



NEWS RELEASE – REGULATED INFORMATION – INSIDE INFORMATION

21 January 2021, 04:00 p.m. CET

## **MDxHealth Launches Capital Increase and Provides Preliminary 2020 Financial Results**

IRVINE, CA, and HERSTAL, BELGIUM – 21 January 2021 – 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 via an accelerated bookbuild offering (the "Capital Increase").

### **Preliminary 2020 Financial Results**

MDxHealth ended the fourth quarter of 2020 with second consecutive sequential increase in billable volume for both its ConfirmMDx and SelectMDx tests, at 3% and 6% respectively. Total billable volume for ConfirmMDx and SelectMDx for the fourth quarter of 2020 was 3,704 and 3,472, respectively.

Revenues for the fourth quarter of 2020 were USD 4.1 million. Revenues for the full year of 2020 were USD 18.5 million compared to USD 11.8 million for 2019 or pro-forma revenues of USD 21.9 million for 2019. While the impact of the global pandemic cannot be understated, the Company is encouraged by, and confident in, the continued adoption and utilization of its proprietary menu of SelectMDx and Confirm MDX tests, reflected in a decline of only 16% versus prior year pro forma revenues, compared to industry prostate cancer screening decline of 48%. The Company ended the year with a cash balance of USD 16 million.

Michael McGarrity, CEO of MDxHealth, commented "*We are very confident that our preliminary results, while clearly impacted by the pandemic, reflect strength in operating discipline and fundamental execution. In addition, we believe this financing represents confirmation of these fundamentals by the highest quality investment in the molecular diagnostics space, as well as continued belief in and commitment from our reference shareholders MVM, Valiance and Biovest.*"

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

The net proceeds of the Capital Increase will be used to drive further commercial focus and execution, to advance the Company's corporate strategy and for general corporate purposes.

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, professional and/or other investors (including, subject to applicable securities law, rules and regulations, natural persons) in and outside of Belgium, subject each time to applicable private placement exemptions, with the intention to increase the share capital with an amount up to EUR 20 million, with the possibility to upsize the Capital Increase.

The Capital Increase shall be structured as an accelerated bookbuilding, and the bookbuilding procedure will commence immediately. KBC Securities is acting as Sole Global Coordinator and together with Oppenheimer & Co. as Joint Bookrunners for the Capital Increase.

Biovest, Valiance and MVM (all as defined below) (the "**Pre-Committing Shareholders**"), each an important shareholder of the Company, are supportive of the Capital Increase and committed to submit orders in the offering for up to EUR 14.5 million in total. The subscription commitment of each Pre-Committing Shareholder is subject to the condition that the Company guarantees that at least a number of new shares be allocated to the Pre-Committing Shareholder so that such Pre-Committing Shareholder's existing shareholding percentage remains the same upon completion of the Capital Increase (but not exceeding, in any event the amount that will be subscribed for by the relevant Pre-Committing Shareholder) (the "**Guaranteed Allocation**"). Without prejudice to the Guaranteed Allocation, the Capital Increase is open to institutional, qualified, professional and/or other investors, as aforementioned, and any final allocation to investors, as the case may be, will be made based on customary objective and pre-identified criteria. Other than the aforementioned Guaranteed Allocation to the Pre-Committing Shareholders, no guarantee will be or has been given as to the final allocation to any other investors or shareholders.

The Pre-Committing Shareholders also agreed that if the Company is able to offer and allocate an aggregate number of new shares that is greater than 20% of the currently outstanding shares of the Company already admitted to trading on Euronext Brussels, the Company and the Joint Bookrunners will have the ability to allocate to the Pre-Committing Shareholders new shares that shall not be immediately admitted to listing and trading upon their issuance. In such case, the Company undertakes to apply to Euronext Brussels for the admission to trading and listing of those unlisted new shares, as soon as practicable after their issuance.

In the context of the Capital Increase, MDxHealth has agreed to a market customary 180-days standstill period on future share issuances, waivable by the Joint Bookrunners and subject to customary exceptions.

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 22 January 2021, trading in MDxHealth shares on Euronext Brussels may be suspended and resume following the publication of the results of the Capital Increase.

## **Corporate Developments**

Regine Slagmulder BV, permanently represented by Dr. Regine Slagmulder, has been appointed by the board of directors as chair of the audit committee on 1 January 2021. Regine Slagmulder BV, permanently represented by Dr. Regine Slagmulder, was nominated as an independent non-executive director at the Company's annual general shareholders' meeting held on 28 May 2020. Hilde Windels BV, permanently represented by Ms. Hilde Windels, former chair of the audit committee, will remain on the board of directors as an independent non-executive director.

## 2021 Reporting Calendar

- 3 March 2021: Publication of FY 2020 results
- 21 April 2021: Q1-2021 business update
- 27 May 2021: Annual general shareholders' meeting
- 26 August 2021: Publication of H1-2021 results
- 21 October 2021: Q3-2021 business update

## Additional information regarding related party transactions

The following information is provided pursuant to Article 7:97, §4/1 of the Belgian Companies and Associations Code.

As mentioned above, the Pre-Committing Shareholders, being Biovest NV ("**Biovest**"), Valiance Asset Management Limited (as investment manager and advisor on behalf of TopMDx Limited and Valiance Life Sciences Growth Investments SICAV-SIF respectively) (collectively, "**Valiance**") and MVM V LP and MVM GP (No.5) LP (collectively, "**MVM**"), each an important shareholder of the Company, are supportive of the Capital Increase and committed to submit orders in the offering for up to maximum EUR 14.5 million, subject to the aforementioned Guaranteed Allocation of new shares to the Pre-Committing Shareholders. The Pre-Committing Shareholders also agreed to be allocated shares that are not immediately admitted to listing, as aforementioned.

The aforementioned Pre-Committing Shareholders have representatives on the board of directors of the Company. In addition, MVM holds more than 20% of the shares in the Company. Each of the aforementioned Pre-Committing Shareholders can therefore be considered as a "related party" in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS). In view hereof, the board of directors of the Company applied, as far as needed and applicable, the procedure of Article 7:97 of the Belgian Companies and Associations Code in connection with the pre-commitments by the Pre-Committing Shareholders, which include a Guaranteed Allocation. The respective representatives of Biovest, Valiance and MVM on the Company's board of directors (being respectively, Gengest BV (represented by Rudi Mariën), Valiance Advisors LLP (represented by Jan Pensaert) and Dr. Eric Bednarski) did not participate in the deliberation and voting by the board of directors in relation to the Capital Increase.

Within the context of the aforementioned proceedings, prior to the launch of the Capital Increase, a committee of three independent directors of the Company (the "**Committee**") issued an advice to the board of directors in which the Committee assessed the participation of the Pre-Committing Shareholders in the Capital Increase as aforementioned.

In its advice to the board of directors, the Committee concluded the following: "*The Committee believes that the envisaged transaction, including the respective commitments of Biovest, Valiance and MVM to submit a subscription order for new shares in the transaction, and, to the extent that the Company is able to offer and allocate more than 18,138,288 new shares, to subscribe for registered unlisted new shares, and the guaranteed allocation to Biovest, Valiance and MVM of a portion of the shares that will be subscribed for by them pro rata to their current shareholding (as relevant, taking into account the amount that will be subscribed for by them),*

*are in the interest of the Company and of its shareholders, and are not manifestly abusive. Notably, the commitments from the aforementioned shareholders allow the Company to ensure that the transaction can proceed already for a substantial amount (provided that the board of directors or placement committee agrees to complete the transaction for such amount after the accelerated bookbuilding procedure. Furthermore, the commitments provide evidence of the support for the Company's business and strategy from its current important shareholders. The commitments are therefore an important means that can be used in the solicitation of interest with other potential investors. At the same time, the commitments allow the Company to improve the likelihood of success of the transaction. While the envisaged capital raising may entail a dilution for the shareholders and holders of subscription rights (share options) of the Company, a successful capital raising would be in the interest of the Company as, amongst other things, it would allow the Company to have access to equity financing in a fast and efficient manner to fund its activities and its ongoing working capital requirements. The guaranteed allocation allows the aforementioned shareholders to limit the dilution of their shareholding in the Company (and, in any event, the amount that will be subscribed for by them). But this guarantee is only limited to the current pro rata participation of these shareholders in the Company. In any event, the Committee notes that, subject to the launch of the transaction, the offering will be open to institutional, qualified, professional and/or other investors as permitted under the applicable private placement exemptions, as mentioned in the aforementioned report, and any final allocation to investors in excess of the guaranteed allocation to the aforementioned shareholders will be made on the basis of customary objective and pre-identified criteria. In view hereof, the Committee issues a favourable and unqualified opinion to the board of directors of the Company. "*

The Company's board of directors did not deviate from the Committee's favourable and unqualified conclusion. The Company's statutory auditor's assessment of the Committee's opinion and the minutes of the Company's meeting of the board of directors relating to the Capital Increase, is as follows: *"On the basis of our evaluation, we have not identified any significant inconsistencies in the financial and accounting information contained in the minutes of the board of directors and the opinion of the committee from the information available to us within the framework of our assignment."*

A copy of the reports that were prepared by the Company's board of directors and statutory auditor in accordance with Article 7:198 *juncto* Articles 7:179, 7:191 and 7:193 of the Belgian Companies and Associations Code will be available on the Company's website upon completion of the Capital Increase.

### **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](http://mdxhealth.com) and follow us on social media at: [twitter.com/mdxhealth](https://twitter.com/mdxhealth), [facebook.com/mdxhealth](https://facebook.com/mdxhealth) and [linkedin.com/company/mdxhealth](https://linkedin.com/company/mdxhealth).

**For more information:**

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**Important information**

*The MDxHealth logo, MDxHealth, ConfirmMDx and SelectMDx are trademarks or registered trademarks of MDxHealth SA (the "Company" or "MDxHealth"). All other trademarks and service marks are the property of their respective owners.*

*This press release contains forward-looking statements and estimates with respect to the anticipated future performance of MDxHealth and the market in which it operates. Such statements and estimates are based on assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable but may not prove to be correct. Actual events are difficult to predict, may depend upon factors that are beyond the Company's control, and may turn out to be materially different. MDxHealth expressly disclaims any obligation to update any such forward-looking statements in this release to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required by law or regulation. You should not place undue reliance on forward-looking statements, which reflect the opinions of MDxHealth only as of the date of this press release.*

*The information contained in this announcement is for general information only and does not purport to be full or complete. This announcement does not constitute, or form part of, an offer to sell or issue, or any solicitation of an offer to purchase or subscribe for shares, and any purchase of, subscription for or application for, shares. This announcement and the information contained herein are not for publication, distribution or release in, or into, directly or indirectly, the United States of America, Australia, Canada, Japan, South Africa or any other jurisdiction where to do so would be prohibited by applicable law or require registration thereof in, such jurisdiction. Any persons reading this announcement should inform themselves of and observe any such restrictions.*

*This announcement is not for distribution, directly or indirectly, in or into the United States. It does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended from time to time (the "U.S. Securities Act"), and the securities may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act) unless these securities are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. The Company and its affiliates have not registered, and do not intend to register, any portion of the offering of the securities concerned in the United States, and do not intend to conduct a public offering of securities in the United States.*

*Any offer of securities to which this announcement relates is only addressed to and directed at persons in the United Kingdom and member states of the European Economic Area (the "EEA") (each a "Member State") 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, as amended from time to time, to the extent implemented in the relevant Member State of the EEA) and any implementing measure in each relevant Member State of the EEA or, for the United Kingdom, as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018 (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. Each person in the United Kingdom or a Member State who initially acquires any of the Company's securities or to whom any offer of the*

*Company's securities may be made and, to the extent applicable, any funds on behalf of which such person is acquiring the Company's securities that are located in the United Kingdom or a Member State will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor.*

*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, and any invitation, offer or agreement to subscribe for, purchase, or otherwise acquire securities will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents.*

*This communication is not a prospectus for the purposes of the Prospectus Regulation. This communication cannot be used as basis for any investment agreement or decision. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the securities referred to herein.*

*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 the regulated market of 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 offered shares have been subject to a product approval process, which has determined that the offered 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 offered shares may decline and investors could lose all or part of their investment; the offered shares offer no guaranteed income and no capital protection; and an investment in the offered 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 Joint Bookrunners 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 offered shares.*

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

*KBC Securities and Oppenheimer & Co. are acting exclusively for the Company and no one else in connection with the capital increase. In connection with such matters, they, their affiliates and their 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.*