

MDxHealth Reports Half Year 2020 Results

Conference call with Q&A today at 08:00 CET / 07:00 GMT, details provided below

IRVINE, CA, and HERSTAL, BELGIUM – August 26, 2020 – MDxHealth SA (Euronext: MDXH.BR), a commercial-stage innovative molecular diagnostics company, today announced its financial results for the half year ended June 30, 2020.

Michael K. McGarrity, CEO of MDxHealth, commented:

“Despite the challenges presented by the pandemic, MDxHealth’s compelling value proposition, strong business fundamentals and emphasis on focus and execution remain unchanged. We are confident that our commitment to these growth and value drivers is evident based on the following:

- ConfirmMDx[®] volume, while down year over year, clearly reflected continued demand through this period of limited patient access and procedures. We view this as evidence of the initiatives we have driven toward sustainable adoption and utilization;
- Cash collections continued to improve even amid the impact of COVID-19 on unit volume;
- Operating discipline and focus on quality reflected in our uninterrupted laboratory operations, supply chain management and responsible capital allocation.

“While our 2020 guidance remains suspended given the challenge to forecast upcoming quarters amid COVID-19, we do expect to see patient flow and growth in associated volumes return as restrictions are lifted.

“As previously announced in May, we are excited to have received an infusion of growth capital into MDxHealth by MVM Partners, one of the highest quality healthcare investors in the United States and Europe. MVM’s investment marks an important validation milestone for the Company and signals recognition of the value proposition our molecular diagnostic tests provide in the diagnosis and treatment of prostate cancer.

“Our priority continues to be the health of our employees, as well as our customers and their patients in the current environment. Our MDxHealth team has adapted to the current challenges and remains committed to building value for all of our stakeholders, patients, customers, employees and shareholders.”

Highlights for the half year ended June 30, 2020

- Total revenues of \$9.9 million in H1-2020, down 9% as compared to \$10.9 million in H1-2019; ConfirmMDx revenues down 2% versus H1-2019
- ConfirmMDx billable test volume declined 12% to 7,662 versus 8,732 for the same period last year
- SelectMDx[®] billable test volume declined 48% to 6,485 versus 12,528 for the same period last year
- Cash use was \$12.9 million, a reduction of \$1.1 million, or 8%, versus cash use in H1-2019
- Strategic investment in the Company of EUR 12.7 million (or approximately \$14.2 million) by MVM V LP and MVM GP (No.5) LP, funds managed by MVM Partners LLP (collectively “MVM”)

Summary of billable test volume by product

Product	Half Year Ended June 30,		
	2020	2019	% Change
ConfirmMDx	7,662	8,732	(12)%
SelectMDx	6,485	12,528	(48)%

Financial review for the half year ended June 30, 2020

USD in thousands (except per share data) Unaudited	Half Year Ended June 30		
	2020	2019	% Change
Product revenue	9,596	10,571	(9)%
Royalties, patents and other income	284	302	(6)%
Total Revenue	9,880	10,873	(9)%
Gross Profit	4,686	4,964	(6)%
Operating expenses	(17,674)	(18,827)	(6)%
Operating loss	(12,988)	(13,863)	(6)%
Net loss	(13,709)	(14,138)	(3)%
Basic and diluted loss per share	(0.18)	(0.24)	(23)%

Total revenue for the first half of 2020 was \$9.9 million compared to total revenue of \$10.9 million for the first half of 2019. Revenue from ConfirmMDx and SelectMDx amounted to \$9.6 million, a decrease of 9% as compared to \$10.6 million a year earlier. Revenue from ConfirmMDx represented over 90% of product revenue for all periods.

Gross profit on products and services for the first half of 2020 was \$4.7 million as compared to \$5.0 million for the first half of 2019. Gross margins on products and services were 47.4% for the first half of 2020 as compared to 45.7% for the same period in 2019, representing a gross margin improvement of 180 basis points.

Operating expenses in the first half of 2020 were \$17.7 million, an improvement of \$1.1 million, or 6%, over the same period last year, primarily the result of consistent and continued operating discipline. Excluding non-cash expenses such as depreciation, amortization and stock-based compensation, operating expenses for H1-2020 were \$15.3 million, an improvement of \$1.5 million, or 9%, over H1-2019.

Operating loss and net loss for the first half of 2020 were \$13.0 million and \$13.7 million, respectively, with losses narrowing compared to \$13.9 million and \$14.1 million, respectively, over the same period in 2019, for the reasons stated above.

Cash and cash equivalents as of June 30, 2020 were \$23.8 million, strengthened by the equity investment of EUR 12.7 million (or approximately \$14.2 million) by MVM. Total cash collections amounted to \$11.5 million in H1-2020, a decrease of only 3% compared to the same period last year, despite volumes being lower due to the impact of COVID-19. Cash burn for H1-2020 was \$12.9 million compared to \$14.0 million in the prior year period, reflecting strong operating discipline. Cash and cash equivalents as of December 31, 2019 were \$22.1 million.

Subsequent events

- SelectMDx for Prostate Cancer test has been included in the 2020 National Comprehensive Cancer Network (NCCN) Guidelines for Prostate Cancer Early Detection.
- SelectMDx final local coverage decision (LCD) was delayed following retirement of previously issued draft LCD by Palmetto GBA, a Medicare Administrative Contractor (MAC) that assesses molecular diagnostic technologies under its Molecular Diagnostic Services (MoDx) program; the Company is

currently in communication with MolDx to update its technical assessment under the MolDx program for Medicare coverage of SelectMDx.

- Dr. Eric Bednarski's appointment as a new director was approved on 30 July 2020 by the MDxHealth special general shareholders' meeting ("SGM"). Dr. Bednarski currently serves as an Investment Manager and Partner at MVM Partners LLP. Dr. Bednarski previously served as a Partner at Advent Healthcare Ventures, as a Principal at Advent International Corporation, and as a Director in the Corporate Finance Group at Silicon Valley Bank, Inc.
- Regine Slagmulder BV, represented by Dr. Regine Slagmulder as permanent representative, was appointed as a new independent director on 30 July 2020 at the SGM. Dr. Slagmulder is a partner and full professor in management accounting & control at Vlerick Business School. Previously, Dr. Slagmulder worked as a strategy practice consultant at McKinsey & Company and as a professor of management accounting at INSEAD and at the University of Tilburg. 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.

COVID-19 and Outlook for 2020

The Company remains confident in its menu of commercial stage products to provide urologists with actionable results providing a clear clinical pathway to accurately identify clinically significant prostate cancer, while optimizing patient selection for 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 adoption and utilization of our menu.

The rapidly evolving market environment and ongoing developments on the COVID-19 front continue to make it difficult to project future results, and as such, management will not provide updates on its outlook for 2020 at the current time.

However, our commercial organization remains engaged with our customer base ensuring continued demand for, and ability to provide our services to patients and clinicians.

Conference Call

Michael K. McGarrity, Chief Executive Officer and Ron Kalfus, Chief Financial Officer, will host a conference call and Q&A session today at 08:00am CET / 07:00am GMT. The call will be conducted in English and a replay will be available for 30 days.

To participate in the conference call, please select your phone number below and use the Conference ID: 13708865

UK / International: 0 800 756 3429

Belgium: 0 800 739 04

The Netherlands: 0 800 023 4340

US: 1-201-689-8263

To ensure a timely connection, it is recommended that users register at least 10 minutes prior to the scheduled start time.

About MDxHealth

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. The Company's European headquarters are in Herstal, Belgium, with laboratory operations in Nijmegen, The Netherlands, and US headquarters and laboratory operations based in Irvine, California. For more information, visit mdxhealth.com and follow us on social media at: twitter.com/mdxhealth, facebook.com/mdxhealth and linkedin.com/company/mdxhealth.

Financial statements and auditor review

The Company's statutory auditor, BDO Bedrijfsrevisoren CVBA, has confirmed that its review procedures with respect to the Company's condensed consolidated financial statements as of and for the six-month period ended 30 June 2020, prepared in accordance with the International Financial Reporting Standards as adopted in the European Union, have been substantially completed. The aforementioned condensed consolidated financial statements are expected to be made available to the public via the Company's website in September 2020 at www.mdxhealth.com.

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