MDXHEALTH
Limited Liability Company

CAP Business Center
Zone Industrielle des Hauts-Sarts
Rue d'Abhooz 31
4040 Herstal
Belgium

Registered with the Register of Legal Persons
VAT BE 0479.292.440 (RLP Liège, division Liège)

REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:198 *JUNCT*O ARTICLES 7:179 AND 7:197 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

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1. INTRODUCTION

On August 2, 2022, MDxHealth SA (the "**Company**") entered into an asset purchase agreement (the "**Asset Purchase Agreement**") with Genomic Health, Inc. (a subsidiary of Exact Sciences Corporation referred to herein as "**Exact Sciences**"), pursuant to which among other things and subject to the terms and conditions included in the Asset Purchase Agreement, Exact Sciences agreed to sell and assign, and the Company agreed to purchase and assume, the business of developing, marketing and performing the Oncotype DX Genomic Prostate Score test (the "**Business**"), in consideration of (i) a cash consideration of USD 24,999,999.64, the (i) Initial Earn-Out Consideration (as the defined below) and (iii) the First Closing Equity Consideration.

On August 23, 2023, the Company and Exact Sciences entered into an amendment to the Asset Purchase Agreement (as further amended on October 9, 2023, the "**Amendment**"), pursuant to which they agreed to defer the payment of the Initial Earn-Out Consideration, in consideration of (i) the increase and replacement of the Initial Earn-Out Consideration by the Amended Earn-Out Consideration (as defined below), (ii) a cash consideration of USD 250,000, (iii) the Second Closing Equity Consideration (as defined below) and (iv) the commitment by the Company to issue in favour of Exact Sciences 1,000,000 new subscription rights for new shares of the Company (each exercisable for 10 new shares of the Company) with a 5 years term as from August 2023, 2023 (the "**Exact Warrants**") (the "**Transaction**").

In order to give effect to the Transaction, this report has been prepared by the board of directors of the Company in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code of 23 March 2019 (as amended from time to time) (the "**Belgian Companies and Associations Code**"). It relates to the proposal of the board of directors to increase the share capital of the Company, within the framework of the authorised capital, with an amount of EUR 831,123.31 equivalent to USD 877,500.00 on the basis of the Exchange Rate (as defined in section 3.3 below), against the issuance by the Company of 2,500,000 new ordinary shares (the "**New Shares**"), to be delivered to Exact Sciences, at an issue price per New Share of EUR 0.3324 (the "**Issue Price**"), as contemplated by the Amendment, for the purpose of the settlement in shares of a portion of the consideration for entering into the Amendment (as further described below).

In accordance with article 7:198 *juncto* article 7:179 of the Belgian Companies and Associations Code, the board of directors provides in this report a justification of the proposed

Transaction, with notably a justification of the proposed Issue Price of the New Shares to be issued and a description of the consequences of the proposed Transaction for the financial and shareholder rights of the shareholders of the Company.

In accordance with article 7:198 *juncto* article 7:197 of the Belgian Companies and Associations Code, the board of directors also provides in this report a justification of the interest of the contribution in kind, a description of the contribution and a motivated valuation, and the remuneration granted for the contribution.

This report must be read together with the report prepared in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the Company's statutory auditor, BDO Réviseurs d'Entreprises SRL, a limited liability company organised and existing under the laws of Belgium, with registered office at Da Vincilaan 9, 1930 Zaventem, Belgium, represented by Mr. Bert Kegels.

2. AUTHORISED CAPITAL

2.1. Description of the authorised capital

By virtue of the resolution of the extraordinary general shareholders' meeting of the Company held on June 30, 2023, as published by excerpt in the Annexes to the Belgian Official Gazette of July 7, 2023, under number 23368447, the board of directors of the Company has been granted certain powers to increase the Company's share capital in the framework of the authorised capital. The powers under the authorised capital have been set out in article 6 of the Company's Articles of Association.

In the framework of this authorisation granted by the extraordinary general shareholders' meeting, the board of directors is authorised to increase the share capital of the Company in one or more transactions with a maximum amount of EUR 163,471,629.58 (excluding issue premium), for a period of five years as from July 7, 2023.

The capital increases that can be effected in accordance with the aforementioned authorisation can take place by means of contributions in cash or in kind, by capitalisation of reserves, whether available or unavailable for distribution, and capitalisation 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 authorised to use this authorisation for the issuance of convertible bonds or subscription rights, bonds with subscription rights or other securities.

The board of directors is authorised, when exercising its powers within the framework of the authorised 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 favour of members of the personnel of the Company or of its subsidiaries, or in favour of one or more persons other than members of the personnel of the Company or of its subsidiaries.

2.2. Available amount in the framework of the authorised capital

So far, the board of directors has not yet used its powers under the authorised capital (granted on June 30, 2023). As a result, by virtue of this authorisation, the board of directors is still authorised to increase the Company's share capital by a total amount of EUR 163,471,629.58 (excluding issue premium, if any).

3. PROPOSED TRANSACTION

3.1. Context

Founded in February 1995, Exact Sciences is a leading, global, advanced cancer diagnostics company, listed on the Nasdaq Capital Market, which has developed some of the most impactful tests in cancer diagnostics.

On August 2, 2022, the Company and Exact Sciences entered into the Asset Purchase Agreement, pursuant to which, subject to its terms and conditions, Exact Sciences agreed to sell and assign, and the Company agreed to purchase and assume, the Business for an aggregate purchase price of up to USD 100,000,000.00. Pursuant to the Asset Purchase Agreement, the aggregate purchase price was (to be) paid as follows:

(a) Cash consideration: An amount of USD 24,999,999.64 was paid on the date of the Asset Purchase Agreement.

(b) First Closing Equity Consideration: An amount of USD 5,000,000.36, which remained outstanding as a payable (without accruing interest) due by the Company as from the date of the Asset Purchase Agreement (the "**First Closing Receivable**"), was contributed in kind on August 11, 2022, by Exact Sciences to the Company within the context of a capital increase by the Company within the framework of the authorised capital of the Company against the issuance by the Company of 6,911,710 new shares at an issue price of EUR 0.7056, delivered in the form of 691,171 American Depositary Shares ("**ADSs**") (on the basis of a ratio of 1 ADS per 10 New Shares) (the "**First Closing Equity Consideration**"). The aggregate number of Company's shares representing the ADSs held by Exact Sciences was not to exceed more than 5% of the outstanding shares of the Company.

(c) Initial Earn-Out Consideration: Following the signing of the Asset Purchase Agreement, an additional aggregate earn-out amount of up to USD 70,000,000.00 was to be paid by the Company to Exact Sciences upon achievement of certain revenue milestones related to fiscal years 2023 through 2025, with the maximum earn-out payable in relation to 2023 and 2024 not to exceed USD 30,000,000.00 and USD 40,000,000.00, respectively (the "**Initial Earn-Out Consideration**"). At the option of the Company, amounts reflecting the Initial Earn-Out Consideration could be settled in cash or through the issuance of additional shares of the Company by contribution in kind (at an issue price per share valued in function of a volume weighted average trading price of the Company's shares at the end of the relevant earn-out period) to be delivered in the form of ADSs to Exact Sciences, provided that the aggregate number of shares representing the ADSs held by Exact Sciences was not to exceed more than 5% of the outstanding shares of the Company.

Subsequently, in order to defer the payment of the Initial Earn-Out Consideration, On August 23, 2023, the Company and Exact Sciences entered into the Amendment, as further summarise in section 3.2 below.

3.2. Structure of the Transaction

The main terms of the proposed Transaction and Amendment can be summarised as follows:

(a) Deferment of payments under the earn-out consideration provided by the Asset Purchase Agreement: Pursuant to the Amendment, and subject to its terms and conditions, Exact Sciences agreed to defer the payment of the Initial Earn-Out Consideration due by the Company under the Asset Purchase Agreement by 3 years, from 2024 to 2027.

(b) Consideration of payments deferment: In consideration of such payments deferment, the Company agreed to the following:

(i) Cash consideration: An amount of USD 250,000.00 was paid by the Company on the date of the Amendment.

(ii) Second Closing Equity Consideration: An amount of USD 877,500.00 remained outstanding as a payable (without accruing interest) due by the Company as from the date of the Amendment (the "**Second Closing Receivable**"), but which payable is to be contributed in kind by Exact Sciences to the Company within the context of a capital increase by the Company within the framework of the authorised capital of the Company against the issuance by the Company of 2,500,000 New Shares at the Issue Price (the "**Second Closing Equity Consideration**")[1]. The Second Closing Receivable and the Second Closing Equity Consideration in remuneration of the contribution in kind of the Second Closing Receivable are to be issued by October 23, 2023. The aggregate number of Company's shares (as the case may be, representing ADSs) held by Exact Sciences shall not exceed more than 7.5% of the outstanding shares of the Company (compared to 5% previously, under the Asset Purchase Agreement).

(iii) Amended Earn-Out Consideration: Following the signing of the Amendment, the Initial Earn-out Consideration is increased and replaced by an additional aggregate earn-out amount of up to USD 82,500,000.00 to be paid by the Company to Exact Sciences upon achievement of certain revenue milestones related to fiscal years 2023 through 2025, with the maximum earn-out payable in relation to 2023 and 2024 not to exceed USD 30,000,000.00 plus USD 10,000,000 (or such lesser amount if the maximum earn-out amount required to be paid exceeds USD 82,500,000.00 in the aggregate) and USD 40,000,000.00, respectively (the "**Amended Earn-Out Consideration**"). At the option of the Company, amounts reflecting the Amended Earn-Out Consideration can be settled in cash or through the issuance of additional shares of the Company by contribution in kind (at an issue price per share valued in function of a volume weighted average trading price of the Company's shares at the end of the relevant earn-out period) to be delivered to Exact Sciences (as the case may be, in ADSs), provided that the aggregate number of shares (as the case may be, representing ADSs) held by Exact Sciences shall not exceed more than 7.5% of the outstanding shares of the Company (compared to 5% previously, under the Asset Purchase Agreement).

(iv) Exact Warrants: The Company has committed to issue, in favour of Exact Sciences, 1,000,000 new subscription rights for new shares of the Company (each exercisable for 10 new shares of the Company) with a 5 years term as from August 23, 2023, such issuance having to be submitted for approval by

[1] *On the date of the Amendment, the Company and Exact Sciences agreed that the Second Closing Equity Consideration being delivered to Exact Sciences in the form of 250,000 ADSs (on the basis of a ratio of 1 ADS per 10 New Shares). However, on October 2, 2023, the Company publicly announced its proposed transition from a dual listing of the ADSs on Nasdaq and shares on Euronext Brussels to a sole listing of the Company's shares via (1) a share consolidation with respect to all outstanding shares by means of a 1-for-10 reverse stock split, after which ten existing shares will be represented by one new share, and each ADS will represent one new Share, (2) the listing the shares on Nasdaq, (3) a mandatory exchange under the Company's ADS facility as a result of which ADS holders will receive shares in exchange for their ADSs on the basis of a ratio of one ADS for one share, (4) subject to certain formalities, a repositioning of the shares from the trading system used for trading the shares on Euronext Brussels into the trading system used for trading the shares on Nasdaq, and (5), following a transition period of at least three weeks, the de-listing of the shares from listing and trading on Euronext Brussels. In view thereof, the Company and Exact Sciences agreed to have the Second Closing Equity Consideration delivered to Exact Sciences in the form of Company's shares.*

an extraordinary general shareholders' meeting of the Company to be convened. The principal terms and conditions of the Exact Warrants are summarized in section 3.7 below.

In order settle the Second Closing Receivable due by the Company to Exact Sciences pursuant to the Amendment, the board of directors proposes, in accordance with article 6 of the Company's Articles of Association, to increase the share capital of the Company, within the framework of the authorised capital, with an amount of EUR 831,123.31, equivalent to USD 877,500.00 on the basis of the Exchange Rate (see section 3.3), against the issuance by the Company of 2,500,000 New Shares, to be delivered to Exact Sciences, at the Issue Price of EUR 0.3324.

3.3. Issue Price

The number of New Shares to issue and the Issue Price are the result of independent and at-arms-length discussions between the Company and Exact Sciences. The Issue Price has been calculated on the basis of a weighted-average closing price of the Company's shares (as traded on Euronext Brussels) preceding the date of the Amendment.

As the Company's share capital is expressed in EUR in the Company's articles of association, for the purpose of the capital increase and the amendment of the Company's articles of association, the Issue Price and the aggregate value of the Second Closing Equity Consideration (i.e., USD 877,500.00) is expressed in EUR on the basis of the USD/EUR exchange ratio of EUR 1,00 for USD 1,0558 as published on October 19, 2023 (i.e., on the business day preceding the date of the relevant notarial deed in which the issuance of the New Shares and the corresponding capital increase is established) by the European Central Bank ("**ECB**") on https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html (the "**Exchange Rate**"). The total issue price in EUR was rounded down to the nearest two decimals.

3.4. Allocation of the Issue Price

The Issue Price (expressed in EUR on the basis of the Exchange Rate) shall be fully booked as share capital as it is below the current fractional value (*i.e.*, rounded to EUR 0.6046). In accordance with article 7:178 of the Belgian Companies and Associations Code, after the issuance of the New Shares, all of the Company's outstanding shares will have the same fractional value, i.e., rounded to EUR 0.6021.

3.5. Rights attached to the New Shares

All of the New Shares to be issued in the context of the capital increase will have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlement to dividends and distributions, with, the existing and outstanding shares of the Company at the moment of their issuance and will be entitled to dividends and distributions in respect of which the relevant record date or due date falls on or after the date of issuance of the New Shares.

3.6. No preferential subscription right

As the increase of the Company's share capital will be realised by contribution in kind of the Second Closing Receivable due by the Company to Exact Sciences, the existing shareholders of the Company and the holders of share options of the Company will not have a preferential right in said capital increase.

3.7. Proposed Issuance of Exact Warrants

(a) Exercise price and principal conditions

As mentioned above, in the context of the Amendment, the Company has committed to Exact Sciences to issue the Exact Warrants in favour of Exact Science. In this context, the Company's board of directors committed to propose to the shareholders of the Company, in the context of an extraordinary general shareholders' meeting of the Company still to be convened, to approve the issuance by the Company, in favour of Exact Sciences, of 1,000,000 new subscription rights for shares of the Company.

The principal terms of the draft terms and conditions of the Exact Warrants (the "**Exact Warrants Conditions**") are, for information purposes, summarized as follows:

- *Right to subscribe for ten ordinary shares*: Each subscription right entitles the holder to subscribe for ten (10) ordinary shares of the Company to be issued by the Company.

- *Exercise price*: The exercise price of the Exact Warrants (*i.e.*, the price to be paid in cash to subscribe for ten new shares in the Company when an Exact Warrant is exercised) will be USD 5.265 (i.e., USD 0.5265 per underlying share). As the Company's share capital is expressed in euro in the Company's articles of association, for the purpose of the capital increase and the amendment of the Company's articles of association resulting from the exercise of Exact Warrants, the amount equal to the relevant aggregate exercise price for such Exact Warrants exercise shall be converted into euro on the basis of the relevant USD/EUR exchange ratio as shall be published by the European Central Bank ("ECB") onhttps://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html (or such other relevant website of the ECB) on the business day preceding the date of the relevant notarial deed in which the issuance of the relevant new shares and the corresponding capital increase are established, and whereby final amount in euro will be rounded down to the nearest two decimals. The issue price (converted in euro) of each new share to be issued on exercise of an Exact Warrant will be booked as share capital. However, the balance of the issue price of the new shares (per share) which exceeds the fractional value of the company's existing shares at that time (currently rounded to EUR 0.6046) will be booked as issue premium, if any. This issue premium will be booked on a separate account as equity on the liabilities side of the Company's balance sheet, and will be made up of the contributions actually paid on the occasion of the issue of new shares. These issue premiums may only be reduced by a valid decision of the Company, in accordance with the Belgian Companies and Associations Code.

- *Term*: The Exact Warrants will have a term of 5 years as from August 23, 2023.

- *Exercisability*: The exercise of the Exact Warrants will be subject to the terms and conditions contained in the Exact Warrants Conditions. The Exact Warrants may be exercised as from their issuance and until the end of their term, provided that a number of Exact Warrants with an aggregate Exercise Price of at least EUR 250,000 (converted from U.S. dollar to euro currency on the basis of the applicable exchange rate) are exercised by the holder thereof.

- *Transferability:* Except if the Company were to explicitly allow a transfer of the Exact Warrants, the Exact Warrants cannot be transferred by the holder. Furthermore, the Exact Warrants will not be admitted to listing or trading.

- *Form:* The Exact Warrants will be issued in registered form and cannot be dematerialised.

As set out above, on October 2, 2023, the Company publicly announced its proposed transition from a dual listing of the ADSs on Nasdaq and shares on Euronext Brussels to a sole listing of the Company's shares via (1) a share consolidation with respect to all outstanding shares by means of a 1-for-10 reverse stock split, after which ten existing shares will be represented by one new share, and each ADS will represent one new Share, (2) the listing the shares on Nasdaq, (3) a mandatory exchange under the Company's ADS facility as a result of which ADS holders will receive shares in exchange for their ADSs on the basis of a ratio of one ADS for one share, (4) subject to certain formalities, a repositioning of the shares from the trading system used for trading the shares on Euronext Brussels into the trading system used for trading the shares on Nasdaq, and (5), following a transition period of at least three weeks, the de-listing of the shares from listing and trading on Euronext Brussels. The implementation of such transition to a sole listing on the Nasdaq will have the following impacts on the Exact Warrants Conditions:

- The draft Exact Warrants Conditions provide that, for as long as all or part of the Company's shares are represented by ADSs, shares issued upon exercise of Exact Warrants will be delivered with the holder thereof in the form of ADSs, on the basis of the applicable ratio (currently ten shares for one ADS). However, in the context of the transition to a sole listing of Company's shares on Nasdaq, the ADS program will be terminated. Therefore, new shares issued upon exercise of Exact Warrants will be delivered directly to Exact Sciences (and not in the form of ADSs).

- As a result of the contemplated share consolidation by means of a 1-for-10 reverse stock split, the number of shares issuable upon exercise of the Exact Warrants will be proportionately reduced.

(b) Admission to listing and trading of the new shares

The new shares to be issued following the exercise of the Exact Warrants will be admitted to listing and trading on any principal stock exchange or other trading platform on which the Company's other Shares are then admitted to trading and listing. To this end, the Company will make the necessary filings and applications.

(c) Rights attached to the new shares

The Exact Warrants entitle its holder to subscribe to new ordinary shares to be issued by the Company upon exercise of said Exact Warrants. The new shares to be issued will be without nominal value, will be of the same nature as the existing and outstanding shares of the Company, and will have the same rights and benefits as the existing and outstanding shares of the Company at the time of their issuance, and will rank *pari passu* in all respects, including with respect to entitlement to dividends and other distributions, and will be entitled to dividends and other distributions for which the record date or maturity date corresponds to the date of issuance of the new shares or a later date.

4. CONTIBUTION IN KIND

4.1. Description of the contribution in kind

The New Shares will be issued in consideration of the contribution in kind of the Second Closing Equity Consideration as summarised in section 3.2.

4.2. Remuneration of the contribution in kind

Upon contribution of the Second Closing Receivable, the Company will issue the New Shares at the Issue Price in accordance with the terms and conditions summarised in sections 3.2 and 3.3.

4.3. Valuation of the contribution in kind

The board of directors is of the opinion that, upon settlement of the Second Closing Receivable due by the Company to Exact Sciences and of the Second Closing Equity Consideration of the Second Closing Receivable via the issuance of the New Shares in accordance with the Amendment, the Second Closing Receivable to be contributed in kind can be valued at 100% of the nominal value of the relevant amount. This is based on the following considerations:

(a) The Second Closing Equity Consideration must be settled by the Company via the issuance of the New Shares at the Issue Price.

(b) Following the contribution in kind of the Second Closing Receivable, the relevant payable that is contributed is settled by the mechanism of "confusion" in accordance with articles 5.268 and 5.269 of the book 5 "*Les obligations*" of the new Belgian Civil Code of April 28, 2022 (as amended from time to time, as the case may be). In other words, as a result of the contribution in kind, the Company's indebtedness will be reduced by an amount equal to the nominal amount of the Second Closing Equity Consideration.

(c) The disappearance of the payable underlying the Second Closing Equity Consideration also leads to the improvement of the situation of the other creditors of the Company for an amount equal to the nominal amount of the Second Closing Equity Consideration.

For further information on the description of the contribution in kind of the Second Closing Equity Consideration and its valuation, reference is made to the report prepared in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the Company's statutory auditor. In his report, the Company's statutory auditor concluded (*inter alia*) the following with regard to the contribution in kind and issues of the New Shares:

"*In accordance with article 7:198 BCAC juncto articles 7:197 and 7:179 BCAC, we hereby present our conclusion in the context of our auditor mission for which we were appointed by engagement letter dated 18 October 2023.*

We have performed our assignment in accordance with the Standard on the auditor's assignment in connection with a contribution in kind and quasi-contribution of the Institut des Réviseurs d'Entreprises. Our responsibilities under this standard are described below in the section "Auditor's responsibilities in connection with the contribution in kind and the share issue".

With respect to the contribution in kind

In accordance with 7:197 BCAC, we have examined the matters described below in this report, as set out in the draft special report of the board of directors, and we have no significant findings to report in respect of

- *the description of the assets to be contributed*

- *the valuation applied ;*

- the valuation methods used for this purpose.

We also conclude that the valuation methods applied for the contribution in kind lead to the value of the contribution and the latter corresponds at least to the number and nominal value or, in the absence of a nominal value, to the accounting fractional value and the share premium, if any, of the shares to be issued in consideration.

The actual remuneration consists of 2,500,000 New Shares of the Company, to be issued to Exact Sciences.

All New Shares to be issued in connection with the capital increase will have the same rights and benefits, and will be pari passu in all respects, including with respect to dividend and distribution rights, with the existing and outstanding shares of the Company at the time of their issuance, and will be entitled to dividends and distributions in respect of which the record date or maturity date falls on or after the date of issue of the New Shares.

With respect to the issue of shares

Based on our review and evaluation of the accounting and financial information contained in the special report of the board of directors, nothing has come to our attention that causes us to believe that this information, which includes the justification of the issue price and the consequences for the shareholders' financial and shareholder rights, is not fair and sufficient in all material respects to inform the shareholders, notwithstanding the fact that, in view of the application of article 7:198, there will be no general meeting called to vote on this proposal.

The assumptions underlying the forward-looking financial information are likely to differ from what has actually occurred, as anticipated events often do not occur as expected, and the difference could be material.

No fairness opinion

In accordance with article 7:197 and article 7:179 BCAC, our task is not to express an opinion on the appropriateness or timing of the transaction, nor on the legitimacy and fairness of the transaction ("no fairness opinion")."

The board of directors concurs with, and does not deviate from, the conclusions of the statutory auditor in relation to the contribution in kind.

5. JUSTIFICATION OF THE PROPOSED TRANSACTION

The board of directors believes that the Transaction is in the interest of the Company because the Transaction allows the Company to defer and amend payments in cash of milestones under the Initial Earn-Out Consideration. This allows the Company to use its financial means for other general corporate and working capital purposes.

Furthermore, even though the issuance of the New Shares will lead to some dilution for the existing shareholders and holders of subscription rights of the Company, the Issue Price of EUR 0.3324 reflects a 34.59% premium compared to the Company's share price at close of trading on Euronext Brussels on the date of this report (i.e., EUR 0.2470). Furthermore, the board of directors believes this dilution does not outweigh a scenario in which the Company would have not entered into the Amendment and obtained a deferment and amendment of payments in cash of milestones under the Initial Earn-Out Consideration.

Finally, the board of directors also notes that the proposed issuance of the Exact Warrants is part of the consideration to Exact Sciences for deferring and amending payments in cash of milestones under the Initial Earn-Out Consideration. The issuance of the Exact Warrants may result in additional dilution for shareholders. However, the dilution will depend on the actual exercise of the Exact Warrants. In any event, the board of directors believes this potential dilution does not outweigh a scenario in which the Company would have not entered into the Amendment and obtained a deferment and amendment of payments in cash of milestones under the Initial Earn-Out Consideration.

For all of the above reasons, the board of directors believes that the Transaction is in the interest of the Company, its shareholders, and other stakeholders.

6. JUSTIFICATION OF THE ISSUE PRICE OF THE NEW SHARES

The Issue Price is the result of independent and at-arms-length discussions between the Company and Exact Sciences, as described in sections 3.2 and 3.3.

As abovementioned, the Issue Price has been calculated on the basis of a weighted-average closing price of the Company's shares (as traded on Euronext Brussels) preceding the date of the Amendment to the Asset Purchase Agreement.

Allowing the Company to pay up in shares a portion of the consideration amount for deferring payments of earn-out amounts due by the Company to Exact Sciences pursuant to the Asset Purchase Agreement as amended by the Amendment, rather than in cash, allows the Company to preserve its cash runway.

Therefore, in view of all the foregoing, the board of directors believes that the Issue Price is not unreasonable and is in the best interest of the Company, its shareholders and other stakeholders.

7. CERTAIN FINANCIAL CONSEQUENCES

7.1. Introductory comments

The following paragraphs provide an overview of certain financial consequences of the proposed Transaction. For further information with regard to the financial consequences of the proposed Transaction, reference is also made to the report prepared in accordance with article 7:198 *juncto* articles 7:179 and 7:197 of the Belgian Companies and Associations Code by the statutory auditor of the Company, BDO Réviseurs d'Entreprises SRL.

Subject to the foregoing reservations, for the purposes of the illustration of some of the financial consequences and notably the dilution for the shareholders, the following parameters and assumptions were used:

(a) <u>Current share capital</u>: At the date of this report, the share capital of the Company amounts to EUR 163,471,629.58 represented by 270,380,936 shares without nominal value, each representing the same fraction of the share capital, *i.e.*, (rounded) EUR 0.6046. The share capital is entirely and unconditionally subscribed for and is fully paid-up.

(b) <u>Second Closing Equity Consideration:</u> For the purpose of the dilution scenarios further below, it is taken into account that the Second Closing Receivable (amounting to EUR 831,123.31, equivalent to USD 877,500.00 on the basis of the Exchange Rate) will be contributed in kind by Exact Sciences to the Company within the context of a capital increase by the Company within the framework of the authorised capital of the Company against the issuance by the Company of 2,500,000 New Shares at the Issue Price EUR 0.3324.

(c) <u>Amended Earn-Out Consideration</u>: For the purpose of the full-dilution scenario calculations further below, it is assumed that the full Amended Earn-Out Consideration amount of USD 82,500,000.00 is converted, by applying the Exchange Rate, into EUR 78,139,799.20 and is fully paid in kind by the Company to Exact Sciences by the issuance of new shares of the Company at the same issue price as the Issue Price in consideration of the settlement of the receivable due by the Company to Exact Sciences up to the Amended Earn-Out Consideration. On that basis, 235,042,735 new shares would have to be issued by the Company to settle the maximum Amended Earn-Out Consideration in full. To reflect maximum dilution, the maximum 7.5% shareholding cap (as described in paragraph 3.2(ii)) is not taken into account in the simulations below. Should this 7.5% shareholding cap be applied, only 30,751,318 new shares could be issued to Exact Sciences on a fully diluted basis, taking into account all parameters used herein.

(d) Exact Warrants: For the purpose of the full dilution scenario calculations further below, it is assumed that the 1,000,000 Exact Warrants are issued and all exercised, for a total of 10,000,000 newly issued shares at an issue price of USD 0.5265 per new shares (i.e., the exercise price of USD 5.265 per Exact Warrants), resulting in a total issue price of USD 5,265,000, or, applying the Exchange Rate, at an issue price of EUR 0.4986 per new shares (i.e., exercise price of EUR 4.986 per Exact Warrants), resulting in a total issue price of EUR 4,986,000 (including issue premium, if any).

(e) Share Options: Furthermore, the following 18,560,124 subscription rights issued by the Company are still outstanding at the date of this report (the "**Share Options**"):

(i) 572,500 outstanding share options issued under the form of subscription rights on June 23, 2014 ("**2014 Share Options**") (of which 68,500 share options have not yet been granted);

(ii) 1,914,000 outstanding share options issued under the form of subscription rights on June 19, 2017 ("**2017 Share Options**") (which have all been granted);

(iii) 2,669,874 outstanding share options issued under the form of subscription rights on June 21, 2019 ("**2019 Share Options**") (of which 6,500 share options have not yet been granted);

(iv) 3,525,000 outstanding share options issued under the form of subscription rights on May 27, 2021 ("**2021 Share Options**") (of which 5,000 share options have not yet been granted);

(v) 4,878,750 outstanding share options issued under the form of subscription rights on May 25, 2022 ("**2022 Share Options**") (of which 12,500 share options have not yet been granted); and

(vi) 5,000,000 outstanding share options issued under the form of subscription rights on June 30, 2023 ("**2023 Share Options**") (of which 2,065,000 share options have not yet been granted).

Each of the aforementioned Share Options entitles the holders thereof to subscribe for one new share of the Company upon exercise of the relevant Share Option. For the purpose of the full-dilution scenario calculations further below, it is assumed that all of the 18,560,124 outstanding Share Options (including the 68,500 outstanding 2014 Share Options, the 6,500 outstanding 2019 Share Options, the 5,000 outstanding 2021 Share Options, the 12,500 outstanding 2022 Share Options and the 2,065,000 outstanding 2023 Share Options that can still be granted) have been effectively granted, have vested and are exercisable. On that basis, if all 18,560,124 Share Options were exercised, 18,560,124 new shares would need to be issued by the Company.

(f) Innovatus Convertible Right: To finance the acquisition of the Business on August 2, 2022, the Company entered into a loan and security agreement with Innovatus Life Sciences Lending Fund I, LP ("**Innovatus**") pursuant to which Innovatus agreed to provide a loan facility for up to USD 70,000,000.00, which can be drawn in multiple tranches. On August 2, 2022, an amount of USD 35,000,000.00 was drawn, with an additional USD 35,000,000.00 remaining available as a USD 20,000,000.00 term B loan and a USD 15,000,000.00 term C loan that can be drawn in 2024 and 2025 respectively, subject to certain conditions. Under the loan and security agreement, Innovatus has the right to convert (through contribution in kind of the relevant underlying receivables due by the Company), prior to August 2, 2025, up to 15% of the outstanding principal amount of the loans into ADSs of the Company at a 45% premium to the relevant volume-weighted average price before entering into the loan and security agreement, yielding at a conversion price per ADS equal to USD 11.21 (i.e., USD 1.121 by shares on the basis of the ratio of 1 ADS per 10 shares), prior to August 2, 2025 (the "**Innovatus Conversion Right**"). Amounts converted into ADSs of the Company will be reduced from the principal amount outstanding of the loan.

For the purpose of the full-dilution scenario calculations further below, it is assumed that (i) the full amount of USD 70,000,000.00 is drawn by the Company before August 2, 2025, (ii) the Innovatus Convertible Right is fully exercised by Innovatus, and (iii) the exchange rate applied to convert USD amounts in EUR amount is the same as the Exchange Rate. On that basis, EUR 9,945,065.35 would be contributed in kind by Innovatus to the Company against the issuance 9,367,114 new shares of the Company at a conversion price of EUR 1.0617 per share.

(g) Allocation of the issue price of the outstanding dilutive instruments: Upon the issuance of new shares upon exercise of the Innovatus Convertible Right, and/or the contribution of the Amended Earn-Out Consideration, and/or the exercise of the Share Options, and/or the exercise of the Exact Warrants (should their issuance be approved by an extraordinary general shareholders' meeting of the Company), the amount of the issue price of the relevant new shares will be booked as equity (in the form of share capital and share premium, sat the case may be). The amount that shall be booked as share capital shall, on a per share basis, be equal to the amount of the applicable fractional value of the Company's shares at the relevant time. The balance shall be booked as issue premium.

In this report, when reference is made to "*outstanding dilutive instruments"*, it refers, respectively, to the issuance of new shares upon exercise of the Innovatus Conversion Right, contribution of the Amended Earn-Out Consideration, exercise of the outstanding Share Options and exercise of the Exact Warrants (assuming their issuance will be approved by an extraordinary general shareholders' meeting of the Company).

Whether the outstanding Share Options, the Innovatus Conversion Right, or the Exact Warrants (should their issuance be approved by an extraordinary general shareholders' meeting of the Company) will be effectively exercised or converted will ultimately depend on the decision of the respective holders thereof. Such decision will likely be in function of the market price of the shares of the Company at the moment of exercise or conversion, compared to their respective exercise or conversion prices. The respective holders will likely not exercise or convert if the market price of the shares of the Company is less than the relevant exercise price or conversion price, respectively.

Whether the Amended Earn-Out Consideration amount is due and converted into shares of the Company will depend on the fulfilment (or not) of the respective conditions provided by the Asset Purchase Agreement, as amended by the Amendment (or further amended). Furthermore, should an Amended Earn-Out Consideration amount be due by the Company to Exact Sciences, the Company can also ultimately opt to pay such Amended Earn-Out Consideration amount in cash rather than in shares.

In order to reflect the maximum dilution below, it is assumed that none of the existing shareholders, holders of Share Options or Innovatus will subscribe for the New Shares.

7.2. Evolution of the share capital, voting power, participation in the results and other shareholder rights

Each share in the Company currently represents an equal part of the share capital of the Company and provides for one vote in function of the part of the capital it represents. The issuance of the New Shares in the framework of the contribution in kind of the Second Closing Equity Consideration will lead to a dilution of the existing shareholders of the Company and of the relative voting power of each share in the Company.

The dilution relating to the voting right also applies, *mutatis mutandis*, to the participation of each share in the profit and liquidation proceeds and other rights attached to the shares of the Company, such as the statutory preferential subscription right in case of a capital increase in cash through the issuance of new shares or in case of the issuance of new subscription rights or convertible bonds.

Specifically, prior to the contribution in kind of the Second Closing Equity Consideration (and prior to the issuance of new shares pursuant the other outstanding dilutive instruments), each share of the Company participates equally in the profit and liquidation proceeds of the Company and each shareholder has a statutory preferential subscription right in case of a capital increase in cash or in case of the issuance of new subscription rights or convertible bonds. Upon the issuance of the New Shares in the framework of the contribution in kind of the Second Closing Equity Consideration, the new shares to be issued will have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of the Company at the moment of their issuance and delivery, and will be entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of issuance and delivery of the New Shares. As a result (and to the extent the New Shares will be issued and subscribed for), the participation by the existing shareholders in the profit and liquidation proceeds of the Company and their holders' statutory preferential subscription right in case of a capital increase in cash, shall be diluted accordingly.

Furthermore, as indicated above, the Issue Price is below the fractional value of the existing shares of the Company (*i.e.*, rounded to EUR 0.6046). Therefore, to some extent, the issuance of the New Shares might have had a reduced voting right, a reduced participation in the profit and liquidation proceeds, and a reduced preferential subscription right. However, all of the New Shares to be issued will have to have the same rights and benefits as, and rank *pari passu* in all respects with, the existing and outstanding shares of the Company. Therefore, in accordance with article 7:178 of the Belgian Companies and Associations Code, after the completion of the issuance of the New Shares, all of the Company's outstanding shares will have the same fractional value, *i.e.*, rounded to EUR 0.6021. This also entails that, at least conceptually, there is a dilution of the voting right, the right to participate in the profit and liquidation proceeds, and the preferential subscription right of the existing shares of the Company to the benefit of the New Shares.

A similar dilution occurs upon exercise or conversion of the other outstanding dilutive instruments.

Subject to the methodological reservations noted in paragraph 7.1, the evolution of the share capital and the number of shares, with voting rights attached thereto, of the Company as a result of the issuance of the New Shares is simulated below in a scenario before dilution due to outstanding dilutive instruments, as well as in a scenario after dilution due to outstanding dilutive instruments.

Evolution of the number of outstanding shares

After the contribution in kind of the Second Closing Equity Consideration but before dilution due to outstanding dilutive instruments	
(A) Outstanding shares	270,380,936
(B) New Shares to be issued upon contribution in kind of the Second Closing Equity Consideration	2,500,000
(C) Total number of shares outstanding after (B)	272,880,936
(D) Dilution	0.92%
After dilution due to outstanding dilutive instruments but before the contribution in kind of the Second Closing Equity Consideration	
(A) Outstanding shares	270,380,936
(B) New shares to be issued upon exercise of outstanding Share Options	18,560,124
(C) New shares to be issued upon contribution of the Earn-Out Consideration	235,042,735
(D) New shares to be issued upon exercise of the Innovatus Convertible Right	9,367,114
(E) New shares to be issued upon exercise of the Exact Warrants	10,000,000
(F) Total number of new shares to be issued under (B), (C), (D) and (E)	272,969,973
(G) Total number of shares outstanding after (B), (C), (D) and (E)	543,350,909
After the contribution in kind of the Second Closing Equity Consideration and after dilution due to outstanding dilutive instruments	
(A) Outstanding shares after dilution due to outstanding dilutive instruments	543,350,909
(B) New Shares to be issued upon contribution in kind of the Second Closing Equity Consideration	2,500,000
(C) Total number of shares outstanding after (B)	545,850,909
(D) Dilution	0.46%

Subject to the methodological reservations noted in paragraph 7.1, the table below reflects the evolution of the share capital, assuming the issuance of the New Shares at the Issue Price. The maximum amount of the capital increase is calculated by multiplying the number of New Shares to be issued with the Issue Price (as it is below the fractional value of the shares of the Company, *i.e.*, currently rounded EUR 0.6046 per share).

Evolution of the share capital(1)

Before the contribution in kind of the Second Closing Equity Consideration	
(A) Share capital (in EUR)	163,471,629.58
(B) Outstanding shares	270,380,936
(C) Fractional value (in EUR)	0.6046

Contribution in kind of the Second Closing Equity Consideration	
(A) Increase of share capital (in EUR)[(2)]..	831,123,31
(B) New Shares to be issued upon contribution in kind of the Second Closing Equity Consideration...	2,500,000
After the contribution in kind of the Second Closing Equity Consideration	
(A) Share capital (in EUR)..	164,302,752.89
(B) Outstanding shares..	272,880,936
(C) Fractional value (in EUR) (rounded) [(3)]	0.6021

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Notes:

(1) This simulation does not take into account the exercise or conversion of outstanding dilutive instruments.

(2) The Issue Price shall be fully booked as share capital as it is below the current fractional value (i.e., rounded to EUR 0.6046).

(3) The Issue Price is below the fractional value of the existing shares of the Company (i.e., (rounded) EUR 0.6046). Therefore, in accordance with article 7:178 of the Belgian Companies and Associations Code, after the completion of the issuance of the New Shares, all of the Company's outstanding shares will have the same fractional value, i.e., rounded to EUR 0.6021.

7.3. Participation in the consolidated accounting net equity

The evolution of the consolidated accounting net equity of the Company as a result of the issuance of the New Shares is simulated below.

The simulation is based on the following elements:

(a) The audited consolidated annual financial statements of the Company for the financial year ended on December 31, 2022 (which have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**")). The consolidated accounting net equity of the Company as at December, 31 2022 amounted to EUR 8,823 (000) (*i.e.*, USD 9,315 (000), on the basis of the Exchange Rate) or EUR 0.0542 (rounded) per share (based on 162,880,936 outstanding shares as at December, 31 2022). The simulation does not take into account any changes in the consolidated accounting net equity since December 31, 2022, except, however, that for the purpose of the simulation, the impact of the issuance of an aggregate of 107,500,000 shares on February 7, 2023 (for 100,000,000 shares) and March 8, 2023 (for 7,500,000 shares) will be taken into account. Notably, as a result of the closing of the above-mentioned transaction (without taking into account the possible effects of accounting items other than share capital and issue premium (e.g., the costs of the said transaction)):

   (i) the Company's share capital was increased, resulting in an increase of the Company's equity by EUR 39,932,464.39, for a total adjusted amount of EUR 48,755 (000); and

   (ii) the number of outstanding shares of the Company following the above-mentioned transaction amounts to 270,380,936 shares.

(b) The non-audited consolidated interim financial statements of the Company for six months ended on June 30, 2023 (which have been prepared in accordance with the International Accounting Standards 34, as adopted by the European Union ("**IAS 34**")). The consolidated accounting net equity of the Company as at June 30, 2023 amounted to EUR 25,249 (000) (i.e., USD 26,658 (000), on the basis of the Exchange Rate) or EUR 0.0934 (rounded) per share (based on 270,380,936 outstanding shares as at June 30, 2023). The simulation does not take into account any changes in the consolidated accounting net equity since June 30, 2023.

For further information on the Company's net equity position on the aforementioned dates, reference is made to the financial statements of the Company, which are available on the Company's website

Based on the assumptions set out above, as a result of the issuance of the New Shares, without taking into account the other dilutive instruments, the Company's accounting net equity on a consolidated basis would be increased as indicated below:

Evolution of the consolidated accounting net equity

Consolidated net equity for FY 2022 (adjusted)	
(A) Net equity (in EUR '000) (rounded)	48,755
(B) Outstanding shares...	270,380,936
(C) Net equity per share (in EUR) (rounded)	0.1803
Contribution in kind of the Second Closing Equity Consideration	
(A) Increase of net equity (in EUR '000)[1]	831
(B) New Shares to be issued upon contribution in kind of the Second Closing Equity Consideration..	2,500,000
After the contribution in kind of the Second Closing Equity Consideration	
(A) Net equity (in EUR '000) (rounded)	49,586
(B) Outstanding shares...	272,880,936
(C) Net equity per share (in EUR) (rounded)	0.1817
Consolidated net equity for H1 2023	
(A) Net equity (in EUR '000) (rounded)	25,249
(B) Outstanding shares...	270,380,936
(C) Net equity per share (in EUR) (rounded)	0.0934
Contribution in kind of the Second Closing Equity Consideration	
(A) Increase of net equity (in EUR '000)[1]	831
(B) New Shares to be issued upon contribution in kind of the Second Closing Equity Consideration..	2,500,000
After the contribution in kind of the Second Closing Equity Consideration	
(A) Net equity (in EUR '000) (rounded)	26,080
(B) Outstanding shares...	272,880,936
(C) Net equity per share (in EUR) (rounded)	0.0956

Notes:

(1) Consisting of the amount of the capital increase. From an IFRS perspective, however, part of the proceeds reflecting the expenses of the contribution in kind of the Second Closing Equity Consideration might not be recognized as equity. This is not reflected in the simulation.

The table above demonstrates that the issuance of the New Shares will, from a pure accounting point of view, lead to an increase of the amount represented by each share in the consolidated accounting net equity of the Company.

7.4. Financial dilution

The evolution of the market capitalisation as a result of the issuance of the New Shares is simulated below.

Subject to the methodological reservations noted in paragraph 7.1, the table below reflects the impact of the issuance of the New Shares, without taking into account other outstanding dilutive instruments, on the market capitalisation and the resulting financial dilution.

On October 19, 2023, the Company's market capitalisation was EUR 66,784,091.19 on the basis of a closing price of EUR 0.2470 per share. Assuming that, following the issuance of the New Shares, the market capitalisation increases exclusively with the contributed value on the basis of the parameters set out above, the new market capitalisation would then be rounded to EUR 0.2478. This would represent a (theoretical) financial accretion of 0.32% per share.

Evolution of the market capitalisation and financial dilution

Before the contribution in kind of the Second Closing Equity Consideration [(1)]	
(A) Market capitalisation (in EUR)...	66,784,091.19
(B) Outstanding shares..	270,380,936
(C) Market capitalisation per share (in EUR)	0.2470
Contribution in kind of the Second Closing Equity Consideration	
(A) Funds raised (in EUR)..	831,123,31
(B) New Shares to be issued upon contribution in kind of the Second Closing Equity Consideration..	2,500,000
After the contribution in kind of the Second Closing Equity Consideration [(1)]	
(A) Market capitalisation (in EUR)...	67,615,214.50
(B) Outstanding shares..	272,880,936
(C) Market capitalisation per share (in EUR) (rounded)................................	0.2478
Dilution/Accretion..	**0.32%**

Notes:

(1) As of the date of this report and without taking into account the exercise or conversion of other outstanding dilutive instruments.

7.5. Other financial consequences

For a further discussion on the financial consequences of the proposed Transaction, the board of directors refers to the reports prepared in connection therewith by the statutory auditor of the Company.

* * *

Done on October 19, 2023.

On behalf of the board of directors,

[*Signed*]
By: ________________________

[*Signed*]
By: ________________________

ANNEX

REPORT OF THE STATUTORY AUDITOR PREPARED IN ACCORDANCE WITH ARTICLE 7:198 *JUNCTO* ARTICLES 7:179 AND 7:197 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE