UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Amendment No. 1 to FORM 8-K on FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **August 1, 2014**

MGC Diagnostics Corporation

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation)

001-13543 (Commission File Number)	**41-1579150** (IRS Employer Identification No.)
350 Oak Grove Parkway Saint Paul, Minnesota (Address of principal executive offices)	**55127-8599** (Zip Code)

(651) 484-4874
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01 Completion of Acquisition or Disposition of Assets.

On August 1, 2014, MGC Diagnostics Corporation, through its newly established wholly owned subsidiary, MGC Diagnostics Belgium S.P.R.L., a private limited liability company, (collectively "MGC Diagnostics" or the "Company") completed the acquisition of MediSoft SA ("MediSoft"). MediSoft, based in Sorinnes, Belgium, was a privately held manufacturer of cardiorespiratory diagnostics products that was owned by Guy Martinot and Jean-Benoit Martinot (the "MediSoft Shareholders"). MediSoft has operating subsidiaries in France, Germany and Italy. The Company is filing this Amendment No. 1 to Current Report on Form 8-K/A to file the required financial statements and pro-forma financial information related to the acquisition under Items 9.01(a) and 9.01(b) of Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

Pursuant to Rule 8-04 of Regulation S-X, Financial Statements of Business Acquired or To Be Acquired, the Company hereby files the following financial statements of MediSoft:

- Report of Independent Audit Firm Baker Tilly Bedrijfsrevisoren Burg. CVBA
- Consolidated Balance Sheet as of December 31, 2013
- Consolidated Statement of Comprehensive Loss for the year ended December 31, 2013
- Consolidated Statement of Stockholders' Equity for the year ended December 31, 2013
- Consolidated Statement of Cash Flows for the year ended December 31, 2013
- Notes to Consolidated Financial Statements

Pursuant to Regulation S-X, Rule 8-04(e), and Items 8.A.5 and 17 of Form 20-F, the Company is not required to file MediSoft interim financial statements.

(b) Unaudited Pro Forma Financial Information

Pursuant to Rule 8-05 of Regulation S-X, Pro Forma Financial Information, the Company hereby files the following pro forma financial information of MGC Diagnostics Corporation:

- Unaudited Pro Forma Condensed Consolidated Balance Sheet of MGC Diagnostics Corporation as of July 31, 2014
- Unaudited Pro Forma Condensed Consolidated Statement of Loss of MGC Diagnostics Corporation for the nine months ended July 31, 2014
- Unaudited Pro Forma Condensed Consolidated Statement of Income (Loss) of MGC Diagnostics Corporation for the year ended October 31, 2013
- Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

Exhibit Number	Description
4.1	Form of Warrant dated August 1, 2014 delivered to MediSoft SA shareholders.*
10.1	Stock Purchase Agreement dated July 10, 2014 between MGC Diagnostics Belgium S.P.R.L., a private limited liability company, and Guy Martinot and Jean-Benoit Martinot.*
23	Consent of Independent Audit Firm
99.1	MGC Diagnostics Corporation press release dated August 1, 2014.*
99.2	Financial Statements of Business Acquired
99.3	Unaudited Pro Forma Financial Information

*Incorporated by reference to exhibit of the same number in the Company's Current Report on Form 8-K dated August 1, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MGC DIAGNOSTICS CORPORATION

Dated: October 15, 2014

By: /S/ Wesley W. Winnekins
Wesley W. Winnekins
Chief Operating Officer and Chief Financial Officer

Exhibit 23

CONSENT OF INDEPENDENT AUDIT FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-181866; 333-167102, 333-159929, 333-152015, 333-145653, 333-130940, 333-105387, 333-102171 and 333-102168) in the Amendment No. 1 to Form 8-K on Form 8-K/A being filed by MGC Diagnostics Corporation of our report dated October 14, 2014, relating to our audit of the consolidated financial statements of MediSoft SA and Subsidiaries for the year ended December 31, 2013 which are included in Item 9.01.

BAKER TILLY BELGIUM BEDRIJFSREVISOREN BURG. CVBA

Melle, Belgium
October 14, 2014

Exhibit 99.2

MediSoft SA and Subsidiaries
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2013

Report of Independent Audit Firm

To the Board of Directors and Stockholders
MediSoft SA and Subsidiaries
Sorinnes, Belgium

Independent auditor's report

Report on the Financial Statements

We were engaged to audit the consolidated financial statements of MediSoft SA and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of comprehensive loss, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

In the accompanying consolidated financial statements, inventories amount to $1,252,000 as of December 31, 2013. Since we were engaged subsequent to that date, we were unable to obtain sufficient audit evidence of the existence of the physical inventory as of December 31, 2013. Further, audit evidence supporting the valuation and cut-off of the inventory was not available. The Company's records do not permit the application of other auditing procedures to inventory.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements referred to in the first paragraph.

BAKER TILLY BELGIUM BEDRIJFSREVISOREN BURG. CVBA
Melle Belgium,
October 14, 2014

MediSoft SA and Subsidiaries
CONSOLIDATED BALANCE SHEET
As of December 31, 2013
(in thousands, except share amounts)

ASSETS		
Current assets:		
Cash	$	414
Accounts receivable, net		1,410
Amounts due from shareholder		36
Inventories, net		1,252
Prepaid expenses		2
Other assets		184
Total current assets		3,298
Deposits		16
Property and equipment, net		1,759
Intangible assets, net		39
Goodwill		399
Total assets	**$**	**5,511**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$	1,083
Accrued expenses		402
Employee compensation		417
Deferred income		109
Income taxes payable		11
Current portion of long-term debt		1,578
Other current liabilities		81
Total current liabilities		3,681
Deferred grants		213
Long-term debt		1,105
Deferred tax liability		163
Total liabilities		**5,162**
Commitments and contingencies (note 10)		
Stockholders' equity:		
Common stock, no par value. Authorized 2,317 shares, issued and outstanding.		238
Additional paid in capital		1
Accumulated earnings		338
Accumulated other comprehensive loss		(191)
Total stockholders' equity		**386**
Noncontrolling interest		(37)
Total equity		**349**
Total liabilities and equity	**$**	**5,511**

The accompanying notes are an integral part of these consolidated financial statements.

MediSoft SA and Subsidiaries
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
For the year ended December 31, 2013
(in thousands)

Net sales	$	6,268
Cost of products sold		3,242
Gross profit		**3,026**
Selling and marketing expenses		1,588
General and administrative expenses		1,000
Research and development expenses		732
Amortization expense		9
Bad debts		3
Operating loss		**(306)**
Interest income		(19)
Interest expense		109
Grant income		(216)
Other income		(82)
Total other (income) expenses		**(208)**
Loss before income taxes		(98)
Income tax expense		5
Net loss		(103)
Less: Net loss attributable to the noncontrolling interest		16
Net loss attributable to the MediSoft SA shareholders		(87)
Other comprehensive loss, net of tax:		
Foreign currency translation		(179)
Comprehensive loss	$	(266)

The accompanying notes are an integral part of these consolidated financial statements.

MediSoft SA and Subsidiaries
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the year ended December 31, 2013

(in thousands, except shares)	Number of Shares	Common Stock	Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-controlling Interest	Total Equity
Balance at January 1, 2013	2,317	$ 238	$ 1	$ 464	$ (12)	$ 691	$ (21)	$ 670
Net loss	—	—	—	(87)	—	(87)	(16)	(103)
Dividend	—	—	—	(39)	—	(39)	—	(39)
Foreign currency translation	—	—	—	—	(179)	(179)	—	(179)
Balance at December 31, 2013	2,317	$ 238	$ 1	$ 338	$ (191)	$ 386	$ (37)	$ 349

The accompanying notes are an integral part of these consolidated financial statements.

MediSoft SA and Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2013
(in thousands)

Cash flows from operating activities		
Net loss	$	(103)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense		206
Deferred tax benefit		(25)
Decrease (increase) in assets:		
(Increase)/decrease in accounts receivable, net		141
(Increase)/decrease in amounts due from shareholder		(11)
(Increase)/decrease in inventories, net		(117)
(Increase)/decrease in prepaid expenses		122
(Increase)/decrease in other assets		44
Increase (decrease) in liabilities:		
Increase/(decrease) in accounts payable		288
Increase/(decrease) in accrued expenses		(3)
Increase/(decrease) in employee compensation		(64)
Increase/(decrease) in deferred income		88
Increase/(decrease) in income taxes payable		(8)
Increase/(decrease) in other liabilities		66
Net cash provided by operating activities		**624**
Cash flows from investing activities		
Payments for acquisition of capital assets		(110)
Payments for intangible assets		(46)
Net cash used in investing activities		**(156)**
Cash flows from financing activities		
Dividends paid		(39)
Repayment of debt		(392)
Proceeds from debt		181
Net cash used in financing activities		**(250)**
Effect of exchange rate changes on cash		15
Net increase in cash		**233**
Cash, beginning of year		181
Cash, ending of year	**$**	**414**
Supplemental disclosure of noncash investing and financing activities:		
Cash paid for income taxes	$	34
Cash paid for interest expense		105
Changes to accrued liabilities related to fixed asset additions		55

The accompanying notes are an integral part of these consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Description of Business

MediSoft SA ("MediSoft") and its subsidiaries (the "Group") provide cardio-respiratory diagnostic equipment to health professionals worldwide.

(b) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

(c) Principles of consolidation

The consolidated financial statements include the accounts of MediSoft and its majority owned subsidiaries. The country of incorporation and the ownership structure of each subsidiary are listed below:

Legal Entity	Country of incorporation	Ownership %
MediSoft France S.A.R.L.	France	90%
MediSoft Ram Italia SRL	Italy	80%
MediSoft Germany GmbH	Germany	96.25%

All intra-group transactions and balances have been eliminated upon consolidation.

Each entity included within the consolidated financial statements has been adjusted to ensure consistent accounting policies are applied across the Group, unless otherwise stated. The consolidated financial statements are presented in US dollars, which is the Group's reporting currency. The functional currency of MediSoft and its subsidiaries is the Euro. Amounts are rounded to the nearest thousand, unless otherwise stated. The consolidated financial statements have been prepared under the historical cost convention.

(d) Significant Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of sales and expenses during the reporting periods. Significant estimates and assumptions by management affect the Group's revenue recognition, valuation of accounts receivable and inventory, assumptions used to determine fair value of goodwill and intangible assets, deferred tax liabilities and accounting for contingencies.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Group bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances.

(e) ***Fair Value of Financial Instruments***

Certain financial instruments are carried at cost on the consolidated balance sheets, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash, accounts receivable, accounts payable and accrued expenses.

(f) ***Fair value of Non-Financial Instruments***

The Group's non-financial assets and liabilities, such as goodwill, intangible assets, and other long-lived assets resulting from business combinations are measured at fair value using income approach valuation methodologies at the date of acquisition and subsequently re-measured if there are indicators of impairment. There were no indicators of impairment identified during the year ended December 31, 2013. As of December 31, 2013, the Group did not have any other non-financial assets or liabilities that were carried at fair value on a recurring basis in the consolidated financial statements or for which a fair value measurement was required.

(g) ***Revenue Recognition***

The Group recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, price is fixed or determinable, and collection of the resulting receivable is reasonably assured. Revenue recognition requires judgment and estimates, which may affect the amount and timing of revenue recognized in any given period.

The Group recognizes revenue when the goods are delivered. When a customer pays in advance, the deferred revenue is subsequently recognized as revenue in later reporting periods in accordance with our revenue recognition policies.

(h) ***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are stated net of an allowance for uncollectible accounts, which are determined by establishing reserves for specific accounts and consideration of historical and estimated probable losses. Account balances are charged against the allowance when the Group determines it is probable that the receivable will not be recovered.

(i) ***Inventory***

Inventory consists of raw materials, work in progress, and finished goods. Inventory is stated at the lower of cost or market, using the first-in, first-out and weighted average cost methods. Inventories are recorded net of reserves for excess or obsolete inventory, which are based on the age of inventory and an estimate of the likelihood the cost of inventory will be recovered based on forecasted demand and probable selling price.

(j) ***Property and Equipment***

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets.

The major categories of assets are depreciated over the following estimated useful lives:

Buildings and building improvements	5 to 20 years
Furniture and fixtures	3 to 15 years
Office and computer equipment	3 to 10 years
Machinery and equipment	5 to 20 years
Vehicles	5 years

(k) ***Intangible Assets and Goodwill***

Intangible assets subject to amortization
The intangible asset pertains to a license for MediSoft to use three apparatuses in hospitals, clinics, laboratories, polyclinics and in the practices of general or specialist physicians. Finite intangible assets are stated at cost less accumulated amortization. Amortization is computed on a straight-line method over the estimated useful life.

The major categories of assets are depreciated over the following estimated useful lives:

License fee	5 years
Computer software	3 years

Goodwill
Goodwill represents the excess of purchase price over fair value of net assets acquired in a business combination. Goodwill is not amortized but may be written down for subsequent impairment. Goodwill impairment is tested annually or when events occur or circumstances change that more likely than not would reduce the value of goodwill below its carrying value.

The goodwill impairment test involves two steps. The accounting guidance for goodwill allows companies the option to first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount before performing the two-step impairment test. The Company completed this analysis and determined that they would proceed with the first step for testing goodwill impairment in which the fair value of each reporting unit is compared with its carrying amount, including goodwill.

In the first step, the fair value of each reporting unit is compared with its carrying amount, including goodwill. The fair value of each reporting unit is determined based on expected discounted future cash flows and a market comparable method. If the carrying amount of a reporting unit exceeds its fair value, goodwill is considered impaired. If goodwill is considered impaired, an impairment loss equal to the excess of the carrying amount of goodwill over the implied fair value of the goodwill would be recorded. There was no goodwill impairment for the year ended December 31, 2013.

(l) ***Impairment of long-lived assets***

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted cash flows. If long-lived assets are impaired, an impairment loss is recognized and is measured as the amount by which the carrying value exceeds the estimated fair value of the assets.

(m) ***Income Taxes***

Income taxes are accounted for under the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Group records valuation allowances to reduce deferred income tax assets to the amount that is more likely than not to be realized. The Group determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more likely than not that a position will be sustained, no amount of the benefit attributable to the position is recognized. The tax benefit to be recognized of any tax position that meets the more likely than not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. See note 9 for further discussion of income taxes.

(n) ***Foreign currency translation***

Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment, where that local currency is the functional currency, are translated to U.S. dollars at exchange rates in effect at the balance sheet date, with the resulting translation adjustments directly recorded to a separate component of accumulated other comprehensive income (loss). Income and expense accounts are translated at average exchange rates during the year. Remeasurement adjustments are recorded in other income, net. The effect of foreign currency exchange rates on cash was not material for the year presented.

(o) ***Contingent Liabilities***

The Group estimates the amount of potential exposure it may have with respect to claims, assessments and litigation in accordance with Topic 450, Contingencies. The Group is not party to any lawsuit or proceeding that, in management's opinion, is likely to materially harm the Group's business, results of operations, financial condition or cash flows, as described in note 12. It is not always possible to predict the outcome of litigation, as it is subject to many uncertainties. Additionally, it is not always possible for management to make a meaningful estimate of the potential loss or range of loss associated with such litigation.

(p) ***Shipping and Handling Costs***

Shipping and handling costs are expensed as incurred and included in cost of products sold. Billings for shipping and handling are reflected within net sales in the consolidated statement of operations.

(q) ***Business and Credit Concentrations***

The Group sells its services to a significant number of large and small commercial customers throughout the world. One major customer accounted for 14.25% of annual Group net sales in 2013 and 19% of its accounts receivable as of December 31, 2013. The Group performs continuing credit evaluations of its customers.

(r) ***Evaluation of Subsequent Events***

The Group has evaluated subsequent events through October 13, 2014, which is the date the consolidated financial statements were available to be issued.

(2) Accounts receivable, net

Accounts receivables, net, as of December 31, 2013 consists of the following:

(in thousands)		
Trade receivables	$	1,581
Allowance for doubtful accounts		(171)
	$	1,410

The Group sells its French accounts receivable to a factoring company. The factoring company pays the Group for the receivables either upon collection, or for certain eligible customers, in advance of payment in the form of draw-downs on a line of credit set up for the Group's benefit. Eligible receivables sold are covered by credit insurance and thus are non-recourse to the Group; the remainder not covered by credit insurance is sold with recourse.

(3) Inventory, net

Inventory, net, as of December 31, 2013 consists of the following:

(in thousands)		
Raw materials	$	155
Finished goods		1,097
	$	1,252

(4) Other assets

Other assets, as of December 31, 2013 consists of the following:

(in thousands)		
Accrued income	$	99
VAT receivable		67
Other assets		18
	$	184

(5) Property and equipment, net

Property and equipment, net, as of December 31, 2013 consists of the following:

(in thousands)		
Land	$	120
Buildings and building improvements		2,802
Furniture and fixtures		266
Office and computer equipment		669
Machinery and equipment		172
Vehicles		19
		4,048
Accumulated depreciation		(2,289)
Property and equipment, net	$	1,759

Depreciation for the year ended December 31, 2013 was $197,000. Approximately $109,000 of the depreciation pertains to assets used in production and are included in cost of products sold in the accompanying consolidated statement of comprehensive loss. Approximately $27,000 of the depreciation pertains to assets used in general and administration and are included general and administration expenses in the accompanying consolidated statement of comprehensive loss. Approximately $35,000 of the depreciation pertains to assets used in research and development, and are included in research and development expenses in the accompanying consolidated statement of comprehensive loss. Approximately $26,000 of the depreciation pertains to assets used in selling and marketing, and are included in selling and marketing expenses in the accompanying consolidated statement of comprehensive loss.

(6) Intangibles, net

Intangibles, net, as of December 31, 2013 consists of the following:

(in thousands)		
Computer software costs	$	131
License		48
Accumulated amortization		(140)
	$	39

The Group amortizes its intangible assets over the estimated useful lives of the respective assets. Amortization expense related to intangible assets was $9,000 for year ended December 31, 2013.

Estimated future amortization expense for intangible assets recorded by the Group as of December 31, 2013 is as follows:

Years ending December 31,		**Amortization Expense**
(in thousands)		
2014	$	10
2015		10
2016		10
2017		9
	$	39

(7) Accrued expenses

The Group's accrued expenses, as of December 31, 2013 consists of the following:

(in thousands)		
Social obligations	$	173
Settlement		160
Other		69
	$	402

(8) Long-term debt

The Group has loans outstanding principally to ING Bank, Namur Invest, and Sofinex. Namur Invest and Sofinex are public corporations that lend to small and medium sized businesses in the Namur province of Belgium. Terms and conditions of the Group's outstanding loans, all of which are denominated in Euros, were as follows as of December 31, 2013:

(in thousands)		
MediSoft SA had a line of credit, interest accruing at the one month Euribor rate (0.214% at December 31, 2013) plus 1.5%, with no set fixed monthly payments through July 2014. The line of credit had a maximum availability of 650,000 Euros that was fully drawn down as of December 31, 2013. The line fully matures on July 31, 2014.	$	895
MediSoft SA has various notes payable to ING, interest accruing at fixed rates between 2.29% and 6.5%, with monthly principal payments, plus accrued interest through maturity dates ranging from December 2014 to August 2025.		924
MediSoft SA has various notes payable to Namur Invest, interest accruing at fixed rates between 3.5% and 6.55%, with monthly principal payments, plus accrued interest through maturity dates ranging from June 2014 to December 2017.		667
MediSoft SA has various notes payable to Sofinex, interest accruing at a fixed rate of 5.3%, with monthly principal payments, plus accrued interest, which matures in September 2017.		186
MediSoft SA has capital leases on vehicles, which are secured by the corresponding assets, interest accruing at the three month Euribor rate (0.284% at December 31, 2013) plus 3%, monthly payments, plus accrued interest, which matures in July 2014.		11
		2,683
Less current portion of long-term debt		(1,578)
	$	1,105

The line of credit and notes payables were secured by substantially all of the Group's land and building in Belgium.

On August 1, 2014, all of the loans were fully paid off following the acquisition of the Group by MGC Diagnostics Corporation.

MediSoft was in compliance with all financial covenants as of and for the year ended December 31, 2013.

Principal maturities of long term-debt are as follows:

For the years ended December, 31		
(in thousands)		
2014	$	1,578
2015		278
2016		248
2017		151
2018		61
Thereafter		367
	$	2,683

(9) Income taxes

The components of pre-tax loss for the year ended December 31, 2013 are as follows:

(in thousands)		
United States	$	—
Foreign		(98)
	$	(98)

The provision for income taxes for the year ended December 31, 2013 consists of the following:

(in thousands)		
Current		
Federal	$	—
State		—
Foreign		17
		17
Deferred		
Federal		—
State		—
Foreign		(12)
		(12)
	$	5

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2013 are as follows:

(in thousands)		
Net operating loss carryforwards	$	521
Valuation allowance		(521)
Net deferred non-current tax assets		—
Deferred like-kind exchange capital gain		(25)
Depreciation		(138)
Total deferred non-current tax liability		(163)
Net deferred non-current tax liability	$	(163)

The major reconciling items between the effective tax rate of the Group for the year ended December 31, 2013 and the domestic statutory income tax rate are adjustments for foreign income subject to lower tax rates, foreign exchange losses not subject to tax, and foreign income not subject to local taxes.

As of December 31, 2013, the Group had foreign net operating loss carryforwards of approximately $1,496,000. These foreign losses do not expire.

Deferred income taxes arise from temporary differences between the tax and financial statement recognition of revenue and expense. In evaluating the Group's ability to recover its deferred tax assets within the jurisdiction from which they arise, the Group considers all available positive and negative evidence, including reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. A valuation allowance of $521,000 as of December 31, 2013, has been provided for the foreign net operating losses where it has been determined that it is more likely than not, that the tax benefits will not be utilized.

The Group is subject to income taxes in many jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. In the ordinary course of business, there are many transactions and calculations in which the ultimate tax determination is uncertain. Although the Group believes the estimates for uncertain tax positions are reasonable and recorded in accordance with accounting standards, the final determination upon examination could be materially different than that which is reflected in historical income tax provisions and accruals. Additional taxes assessed as a result of an examination could have a material effect on the Group's income tax provision and net income in the period or periods in which the determination is made. Interest and penalties related to uncertain positions would been classified as a component of income tax expense. No interest and penalties are recognized in the statement of comprehensive loss for the year ended December 31, 2013.

The Group is subject to taxation in various foreign jurisdictions. Certain tax years could be subject to audit if selected by tax authorities. The Group is currently subject to audit in certain foreign jurisdictions for calendar years 2011 through 2013.

(10) Commitments and Contingencies

The Group has certain operating leases for vehicles. The following reflects future minimum payments under operating leases that have initial or remaining non-cancelable lease terms as of December 31, 2013:

For the years ended December, 31	Operating Leases	
(in thousands)		
2014	$	41
2015		36
2016		27
2017		14
Total minimum lease payments	$	118

Total rent expense incurred under operating leases amounted to $146,000 for the year ended December 31, 2013.

The Group did not have any off-balance sheet commitments, guarantees, or standby repurchase obligations as of December 31, 2013.

As of December 31, 2013, there were no other contingent liabilities. The Group had no capital commitments as of December 31, 2013.

(11) Equity

The Group has earnings which are restricted from distribution or are reserved due to regulatory requirements. The Group's accumulated earnings as of December 31, 2013 are restricted as follows:

(in thousands)		
Under Belgium law, when a company earns profits, 5% of the profits up to a certain threshold of the capital must be reserved (non-distributable).	$	24
Beligium tax law allows for companies to defer the taxes on capital gains of assets if the gains are used to purchase an asset in a like kind exchange. The capital gains are taxable in the future upon distribution, and as such, the Group has reserved a portion of retained earnings pertaining to the profits concerning the amount pertaining to said capital gains. The corresponding deferred tax liability is reflected in Note 9.		54
Under Belgium law, there are instances when a portion of the profit is deemed to be non-taxable. However, when the profit is distributed, the amount distributed becomes taxable. As such, the Group has reserved the portion of retained earnings pertaining to the future taxable profits.		299
Unrestricted equity (deficit)		(39)
	$	338

(12) Legal Matters

From time to time, the Group is involved in litigation incidental to the conduct of its business. In the ordinary course of business, the Group is a party to inquiries, legal proceedings and claims including, from time to time, disagreements with vendors and customers. The Group is not a party to any lawsuit or proceeding that, in management's opinion, is likely to materially affect the Group's business, results of operations, financial condition or cash flows.

(13) Subsequent Events

On August 1, 2014, the Group was acquired by MGC Diagnostics, a USA publicly listed entity. In addition, on the date of acquisition, all the outstanding long-term debt and outstanding amounts per the line of credit were paid off in full.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Pro Forma Condensed Consolidated Financial Statements have been primarily derived from the historical consolidated financial statements of MGC Diagnostics Corporation ("Company") and MediSoft SA ("MediSoft").

The Unaudited Pro Forma Condensed Consolidated Statements of Income (Loss) of MGC Diagnostics Corporation for the nine months ended July 31, 2014 and the year ended October 31, 2013, give effect to the acquisition (as described below) as if it was consummated on November 1, 2012. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of July 31, 2014, gives effect to the acquisition as if it was consummated on July 31, 2014.

MediSoft's fiscal year ends December 31. The Unaudited Pro Forma Condensed Consolidated Statement of Loss for the nine months ended July 31, 2014 includes the MediSoft results for the seven months ended July 31, 2014 and the two months ended December 31, 2013 derived from the historical statements included herein for the year ended December 31, 2013. The Pro Forma Condensed Consolidated Statement of Income (Loss) for the year ended October 31, 2013 includes the MediSoft results for the year ended December 31, 2013. The Pro Forma Condensed Consolidated Balance Sheet as of July 31, 2014 includes the balance sheet of MediSoft adjusted to reflect the preliminary purchase price allocation as of August 1, 2014, the closing date of the acquisition. There were no significant transactions outside the ordinary course of business for MediSoft in the months ended December 31, 2013 and July 31, 2014.

On August 1, 2014, the Company completed the acquisition of MediSoft and its French, Italian and German subsidiaries, through the Company's newly established wholly owned subsidiary, MGC Diagnostics Belgium S.P.R.L., a private limited liability company. The Company paid €5,800,000 ($7,771,000) and granted warrants to purchase 168,342 shares of the Company's stock at $7.96 per share (valued at $421,000) for all outstanding shares of MediSoft. The Company paid cash of approximately $2,295,000 to the debt holders to repay all of the outstanding indebtedness of MediSoft, with the remainder, approximately $5,476,000, paid to MediSoft shareholders.

The historical consolidated financial information has been adjusted in the pro forma financial statements to give effect to pro forma events that are: (i) directly attributable to the merger, (ii) factually supportable, and (iii) expected to have a continuing impact on the combined results of the Company and MediSoft.

The pro forma financial statements do not reflect any cost savings or associated costs to achieve such savings from operating efficiencies, synergies, utilization of MediSoft net operating loss carryforwards or other restructuring that may result from the acquisition.

In addition, the pro forma effects of debt financing obtained in connection with the purchase are included in the following pro forma statements.

Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in connection with the pro forma statements.

The pro forma financial statements have been presented for illustrative purposes only and do not reflect the impact of potential synergies. Therefore, the pro forma financial statements are not indicative of the results of operations and financial position that would have been achieved had the pro forma events taken place on the dates indicated, or the future consolidated results of operations or financial position of the combined company. The following information is only for the limited purpose of presenting what the results of operations and financial position of the combined businesses of the Company and MediSoft might have looked like had the merger taken place at an earlier date and should not be relied on for any other purpose.

The following pro forma financial statements should be read in conjunction with:

- the accompanying notes to the pro forma financial statements;
- the separate historical consolidated financial statements of MGC Diagnostics Corporation as of and for the year ended October 31, 2013, included in the Company' Form 10-K filed with the SEC;
- the separate historical consolidated financial statements of MGC Diagnostics Corporation as of and for the nine months ended July 31, 2014, included in the Company' Form 10-Q filed with the SEC; and
- the separate historical consolidated financial statements of MediSoft and subsidiaries for the year ended December 31, 2013, included herein;

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MGC Diagnostics Corporation and Subsidiaries
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of July 31, 2014
(in thousands)

	As of July 31, 2014			
	As Reported	**Acquisition of MediSoft SA and Subsidiaries**	**Pro Forma Adjustments**	**Pro Forma**
Assets				
Current Assets:				
Cash and cash equivalents	$ 15,353	$ 133	$ (7,771) d	$ 7,715
Accounts receivable, net	4,736	1,126	—	5,862
Inventories, net	5,024	665	—	5,689
Prepaid expenses and other current assets	1,367	114	—	1,481
Total current assets	26,480	2,038	(7,771)	20,747
Property and equipment, net of accumulated depreciation	1,034	2,681	—	3,715
Intangible assets, net	2,605	2,252	—	4,857
Goodwill	—	3,224	—	3,224
Other non-current assets	58	14	—	72
Total Assets	$ 30,177	$ 10,209	$ (7,771)	$ 32,615
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable	$ 2,922	$ 1,110	$ 91 e	$ 4,123
Employee compensation	1,134	523	—	1,657
Deferred revenue	3,450	79	—	3,529
Current portion of long-term debt	800	—	—	800
Other current liabilities and accrued expenses	646	58	—	704
Total current liabilities	8,952	1,770	91	10,813
Long-term liabilities:				
Long-term debt, less current portion	3,200	—	—	3,200
Long-term deferred revenue and other	2,685	—	—	2,685
Deferred tax liability	—	247	—	247
Total Liabilities	14,837	2,017	91	16,945
Commitments and Contingencies				
Shareholders' Equity:				
Common stock	420	—	—	420
Additional paid-in capital	22,935	8,192	(7,771) d	23,356
Accumulated deficit	(7,995)	—	(91) e	(8,086)
Accumulated other comprehensive loss	(20)	—	—	(20)
Total Shareholders' Equity	15,340	8,192	(7,862)	15,670
Total Liabilities and Shareholders' Equity	$ 30,177	$ 10,209	$ (7,771)	$ 32,615

MGC Diagnostics Corporation and Subsidiaries
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF LOSS
Nine months ended July 31, 2014
(in thousands, except per share amounts)

	Nine months ended July 31, 2014			
	As Reported	Acquisition of MediSoft SA and Subsidiaries	Pro Forma Adjustments	Pro Forma
Revenues				
Equipment, supplies and accessories revenues	$ 15,737	$ 5,220	$ —	$ 20,957
Service revenues and other income	4,591	—	—	4,591
	20,328	5,220	—	25,548
Cost of revenues				
Cost of equipment, supplies and accessories revenues	7,435	3,088	(17) a	10,506
Cost of service revenues	1,513	—	—	1,513
	8,948	3,088	(17)	12,019
Gross margin	11,380	2,132	17	13,529
Operating expenses:				
Selling and marketing	5,902	1,069	(11) a	6,960
General and administrative	4,160	623	(964) a,b	3,819
Research and development	2,014	546	1 a	2,561
Amortization of intangibles	20	—	212 a	232
	12,096	2,238	(762)	13,572
Operating loss	(716)	(106)	779	(43)
Interest expense (income), net	4	189	(28) f	165
Foreign currency loss	58	—	—	58
Loss before taxes	(778)	(295)	807	(266)
Provision for (benefit of) taxes	46	(39)	—	7
Net loss	$ (824)	$ (256)	$ 807	$ (273)
Loss per share:				
Basic	$ (0.20)			$ (0.07)
Diluted	$ (0.20)			$ (0.07)
Weighted average common shares outstanding:				
Basic	4,162		— c	4,162
Diluted	4,162		— c	4,162
Dividends declared per share	$ —			$ —

*Note that any reduction of loss attributable to minority interest has been ignored herein, since the minority interest was displaced in anticipation of the acquisition transaction.

MGC Diagnostics Corporation and Subsidiaries
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME (LOSS)
Year ended October 31, 2013
(in thousands, except per share amounts)

	Year ended December 31, 2013			
	As Reported	Acquisition of MediSoft SA and Subsidiaries	Pro Forma Adjustments	Pro Forma
Revenues				
Equipment, supplies and accessories revenues	$ 26,516	$ 6,268	$ —	$ 32,784
Service revenues and other income	5,124	—	—	5,124
	31,640	6,268	—	37,908
Cost of revenues				
Cost of equipment, supplies and accessories revenues	12,423	3,242	(23) a	15,642
Cost of service revenues	1,511	—	—	1,511
	13,934	3,242	(23)	17,153
Gross margin	17,706	3,026	23	20,755
Operating expenses:				
Selling and marketing	9,256	1,588	(15) a	10,829
General and administrative	4,762	1,003	(14) a	5,751
Research and development	2,241	732	2 a	2,975
Amortization of intangibles	21	9	283 a	313
	16,280	3,332	256	19,868
Operating income (loss)	1,426	(306)	(233)	887
Interest expense (income), net	(1)	90	125 f	214
Other (income)	—	(298)		(298)
Income (loss) before taxes	1,427	(98)	(358)	971
Provision for taxes	70	5		75
Net income (loss)	$ 1,357	$ (103)	$ (358)	$ 896
Income (loss) per share:				
Basic	$ 0.34			$ 0.23
Diluted	$ 0.34			$ 0.22
Weighted average common shares outstanding:				
Basic	3,982		— c	3,982
Diluted	4,045		— c	4,045
Dividends declared per share	$ 0.45			$ 0.45

*Note that any reduction of loss attributable to minority interest has been ignored herein, since the minority interest was displaced in anticipation of the acquisition transaction.

MGC Diagnostics Corporation and Subsidiaries
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME (LOSS)

Note 1 – Description of the Transaction

On August 1, 2014, the Company completed the acquisition of MediSoft and its French, Italian and German subsidiaries, through the Company's newly established wholly owned subsidiary, MGC Diagnostics Belgium S.P.R.L., a private limited liability company. The Company paid €5,800,000 ($7,771,000) and granted warrants to purchase 168,342 shares of the Company's stock at $7.96 per share (valued at $421,000) for all outstanding shares of MediSoft. The Company paid cash of approximately $2,295,000 to the debt holders to repay all of the outstanding indebtedness of MediSoft, with the remainder, approximately $5,476,000, paid to MediSoft shareholders.

Note 2 – Basis of Pro Forma Presentation

The pro forma statements of income (loss) for the nine months ended July 31, 2014 and the year ended October 31, 2013, give effect to the acquisition as if the acquisition was consummated on November 1, 2012, in each case. The pro forma balance sheet as of July 31, 2014, gives effect to the acquisition as if it was consummated on July 31, 2014.

The pro forma financial statements have been derived from the historical consolidated financial statements of MGC Diagnostics Corporation and MediSoft. Assumptions and estimates underlying the pro forma adjustments are described in these notes, which should be read in conjunction with the pro forma financial statements. The pro forma financial statements have been prepared based upon preliminary estimates and assumptions and the final amounts recorded as of the date of the acquisition may differ materially from the information presented.

MediSoft's fiscal year ended December 31. The pro forma statement of loss for the nine months ended July 31, 2014 includes the MediSoft results for the seven months ended July 31, 2014 and the two months ended December 31, 2013, derived from the audited statements included herein for the year ended December 31, 2013. The pro forma statement of income (loss) for the year ended October 31, 2013 includes the MediSoft results for the year ended December 31, 2013. The pro forma balance sheet as of July 31, 2014 includes the balance sheet of MediSoft adjusted to reflect the preliminary purchase price allocation as of August 1, 2014, the closing date of the acquisition. There were no significant transactions outside the ordinary course of business for MediSoft in the months ended December 31, 2013 and July 31, 2014.

The total purchase price was $8,191,742, which was calculated as follows:

Cash paid to pay off existing MediSoft debt holders	$	2,295,615
Cash paid to selling shareholders		5,475,225
		7,770,840
Fair value of warrants granted to selling shareholders		420,902
Total purchase price	$	8,191,742

Under United States Generally Accepted Accounting Principles ("GAAP"), the purchase price has been allocated to the fair values of the assets acquired and the liabilities assumed. For the purpose of measuring the estimated fair value of the assets acquired and the liabilities assumed, the Company has applied the accounting guidance for fair value measurements in Accounting Standards Codification Topic 820, *Fair Value Measurement*. Fair value is defined as the price that would be received to sell an asset or paid to transfer in an orderly transaction between market participants as of the measurement date, which, in this case, is the closing date of the acquisition. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal (or most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result, the pro forma financial statements may record assets which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect the Company's intended use of those assets. Many fair value measurements can be highly subjective and it is also possible that others applying reasonable judgment to the same facts and circumstances could develop and support a range of alternative estimated amounts.

The pro forma financial statements also reflect the $4,000,000 term loan proceeds received on July 24, 2014, when the Company entered into a credit agreement (“Agreement”) with BMO Harris Bank NA (“Bank”).

The Agreement includes a $4.0 million term loan and $3.0 million revolving credit facility that includes a $500,000 sub-limit for the issuance of standby and commercial letters of credit. The term loan, which bears interest at a floating rate currently equal to 5.0%, is payable in equal monthly principal installments of $67,000 over a five-year period ending July 24, 2019. The Company used the term loan proceeds of $4,000,000 in connection with its acquisition of MediSoft.

Note 3 – Allocation of Purchase Price to Assets Acquired and Liabilities Assumed

The following is the preliminary allocation of fair values to the assets acquired and the liabilities assumed by the Company in the acquisition, reconciled to the purchase price:

(in thousands)		Preliminary Fair Value
ASSETS:		
Current Assets:		
Cash and cash equivalents	$	133
Accounts receivable		1,126
Inventories		665
Prepaid expenses and other current assets		114
Total current assets		2,038
Property and equipment		2,681
Goodwill		3,224
Intangible assets		2,252
Other non-current assets		14
Total Assets	$	10,209
LIABILITIES AND EQUITY:		
Current Liabilities:		
Accounts payable	$	1,110
Employee compensation		523
Deferred revenue		79
Other current liabilities and accrued expenses		58
Total current liabilities		1,770
Deferred tax liability		247
Total Liabilities		2,017
Purchase Price	$	8,192

Note 4 – Adjustments to Pro Forma Financial Statements

<u>Adjustments Related to Acquisition only:</u>

Adjustments to Pro Forma Statements of Income (Loss)

(a) Depreciation and amortization adjustments reflect the allocation of fair value of the acquired tangible fixed assets and the separately identifiable intangible assets with finite lives (other than goodwill) which are expected to increase (decrease) the expense reflected in the historic income (loss) of the MediSoft operation in the following categories of expenses:

(in thousands)	Nine months ended July 31, 2014	Year ended October 31, 2013
Cost of equipment, supplies and accessories	$ (17)	$ (23)
Selling and marketing	(11)	(15)
General and administrative	(10)	(14)
Research and development	1	2
Amortization	212	283
	$ 175	$ 233

(b) Elimination of costs included in Company general and administrative expenses directly related to the acquisition transaction totaling $954,000.

(c) Assumed warrant exercises of 168,342 shares at $7.96 per share less treasury stock method repurchases at the average stock price of $10.71 totaling 125,126 shares for the nine months ending July 31, 2014. However, given the loss for the period, the incremental shares are excluded from the earnings per share calculation as they are considered anti-dilutive. The average stock price of $7.68 for the year ended October 31, 2013 makes these warrants anti-dilutive and, as such, the effects of the warrants are excluded from the earnings per share calculation.

Adjustments to Pro Forma Balance Sheet

(d) Cash paid to MediSoft debt holders and shareholders totaling $7,771,000.

(e) Estimated accrued future expenses directly related to the acquisition transaction totaling $91,000.

<u>Adjustments Related to Acquisition Related Borrowing Costs:</u>

Adjustments to Pro Forma Statements of Income (Loss)

(f) Incremental cash interest expense, calculated at 5% of $4,000,000 for the periods reported, amortization of deferred financing costs (totaling $71,000), and foregone interest income on $3,771,000 of cash equivalent securities used in the acquisition, less historic interest expense of MediSoft, is as follows:

(in thousands)	Nine months ended July 31, 2014	Year ended October 31, 2013
Interest on new borrowing-cash	$ 150	$ 200
Amortization of deferred financing costs	11	14
Foregone interest earnings	—	1
Historic interest expense of MediSoft	(189)	(90)
	$ (28)	$ 125