]**
MVM Partners LLP [3]	15 May 2020	22.23%	21.01%
Valiance Asset management Limited [4]	21 May 2020	12.30%	11.68%
Biovest NV [5]	1 February 2021	9.36%	8.91%
Soleus Capital Management, L.P [6]	1 February 2021	5.32%	5.02%
Scorpiaux BV [7]	2 June 2020	4.26%	4.03%

Notes:

[1] *The percentage of voting rights is calculated on the basis of the number of outstanding shares at the date of the notification. On the date of this report, the share capital of the Company amounts to EUR 90,132,067.69. It is divided into 118,469,226 shares of no nominal value, each representing the same fraction of the share capital.*

[2] *The percentage of voting rights is calculated on the basis of a total of 125,392,821 shares, consisting of 118,469,226 shares outstanding on the date of this report and the issuance 6,923,595 additional shares, assuming that (i) 35,000 new shares were issued upon the exercise of 35,000 share options, issued under the form of subscription rights on 15 March 2012, (ii) 266,000 new shares were issued upon the exercise of 266,000 share options, issued under the form of subscription rights on 15 June 2012, (iii) 656,625 new shares were issued upon the exercise of 656,625 share options, issued under the form of subscription rights on 23 June 2014 (of which 66,500 share options have not yet been granted), (iv) 2,045,718 new shares were issued upon the exercise of 2,045,718 share options, issued under the form of subscription rights on 19 June 2017 (of which 42,000 share options have not yet been granted), (v) 2,990,000 new shares were issued upon the exercise of 2,990,000 share options, issued under the form of subscription rights on 21 June 2019 (of which 312,000 share options have not yet been granted), and (vi) 930,252 new shares were issued to the benefit of Kreos Capital VI (UK) Limited upon the conversion of a drawdown fee and an amount of EUR 180,000 into new shares pursuant to loan agreements, as amended, entered into by the Company with Kreos Capital VI (UK).*

[3] *MVM Partners LLP notified the Company that the aggregate number of shares with respect to which MVM Partners LLP can exercise voting rights actively crossed above the threshold of 20% of the outstanding shares and voting rights of the Company at the time of the notification. Notably, it follows from the notification by MVM Partners LLP, who notified alone, that an aggregate of 20,162,924 shares of the Company, representing 22.23% of the 90,691,449 outstanding shares and voting rights of the Company,*

is held through the following entities: MVM V LP (which acquired 19,755,592 voting securities by way of subscription to a capital increase by the Company) and MVM GP (No. 5) (which acquired 407,332 voting securities by way of subscription to a capital increase by the Company). The notification also stated that MVM Partners LLP is not a controlled entity, acts as fund manager of the aforementioned two entities, and can exercise the voting rights attached to the securities at its own discretion, without specific instruction. The shareholding on a fully diluted basis takes into account the exercise of 10,000 share options for new shares of the Company, granted to but not already accepted by Dr. Eric Bednarski, a Director of the Company, a representative of MVM Partners LLP, and a (indirect) beneficiary of MVM V LP and MVM GP (No. 5) LP.

(4) *Valiance Asset Management Limited notified the Company that the aggregate number of shares with respect to which Valiance Asset Management Limited can exercise voting rights passively crossed below the threshold of 15% of the outstanding shares and voting rights of the Company at the time of the notification. Notably, it follows from the notification by Valiance Asset Management Limited, who notified alone, that an aggregate of 11,159,202 shares of MDxHealth, representing 12.30% of the 90,691,449 outstanding shares and voting rights of the Company, is held through the following entities: TopMDx Ltd, Valiance Life Sciences Growth Investments SICAV-SIF, and Valiance Holdings Limited. The notification also stated that Valiance Holdings Limited is a Guernsey company within the Valiance corporate structure, that Valiance Life Sciences Growth Investment Fund SICAV-SIF is a Luxembourg fund with multiple external investors, that TopMDx Ltd is an exempted closed-ended fund registered in British Virgin Islands with multiple external investors, and that Valiance Asset Management Limited is investment manager, is not a controlled entity, and can exercise the voting rights at its discretion for each of the aforementioned three entities. The shareholding on a fully diluted basis takes into account the exercise of 70,000 share options for new shares of the Company, held by Valiance Advisors LLP, a Director of the Company. The shareholding on a fully diluted basis takes into account the exercise of 70,000 share options for new shares of the Company, held by Valiance Advisors LLP, a Director of the Company and a related person to Valiance Asset Management Limited, TopMDx Limited and Valiance Life Sciences Growth Investments SICAV-SIF.*

(5) *Biovest NV notified the Company that the aggregate number of shares with respect to which Biovest NV can exercise voting rights passively crossed below the threshold of 10% of the outstanding shares and voting rights of the Company at the time of the notification. Notably, it follows from the notification by Biovest NV that 11,090,257 shares of the Company, representing 9.36% of the 118,469,226 outstanding shares and voting rights of the Company, are held through Biovest NV. The notification also stated that Rudi Marien controls Biovest NV, that Biovest NV participated to the capital increase of 26 January 2021, and that before the capital increase, Biovest NV held 9,979,146 shares out of a total of 90,691,449 shares (11%). The shareholding on a fully diluted basis takes into account the exercise of 82,000 share options for new shares of the Company, held by Gengest BV, a Director of the Company and a company controlled by Mr. Rudi Mariën, who also controls Biovest NV.*

(6) *Soleus Capital Management, L.P. notified the Company that the number of shares with respect to which Soleus Capital Management, L.P. can exercise voting rights actively crossed above the threshold of 5% of the outstanding shares and voting rights of MDxHealth at the time of the notification. Notably, it follows from the notification by Soleus Capital Management, L.P. that 6,300,000 shares of the Company, representing 5.32% of the 118,469,226 outstanding shares and voting rights of MDxHealth, are held through Soleus Capital Master Fund, L.P. The notification also stated that the voting rights attached to the shares are exercised by the investment advisor Soleus Capital Management, L.P., a Delaware limited partnership, at its discretion, in the absence of specific instructions, that Soleus Capital Master Fund, L.P. is a limited partnership formed in the Cayman Islands, that Soleus Capital Management, L.P. is controlled by a sole general partner, Soleus GP, LLC, a Delaware limited liability company, and that Soleus GP, LLC is controlled by its sole member, Mr. Guy Levy.*

(7) *Scorpiaux BV notified the company that the number of shares with respect to which Scorpiaux BV can exercise voting rights passively crossed below the threshold of 5% of the outstanding shares and voting rights of MDxHealth at the time of the notification. Notably, it follows from the notification by Scorpiaux BV that it owns 3,867,776 shares of MDxHealth, representing 4.26% of the 90,691,449 outstanding shares and voting rights of MDxHealth. The notification states that Scorpiaux BV is exclusively controlled by Bart Versluys.*

No other shareholders, acting alone or in concert with other shareholders, notified the Company of a participation or an agreement to act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

Each shareholder of the Company is entitled to one vote per share.

Share capital and shares

On the date of this report, 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.

In addition to the outstanding shares, the Company has a number of outstanding options that are exercisable into ordinary shares, consisting of:

- 35,000 outstanding share options, issued under the form of subscription rights on March 15, 2012;
- 266,000 outstanding share options, issued under the form of subscription rights on June 15, 2012;
- 656,625 outstanding share options issued under the form of subscription rights on June 23, 2014 (of which 66,500 share options have not yet been granted);
- 2,045,718 outstanding share options issued under the form of subscription rights on June 19, 2017 (of which 42,000 share options have not yet been granted); and
- 2,990,000 outstanding share options issued under the form of subscription rights on June 21, 2019 (of which 312,000 share options have not yet been granted).

On 23 September 2019, the Company entered into loan agreements with Kreos Capital VI (UK) Limited ("Kreos Capital") with respect to a loan facility of up to EUR 9,000,000, which was fully drawn on 1 November 2019. The Company and Kreos Capital agreed that (i) a drawdown fee equal to 7% of the amounts drawn down under the loan agreements (being EUR 630,000 in aggregate) would remain outstanding as a payable (without accruing interest), and would be convertible into ordinary shares by means of a contribution in kind to the share capital of the Company at a price EUR 0.85 per share (the "DF Convertible Loan Payable"), and (ii) according to an amendment to the loan agreements dated 20 October 2020, an amount of EUR 180,000 out of the EUR 9,000,000 loan facility would be convertible into ordinary shares by means of a contribution in kind to the share capital of the Company at a conversion price representing a 25% premium to the 30-day volume weighted average price immediately prior to signing the amendment (i.e., 0.952) (rounded) (the "Discretionary Convertible Loan Payable", and together with the DF Convertible Loan, the "Kreos Convertible Loan Payables"). Should the full amount of the Kreos Convertible Loan Payables be converted into new shares of the Company, by means of contributions in kind to the share capital of the Company at their respective conversion prices per share, 930,252 new shares would have to be issued by the Company to the benefit of Kreos Capital.

Form and transferability of the shares

The shares of the Company can take the form of registered and dematerialized shares. All the Company's shares are fully paid-up and are freely transferable.

On 21 January 2021, the Board of Directors decided to increase the share capital of the Company in the framework of the authorized capital by the issuance of a maximum number of shares which still had to be determined, with dis-application of the preferential subscription right of the existing shareholders of the Company and, in so far as required, of the existing holders of subscription rights (share options) of the Company, subject to, amongst other things, the condition that the new shares would be offered to a broad group of unidentified Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions, in the framework of a private placement through an accelerated bookbuilding procedure. On that basis, the Company decided to instruct investment banks to organize, launch and close the offering of new shares via a private placement through an accelerated bookbuilding procedure. The transaction was launched on 21 January 2021, and later that same day the Company announced that it successfully raised an amount of approximately EUR 25.0 million in gross proceeds by means of a private placement via an accelerated bookbuilding procedure of 27,777,777 new shares at an issue price of EUR 0.90 per share. The settlement and payment of the 27,777,777 new shares took place on 26 January 2021.

Of these new shares, 18,138,288 shares were immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance, and 9,639,489 shares were not immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance.

In this context, the Company has prepared a listing prospectus to have the 9,639,489 unlisted shares admitted to listing and trading on the regulated market of Euronext Brussels. The 9,639,489 shares were admitted to listing and trading on the regulated market of Euronext Brussels on 23 April 2021. All of the 118,469,226 existing shares have been admitted to listing and trading on the regulated market of Euronext Brussels.

Currency

The Company's shares do not have a nominal value, but each reflect the same fraction of the Company's share capital, which is denominated in euro.

Voting rights attached to the shares

Each shareholder of the Company is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described in the Company's articles of association.

Voting rights can be mainly suspended in relation to shares:

- which are not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled or on which more than one person has rights in rem (droits réels) on, except in the event a single representative is appointed for the exercise of the voting right vis-à-vis the Company;
- which entitle their holder to voting rights above the threshold of 3%, 5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 calendar days prior to the date of the general shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Companies and Associations Code, the voting rights attached to shares owned by the Company, or a person acting in its own name but on behalf of the Company, or acquired by a subsidiary of the Company, as the case may be, are suspended. Generally, the general shareholders' meeting has sole authority with respect to:

- the approval of the annual financial statements of the Company;
- the distribution of profits (except interim dividends);
- the appointment (at the proposal of the Board of Directors and upon recommendation by the remuneration and nomination committee) and dismissal of Directors of the Company;
- the appointment (at the proposal of the Board of Directors and upon recommendation by the audit committee) and dismissal of the statutory auditor of the Company;
- the granting of release from liability to the Directors and the statutory auditor of the Company;
- the determination of the remuneration of the Directors and of the statutory auditor for the exercise of their mandate;
- the advisory vote on the remuneration report included in the annual report of the Board of Directors, the binding vote on the remuneration policy that the Company intends to submit for the first time to the general shareholders' meeting to be held on 27 May 2021, and subsequently upon every material change to the

remuneration policy and in any case at least every four years, and the determination of the following features of the remuneration or compensation of Directors, members of the executive management and certain other executives (as the case may be): (i) in relation to the remuneration of Executive and Non-Executive Directors, members of the executive management and other executives, an exemption from the rule that share based awards can only vest after a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of Executive Directors, members of the executive management and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, (iii) in relation to the remuneration of Non-Executive Directors, any variable part of the remuneration (provided, however that no variable remuneration can be granted to Independent Non-Executive Directors), and (iv) any service agreements to be entered into with Executive Directors, members of the executive management and other executives providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen (18) months' remuneration);

- the filing of a claim for liability against Directors;
- the decisions relating to the dissolution, merger and certain other reorganisations of the Company; and
- the approval of amendments to the articles of association.

Dividends and dividend policy

All of the shares of the Company entitle the holder thereof to an equal right to participate in dividends in respect of the financial year ending December 31, 2020 and future years. All of the shares participate equally in the Company's profits (if any). Pursuant to the Belgian Companies and Associations Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent statutory audited financial statements, prepared in accordance with Belgian GAAP and based on a (non-binding) proposal of the Company's Board of Directors. The Belgian Companies and Associations Code and the Company's articles of association also authorize the Board of Directors to declare interim dividends without shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's stand-alone statutory accounts prepared in accordance with Belgian GAAP. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory non-consolidated financial statements (i.e. summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), decreased with, except in exceptional cases, to be disclosed and justified in the notes to the annual accounts, the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves.

In addition, pursuant to Belgian law and the Company's articles of association, the Company must allocate an amount of 5% of its Belgian GAAP annual net profit (nettowinst/bénéfices nets) to a legal reserve in its stand-alone statutory accounts, until the legal reserve amounts to 10% of the Company's share capital. The Company's legal reserve currently does not meet this requirement. Accordingly, 5% of its Belgian GAAP annual net profit during future years will need to be allocated to the legal reserve, limiting the Company's ability to pay out dividends to its shareholders.

Under the senior secured loan agreement entered into between with Kreos Capital and the Company on 1 November 2019 and amended on 20 October 2020, no distributions can be declared or made without consent of the Kreos Capital.

Finally, additional financial restrictions and other limitations may be contained in future credit agreements.

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.

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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)

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Remuneration report

The following remuneration report has been prepared by the nomination and remuneration committee and approved by the Board of Directors of MDxHealth on April 14, 2021. This remuneration report is part of the Corporate Governance Statement, which is part of the Company's annual report of the Board of Directors on the statutory accounts for the financial year ended on December 31, 2020 in accordance to in article 3:6, §3 of the Belgian Companies and Associations Code (the "Remuneration Report"). The Company has reviewed the remuneration policy of its management, Executive and Non-Executive Directors in light of article 3:6 of the Belgian Companies and Associations Code, as supplemented by the relevant provisions of the 2020 Code, and has prepared this Remuneration Report in accordance with the requirements contained therein.

Introduction

In accordance with article 3:6, §3 of the Belgian Companies and Associations Code, the Company prepared this remuneration report in order to provide an overview of the remuneration, including all benefits granted or due during the financial year ended on December 31, 2020 to each of the Directors and members of the executive management team, including newly recruited officers and former officers, in accordance with the Company's remuneration policy.

The remuneration for Non-Executive Directors was modified at the annual shareholders' meeting of July 30, 2020. Prior to such modification, MDxHealth continued to apply in 2020 the remuneration previously 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.

On May 16, 2020 the new article 7:89/1 of the Belgian Companies and Associations Code, which provides that listed companies must establish a remuneration policy with respect to Directors, other officers and delegates for day-to-day management, entered into force. This article details the objectives of, as well as the information that needs to be included in, the remuneration policy. The remuneration policy must be approved by a binding vote of the general shareholders' meeting and must be submitted to the general shareholders' meeting for approval whenever there is

a material change and in any case at least every four years. In view hereof, in accordance with article 7:89/1 of the Belgian Companies and Associations Code, the nomination and remuneration prepared a new remuneration policy that the Board of Directors intends to submit to the shareholders for approval at the occasion of the annual general shareholders' meeting to be held on May 27, 2021.

That being said, no significant change to the remuneration policy is envisaged for 2021 or the following accounting years. However, the Company will continuously review the remuneration of Directors and executive managers against market practice.

This remuneration report will be submitted to a vote by the annual general shareholders' meeting

Procedure adopted in 2020 to determine the level of remuneration

Directors

Annually, the nomination and remuneration committee reviews the fee levels paid to Directors and compares them to fee levels paid at other comparable companies.

Grants of subscription rights to Non-Independent Non-Executive Directors were 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. The number of subscription rights granted in the past to Non-Executive Directors (including Independent Directors) has remained low compared to the number of total outstanding security instruments. Non-Executive Directors (including Independent Directors) are not entitled to bonuses, fringe benefits or pension benefits.

Non-Executive Board members who provide services to the Company outside of the formal Board meetings or Board committee meetings, must have their work and fees pre-approved by the non-conflicted members of the nomination and remuneration committee. These fees are then submitted for approval at the ensuing annual general shareholders' meeting.

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

CEO and executive 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 subscription rights, 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 subscription rights 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.

Directors' remuneration in 2020

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

The Directors' remuneration was modified at the annual shareholders' meeting of July 30, 2020.

Independent Non-Executive Directors

Following the modification of the Directors' remuneration on 30 July 2020, effective as from July 1, 2020, the Independent Non-Executive Directors are remunerated on the basis of a pre-defined fixed annual retainer fee as follows:

- EUR 35,000 (USD 39,977)[1] base fee for each Non-Executive Director;
- In addition to the base fee, the following fees apply:
  - EUR 31,000.00 (USD 35,408)[1] for the chair of the Board of Directors;
  - EUR 17,500.00 (USD 19,989)[1] for the chair of the audit committee;
  - EUR 9,000.00 (USD 10,280)[1] for the members of the audit committee (other than the chair of the committee);
  - EUR 17,500.00 (USD 19,989)[1] for the chair of the nomination and remuneration committee; and
  - EUR 5,500.00 (USD 6,282)[1] for the members of the nomination and remuneration committee (other than the chair of the committee).

The foregoing additional remuneration amounts are in addition to the base fee and can be combined, depending on whether the applicable eligibility criteria have been met. The remuneration can be reduced pro rata temporis depending on the duration of the mandate, chairpersonship or membership of a Director during a given year.

This fee structure was proposed by the nomination and remuneration committee on the basis of a bench-mark study that was carried out in 2020 and is in line the existing market practices. The Company's Board of Directors considers that it contributes to the long-term performance of the company.

Prior to the modification of the remuneration effective as from July 1, 2020, the Independent Non-Executive Directors were remunerated on the basis of a pre-defined fixed annual retainer fee as follows:

- EUR 35,000 (USD 39,977)[1] for the chair of the Board of Directors;
- EUR 30,000 (USD 34,266)[1] for the chair of the audit committee;
- EUR 28,000 (USD 31,982)[1] for the chair of the nomination and remuneration committee; and
- EUR 25,000 (USD 28,555)[1] for any other Director.

Non-Independent Non-Executive Directors

Following the modification of the Directors' remuneration on July 30, 2020, effective as from July 1, 2020, the Non-Executive Directors that are not Independent Directors shall not be entitled to a remuneration in cash, but shall each year be entitled to receive share options for a maximum of 10,000 shares of the Company.

This is contrary to provision 7.6 of the 2020 Code, which provides that no share options should be granted to Non-Executive Directors. The Company believes that this provision of the 2020 Code is not appropriate and adapted to take

[1] *exchange rate EUR 1 = USD 1.1422 (historical rate 2020)*

into account the realities of companies in the biotech and life sciences industry that are still in a development phase. Notably, the ability to remunerate Non-Executive Directors with share options allowes the Company to limit the portion of remuneration in cash that the Company would otherwise need to pay to attract or retain renowned experts with the most relevant skills, knowledge and expertise. The Company is of the opinion that granting Non-Independent Non-Executive Directors the opportunity to be remunerated in part in share-based incentives rather than all in cash enables the Non-Independent Non-Executive Directors to link their effective remuneration to the performance of the Company and to strengthen the alignment of their interests with the interests of the Company's shareholders. The Company believes that this is in the interest of the Company and its stakeholders. Furthermore, the Company believes that this is customary for Directors active in companies in the life sciences industry.

Furthermore, as the Company currently does not hold any of its own shares as treasury stock and does not have the ability to acquire its own shares, in 2020, Non-Executive Directors did not receive a part of their remuneration in the form of shares of the Company. Even though this deviates from provision 7.6 of the 2020 Code, the Company's Board of Directors considers that this remuneration contributes to aligning the interests of the Non-Independent Non-Executive Directors with those of MDxHealth, amongst other things, by involving them in the risks and prospects of its activities in a long-term perspective. Their remuneration contributes to MDxHealth's long-term performance.

Prior to the modification of the remuneration policy effective as from July 1, 2020, the Non-Independent Non-Executive Directors were eligible for remuneration on the basis of a pre-defined fixed annual retainer fee as follows:

- EUR 35,000 (USD 39,977)[1] for the chair of the Board of Directors;
- EUR 30,000 (USD 34,266)[1] for the chair of the audit committee;
- EUR 28,000 (USD 31,982)[1] for the chair of the nomination and remuneration committee; and
- EUR 25,000 (USD 28,555)[1] for any other Director.

However, the Board suggested that each Non-Independent Director elect, in his or her discretion, to waive its right to receive such fees. For the financial year ended on December 31, 2020, the Non-Independent Directors (who have not held an executive position within the Company) agreed to waive their Director's fees.

Non-Executive Directors

Apart from the above remuneration, Non-Executive Directors are entitled to a reimbursement of out of pocket expenses actually incurred to participate to Board meetings.

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.

[1] *exchange rate EUR 1 = USD 1.1422 (historical rate 2020)*

All Directors

- Relative importance of the components of remuneration: The relative importance of the various components of remuneration of the Directors as referred to in article 3:6, §3, indent. 3, 1°, b) of the Belgian Companies and Associations Code, is provided below under the "Remuneration earned by the Directors for the reported year" section of this remuneration report.

- No deviation from the remuneration, as decided by the general shareholders' meeting held on July 30, 2020: During the course of 2020, the Company has not deviated from its remuneration for Directors. The total remuneration of the Board of Directors (including the Executive Director) in 2020 and 2019 was of EUR 678,000 (USD 775,000) and EUR 432,000 (USD 484,000) respectively (excluding VAT, share-based compensation and expenses reimbursement).

- Insurances: On May 23, 2006, the Board of Directors decided, with application of the old article 523 of the Belgian Company Code (article 7:96 of the Belgian Companies and Associations 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 2020. Additionally, the Company's US subsidiary, MDxHealth, Inc., has entered into indemnification agreements directly with each of its Directors, as well as each Director of the Company, to indemnify each such person for liabilities to the extent that they may arise from, or claims therefor which are based on, US- associated activities of the US subsidiary or of the Company, including any claims based on a theory of derivative liability in the right of the US subsidiary.

- No possibility to recover variable remuneration: Once paid, the Company does not have the ability to recover the variable part of the remuneration of the Directors.

Remuneration earned by the Directors for the reported year

The following table provides the 2020 compensation of the Directors in function during 2020:

Name[1]	Position[2]	Pro-rata of annual retainer fee (€K)	Other services (€K)	Total[3] (€K)
Mr. Koen Hoffman	INED – Board Chair, Member NRC	53	0	53
Dr. Eric Bednarski	NED – Member NRC (from 1 Aug 2020)	0	0	0
Mr. Michael K. McGarrity	ED – CEO	0[3]	0[3]	0[3]
Mr. Rudi Mariën	NED – member NRC (until 1 Aug 2020)	0	0	0
Dr. Regine Slagmulder	INED	18	0	18
Mr. Jan Pensaert	NED – member AC and NRC	0	6	6
Dr. Lieve Verplancke	INED – member AC and NRC	37	0	37
Ms. Hilde Windels	INED – Chair AC	51	0	51
Mr. Timothy Still	INED – Chair NRC	43	0	43

Notes:

[1]: *Mr. Koen Hoffman serves on the Board as a permanent representative of Ahok BV Mr. Rudi Mariën serves on the Board as a permanent representative of Gengest BV. Mr. Jan Pensaert serves on the Board as a permanent representative of Valiance Advisors LLP. Dr. Lieve Verplancke serves on the Board as a permanent representative of Qaly-Co BV. Ms. Hilde Windels serves on the Board as a permanent representative of Hilde Windels BV. Mr. Timothy Still serves on the Board as a permanent representative of TSTILL ENTERPRISES LLC. Dr. Regine Slagmulder serves on the Board as a permanent representative of Regine Slagmulder BV.*

[2]: *"NED" = Non-Executive Director, "AC" = Audit Committee, "NRC" = Nomination & Remuneration Committee, "INED" = Independent Non-Executive Director, "ED" = Executive Director*

[3]: *As CEO and Executive Director, Mr. McGarrity did not receive any remuneration for his position as a Director in 2020. Executive Directors are only remunerated for their role as executive managers. The remuneration of Mr. McGarrity as CEO is further described in the section "Executive management's remuneration in 2020" of this remuneration report.*

During the course of 2020, the composition of the Board of Directors changed. Notably, Dr. Eric Bednarski and Regine Slagmulder BV, represented by Dr. Regine Slagmulder, were appointed as Directors by the special general shareholders' meeting held on July 30, 2020, with immediate effect and for a term of three years, up to and including the closing of the annual general shareholders' meeting to be held in 2023 which will have decided upon the financial statements for the financial year ended on 31 December 2022.

Executive management's remuneration in 2020

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. In addition, members of the executive management team are also granted with subscription rights. This policy contributes to aligning the interests of the members of the executive management with those of MDxHealth, amongst other things, by involving them in the risks and prospects of its activities in a long-term perspective. Their remuneration contributes to MDxHealth's long-term performance.

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 2020, 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.

The relative importance of the various components of remuneration of the members of the executive management as referred to in article 3:6, §3, indent. 3, 1°, b) of the Belgian Companies and Associations Code, is provided below under the “Remuneration earned by the CEO for the reported year“, "Remuneration earned by other executive managers for the reported year" sections of this remuneration report.

During the course of 2020, the Company has not deviated from its executive management's remuneration policy.

Remuneration earned by the CEO for the reported year

Mr. McGarrity is remunerated on the basis of his executive management position. As CEO, Mr. McGarrity is entitled to a gross annual base salary of USD 400,000, which will be reviewed by the Board of Directors (or the nomination and remuneration committee) on an annual basis, and an annual bonus of up to 50% of the then applicable base salary. In connection with his hiring as CEO in February 2019, Mr. McGarrity also received a one-time grant of 1,500,000 subscription rights (employee share options) and a one-time signing bonus in the gross amount of USD 85,000. Furthermore, Mr. McGarrity is entitled to a reimbursement of expenses, and he and his dependents are eligible to participate in all group health, medical, dental, disability and insurance plans, incentive, savings and retirement plans, and other employee benefits that are established by the Company for its executives.

Excluding the value of subscription rights, the remuneration and benefits provided to the CEO in 2020 were composed as follows:

	Euro (€)	$ equivalent
Fixed gross remuneration [1]	€370,308	$422,966
Supplementary paid compensation [2] (gross)	€64,223	$73,356
Pension benefits	€788	$900
Other benefits [3]	€40,782	$46,581
Total	**€476,101**	**$543,803**

Notes:

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

[2]: Excludes value of 450,000 subscription rights already created, issued, and accepted in 2020 under the Company's 2019 Share Option Plan.

[3]: Includes Company-paid and other similar benefits, such as the employer's payroll taxes, meal tickets and health insurances. Excludes reimbursement of normal professional expenses such as telephone and Company travel expenses.

Remuneration earned by other executive managers for the reported year

The 2020 combined remuneration package of the other executive management team members in office in 2020 (excluding the CEO) - i.e. John Bellano, Joseph Sollee and Ron Kalfus - including employer taxes, was EUR 1,040,581.

	Euro (€)	$ equivalent
Fixed gross remuneration [1]	€782,621	$893,910
Bonuses paid and awarded [2] (gross)	€39,587	$45,216
Pension benefits	€18,940	$21,633
Other benefits [3]	€111,883	$127,792
Total	**€1,040,581**	**$1,188,551**

Notes:

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

[2]: Excludes value of subscription rights already created, issued, and accepted in 2020 by certain other executive managers under the Company's 2019 Share Option Plan.

[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 2020 and 2019 was EUR 1,516,682 and EUR 2,056,865 respectively (USD 1,732,354 and USD 2,302,660, respectively) (gross amount, excluding VAT and share based compensation). In the aforementioned figures, the service fees of the managers hired on the basis of a service agreement are included with the salaries of the other management team members.

The primary performance objectives for the bonuses of the above management team members in 2020 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 and SelectMDx for Prostate tests and attainment of revenue targets

Special provisions of the contractual relationship with the executive management

Each of the executive managers has a contractual employment agreement.

The Company hired Mr. Michael K. McGarrity, acting in the role of Chief Executive Officer, effective as of February 18, 2019. The executive employment agreement with Mr. McGarrity provides that if the Company terminates the employment agreement without cause or if Mr. McGarrity resigns for good reason, Mr. McGarrity shall be eligible to receive as severance an amount equal to twelve months of base salary in effect at the time of the separation.

Acting under the direction of the Board, the Company hired Mr. Ron Kalfus, acting in the role of Chief Financial Officer, effective as of July 22, 2019. The employment agreement with Mr. Kalfus provides that if the Company terminates the employment agreement without cause or if Mr. Kalfus resigns for good reason, Mr. Kalfus shall be eligible to receive as severance an amount equal to six months of base salary in effect at the time of the separation, which amount will increase to twelve months of base salary for a termination that occurs after July 22, 2020.

Acting under the direction of Board, the Company hired Mr. John Bellano, acting in the role of Chief Commercial Officer, effective as of June 19, 2019. The employment agreement with Mr. Bellano provides that if the Company terminates the employment agreement without cause or if Mr. Bellano resigns for good reason, Mr. Bellano shall be eligible to receive as severance an amount equal to six months of base salary in effect at the time of the separation, which amount will increase to twelve months of base salary for a termination that occurs after June 19, 2020.

The employment contract with Mr. Joe Sollee dates from before the entry into force of the law of April 6, 2010 on corporate governance in public and listed companies and is in conformity with common employment law. The contract with Mr. Sollee provides that if his employment is terminated for a reason other than serious misconduct or if Mr. Sollee resigns for good reason, he will be entitled to a severance pay of nine (9) months gross remuneration and benefits.

The contracts with the executive managers and the Executive Director do not include any provision stating that the variable part of the remuneration based upon faulty financial information will be recovered by the Company.

Subscription rights

Share options granted by the Company generally take the form of subscription rights in the sense of article 7:67 and seq. of the Belgian Companies and Associations Code. Subscription rights can periodically be awarded to members of the personnel as defined under article 1:27 of the Belgian Companies and Associations code (with the exception of Non-Independent Directors), or even certain consultants, primarily as a retention and motivation tool. Subscription rights 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. During 2020, the Company modified its remuneration policy to provide that the Company will no longer grant share options to Independent Directors.

In the course of 2020, no subscription rights were exercised by Directors and executive managers.

2020 Share-based compensation of Directors and executive managers

During the course of 2020, the following share-based compensation was awarded to Directors and executive managers of MDxHealth:

- Each Non-Independent Non-Executive Director serving on the Board as of July 30, 2020 (at the occasion of a special general shareholders meeting), received 10,000 new subscription rights with the following characteristics:
  - Exercise price of EUR 1.28 (one share option (subscription right) gives right to buy one share);
  - Cliff vesting over 1 year for all beneficiaries; and
  - Duration of options: 10 years.

- On July 15, 2020, a total of 1,183,000 subscription rights were granted to members of the executive management team on July 15, 2020.

  - Of these 1,183,000 granted subscription rights, 542,500 vest in accordance with a straight-line vesting schedule over three years for all beneficiaries, with the following additional characteristics:
    - Exercise price of EUR 0.80 (one subscription rights gives right to buy one share);
    - Exercise Period: the subscription rights are not exercisable until after the third anniversary the date of their grant;
    - Duration of the subscription right: 10 years.

  The 542,500 subscription rights were granted as follows:

  - Mr. McGarrity received 225,000 subscription rights;
  - Mr. Bellano received 144,000 subscription rights;
  - Mr. Kalfus received 173,500 subscription rights.

  - Of these 1,183,000 granted subscription rights, 640,500 were granted with the following characteristics:
    - Exercise price of EUR 0.80 (one subscription rights gives right to buy one share);
    - Cliff vesting on December 31, 2021, if the Company attains a specified EBIDTA level based on defined formula approved by the Board of Directors at the time of grant;
    - Exercise Period: the subscription rights are not exercisable until after the third anniversary the date of their grant;
    - Duration of the subscription right: 10 years.

  The 640,500 subscription rights were granted as follows:

  - Mr. McGarrity received 225,000 subscription rights;
  - Mr. Bellano received 144,000 subscription rights;
  - Mr. Kalfus received 173,500 subscription rights;
  - Mr. Sollee received 98,000 subscription rights.

The Board of Directors intends to submit a new share option plan for approval to the extraordinary general shareholders' meetings to be held on May 27, 2021. Should it be approved, under this new 2021 Share Option Plan, share options would be issued to the benefit of the members of the personnel of the Company, as defined under article 1:27 of the Belgian Companies and Associations Code (with the exclusion of Independent Directors).

Annual evolution in remuneration, performance and average annual remuneration of employees

Evolution of the remuneration of the Directors and executive managers

	FY 2016 vs FY 2015		FY 2017 vs FY 2016		FY 2018 vs FY 2017		FY 2019 vs FY 2018		FY 2020 vs FY 2019	
	USD ('000)	%	USD ('000)	%	USD ('000)	%	USD ('000)	%	USD ('000)	%
Directors and executive managers	2,262	14%	1,685	(26)%	1,769	5%	1,236	(30)%	1,766	43%

Evolution of the remuneration of the average remuneration on a full-time equivalent basis of employees other than Directors and members of the executive management

	FY 2016 vs FY 2015		FY 2017 vs FY 2016		FY 2018 vs FY 2017		FY 2019 vs FY 2018		FY 2020 vs FY 2019	
	USD ('000)	%	USD ('000)	%	USD ('000)	%	USD ('000)	%	USD ('000)	%
Employees	107.6	8%	104.5	(3)%	107.1	2%	91.3	(15)%	91.5	0%

Evolution of the performances of the Company

Performance Criteria	FY 2016 vs FY 2015		FY 2017 vs FY 2016		FY 2018 vs FY 2017		FY 2019 vs FY 2018		FY 2020 vs FY 2019	
	USD ('000)	%	USD ('000)	%	USD ('000)	%	USD ('000)	%	USD ('000)	%
Net result	(13,174)	(9)%	(12,288)	(7)%	(32,450)	164%	(43,100)	33%	(28,662)	(33)%
Net equity	52,741	19%	43,546	(17)%	52,117	20%	19,724	(62)%	5,849	(70)%
Paid dividends	0	0%	0	0%	0	0%	0	0%	0	0%
Market capitalization	251,467	24%	192,293	(24)%	126,966	(34)%	82,401	(35)%	7,835	19%

Ratio between the highest and the lowest remuneration

For the financial year 2020, the ratio, by country, between the highest and the lowest remuneration, expressed on a full-time equivalent basis is:

Country	Ratio*
Belgium	2.52
The Netherlands	2.14
United States of America	10.68

* *(Highest / Lowest)*

Done on April 14, 2021

On behalf of the Board of Directors

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Part III: Principle Risks & Uncertainties

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

Risks Associated with the COVID-19 Pandemic

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.

Recently, an ongoing outbreak of a novel strain of coronavirus (COVID-19) has spread globally. In March 2020, the World Health Organization declared COVID-19 as a pandemic. The pandemic has resulted in quarantines, travel restrictions, and the temporary closure of stores and business facilities on a global scale for the past year. Economic and business prospects in the United States and other countries have declined rapidly due to the COVID-19 pandemic and resulting restrictions on individual and business activity to mitigate the pandemic. While vaccines have been developed and are in the course of being deployed globally, there remains a risk that the vaccines will not be effective against variants of COVID-19 that have emerged in recent months. There are also uncertainties surrounding the pace of vaccinations. Because substantially all of the Company's business operations and its workforce are concentrated in the United States, which has reported significant COVID-19 related cases and mortalities, the Company's business, results of operations, and financial condition have been, and may continue to be, significantly adversely affected.

The impacts of COVID-19 on the Company's business, financial condition, and results of operations have included, but are not limited to, the following:

- although the Company's laboratory facilities remain operational, the Company temporarily implemented staggered laboratory shifts and work-from-home policies for non-essential personnel beginning in March 2020

which reduced the level of laboratory throughput capacity available to process testing services by around 20% compared to 2019. While the Company in 2021 has begun to relax its pandemic-related workplace controls with the implementation of its COVID-19 Reopen Plan, staggered laboratory shifts and work-from-home policies remain in place pending the continuing resolution of pandemic-related risks in the general population;

- while the Company believes that its laboratories' current throughput capacity, which was temporarily reduced due to staggered shift policies implemented following the declaration of the COVID-19 pandemic, is sufficient to handle current customer demand, there can be no assurance that further resource limitations or interruptions or increases in expected demand will not result in service delays or extended turn-around times for the Company's testing services;

- while the Company's inventories were not materially impacted and the Company believes that it has and maintains adequate inventories of critical components necessary to process its ConfirmMDx and SelectMDx tests are sufficient to avoid potential disruptions for the next several months, there can be no assurance that the Company's outstanding and future orders needed to maintain appropriate inventories with its component manufacturers will not be delayed or cancelled due to the COVID-19 pandemic; and

- the healthcare industry and the Company's customers have been negatively impacted by the pandemic, shifting resources toward coronavirus care and limiting non-essential contact with patients, which has reduced orders for the Company's testing solutions beginning in March 2020. This had a negative impact on volumes of the Company's ConfirmMDx and SelectMDx tests during the year. While this diversion of resources has abated as vaccines have been deployed and the level of daily cases has been reducing, there can be no assurance that this trend will continue

- The global stock markets have also experienced, and may continue to experience, significant declines as a result of the COVID-19 pandemic, although markets have gradually recovered. The Company's share price reached a low of EUR 0.53 on 18 March 2020 amid the onset of the COVID-19 outbreak, compared to EUR 1.06 at the beginning of 2020. As of 13 April 2021, the Company's share price was EU 1.20. The Company's share price was negatively impacted in 2020 and it is possible that it will be negatively impacted in 2021.

- In addition, the continued spread of COVID 19 globally and implementation of mitigation measures could adversely affect the Company's manufacturing and supply chain, although it was largely able to manage these risks in 2020 due in part to its qualification of additional vendors.

- In terms of the impact of the COVID-19 pandemic on the Company's operations, representative contact with clinicians began to decline in March due to COVID-19. This affected both ConfirmMDx and SelectMDx volumes and had a negative effect on the Company's revenues and cash flows. During the first half of 2020, ConfirmMDx billed units decreased by 12% compared to the first half of 2019 and SelectMDx billed units decreased by 48% compared to the first half of 2019. The declines continued in the second half of 2020, with ConfirmMDx and SelectMDx billed units decreasing by 23% and 27%, respectively, compared to the second half of 2019. Overall, ConfirmMDx and SelectMDx volumes declined by 18% and 39% for the full year 2020, respectively. Nevertheless, the extent to which COVID 19 affects the Company's operations in the longer term will ultimately depend on future developments, which remain uncertain and cannot be predicted with confidence, including the progress in vaccinations, the impact of any emerging variants and any additional information that may emerge concerning the severity of COVID 19 and ongoing actions to contain COVID 19 or mitigate its impact.

Financial risks

MDxHealth has a history of losses, and expects to incur net losses in the future and may never achieve profitability.

MDxHealth has incurred substantial net losses since its inception, and there can be no assurance that it will achieve profitability. As at 31 December 2020, the Company had an accumulated deficit of USD 215.3 million and for the year ended 31 December 2020, it had a net loss of USD 28.7 million and net cash used in operating activities of USD 20.2 million. The Company expects its losses to continue as a result of costs relating to ongoing R&D and for increased sales and marketing costs for existing and planned solutions. These losses have had, and will continue to have, an adverse effect on the Company's working capital, total assets, and stockholders' equity. Even if the Company achieves significant revenues, it may not become profitable, and even if it achieves profitability, it may not be able to sustain or increase profitability on a quarterly or annual basis. Failure to become and remain consistently profitable could adversely affect the market price of MDxHealth's common stock and could significantly impair its ability to raise capital or expand its business in accordance with its growth strategy. Historically, the Company has been able to raise capital at regular occasions, including most recently via the capital increase it completed on 26 January 2021. If it is unable to continue to do this, its ability to operate as a going concern could be seriously compromised.

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.

Although the Company believes that it has sufficient capital to fund its operations at least until the end of June 2022, capital outlays and operating expenditures are expected to increase over the next several years as commercial operations expand. MDxHealth may require additional equity or debt funding from time to time to respond to business needs or take advantage of new business opportunities, which may not be available at acceptable terms, or at all.

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

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

MDxHealth'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.

In September 2019, MDxHealth entered into a loan facility agreement with Kreos Capital VI (UK) Limited (**"Kreos Capital"**). The term of the loan is 48 months and the loan accrues interest at a rate of 9.5% per annum. On 20 October 2020, MDxHealth and Kreos Capital executed an amendment to the 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 from November 2020 to May 2021. The Company is now required to repay the loan through equal monthly installments of principal and interest over a 30-month period commencing on 1 May 2021. As part of the amendment, the Company agreed to increase the end-of-loan fee by EUR 67,500 as well as to provide for EUR 180,000 of the EUR 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 (i.e., 0.952) (rounded). If exercised, this amount will be reduced from the principal amount due under the loan agreement.

The loan agreement is collateralised by substantially all of the Company's personal property, including intellectual property related to its ConfirmMDx and SelectMDx tests. The loan agreement also subjects the Company to certain affirmative and negative covenants, including limitations on the Company's ability to transfer or dispose of assets, merge with or acquire other companies, make investments, pay dividends, incur additional indebtedness and liens and conduct transactions with affiliates. As a result of these covenants, the Company has certain limitations on the manner in which it can conduct its business, and it may be restricted from engaging in favourable business activities or financing future operations or capital needs until its current debt obligations are paid in full or it obtains the consent of Kreos Capital, which it may not be able to obtain. MDxHealth cannot be certain that it will be able to generate sufficient cash flow or revenue to meet the financial covenants or pay the principal and accrued interest on the debt.

In addition, upon the occurrence of an event of default, Kreos Capital, among other things, can declare all indebtedness due and payable immediately, which would adversely impact liquidity and reduce the availability of cash flows to fund working capital needs, capital expenditures and other general corporate purposes. An event of default includes, but is not limited to, the Company's failure to pay any amount due and payable under the loan agreement, the breach of any representation or warranty in the loan agreement, the breach of any covenant in the loan agreement (subject to a cure period in some cases), a change in control as defined in the loan agreement, the default on any debt payments to a third party in an amount exceeding USD 500,000 or any voluntary or involuntary insolvency proceeding. If an event of default occurs and the Company is unable to repay amounts due under the loan agreement, Kreos Capital could foreclose on substantially all of the Company's personal property, including secured intellectual property. MDxHealth cannot be certain that future working capital, borrowings or equity financings will be available to repay or refinance its debt to Kreos Capital or any other debt it may incur in the future.

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.

In April 2020, MDxHealth qualified for a USD 2.3 million loan through the Paycheck Protection Program (the "**PPP**") of the U.S. Coronavirus Aid, Relief and Economic Security Act (the "**CARES Act**"), under a loan agreement administered by the U.S. Small Business Administration. The PPP loan agreement subjects the Company to certain affirmative and negative covenants, including limitations on the permitted uses of the loaned funds. As a result of these covenants, the Company has certain limitations on the manner in which it can conduct its business, and it may be restricted from engaging in favourable business activities or financing future operations or capital needs until its current debt obligations are paid in full. Under the loan agreement, the Company is required to repay any outstanding principal and interest in monthly instalments over a forty-two month period commencing eighteen months after receipt of the funds. MDxHealth cannot be certain that it will be able to generate sufficient cash flow or revenue to meet the financial covenants or pay the principal and accrued interest on the debt. In the event of an occurrence of an event of default, the U.S. Small Business Administration can declare all indebtedness due and payable immediately, which would adversely impact liquidity and reduce the availability of cash flows to fund working capital needs, capital expenditures and other general corporate purposes. In addition, by participating in a federal loan program, the Company becomes subject to increased governmental oversight and federal regulatory compliance obligations, including potential civil and criminal liability for making false claims or statements under the U.S False Claims Act, 31 U.S.C. § 3729 et seq. (the "**FCA**"). Liability under the FCA and similar federal statutes can carry significant potential monetary penalties and potential jail time, and can arise from both "knowing" and "wilful" misstatements. FCA violations will result in a civil penalty per false claim, of not less than USD 11,181 and not more than USD 22,363, plus treble the government's actual damages. A person who violates § 3729 will also be held liable for the government's costs for bringing a civil action to recover any penalty or damages.

Strategic and commercial risks

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

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

In regard to the Company's ConfirmMDx for Prostate Cancer tissue-based test, several directly competitive products are currently commercially available. In 2014, OPKO, a NYSE listed company, launched the 4Kscore test, a blood based 4-plex test which combines the results of the blood test with clinical information in an algorithm that calculates a patient's percent risk for aggressive prostate cancer prior to a biopsy. OPKO is the third largest clinical laboratory in the United States, with a significantly larger sales and marketing team than the Company. Offered at a lower price point, the 4Kscore test offers a competitive price advantage over the ConfirmMDx test. The PCA-3 test from Hologic, a urine-based test, is on the U.S. market as an FDA approved test, which may be perceived as providing a competitive advantage since the ConfirmMDx for Prostate Cancer test is not FDA approved. The PCA-3 test is intended for the same patient population as ConfirmMDx for Prostate Cancer, but its performance has only been established in men who were already recommended by urologists for repeat biopsy.

In regard to the Company's SelectMDx for Prostate Cancer tissue-based test, several directly competitive products are currently commercially available. In 2016, ExosomeDx launched the ExoDx (Intelliscore), a urine-based test designed to assess a whether a patient presenting for an initial biopsy is at greater risk for high-grade prostate cancer. The ExoDx test competes directly with SelectMDx. In 2018, Bio-Techne Corporation, a large U.S.-based, diversified life sciences company, acquired the ExoDx test. Bio-Techne has greater resources and a significantly larger sales and marketing team than the Company. For instance, based on its most recent SEC filings, Bio-Techne had total assets of USD 1.999 billion and of the latest practicable date prior to the date of this Prospectus, it had a market capitalization of over USD 10 billion. In addition, the ExoDx test may also provide a competitive advantage since, unlike the SelectMDx test, it does not require a prostate massage as part of its specimen collection procedures. In addition to ExoDx, the 4Kscore test offered by OPKO and the Prostate Health Index test, or the "phi score", offered by Beckman Coulter, both compete directly with the SelectMDx test. Both OPKO and Beckman Coulter have greater resources and a significantly larger sales and marketing team that MDxHealth. Beckman Coulter is owned by Danaher Corporation, which had total assets of USD 72.89 billion based on its most recent SEC filings and a market capitalization of approximately USD 158 billion. As a result of these significantly greater resources, these competitors are able to make larger investments into the tests they produce and the sales and marketing of these tests, which may cause the Company to lose market share. In addition to competitive products, the ConfirmMDx and SelectMDx tests also face competition from multiparametric MRI ("**mpMRI**"), a clinical diagnostic imaging procedure available to and used by physicians for many years, which focuses on visual tissue analysis. The mpMRI procedure can visually reveal potential locations of abnormal and potentially cancerous prostate tissue characteristics that distinguish tumours from healthy tissue. The visual aspect of diagnostic

imaging may feel more accessible and be considered preferable by some physicians over molecular analysis, and there likely is an economic incentive for some physicians to earn a professional fee from the performance of mpMRI procedures. It may be difficult to change the methods or behaviour of physicians to incorporate the Company's testing solutions into their practices in conjunction with, or instead of, mpMRI clinical diagnostic imaging procedures. In addition, companies developing or offering capital equipment or point-of-care kits to physicians represent another source of potential competition. These devices are used directly by the physicians or their institutions, which can facilitate adoption. If the Company is unable to compete effectively with the abovementioned competitors and with new technologies and procedures such as mpMRI, it may lose market share, which could in turn adversely affect its revenues.

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

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

As the healthcare reimbursement system in the United States evolves to place greater emphasis on comparative effectiveness and outcomes data, MDxHealth cannot predict whether it will have sufficient data, or whether the data it has will be presented to the satisfaction of any payors seeking such data, in the process of determining and maintaining coverage for its diagnostic tests. The administration of clinical and economic utility studies is expensive and demands significant attention from the management team. The Company's largest ongoing study, a multicenter United States observational study of ConfirmMDx and SelectMDx entitled a Prospective Validation of Prostate Biomarkers for Repeat Biopsy (PRIORITY), has encountered and is expected to continue to experience delays in enrolment and completion as a result of the COVID-19 pandemic. Additionally, the Company has several smaller post-marketing clinical studies ongoing or planned that are primarily intended to support expanded indications for its ConfirmMDx and SelectMDx tests. There can be no assurance that the PRIORITY study or the Company's other clinical studies will be successfully initiated, enrolled or completed. Also, data collected from these studies may not be positive or consistent with the Company's existing data or may not be statistically significant or compelling to the medical community. If the results obtained from ongoing or future studies are inconsistent with certain results obtained from previous studies, adoption of diagnostic services would suffer and MDxHealth's business would be harmed.

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

While the Company is unable to quantify the impact of its clinical studies being unsuccessful or producing adverse outcomes, any of these events could severely harm its ability to market and sell 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.

Revenues in 2020 were still largely dependent on the sales of the Company's ConfirmMDx test for Prostate Cancer. Revenues from sales of ConfirmMDx accounted for approximately 96% of services revenues in 2020. The Company launched its second test, SelectMDx for Prostate Cancer, in 2016 and it anticipates that sales of SelectMDx will increase gradually and complement sales of ConfirmMDx; however, sales of ConfirmMDx are expected to continue to account for a substantial portion of total revenues for at least the next several years.

Sales of the ConfirmMDx test as a proportion of the Company's total revenues is expected to decrease further over the next several years, based on anticipated sales of the SelectMDx for Prostate Cancer test. However, there can be no assurance that SelectMDx will be successfully commercialised. If the Company is unable to increase sales and reimbursement of ConfirmMDx or successfully develop and commercialise other solutions or enhancements, its revenues and its ability to achieve profitability would be impaired, and the market price of its shares could decline.

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

Successful commercialization of the Company's tests depends, in large part, on the availability of coverage and adequate reimbursement from government and private payors. Favourable third-party payor coverage and reimbursement are essential to meeting the Company's immediate objectives and long-term commercial goals. In the United States, for new diagnostic solutions, each private and government payor decides whether to cover the test, the amount it will reimburse for a covered test and the specific conditions for reimbursement. Clinicians and recipients may be unlikely to order a diagnostic test unless third-party payors pay a substantial portion of the test price. Therefore, coverage determinations and reimbursement levels and conditions are critical to the commercial success of a diagnostic product, and if the Company and is unable to secure and maintain positive coverage determinations and reimbursement levels, this will compromise its ability to earn revenues from its products.

Medicare

Payment for diagnostic tests furnished to Medicare beneficiaries (patients aged 65 or older) is typically made based on a fee schedule set by the U.S. Centers for Medicare & Medicaid Services ("CMS"). As a Medicare-participating laboratory based in California, the Company bills Noridian Healthcare Solutions ("Noridian"), the Medicare Administrative Contractor ("MAC"), for California, and is subject to Noridian's local coverage and reimbursement policies. Noridian participates in the Molecular Diagnostic Services Program ("MolDx"), administered by Palmetto GBA, which handles technical assessments for U.S. laboratories that perform molecular diagnostic testing. In 2014, the Company obtained a positive Medicare local coverage determination ("LCD") under the MolDx program providing coverage for ConfirmMDx testing of Medicare patients at a favourable rate throughout the United States. However, Medicare does not currently cover the SelectMDx test. In early 2019, the Company submitted clinical and outcomes data on its SelectMDx test to the MolDx program as part of a technical assessment process seeking Medicare coverage. In August 2019, Palmetto GBA issued a positive draft LCD recommending coverage for the SelectMDx test. Following recent communications with the MAC related to the retirement of the previously issued draft LCD, the Company has been requested to and has submitted an update to its technical assessment under the MolDx program for Medicare coverage of SelectMDx. The final determination for Medicare coverage of SelectMDx therefore remains pending and there can be no assurance that such coverage request will be granted or, if granted, that it will be maintained.

Commercial payors

Obtaining coverage and reimbursement by commercial payors is a time-consuming and costly process, without a guaranteed outcome, since each commercial payor makes its own decision as to whether to establish a policy to reimburse for a test. In addition, several payors and other entities conduct technology assessments of new medical tests and devices and provide the results of their assessments for informational purposes to other parties. These assessments may be used by third-party payors and healthcare providers as grounds to deny coverage for or refuse to use a test or procedure. The ConfirmMDx and SelectMDx tests have received initial negative technology assessments from several of these entities and are likely to receive more negative technology assessments. The Company continues to work with third-party payors to obtain coverage for its ConfirmMDx and SelectMDx tests and to appeal denial decisions based on existing and ongoing studies, peer reviewed publications, and support from physician and patient groups. There are no assurances that coverage policies will continue to be issued and, if issued, that they will not be modified in the future. If the Company's tests are considered on a policy-wide level by major third-party payors, whether at the Company's request or on their own initiative, and the tests are determined to be ineligible for coverage and reimbursement by such payors, the Company's collection efforts and potential for revenue growth could be adversely impacted.

Outside the United States

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

Currently, the Company relies almost entirely on the sale of ConfirmMDx tests for its revenues, with these tests accounting for 96% of service revenue in 2020. As noted above, the Company has not yet obtained reimbursement for the SelectMDx test and hence the failure to receive a favourable reimbursement decision will mainly have an impact on the Company's future prospects rather than resulting in an immediate decrease in revenues. If, however, reimbursement for the ConfirmMDx test were to be revoked either by CMS or any of the commercial payors, this would have an immediate impact on the Company's revenues. While the Company does not believe that revocation of reimbursement for the ConfirmMDx test is likely, if this were to occur, the impact on the Company could be severe.

Intellectual Property Risks

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.

MDxHealth's ability to protect its discoveries, know-how and technologies affects its ability to compete and to achieve profitability. MDxHealth relies on a combination of U.S. and foreign patents and patent applications, copyrights, trademarks and trademark applications, confidentiality or non-disclosure agreements, material transfer agreements, licenses and consulting agreements to protect its intellectual property rights. MDxHealth also maintains certain company know-how, trade secrets, and technological innovations designed to provide it with a competitive advantage in the marketplace as trade secrets. Currently, MDxHealth owns or has secured the rights to three issued U.S. patents, three pending U.S. patent applications, and several corresponding foreign counterpart patents and applications, relevant to

the ConfirmMDx and SelectMDx tests. While MDxHealth intends to pursue additional and future patent applications, it is possible that pending patent applications and any future applications may not result in issued patents. Even if patents are issued, third parties may independently develop similar or competing technology that avoids its patents. Third parties may also assert infringement or other intellectual property claims against MDxHealth or against its licensors, licensees, suppliers or strategic partners. Any actions regarding patents could be costly and time-consuming and could divert the attention of management and key personnel from other areas of the Company's business. Further, it cannot be certain that the steps MDxHealth has taken will prevent the misappropriation of its trade secrets and other confidential information as well as the misuse of its patents and other intellectual property, particularly in foreign countries with no patent protection.

Although MDxHealth has licensed and owns issued patents in the United States and foreign countries, it cannot be certain the claims will continue to be considered patentable by the United States Patent and Trademark Office (the "**USPTO**"), U.S. courts patent offices and courts in other jurisdictions. The U.S. Supreme Court, other federal courts and/or the USPTO, may change the standards of patentability and any such changes could have a negative impact on the Company's business. For instance, the Federal Circuit has recently ruled on several patent cases – such as *Univ. of Utah Research Found. v. Ambry Genetics Corp., 774 F.3d 755 (Fed. Cir. 2014), Ariosa Diagnostics, Inc. v. Sequenom, Inc., 788 F.3d 1371 (Fed. Cir. 2015), Genetic Tech. Ltd. v. Merial LLC, 818 F.3d 1369 (Fed. Cir. 2016), and Cleveland Clinic Found. v. True Health Diagnostics, 859 F.3d 1352 (Fed. Cir. 2017)* – that some diagnostic method claims are patent ineligible. These decisions have narrowed the scope of patent protection available in certain circumstances or weakened the rights of patent owners in certain situations. Some aspects of the Company's technology involve processes that may be subject to this evolving standard and the Company cannot guarantee that any of its pending process claims will be patentable as a result of such evolving standards. In addition, this combination of decisions has created uncertainty as to the value of certain issued patents, in particular in the detection of prostate cancer and other cancers.

Operational risks

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.

Substantially all of the Company's current revenue is derived from sales of its ConfirmMDx test, which is billed on a fee-for-service basis and includes reimbursements by third-party payors, such as Medicare and other governmental payor programs, hospitals, private insurance plans and managed care organizations, and direct payments from individual patients. Billing for molecular diagnostics testing services is complex, time-consuming, and expensive. The Company is often obligated to bill in the specific manner particular to each third-party payor. Failure to comply with these billing complexities, as well as complex federal and state regulations related to billing government health care programs, including Medicare and Medicaid, will significantly hinder the Company's collection and retention efforts, including not only potential write-offs of doubtful accounts and long collection cycles for accounts receivable, but also the potential disgorgement of previously paid claims based on adverse third-party program integrity investigations into billing fraud, waste and abuse. With the recent implementation by CMS of a comprehensive oversight regime that consolidates program integrity powers into a single Unified Program Integrity Contractor ("**UPIC**"), audit and investigatory activity into billing fraud, waste and abuse in the industry has significantly increased.

During the fourth quarter of 2019, and based on recent and historical collections data, the Company updated certain assumptions to its estimates which affected its revenues. These included a revision to the period that a vast majority of collections would occur (from 24 months to 12 months); an updated lookback period for historical collection experience in order to use more recent and relevant collection data; and recognition on a cash basis if no historical payment experience is available. Updating these revenue recognition estimates negatively affected the Company's revenues in 2019 in the amount of USD 10.1 million.

MDxHealth faces an inherent risk of product liability claims.

The marketing, sale and use of MDxHealth's tests could lead to product or professional liability claims against it if someone were to allege that its tests failed to perform as they were designed, or if someone were to misinterpret test results or improperly rely on them for clinical decisions. Although MDxHealth maintains product and professional liability insurance which is deemed to be appropriate and adequate, it may not fully protect the Company from the financial impact of defending against product liability or professional liability claims or any judgments, fines or settlement costs arising out of any such claims. Furthermore, any product liability lawsuit, with or without merit, could increase Company insurance rates or prevent the Company from securing insurance coverage in the future. Additionally, any product liability lawsuit could harm the Company's reputation, which could impact its results of operations, or cause collaboration partners to terminate existing agreements and potential partners to seek alternate partners, any of which could negatively impact the Company's results of operations. While the impact of any product liability claim on MDxHealth is inherently impossible to quantify given the unknown scope of any such claim, the impact could potentially be material depending on the quantum of damages sought and the merit of the claim.

MDxHealth's laboratory facilities may become inoperable due to natural or man-made disasters or regulatory sanctions.

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

The facilities may be damaged or destroyed by natural or man-made disasters, including earthquakes, wildfires, floods, outbreak of disease (such as the ongoing COVID-19 pandemic), acts of terrorism or other criminal activities and power outages, which may render it difficult or impossible for MDxHealth to perform its tests for some period.

The facilities may also be rendered inoperable because of regulatory sanction. In the United States, MDxHealth is subject to federal and state laws and regulations regarding the operation of clinical laboratories. See "Business Overview — Regulatory Environment — Certification Requirements for Clinical Laboratories" for a description of U.S. Federal Clinical Laboratory Improvement Amendments (the "**CLIA**"), which is the main federal legislation applicable to clinical laboratories. In addition, the Company's Irvine facility is subject to regulation under state laws and regulations governing laboratory licensure. Two states, one of which is New York, have enacted state licensure laws that are more stringent than the CLIA. Failure to maintain CLIA certification, CAP accreditation, or required state licenses could have a material adverse effect on the sales of the Company's tests and results of operations. The Irvine facility receives samples from all 50 U.S. states and certain provinces in Canada. Each state maintains independent licensure, registration, or certification procedures with which the facility must maintain compliance in order to receive and test samples from that location.

CMS has primary responsibility for the enforcement of CLIA and may suspend, limit or revoke the certificate of the relevant clinical laboratory for non-compliance. If the Company's certificate were to be suspended, limited or revoked, whether under CLIA or under relevant state law, this would have an immediate impact of revenues which would be material.

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.

The ConfirmMDx and SelectMDx tests require customised components and services that are currently available from a limited number of sources. Most of these components and services are sourced externally from approximately 40 external suppliers. Many of the consumable supplies and reagents used as raw materials in the Company's testing process are procured from a limited number of suppliers, some of which are single source. In addition, it relies on a limited number of suppliers, or in some cases a single supplier (for example, for the automation of its deparaffination steps for its ConfirmMDx test), for certain equipment with which it performs testing services. If the Company has to switch to a replacement supplier for any of these sub-components or for certain services required for the performance of its tests, or if the Company has to commence its own manufacturing to satisfy market demand, it may face additional delays. For example, in the past, a supplier has delivered critical non-conforming components that failed the Company's acceptance testing, requiring the Company to audit the supplier and assist the supplier in improving its internal quality processes. In addition, third party suppliers may be subject to circumstances which impact their ability to supply, including enforcement action by regulatory authorities, natural disasters (e.g. hurricanes, earthquakes, disease and terrorism), epidemics (e.g. the ongoing COVID-19 pandemic), industrial action (e.g. strikes), financial difficulties including insolvency, among a variety of other internal or external factors. Any such supply disruptions could in turn result in service disruptions for an extended period of time, which could delay completion of the Company's clinical studies or commercialization activities and prevent the Company from achieving or maintaining profitability. While the Company was able to qualify alternative suppliers to address COVID-19 related disruptions, in the future alternative suppliers may be unavailable, may be unwilling to supply, may not have the necessary regulatory approvals, or may not have in place an adequate quality management systems. Furthermore, modifications to a service or component made by a third party supplier could require new approvals from the relevant regulatory authorities before the modified service or component may be used. While the Company has not experienced any material supply chain disruptions to date, if it were to experience such disruptions, whether as a result of the COVID-19 pandemic or otherwise, this could have an immediate impact on revenues if it related to the ConfirmMDx test, and the impact could be material depending on the length of the supply disruption.

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

If MDxHealth experiences any security breaches of loss of data or if it fails to comply with data protection laws and regulations, the Company could be subject to government enforcement actions (which could include civil or criminal penalties), private litigation and/or adverse publicity, which could negatively affect the Company's results of operations and business.

MDxHealth faces four primary risks relative to protecting sensitive and critical personally identifiable information, intellectual property or other proprietary business information about its customers, payors, recipients and collaboration partners, including test results: loss of access risk, inappropriate disclosure or access risk, inappropriate modification risk, and the risk of being unable to identify and audit controls over the first three risks. While MDxHealth devotes significant resources to protecting such information, the measures it introduces may not be sufficient to guard against security breaches, the loss or misappropriation of data, privacy violations or the failure to implement satisfactory remedial measures, which could in turn disrupt operations and lead to reputational damage, regulatory penalties and other material financial losses.

Furthermore, MDxHealth is subject to data protection laws and regulations (i.e., laws and regulations that address privacy and data security). In the United States, numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws (e.g., section 5 of the Federal Trade Commission Act), govern the collection, use, disclosure, and protection of health-related and other personal information. Failure to comply with data protection laws and regulations could result in government enforcement actions and create liability for the Company (which could include civil and/or criminal penalties), private litigation and/or adverse publicity that could negatively affect the Company's operating results and business. In addition, the Company obtains health information from third parties (e.g., healthcare providers) and are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act ("**HIPAA**"), as amended by the Health Information Technology for Economic and Clinical Health Act ("**HITECH**"). These laws contain significant fines and other penalties for wrongful use or disclosure of protected data. For example, HIPAA violations can result in civil and criminal penalties, as described below under " — Regulatory risks — ". 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".

Regulatory risks

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

Failure to comply with applicable Medicare, Medicaid and other governmental payor rules could result in the Company being excluded from participation in one or more governmental payor programs, returning funds already paid, civil monetary penalties, criminal penalties and/or limitations on the operational function of its laboratories. Additionally, with the recent implementation by CMS of a comprehensive oversight regime that consolidates program integrity powers into a single UPIC, audit and investigatory activity into potential billing fraud, waste and abuse in the industry has increased. These changes have adversely affected and may in the future adversely affect coverage and reimbursement for laboratory services, including the molecular diagnostics testing services MDxHealth provides. If MDxHealth were unable to receive reimbursement under a governmental payor program, this would have a severe impact on its revenues, given the importance of reimbursement under these programs in its revenue base.

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

MDxHealth's business operations and activities are subject to a range of healthcare laws and regulations (at the local, national, federal and international levels), as well as investigatory and program integrity oversight by Medicare, Medicaid and other governmental payer program auditors. See "Business Overview — Regulatory Environment" for a description of these laws and regulations. The consequences of violating these laws and regulations include, in the case of the CLIA, the suspension, limitation or revocation of the certificate of the relevant clinical laboratory, and in the case of HIPAA and the federal Anti-Kickback Statute, potentially significant civil and monetary penalties. For example, civil penalties for HIPAA violations are based on the level of negligence and can range from USD 100 to USD 50,000 per violation, with a maximum penalty of USD 1.5 million per year. Criminal penalties are prosecuted by the U.S. Department of Justice and can be up to USD 50,000, as well as imprisonment up to 1 year. Offenses committed under false pretences allow penalties to be increased to a USD 100,000 fine, with up to 5 years in prison. Finally, offenses committed with the intent to sell, transfer or use individually identifiable health information for commercial advantage, personal gain or malicious harm permit fines of USD 250,000 and imprisonment up to 10 years. Possible penalties for violating the

federal Anti-Kickback Statute include fines of up to USD 25,000, up to five years in prison and exclusion from Medicare and Medicaid care program business. As a result, the impact on the Company of violations of this legislation could be severe, particularly if it were excluded from Medicare and Medicaid, given the importance of these programs to its revenue base. In addition, a private party could file suit under the qui tam provisions of the federal False Claims Act or a similar state law. Such occurrences, regardless of their outcome, could damage the Company's reputation and adversely affect important business relationships with third parties, including managed care organizations, and other private third-party payors.

Furthermore, the business practices of MDxHealth, in operating a U.S. clinical laboratory, may face heightened scrutiny from U.S. government enforcement agencies such as the Department of Justice, the U.S. Department of Health and Human Services Office of Inspector General ("**OIG**"), and CMS. The OIG has issued fraud alerts in recent years that identify certain arrangements between clinical laboratories and referring physicians as implicating the Anti-Kickback Statute. The OIG has stated that it is particularly concerned about these types of arrangements because the choice of laboratory, as well as the decision to order laboratory tests, typically are made or strongly influenced by the physician, with little or no input from the patient. Moreover, the provision of payments or other items of value by a clinical laboratory to a referral source could be prohibited under the federal self-referral prohibition, commonly known as the Stark Law or the Physician Self-Referral Law, unless the arrangement meets all criteria of an applicable exception. The government has actively enforced these laws against clinical laboratories in recent years.

MDxHealth's expansion of its business beyond the United States has resulted in additional regulatory requirements with which it must comply.

The Company's expansion of its business outside of the United States increases the potential of violating foreign laws similar to those described above under " — *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".* In order to market its tests in other countries, the Company may be required to obtain regulatory approvals and comply with extensive safety and quality regulations in other countries. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA clearance or approval, and the requirements may differ. The European Union/European Economic Area (the "**EU/EEA**"), requires a CE conformity mark in order to market medical devices. Many other countries, accept CE or FDA clearance or approval, although others, require separate regulatory filings. Further, the advertising and promotion of the Company's products in the EEA is subject to the laws of individual EEA Member States implementing the EU Medical Devices Directives including Directive 98/79/EC on Invitro Diagnostic Medical Devices, Directive 2006/114/EC concerning misleading and comparative advertising, and Directive 2005/29/EC on unfair commercial practices, as well as other EEA Member State laws governing the advertising and promotion of medical devices. Going forward, CE marking will be pursuant to Regulation 2017/745 (the "**Medical Devices Regulation**" or "**MDR**") and Regulation 2017/746 (the "**Invitro Diagnostic Medical Devices Regulation**" or "**IVDR**"), which were passed by the European Parliament on 5 April 2017 and will become applicable from 26 May 2021 (previously 26 May 2020) for the MDR and from 26 May 2022 for the IVDR. The Medical Devices Regulation and the Invitro Diagnostic Medical Devices Regulation contain further obligations for medical devices and invitro diagnostic medical devices with which the Company will be required to comply as applicable. These new laws are generally stricter than the requirements previously in place and contain increased evidence requirements for CE marking. They may limit or restrict the advertising and promotion of the Company's tests to the general public and may impose limitations on promotional activities with healthcare professionals. The risk of being found in violation of these or other laws and regulations is further increased by the fact that many have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action brought against the Company for violation of these or other laws or regulations, even in case of successful defence against it, could result in significant legal expenses and divert management's attention from the operation of its business. While the Company's business is primarily based in the United States, these laws or regulations would not have an immediate material impact on its revenues. However, in the longer term, its prospects could be seriously harmed.

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.

The laws and regulations governing the marketing of diagnostic products are evolving, extremely complex and in many instances, there are no significant regulatory or judicial interpretations of these laws and regulations. Pursuant to its authority under the federal Food, Drug, and Cosmetic Act (the "**FDCA**"), the FDA has jurisdiction over medical devices, including in vitro diagnostics and, therefore, potentially the Company's clinical laboratory tests. As described in "Business Overview — Regulatory Environment — FDA Rules and Regulations", the Company may in the future become subject to more onerous regulation by the FDA, including if the FDA were to regulate the Company's tests as medical devices. The FDA has, for over the past decade, been introducing proposals to end enforcement discretion and to bring laboratory developed tests ("**LDTs**") clearly under existing FDA regulatory frameworks and the U.S. Congress has recently been working on legislation to create an LDT and in vitro diagnostic regulatory framework that would be separate and distinct from the existing medical device regulatory framework.

If the FDA begins to enforce its medical device requirements for LDTs, or if the FDA disagrees with the Company's assessment that its ConfirmMDx and SelectMDx tests are LDTs, these tests could for the first time be subject to a variety of regulatory requirements, including registration and listing, medical device reporting, and quality control, and the Company could be required to obtain premarket clearance or approval for these existing tests and any new tests the Company may develop, which may force the Company to cease marketing its tests until the required clearance or approval are obtained. The premarket review process for diagnostic products can be lengthy, expensive, time-consuming, and unpredictable. Further, obtaining premarket clearance or approval may involve, among other things, successfully completing clinical trials. Clinical trials require significant time and cash resources and are subject to a high degree of risk, including risks of experiencing delays, failing to complete the trial or obtaining unexpected or negative results. If the Company is required to obtain premarket clearance or approval and/or conduct premarket clinical trials, development costs could significantly increase, the introduction of any new tests under development may be delayed, and sales of ConfirmMDx and SelectMDx could be interrupted or stopped. If it were required to cease sales of the ConfirmMDx test, this would have an immediate and severe impact on its revenues, given that 96% of service revenue in 2020 was attributable to the ConfirmMDx test.

Moreover, any cleared or approved labelling claims may not be consistent with current claims or be adequate to support continued adoption of and reimbursement for the Company's tests. For instance, if FDA requires that ConfirmMDx or SelectMDx be labelled as investigational, or if the labelling claims the FDA allows are limited, order levels may decline and reimbursement may be adversely affected. As a result, the Company could experience significantly increased development costs and a delay in generating additional revenue. Until the FDA finalises its regulatory position regarding LDTs, or federal legislation is passed concerning regulation of LDTs, it is unknown how the FDA may regulate the Company's tests in the future and what testing and data may be required to support any required clearance or approval as an medical device or an "in vitro clinical test" (as that category is being defined in the VALID Act (as defined under "Business Overview — Regulatory Environment — FDA Rules and Regulations", as introduced).

In addition, the Company believes that the sample collection kits provided by the Company for collection and transport of specimens from a health care provider to the Company's Irvine, California clinical laboratory are considered a Class I medical devices subject to the FDA's general device controls but exempt from premarket review. However, the FDA could assert the specimen collection kits are non-exempt or Class II devices, which would subject them to premarket clearance or approval processes, which could be time-consuming and expensive.

Failure to comply with any applicable FDA requirements could trigger a range of enforcement actions by the FDA, including warning letters, civil monetary penalties, injunctions, criminal prosecution, recall or seizure, operating restrictions, partial suspension or total shutdown of operations and denial of or challenges to applications for clearance or approval, as well as significant adverse publicity. These impacts could be material for the Company, particularly given the broad enforcement powers of the FDA.

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

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

The net operating loss ("**NOL**") carry forwards of the Company's corporate subsidiaries may be unavailable to offset future taxable income because of restrictions under U.S. tax law. As of 31 December 2020, consolidated net tax losses amounted to USD 276.16 million. The Company's NOLs generated in tax years ending on or prior to 31 December 2017 are only permitted to be carried forward for 20 taxable years under applicable U.S. federal tax law, and therefore could expire unused. The Company considers that it is highly likely that it will be unable to use at least a portion of these NOLs, in light of its continued losses. Under tax legislation commonly referred to as the Tax Cuts and Jobs Act ("**TCJA**"), as modified by the Coronavirus Aid, Relief, and Economic Security Act ("**CARES Act**"), the Company's federal NOLs generated in tax years ending after 31 December 2017 may be carried forward indefinitely and NOLs arising in taxable years beginning after 31 December 2017 and before 1 January 2021 may be carried back to each of the five taxable years preceding the tax year of such loss, but NOLs arising in taxable years beginning after 31 December 2020 may not be carried back. In addition, under the TCJA, as modified by the CARES Act, for taxable years beginning after 31 December 2020, the deductibility of federal NOLs generated in taxable years beginning after 31 December 2017 is limited to 80% of current year taxable income. It is uncertain if and to what extent various states will conform to the TCJA, as modified by the CARES Act.

In addition, under sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change" (generally defined as a cumulative change in ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period), the corporation's ability to use its pre-change NOLs and certain other pre-change tax attributes to offset its post-change income and taxes may be limited. Similar rules may apply under state tax laws. The Company may have experienced such ownership changes in the past, and it may experience ownership changes in the future as a result of subsequent shifts in the ownership of its stock, some of which are outside of the Company's control. The Company has not conducted any studies to determine annual limitations, if any, that could result from such changes in the ownership. The Company's ability to utilise those NOLs could be limited by an "ownership change" as described above and consequently, it may not be able to utilise a material portion of its NOLs and certain other tax attributes, which could have a material adverse effect on its cash flows and results of operations.

Given that the Company has historically generated operating losses, any change in its ability to use NOLs could have a severe impact on it if and when it becomes profitable. As at 31 December 2020, the Company had an accumulated deficit of USD 215.3 million and for the year ended 31 December 2020, it had a net loss of USD 28.7 million.

Risks relating to the New Shares

The Company will likely not be in a position to pay dividends in the near future and intends to retain all earnings.

The Company has not declared or paid dividends on the Shares in the past. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the board of directors.

Belgian law and the Company's articles of association do not require the Company to declare dividends. Currently, the board of directors of the Company expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future as the Company expects losses to continue as a result of costs relating to ongoing R&D and for increased sales and marketing costs for existing and planned solutions.

For more information about the Company's dividend policy, reference is made to chapter "*New Shares*", section "*Rights attached to the New Shares*", subsection "*Voting rights attached to the New Shares*", part "*Dividends*" as well as to section "*Dividends and Dividend Policy*" of the corporate governance statement of the 2019 Annual Report (incorporated by reference into this Prospectus). The Company's dividend policy may change from time to time by determination of the Company's board of directors.

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.

The Company has a number of significant shareholders. For an overview of the shareholders that notified the Company pursuant to applicable transparency disclosure rules and the articles of association of the Company, up to the date of this Prospectus, reference is made to chapter "*Principal Shareholders*", section "*Overview of the Company's shareholder structure*". These shareholders are MVM Partners LLP, Biovest NV, Valiance Asset Management, Soleus Capital Management Limited, L.P. and Scorpiaux BV.

Prior to the launch of the Transaction, each of Biovest NV ("**Biovest**"), Valiance Asset Management Limited (as investment manager and advisor to TopMDx Limited and Valiance Life Sciences Growth Investments SICAVSIF, respectively) (collectively, "**Valiance**"), and MVM V LP and MVM GP (No. 5) LP, funds managed by MVM Partners LLP (collectively, "**MVM**", and together with Biovest and Valiance, the "**Pre-Committing Shareholders**") committed to submit orders in the Transaction for up to EUR 14.5 million in total. The subscription commitment of each Pre-Committing Shareholder was subject to the condition that the Company guaranteed that at least a number of newly issued Shares be allocated to the Pre-Committing Shareholder so that such Pre-Committing Shareholder's existing shareholding percentage remained the same upon completion of the Transaction (but not exceeding, in any event the amount that would be subscribed for by the relevant Pre-Committing Shareholder) (the "**Guaranteed Allocation**"). The Pre-Committing Shareholders also agreed and accepted that, to the extent the Company decided to offer and allocate more than 18,138,288 newly issued Shares, the Company had the right and ability to allocate to the Pre-Committing Shareholders registered newly issued Shares that would not be immediately admitted to listing and trading upon their issuance, under the condition that the Company proceed as soon as possible with the admission to listing and trading of such unlisted registered new shares on the regulated market of Euronext Brussels. In view hereof, together, the Pre-Committing Shareholders were allocate with, and subscribed for, a total of 13,386,111 newly issued Shares (representing 48.19% of all newly issued Shares in the Transaction), and all of the New Shares were allocated to, and subscribed for by, the Pre-Committing Shareholders.

As part of the subscription for new Shares completed on 15 May 2020, the Company entered into a subscription agreement dated 24 April 2020 with MVM (the "**Subscription Agreement**"). Pursuant to the Subscription Agreement, MVM is entitled to have one observer at the board of directors of the Company for as long as MVM holds in aggregate 5% of the Company's outstanding Shares. At the date of this Prospectus, the observer of MVM to the Company's board of directors is Mr. Kyle Dempsey. In addition, the Company agreed that it would propose to the Company's general shareholders' meeting to appoint Dr. Eric Bednarski as director of the Company. The general shareholders' meeting held on 30 July 2020 approved the appointment of Dr. Eric Bednarski as a director of the Company for a term of three years, up to and including the closing of the annual general shareholders' meeting to be held in 2023 which will have decided upon the financial statements for the financial year ended on 31 December 2022. For further information regarding the Subscription Agreement and the rights granted to MVM, see also the chapter "*Business Overview*", section "*Changes since the date of the last financial information*".

On the basis of the transparency notifications received by the Company as of the date of this Prospectus, the five main shareholders of the Company hold the following percentages of the voting rights attached to the Shares: MVM holds 22.23%; Valiance holds 12.30%; Biovest holds 9.36%; Soleus Capital Management, L.P. holds 5.32%; and Scorpiaux BV holds 4.26%. As a consequence, the Pre-Committing Shareholders hold together 43.89% of the voting rights attached to the Shares while all five main shareholders of the Company hold together 53.47% of the voting rights attached the Shares.

The Company is not aware of shareholders of the Company that have entered into a shareholders' agreement or have agreed to act in concert. Nevertheless, they could, alone or together, have the ability to elect or dismiss directors, and, depending on how widely the Company's Shares are held, take certain shareholders' decisions that require at least 50%, 75% or 80% of the votes of the shareholders that are present or represented at general shareholders' meetings where such items are submitted to voting by the shareholders. Alternatively, to the extent that these shareholders have insufficient votes to impose certain shareholders' decisions, they could still have the ability to block proposed shareholders' resolutions that require at least 50%, 75% or 80% of the votes of the shareholders that are present or represented at general shareholders' meetings where such decisions are submitted to voting by the shareholders. Any such voting by the shareholders may not be in accordance with the interests of the Company or the other shareholders of the Company.

There has been no prior public market for the New Shares and an active market for the Company's Shares may not be sustained.

Prior to the Listing, there has been no public trading market for the New Shares. An active trading market for the New Shares may not develop, and there is no guarantee that the existing active trading market for the Shares can be sustained or will be sufficiently liquid. If an active trading market is not developed or sustained, as the case may be, the liquidity and trading price of the Shares of the Company (including New Shares) could be adversely affected.

The average daily trading volume of the Company's Shares was equal to 148,000 in January 2021, 250,000 in February 2021 and 133,000 in March 2021.

The market price of the Shares may fluctuate widely in response to various factors.

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the results of operations or the financial condition of the companies that have issued them. In addition, the market price of the Shares has historically been volatile, ranging during the last 12 months prior the date of this Prospectus from a high of EUR 1.20 on 13 April 2021 and a low of EUR 0.69 on 17 July 2020. The market price of the Shares may continue to fluctuate significantly in response to a number of factors, many of which are beyond MDxHealth's control, including fluctuations in the Company's results of operations, changes in estimates by securities analysts and potential or actual sales of the Shares.

In addition, stock markets have in the recent past experienced extreme declines and price and volume fluctuations, particularly as a result of the ongoing outbreak of COVID-19 on the macroeconomic outlook. These fluctuations have not always been related to the performance of the specific companies whose shares are traded. These fluctuations, as well as general economic and political conditions, could have an adverse effect on the market price of the Shares (including the New Shares).

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 sale of a significant number of the Shares (including the New Shares) on the public markets, notably by one of its major shareholders (such as MVM Partners LLP (who notified the Company on 15 May 2020 that it held 22.23% of the outstanding shares of the Company (on a non-diluted basis)), Valiance Asset Management (who notified the Company on 21 May 2020 that it held 12.30% of the outstanding shares of the Company (on a non-diluted basis)), and Biovest NV (who notified the Company on 1 February 2021 that it held 9.36% of the outstanding shares of the Company (on a non-diluted basis)), or the perception that such sales could or will occur, may adversely affect the market price of the Shares (including the New Shares). The Company cannot make any predictions as to the sale or perception on the market price of the Shares (including New Shares).

Within the framework of the Transaction, the Company entered into a standstill undertaking for a period ending on the date falling 180 days following the completion of the Transaction (26 January 2021), *i.e.* 25 July 2021. The Company undertook that during this period it will not, without the underwriters' prior written consent, directly or indirectly (including through its subsidiaries or affiliates), (i) issue or sell or attempt to dispose of, or solicit any offer to buy any Shares, subscription rights or other equity securities of the Company or grant or issue any options, subscription rights, convertible or exchangeable equity securities or other rights to subscribe for or purchase Shares of the Company or enter into any contract (including derivative transactions) or commitment with like effect, or (ii) purchase any of its securities or otherwise reduce its share capital. The undertaking does not apply in relation to: (i) the issue of new Shares in the context of the Transaction, (ii) the issue of securities in the framework of mergers, acquisitions or other similar business transactions, (iii) the issue of Shares pursuant to the terms of the agreement for the provision of Kreos Loan (as amended), and (iv) the grant of subscription rights or stock options to members of the personnel (as defined in the Belgian Companies and Associations Code) and consultants of the Company and/or its subsidiaries.

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.

The Company announced on 21 January 2021 that it had successfully raised an amount of EUR 25.0 million (or approximatively USD 30.4 million) in gross proceeds by means of a private placement of 27,777,777 newly issued Shares (being approximately 30.63% of the Company's outstanding Shares) at an issue price of EUR 0.90 per newly issued Share through an accelerated bookbuild offering. This resulted in a dilution of 23.45% of the then existing shareholders of the Company and of the relative voting power of each share in the Company at that time. For more

information about the consequences of the Transaction for the financial and shareholder rights of the shareholders of the Company, reference is made to the report of the board of directors in accordance with article 7:198 juncto articles 7:179, 7:191 and 7:193 of the Belgian Companies and Associations Code. This board report must be read together with the report prepared in accordance by the Company's statutory auditor, BDO Réviseurs d'Entreprises SCRL, represented by Mr. Gert Claes, auditor. The aforementioned reports are available on the Company's website at: https://mdxhealth.com/shareholder-information/ and are incorporated by reference in this Prospectus.

The Company may in the future increase its share capital against cash or contributions in kind to finance any future acquisition or other investment or to strengthen its balance sheet. The Company may also issue subscription rights that are exercisable for new shares, or raise capital through public or private offerings of convertible debt or equity securities, or rights to acquire these securities. In connection with such transactions, the Company may, subject to certain conditions, limit or dis-apply preferential subscription rights of existing shareholders otherwise applicable to capital increases through contributions in cash. In addition, preferential subscription rights do not apply to capital increases through contributions in kind. Such transactions could therefore dilute the stakes in the Company's share capital held by shareholders and could have a negative impact on the price of the Shares (including the New Shares).

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Part IV: Financial Statements

Part IV:

Financial Statements

Consolidated financial statements

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

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

Consolidated statement of profit and loss

Thousands of $ (except per share amounts) For the years ended December 31	Notes	2020	2019
Services	3	18,064	11,443
Licenses	3	250	250
Royalties	3	58	92
Government grants	3	88	0
Revenues		**18,460**	**11,785**
Cost of goods & services sold	3	-10,416	-11,755
Gross profit		**8,044**	**30**
Research and development expenses	4	-4,543	-8,997
Selling and marketing expenses	4	-16,752	-17,809
General and administrative expenses	4	-13,990	-15,196
Other operating income		118	1
Other operating expenses		0	-1,198
Operating Loss		**-27,123**	**-43,169**
Financial income	6	4	10
Financial expenses	6	-1,543	-516
Loss before income tax		**-28,662**	**-43,675**
Income tax	7	0	575
Loss for the year		**-28,662**	**-43,100**
Earnings per share attributable to parent (EPS)			
Basic and Diluted, $	19	**-0.34**	**-0.69**

Consolidated statement of comprehensive income

Thousands of $ For the Years ended December 31	Notes	2020	2019
Loss for the year		**-28,662**	**-43,100**
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		-383	253
Total comprehensive loss for the year (net of tax)		**-29,045**	**-42,847**

Consolidated statement of financial position

Assets

Thousands of $ For the years ended December 31	Notes	2020	2019
ASSETS			
Non-current assets			
Intangible assets	9	5,058	7,269
Property, plant and equipment	10	973	1,067
Right-of-use assets	10	2,734	1,385
Total non-current assets		**8,765**	**9,721**
Current assets			
Inventories	11	2,324	1,192
Trade receivables	12/18	3,771	6,645
Prepaid expenses and other current assets	12	1,043	1,020
Cash and cash equivalents	13/18	15,953	22,050
Total current assets		**23,091**	**30,907**
TOTAL ASSETS		**31,856**	**40,628**

Liabilities & Shareholders' Equity

Thousands of $ For the years ended December 31	Notes	2020	2019
EQUITY			
Share capital	21	76,716	62,841
Issuance premium	21	136,349	136,349
Retained earnings		-215,300	-186,638
Share-based compensation	23	9,385	8,090
Translation reserve		-1,301	-918
Total equity		**5,849**	**19,724**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	14/18	10,279	9,052
Lease liabilities	14/15	2,017	735
Other non-current financial liabilities	15/18	690	690
Total non-current liabilities		**12,986**	**10,477**
Current liabilities			
Loans and borrowings	14/18	2,818	565
Lease liabilities	14/15	757	650
Trade payables	17/18	5,320	4,958
Other current liabilities	17	3,217	3,345
Other current financial liabilities	15/18	909	909
Total current liabilities		**13,021**	**10,427**
Total liabilities		**26,007**	**20,904**
TOTAL EQUITY AND LIABILITIES		**31,856**	**40,628**

Consolidated statement of changes in equity

Thousands of $	ATTRIBUTABLE TO OWNERS OF MDXHEALTH SA				
	Share capital & issuance premium	Retained earnings	Share-based compensa-tion	Translation reserve	Total equity
Notes	21		23		
Balance at January 1, 2019	**189,608**	**-143,538**	**7,218**	**-1,171**	**52,117**
Loss for the year		-43,100			-43,100
Other comprehensive income				253	253
Total comprehensive income for the year		**-43,100**		**253**	**-42,847**
Transactions with owners in their capacity as owners:					
Issuance of shares	10,040				10,040
Deduction of transaction costs	-458				-458
Share-based compensation costs			872		872
Balance at December 31, 2019	**199,190**	**-186,638**	**8,090**	**-918**	**19,724**
Balance at January 1, 2020	**199,190**	**-186,638**	**8,090**	**-918**	**19,724**
Loss for the year		-28,662			-28,662
Other comprehensive income				-383	-383
Total comprehensive income for the year		**-28,662**		**-383**	**-29,045**
Transactions with owners in their capacity as owners:					
Issuance of shares	14,186				14,186
Deduction of transaction costs	-311				-311
Share-based compensation costs			1,295		1,295
Balance at December 31, 2020	**213,065**	**-215,300**	**9,385**	**-1,301**	**5,849**

Consolidated statement of cash flow

Thousands of $ For the years ended December 31	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss		**-27,123**	**-43,169**
Depreciation and amortization	9/10	3,332	3,420
Impairment	8/9	273	6,292
Share-based compensation	23	1,295	872
Other non-cash transactions		26	1
Cash used in operations before working capital changes		**-22,197**	**-32,584**
Increase (-) / Decrease (+) in inventories	11	-1,132	615
Decrease (+) in receivables	12	2,851	12,188
Increase (+) / Decrease (-) in payables	17/18	234	-2,508
Net cash outflow from OPERATING ACTIVITIES		**-20,244**	**-22,289**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	-537	-73
Net cash outflow from investing activities		**-537**	**-73**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares (net of transaction costs)	21	13,875	9,582
Proceeds from the issuance of long-term debt	14/15	2,316	10,111
Payment of long-term debt	15	0	-589
Payment of lease liability	15	-831	-815
Payment of interest	6	-1,070	-324
Net cash inflow from financing activities		**14,290**	**17,965**
Net (decrease) in cash and cash equivalents		**-6,491**	**-4,397**
Cash and cash equivalents at beginning of the financial year		22,050	26,203
Effect on Exchange rate changes		394	244
Cash and cash equivalents at end of the financial year	**13/18**	**15,953**	**22,050**

Notes

Notes to consolidated financial statements

NOTE 1: Status and principal activity Back to Notes list

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

MDxHealth is a molecular diagnostics company that develops and commercializes advanced epigenetic and other molecular tests for cancer assessment and the personalized treatment of patients. Applying its DNA methylation platform and proprietary biomarkers, the Company helps address a large and growing unmet medical need for better cancer diagnosis and treatment information. The Company develops and commercializes advanced molecular diagnostic products for personalized cancer treatment that provide physicians with tools to aid in the diagnosis and or prognosis of cancers, and aid in the physician's ability to predict disease progression and response to therapy. MDxHealth's products and pipeline cover primarily urologic cancers, but in addition, MDxHealth has numerous proprietary biomarkers for other solid cancer types ready for development.

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

MDxHealth offers our laboratory solutions from our state-of-the-art, 13,444 sqft, College of American Pathologists (CAP)-accredited and Clinical Laboratory Improvement Amendments of 1988 ("CLIA")certified, molecular laboratory facility located at our U.S. headquarters in Irvine, California. MDxHealth also operates in The Netherlands where MDxHealth BV offers the design and development, manufacturing, service laboratory activities and client services of in vitro diagnostic test kits, in vitro diagnostic reagents used for molecular diagnostic detection of oncological diseases from our ISO 13485:2016 certified, molecular laboratory facility located at our headquarters in Nijmegen, the Netherlands.

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

The functional and presentation currency is the US Dollar.

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

2.1. Basis of preparation and statement of compliance

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

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. All amounts are presented in thousands of US Dollars ($) unless otherwise indicated, rounded to the nearest thousand.

2.2. Basis of consolidation

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

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

All intercompany balances, profits and transactions are eliminated upon consolidation.

2.3. 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.

2.4. Use of estimates and judgments

Management makes certain critical accounting estimates and management judgment when applying the Company's accounting policies, which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The areas where assumptions and estimation uncertainties in the financial statements have potentially the most significant effect in 2019, are included in the following notes: Revenue Recognition (note 3); Deferred Income Tax (note 7); Right-of-Use Assets and Liabilities (notes 10 and 14), Impairment Testing (notes 8 and 9); Internally Generated Development Costs (note 9); Share-Based Payments (note 23); and Recognized Fair Value Measurements (notes 18 and 25).

2.5. New Standards, Interpretations and Amendments

2.5.1. New Standards, Interpretations and Amendments adopted by the Company

The accounting policies have been consistently applied by the Company and are consistent with those used in previous years.

In the current financial year, the Company has applied the amendments to IFRS standards issued by the IASB for the annual period starting on 1 January 2020. This adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

Certain new standards and amendments to standards have been published, these were not mandatory for 31 December 2020 reporting period.

No amendments to standards that are issued but not yet effective are considered to affect the Company's accounting policies or any of the disclosures when applied for the first time.

2.6. Foreign currency translation

Functional and presentation currency

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

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

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

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

2.7. Revenue recognition

Performance obligations and timing of revenue recognition

The majority of the Company's revenue is derived from laboratory services with revenue recognized at a point in time when control of the services has transferred to the customer. This is generally when the test results are delivered to the customer.

Minor other Company's revenue is derived from license fees, royalties and government grants:

- License fees are recognized when the Company has fulfilled all conditions and obligations. 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.

- 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.

- 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.

License fees are recognized when the Company has fulfilled all conditions and obligations. A license fee will not be recognized if the amount cannot be reasonably estimated and if the payment is doubtful.

License up-front (signature fees) and non-refundable fees for access to prior research results and databases are recognized when earned, if the Company has no continuing performance obligations and all conditions and obligations are fulfilled. 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.

Royalties are generated from the sales by third parties of products or services which incorporate the Company's proprietary technology. Royalties are recognized as revenue once the amounts due can be reliably estimated based on the sale of the underlying products and services and when the collection of the royalties can be reasonably assured.

Determining the transaction price

A large portion of the Company's revenues are derived from Medicare, which has set a fixed price (via a Local Coverage Determination or "LCD") for the Company's ConfirmMDx test. Therefore, the amount of revenue recognized from Medicare for ConfirmMDx is determined by reference to the fixed price in the LCD.

For other commercial insurance companies for ConfirmMDx and SelectMDx, where there is no certainty of the amount that will be paid for services rendered, the Company uses historical collection data – on an individual payor basis – to estimate its future collection and corresponding revenues that should be recognized for each of ConfirmMDx and SelectMDx.

The Company analyzes historical collection data on a quarterly basis and makes quarterly adjustments to its estimates. In accordance with IFRS 15, revenue is recognized where such a variable consideration is included in the transaction price only to the extent that it is highly probable that the amount of revenue recognized will not be subject to significant future reversals as a result of subsequent re-estimation.

When historical collection data is insufficient to estimate future collections, the Company defaults to cash basis, meaning that revenues will not be recognized until actual cash payment is received from the payor.

Total revenue in any given year includes amounts related to tests performed in previous years as:

- unrecognized amounts are collected;
- recognized amounts are collected for different amounts than initially accrued for; and
- balances outstanding for more than 12 months are not reversed.

Costs of obtaining long-term contracts and costs of fulfilling contracts

The Company has no contracts of periods longer than one year. Consequently, no costs of obtaining long-term contracts nor assets for work in progress are recognized.

2.8. Segment information

Information for the Company's operating segments has been determined by reference to the information used by the chief operating decision maker ("CODM") of the Company to review the performance of the Company and in making decisions on allocation of resources, the nature of the activities and the management structure and accountabilities. The Company's CEO has been identified as the chief operating decision maker in accordance with his designated responsibility for the allocation of resources to operating segments and assessing their performance through periodic reporting. The CODM periodically reviews the Company's performance based on information at a company level.

The Company does not distinguish different business segments since most revenues are generated from clinical laboratory service testing, or the out-licensing of the Company's patented DNA methylation platform and biomarkers. On an ancillary and opportunistic basis, the Company may engage in contracting out its R&D and scientific expertise to commercial and non-commercial entities. The Company is not organized, nor does it operate along business lines and all functions supported all the Company's commercial endeavors.

2.9. Goodwill

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

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

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

2.10. Externally acquired intangible assets

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

Externally generated intangible assets are carried at their cost less any accumulated amortization and any accumulated impairment losses. Externally acquired patents and software licenses are initially recognized at cost and are subsequently amortized on a straight-line basis over their estimated useful lives on the following basis:

- Patents: shorter of 5 years or the remaining patent life
- Software: shorter of 5 years or the software license period
- Developed technology: 10 years
- In-Process Research and Development: indefinite until the completion or abandonment of the associated research and development effort.

2.11. Internally generated intangible assets (development costs)

Development costs are capitalized if it can be demonstrated that:

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

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

2.12. Property, plant and equipment

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

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

2.13. Right-of-use assets and liabilities

Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life (see 2.12) and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and low-value assets are recognized in the consolidated statement of profit or loss as incurred.

2.14. Impairment of assets

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

2.15. Inventories

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

The Company does not account for work in progress and finished products.

2.16. Trade receivables

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

2.17. Government Grants

A government grant is only recorded as a payable/receivable when (i) the grant has been approved by the granting party, (ii) the amounts are measurable, and (iii) the Company believes it will meet the conditions necessary to be able to receive/use the grant. This note is to be read together with the note related to Revenue recognition.

2.18. Cash and cash equivalents

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

2.19. Taxation

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

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

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

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

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

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

2.20. Equity

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

2.21. Financial Assets

The financial assets consist mainly of trade receivables and other current assets (deposits)

Classification and measurement on initial recognition

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

2.21.1. Subsequent measurement

After initial recognition, trade receivables and some other current assets are measured at amortized cost using the effective interest method, less provision for impairment based on expected credit losses.

2.21.2. Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. A loss allowance is recognized at each reporting date based on lifetime ECLs. The Company established a provision matrix that is based on its historical loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other receivables, ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.22. Financial Liabilities

The financial liabilities consist mainly of loans and borrowings, lease liabilities, trade and other payables and contingent consideration related to business combinations.

2.22.1. Measurement on initial recognition

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

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

The fair value of the contingent consideration payable at the date of acquisition is computed as the sum of the probability weighted values of the fair values of the purchase prices associated with each of the potential product development routes. The fair value of each route is in turn computed as the sum of the survival probability discounted present values of the contingent payments in each such route including the milestone and commercialization payments. Any other financial liability included in the consideration payable for a business combination is recorded at fair value at the date of acquisition.

2.22.2. Subsequent measurement

After initial recognition, loans & borrowings, lease liabilities, trade and other payables, are measured at amortized cost using the effective interest method. The contingent consideration is measured at fair value are reviewed on a regular basis, and at least at each reporting date, and any changes in fair value are recorded in the consolidated statement of profit and loss.

2.23. Retirement benefit schemes and employee savings schemes

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

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

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

The estimate of the number of options which will ultimately vest is revised at each reporting date. The change in estimate is recorded as an expense with a corresponding correction in equity.

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

NOTE 3: Revenue and Cost of goods & services sold

Back to Notes list

Revenue

Thousands of $ For the years ended December 31	2020	2019
Services	18,064	11,453
Licenses	250	250
Royalties	58	92
Government grants	88	0
Total revenue	**18,460**	**11,785**

Total revenue for 2020 was $18,460,000 compared to total revenue of $11,785,000 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 $10,078,000.

The table below shows a summary of billable test volume by product over 2020 and 2019. The decrease is mainly related to the COVID-19 impact.

	Years ended December 31,		
Product	**2020**	**2019**	**% Change**
ConfirmMDx	14,945	18,195	(18)%
SelectMDx	13,201	21,699	(39)%

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.

In April 2020, the Dutch subsidiaries, MDxHealth BV and MDxHealth Research BV, were granted with a preliminary allowance of approximately $114,000 related to the COVID-19 outbreak and its resulting revenue loss. After assessment, the Company did record a net revenue of $88,000 and considers the reimbursement of the excess to the authorities. The final approval will occur in 2021.

Segment revenue

The Company does not distinguish different business segments since most revenues are generated from clinical laboratory service testing, or the out-licensing of the Company's patented DNA methylation platform and biomarkers. However, the Company does distinguish different geographical operating segments based on revenue since the revenues are generated both in United States of America and Europe.

In 2020, the Company earned 99.5% (2019: 100%) of its revenue from external customers from its clinical laboratory testing services and out-licensing of intellectual property. In 2020, the clinical laboratory testing in the US CLIA laboratory represented 95% of the Company's revenue (2019: 95%), while the out-licensing of intellectual property revenue and grant income in Europe represented 3% (2019: 5%).

In 2020, Medicare represented the only customer generating over 10% of the Company's revenues, for a total of $8,805,000.

Thousands of $ For the years ended December 31	2020	2019
United States of America	17,760	10,878
The Netherlands	352	339
Belgium	29	32
Spain	132	194
Poland	16	38
Italy	38	43
Rest of EU	112	197
Rest of the world	21	64
Total segment revenue	**18,460**	**11,785**

At the end of 2020, 40% of the non-current assets were located in the US (2019: 52%) and the remaining 60% in Europe (2019: 48%).

Cost of goods & services sold

Thousands of $ For the years ended December 31	2020	2019
Cost of goods & services sold	10,416	11,755
Total cost of goods & services sold	**10,416**	**11,755**

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

NOTE 4: Nature of expenses Back to Notes list

Research and development expenses

Thousands of $ For the years ended December 31	Notes	2020	2019
Personnel costs	5	1,277	1,143
Depreciation and amortization	9/10	1,203	1,283
Impairment	9	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**

During 2020, the Company recorded an impairment loss on some of its intangible assets related to previously acquired IP (note 9) 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.

Selling and Marketing expenses

Thousands of $ For the years ended December 31	Notes	2020	2019
Personnel costs	5	12,839	12,125
Depreciation	9/10	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

Thousands of $ For the years ended December 31	Notes	2020	2019
Personnel costs	5	9,209	8,465
Depreciation and amortization	9/10	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**

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 increase is exclusively due to additional consulting services in the Company's US-based facilities.

NOTE 5: Personnel costs Back to Notes list

Thousands of $ For the years ended December 31	2020	2019
The number of employees at the end of the year was:		
Management (headcount)	4	4
Laboratory staff (headcount)	10	12
S&M staff (headcount)	109	110
G&A staff (headcount)	54	51
Total	177	177
Their aggregate remuneration comprised:		
Wages and salaries	17,552	16,343
Social security costs	1,275	1,411
Pension costs	567	638
Health insurance expenses	2,093	1,882
Share-based compensation	1,295	872
Other costs	543	587
Total personnel costs	**23,325**	**21,733**

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

NOTE 6: Finance income / (expenses) Back to Notes list

Thousands of $ For the years ended December 31	2020	2019
Interests income	4	10
Interests on bank loans	-1,345	-318
Foreign exchange loss	0	-4
Other financial loss	-198	-194
Net financial results	**-1,539**	**-506**

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 $1,205,000. 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.

NOTE 7: Taxes Back to Notes list

Current income tax

No income taxes were payable in view of the losses incurred by the Company. On December 31, 2020 the Company had a consolidated net tax loss carried forward amounting to $276,166,000 (2019 : $279,752,000(*)), implying a potential deferred tax asset of $69,041,000 (respectively $82,751,000(*) in 2019). The tax losses related to MDxHealth SA in Belgium are available for carry forward indefinitely.

The Company has no notional interest deduction to offset future taxable profits in 2020 and 2019.

Tax credits amounted to $462,000 in 2020 and $422,000 in 2019.

It is uncertain if the Company will have taxable profits in the near future to allow all or part of the deferred tax asset to be utilized and as a result, no deferred tax asset was recognized in 2020 and 2019. The tax reconciliation and the impact of the unrecognized deferred tax assets is as follows:

(*) restated with final Income Tax declaration filled

	Income Statement	
Thousands of $ For the years ended December 31	**2020**	**2019**
Loss for the year	-28,662	-43,100
Income tax expense	-	575
Loss before income tax	-28,662	-43,675
Tax using the MDxHealth's domestic tax rate (25,00 % in 2020 and 29,58% in 2019)	-7,166	-12,919
Effect of unused tax losses not recognized as deferred tax assets	-7,166	-12,919

Deferred tax liabilities	**In the consolidated statement of financial position**		**In the consolidated income statement**	
Thousands of $ For the years ended December 31	**2020**	**2019**	**2020**	**2019**
Developed Technology	0	0	0	219
In-process research and development	0	0	0	356
Total deferred tax liabilities	**0**	**0**	**0**	**575**

The deferred tax liabilities relate to the intangible assets acquired and recognized as part of the business combination with MDXHealth BV (former NovioGendix).

The Dutch entity also has tax losses carried forward for a total amount of $13.8 million for which no deferred tax asset has been recognized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. If the Company would recognize a deferred tax asset for the tax loss carryforward at December 31, 2020, the deferred tax assets would amount to $3.5 million.

Last year, in 2019, in relation with the impairment of the entire amount of the goodwill, together with the impairment of the In-process R&D, the management decided to write-off the remaining amount of the deferred tax liability of $575,000.

NOTE 8: Goodwill

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The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) including the goodwill is determined based on the fair value less cost to sell calculations by reference to the market value of the company as reflected by the quoted prices of its publicly listed shares.

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

The goodwill resulted from the allocation of the purchase price paid for the acquisition of MDxHealth BV in September 2015 and amounted to $1,145,000. Since most revenues are generated from clinical laboratory service testing, the Company being the sole CGU, the annual impairment test was performed based on the recoverable amount of the entire Company. During the Company's annual impairment testing in 2019, the Company concluded that the recoverable amount of goodwill was zero and subsequently impaired the full amount of goodwill of $1,145,000. The impairment charge has been presented in the line other operating expenses for the year 2019.

NOTE 9: Intangible assets

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Thousands of $	Intellectual and property rights & Software licenses	Internally developed intangible assets	Externally acquired Developed Technology	Externally developed In-Process R&D	Total
Gross value					
At January 1, 2019	**5,129**	**9,325**	**4,500**	**3,300**	**22,254**
Additions– externally acquired					
Currency translation adjustments	14				14
Gross value at December 31, 2019	**5,143**	**9,325**	**4,500**	**3,300**	**22,268**
Accumulated amortization and impairment					
At January 1, 2019	**-4,080**	**-2,267**	**-1,513**		**-7,860**
Additions	-324	-1,218	-450		-1,992
Impairment		-1,847		-3,300	-5,147
Accumulated amortization and impairment at December 31, 2019	**-4,404**	**-5,332**	**-1,963**	**-3,300**	**-14,999**
Net value at December 31, 2019	**739**	**3,993**	**2,537**	**0**	**7,269**
Gross value					
At January 1, 2020	**5,143**	**9,325**	**4,500**	**3,300**	**22,268**
Currency translation adjustments	-9	-2			-11
Gross value at December 31, 2020	**5,134**	**9,323**	**4,500**	**3,300**	**22,257**
Accumulated amortization and impairment					
At January 1, 2020	**-4,404**	**-5,332**	**-1,963**	**-3,300**	**-14,999**
Additions	-274	-1,206	-450		-1,930
Impairment		-273			-273
Currency translation adjustments	2	1			3
Accumulated amortization and impairment at December 31, 2020	**-4,676**	**-6,810**	**-2,413**	**-3,300**	**-17,199**
Net value at December 31, 2020	**458**	**2,513**	**2,087**	**0**	**5,058**

Amortization of intangible assets are included in research & development expenses, general & administrative expenses, and in selling and marketing expenses in the statement of profit and loss.

The Company did not capitalize development expenses during 2020 and 2019.

The In-process R&D resulted from the allocation of the purchase price paid for the acquisition of MDxHealth BV in September 2015 and is related to the development of AssureMDx. Development costs for AssureMDx are included in development assets and are not yet subject for amortization. The Company test the development costs for AssureMDx and the In-process R&D for any impairment on an annual basis. Considering the uncertainties about the future

commercialization of AssureMDx, during 2019, the Company impaired the entire In-Process R&D for $3,300,000, in addition to the previously capitalized development expenses for $1,847,000. The impairment charge has been presented in the line research and development expenses for 2019.

NOTE 10: Property, plant and equipment and right of-use assets

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Thousands of $	Laboratory equipment	Furniture	IT equipment	Leasehold improve-ments	TOTAL
Gross value					
At January 1, 2019	**5,736**	**270**	**450**	**552**	**7,008**
Additions	22		40	11	73
Disposals	-4		-157		-161
Reclassification to leasing category	-498				-498
Gross value at December 31, 2019	**5,256**	**270**	**333**	**563**	**6,422**
Accumulated depreciation					
At January 1, 2019	**-4,047**	**-189**	**-331**	**-428**	**-4,995**
Additions	-518	-22	-91	-46	-677
Disposals	1		150		151
Reclassification to leasing category	156				156
Exchange rate difference arising	10				10
Accumulated depreciation at December 31, 2019	**-4,398**	**-211**	**-272**	**-474**	**-5,355**
Net value at December 31, 2019	**858**	**59**	**61**	**89**	**1,067**

Thousands of $	Laboratory equipment	Furniture	IT equipment	Leasehold improve-ments	TOTAL
Gross value					
At January 1, 2020	**5,256**	**270**	**333**	**563**	**6,422**
Additions	101	163	178	98	540
Disposals			-4		-4
Exchange rate difference arising	2	1	-3	5	5
Gross value at December 31, 2020	**5,359**	**434**	**504**	**666**	**6,963**
Accumulated depreciation					
At January 1, 2020	**-4,398**	**-211**	**-272**	**-474**	**-5,355**
Additions	-467	-34	-77	-53	-631
Disposals	1		4		5
Exchange rate difference arising	-10	1	2	-2	-9
Accumulated depreciation at December 31, 2020	**-4,874**	**-244**	**-343**	**-529**	**-5,990**
Net value at December 31, 2020	**485**	**190**	**161**	**137**	**973**

The right-of-use assets can be presented as follows:

Thousands of $	Buildings	Vehicles	Materials	TOTAL
Gross value				
At January 1, 2019 before adoption IFRS 16	**0**	**0**	**399**	**399**
Impact of adoption of IFRS 16	1,595	138	0	1,733
At January 1, 2019 after adoption IFRS 16	**1,595**	**138**	**399**	**2,132**
Additions				
Disposals				
Reclassification to leasing category			498	498
Gross value at December 31, 2019	**1,595**	**138**	**897**	**2,630**
Accumulated amortization				
At January 1, 2019	**0**	**0**	**-338**	**-338**
Additions	-577	-55	-119	-751
Disposals				
Reclassification to leasing category			-156	-156
Accumulated amortization at December 31, 2019	**-577**	**-55**	**-613**	**-1,245**
Net value at December 31, 2019	**1,018**	**83**	**284**	**1,385**

Thousands of $	Buildings	Vehicles	Materials	TOTAL
Gross value				
At January 1, 2020	**1,595**	**138**	**897**	**2,630**
Additions	2,017	114		2,131
Disposals		-34		-34
Gross value at December 31, 2020	**3,612**	**218**	**897**	**4,727**
Accumulated amortization				
At January 1, 2020	**-577**	**-55**	**-613**	**-1,245**
Additions	-600	-55	-116	-771
Disposals		23		23
Accumulated amortization at December 31, 2020	**-1,177**	**-87**	**-729**	**-1,993**
Net value at December 31, 2020	**2,435**	**131**	**168**	**2,734**

The following amounts related to leases are recognized in profit & loss

Thousands of $	2020	2019
Depreciation expense	771	751
Interest expense on lease liabilities	93	88

NOTE 11: Inventories

Thousands of $ For the years ended December 31	2020	2019
Raw materials and consumables	2,324	1,192
Total Inventories	**2,324**	**1,192**

Inventories are recognized at the lower of cost or net realizable value. Inventories recognized as an expense during the year ended December 31, 2020 amounted to $ 2,959,000 (2019: $ 3,843,000). These were included in cost of sales and services.

NOTE 12: Trade and other receivables

Trade receivables

Thousands of $ For the years ended December 31	2020	2019
Trade receivable	3,771	6,645
Total trade receivable	**3,771**	**6,645**

Trade receivables mainly consist of claims due from insurance companies covering the Company's customers.

In 2020, the trade accounts receivable balances were mainly composed of services for ConfirmMDx for Prostate Cancer for $3,438,000 in comparison with $5,767,000 in 2019, while SelectMDx for Prostate Cancer represents a total of $316,000 in 2020 (2019: $878,000). The average Days Sales Outstanding (DSO) stood at 55 days in 2020 compared to 248 days in 2019.

In consideration with the revenue recognition methodology further described under note 2.7 of the financials, our total accounts receivable balance could be presented in relation with the claim date of each case sold.

For the years ended December 31, 2019	Months			
Thousands of $/	**1-3 months**	**4-6 months**	**7-12 months**	**Total A/R**
A/R by claim date - SELECT US	204	175	352	**731**
A/R by claim date - CONFIRM US	2,376	1,162	1,825	**5,363**
A/R Client bills US	404			**404**
A/R by claim date - SELECT US	147			**147**

For the years ended December 31, 2020	Months				
Thousands of $/	**1-3 months**	**4-6 months**	**7-12 months**	**Not due**	**Total A/R**
A/R by claim date - SELECT US	74	59	115		**248**
A/R by claim date - CONFIRM US	1,570	716	1,034		**3,320**
A/R Client bills US	114	2	2		**118**
A/R by claim date - SELECT US	6	3	0	59	**68**
A/R by claim date - Royalties	0	0	0	17	**17**

Prepaid expenses and other current assets

Thousands of $ For the years ended December 31	2020	2019
Prepayments	868	915
Deposits	52	51
Recoverable VAT	123	50
Other	0	4
Total prepaid expenses and other current assets	**1,043**	**1,020**

All financial assets carried at amortized cost are shown net of expected credit losses.

NOTE 13: Cash and cash equivalents

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Thousands of $ For the years ended December 31	2020	2019
Cash at bank and in hand	15,953	22,055
Total cash and cash equivalents	**15,953**	**22,055**

The bank balances and cash held by the Company and short-term bank deposits have an original maturity of less than 3 months. The carrying amount of these assets approximates their fair value.

The Company had no restricted cash in 2020 (2019: $42,000 representing a guarantee with respect to the loan granted by ING; see Note 14 for more information on bank loans). The Company holds no other restricted cash.

NOTE 14: Loans, borrowings and lease liabilities

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Thousands of $ For the years ended December 31	2020	2019
Non-current loans and borrowings		
Loans	10,279	9,052
Lease liabilities	2,017	735
Total non-current loans and borrowings	**12,296**	**9,787**

Thousands of $ For the years ended December 31	2020	2019
Current loans and borrowings		
Loans	2,818	565
Lease liabilities	757	650
Total current loans and borrowings	**3,575**	**1,215**

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.

The financial results largely related to the interest charges for the loan facility with Kreos Capital for a total of $1,205,000. The amortized cost is calculated using the effective interest method, which allocates interests and expenses at a constant rate over the term of the instrument; the effective interest rate for the loan is 12.16%.

On April 20, 2020, the Company , through its U.S. subsidiary, MDxHealth Inc., has entered into a “Paycheck Protection Program” (PPP) loan with the U.S. Small Business Administration (SBA) in the amount of $2,316,000 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 Company has several lease obligations. The leases have terms of 3 to 5 years and some of them include an option to purchase the equipment.

Maturity of loans and borrowings are as follows at the balance sheet date:

Thousands of $ For the years ended December 31	2020	2019
Loans		
Within one year	3,644	1,443
Years two to five	11,736	11,109
Leases		
Within one year	1,040	682
Years two to five	2,414	741

Note: all figures shown in this table are undiscounted and reflect future cash payments.

NOTE 15: Liabilities arising from financing activities

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Thousands of $ For the years ended December 31	2020	2019
Gross debt		
Non-current loans and borrowings	10,279	9,052
Non-current lease liabilities	2,017	735
Current loans and borrowings	2,818	565
Current lease liabilities	757	650
Total gross debt	**15,871**	**11,002**

Thousands of $ For the years ended December 31	2020	2019
Other financial liabilities		
Other non-current financial liabilities	690	690
Other current financial liabilities	909	909
Total other financial liabilities	**1,599**	**1,599**

A reconciliation of cash and non-cash movements of loans and borrowings, lease liabilities and other financial liabilities is presented below:

	Loans and borrowings		Other financial liabilities	
Thousands of $ For the years ended December 31	**2020**	**2019**	**2020**	**2019**
Opening balance	**9,617**	**147**	**1,599**	**1,447**
Cash movements				
Loans and borrowings repaid[1])	-977	-825	-	-
Loans and borrowings received	2,316	10,111	-	-
Non-cash movements				
Foreign exchange rate impact / Other movements	2,137	184	-	-
Fair value changes through profit and loss	4	-	-	152
Closing balance	**13,097**	**9,617**	**1,599**	**1,599**

[1]) The amount includes interest paid on loans and borrowings.

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, and has an impact on the net present value of the loan. In addition, as the loan facility is contracted in Euro, the foreign exchange rate impacts the carrying amount.

	Lease liabilities	
Thousands of $ / For the years ended December 31	**2020**	**2019**
Opening balance	**1,385**	**379**
Cash movements		
Repayment of lease liabilities	-831	-815
Non-cash movements		
Interest accretion	93	88
New leases	2,131	1,733
Closing balance	**2,774**	**1,385**

NOTE 16: Contractual obligations

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Thousands of $ For the years ended December 31	2020	2019
Outstanding commitments for future minimum rent payments, which fall due as follows:		
Within one year	113	213
In the second to fifth year	112	103
Total contractual obligations	**225**	**316**

For 2020 and 2019, we refer to note 10 and 14 for the lease liabilities subsequent adoption and application of IFRS 16.

Outstanding commitments for future minimum rent payments include rental fees related to leased facilities, and equipment for assets with a value below $5,000 or with short-term duration.
These lease contracts can be terminated early with certain indemnity fees. All figures shown assume that the lease contracts will not be terminated early.

NOTE 17: Trade and other payables

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Trade accounts payable

Thousands of $ For the years ended December 31	2020	2019
Trade accounts payable	2,903	2,640
Accruals for invoices to be received	2,417	2,318
Total trade accounts payable	**5,320**	**4,958**

Other current liabilities

Thousands of $ For the years ended December 31	2020	2019
Payroll	2,539	3,331
Other accruals	678	14
Total other current liabilities	**3,217**	**3,345**

In April 2020, the Company also received funding from the U.S. department of Health & Human Services (HHS) of approximately $659,000, however, the final amount related to the funding could still differ from the current amount received. As part of the requirements of IAS 20, the Company is still assessing its ability to comply with the terms and conditions related to the HHS grant and is, therefore, currently unable to recognize the grant in the income statement.

NOTE 18: Financial instruments and fair value

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

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

Thousands of $ For the years ended December 31	2020	2019	Fair value hierarchy
ASSETS			
At amortized cost			
Trade receivables	3,771	6,645	
Other current assets	920	966	
Cash and cash equivalents	15,953	22,050	
Total financial assets	**20,644**	**29,661**	
LIABILITIES			
At fair value:			
Other financial liabilities	1,599	1,599	Level 3
Subtotal financial liabilities at fair value	**1,599**	**1,599**	
At amortized cost:			
Loans and borrowings	13,097	9,617	Level 2
Lease liabilities	2,774	1,385	
Trade payables	5,320	4,958	
Subtotal financial liabilities at amortized cost	**21,191**	**15,960**	
Total financial liabilities	**22,790**	**17,559**	

Recognized fair value measurements - Valuation technique and principal inputs

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

- The carrying value of the cash and cash equivalents, the trade receivables, other current assets and the trade payables approximate their fair value due to their short-term character;
- Loans and borrowings (excluding leases) are evaluated based on their interest rates and maturity date. Their fair value approximates their carrying value (level 2).
- Leases are measured at the present value of the remaining lease payments, using a discount rate based on the incremental borrowing rate at the commencement date of the lease. Their fair value approximates their carrying value.
- The fair value of contingent consideration payable (presented in the lines other non-current financial liabilities and other current financial liabilities) is based on an estimated outcome of the conditional purchase price/ contingent payments arising from contractual obligations (level 3). This is initially recognized as part of the purchase price and subsequently fair valued with changes recorded through profit and loss. The Company used a discount rate of 9.30%. The effect of the fair value measurement is $0 in consolidated income statement.

Fair value hierarchy:

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

- Level 1: quoted prices in active markets for identical assets and liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

NOTE 19: Earnings per share Back to Notes list

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

Years ended December 31	2020	2019
Loss for the year, in thousands of $	-28,662	-43,100
Basic and diluted EPS, in $	-0.34	-0.69

Weighted average number of shares	2020	2019
Weighted average number of shares for basic and diluted EPS	83,199,215	62,579,345

At December 31, 2020 and 2019, the Company had potential dilutive shares in the form of warrants. Diluted earnings per share (“Diluted EPS”) considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect.

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.

NOTE 20: Financial Risk Management Back to Notes list

Capital management

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

Capital is comprised of equity attributable to shareholders, borrowings, and cash and cash equivalents. The Company aims to maintain a strong capital base in order to uphold investor and creditor confidence and to sustain the future development of the business. The Company's objectives when managing capital are to maintain sufficient liquidity to meet its working capital requirements, fund capital investment and purchases, and safeguard its ability to continue operating as a going concern. The Company monitors capital regularly to ensure that the statutory capital requirements are met and may propose capital increases to the shareholders' meeting to ensure the necessary capital remains intact.

Credit risk

Credit risk arises from cash and cash equivalents, short-term bank deposits, as well as credit exposure to collaboration partners. Credit risk refers to the risks that counterparty will default on its contractual obligations resulting in financial loss to the Group.

At the end of 2020, the Company operated with more than 1,000 different customers, systematically reducing credit risk compared to prior periods.

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

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

Customer's compliance with agreed credit terms is regularly and closely monitored. Trade accounts receivable amounted to $3,771,000 at December 31, 2020 and no allowance for expected credit loss was recorded. The Company applies the simplified approach to providing for expected credit losses (ECL) prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. No ECL has been recorded for other financial assets carried at amortized cost as there is no related credit risk.

The credit risk on cash and cash equivalents $15,953,000 is limited given that the counterparties are banks with high credit scores attributed by international rating agencies.

Interest risk

In the course on 2019, the Company has entered into a 48-months loan agreement for a total amount of €9 million, and has been amended in October 2020 (refer to NOTE 14 for further details). In application to IFRS 9 given the change in estimated cash-flows following the signed amendment, considering that the modification is non-substantial, the Company recognized in profit and loss the amount of the remeasurement. The amortized cost is calculated using the effective interest method, which allocates interests and expenses at a constant rate over the term of the instrument; the effective interest rate for the loan is 12.16%.

In addition, on April 20, 2020, the Company , through its U.S. subsidiary, MDxHealth Inc., has entered into a "Paycheck Protection Program" (PPP) loan with the U.S. Small Business Administration (SBA) in the amount of $2,316,000 as part of the U.S Coronavirus Aid, Relief, and Economic Security (CARES) Act. The amortized cost is calculated using the effective interest method, which allocates interests and expenses at a constant rate over the term of the instrument; the effective interest rate for the loan is 1.00%.

Considering the fixed interest rate, the Company is not exposed to interest risk, thus did not perform any sensitivity analysis.

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.

The monetary items at December 31, 2020 in EURO are composed of cash on hand of €3,601,000.

The Company performed a sensitivity analysis of an increase/decrease of exchange rate on operations of 10%. The exposure of operations to the currency risk is limited to the net amount of €4,777,000 (€628,000 revenue and €5,405,000 costs), resulting in a potential gain of €531,000 in case of an increase of the USD/Euro exchange rate by 10%, and a potential loss of €435,000 in case of a decrease of the exchange rate by 10%.

Liquidity risk

The Company 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. At the date of this document, the Company has two loan agreements with banks and state institutions, and eleven leases (see notes 17 and 18) and no derivative instruments.

For the years ended December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows	Carrying amount
Non derivatives					
Trade payables	5,320			5,320	5,320
Borrowings	3,644	5,568	6,168	15,380	13,097
Lease liabilities	1,040	670	1,744	3,454	2,774
Total	**10,004**	**6,238**	**7,912**	**24,154**	**21,850**

Note: Except for carrying amount, all figures shown in this table are undiscounted and reflect future cash payments.

For the years ended December 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows	Carrying amount
Non derivatives					
Trade payables	4,958			4,958	4,958
Borrowings	1,443	3,856	7,253	12,552	9,617
Lease liabilities	682	490	251	1,423	1,385
Total	**7,083**	**4,346**	**7,504**	**18,933**	**15,960**

Note: all figures shown in this table are undiscounted and reflect future cash payments.

Other risks

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

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

NOTE 21: Share capital and reserves Back to Notes list

At December 31 2020, 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.

For the Years ended December 31	2020	2019
Common shares	90,691,449	70,528,525
Total outstanding shares	**90,691,449**	**70,528,525**

The share capital and issuance premium increased in 2020 via a placement of 20,162,924 new shares in May 2020 for a gross amount of $14.2 million (€12.7 million). The share capital and issuance premium increased in 2019 via a placement of new shares in October 2019 for a gross amount of $10 million.

	Thousands of $/		Thousands of €/	
For the Years ended December 31	**Share Capital**	**Issuance Premium**	**Share Capital**	**Issuance Premium**
Situation at January 1st, 2019	53,877	135,731	41,728	111,524
October 2019 – Issuance of 10,589,236 shares (*)	8,963	618	8,026	554
Situation at December 31st, 2019	**62,841**	**136,349**	**49,754**	**112,078**
May 2020 – Issuance of 20,162,924 shares (*)	13,875	0	12,460	0
Situation at December 31st, 2020	**76,716**	**136,349**	**62,214**	**112,078**

(*) net of expenses

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

	Thousands of $/		Thousands of €/	
For the Years ended December 31	**2020**	**2019**	**2020**	**2019**
Share Capital as per statutory accounts	84,903	70,717	68,999	56,260
Capital Increase costs	-8,187	-7,876	-6,785	-6,506
Share capital under IFRS	76,716	62,841	62,214	49,754
Issuance premium	136,349	136,349	112,078	112,078
Share capital and issuance premium	213,065	199,190	174,292	161,832

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

NOTE 22: Retirement benefit schemes

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

A total cost of $567,000 in 2020 (2019: $637,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

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

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

NOTE 23: Share based payments

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This section provides an overview of the outstanding warrants as of December 31, 2020. The warrants were created within the context of stock-based incentive plans for employees, directors and consultants of the Company.

The Company has created several pools of warrants under stock option plans for grant to eligible employees, Directors, and consultants. On May 12, 2004 (30,000), July 12, 2005 (15,000), March 22, 2006 (66,700), November 8, 2006 (47,500), April 18, 2007 (55,100), May 25, 2007 (50,000), May 30, 2008 (61,000), January 2, 2009 (120,500), June 21, 2010 (145,000), May 27, 2011 (225,000), March 15, 2012 (195,000), June 15, 2012 (700,000), June 23, 2014 (1,500,000), June 19, 2017 (2,500,000), June 21, 2019 (3,000,000). In aggregate 8,710,800 warrants were issued, subject to warrants being granted to and accepted by the beneficiaries. Of these 8,710,800 warrants, (i) 1,945,084 warrants were terminated or lapsed, (ii) 577,123 warrants were exercised, (iii) 5,766,093 warrants were granted but not yet exercised, and (iv) 422,500 warrants were not yet granted by the Company. For the year 2020, 357,594 warrants (2019: 652,687) were terminated or lapsed, no warrants were exercised, and 859,999 warrants (2019: 37,624) were vested. As a result, as at December 31, 2020, there are 5,766,093 warrants outstanding, entitling their holders to subscribe to 5,766,093 shares of the Company.

Number of potential shares from outstanding warrants	2020	2019
At January 1	4,250,687	2,124,374
Number of warrants cancelled/forfeited during the year	(357,594)	(652,687)
Number of warrants exercised during the year	0	0
Number of warrants granted during the year	1,873,000	2,779,000
At December 31	**5,766,093**	**4,250,687**

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

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

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

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

		Warrants	Weighted average exercise price (€)	Potential shares from exercise of warrants	Weighted average exercise price per potential share (€)
	Granted in 2019	2,779,000	1.35	2,779,000	1.35
Outstanding 31	December 2019	4,250,687	2.35	4,250,687	2.35
	Granted in 2020	1,873,000	0.81	1,876,000	0.81
Outstanding 31	December 2020	5,766,093	1.74	5,766,093	1 74
Exercisable at 31	December 2020	2,298,249	2,69	2,298,249	2,69

The following table provides an overview of the outstanding potential shares from warrants per personnel category at December 31, 2020 and 2019:

Category	2020	2019
Executive Director	1,950,000	1,500,000
Non-Executive Directors	272,000	282,000
Management team (excluding the Executive Director)	1,738,000	1,005,000
Other employees, consultants, and former service providers	1,806,093	1,463,687
Total outstanding at December 31	**5,766,093**	**4,250,687**

The share-based compensation expense recognized in the statement of comprehensive income is given below as is the cumulated amount per the consolidated statement of financial position:

Thousands of $ Years ended December 31	2020	2019
Share-based compensation	1,295	872
Cumulated Share-based compensation	9,385	8,090

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 €1.74 or $ conversion 2.14 at December 31, 2020 (€2.35 or $ conversion 2.64 at December 31, 2019). The weighted average remaining contractual life of all outstanding warrants at the end of 2020 is 6.70 years (2019: 6.74 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						Expected duration (months)	
Dates	to Belgian benef.	to other benef.	Exercise price (€)	Expected dividend Yield	Expected stock price volatility	Risk-free interest rate	to Belgian benef.	to other benef.
15-Mar-12	75,000	120,000	€ 1.72	-	67.74%	3.43%	78.57	60.56
15-Aug-12	12,000	24,000	€ 1.52	-	54.50%	2.57%	73.54	61.54
14-Sep-12	-	85,000	€ 1.65	-	55.58%	2.59%	72.56	60.56
01-Dec-12	-	10,000	€ 2.19	-	57.13%	2.19%	75.98	57.99
01-Jan-13	65,000	107,000	€ 2.00	-	57.13%	2.09%	80.97	62.92
01-Feb-13	-	23,000	€ 2.26	-	49.99%	2.39%	79.96	61.91
01-Apr-13	-	5,000	€ 2.30	-	51.52%	2.18%	78.02	59.97
01-May-13	-	15,000	€ 2.13	-	49.75%	1.93%	77.03	58.98
31-May-13	12,000	18,000	€ 2.05	-	49.62%	2.22%	76.04	57.99
12-Mar-14	76,000	177,000	€ 3.60	-	47.75%	2.24%	72.69	54.67
01-Apr-14	-	12,000	€ 4.32	-	48.82%	2.21%	72.03	54.02
30-May-14	18,000	18,000	€ 4.25	-	48.68%	1.86%	70.09	52.08
01-Jun-14	-	4,000	€ 4.24	-	48.81%	1.86%	70.03	52.01
01-Jul-14	-	15,000	€ 4.02	-	48.58%	1.72%	69.04	51.02
1-avr-15	-	4,000	€ 5.02	-	47.42%	0.40%	60.03	47.97
23-Jun-14	12,000	12,000	€ 4.13	-	48.12%	1.78%	75.32	63.29
10-Oct-14	-	17,500	€ 4.01	-	46.93%	1.01%	69.73	57.70
9-Feb-15	60,000	95,000	€ 4.49	-	46.75%	0.62%	79.73	61.71
29-May-15	20,000	30,000	€ 4.91	-	46.52%	0.81%	64.14	52.11
1-Apr-15	-	3,000	€ 5.02	-	47.42%	0.40%	72.03	54.02
1-May-15	-	20,000	€ 5.05	-	46.59%	0.62%	71.05	53.03
1-Jun-15	-	6,000	€ 4.90	-	46.58%	0.81%	70.03	52.01
1-Jul-15	-	4,000	€ 4.62	-	47.02%	1.27%	69.04	51.02
1-Aug-15	-	4,000	€ 4.64	-	46.54%	0.98%	68.02	50.01
1-Sep-15	-	85,000	€ 4.24	-	49.31%	1.15%	73.02	48.99
1-Oct-15	-	8,000	€ 4.20	-	48.99%	0.90%	72.03	54.02
1-Nov-15	-	4,000	€ 3.81	-	50.88%	0.92%	71.01	52.99
1-Dec-15	-	18,000	€ 3.89	-	51.18%	0.85%	70.03	52.01
1-Feb-16	-	10,000	€4.13	-	51.18%	0.85%	67.99	49.97
4-Feb-16	50,000	134,000	€3.78	-	52.49%	0.72%	67.89	49.87
2-Apr-16	-	52,000	€3.62	-	53.40%	0.58%	65.33	53.33
29-May-16	30,000	40,000	€4.13	-	51.85%	0.54%	64.11	52.11
1-Jan-16	-	4,000	€3.79	-	51.12%	1.06%	69.01	50.99
1-Jun-16	-	2,000	€3.43	-	53.73%	0.49%	64.01	52.01
1-Aug-16	-	4,000	€3.62	-	53.51%	0.16%	62.01	50.01
21-Oct-16	-	20,000	€4.44	-	54.19%	0.28%	59.34	47.34
22-Jan-16	-	20,000	€3.83	-	52.81%	0.86%	68.32	56.32
1-Dec-16	-	22,000	€4.65	-	54.16%	0.75%	57.99	39.98
1-Jan-17	-	19,000	€4.56	-	53.84%	0.73%	56.98	50.96

1-Mar-17	-	95,000	€5.26	-	52.62%	0.68%	55.04	49.02
1-Apr-17	-	18,000	€5.41	-	51.80%	0.81%	54.02	48.00
11-Apr-17	20,000	200,000	€5.35	-	51.83%	0.72%	65.68	47.67
1-Jun-17	-	2,000	€5.01	-	51.86%	0.59%	52.01	52.01
1-Jul-17	-	22,000	€4.96	-	50.94%	0.77%	63.02	44.98
29-Jul-17	-	10,000	€4.72	-	50.95%	0.87%	50.10	44.05
1-Sep-17	-	34,000	€4.92	-	48.08%	0.71%	60.99	42.97
1-Oct-17	-	70,000	€4.80	-	47.32%	0.76%	53.98	41.95
2-Nov-17	-	99,000	€4.61	-	45.23%	0.66%	52.93	40.90
1-Dec-17	-	6,000	€3.92	-	46.50%	0.56%	51.98	39.98
20-Jun-17	30,000	30,000	€4.97	-	51,57%	0.59%	81.40	63.39
27-Jun-17	250,000	-	€4.98	-	51.04%	0.66%	81.17	63.16
01-Apr-18	-	42,000	€3,77	-	46.08%	0.76%	54.02	42.02
01-May-18	-	8,000	€3,64	-	46.27%	0.82%	53.03	41.03
01-Jun-18	-	2,000	€3,79	-	46.15%	0.77%	52.01	40.01
01-Jun-18	50,000	30,000	€4,97	-	46.15%	0.77%	52.01	40.01
01-Aug-18	-	70,000	€3,74	-	44.09%	0.79%	62.01	55.96
01-Jun-18	-	8,000	€3,66	-	44.04%	0.73%	48.99	36.99
01-Oct-18	-	4,000	€3,10	-	46.56%	0.88%	60.00	53.95
05-Dec-18	-	20,000	€1,73	-	57.56%	0.79%	45.86	33.86
24-Jan-19		191,000	€1,64		67.56%	0.77%	62.24	50.20
16-May-19		1,508,000	€1,49		75.78%	0.38%	58.55	46.52
01-Nov-19		8,000	€1,01		82.15%	0.00%	64.99	46.98
01-Dec-19		12,000	€1,02		81.95%	0.00%	64.01	45.99
01-Jan-20		6,000	€1,02		81.00%	0.00%	62.99	50.99
01-Feb-20		2,000	€0,98		80.26%	0.00%	61.97	49.67
01-Mar-20		4,000	€0,89		80.59%	0.00%	61.02	49.02
01-Jun-20		6,000	€0,85		86.64%	0.00%	57.99	45.99
01-Oct-20		2,000	€0,80		85.20%	0.00%	53.95	35.97
15-Jul-20		225,000	€0,80		85.89%	0.00%	56.51	38.53
01-Jul-19	60,000	20,000	€1,28		78.70%	0.07%	69.01	51.02
24-Jul-19		980,000	€1,24		78.64%	0.00%	68.25	50.27
15-Jul-20		1,598,000	€0,80		85.89%	0.00%	56.52	38.53
30-Jul-20	20,000		€1,28		87.02%	0.00%	56.02	38.04
01-Oct-20		10,000	€1,28		85.20%	0.00%	53.95	35.97

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

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

NOTE 24: Related parties

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Transactions between MDxHealth SA, MDxHealth Inc. and MDxHealth B.V. which are related parties, have been eliminated on consolidation and are not disclosed in this note. Since 2012, the intercompany services relate to royalties paid by MDxHealth Inc. to MDxHealth SA and to interest on intercompany loans. In 2020, the services charged by the parent company to the subsidiary amounted to $3,310,000.

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

Remuneration of key management personnel

During the year ended December 31, 2020, the executive management team included four members:

1. Chief Executive Director, Mr. Michael McGarrity
2. Executive Vice President of Corporate Development & General Counsel, Mr. Joseph Sollee
3. Chief Finance Officer, Mr. Ron Kalfus
4. Chief Commercial Officer, Mr. John Bellano

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

Thousands of $ except per personnel, warrants & share amounts For the Years ended December 31	2020	2019
Number of management members and Executive Directors	4	4
Short-term employee benefits	1,535	1,101
Post-employment benefits	23	26
Other employment costs	174	65
Termination benefits	0	1,111
Total benefits	1,732	2,303
IFRS share-based compensation expense	596	34
Number of warrants offered	1,183,000	2,330,000
Cumulative outstanding warrants	3,688,000	2,505,000
Exercisable warrants	1,036,250	160,000

In 2020, in aggregate for the four members of the executive management team, no warrants were exercised, and 1,183,000 new warrants were granted and accepted. The annualized IFRS cost for existing warrants is $596,000.

In 2019, in aggregate for the four members of the executive management team, no warrants were exercised, and 2,330,000 new warrants were granted and accepted. The annualized IFRS cost for existing warrants is $34,000.

No loans, quasi-loans or other guarantees are outstanding with members of the executive management team.

Remuneration of the Board

The total remuneration of the Board of Directors (including the Executive Director) in 2020 and 2019 was $775,000, and $484,000 respectively (excluding VAT, stock-based compensation and reimbursement of expenses). No advances or credits have been granted to any member of the Board of Directors. None of the members of the Board of Directors have received any non-monetary remuneration other than warrants as disclosed above.

Transactions with Non-Executive Directors

Since 2012, the Non-Independent Directors do not receive a fee payment for attending and preparing for Board meetings or for assisting the Company with Board matters. They receive reimbursement for expenses directly related to the Board meetings, totaling less than $7,000 in 2020.

The Independent Directors receive a fee for attending and preparing meetings of the Board of Directors and for assisting the Company with Board matters, and they receive reimbursement for expenses directly related to the Board meetings. In 2020 and 2019, respectively $231,000 and $135,000 were paid as fees and expense reimbursement to independent members of the Board of Directors.

A total of 20,000 warrants were granted to Non-Executive Directors in 2020 and no warrants were exercised in 2020.

NOTE 25: Significant agreements, commitments and contingencies Back to Notes list

Fair value of Other financial liabilities

On September 18, 2015, MDxHealth acquired MDxHealth BV (former NovioGendix), a Dutch molecular diagnostic research and service company with expertise in the urological oncology. The terms of the acquisition consisted of initial consideration paid in 1,086,956 shares of MDxHealth common stock, issued at €4.14 representing the average closing price of the Company's shares on Euronext Brussels during a period of 30 days ending on September 17, 2015. In addition to this equity, additional cash consideration of €250,000 was paid. On top of the acquisition price, MDxHealth is committed to pay future milestone fees. The Company paid €1,000,000, being $1,105,000 regarding these milestone fees in 2017. The fair value of this contingent consideration as of December 31, 2020 is estimated at $1,599,000 over the period 2020-2022 (2019: $1,599). The Company is contractually required to pay at maturity to the holder of the obligation the amount of maximum $2,200,000.

Collaborative research agreements and clinical research agreements

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

MDxHealth collaborates on research and clinical development with many of the world's leading academic and government cancer research institutes. These important relationships provide the Company with additional resources and expertise for clinical marker validation as well as access to patient samples for testing. MDxHealth's collaborators include such prestigious institutions as Johns Hopkins University Medical Institutions (US), Duke University Medical Center (US), Harvard Medical School (US), Cleveland Clinic (US), University of Colorado (US), University of California at Los Angeles (US), Radboud University (The Netherlands) and University of Gent (Belgium) among others.

Intellectual property in-licensing agreements

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

Commercial and intellectual property sub-licensing agreements

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

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

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

Litigation

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

NOTE 26: Subsequent events Back to Notes list

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.

NOTE 27: Subsidiaries Back to Notes list

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

MDxHealth Inc.

Address	15279 Alton Parkway – Suite 100 – Irvine, CA 92618
Incorporation Date	April 14, 2003
Number of employees	163 at December 31, 2020, 158 at December 31, 2019, and 164 at December 31, 2018.

MDxHealth B.V.

Address	Transistorweg 5, 6534 AT Nijmegen, The Netherlands
Incorporation Date	October 18, 2006
Incorporated into MDxHealth on	September 18, 2015
Number of employees	9 at December 31, 2020, 11 at December 31, 2019, and 12 at December 31, 2018.

NOTE 28: Principal audit fees and services Back to Notes list

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

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

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

NOTE 29: Alternative performance measures (APMs)

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In its decision making, the Company uses some alternative performance measures (APMs) that are not defined in IFRS. They are used because they provide information useful to assess the Company's development and performance. These measures should not be viewed in isolation or as an alternative to the measures presented in accordance with IFRS. These APMs may not be comparable to similar measures presented by other companies. The main alternative performance measures used by the Company are explained and reconciled as follows:

Thousands of $ For the Years ended December 31	2020	2019
Operating loss (EBIT)	-27,123	-43,169
Depreciation and amortization	3,332	3,420
Impairment	273	6,292
EBITDA	**-23,518**	**-33,457**

APM	Definition	Reason for use
Operating loss (EBIT)	Earnings before interest, other financial income/(expense), tax, amortization, depreciation and impairment.	This measure is used to show profit generation in the operating activities excluding non-cash-based depreciation, amortization and impairment. This measure gives an approximation of the cash generation potential before reinvestment in the business.

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Auditor's opinion

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF MDXHEALTH SA FOR THE YEAR ENDED 31 DECEMBER 2020 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the statutory audit of the consolidated financial statements of MDXHEALTH SA ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report on the audit of the consolidated financial statements and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 28 May 2020, following the proposal formulated by the board of directors issued upon recommendation of the Audit Committee. Our statutory auditor's mandate expires on the date of the General Meeting deliberating on the financial statements closed on 31 December 2022. We have performed the statutory audit of the consolidated financial statements of MDxHealth SA for fifteen consecutive years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of 31,856 (000) USD and for which consolidated income statement and other comprehensive income shows a loss for the year of 28,662 (000) USD.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2020, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

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

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

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

Key audit matters

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

Revenue recognition

Discussion of the matter

As described in notes 2.7 and 3 of the financial statements, the majority of the Group's revenue is derived from laboratory services with revenue recognized at a point in time when control of the services has transferred to the customer. This is generally when the test results are delivered to the customer. Other Group's revenue is derived from license fees, royalties and government grants.

The group's revenue recognition model includes critical accounting estimates based on management judgment. These estimates and underlying judgments are continuously revisited based on updated historical experience and the expected evolution of collections from third party payers.

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

Procedures performed

Our audit procedures included, amongst others:

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

Financial Funding

Description of the matter

In note 2.3 of the financial statements, the Group has disclosed that based on its current scope of activities and available funding, it estimates that as at 31 December 2020 it has sufficient liquidity to continue as a going concern.

Given the high cash burn rate inherent to the sector the Group is operating in, we consider financial funding a key audit matter requiring heightened auditors' attention.

Procedures performed

Our audit procedures included, among others, the following:

- We obtained the business plan and the cash forecasts for the years 2021 and 2022, and reviewed them for reasonableness;
- We challenged the assumptions underlying these budget and cash forecasts, especially with respect to the expected level of revenue, collections and operating expenses;
- We compared the total of expected revenues included in the budget and cash forecasts with those expected from prior years' experience;
- We discussed with management any potential future financing possibilities and assessed their reasonableness;
- We considered the impact of the capital increase of 21 January 2021, as disclosed in notes 2.3 and 26, on the Group's financial position and management's going concern assessment;
- We challenged management's assessment the effects of the COVID 19 outbreak on the Group's ability to continue as a going concern.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

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

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

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

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

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, a statutory audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

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

We also provide the audit committee with a statement that we respected the relevant ethical requirements relating to independence, and we communicate with them about all relationships and other issues which may influence our independence, and, if applicable, about the related measures to guarantee our independence.

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

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

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (version revised in 2020) which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the management report on the consolidated financial statements, as well as to report on this element these elements.

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

In our opinion, after having performed specific procedures in relation to the management report, this report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 3:32 of the Code of companies and associations.

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

- Part I: Strategy & Business Review;
- Part II: Corporate Governance;
- Part III: Principle Risks & Uncertainties

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

Statement concerning independence

Our audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.

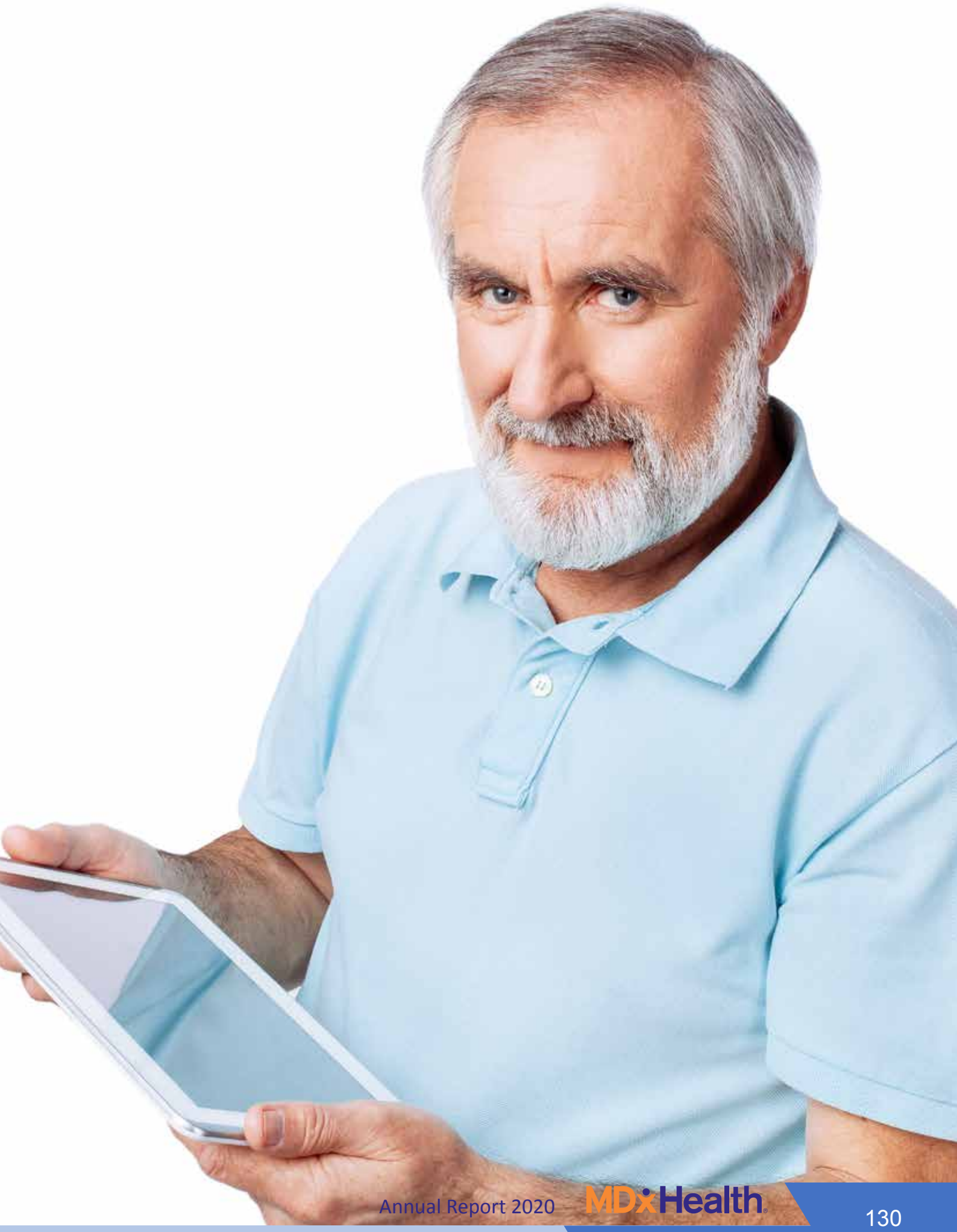
The fees related to additional services which are compatible with the statutory audit as referred to in article 3:65 of the Code of companies and associations were duly itemised and valued in the notes to the consolidated financial statements.

Other statements

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

Zaventem, April 26, 2021

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



Condensed non-consolidated financial statements

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

The information included in this section is an extract from the statutory accounts and does not include all information as required by articles 3:10 and 3:12 of the Belgian Companies and Associations Code. The full statutory accounts have not yet been filed with the Belgian National Bank as of the date of this document. Once filed with the Belgian National Bank, the full statutory accounts will also be made available in the investor section of MDxHealth's website (www.mdxhealth.com).

Statutory Income Statement

Thousands of € For the years ended December 31	2020	2020 in $ equivalent [2]	2019
I. Operating income	**3,655**	**4,174**	**2,543**
A. Turnover	3,546	4,050	2,528
D. Other operating income	109	124	15
II. Operating charges	**3,515**	**4,014**	**5,945**
A. Purchase of goods and materials	12	13	47
B. Services and other goods	2,776	3,171	4,598
C. Remuneration, social security costs, pensions	709	810	1,273
D. Depreciation & amounts written off fixed assets	18	20	22
G. Other operating charges	0	0	5
III. Operating profit/(loss)	**140**	**160**	**(3,402)**
IV. Financial income	**892**	**1,019**	**2,681**
B. Income from current assets	852	973	2,624
C. Other	40	46	57
V. Financial charges	**2,554**	**2,916**	**110,726**
A. Debt charges	1,040	1,188	300
C. Non-recurring financial charges	1,514	1,728	110,426
VI. Current profit/(loss) before taxes	**(1,522)**	**(1,737)**	**(111,447)**
IX. Profit/(loss) before taxes	**(1,522)**	**(1,737)**	**(111,447)**
X. Income taxes			
XI. Profit/(loss) for the year after taxes	**(1,522)**	**(1,737)**	**(111,447)**

[2] *Profit and loss items have been translated using the average rate 1,1422 USD/EUR and Balance Sheet items using the closing rate 1,2271 USD/EUR*

Appropriation account

Thousands of € For the years ended December 31	2020	2020 in $ equivalent	2019
A. Loss/gain to be appropriated			
A1. Loss/Gain for the period available for appropriation	(1,522)	(1,737)	(111,447)
A2. Loss brought forward	(118,419)	(145,312)	(6,972)
B. Transfer from capital and reserves			
B1. From capital and share premium account			
C. Transfer to equity			
D. Result to be carried forward			
D2. Loss to be carried forward	(119,941)	(147,049)	(118,410)

Statutory Balance Sheet
Statutory Balance Sheet after appropriations

Thousands of € For the years ended December 31	2020	2020 in $ equivalent	2019
ASSETS	**59,971**	**73,592**	**48,129**
I. Formation expenses	**-**	**-**	**-**
II. Intangible assets			
III. Tangible fixed assets	**25**	**31**	**44**
B. Plant, machinery and equipment	25	31	44
C. Furniture and vehicles	-	-	-
IV. Financial assets	**59,946**	**73,561**	**48,085**
A. Affiliated enterprises	59,932	73,543	48,069
A1. Investments	3,422	4,199	3,422
A2. Amounts receivable	56,510	69,344	44,647
C. Other financial assets	-	-	-
C1. Investments	-	-	-
C2. Amounts received and cash guarantee	14	18	16
CURRENT ASSETS	**11,409**	**14,000**	**16,494**
V. Amounts receivable after one year	**-**	**-**	**-**
VI. Stocks and contracts in progress	**-**	**-**	**-**
VII. Amounts receivable within one year	**114**	**141**	**155**
A. Trade debtors	44	55	109
B. Other amounts receivable	70	86	46
VIII. Investments	**11,244**	**13,797**	**16,273**
B. Other investments and deposits	-	-	-
IX. Cash at bank and in hand	**11,244**	**13,797**	**16,273**
X. Deferred charges and accrued income	**51**	**62**	**66**
TOTAL ASSETS	**71,380**	**87,592**	**64,623**

Statutory Balance Sheet after appropriations

Thousands of € For the years ended December 31	2020	2020 in $ equivalent	2019
CAPITAL AND RESERVES	**61,136**	**75,022**	**49,920**
I. Capital	**68,999**	**84,668**	**56,260**
A. Issued capital	68,999	84,668	56,260
II. Share premium account	**112,078**	**137,531**	**112,078**
III. Revaluation surpluses	**-**	**-**	**-**
IV. Reserves	**-**	**-**	**-**
V. Accumulated profit/(loss)	**(119,941)**	**(147,177)**	**(118,418)**
VI. Investment grants	**-**	**-**	**-**
VII. Provisions and postponed taxes	**-**	**-**	**-**
A. Provisions for liabilities and charges	-	-	-
A4. Other liabilities & charges	-	-	-
AMOUNTS PAYABLE	**10,244**	**12,570**	**15,588**
VIII. Debts payable after 1 year	**6,550**	**8,037**	**8,186**
A. Financial debts	6,550	8,037	8,186
A4. Credit institutions	9	11	22
A5. Other debts	6,541	8,026	8,164
IX. Debts payable within 1 year	**3,694**	**4,533**	**2,205**
A. Current portion of debts after one year	-	-	-
B. Financial debts	2,309	2,833	516
B1. Credit institutions	2,309	2,833	516
C. Trade debts	1,304	1,600	1,605
C1. Suppliers	1,304	1,600	1,605
D. Advances received on contracts in progress	-	-	-
E. Taxes, remuneration & social security	81	100	84
E1. Taxes	-	-	1
E2. Remuneration & social security	81	100	83
X. Accrued charges and deferred income	**-**	**-**	**4,312**
TOTAL LIABILITIES	**71,380**	**87,592**	**64,623**

Part V: Additional information

Shareholder information

Capital and shares

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

History of share capital

At the end of 2020, the issued capital of MDxHealth amounted to € 68,998,734.95 represented by 90,691,449 common shares without nominal value.

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

Date	Transaction	Number of shares issued	Issue price per share (EUR)	Issue price per share post stock-split (EUR)	Capital increase (EUR)	Share capital after transaction (EUR)	Share Issuance Premium after transaction (EUR)	Aggregate # of shares after capital increase
Incorporation								
Jan. 10, 2003	Incorporation	202,975	0.30	0.06	61,500.00	61,500.00	0	202,975
Phase I Financing Round December 20, 2002 (Preferred A Shares)								
Feb. 7, 2003	Capital increase in cash	197,025	20.00	4.00	3,940,500.00	4,002,000.00	0	400,000
Jun. 30, 2003	Capital increase in cash	33,333	20.00	4.00	666,660.00	4,668,660.00	0	433,333
Sep. 30, 2003	Capital increase in cash	218,139	22.31	4.46	4,866,681.09	9,535,341.09	0	651,472
Jun. 20, 2004	Capital increase in cash	195,504	23.87	4.77	4,666,680.48	14,202,021.57	0	846,976
Phase II Financing Round October 19, 2005 (Preferred B Shares)								
Oct. 28, 2005	Capital increase in cash	375,000	24.00[7]	4.80[7]	9,000,000.00	23,202,021.57	0	1,221,976
Mar. 31, 2006	Capital increase in cash	193,548	31.00	6.20	5,999,988.00	29,202,009.57	0	1,415,524

Stock Split								
May 23, 2006	Stock split 5/1	/	/	/	/	/	0	7,077,620
Initial Public Offering and Exercise of Over-Allotment Warrants								
Jun. 30, 2006	Capital increase in cash	2,933,334	7.50	7.50	22,000,005.00	51,202,014.57	0	10,010,954
Jun. 30, 2006	Capital decrease	/	/	/	-10,217,809.00	40,984,205.57	0	10,010,954
Jun. 30, 2006	Capital increase through exercise of warrants	440,000	7.50	7.50	1,817,200.00	42,801,405.57	1,482,800.00	10,450,954
Exercise of Warrants								
Apr. 18, 2007	Capital increase through exercise of warrants	182,560	4.70	4.70	747,666.16	43,549,071.73	1,593,731.31	10,633,514
Private Placement								
Oct. 19, 2007	Capital increase in cash	1,063,351	10.00	10.00	4,354,954.02	47,904,025.75	7,872,287.29	11,696,865
Exercise of Warrants								
Oct. 25, 2007	Capital increase through exercise of warrants	50,837	4.73	4.73	208,202.93	48,112,228.68	7,904,487.77	11,747,702
Exercise of Warrants								
Apr. 24, 2008	Capital increase through exercise of warrants	61,120	4.59	4.59	250,316.96	48,362,545.64	7,934,871.81	11,808,822
Nov.5 , 2008	Capital increase through exercise of warrants	19,375	4.73	4.73	79,350.31	48,441,895.95	7,947,140.25	11,828,197
Private Placement								
Dec. 18, 2008	Capital increase in cash	1,332,877	6.29	6.29	5,458,797.75	53,900,693.70	10,872,138.83	13,161,074
Exercise of Warrants								
Apr. 17, 2009	Capital increase through exercise of warrants	24,540	4.49	4.49	100,503.57	54,001,197.27	10,881,808.74	13,185,614
Reduction of Share Capital								
Jun. 21, 2010	Share Capital reduction	/	/	/	/	10,517,661.90	10,881,808.74	13,185,614
Private Placement								
Apr. 8, 2011	Capital increase in cash	5,436,713	1.50	1.50	4,336,865.96	14,854,527.86	14,700,012.24	18,622,327
Private Placement								
Jul. 4, 2012	Capital increase in cash	6,891,113	1,45	1,45	5,497,040.84	20,351,568.70	19,202,971.61	25,513,440
Private Placement								
Jun. 25, 2013	Capital increase in cash	8,737,863	2,05	2,05	6,970,193.32	27,321,762.02	30,232,776.07	34,251,303
Private Placement								
Nov. 7, 2014	Capital increase in cash	3,425,000	3,60	3,60	2,732,122.50	30,053,884.52	39,830,653.57	37,676,303
Exercise of Warrants								
Apr. 30, 2015	Capital increase through exercise of warrants	172,187	2.01	2.01	137,353.57	30,191,238.09	40,039,189.53	37,848,490

Private Placement								
Jun. 26, 2015	Capital increase in cash	6,150,000	4.50	4.50	4,905,855.00	35,097,093.09	62,808,334.53	43,998,490
Private Placement								
Sep. 18, 2015	Capital increase in cash	1,086,956	4.14	4.14	867,064.80	35,964,157.89	66,441,267.57	45,085,446
Exercise of Warrants								
Nov. 27, 2015	Capital increase through exercise of warrants	68,187	1.70	1.70	54,392.77	36,018,550.66	66,502,756.44	45,153,633
Exercise of Warrants								
May 9, 2016	Capital increase through exercise of warrants	116,000	1.70	1.70	92,533.20	36,111,083.86	66,607,143.24	45,269,633
Private Placement								
Nov. 7, 2016	Capital increase in cash	4,526,962	4.50	4.50	3,611,157.59	39,722,241.45	83,367,314.65	49,796,595
Exercise of Warrants								
Nov. 10,2016	Capital increase through exercise of warrants	49,000	1.69	1.69	39,087.30	39,761,328.75	83,410,887.35	49,845,595
Exercise of Warrants								
May 5, 2017	Capital increase through exercise of warrants	103,813	1.94	1.94	82,811.63	39,844,140.38	83,529,614.08	49,949,408
Private Placement								
Mar. 26, 2018	Capital increase in cash	9,989,881	3.60	3.60	7,968,928.07	47,813,068.45	111,524,257.61	59,939,289
Private Placement								
Oct. 1, 2019	Capital increase in cash	10,589,236	0.85	0.85	8,447,033.56	56,260,102.01	112,078,074.65	70,528,525
Private Placement								
May 15, 2020	Capital increase in cash	20,162,924	0.63	0.63	12,738,632.94	68,998,734.95	112,078,074.65	90,691,449
Per statutory accounts						68,998,734.95	112,078,074.65	90,691,449
Per IFRS consolidated accounts						62,213,730.80	112,078,074.65	90,691,449

Authorized capital

The board of directors is authorized to increase the share capital of the company on one or several occasions by a maximum aggregate amount of sixty-eight million, nine hundred ninety-eight thousand, seven hundred and thirty-four euros and ninety-five cent (€68,998,734.95).

The board of directors may increase the share capital by contributions in cash or in kind, by capitalization of reserves, whether available or unavailable for distribution, and capitalization of issue premiums, with or without the issuance of new shares, with or without voting rights, that will have the rights as will be determined by the board of directors.

The board of directors is also authorized to use this authorization for the issuance of convertible bonds or subscription rights, bonds with subscription rights or other securities. This authorization is valid for a period of five years as from the date of publication in the Annexes to the Belgian Official Gazette of an extract of the minutes of the extraordinary general shareholders' meeting of the company held on July 30, 2020.

In the event of a capital increase decided by the board of directors within the framework of the authorized capital, all issue premiums booked, if any, will be accounted for in accordance with the provisions of these articles of association.

The board of directors is authorized, when exercising its powers within the framework of the authorized capital, to restrict or cancel, in the interest of the company, the preferential subscription rights of the shareholders. This restriction or cancellation of the preferential subscription rights can also be done in favor of members of the personnel of the company or of its subsidiaries, or in favor of one or more persons other than members of the personnel of the company or of its subsidiaries.

The board of directors is authorized, with the right of substitution, to amend the articles of association, after each capital increase that has occurred within the framework of the authorized capital, in order to bring them in conformity with the new situation of the share capital and the shares.

Rights attached to shares

Dividend Rights

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

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law based on the Company's statutory unconsolidated financial statements rather than its consolidated financial statements. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory non-consolidated financial statements (i.e., summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the share capital.

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

The Company has never declared or paid any dividends on its shares and does not anticipate paying any dividends in the foreseeable future. At December 31, 2020, there were no profits available for distribution under Belgian law.

Preferential Subscription Rights

In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or warrants, the existing shareholders have a preferential right to subscribe, pro rata, to the new shares, convertible bonds or warrants. The general shareholders' meeting may decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision by the shareholder's meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital. The shareholders may also decide to authorize the Board of Directors to limit or cancel the preferential subscription right within the framework of the authorized capital, subject to the terms and conditions set forth in the Belgian Company Code.

Voting Rights

Each shareholder of the Company is entitled to one vote per share. There are no different categories of shares. All shareholders have the same voting rights. Voting rights may be mainly suspended in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, 7.5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 days prior to the date of the general shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

Rights to Participate and Vote at Shareholder's Meetings

Annual general shareholders' meeting

The annual general shareholders' meeting is held at the registered office of the Company or at the place determined in the notice convening the shareholders' meeting. The meeting is held every year on the last Thursday of May at 10 a.m. If this day would be a Belgian public holiday, the annual general shareholders' meeting shall be held on the previous Business Day. In these articles of association, "Business Day" shall mean any calendar day, with the exception of Saturdays, Sundays and Belgian public holidays.
At the annual general shareholders' meeting, the Board of Directors submits the audited statutory and consolidated financial statements and the reports of the Board of Directors and of the statutory auditor with respect thereto to the shareholders. The shareholders' meeting subsequently decides on the approval of the statutory financial statements, the proposed allocation of the Company's profit or loss, the discharge from liability of the Directors and the statutory auditor, and, when applicable, the (re)appointment or resignation of the statutory auditor and/or of all or certain Directors and their remuneration. In addition, as relevant, the annual general shareholders' meeting must also decide on the approval of provisions of service agreements to be entered into with Executive Directors, members of the management committee and other executives providing (as the case may be) for severance payments exceeding 12 months' remuneration (or, subject to a motivated opinion by the remuneration committee, 18 months' remuneration). As from the annual meeting held in 2012, the shareholders' meeting must also decide separately on the approval of the remuneration report included in the annual report.

Special and extraordinary general shareholders' meetings

The Board of Directors or the statutory auditor may, whenever the interest of the Company so requires, convene a special or extraordinary general shareholders' meeting. Such shareholders' meeting must also be convened every time one or more shareholders holding at least 20% of the Company's share capital so demand. Shareholders that do not hold at least 20% of the Company's share capital do not have the right to convene such special or extraordinary general shareholders' meeting.

Notices convening the general meeting

The notice convening the general shareholders' meeting must indicate : (i) the agenda, place, date, and time of the meeting; (ii) the items to be discussed and the proposed resolutions that will be submitted to the meeting; (ii) a clear description of the formalities to be fulfilled by the shareholders in order to be entitled to participate to the general meeting and to exercise their voting right, including the period within which the shareholders should indicate to the Company their intention to participate to the meeting; (iv) a description of the procedure to vote by proxy (or at distance to the extent permitted by the articles of association); (v) details with regard to the right of shareholders to amend items of the agenda, require additional items/proposed resolutions to be put on the agenda, and ask questions; (vi) the timeframe within which such rights may be exercised and an electronic address to which shareholders may send their queries; (vii) the registration date and explanations related thereto; and (viii) the place as well as the website on which all relevant documents can be obtained. The meeting cannot deliberate and vote on items that are not mentioned on the agenda, unless all shareholders are present or represented and decide unanimously to place such items on the agenda.

The notice convening the shareholders' meeting must be published (i) in the annexes to the Belgian Official Gazette, (ii) a newspaper with nationwide distribution in Belgium, (iii) via media as may reasonably be relied upon for the effective dissemination of information to the public throughout the European Economic Area and (iv) the website of the Company at least 30 calendar days prior to the general meeting (or, if a second meeting is required, if the date of the second meeting was mentioned in the notice convening the first meeting and if the agenda has not changed, at least 17 days prior to the second meeting).

A publication in the Annexes to the Belgian Official Gazette and on the website of MDxHealth suffices for notices convening the annual general shareholders' meeting if such meeting takes place in Liège and on the place, date and hour referred to above and if the agenda is limited to the submission of the financial statements, the reports of the Board of Directors and statutory auditor relating thereto, the discharge from liability of the Directors and statutory auditor, the approval of provisions of service agreements and the approval of the remuneration report.

The holders of registered shares, warrants and bonds are personally notified by letter at least 30 days prior to the meeting.

Formalities to attend the general meeting:

All holders of shares, warrants or bonds (if any) issued by the Company can attend shareholders' meetings. Only shareholders, however, can vote at shareholders' meetings. To attend the general shareholders' meeting, holders of securities issued by the Company should consider the formalities and procedures described below.

Registration for the meeting

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

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

Power of attorney

Each holder of securities has the right to attend a general shareholders' meeting and to vote at the general shareholders' meeting in person or through a proxy holder, in conformity with applicable law. The proxy holder does not need to be a shareholder. The Board of Directors can request the participants to the meeting to use a model of power of attorney (with voting instructions). Such proxies must be in writing or via an electronic form, and must bear the shareholder's signature (which may be a digital signature as defined in article 8.1, 3° of the Belgian Civil Code or as otherwise permitted by applicable law). In accordance with applicable law, the dated and signed proxy must be sent by letter, fax, email or any other means specified in article 2281 of the Belgian Civil Code to the Company's registered office or the place indicated in the notice and must reach the Company at the latest on the sixth calendar day prior to the general shareholders' meeting concerned. The holders of a proxy must comply with the provisions of the Belgian Company Code regarding proxies for general shareholders' meetings.

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

Amendments to the agenda and additional proposed resolutions

Shareholders who alone or together with other shareholders hold at least 3% of the outstanding shares of the Company have the right to put additional items on the agenda of the annual and extraordinary general shareholders' meetings and to table draft resolutions in relation to items that have been or are to be included in the agenda. If the required quorum for the extraordinary general shareholders' meeting is not reached and a second extraordinary general shareholders' meeting is convened, this right will not apply in relation to the agenda of the second extraordinary general shareholders' meeting. Shareholders wishing to exercise this right must prove on the date of their request, that they own at least 3% of the outstanding shares. The ownership must be based, for dematerialized shares, on a certificate issued by the applicable settlement institution for the securities concerned, or by a certified account holder, confirming the number of securities that have been registered in the name of relevant shareholders and, for registered shares, on a certificate of registration of the relevant shares in the share register book of the Company. In addition, the shareholder concerned must, in any case, comply with the formalities to register for the meeting (as explained under "—Registration for the meeting" above) with at least 3% of the outstanding shares. A request to put additional items on the agenda and/or to

table draft resolutions must be submitted in writing, and must contain in the event of an additional agenda item, the text of the agenda item concerned and, in the event of a draft resolution, the text of the draft resolution. The request must also mention the mail or e-mail address to which the Company will send the confirmation of receipt of the request. The request must reach the Company by mail at its registered office or by e-mail at the e-mail address mentioned in the notice convening to the general meeting at the latest on the twenty second calendar day prior to the annual and extraordinary general shareholders' meeting. In case of amendments to the agenda and proposed additional resolutions as aforementioned, the Company will publish an amended agenda with, as the case may be, additional agenda items and additional draft resolutions no later than on the fifteenth calendar day prior to the annual and/or extraordinary general shareholders' meeting. In addition, the Company shall make amended forms available for votes by mail and votes by proxy. Proxies and votes by mail that reach the Company prior to the publication of an amended agenda remain valid for the agenda items to which the proxies and votes by mail apply, subject, however, to applicable law and the further clarifications set out on the proxy forms and postal voting form.

Right to ask questions

Within the limits of article 7:139 of the Belgian Companies and Associations Code, shareholders have the right to ask questions to the Directors in connection with the report of the Board of Directors or the items on the agenda of such shareholders' meeting.

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

Quorum and majorities

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

Disclosures within the framework of the takeover directive

Capital structure

At the end of 2020, the issued capital of MDxHealth SA amounted to €68,998,734.95 represented by 90,691,449 fully paid-up common shares without nominal value. All shares have the same rights and obligations and participate equally in the profits of MDxHealth SA.

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

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

Restrictions concerning the transfer of securities

The Company's articles of association do not impose any restrictions on the transfer of securities in addition to the restrictions provided for in the Belgian Company Code

Holders of securities with special control rights

The Company has not granted any special control rights to the holders of its securities.

Mechanism for control of share plans for employees

There are no shares or similar plans for employees other than the stock option plans disclosed elsewhere in this document.

Restrictions concerning the exercise of the voting right

Each shareholder of MDxHealth SA is entitled to one vote per share. There is only one category of shares (common shares). Voting rights can be suspended, amongst others, in relation to shares:

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

Agreements between shareholders which are known to the Company and may result in restrictions on the transfer of securities and/or exercise of voting rights

There are no declared or known agreements between shareholders.

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

According to the terms and conditions of the warrants issued by MDxHealth, non-vested warrants become exercisable in case of a change of control of the Company. In addition, material agreements with Exact Sciences include change of control clauses.

Agreements with Directors or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a public takeover bid

There are individual agreements between the Company and certain Members of the Management Committee that provide a severance payment of up to 18 months, should this agreement be terminated due to the Company's change of control.
After deliberation and decision upon the annual accounts, the shareholders' meeting shall be requested to release the Directors and the statutory auditor from liability for the execution of their mandate during the past fiscal year.

Notification of Important Participations

The Belgian Company Code, applicable legislation and article 14 of the Company's articles of association provide that every natural person or legal entity acquiring or transferring shares or other financial instruments of a listed company that entitle the holder thereof to voting rights, whether or not representing the Company's share capital (such as warrants, stock options, or automatic convertible bonds, if any), must immediately and at the latest four Euronext business days following the transaction, notify the Company and the FSMA of the total number of financial instruments that he or she holds each time where, as a result of the acquisition or transfer, the total number of voting financial instruments exceeds or falls below a threshold of 3%, 5%, 10% or 15% (or every subsequent multiple of 5%) of the total number of financial instruments at the moment of the transaction.

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

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

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Glossary

Assay	A term for a single experiment or a diagnostic test incorporating the required markers to analyze a clinical specimen.
Biopsy	A procedure where a tumor tissue sample is removed from the body for laboratory examination to determine whether cancer or some other disease is present. A biopsy can be performed using a needle to extract a small number of cells or as a surgical procedure to remove a larger piece of tissue.
Biotechnology	Biotechnology is a technology based on or influencing biological processes, especially when used in agriculture, food science, and medicine.
Cancer	Cancer is a type of disease caused by genetic instability and characterized by uncontrolled division of cells and the ability of these cells to invade other organs.
CAP	The College of American Pathologists (CAP) is a US accrediting agency for the US Centers for Medicare and Medicaid Services (CMS).
Cell	The basic unit of a living organism. Each cell is surrounded by a membrane and has a nucleus containing a set of genes that provide it with the information necessary to operate and divide.
CLIA	The US Clinical Laboratory Improvement Amendments (CLIA) establishes quality standards for all laboratory testing to ensure the accuracy, reliability and timeliness of patient test results.
Clinical sample	A sample taken from the body (ex. blood, urine, tissue) and analyzed to gain information about a person's medical state.
Clinical trial	A research study, usually in diseased patients, to test drugs, procedures, or testing technologies to determine how well they work compared to other practices or the natural course of the disease.
CMS	US Centers for Medicare & Medicaid Services
CPT codes	Current Procedural Terminology Codes- numbers assigned to every medical task used by physicians and or laboratories to determine amount of reimbursement that practitioner will receive from insurer. CPT codes are assigned by AMA American Medical Association to provide uniform definition for services and reimbursement.
Diagnosis	Identification of a condition or disease (ex. breast cancer), by its signs, symptoms, and the results of laboratory or histopathological tests.
DNA (deoxyribonucleic acid)	DNA is a nucleic acid polymer, usually in the form of a double helix, of which the genes are made and code for life processes.
Epigenetics	Refers to heritable changes in gene expression (active versus inactive genes) that does not involve changes to the underlying DNA sequence (i.e., a change in phenotype without a change in genotype). This in turn affects how cells read the genes. Epigenetic change is a regular and natural occurrence but can also be influenced by several factors including age, the environment/lifestyle, and disease state.
Gene	A unit of genetic information. Genes are encoded in a cell's DNA and the proteins they express control the physical development and behavior of the cell or the whole organism.
In-Vitro Diagnostics (IVD)	IVDs are tests performed outside the human body on clinical samples such as blood, urine, or biopsy tissue.
Kit (diagnostic kit)	In-vitro diagnostic test that is packaged in a box which that can be shipped to end-user laboratories.
LDT	Laboratory Developed Test-refer to assays developed in a laboratory for use within that laboratory. While these tests are not currently regulated by FDA Food and Drug Administration, the lab must validate all aspects of the test to ensure patient safety, reliability, repeatability, accuracy as well as validating all instruments, reagents and or supplies used in the test.

Marker	A substance native to the organism, whose presence is indicative of a specific medical condition.
Medicaid	Medicaid is a medical assistance program in the US established by Title XIX of the US Social Security Act. The Medicaid program is a no-cost or low-cost public health insurance program for US residents that provides needed health care services for low-income and disabled individuals.
Medicare	Medicare is a national social insurance program, administered by the U.S. federal government, established in 1966 under Title XVIII of the US Social Security Act. Medicare provides health insurance for US residents aged 65 and older who have worked and paid into the system. It also provides health insurance to younger people with certain disabilities and designated diseases.
Methylation	Control mechanism that regulates gene expression in DNA without causing a permanent genetic alteration.
Methylation-Specific PCR (MSP)	A technology for detecting gene methylation.
MGMT	The O6-methylguanine DNA-methyltransferase (MGMT) gene has been widely studied and shown to be able to predict glioblastoma cancer patient response to alkylating agents.
NPV	NPV or “Negative Predictive Value” is the probability that subjects with a negative test truly don't have the disease being tested. It is a numerical value for the proportion of individuals with a negative test result who are free of the target condition.
PCR	The polymerase chain reaction is a technique for the in vitro amplification of specific DNA sequences by the simultaneous primer extension of complementary strands of DNA.
Pharmacogenomics	The study and application of DNA and RNA based biomarkers to predict how an individual's genes affect the body's response to a therapeutic drug.
PSA	Prostate-Specific-Antigen, a widely used but widely criticized blood-based screening test for prostate cancer.
Recurrence	A return of cancer after treatment.
Screening	The testing of a population for disease.
Sensitivity	A measure of a diagnostic test’s accuracy. Sensitivity measures the percentage of people with a certain medical condition that produces a positive test result. Tests with good sensitivity produce few false negative results.
Service Laboratory	Laboratory that provides medical testing services.
Specificity	A measure of a diagnostic test’s accuracy. Specificity measures what percentage of people without a medical condition for whom the test result is negative. Tests with good specificity produce few false positive results.
Tumor	Tissue growth where the cells that make up the tissue have multiplied uncontrollably. A tumor can be benign (non-cancerous) or malignant (cancerous).
Validation (Product Pipeline Step)	A phase within the product development process to evaluate the performance of the newly developed assay using a defined sample set.

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Colofon

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