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Press release  
Regulated information –  
Inside information  
26 September 2019, 2:00 p.m. CEST

## **MDxHealth Launches Capital Increase and Secures Debt Financing from Kreos Capital**

**IRVINE, CA, and HERSTAL, BELGIUM** – 26 September 2019 – **MDxHealth** SA (Euronext Brussels: MDXH) (the "**Company**" or "**MDxHealth**"), a commercial-stage innovative molecular diagnostics company, announces the launch of a capital increase with the offering of new ordinary shares by means of a private placement (the "**Capital Increase**") and the entering into a loan agreement with Kreos Capital (the "**Debt Financing**").

MDxHealth is singularly focused on execution of its commercial and operating strategy, and sees initial results of this focus in the first two months of the current quarter, with growth of billed patient test volumes for ConfirmMDx versus both the first two months of Q3 2018 as well as versus the first two months of the last quarter. The Company will continue to focus on driving growth into its ConfirmMDx customer base, advancing its coverage for SelectMDx and P&L optimization through operating discipline.

The net proceeds of the Capital Increase and the Debt Financing will be used mainly to support the Company's stated strategy to grow the business by expanding the adoption of the Company's commercial test menu with urologists and payors, as well as for general corporate purposes.

### **Main Characteristics of the Capital Increase**

The Capital Increase will be an offering of new ordinary shares by means of a private placement targeted primarily to a large group of currently unidentified Belgian and foreign institutional, qualified and/or professional investors (including, subject to applicable securities law, rules and regulations, natural persons) in and outside of Belgium, with the intention to increase the share capital by up to 15%, with the possibility to upsize the Capital Increase.

Kempen is acting as Sole Bookrunner for the Capital Increase, which shall be structured as an accelerated bookbuilding. The bookbuilding procedure will commence immediately.

Biovest and Valiance, both existing shareholders of the Company, are supportive of the Capital Increase and intend to submit an order in the offering. The Capital Increase is open to institutional, qualified or professional investors and such other investors as permitted under applicable private placement exceptions, as aforementioned, and any final allocation to investors, as the case may be, will be made based on customary objective and pre-identified criteria. No guarantee has been given as to the final

allocation to any of Biovest or Valiance, or any of their affiliates or other persons, that any allocation will be made to them, or as to the size of any such allocation.

In the context of the Capital Increase, MDxHealth has agreed to a market customary 180 day lock-up period, subject to common exemptions.

The issue price per new share and the number of new shares effectively placed will be announced after completion of the Capital Increase in a subsequent press release.

Trading in the Company's shares on Euronext Brussels will be suspended during the bookbuilding period. If the Capital Increase is not completed before opening of trading on 27 September 2019, trading in MDxHealth shares on Euronext Brussels may be suspended and resume following the publication of the results of the Capital Increase.

### **Main Characteristics of the Debt Financing**

MDxHealth entered into a senior secured loan agreement with Kreos Capital for an available amount equal to the gross amount raised by the Capital Increase, but with a maximum of EUR 9,000,000, and provided that (i) at least EUR 4,500,000 is raised through the Capital Increase, and (ii) the loan is drawn by 1 November 2019 at the latest.

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. If certain conditions are satisfied, the interest only period can be extended to 18 months (with the principal and interest period reduced to 30 months);
- Interest: The loan accrues interest at a rate of 9.5% per annum;
- Fees: A number of fees will be 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 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;
- Convertible loan: Upon drawdown of the loan, the 7% drawdown fee will not be paid in cash but shall remain outstanding as a convertible loan. The convertible loan will not accrue interest and will not require any amortisation or repayment. The Company will 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: Upon the Expiration Date, the convertible loan will convert automatically into ordinary shares. Prior to the Expiration Date, Kreos Capital may at any time convert the convertible loan into new ordinary shares at a ratio equal to the lower of (i) 100% of the volume weighted average share price during the 30-day period ending ten days prior to the first drawdown of the loan, and (ii) the price per share paid in the Capital Increase;

- Cancellation of the convertible loan: In lieu of converting the convertible loan, Kreos Capital may instead cancel the convertible loan at any time 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 MDxHealth, but before the Expiration Date, cancel the convertible loan. In such case, Kreos Capital will be paid an amount equal to 150% of the principal amount of the convertible loan / drawdown fee;
- Board observer: Kreos Capital will be entitled to appoint a non-voting board observer;
- Change of control: The loan agreement contains a change of control clause and the loan agreement requires such to be approved by the Company's shareholders by no later than the annual general meeting to be held in 2020;
- Collateral: Security has been granted over all assets owned by MDxHealth and its subsidiaries, including IP rights (but excluding any shares in, and IP rights licensed to, MDxHealth or its subsidiaries);
- Contractual restrictions: The loan agreement does not contain financial covenants, but it does contain other customary restrictions on the business of MDxHealth and its subsidiaries (such as limitations on future disposals, financial indebtedness, security and acquisitions subject to certain carve-outs and limitations).

#### **About MDxHealth®**

MDxHealth is a multinational 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](https://mdxhealth.com) and follow us on social media at: [twitter](#), [facebook](#) and [linkedin](#).

#### **About Kreos Capital**

Kreos Capital is the leading provider of growth-debt financing to high-growth companies in Europe and Israel with revenues up to EUR 300 million. Since 1998, as the pioneer growth debt provider across Europe and Israel, Kreos has completed 540 transactions and committed more than EUR 2.3 billion in 15 different countries. Kreos is dedicated to supporting management teams and their equity investors with flexible loan structures for all stages of a growth company's development and to address the needs for growth capital, working capital, acquisition financings, lower mid-market buy-outs, roll-up strategies, banks re-financings as well as pre- and post-IPO financings. Kreos's most recent fund, EUR 700 million Kreos VI, was launched in January 2019. The Kreos global team has extensive debt financing, management and equity investing experience, covering the markets in Europe and Israel from its locations in London, Tel-Aviv and Stockholm.

**For more information:**

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### ***Important information***

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*Any offer of securities to which this announcement relates is only addressed to and directed at persons in member states of the European Economic Area ("EEA") who are "qualified investors" within the meaning of Article 2(e) of Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation") ("Qualified Investors"), or such other investors as shall not constitute an offer to the public within the meaning of Article 3.1 of the Prospectus Regulation. In addition, any offer of securities to which this announcement relates is in the United Kingdom, being distributed only to, and is directed only at, (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order, and (iii) any other person to whom it may otherwise lawfully be communicated (all such persons together being referred to as 'relevant persons'). The offering of securities to which this announcement relates will only be available to,*

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*No announcement or information regarding the offering, listing or securities of the Company referred to above may be disseminated to the public in jurisdictions where a prior registration or approval is required for such purpose. No steps have been taken, or will be taken, for the offering or listing of securities of the Company in any jurisdiction where such steps would be required, except for the admission of the new shares on Euronext Brussels. The issue, exercise, or sale of, and the subscription for or purchase of, securities of the Company are subject to special legal or statutory restrictions in certain jurisdictions. The Company is not liable if the aforementioned restrictions are not complied with by any person.*

### **Information to Distributors**

*Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended from time to time ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that the shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sole Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties.*

*For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.*

*Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.*

*Kempen & Co N.V. is acting exclusively for the Company and no one else in connection with the capital increase. In connection with such matters, it, its affiliates and its respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for*

*providing advice in relation to the capital increase or any other matters referred to in this announcement.*