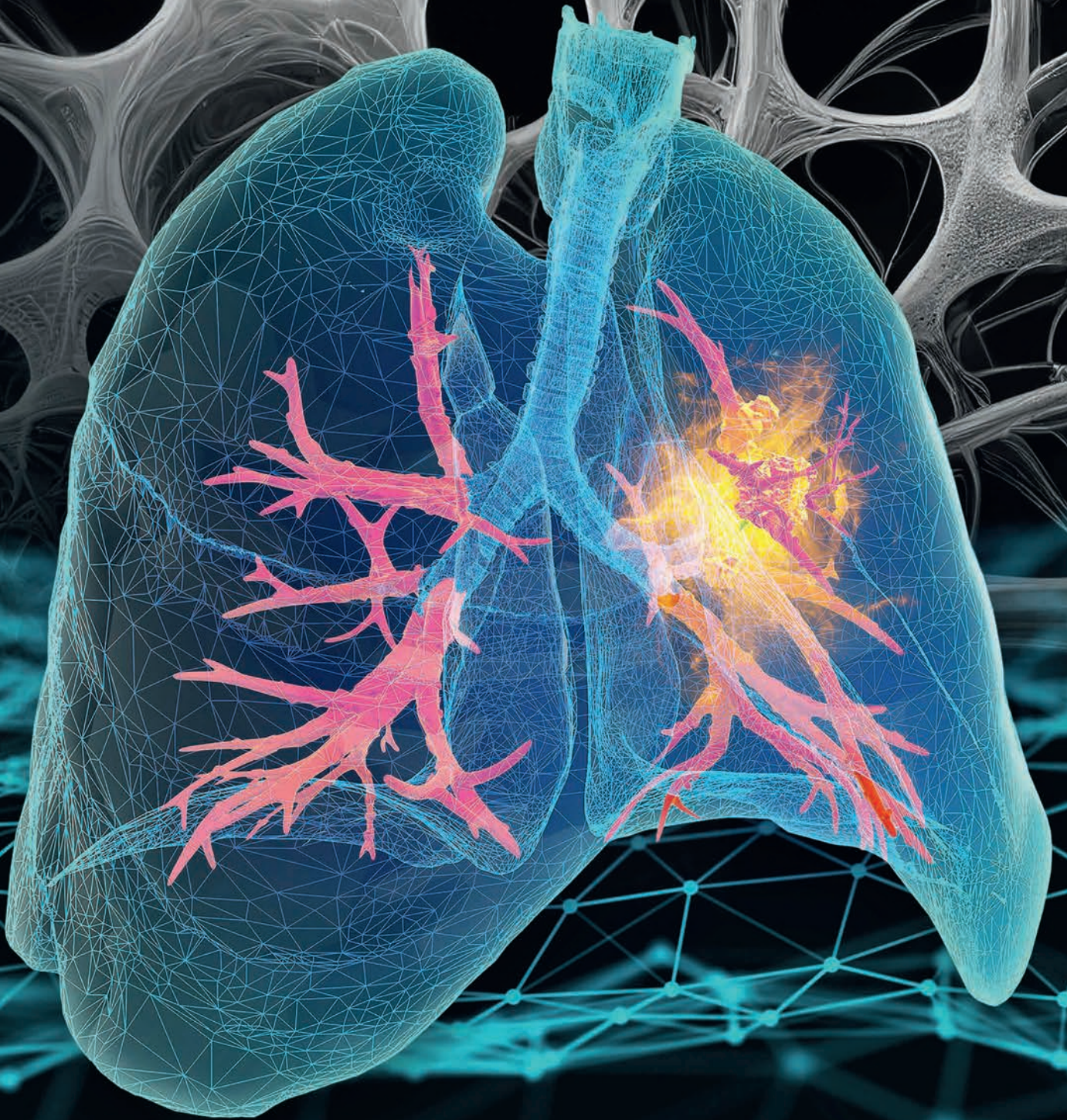


Annual Report

MeVis Medical Solutions AG

2021/2022



MeVis

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FOREWORD BY THE EXECUTIVE BOARD

*Dear Shareholders, Customers,
Business Partners, and Employees,*

Fiscal year 2021/2022 was a very successful year for MeVis, despite the global impact of the Corona pandemic and the conflict between Russia and Ukraine. Despite the difficult circumstances, sales increased much more positively than expected in some areas compared to the previous year. For example, the licensing business, the maintenance business and development services developed very positively compared with the previous year. Despite a planned increase in costs, earnings after taxes also developed excellently.

To the financial ratios in detail:

Sales in the past fiscal year 2021/2022 amounted to € 18.8 million (compared to € 16.2 million in fiscal year 2020/2021). 28% (previous year: 30%) of revenues were generated from the sale of licenses, 32% (previous year: 34%) from maintenance revenues, and 40% (previous year: 36%) from other revenues, which include services provided to and recharges made to affiliated companies and the parent company.

The year-on-year improvement in revenue from licenses and maintenance is mainly due to the sharp rise in the average USD exchange rate, as invoices are mainly denominated in USD. Licenses sold were almost stable. The year-on-year improvement in other revenue is due to an increase in revenue from development services.

The **results** are very satisfactory. **EBIT** (earnings before interest and taxes) of €7.9 million was generated in 2021/2022, compared with €4.6 million in 2020/2021. EBIT margin improved accordingly to 42% from 28% a year earlier.

As a result of the fiscal unity, only minor **income taxes** of € 0.1 million were incurred in the past financial year, identical to the previous year.

This results in **earnings after taxes** of € 7.8 million (41% margin) for the financial year 2021/2022, compared to € 4.5 million (28% margin) in 2020/2021. The profit of € 7,789 k will be transferred to Varex Imaging Deutschland AG on the basis of the control and profit transfer agreement.

This year, the percentage distribution of sales among the three areas of licenses, maintenance, and development services was again similar to that of the previous fiscal year, but with significantly more sales in total. In digital mammography, we had the largest increase in sales. Revenues from our customer Hologic increased by more than € 1.5 million, and we are pleased to report that both license revenues and maintenance revenues increased. In fiscal year 2021/2022, digital mammography contributed the largest share of 52.5%, digital mammography accounted for the largest share of MeVis' total sales.

Development Services performed slightly better than we had expected in the past fiscal year. Due to the acquisition of Varian Medical Systems by Siemens Healthineers, future cooperation was not easy to forecast. Fortunately, the cooperation continued to develop positively. Revenues from development services with Varex Imaging Corporation decreased slightly. Here, we are working jointly on human medical, veterinary and industrial software applications relating to both image acquisition and image post-processing.

Business with our lung cancer screening solutions developed slightly positively in 2021/2022 compared to fiscal 2020/2021. We sense an increasing demand for commercial use for the early detection of lung cancer. Unfortunately, lung cancer screening has still not passed the status of funding such screening programs in many countries. In many regions, there is still no final clarification of which provider will cover the costs of lung cancer screening and how much will be covered. However, the signs are very positive, as more and more countries are taking a close look at financing. The market outlook for nationwide lung cancer screening remains very positive.

The topic of mammography diagnostics also developed more positively again at MeVis last year. Demand for our software solutions increased again. The demand for the further development of tomosynthesis and multi-modal breast diagnostics increasingly. The cooperation with our customer Hologic continued to develop positively.

The area of liver surgery solutions also developed positively in the past market. Following the market launch of MeVis' own software application, in addition to the very well-established liver service which has been provided by MeVis for many years, we are looking positively to the coming years.

As we expected, the topic of artificial intelligence is taking up more and more space in medical and industrial software applications. We are significantly engaged in this area in order to keep our applications competitive and to further expand our market position.

For the financial year 2022/2023, sales are now expected to remain almost stable compared to the previous year at € 18.0 million to € 18.5 million. In addition to stable sales with the customer Hologic, only slightly increasing sales are expected in the lung and liver area. We expect a slight decline in the area of development services. For earnings before interest and taxes (EBIT), we expect a decrease in the range of € 4.5 million to € 5.0 million. The forecast stability in sales and the simultaneous increase in personnel costs, in addition to a significant negative result from exchange rate differences, is the main driver for the outlook of EBIT.

While the environment around us remains extremely challenging and difficult to predict, I am confident that the measures we have taken in the past, which have made our company stronger and more resilient, will enable us to meet any new challenges as well.

I am very much looking forward to hopefully welcoming our shareholders again this year at an attendance event at our planned Annual General Meeting on March 21, 2023.

Once again, I would like to thank all employees in the Company for all your hard work and for your continued commitment and dedication to MeVis. I would also like to thank our business partners, customers and shareholders for their trust.



Marcus Kirchhoff
CEO

REPORT OF THE SUPERVISORY BOARD FOR THE FISCAL YEAR 2021/2022

Dear Shareholders,

The Supervisory Board of MeVis Medical Solutions AG continued its trusting and goal-oriented cooperation with the Executive Board in fiscal year 2021/2022. In accordance with the duties incumbent upon it under the law, the Articles of Association and the rules of procedure, it advised and monitored the Executive Board. The Executive Board regularly informed the Supervisory Board in writing and verbally about the business situation and development, the current earnings situation, potential risks, planning, investments and organizational measures. The Supervisory Board was involved in all important decisions and passed the resolutions required by law, the Articles of Association and the Rules of Procedure. The Supervisory Board's decisions were based on the reports and resolution proposals of the Executive Board, which were examined in detail. The Chairwoman of the Supervisory Board was also in close contact with the Executive Board between Supervisory Board meetings in fiscal year 2021/2022 and provided advice on strategy, planning and business performance. She also kept herself informed about major business transactions. Outside meetings she also informed the other Supervisory Board members and discussed current developments with them.

CHANGES TO THE SUPERVISORY BOARD AND EXECUTIVE BOARD

There were no changes to the Supervisory Board in fiscal year 2021/2022. The Supervisory Board currently comprises Ms. Kimberley Honeysett (Chairwoman of the Supervisory Board), Mr. Shubham Maheshwari (Vice Chairwoman of the Supervisory Board) and Mr. Sunny Sanyal. The Supervisory Board of the Company is also the Audit Committee. Mr. Maheshwari was elected Chairman of the Audit Committee.

There were also no changes to the Executive Board in the reporting year: Mr. Marcus Kirchhoff heads the company as sole member of the Executive Board.

SUMMARY OF THE MEETINGS OF THE SUPERVISORY BOARD

The Supervisory Board held four regular meetings in fiscal year 2021/2022 - each with the participation of the Executive Board - all of which were held as videoconferences due to the ongoing Corona pandemic and for the protection of the participants. Ms. Honeysett and Mr. Sanyal attended all four meetings. Mr. Maheshwari attended three meetings and received extensive reports on the fourth meeting. In addition to the Company's results of operations, financial position and net assets, the main topics discussed in the year under review were general market developments and the opportunities and risks arising for the Company as a result. A particular focus was on the further expansion of existing customer relationships and the establishment of new ones, as well as the expansion of the product portfolio. Cooperation in the product area with solutions from Varex and other customers in the area of development services were an additional focus. As in the previous fiscal year, a particular challenge was the ongoing Corona pandemic and its impact on the company's economic development. Another area of focus since February 2022 has been the assessment of the economic consequences of the Russia-Ukraine conflict for the Company and the associated supply bottlenecks, price increases, energy price increases, and concerns about rising inflation rates, restrained purchasing power, and fears of recession.

The meeting on January 19, 2022 focused on the adoption and approval of the annual financial statements, the report of the Supervisory Board for the fiscal year 2020/2021 and the results of the audit conducted by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen. To this end, the Executive Board presented the annual financial statements and management report of MeVis Medical Solutions AG for the fiscal year 2020/2021 prepared in accordance with the provisions of the German Commercial Code (HGB). In addition to the Executive Board, the responsible auditor of the financial statements attended the meeting and reported to the Supervisory Board in detail on the key findings of the audit. Following the meeting, the annual financial statements were approved by the Supervisory Board by circular resolution and thus adopted. The agenda for the virtual Annual General Meeting of MeVis Medical Solutions AG scheduled for March 23, 2022, including the required resolution proposals to the Annual General Meeting, was also approved. The Executive Board also

reported in detail on the current business situation of the Company including the net assets, financial position and results of operations and the risk report.

The meeting on March 23, 2022 was held following the virtual Annual General Meeting. The Executive Board reported on the Company's Annual General Meeting, which was not attended by the Supervisory Board as the Annual General Meeting was held as a virtual event due to the pandemic and the associated travel restrictions. Furthermore, the Executive Board reported in detail on the current business situation of the Company and on the business relationship and cooperation with the customer Hologic and the joint venture partner Siemens Healthcare GmbH.

At the meeting on July 1, 2022, the Supervisory Board dealt with the Executive Board's report on the Company's business situation, including the net assets, financial position and results of operations for the first nine months. Furthermore, with regard to the current figures, existing and new projects were explained in detail and the business relations and future prospects with customers, partners and in particular the current situation of the joint venture with Siemens were discussed.

In addition to the Executive Board's report on current business developments, the meeting on September 21, 2022 focused on the situation of the Company and the discussion and approval of the business plan for fiscal year 2022/2023. The meeting dates for fiscal year 2022/2023 were also agreed and the financial calendar presented.

CORPORATE GOVERNANCE

The Executive Board and Supervisory Board support the initiative of the Government Commission on the German Corporate Governance Code, which summarizes the standards of good and responsible corporate governance, and jointly issue a regularly updated declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). A detailed presentation of corporate governance at MeVis, including information on Section 289f of the German Commercial Code (HGB), the Supervisory Board's objectives for its future composition and the most recent declaration of conformity issued jointly by the Supervisory Board and the Executive Board on September 9, 2022, can be found in the corporate governance statement in these annual financial statements or published on the company's website. The Supervisory Board has examined these disclosures and explanations, which it considers to be complete, and adopts them as its own.

Conflicts of interest on the part of Executive Board and Supervisory Board members, which had to be disclosed to the Supervisory Board and about which the Annual General Meeting has to be informed, again did not occur in fiscal year 2021/2022.

The members of the Supervisory Board undertake the training and continuing education measures required for their duties on their own responsibility. They regularly inform themselves through internal and external sources about the current requirements for their activities and about significant developments, e.g. relevant innovations in legislation and case law as well as changes in accounting and auditing. They receive appropriate support in this regard from MeVis Medical Solutions AG.

ANNUAL FINANCIAL STATEMENTS

The annual financial statements and management report of MeVis Medical Solutions AG for the fiscal year 2021/2022, prepared in accordance with the accounting provisions of the German Commercial Code, were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, the auditors elected by the Annual General Meeting and appointed by the Supervisory Board, and issued with an unqualified audit opinion. The annual financial statements and management report for fiscal year 2021/2022 were submitted to the Supervisory Board by the Executive Board together with the corresponding audit report in good time and examined by the Supervisory Board. The annual financial statements and management report for fiscal year 2021/2022 were discussed in detail between the Supervisory Board and the Executive Board at the Supervisory Board's financial statements meeting on January 18, 2023. The Supervisory Board had the opportunity to consult with the auditors, who attended the meeting. The Supervisory Board had no objections to the annual financial statements prepared by the Executive Board in accordance with the German Commercial Code (HGB) as of September 30, 2022, and approved them by circular resolution following the meeting on January 23, 2022. The annual financial statements in accordance with HGB are thus adopted.

THANKS TO

The Supervisory Board would like to thank the Executive Board and all employees for the successful fiscal year 2021/2022 and the shareholders for the trust they have placed in MeVis Medical Solutions AG.

Bremen, January 23, 2023

For the Supervisory Board

Kimberley Honeysett

CORPORATE GOVERNANCE STATEMENT

(CORPORATE GOVERNANCE REPORT)

Corporate governance stands for responsible, transparent corporate management and control geared to long-term value creation. The Executive Board and Supervisory Board report annually on the company's corporate governance. We have combined the declaration on corporate governance pursuant to § 289f HGB as of September 30, 2022 with the Corporate Governance Report. It forms an integral part of the management report and includes the Declaration of Conformity with the German Corporate Governance Code (GCGC), relevant disclosures on corporate governance practices and a description of the working methods of the Executive Board and Supervisory Board and their composition, the targets set in accordance with section 76 (4) and section 111 (5) of the German Stock Corporation Act (AktG), and information on the achievement of the targets. The principles of corporate governance and the corporate governance statement are also made available on the company website at www.mevis.de/investor-relations/corporate-governance/.

DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 AKTG

Since issuing the last declaration of conformity dated September 9, 2021, updated and supplemented on January 25, 2022, MeVis Medical Solutions AG has complied with the recommendations of the German Corporate Governance Code as amended on December 16, 2019 (GCGC) with the exceptions stated and justified in the declarations dated September 9, 2021 and January 25, 2022.

For the period from September 9, 2022, the Executive Board and the Supervisory Board declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that MeVis Medical Solutions AG complies and will in future comply with the recommendations of the German Corporate Governance Code in the version dated April 28, 2022 (GCGC) with the following exceptions:

C.1 Sentence 6, C.6, C.9, C.10 Sentence 2 Independence of Supervisory Board Members

The Supervisory Board of the Company consists of three members. All seats on the Supervisory Board are occupied by persons employed by group companies of Varex Imaging Corporation. Varex Imaging Corporation holds the majority of shares in the Company via Varex Imaging Deutschland AG. In addition, a control and profit transfer agreement exists between Varex Imaging Deutschland AG and the Company. Accordingly, in deviation from C.1 sentence 6, C.6, C.9, C.10 sentence 2 GCGC, the Supervisory Board does not include any members who are independent of a controlling shareholder. From the Company's point of view, the complete composition of the Supervisory Board with members attributable to the controlling shareholder is appropriate in view of the Company's integration into the Varex Group.

D.2, D.4, C.10 sentence 2 Supervisory Board committees and cooperation with the auditor

In deviation from D.2 Sentence 1, the Supervisory Board of the Company largely refrains from forming professionally qualified committees. In deviation from D.4, no nomination committee has been formed. The Supervisory Board is of the opinion that the establishment of further committees in addition to the Audit Committee to be established by law is neither necessary nor expedient due to the specific circumstances of the Company, in particular the size of the Supervisory Board (three members), which enables efficient work. Accordingly, in deviation from D.2 sentence 2, no mention is made of further committee members outside the Audit Committee in the corporate governance statement. In deviation from C.10 sentence 2, the Chairman of the Audit Committee, who is employed by Varex Imaging Corporation, is not independent of a controlling shareholder.

F.2 Transparency and external reporting

MeVis Medical Solutions AG deviates from the recommendations regarding the publication deadlines for the annual financial report and the half-year financial report. The Company considers the corresponding statutory requirements to be sufficient.

G.1, G.3, G.6 to G.11, G.13 sentence 1 Compensation of the Executive Board

G.1 and G.6 to G.11 contain recommendations on variable remuneration, which are deviated from, as the Company does not grant variable remuneration to the Executive Board. The remuneration of the Executive Board takes into account the integration of the Company into the Varex Group and the dual mandate of the current sole member of the Executive Board of the Company at Varex Imaging Deutschland AG. As a member of the

Executive Board of Varex Imaging Deutschland AG, Mr. Kirchhoff receives (exclusively) a performance-related variable remuneration from the latter, which is based on the success of the Varex Group. As MeVis Medical Solutions AG is part of the Varex Group, this performance-related remuneration also promotes the business strategy and the sustainable and long-term development of the Company. However, in order to ensure an optimal incentive structure for the promotion of the business strategy as well as for the sustainable and long-term development of the Company, the Supervisory Board considers it necessary to create a balanced remuneration structure with a sufficient share of fixed remuneration components within the scope of an overall consideration of the intra-Group remuneration of the sole member of the Company's Executive Board. Against this background, the Supervisory Board of the Company has refrained from providing for any further performance-related compensation to be granted by the Company. Accordingly, the remuneration for the members of the Executive Board of MeVis Medical Solutions AG is limited to non-performance-related compensation.

In deviation from G.3, the Supervisory Board refrains from using a suitable peer group of other companies for the purpose of assessing the customary nature of the specific total compensation of the members of the Executive Board in comparison to other companies, as it is difficult to define a suitable peer group due to the Company's integration into the Varex Group.

In deviation from G.13 sentence 1, a severance payment cap is not currently provided for in Executive Board contracts. In the view of the Supervisory Board, the existing provisions in the Executive Board contracts are appropriate. The agreement of a severance payment cap contradicts our basic understanding of an Executive Board contract concluded for the duration of the appointment period and in principle not subject to ordinary termination.

G.17 Compensation of the Supervisory Board

In accordance with the resolution of the Annual General Meeting on June 7, 2016 and the corresponding amendment to the Articles of Association, the members of the Supervisory Board do not receive any compensation from the Company for financial years beginning after January 1, 2016. As a precautionary measure, it is pointed out that, contrary to Section G.17 GCGC, the chairmanship and deputy chairmanship of the Supervisory Board cannot be taken into account in the compensation.

ORGANS OF THE COMPANY

The Executive Board, the Supervisory Board and the Annual General Meeting of the Company constitute the Company's executive bodies in accordance with the law and the Articles of Association. As a stock corporation, MeVis Medical Solutions AG has a dual management system characterized by a separation of personnel between the Executive Board as the management body and the Supervisory Board as the supervisory body.

THE EXECUTIVE BOARD AND ITS WORKING METHODS

The Executive Board manages the company on its own responsibility with the aim of creating sustainable value. In doing so, it manages the company in accordance with the statutory provisions, the Articles of Association and the Rules of Procedure for the Executive Board, and works together with the other corporate bodies in a spirit of trust. The Executive Board defines the corporate goals and strategies and determines the corporate policy derived from them.

Currently, the Executive Board of MeVis Medical Solutions AG consists of one person, Mr. Marcus Kirchhoff. His contract has been extended until March 2026. An expansion of the Executive Board is currently neither planned nor envisaged. For this reason, the Supervisory Board has set the target for the proportion of women on the Executive Board at 0% by December 31, 2025. Already when considering potential candidates for all future appointments to the Executive Board, the Supervisory Board will of course also take qualified women into account.

Only those who have not yet reached the age of 65 shall be members of the Executive Board. The age of the Executive Board members shall therefore be taken into account accordingly in their term of appointment. The Executive Board is responsible for the management of the company. Important decisions of the Executive Board are always recorded in minutes. Internal consultations between the Executive Board and middle management take place at least once a month. The Supervisory Board has issued rules of procedure for the Executive Board which summarize all procedural rules and transactions requiring approval in a catalog.

Long-term succession planning is carried out through regular discussions between the Executive Board and the Supervisory Board and by addressing the issue in the Supervisory Board. Contract terms and renewal options for current Executive Board members are discussed, as well as possible successors, should this be necessary.

THE SUPERVISORY BOARD AND ITS WORKING METHODS

In accordance with the Articles of Association, the Supervisory Board consists of three members elected by the shareholders and meets at least twice every six months. The Executive Board generally attends the meetings of the Supervisory Board and reports in writing and orally on the individual agenda items and answers questions from the members of the Supervisory Board. The Executive Board and Supervisory Board work closely together in the interests of the company. The members of the Supervisory Board also exchange views on certain issues outside the official Supervisory Board meetings or adopt resolutions by circular resolution. The Supervisory Board has established its own rules of procedure and regularly reviews the efficiency of its activities as part of a self-assessment process. A company-specific questionnaire serves as a basis for discussion, covering the key aspects for a self-assessment, such as the process and organization of meetings, the scope of submissions, and information flows. The results of the questionnaire and suggestions for improvement are discussed openly.

The Supervisory Board currently consists of Ms. Kimberley Honeysett (Chairman of the Supervisory Board), Mr. Shubham Maheshwari (Vice Chairman of the Supervisory Board), and Mr. Sunny Sanyal. The Supervisory Board of the Company is also the Audit Committee. Mr. Maheshwari was elected Chairman of the Audit Committee. The Audit Committee is responsible in particular for monitoring the following subject areas: Accounting process, effectiveness of the internal control system, effectiveness of the risk management system, effectiveness of the internal audit system and compliance, audit of the financial statements, in particular the selection and independence of the auditor, the quality of the audit and additional services provided by the auditor.

The members of the Supervisory Board undertake the training and continuing education measures required for their duties on their own responsibility. They regularly inform themselves through internal and external sources about the current requirements for their activities and about significant developments, e.g. relevant innovations in legislation and case law as well as changes in accounting and auditing. They receive appropriate support in this regard from MeVis Medical Solutions AG.

In the report of the Supervisory Board, the latter summarizes its activities of the past fiscal year on an annual basis.

COMPETENCE PROFILE OF THE SUPERVISORY BOARD AND CONCRETE OBJECTIVES FOR ITS COMPOSITION

The Supervisory Board of MeVis Medical Solutions AG has drawn up a competence profile for the entire body and specifies concrete objectives for its composition:

The Supervisory Board of MeVis Medical Solutions AG is to be composed in such a way that its members as a whole possess the knowledge, skills or professional experience required to properly perform their duties. It should be noted that not every single member of the Supervisory Board has to possess all the required competencies, but that the individual knowledge and skills of the individual members may complement each other. The Supervisory Board of MeVis Medical Solutions AG shall be composed of personalities so that it provides a range of competencies in its entirety to ensure comprehensive and effective advice to and supervision of the Executive Board with regard to the business activities of MeVis Medical Solutions AG. In this context, each member of the Supervisory Board shall be able to devote the time required for the proper fulfillment of the Supervisory Board mandate.

In the opinion of the Supervisory Board, the main areas of competence are:

Industry know-how

MeVis Medical Solutions AG is active in the field of software development in medical technology. The Supervisory Board shall include an appropriate number of members who have sufficient understanding in these areas based on their knowledge or professional experience.

Capital market know-how

The Supervisory Board of MeVis Medical Solutions AG, as a listed company, should include an appropriate number of members with knowledge of the capital market and in capital market communications. The Supervisory Board should thus also be able to respond to the capital market's increased need for communication.

Corporate Governance/Management

The Supervisory Board of MeVis Medical Solutions AG shall include an appropriate number of members who have experience in the management and/or supervision of a medium-sized or large company. This includes, among other things, knowledge of the fundamentals from accounting, risk management, internal control mechanisms, compliance and regulatory, legal topics.

Financial literacy

The Supervisory Board as a whole must have financial expertise, in particular in the areas of accounting, financial reporting and auditing. The Supervisory Board shall include at least one member with expertise in the field of accounting and at least one other member with expertise in the field of auditing, in accordance with Section 100 (5) AktG.

Corporate Governance/Legal/Compliance

Compliance with laws, internal guidelines and fair dealings with colleagues, business partners and competitors is a top priority for MeVis Medical Solutions AG. The Supervisory Board of MeVis Medical Solutions AG shall include an appropriate number of members who have in-depth knowledge of corporate governance, compliance and compliance management systems and an understanding of relevant legal issues.

Sustainability

The Supervisory Board shall have competencies in the area of corporate responsibility and sustainable action.

GEO Know-how/Internationality

MeVis Medical Solutions AG operates internationally. For this reason, the Supervisory Board should include an appropriate number of members who have a special connection to international markets due to their education and / or professional experience or who have experience in the management of international companies / organizations.

QUALIFICATION MATRIX

Status of the implementation of the filling of the competence profile in the form of a qualification matrix:

Core competencies		K. Honeysett (Chair)	S. Maheshwari	S. Sanyal
Industry know-how	Medical Technology	✓	✓	✓
	Software development			✓
	Capital Market	✓	✓	✓
Functional Know-how	Corporate Governance/Management	✓	✓	✓
	Financial literacy		✓	✓
	M&A/Corporate Development	✓	✓	✓
	Corporate Governance/Compliance	✓	✓	✓
	Law/Legal Compliance	✓		
	Sustainability	✓	✓	✓
GEO know-how	USA & Canada	✓	✓	✓
	EMEIA	✓	✓	✓
	Asia	✓	✓	✓

OBJECTIVES FOR THE COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board has set the following targets:

- Supervisory Board members shall not hold office beyond the end of the Annual General Meeting following their 75th birthday.
- The Supervisory Board shall be composed of at least 30% women and 30% men.
- A Supervisory Board member who is not a member of the Executive Board of a listed company shall not hold more than a total of five supervisory board mandates in listed companies which do not belong to the group of the company.
- A Supervisory Board member who is also a member of the Executive Board of a listed company shall not hold more than two Supervisory Board mandates in listed companies which do not belong to the group of the Company.
- No more than two former members of the Company's Executive Board may be members of the Supervisory Board.

In its current composition, the Supervisory Board considers the aforementioned objectives to have been met. The diversity on the Supervisory Board is reflected in particular by the different professional backgrounds and areas of activity as well as the different horizons of experience of the individual members, who complement each other very well in their entirety. The Supervisory Board currently consists of three members, including one woman. No personnel changes are currently planned or envisaged. The current composition is therefore in line with the competence profile adopted and the objectives for the composition of the Supervisory Board.

At this point, it is pointed out that the Supervisory Board currently consists of three members who are employed by Varex Imaging Corporation. Varex Imaging Corporation holds the majority of shares in the Company via Varex Imaging Deutschland AG. A control and profit transfer agreement exists between the Company, as the controlled company, and Varex Imaging Deutschland AG, as the controlling company. Accordingly, the Supervisory Board no longer has any independent members. From the Company's point of view, the complete composition of the Supervisory Board with members attributable to the majority shareholder is appropriate in view of the Company's integration into the Varex Group.

CORPORATE GOVERNANCE PRACTICES

The corporate governance of MeVis Medical Solutions AG, as a listed stock corporation, is primarily determined by the German Stock Corporation Act (AktG) and by the provisions of the German Corporate Governance Code as amended.

Furthermore, for the Company, as a manufacturer of software products in the medical field, the following are applicable, among others the legal requirements of the German Medical Device Directive Implementation Act (MPDG), Regulation (EU) 2017/745 of the European Parliament and of the Council concerning medical devices ("MDR"), the Canadian Medical Devices Regulation (SOR/98-282), the Australian Therapeutic Goods Act (TGA), the Korean and Taiwanese Good Manufacturing Practice (KGMP, GMP) and the US Code of Federal Regulations (21 CFR Part 820 - Quality System Regulation), as well as the requirements of the standard DIN EN ISO 13485 (Medical devices - Quality management systems - Requirements for regulatory purposes). Quality and quality management are essential components of corporate management. The QM system is designed to ensure the quality objectives as well as the quality requirements and expectations of the customers in terms of safety and performance, handling, availability, cost-effectiveness and adherence to delivery dates.

The Company's quality management system has been certified by the certification and auditing company MEDCERT, Hamburg, an EU notified body for medical devices (identification number 0482), in accordance with EN ISO 13485:2016 for the areas of development, production, final inspection and distribution of software for reporting medical image data and intervention support as well as for services for the evaluation of medical image data. In addition, the Company's quality management system is certified according to EN ISO 13485:2016 MDSAP Audit Model Edition 2 (for Australia, Canada, USA).

The corporate governance of MeVis Medical Solutions AG is also characterized by a flat hierarchy with only one management level below the Executive Board, short decision-making channels and team-oriented cooperation.

When filling management positions, the Executive Board of MeVis Medical Solutions AG considers the qualifications of applicants to be the key criterion. Nevertheless, MeVis Medical Solutions AG pays attention to diversity and in particular to the appropriate consideration of women when filling management teams. MeVis Medical Solutions AG welcomes efforts to increase the proportion of women in management positions and will continue to promote female employees in line with their qualifications and skills at all levels and areas of responsibility. Women currently account for 38% of the total workforce at MeVis Medical Solutions AG. At the same time, 43% of the management positions at the management level below the Executive Board are held by women. Accordingly, we had achieved our original goal of filling at least 30% of management positions with women by the end of 2020. We aim to fill 50% of management positions with women in the future or by the end of 2025.

COMPENSATION OF THE CORPORATE BODIES (COMPENSATION REPORT)

Explanations and comments on the remuneration of the Executive Board and the Supervisory Board are published in the remuneration report of MeVis Medical Solutions AG, Bremen, in accordance with Section 162 AktG for the fiscal year from October 1, 2021 to September 30, 2022 on the Company's website at <https://www.mevis.de/investor-relations/corporate-governance/vorstand>.

The auditor's report pursuant to Section 162 AktG, the applicable compensation system pursuant to Section 87a (1) and (2) sentence 1 AktG and the last compensation resolution pursuant to Section 113 (3) AktG can also be viewed there.

TRANSPARENCY

In order to ensure the greatest possible transparency, MeVis Medical Solutions AG regularly and promptly informs the capital market, shareholders and interested members of the public about the Company's economic situation and new facts & events of significance.

The annual financial report and the half-year financial report are published in accordance with the time requirements for issuers admitted to the General Standard segment of the regulated market within a period of four months for the annual financial statements and within a period of three months for the half-year report.

Insider information relating to the Company is published without delay in accordance with Art. 17 (1) of the Market Abuse Regulation (EU) No. 596/2014 (MAR). Shareholders and potential investors can obtain timely information on current events and new developments on the internet. All press releases and ad-hoc announcements of MeVis Medical Solutions AG are published on the company's website. Significant and partly recurring events are published in the financial calendar on the Company's website.

COMPLIANCE

Compliance describes the observance of legal, internal and contractual regulations in companies. The entirety of the principles and measures for compliance with certain rules and thus for the avoidance of breaches of rules is referred to as a compliance management system.

Compliance with laws, internal guidelines and fair dealings with colleagues, business partners and competitors is an indispensable basis for successful business at MeVis Medical Solutions AG. It currently has a compliance management system in place that is appropriate to the size of the company and its risk situation.

The internally introduced compliance guideline is binding for all employees, provides them with orientation for responsible behavior in everyday business and is intended to protect against incorrect decisions. The policy is published on the company's intranet, employees and managers are continuously informed about and sensitized to compliance, and can also seek advice from the compliance officer at any time.

In addition, MeVis Medical Solutions AG was also linked to the external whistleblower system already in place within the Varex Group. This gives employees the opportunity to provide protected information on legal violations within the company.

ANNUAL GENERAL MEETING AND SHAREHOLDERS

The Annual General Meeting of MeVis Medical Solutions AG is convened at least once a year. Each share entitles the holder to one vote at the Annual General Meeting. Every shareholder who registers in good time is entitled to attend the Annual General Meeting or has the option of having his or her voting rights exercised by a bank, a shareholders' association, the proxies appointed by MeVis Medical Solutions AG and bound by instructions, or another authorized representative.

The invitation to the Annual General Meeting and the reports and information required for the adoption of resolutions are published in accordance with the provisions of stock corporation law and made available on the company website.

RISK MANAGEMENT

Dealing responsibly with risks is an important basis of good corporate governance at MeVis Medical Solutions AG. The Executive Board has installed an appropriate risk management and risk controlling system within the Company in order to be able to identify, assess, monitor and control the risks arising from its business activities at an early stage. The Executive Board regularly reports to the Supervisory Board on the current development of the main risks. The risk management system is continuously reviewed in the light of current developments and adjusted if necessary. Further explanations and comments on risk management can be found in the risk report in the annual financial report.

ACCOUNTING AND AUDITING

MeVis Medical Solutions AG prepares its statutory annual financial statements and management report and half-year financial report in accordance with the accounting provisions of the German Commercial Code. Quarterly reports or quarterly announcements are no longer prepared and published.

The Supervisory Board has commissioned the auditors appointed by the Annual General Meeting on March 23, 2022, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, to audit the annual financial statements for fiscal year 2021/2022. This ensures that no conflicts of interest affect the work of the auditors. The audit of the annual financial statements was conducted in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut für Wirtschaftsprüfer (IDW).

The annual audit for fiscal 2020/2021 was carried out by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen.

DIRECTORS' DEALINGS

Pursuant to Article 19 of the Market Abuse Regulation (EU) No. 596/2014 (MAR), the members of the Executive Board and the Supervisory Board of the Company as well as persons closely associated with them are obliged to disclose transactions for their own account (directors' dealings) involving financial market-traded shares and debt instruments of MeVis Medical Solutions AG or related financial instruments (e.g. derivatives) if the value of the transactions reaches or exceeds € 5,000 in a calendar year. The Company publishes notifications in this regard on its website without delay. In the reporting period, the Company did not receive any notifications of directors' dealings. As of the balance sheet date, neither the member of the Executive Board nor the members of the Supervisory Board hold shares in MeVis Medical Solutions AG.

THE MEVIS SHARE

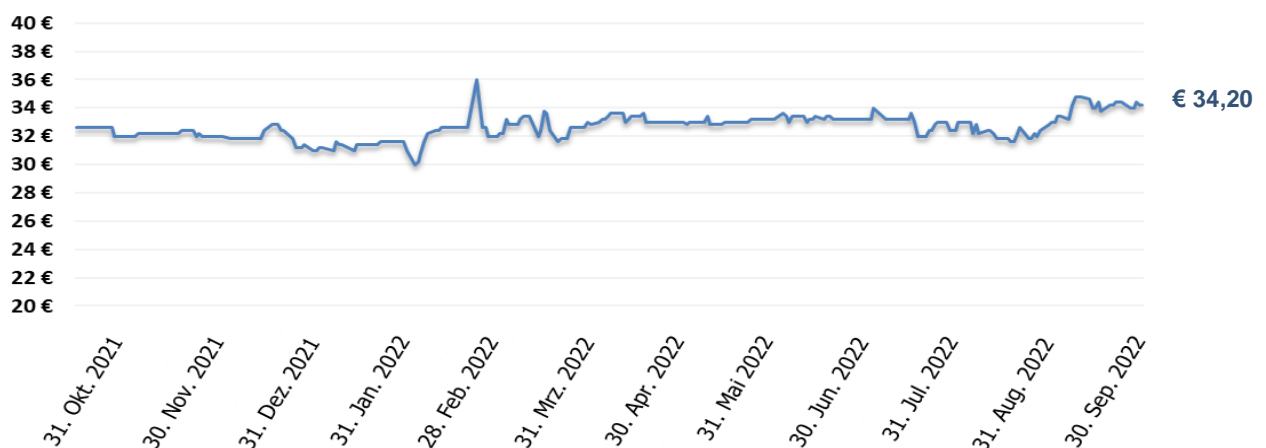
AS OF 09/30/2022	
ISIN / WKN / Ticker Symbol	DE000A0LBFE4 / A0LBFE / M3V
Industry assignment	Software / Medical technology
gez. Share capital	€ 1.820.000,00
Number of shares	1.820.000
Last price fixing on 30.09.2022	€ 34,20
Last price fixing on 30.09.2021	€ 32,60
High/low price in 2021/2022	€ 36,00 / € 30,00
Market capitalization	€ 62,244 million
General Standard (Regulated Market)	Frankfurt and Xetra
Over-the-counter	Berlin, Düsseldorf, Munich, Stuttgart
Indexes	CDAX, General All-Share, DAXsector All Software

STOCK MARKET YEAR 2021/2022

Although the stock market year 2021 was still largely determined by the Corona pandemic, it was also positively influenced by a strong economic recovery in many countries, due to extensive financial support measures by governments. However, supply chain bottlenecks and concerns about rising inflation rates, interest rate hikes and a spread of the Omikron variant of the SARS-CoV-2 coronavirus put increasing pressure on stock markets at the beginning of 2022. The start of the Russia-Ukraine conflict in February, sanctions against Russia, and rising raw material and energy prices drove inflation even higher and caused stock market prices to fall. Towards the end of the reporting period, the downward trend intensified as a result of the ongoing conflict in Ukraine, increasing concerns about sufficient energy supplies, persistently high inflation, and the resulting tighter monetary policy of central banks with rising interest rates.

In fiscal year 2021/2022, the German stock market, as measured by the DAX benchmark index, fell by around 21% to close at 12114 points at the end of September 2022, compared with 15261 points at the end of September 2021. The SDax fell by 36% and the TecDAX by 29% during the fiscal year.

PERFORMANCE OF THE MEVIS SHARE



From October 1, 2021 to September 30, 2022, the MeVis Medical Solutions AG share price remained stable at an average level of € 32.65. At the beginning of the fiscal year, the share was quoted at € 32.60 and closed at € 34.20 in Xetra trading at the end of September. In the course of fiscal 2021/2022, the share's high in Xetra trading was € 36.00 and its low was € 30.00. Consequently, the value of the MeVis share at the end of fiscal 2021/2022 was up 5% on the closing price at the end of fiscal 2020/2021. Taking into account 1,820,000 shares outstanding, the market capitalization amounted to approx. € 62.2 million.

As in the previous year, the Annual General Meeting in fiscal year 2021/2022 was held as a virtual Annual General Meeting in March 2022 in view of the Corona pandemic and the well-being and health of shareholders and all stakeholders. The Annual General Meeting planned for fiscal year 2022/2023 is expected to be held again as a face-to-face meeting.

SHAREHOLDER STRUCTURE

As of the balance sheet date, 73.66% of the total share capital of MeVis Medical Solutions AG was held by Varex Imaging Deutschland AG, an indirect subsidiary of Varex Imaging Corporation, Salt Lake City, Utah, USA. According to the shareholder notifications we received, another institutional shareholder is HANSAINVEST Hanseatische Investment-GmbH, which holds approx. 12.57% of the total share capital of MeVis Medical Solutions AG. This means that around 13.77% of the shares are in free float.

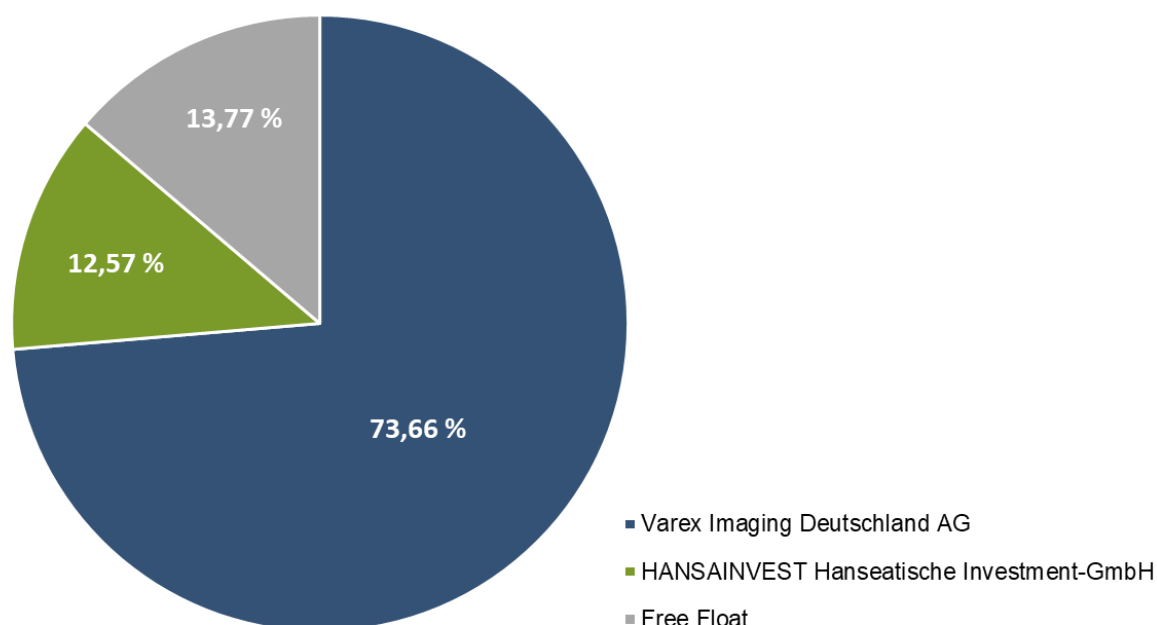


Fig.: Shareholder structure as of September 30, 2022
(The information corresponds to the shareholder notifications received by us).

COMPENSATION PAYMENT

The control and profit and loss transfer agreement between Varex Imaging Deutschland AG and MMS AG obliges Varex Imaging Deutschland AG to pay a recurring cash payment ("compensation payment") to the outside shareholders for each full financial year for the duration of this agreement. This amounts to € 1.13 (gross) or € 0.95 (net) per share for each full financial year.

MANAGEMENT REPORT FOR FISCAL 2021/2022

PRELIMINARY NOTE

This report covers the reporting period October 1, 2021 through September 30, 2022. The prior-year amounts shown below are for fiscal 2020/2021, October 1, 2020 through September 30, 2021.

FUNDAMENTALS OF SOCIETY

ORGANIZATION

MeVis Medical Solutions AG (hereinafter also referred to as "MMS AG", "MeVis" or the "Company") was founded in 1997 and commenced operations in 1998. 73.66% of the share capital of MMS AG is currently held by Varex Imaging Deutschland AG, Willich. A control and profit and loss transfer agreement exists between Varex Imaging Deutschland AG, as the controlling company, and MeVis Medical Solutions AG, as the controlled company. Thus, MMS AG belongs via Varex Imaging Deutschland AG to the Varex Group under the management of Varex Imaging Corporation, Salt Lake City, Utah, USA.

MMS AG holds 51% of MeVis BreastCare GmbH & Co. KG, Bremen, (hereinafter also referred to as "MBC" or "MBC KG") as part of a joint venture with Siemens Healthcare GmbH, Munich, (hereinafter also referred to as "Siemens").

BUSINESS ACTIVITY

MeVis Medical Solutions AG develops innovative software for the acquisition, analysis and evaluation of image data and markets this software to manufacturers of medical devices, providers of medical IT platforms and, to a lesser extent, directly to clinical end customers.

The clinical focus is on image-based early detection and diagnosis of epidemiologically significant diseases, such as breast, lung, liver and neurological diseases. The software solutions support many of the imaging methods used. These include not only X-ray-based radiographic procedures such as computed tomography, mammography or digital tomosynthesis, but also magnetic resonance tomography, digital sonography and the simultaneous use of several procedures (multimodality). MeVis supplies technologies and software applications for global market leaders in the medical sector which meet the demands of these companies for technological leadership and help to expand their position.

In addition to the sale of software licenses and associated maintenance contracts, MeVis also offers software programming services for medical technology companies as development services. These comprise project processing by software development teams consisting of software developers, product and project managers, application specialists as well as test engineers. The teams support external customers in the development of software modules or applications and in the integration of new functions and new technologies, such as algorithms based on artificial intelligence. Likewise, services are provided to clinical end users. These include three-dimensional technical visualizations ("MeVis Distant Services"), interactive online training to improve the diagnostic skills of clinicians and internet-based special applications in teleradiology ("MeVis Online Services").

Whereas in the early years of MeVis the focus was on image-based early detection and the diagnosis of breast cancer, today MeVis uses the clinical expertise acquired, the know-how from the field of breast cancer, the innovative software technologies as well as the partner network established for the successive further development of the software solutions to open up new applications in other indications and diseases of other areas of the body. The individual product areas are described in more detail below:

Breast product area

The various MeVis software products for the diagnosis of breast cancer support the analysis and presentation of images from mammography screening and other imaging procedures for early and rapid diagnosis. Thanks to many years of experience in the field of software-supported analysis of imaging examinations and expertise in workflow, computer-aided diagnosis and system integration, the applications offer optimum conditions for

detecting and treating breast cancer as early as possible. With the aim of meeting customer needs, especially in the area of display and reading speed, even with many patients and large volumes of data, MeVis offers programmable workflow functions through special keyboards, computer-aided diagnosis and optional organization of duplicate findings in close connection with radiology information systems (RIS) and picture archiving and communication systems (PACS). In addition to digital mammography for both screening and diagnosis, other procedures such as 3D ultrasound, magnetic resonance imaging (MRI), computed tomography (CT) and tomosynthesis are optimally supported. In particular, the support of tomosynthesis as a three-dimensional further development of digital mammography has continued to be of great importance due to the market success of the corresponding equipment manufacturers in recent years. In addition, the focus is also on the further development of mammography solutions through the use and integration of algorithms based on artificial intelligence for the automatic segmentation of suspicious and malignant structures.

Lung product area

Software solutions from MeVis in the field of lungs detect anomalies - such as lung tumors or pulmonary embolisms - in computed tomography images fully automatically. Multislice computed tomography with low dose (low dose CT) is the state of the art in three-dimensional medical X-ray imaging. Thanks to better detail resolution, it now plays an important role in modern pulmonary diagnostics. Within seconds, minute details of the entire lung are imaged in three dimensions. However, the growing volume of data and the scarcity of well-trained radiologists is increasingly posing a challenge for evaluating the image data. MeVis software enables efficient radiological reporting of these CT images in everyday clinical practice. State-of-the-art image processing and pattern recognition algorithms for computer-aided diagnosis of diseases of the lung allow detailed segmentation of anatomical structures of the thorax, fully automated computer-aided detection of anomalies (CAD) as well as their evaluation, quantification and progress monitoring. CAD technology from MeVis based on artificial intelligence provides radiologists with a supportive, independent and reproducible evaluation of image data and is used worldwide in the context of early detection, clinical diagnosis and therapy of lung diseases.

Based on this technology and years of expertise in breast cancer screening, an enhanced version of the lung cancer screening product was launched. This is specifically targeted at CT-based lung cancer screening. The software offers significant advantages for radiologists - both in terms of the time required for reporting, ensuring high quality of the reading results and integration with other clinical components such as imaging modalities, digital image archives and patient management systems - through the continuous, close linking of components, user-optimized workflow support, simple comparison with preliminary images, integration of CAD results, automatic and, above all, reproducible volumetric measurement of lesion parameters and structured reporting in accordance with the Lung-RADS standard and other standards.

Liver product area

With its MeVis Distant Services service, MeVis creates technical visualizations primarily of the liver which are used in further training, for publications as well as for presentations and research purposes. Medical technology companies and specialists in radiology and surgery use MeVis Distant Services (MDS) to have their cases comprehensively visualized in a professional manner. Instead of static 2D representations, they receive interactive 3D visualizations to use for presentations and publications in leading journals and other media. Based on decades of experience with our MeVis Distant Service, a stand-alone software application MeVis LiverSuite that can be used in the clinic has been developed to tap the European market. Based on Deep Learning technology, the workflow for preparing radiological data for use in surgery is significantly facilitated by means of artificial intelligence in line with state-of-the-art diagnostic requirements.

Neuro product area

MeVis software for neurological disorders is capable of multimodal evaluation of complex neuroradiological data and thus provides the basis for safe and gentle imaging diagnostics of head disorders and surgical therapy planning. Functional magnetic resonance imaging (fMRI) and diffusion tensor imaging (DTI) can capture functional areas, such as motor or language regions, and visualize connecting fiber tracts. Simultaneous display (fusion) of such data with other anatomical images can show the relation to brain tumors, revealing complex interrelationships. The MeVis software solution thus helps neurosurgeons to plan the optimal and gentlest approach to the tumor, thus allowing safe and reliable treatment of patients with neurological diseases. In addition,

dynamic imaging can be used to measure blood flow to the brain. The application calculates various metrics (rCBV, rCBF, TTP, etc.) and displays them in color maps that support the diagnosis of primary cerebral perfusion disorders (stroke) and the assessment of tumor malignancy and follow-up.

MeVis Online Services

With the MeVis Online Academy, MeVis offers interactive online training options for faster and more accurate diagnoses both for clinical end customers directly and indirectly via medical technology companies. Web-based radiological case collections provide the basis for this. Customized hanging protocols and interactive radiological viewing and reporting tools complete the offering for digital mammography, tomosynthesis, computed tomography (CT), magnetic resonance imaging (MRI), as well as sonography, intervention and radiation therapy. Clinicians gain access to a variety of clinical case collections from recognized experts, including associated solutions, anytime, anywhere. This provides tools for continuing education and ongoing radiology training including learning success monitoring. In addition, MeVis is developing software components for Internet-based collaboration via radiological expert networks in cooperation with the German Radiological Society and for multidisciplinary collaboration. Radiological image data is securely exchanged online with colleagues from different disciplines, prepared as required and made accessible worldwide via mobile devices. Innovative special applications for medical technology companies in the application area of digital image acquisition as well as planning processes for radiotherapy and additive manufacturing processes ("3D printing") and the associated software infrastructure for the worldwide operation of cloud applications complete the product portfolio. Due to the ongoing trend towards digitization in conjunction with the increase in home office and teleworking models, online and remote services will continue to be in high demand even after the pandemic and demand will probably continue to grow in the future.

RESEARCH AND DEVELOPMENT

The market for software products in the field of digital medical imaging is characterized by high quality requirements and, in some cases, short innovation cycles with increasing technical complexity. In this context, the user-friendliness of the software and possibilities for easy integration into the clinical IT environment are of great importance. The products developed by the Company require continuous and forward-looking adaptation to new medical and technological developments as well as to the continuous increase in the volumes of data to be processed. The handling and analysis of the data volumes, as well as the limited availability of qualified medical personnel, requires an increasing automation of the processes and thus a growing field of research.

The Company has little research capacity of its own. The majority of the Company's employees are engaged in the development of software applications. Therefore, the Company commissions renowned research institutes, such as DIAG (Diagnostic Image Analysis Group) Radboud University Medical Center, Nijmegen, to provide the necessary research services. This may involve the acquisition or licensing of existing research results or a contract to work on a new research topic.

The focus of research and development activities within the Company in the reporting period was on the development of software applications to open up new areas of application, such as solutions for CT-based lung cancer screening, MR-based liver diagnostics, and also the evaluation and development of algorithms based on artificial intelligence for medical and industrial applications. In addition, a focus was placed on the further development of existing software products in order to remain competitive in business areas that are currently successful for the Company and to secure maintenance revenues in the long term.

Technology platforms

MeVisLab is MeVis' proprietary research and development environment for the rapid and effective development of software prototypes and products. With this unique software development tool, methods and workflows can be tested very quickly, evaluated in a clinical environment, optimized in a timely manner ("rapid prototyping") and distributed via various channels. The prototypes developed on the basis of MeVisLab can be advanced in the value chain in a short time by linking them to software technologies for product development and transferred to market-ready products. This leads to a significant reduction in development and product launch times. This development method is successfully used in the development of various software products, including the further development of the Veolity product for efficient reporting of lung CT studies, new image-based planning tools

for additive manufacturing/3D printing, the liver imaging and visualization applications and services MeVis Distant Services and LiverSuite, the MeVis Online Academy training platform as well as special applications for internet-based multidisciplinary collaboration, teleradiology and radiotherapy planning ("MeVis Online Services").

MeVisAP, a technology platform developed in-house, provides basic services such as integration into the clinical infrastructure, license management, administration of studies and worklists, automated preparation of 2D, 3D and 4D image data, and the creation of structured findings and visually appealing reports. Thanks to the client-server technology, users can work on their cases from any station, seek the advice of other experts and interrupt or continue their work at any time. Thanks to its modular concept, MeVis can quickly put together and combine combinations of different clinical questions or imaging procedures entirely according to the customer's wishes. On the one hand, MeVisAP serves as a complete reporting platform; on the other hand, partial functions from existing systems (RIS, PACS, system platforms) can be integrated into it.

ECONOMIC REPORT

MACROECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

Overall economic situation¹

Despite the ongoing Corona pandemic and, in some cases, rising new infections, the global economic recovery continued and stabilized in the course of 2021. The availability of vaccines had a positive impact on general sentiment and travel restrictions and restraints were eased. Global supply chain disruptions also slowly dissipated, production ramped up and the economy gained strong momentum. However, growth weakened again somewhat at the end of the year when the omicron wave of the Covid 19 pandemic necessitated renewed restrictions. According to the International Monetary Fund (IMF), global GDP grew by 6.0% year-on-year in 2021. The USA recorded a 5.7% increase in economic output in 2021. Growth rates were slightly worse in the euro zone at 5.2% and in Germany at 2.6%.

At the beginning of 2022, however, the global economy again faced major challenges, shaped by the continuing impact of three powerful forces: The Russia-Ukraine war with its sanctions has led to significant price increases, especially in the energy sector, and trade restrictions. New corona lockdowns in China and especially at its seaports have again exacerbated supply chain problems and also contributed to the inflationary price increase. General price increases at almost all levels and significantly rising capital market interest rates are dampening the real purchasing power of consumers. Consequently, the International Monetary Fund (IMF) revised its global growth forecast downward in October 2022 and now expects growth of 2.7 percent in the coming year 2023, compared with a global economic growth forecast of 2.9 percent in the summer. Global growth of 3.2 percent is still forecast for 2022. In the euro zone, gross domestic product (GDP) is expected to grow by 3.1 percent this year and by only 0.5 percent next year. The IMF expects Germany and Italy to enter recession in 2023. Germany's economy is expected to grow by 1.5 percent this year, but shrink by 0.3 percent in 2023. According to the experts, the United States - the most important economic region for MeVis - will grow by 1.6 percent in 2022 and then by 1.0 percent in 2023.

Industry development

The development of the medical technology sector is also characterized by the effects of stricter regulatory changes to the European Medical Device Regulation (MDR) and, as before, by the consequences of the SARS-CoV-2 pandemic, such as persistent supply bottlenecks and rising material, logistics, financing and energy costs, which have led to an overall slowdown in economic momentum.^{2/3}

The medium- and long-term drivers of the medical technology market are intact. These include opportunities from the digitalization of all areas of healthcare and demographic developments, particularly in the advanced economies, and high healthcare investments by many emerging markets. As a result, the market research company Frost & Sullivan, in its study on the development of the global medical technology market published at the beginning of 2022, has slightly revised its outlook for the compound annual growth rate (CAGR) up to 2025 to an average of 6% growth per year. The imaging segment including software, which dominates the MeVis product portfolio, will account for a relative share of 8.1% of the global market in 2022 or an absolute market size of approximately USD 40.4 billion. Broken down by region, the largest market shares in 2022 will be in North America (39.1%), Asia and the Pacific (27.0%), and Europe (26.0%).^{4/5}

The USA and Europe are of greatest regional importance as export markets for MeVis. The largest medical technology markets within Europe are Germany (25.6%), France (14.7%), the UK (12.1%) Italy (9.1%), Spain (6.3%) and Switzerland (4.4%). With a share of 18.5% in 2021 and an absolute export growth of 12%, the U.S. is the most important destination for European medical technology exports, ahead of exports within Europe

¹ <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>

² Updated Economic Forecast 2022 and 2023, German Council of Economic Experts, March 30, 2022, <https://www.sach-verstaendigenrat-wirtschaft.de/konjunkturprognose-2022.html>

³ SPECTARIS Yearbook 2022/2023, The German Medical Technology Industry, Spectaris Industry Association, Berlin, November 2022

⁴ SPECTARIS Yearbook 2022/2023, The German Medical Technology Industry, Spectaris Industry Association, Berlin, November 2022

⁵ Global Medical Imaging and Informatics Outlook, Frost & Sullivan, published 01.04.2022

(14.9%), China (11.8%) and Japan (6.2%). These figures demonstrate how important the medical technology industry is for Germany and the entire European economy. Compared to the other European countries, Germany will continue to occupy the leading position as an exporter in 2021 with sales of €46.6 billion. According to an evaluation by the industry association Spectaris and EuroStat, as well as our own calculations, medical technology sales in France amounted to € 13.0 billion, Italy € 14.4 billion, the United Kingdom € 6.8 billion for information purposes, and Denmark € 4.0 billion.⁶

The medical technology sector, and in particular the field of medical imaging, continues to be a very important market for MMS AG. A shift from the dominant markets of the USA and Europe to Asia continues to be felt. Significant drivers in the coming years will continue to be the growing population, demographic development, medical-technical progress, especially in emerging countries, and increasing awareness of health. Increasing digitization, the processing of the volumes of data made available and the automation of diagnostics will also be a significant driver, both for new treatment methods and for new business potential.

The ever-increasing digitization of social life is changing the requirements for modern and future-oriented healthcare and at the same time offers opportunities for a more efficient healthcare system. In the future, the networking and processing of health data will make it increasingly possible to design better diagnostic procedures and tailored therapies, which will be based to a large extent on artificial intelligence. The collection and analysis of medical data will therefore play an important role in future health research and diagnostics. The use of algorithms for faster and also more accurate diagnostics will occupy us significantly in the coming years and drive a transformation in digital medical technology.

So far, medical devices based on artificial intelligence (AI) have proven themselves primarily in the field of imaging. They play a major role in diagnostics. The analysis of large amounts of data makes it possible to detect pathological changes in the image quickly and reliably. Physicians can make decisions regarding the further course of treatment based on the AI information. According to a publication by the German Association of Statutory Health Insurance Physicians (Kassenärztliche Bundesvereinigung), the fee revenue per physician/PT specialist in Germany in radiology, the primary specialty for MeVis, continues to be in first place ahead of internal medicine in comparison with other medical disciplines. Fee revenues in radiology stagnated between Q1/2016 and Q4/2020 with minor quarterly fluctuations at an overall high level⁷, so that we can expect an overall stable industry development also for the following years.

As in previous years, cancer will remain the second most common cause of death after cardiovascular diseases in 2021 and 2022, accounting for a total of 24% of all deaths in Germany. /⁸⁹¹⁰ Artificial intelligence (AI) is playing an increasingly important role in cancer diagnostics. Among other things, in the evaluation of mammography images and lung images for the early detection of breast cancer and lung cancer, respectively, radiological specialists can be supported by AI. The precision of the detection of suspicious pathologies is even slightly higher than with human experts. AI can also be used in determining the stage of cancer. When examining tissue samples and assessing how far the disease has spread, clinical professionals can be assisted by learning algorithms. Disease can potentially be located and quantified earlier, faster, cheaper, and more accurately. X-ray-based imaging is the most widely used form of diagnostic imaging and is an appreciative application area for exploiting the application potential of software supported by artificial intelligence. Algorithms can not only facilitate the time-consuming evaluation of images by searching for and marking abnormalities. They also help keep radiation exposure to a minimum. Algorithms recognize the corresponding body part and provide the optimal

⁶ SPECTARIS Yearbook 2022/2023, The German Medical Technology Industry, Spectaris Industry Association, Berlin, November 2022

⁷ Fee report for the first quarter of 2021, published Sept. 28, 2022, Kassenärztliche Bundesvereinigung, <https://gesundheitsdaten.kbv.de/cms/html/17025.php>

⁸ Cause of Death Statistics Germany 2020, Federal Statistical Office, <https://www-genesis.destatis.de/genesis/online?sequenz=tabelleErgebnis&selectionname=23211-0002#abreadcrumb>

⁹ Special analysis of preliminary monthly causes of death, Federal Statistical Office, published 09.11.2022, <https://www.destatis.de/DE/Themen/Querschnitt/Corona/Gesellschaft/kontextinformationen-gesellschaft.html?nn=210776#Todes>

¹⁰ Eurostat, Weekly death statistics, published Nov. 2022, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Weekly_death_statistics&stable

image acquisition parameters and process it for the optimally contrasted display and perception of even the smallest structures by the human eye.

Looking at the situation at MeVis, we believe that medical imaging as a sub-segment of medical technology continues to be of great importance. Here, topics such as multimodal and functional imaging, diagnostic support, model-based therapy as well as new and optimized workflows, computer support, automation and artificial intelligence are the main drivers.

For MeVis, the application area of breast cancer diagnostics continues to be not only the largest sales segment but also a prioritized segment in thematic terms, in which we will continue to be active in the future. As in previous years, demand for three-dimensional digital tomosynthesis systems is continuing, especially in Europe. The widespread use of the technology is leading to increased demand from the major medical technology companies for the corresponding recording equipment and associated software.

In addition to the very important market segment of breast cancer diagnostics, the area of lung cancer diagnostics is also important for both women and men in order to detect lung carcinomas at an early stage and subsequently initiate the necessary therapy. For lung cancer screening, the introduction of corresponding screening programs based on low-dose CT images had already been on the horizon for several years in the USA. Demand for lung cancer screening solutions is developing positively worldwide, with new program initiatives emerging in Canada and the United Kingdom in particular.

BUSINESS PERFORMANCE

The Company's operating business consists of the development and sale of software licenses, the related maintenance business and software programming for medical technology companies (development services) as well as the provision of services for technical visualizations (Distant Services) and within the scope of online training.

At around 90% of total sales, the software business, which includes products for the medical technology companies Hologic, Vital Images, and Philips, again accounted for the majority of the Company's total sales in this reporting period.

EARNINGS PERFORMANCE

In the fiscal year, the Company's net sales amounted to € 18,762 k (previous year: € 16,214 k). Of these revenues, 28% (previous year: 30%) were generated from the sale of licenses, 32% (previous year: 34%) from maintenance revenues, and 40% (previous year: 36%) from other revenues, which include, among other things, services provided to and recharges made to affiliated companies and the parent company.

The year-on-year improvement in revenue from licenses and maintenance is mainly due to the increase in the average USD exchange rate, as invoices are predominantly billed in USD. Licenses sold were almost stable. The year-on-year improvement in other revenues is due to an increase in revenues from development services, as more services were provided to the Varex Imaging Group.

Other operating income amounted to € 2,696k in the past financial year (previous year: € 1,403k). It mainly consists of income from exchange rate differences amounting to € 2,517k (previous year: € 1,188k).

The cost of materials increased to €747 k (previous year: €437 k) and mainly consists of external services for the lung product area amounting to €280 k (previous year: €199 k), the loan of employees of MBC KG for product development amounting to €180 k (previous year: €0 k), and the cost of materials for the mammography product area amounting to €70 k (previous year: €62 k). In addition, rental expenses of € 117 k (previous year: € 106 k) relate to office space that is sublet to MBC KG.

The Company's personnel expenses amounted to € 9,422 k in the past financial year (previous year: € 8,854 k). In the year under review, the average number of permanent employees of the Company remained at 104, as in the previous year. The number of temporary student employees remained constant at 1 (previous year: 1). The increase in personnel expenses is due to annual salary increases.

Other operating expenses amounted to € 3,494k in the reporting period (previous year: € 3,721k). They include in particular expenses from exchange rate differences of € 1,185k (previous year: € 1,127k), rental expenses of

€ 552k (previous year: € 461k), and expenses for legal, consulting, and auditing fees of € 444k (previous year: € 1,183k) T€ 1.183). In the previous year, the expenses for legal, consulting and audit fees included expenses in connection with the defense of a patent lawsuit in the total amount of € 608k.

Due to the loss generated in the previous year, MeVis BreastCare GmbH & Co. KG (MBC KG) did not decide on a distribution.

Income from long-term loans amounts to € 178 k (previous year: € 162 k) and relates to interest income from the loan granted to Varex Imaging Deutschland AG.

Earnings before interest, taxes and profit transfer (EBIT) increased by € 3,238k to € 7,880 k, mainly as a result of higher sales and higher other operating income compared with the previous year.

Taking into account interest expenses of € 4k (previous year: € 11k), earnings before taxes (EBT) amounted to € 7,876k (previous year: € 4,631k).

The income taxes of € 87 k (previous year: € 85 k) incurred in the financial year are almost constant compared to the previous year.

Taking into account the income tax charge of € 87 k (previous year: € 85 k) and the expense from the profit transfer to Varex Imaging Deutschland AG of € 7,789 k (previous year: € 4,546 k), the net profit for the year amounted to € 0 k (previous year: € 0 k).

PROFIT TRANSFER

The profit of € 7,789 k is transferred to Varex Imaging Deutschland AG on the basis of the control and profit transfer agreement.

INVESTMENTS

In the reporting period, investments in property, plant and equipment totaled € 133 k (previous year: € 51 k) and mainly related to office and business equipment.

As in the previous year, no investments were made in intangible assets.

NET ASSETS AND FINANCIAL POSITION

The balance sheet total increased to € 31,201 k (previous year: € 27,534 k). Fixed assets increased by € 40 k and receivables and other assets by € 1,895 k. Cash and cash equivalents increased by € 1,699 k. Prepaid expenses increased by € 33 k. Shareholders' equity remained constant. Accruals increased by € 690 k and liabilities increased by € 3,215 k. Deferred income decreased by € 237 k.

The equity ratio decreased to 57 % (previous year: 65 %) due to the increase in total assets and the constant level of equity, while the debt ratio increased accordingly to 43 % (previous year: 35 %).

Fixed assets increased by € 40 k to € 16,699 k as of the balance sheet date (previous year: € 16,659 k). The main component continues to be a loan to the shareholder in the amount of € 16,225 k (previous year: € 16,225 k).

Current assets decreased by € 3,595 k to € 14,369 k as of the balance sheet date (previous year: € 10,774 k). Trade receivables increased by € 1,736 k, mainly due to the increase in sales. Receivables from affiliated companies increased by € 203 k as a result of more extensive development services.

Due to the existing profit and loss transfer agreement, equity remains unchanged at € 17,826 k.

Accruals increased by € 690 k to € 3,704 k compared to the previous year (previous year: € 3,014 k), mainly due to an increase in other accruals. Pension provisions increased by € 55 k to € 539 k, in particular due to the lower discount rate. Tax provisions decreased by € 85k, as the tax assessment notice for 2019 has been issued in the meantime and advance payments for the current year were made for the first time in the reporting year. Other provisions increased to € 2,996k, partly due to higher personnel provisions. Liabilities increased by € 3,215 k to € 8,176 k at the balance sheet date (previous year: € 4,961 k), mainly due to the increase in liabilities to affiliated companies resulting from higher profit transfers compared with the previous year. € 4,961 k). As in

the previous year, there are no liabilities to banks. Deferred income decreased by € 237 k to € 1,495 k due to lower customer prepayments for services to be provided by the Company in the future compared to the previous year.

The Company is financed mainly from current cash flow. Accordingly, the Company's cash and cash equivalents (cash on hand, bank balances) increased by € 1,699 k to € 9,320 k in the past financial year. The positive cash flow from operating activities in the amount of € 4,857 k (previous year: € 9,131 k) is offset by payments to the shareholder due to profit transfers in the amount of € 4,546 k (previous year: € 5,704 k).

Cash flow from operating activities decreased to € 4,857 k (previous year: € 9,131 k) in fiscal 2021/2022, taking into account cash and non-cash transactions. Exchange rate-related changes in cash and cash equivalents as a result of the development of the USD exchange rate had a positive impact of € 1,329 k.

Overall, the net assets, financial position and results of operations developed very satisfactorily.

CONTROL SYSTEM

The Company's key financial performance indicators are sales and earnings before interest and taxes (EBIT). A variance analysis is carried out regularly on the basis of the respective budgeted figures and those of the previous year, including a corresponding assessment of the risk situation. This analysis, together with external market and competitive information, forms the basis for an ongoing review of the plan and a continuous adjustment of the forecast.

NON-FINANCIAL PERFORMANCE INDICATORS

The enterprise value of MeVis is determined not only by financial but also by non-financial influencing factors. They relate, for example, to sustainable corporate governance, the company's relations with its customers and employees, innovative capability, quality management, environmental and social aspects.

The company's goals can only be achieved if MeVis can retain competent and committed employees as an attractive and responsible employer and develop innovative as well as high-quality products and solutions that will continue to meet customer requirements in the future.

A quantitative/financial evaluation of the non-financial indicators is not carried out at MeVis; they are not used for internal management. A separate sustainability declaration or a separate sustainability report is not prepared due to the size of the company.

Environmental and social concerns

As a German supplier of medical products, we are aware of our social responsibility. Our specially developed software applications focus on image-based early detection and diagnosis of oncological diseases. The software applications support many of the imaging procedures used, which usually play a decisive role in detecting and treating cancer as early as possible.

We continuously drive innovation and invest in our processes to offer affordable, high-quality products to our customers. We aim to proactively address our customers' needs, not only in terms of efficiency, but also in terms of environmental sustainability. For this reason, we strive to maintain close partnerships with our customers and work together to find ways to meet the needs of the future.

Part of our corporate strategy is also the careful use and utilization of resources (people, materials and energy). As a non-manufacturing company, our focus here is on the training and further education of employees in order to win them over to the company in the long term and on providing a pleasant, sustainable working environment in a sustainable building with no emissions of its own.

By donating to charitable organizations, especially in the field of medical research or cancer control, we also try to meet this requirement profile and our social responsibility.

Solid customer relationships

MeVis owes its market position to the successful long-term cooperation with internationally important medical technology companies. Within the framework of the so-called OEM distribution model (OEM: Original Equipment

Manufacturer), the software solutions are distributed under the respective brand names of the medical technology companies, which are usually also the manufacturers of the imaging equipment. In recent years, software development support for OEMs has also gained in importance. For many years, the Company's most important customers have included Hologic, Philips, Vital Images (a subsidiary of Canon/Toshiba) and Varian Medical Systems. In addition, intensive customer relations exist with Siemens through the joint venture MeVis Breast-Care. In addition, MeVis provided development services to Varex Imaging Corporation in the past fiscal years. This involves software solutions for human, veterinary and industrial X-ray applications. These good customer relationships form the basis for MeVis' success.

Quality Management and Regulatory Affairs

High-quality processes including comprehensive know-how with regard to international approval processes are a necessary prerequisite for achieving MeVis' strategic goals and are therefore of very high value. Quality and quality management are a regulatory requirement on the one hand and a key product feature on the other.

A quality management system in accordance with EN ISO 13485 is installed at MeVis. MeVis is certified in accordance with EN ISO 13485:2016 (incl. MDSAP Audit Model Edition 2 for the areas of development, production, final inspection, distribution and installation in Australia, Canada, USA) for the areas of development, production, final inspection and distribution of software for reporting medical image data and intervention support as well as for services for evaluating medical image data. Through these and other certifications and approvals, the Company is qualified to develop products that meet the requirements under the European Medical Device Regulation 2017/745 "MDR", FDA 510(k) (USA), CMDCAS (Canada), TGA (Australia), GMP/QSD (Taiwan) and KGMP (Korea) and to bring these products to regulatory approval. The Company is registered with the Medicines & Healthcare products Regulatory Agency (MHRA) in the United Kingdom (UK) and with Swissmedic in Switzerland and is therefore authorized to market medical devices in both the UK and Swiss markets.

This ensures that the software components supplied by MeVis meet the applicable normative and statutory requirements. The approval process for customers' medical devices can th

us be accelerated considerably and market access is achieved more quickly.

Innovation capability

Innovations and new technologies are of key importance for the strategic further development of MeVis Medical Solutions AG. The market for software products in the field of digital medical imaging is characterized by high quality requirements and in some cases short innovation cycles coupled with increasing technical complexity. The software solutions developed by the company therefore require ongoing and forward-looking adaptation to new medical and technological developments as well as to the continuous increase in the volumes of data to be processed (deep learning and use of artificial intelligence). In addition to internal research and development capacities, MeVis has an extensive network of clinics and research centers, which enables us to identify new impulses and trends in the market.

MeVis uses its own research and development environment MeVisLab for the rapid development of prototypes tailored to the specific application. This allows newly developed methods and workflows to be tested, evaluated and optimized in the clinical environment ("rapid prototyping") in order to turn product developments into market-ready products within a short period of time. This leads to a significant shortening of development and innovation cycles.

Employees

As of the balance sheet date, MeVis Medical Solutions AG had 104 permanent employees (previous year: 104) and 1 student tester on a temporary basis (previous year: 1). This corresponds to a total of 95 full-time equivalents (previous year: 94). The vast majority of employees received a bonus payment on a voluntary basis in addition to their fixed remuneration in the past financial year.

The employees of MeVis Medical Solutions AG are the basis for the Company's success. Their know-how, commitment and experience ensure the quality of the products and the continuous optimization of processes and services. Flat hierarchies, great creative freedom and a high degree of personal responsibility are an expression of the open corporate culture. MeVis attaches great importance to a pleasant working atmosphere and

respectful interaction with one another. A code of conduct that applies to all employees governs dealings with each other, business partners and service providers. Financial recognition of individual performance is just as important to MeVis as the offer of flexible working time models for a good work-life balance. We also offer health-promoting measures such as health days, company fitness and financial support for health massages, as well as various other benefits, including free fruit, tea and coffee. Particular attention is paid to training and development measures tailored to target groups and needs. In consultation with our employees, we offer internal and external training courses on a wide range of topics. We want to support our employees in meeting their current and future tasks in the best possible way.

OVERALL STATEMENT

The fiscal year 2021/2022 was again very successful for MeVis with regard to the key financial figures. Among other things, MeVis continued to participate in Hologic's good market position for breast cancer screening. Due to the still solid cost structure, very good results were generated.

The medium and long-term future prospects remain promising due to the change in the cooperation with MeVis initiated by Hologic and the related expected stability of sales.

EXPLANATORY REPORT OF THE EXECUTIVE BOARD ON THE DISCLOSURES PURSUANT TO SECTION 289a SENTENCE 1 OF THE GERMAN COMMERCIAL CODE (HGB)

In the following, the Executive Board provides the disclosures required by section 289a sentence 1 of the German Commercial Code (HGB) and at the same time explains them in accordance with section 176 (1) sentence 1 of the German Stock Corporation Act (AktG).

Composition of subscribed capital (Section 289a sentence 1 no. 1 HGB)

The subscribed capital of MeVis Medical Solutions AG amounted to € 1,820 k as of the balance sheet date and consisted of 1,820,000 no-par value registered shares with voting rights. Each registered share grants one vote. In accordance with the statutory provisions and the Articles of Association, the shareholders exercise their rights at the Annual General Meeting and vote there.

Restrictions relating to voting rights or the transfer of shares (Sec. 289a Sentence 1 No. 2 HGB)

The Executive Board has no information on any restrictions on the exercise of voting rights or restrictions on the transferability of shares that go beyond the statutory provisions of capital market law.

Direct or indirect shareholdings in the capital exceeding 10% of the voting rights (Sec. 289a Sentence 1 No. 3 HGB)

To the Company's knowledge, the following direct or indirect shareholdings in the capital exceeded 10% of the voting rights at the balance sheet date:

- Varex Imaging Deutschland AG, Willich directly holds 73.66 % of the total share capital of MeVis Medical Solutions AG.
- Varex Imaging Investments BV, Dinxperlo, Netherlands, indirectly holds 73.66 % of the total share capital of MeVis Medical Solutions AG via Varex Imaging Deutschland AG.
- Varex Imaging International Holdings BV, Dinxperlo, Netherlands indirectly holds 73.66 % of the total share capital of MeVis Medical Solutions AG via Varex Imaging Investments BV and Varex Imaging Deutschland AG.
- Varex Imaging Corporation, Salt Lake City, USA, indirectly holds 73.66 % of the total share capital of MeVis Medical Solutions AG via Varex Imaging International Holdings BV, Varex Imaging Investments BV and Varex Imaging Deutschland AG.
- HANSAINVEST Hanseatische Investment-GmbH, Hamburg, Germany, directly holds more than 10 % but less than 25 % of the total share capital of MeVis Medical Solutions AG (12.57 % of the voting rights according to the voting rights notification dated November 2, 2021).

No other direct or indirect shareholdings in the capital that reached or exceeded 10% at the end of the financial year have been reported or are known.

Holders of shares with special rights conferring powers of control (Sec. 289a Sentence 1 No. 4 HGB)

There are no shares with special rights conferring powers of control. Accordingly, there are no holders of such shares.

Type of voting right control if employees hold an interest in the capital and do not exercise their control rights directly (Sec. 289a Sentence 1 No. 5 HGB)

Employees who hold an interest in the capital of MeVis Medical Solutions AG exercise their voting control rights directly.

Appointment and dismissal of members of the Executive Board and amendment of the Articles of Association (Section 289a sentence 1 no. 6 HGB)

The appointment and dismissal of members of the Executive Board are governed by Sections 84, 85 AktG and Section 6 of the Articles of Association of MeVis Medical Solutions AG as amended on June 24, 2020.

Pursuant to Art. 6 par. 1 sentence 1 of the Articles of Association, the Executive Board consists of one or more members. The number of members of the Executive Board is determined by the Supervisory Board. The Executive Board currently consists of one member.

The appointment and dismissal of members of the Executive Board is the responsibility of the Supervisory Board in accordance with § 84 (1) sentence 1, (3) AktG and § 6 (2) sentence 1 of the Articles of Association. A repeated appointment or extension of the term of office is permissible under the statutory provisions.

Amendments to the Articles of Association are governed by sections 133, 179 et seq. German Stock Corporation Act (AktG). Pursuant to § 119 (1) no. 6 AktG, the Annual General Meeting resolves on amendments to the Articles of Association. Pursuant to Art. 179 par. 2 AktG, resolutions of the Annual General Meeting to amend the Articles of Association require a majority of at least three quarters of the capital stock represented at the time the resolution is adopted, unless the Articles of Association stipulate a different - but for amendments to the purpose of the Company only a higher - capital majority. According to Art. 14 par. 2 of the Articles of Association, resolutions of the Annual General Meeting require a majority of the votes cast (simple majority), unless mandatory statutory provisions require a larger majority or impose further requirements. If the law requires a majority of the capital, a simple majority of the capital stock represented when the resolution is adopted shall be sufficient, unless a larger majority is mandatory by law. In accordance with Art. 9 par. 5 of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only affect the wording.

Authority of the Executive Board to issue or repurchase shares (Sec. 289a Sentence 1 No. 7 HGB)

Authorized capital (Art. 5 par. 5 of the Articles of Association)

Based on the resolution of the Annual General Meeting on June 24, 2020, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the Company's capital stock by up to €910 k in the period up to June 23, 2025 by issuing new no-par value registered shares on one or more occasions against cash contributions or contributions in kind. In principle, shareholders are to be granted subscription rights; the statutory subscription right may also be granted in such a way that the new shares are taken up by one or more banks or equivalent companies pursuant to Section 186 (5) sentence 1 AktG (German Stock Corporation Act) with the obligation to offer them for subscription to the shareholders of MeVis Medical Solutions AG. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases. The Executive Board is also authorized, with the approval of the Supervisory Board, to determine the further content of the share rights and the other details of the capital increase and its implementation.

The Executive Board has not yet made use of this authorization to issue new shares.

Conditional capital (Art. 5 par. 6 of the Articles of Association)

The share capital of the Company has been conditionally increased by up to € 130k by issuing up to 130,000 no-par value registered shares. The conditional capital increase will only be implemented to the extent that the stock options granted on the basis of the authorization of the Annual General Meeting on August 22/28, 2007 are exercised by December 31, 2011, or to the extent that the stock options granted on the basis of the authorization of the Annual General Meeting on June 15, 2011 are exercised by December 31, 2015.

Share buyback

There are no resolutions of the Annual General Meeting based on Section 71 (1) No. 6-8 AktG authorizing the repurchase of treasury shares.

Significant agreements subject to the condition of a change of control resulting from a takeover bid (Sec. 289a Sentence 1 No. 8 HGB)

MeVis Medical Solutions AG has entered into the material agreements listed below, which contain provisions in the event of a change of control, for instance as a result of a takeover bid:

- Siemens Healthcare GmbH, as a 49% shareholder of MeVis BreastCare GmbH & Co. KG, is entitled to demand the transfer of MeVis Medical Solutions AG's limited partner's share in MeVis BreastCare GmbH & Co. KG as well as its share in MeVis BreastCare Verwaltungsgesellschaft mbH to itself at an appropriate price if a third party - directly or indirectly - acquires a controlling influence within the meaning of Section 17 of the German Stock Corporation Act (AktG) over MeVis Medical Solutions AG and competes with Siemens Healthcare GmbH.
- The company Philips DS North America LLC (formerly Invivo Corporation) as licensee of MeVis Medical Solutions AG has the right to terminate the license agreement existing between it and MeVis Medical Solutions AG in the event of a change in the existing control relationships within MeVis Medical Solutions AG to the extent that the then controlling party does not recognize the obligation of the license agreement.
- In the event of a change of control, the Executive Board member has a one-time right to resign from the Executive Board with two months' notice to the end of the month and to terminate his service contract as of the same date. Such a change of control occurs if a third party or several third parties acting together acquire more than 50% of the voting rights or shares in the Company through the purchase of shares or in any other way.

Compensation agreements concluded by the Company with members of the Executive Board or employees in the event of a takeover bid (Sec. 289a Sentence 1 No. 9 HGB)

There are no compensation agreements with members of the Executive Board or employees in the event of a takeover bid.

CORPORATE GOVERNANCE STATEMENT (SECTION 289f HGB)

The current corporate governance statement has been made available on the corporate website of MeVis Medical Solutions AG under the following link www.mevis.de/investor-relations/corporate-governance/.

OPPORTUNITY AND RISK REPORT

According to the assessment of the Executive Board of MMS AG, the market for medical imaging technology, especially in the segment of digital mammography, which is very relevant for the Company, is increasingly characterized by market saturation. It can also be observed that the market environment in which the Company operates will become even more competitive in the future due to up-and-coming start-up companies. Thus, large providers of medical platforms, medical technology companies and research-related start-up companies, which mainly operate in the medical artificial intelligence segment, are becoming very serious competitors in the market segment in which MeVis is located. Increasing efforts are still required to maintain and expand what the Executive Board considers to be the existing technological lead. Consequently, MMS AG's ongoing activities are based on the conviction that global demand for medical imaging technology or diagnostic support in particular will remain fundamentally stable, but that the competitive situation will become more pronounced and price pressure will increase. In addition to imaging diagnostics, intervention and therapy planning, the optimization of the entire clinical workflow through artificial intelligence and optimization of medical reporting will play an increasing role.

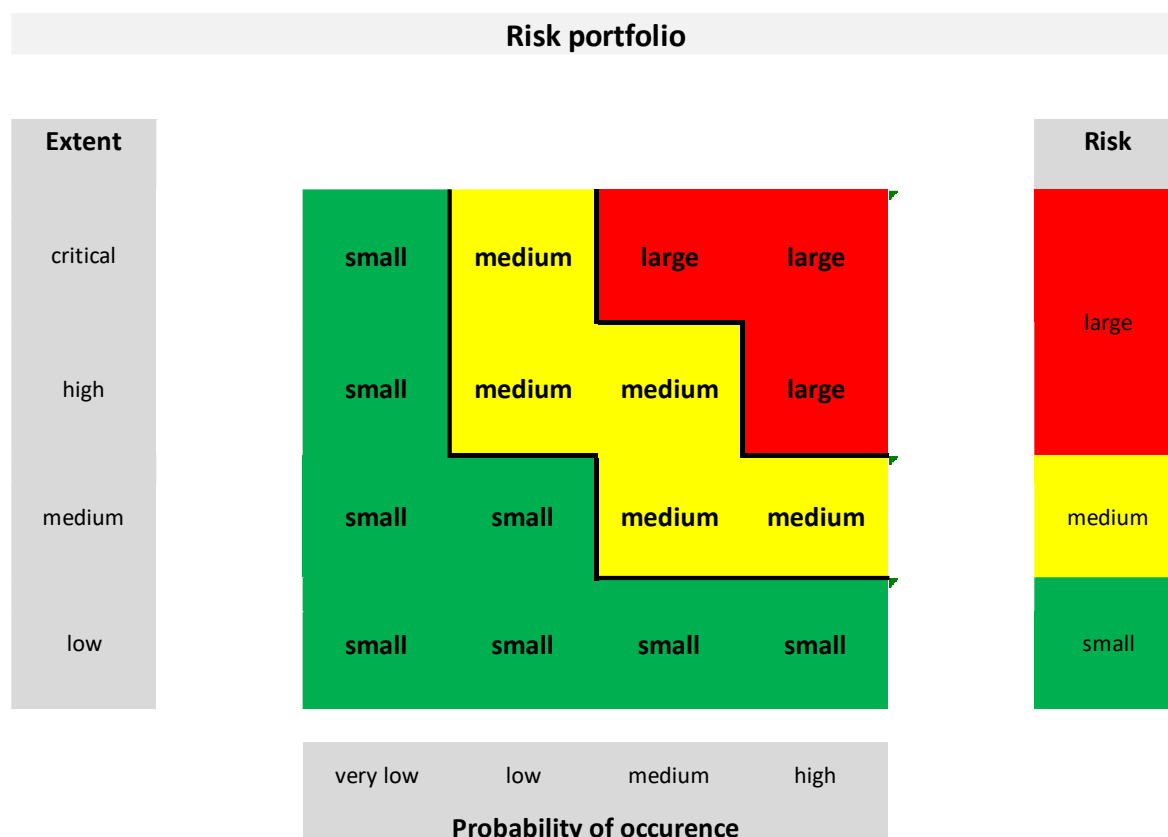
MeVis assumes that its customers will be able to maintain or expand the outstanding position of their products on the global market within the framework of computer-aided imaging. MeVis can make a decisive contribution to this with its software solutions. Accordingly, against the backdrop of increasing competition, MeVis will continue to intensify its efforts to maintain its strong relationships with these customers as well as to broaden its customer base, especially for the business areas Development Services and Other Diagnostics. The market for dedicated software applications for the reporting of mammography and tomosynthesis images, which is relevant for the Digital Mammography segment, is expected by MeVis to decline slightly in the medium and long term as the above-mentioned medical platform providers are increasingly expanding their range of functions and offering a more user-friendly overall system through seamless integration, which serves to optimize the workflow. In this context, the topic of reporting will play a significant role. In addition, competition for MeVis' most important customer Hologic continues to increase from other modality manufacturers, especially in the US. However, macro-economic factors and health policy debates, such as the importance of early detection programs for lung cancer, continue to play an important and significant role in MeVis' business environment. Therefore, the Executive Board cannot rule out the possibility that such external factors may have a negative impact on the market environment and thus on the Company's revenue and sales expectations for fiscal year 2022/2023 and beyond.

On the other hand, the Executive Board of MMS AG still hopes for a broad introduction of lung screening, especially in the context of preventive medical check-ups, in which the Company would participate to an above-average extent due to its leading role based on the sales of these products to date.

MMS AG has implemented a risk strategy that defines measures and procedures as well as tasks and responsibilities in the risk management system. Regular meetings of the extended management team continue to be a key instrument for identifying asset risks and changes in the economic development of the business segments or other risks threatening the Company at an early stage. The Company's risk management system is guided by the need to coordinate the processes for monitoring, early identification and management of all business risks in accordance with the German Law on Transparency and Control in Business. This enables hazardous developments, in particular high-risk transactions, accounting inaccuracies and infringements of statutory regulations, which have a significant impact on the net assets, financial position and results of operations of the Company to be identified at an early stage and any possible negative effects to be minimized.

The core element of MMS AG's risk management is a monitoring system that ensures that existing risks are recorded, analyzed and evaluated, and that risk-related information is forwarded to the responsible decision-makers in a systematic and timely manner. Risks are quantified in monetary terms throughout. According to the extent of the damage, risks are divided into four categories: low (less than € 2.5 million), medium (€ 2.5 million to less than € 5.0 million), high (€ 5.0 million to less than € 10.0 million) and critical (above € 10.0 million). A net assessment is made. The probability of occurrence is assessed taking into account the measures currently taken to limit losses. According to the probability of occurrence, risks are divided into four categories: very low (0% to 5%), low (6% to 15%), medium (16% to 25%) and high (26% to 100%). Risks are assessed on the basis of their probability of occurrence and potential impact on earnings and classified as "low" (up to € 1 million),

"medium" (up to € 2.5 million) or "high" (> € 2.5 million). There are no risks that have been assessed as "major" according to this classification. Risks that we potentially classify as "medium" according to our current assessment are referred to separately.



The risk management system records and regularly updates risk scenarios arising from business activities and general conditions.

OPPORTUNITIES AND RISKS IN CONNECTION WITH BUSINESS ACTIVITIES

- a) Risks from dependence on major customers and opportunities from the acquisition of additional major customers

The Company generates a significant portion of its revenues from a small number of major industrial customers. These major customers are therefore of considerable importance for the business development of MMS AG. In some cases, fixed-term contracts with a term of several years have been concluded with these major customers. If it is not possible to maintain the existing positive business relationships with these important customers, or if these major customers decide not to continue these relationships for other reasons or become insolvent, this would have a direct negative impact on the net assets, financial position and results of operations of the Company. For this reason, MMS AG endeavors to expand the number of business relationships in such a way that the existing risk is minimized on the one hand, without eroding the quality or profitability of individual areas on the other.

If MeVis succeeds in acquiring one or more additional major customers and concluding agreements with them for the license sale of existing or new software products, this will result in opportunities to generate additional revenue contributions. In addition, this would reduce the risks from dependence on individual medical technology companies due to a broader distribution of sales among more customers.

b) Risks from the expiry of the SecurView™ contract with Hologic

The contract with the medical technology company Hologic for the distribution of the SecurView™ product, which runs until December 31, 2021, was extended by three years in January 2022 and is now limited until December 31, 2024. Due to the very large installed base of SecurView™ in the market, it is assumed that there will also be a need for maintenance services and also new licenses from January 1, 2024, so that a contract extension beyond December 31, 2024 can be expected. A possible change in the contract or non-renewal of the contract could have a significant impact on the net assets, financial position and results of operations due to the importance of this business for MeVis. Risks in connection with the dependence on the customer relationship with Hologic are classified as "medium".

c) Opportunities and risks depending on the success of customers

Even if the relationships with MMS AG's major customers continue to be positive or solvent, opportunities and risks exist in connection with the success of these customers, as the Company is fundamentally dependent on the major customers successfully marketing their products due to the existing contractual arrangements. The same applies in principle to indirect marketing by sales partners. If customer products cannot be successfully marketed or if customers fail to obtain the necessary approvals for their products, this would have a negative impact on demand for MMS AG's products and its investment. On the other hand, a great sales success of medical technology companies may have a positive effect on MeVis' licensing business.

d) Risks in connection with product development

MeVis has been investing intensively in new technologies and products for many years. Despite extensive market studies, there is a risk that no commercial success will be achieved and that resources will therefore be used for projects for which only low future revenues can be generated. In addition, it could become increasingly difficult to identify products that appear commercially attractive.

The development of new products and basic technologies is fundamentally subject to significant risk despite extensive market studies, particularly also in cooperation with new customers. While MeVis attempts to focus on reducing the revenue risk in the development of products, e.g. by involving major customers in the development costs, there remains a financial risk in the necessary preliminary development of technologies.

e) Product liability risks

Despite constant quality assurance, it cannot be ruled out that MeVis' products may have defects. In such cases, MeVis would possibly be exposed to warranty claims by contractual partners or product liability claims. In addition, warranty and product liability disputes could lead to a loss of confidence in the market and damage MeVis' reputation.

f) Risks in connection with the use of trademarks

It is possible that other identifiers such as third-party brands, names or companies exist that are similar to the designations used by MMS AG or its affiliated companies or registered as brands and protect identical or similar services and goods. In this respect, it cannot be ruled out that a collision may occur with regard to third-party trademarks or designations (such as names, company designations, etc.), which could result in MeVis no longer being allowed to use the designation in question or to use the trademark in question. In such a case, there would also be a risk that MMS AG or MBC KG would have to pay damages to the rights holders.

g) Risks in connection with the use of patents and utility models

MMS AG and MBC KG are owners of a number of German, European and US patents and patent applications. A German utility model is also protected for MBC KG. It cannot be ruled out that third parties may infringe the industrial property rights of the Company or its subsidiaries. Nor can it be ruled out that MeVis, for its part, will infringe third-party patents or utility models. Due to the fact that MeVis is part of an American group, there is an increased risk that MeVis will be sued in the USA for patent infringements and that considerable legal fees will be incurred in defending these claims - irrespective of their substance.

h) Opportunities and risks from exchange rate fluctuations

MMS AG and its affiliate offer their services internationally and thus also outside the euro currency area, in particular on the U.S. market. The revenues of MMS AG and its affiliate are generally invoiced in the currency in whose territory the respective customer is headquartered. To date, the majority of MMS AG's services have therefore been invoiced in U.S. dollars, while the majority of the Company's expenses are to be paid in euros. This gives rise to opportunities and risks from exchange rate fluctuations, particularly in the case of medium- and long-term customer contracts of the kind usually concluded, which may have a positive or negative impact on the Company's results of operations. In addition, a significant portion of the liquidity and all of the loans to affiliated companies are denominated in U.S. dollars, which also gives rise to opportunities and risks.

i) Risks in connection with financial instruments

The main financial instruments held by MMS AG are a loan to Varex Imaging Deutschland AG and cash and cash equivalents. Cash and cash equivalents are used to finance business activities and investments. In addition, the Company has various other financial instruments, such as receivables and payables, which result directly from its business activities. No significant default or liquidity risks are seen. For further information on exchange rate risks, please refer to our comments on opportunities and risks arising from exchange rate fluctuations.

j) Liquidity risks

A change in the business and market environment of MMS AG and its investment could result in the companies being unable to meet their financial obligations from operating activities. Such an erosion of the liquidity situation could result from the occurrence of one of the aforementioned risks, e.g., in connection with existing major customers, or from significant delays in incoming payments. Securing liquidity and managing accounts receivable are therefore just as much an integral part of ongoing liquidity management at MMS AG and its affiliates as financial due diligence for new customers. As of the reporting date, MMS AG had € 9.3 million in cash and cash equivalents (previous year: € 7.6 million). The Company assumes that this liquidity is sufficient to meet its short- and medium-term payment obligations. Further liquidity requirements could arise in subsequent years if the planned revenues are not achieved and it is not possible to reduce MMS AG's costs accordingly. There were no credit lines with banks as of the balance sheet date. Liquidity risks are very significantly reduced by the obligation of Varex Imaging Deutschland AG, secured by letters of comfort of the U.S. parent company, Varex Imaging Corporation, to assume potential losses, as stipulated in the control and profit and loss transfer agreement.

MARKET-RELATED RISKS

a) Risks from the need for continuous product optimization

In the competitive environment, MeVis is dependent on the constant further development of the products it offers in order to be able to adapt them to the development of the market, taking into account the respective regional requirements, and to be able to offer them in accordance with the respective current technological status of the diagnosis, therapy and intervention methods. It cannot be ruled out that technical progress in these areas may lead to developments in the future that could overtake the software developed by MeVis. If MeVis does not succeed in further developing or meaningfully supplementing the software products it offers in line with the rapid and dynamic technical advances in the respective areas of application, this could have a negative impact on order intake and thus on the net assets, financial position and results of operations of MMS AG.

b) Risks from the further development of PACS systems

The Company develops highly specialized software for reporting in the field of breast, lung and liver diagnostics. Should the range of functions of the established PACS systems evolve to a considerable extent in the direction of the software applications offered by MeVis, this could have a negative impact on the market for dedicated software applications. The market for dedicated software application in highly specialized niches is of quite decisive importance for MeVis.

c) Risks from the increasing importance of fully integrated software applications for clinical end customers

If clinical end customers place greater emphasis on seamless integration of the software applications used in the hospital's existing IT landscape in the future, this would lead to a shift in the markets from individual providers of dedicated applications such as MeVis to fully integrated PACS solutions with negative effects on MeVis' net assets, financial position and results of operations.

RISKS IN CONNECTION WITH RESEARCH AND DEVELOPMENT

Risks from the availability of qualified managers and employees

The internal or external availability of a sufficiently large number of qualified employees required to maintain and expand the business is subject to risk against the backdrop of the current situation in the relevant segment of the labor market. In particular, individual know-how carriers who possess the special knowledge required for business operations in specific areas such as software development for medical technology applications are of great importance to MeVis. This is particularly the case against the backdrop that such highly qualified and specialized personnel can only be found on the free labor market to a limited extent. Despite internal succession arrangements, "knowledge sharing" and incentive systems, the loss of even one of these individuals could have a negative impact on the business activities and the net assets, financial position and results of operations of MMS AG, depending on the function.

RISKS IN CONNECTION WITH IT

For a specialized software company like MeVis, the intellectual property of the software solutions developed is at risk from industrial espionage in connection with the theft of source codes or important development documents. In the context of dedicated hacker attacks or cyber-security attacks, the theft or transfer of internal company data to competitors could cause significant damage to the Company or destroy it completely. For this reason, MeVis has implemented various control mechanisms, control systems and guidelines to minimize the risk. In addition, awareness campaigns have been carried out for the purpose of training and sensitizing employees in the use of media such as e-mail, the Internet and related security in order to reduce the overall risk of a loss event.

RISKS RELATED TO PANDEMICS AND WARS

The effects of the Corona pandemic have been felt since the beginning of calendar year 2020. Although the economy has largely recovered, supply bottlenecks, low transport capacities and concerns about increasing new infections continue to have a negative impact in certain sectors. The medical technology sector, the hospital system and medical care also continue to be affected.

So far, we have not experienced any significant negative impact on our sales development, nor have we noticed any negative payment behavior on the part of customers. However, we perceive that general purchasing and investment behavior is also very strongly influenced by rising inflation and the future outlook. The assessment of the current crisis situation mainly due to the impact of the Russian war in Ukraine also influence the Company's forecast for the new fiscal year. It is not only the rising energy prices, problems in logistics, lack of resources and the increased inflation rate, but also the related restrained investments of medical technology companies and hospitals that are included in our risk assessment. Risks associated with pandemics and wars are classified as "medium".

Overall, the Executive Board continues to see no risks to the continued existence of MMS AG as a going concern, also against the background of the existing control and profit and loss transfer agreement and the associated obligation of Varex Imaging Deutschland AG to assume losses, as well as the letter of comfort issued by Varex Imaging Corporation.

ACCOUNTING AND AUDITING

MeVis Medical Solutions AG prepares its statutory annual financial statements and management report in accordance with the accounting provisions of the German Commercial Code and the supplementary provisions of the German Stock Corporation Act.

The financial statements are prepared by the Executive Board and audited by the Supervisory Board. The Supervisory Board has commissioned the auditors appointed by the Annual General Meeting on March 23, 2022, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, to audit the financial statements for fiscal year 2021/2022. This ensures that no conflicts of interest affect the work of the auditors. The audit of the annual financial statements was conducted in accordance with the new German generally accepted standards for the audit of financial statements promulgated by the Institut für Wirtschaftsprüfer (IDW).

The annual audit for fiscal 2020/2021 was carried out by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen.

ACCOUNTING-RELATED RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

In general, the risk management system and the internal control system also include the accounting-related processes and all risks and controls with regard to accounting. This refers to all parts of the risk management system and internal control system that can have a material impact on the annual financial statements of MMS AG.

The aim of the risk management system with regard to the accounting processes is to identify and assess risks that may conflict with the objective of ensuring that the financial statements comply with regulations. Identified risks must be assessed with regard to their impact on the annual financial statements and management report. The objective of the internal control system in this context is to implement appropriate controls to provide reasonable assurance that the annual financial statements and management report are prepared in compliance with the regulations despite the identified risks.

The Company has an internal control and risk management system with regard to the accounting process, in which suitable structures and processes are defined and implemented in the organization. Timely and correct accounting recording of all transactions is ensured. Legal standards and accounting regulations are complied with, and amendments to laws and accounting standards are continuously analyzed, incorporated and implemented with regard to their relevance and impact on the annual financial statements and management report. The employees involved receive regular training on this.

Key elements of risk management and control in accounting are the clear allocation of responsibilities and controls in the preparation of financial statements, transparent specifications for accounting and the preparation of financial statements, and appropriate access regulations in the IT systems relevant to financial statements. The dual control principle and the separation of functions are also important control principles in MeVis' accounting process. The identified risks and corresponding measures taken are updated at appropriate intervals and reported to management. The effectiveness of internal controls with regard to accounting is assessed at least once a year, primarily as part of the financial statement preparation process.

NON-AUDITABLE PART OF THE MANAGEMENT REPORT

In accordance with the recommendations of GCGC 2022, the Executive Board has examined in detail the appropriateness and effectiveness of the risk management system and the internal control system and has not identified any material objections.

FORECAST

Fiscal year 2021/2022 developed better for MeVis than assumed in the forecast: In the original forecast, we assumed a significant decline in sales to between € 16.0 million and € 16.5 million due to the business assessment of our customers, whereas sales increased to € 18.8 million in fiscal year 2021/2022. The better sales development compared to the forecast is mainly due to the fact that the expected slight decline in sales with Hologic did not occur as expected, but actually increased as a result of the new cooperation. While revenue from the licensing business developed in line with the forecast, revenue from the maintenance business developed better than expected, contrary to the forecast. Encouragingly, revenue from development services also improved against forecast. The Corona pandemic had only a minor impact on the Company's business.

The picture is similar for EBIT: This performance indicator was originally forecast at € 4.0 million to € 4.5 million for fiscal 2021/2022. In fact, EBIT has risen to € 7.9 million. In particular, the significantly better sales performance compared with the forecast and the improved earnings from exchange rate differences contributed to EBIT exceeding the original forecast.

Despite the war in Ukraine and the energy crisis, stable sales of € 18.0 million to € 18.5 million are expected for the financial year 2022/2023 compared to the previous year. In addition to stable sales with the customer Hologic, only slightly increasing sales revenues are expected in the lung and liver area. We expect a slight decline in the area of development services. For the annual result before profit transfer, interest result and income taxes (EBIT), we expect a decline in the range to € 4.5 million to € 5.0 million. The forecasted stability in sales and the simultaneous increase in personnel costs, in addition to a significant negative result from exchange rate differences, are the main drivers for the declining outlook of EBIT. Possible effects of the current Corona pandemic have played a role in budget preparation. It is very difficult to assess possible impacts. On the one hand, we know that service providers (e.g. hospitals) are making fewer resources available for investment due to other priorities at present, but on the other hand we have not been able to identify any significant decline in our business due to the Corona pandemic in the last 12 months and in this respect have not made any specific Corona deductions to our budget.

As in the past reporting period, the Executive Board will regularly review its expectations in the course of fiscal 2022/2023 on the basis of current business developments.

Bremen, January 18, 2023



Marcus Kirchhoff

Board of Directors

LIABILITIES (IN €)	30.09.2022	30.09.2021
A. Equity		
I. Subscribed capital	1,820,000.00	1,820,000.00
II. Capital reserve	11,461,332.48	11,461,332.48
III. Retained earnings		
1. Legal reserve	5,000.00	5,000.00
2. Other retained earnings	4,539,688.30	4,539,688.30
	<u>4,544,688.30</u>	<u>4,544,688.30</u>
	<u>17,826,020.78</u>	<u>17,826,020.78</u>
B. Provisions		
1. Accrued pension and similar obligations	538,582.55	483,608.00
2. Tax provisions	169,538.59	254,344.75
3. Other accrued liabilities	2,995,597.10	2,275,765.09
	<u>3,703,718.24</u>	<u>3,013,717.84</u>
C. Liabilities		
1. Advance payments received on orders	21,890.14	26,848.87
2. Trade accounts payable	192,564.08	239,758.66
3. Liabilities to affiliated companies Company	7,789,047.86	4,545,681.16
4. Other liabilities -of which from taxes € 128,459.97 (prev. year € 110,332.84)- -of which social security € 32,741.78 (prev. year € 30,433.26)-	172,831.21	149,253.52
	<u>8,176,333.29</u>	<u>4,961,542.21</u>
D. Prepaid expenses	<u>1,495,367.11</u>	<u>1,732,315.11</u>
	<u><u>31,201,439.42</u></u>	<u><u>27,533,595.94</u></u>

MeVis Medical Solutions AG, Bremen

PROFIT AND LOSS ACCOUNT

for the period from October 1, 2021 to September 30, 2022 (previous year: October 1, 2020 to September 30, 2021)

INDICATIONS IN €	2021/2022	2020/2021
1. Revenues	18,761,530.71	16,213,998.72
2. Other operating income --of which from currency translation € 2,517,092.27 (previous year € 1,187,652.93)--.	2,696,116.90	1,403,117.47
3. Cost of materials		
a) Cost of purchased merchandise	70,263.13	44,510.77
b) Expenses for purchased services	676,300.97	392,339.40
	746,564.10	436,850.17
4. Personnel expenses		
a) Wages and salaries	7,979,877.21	7,438,929.48
b) Social security contributions and expenses for pensions and other employee benefits --of which for pensions € 80,651.15 (previous year € 112,853.04)--.	1,441,753.90	1,414,929.41
	9,421,631.11	8,853,858.89
5. Amortization of intangible assets and depreciation of property, plant and equipment	93,051.82	125,513.22
6. Other operating expenses --of which from currency translation € 1,284,834.47 (previous year € 1,127,065.17)--.	3,494,317.53	3,721,182.89
7. Income from loans of financial assets --of which from affiliated companies € 177,924.81 (previous year € 161,791.14)--.	177,924.81	161,791.14
8. Interest and similar expenses --of which from accrued interest € 3,852.00 (previous year € 10,821.00)--.	3,852.00	10,821.00
9. Taxes on income and earnings	87,108.00	85,000.00
10. Earnings after taxes	7,789,047.86	4,545,681.16
11. Profit transferred on the basis of a profit transfer agreement	7,789,047.86	4,545,681.16
12. Net income	0.00	0.00

MeVis Medical Solutions AG, Bremen

CASH FLOW STATEMENT

for the period from October 1, 2021 to September 30, 2022 (previous year: October 1, 2020 to September 30, 2021)

INDICATIONS IN €	2021/2022	2020/2021
Profit for the year before profit transfer	7,789,047.86	4,545,681.16
+ Depreciation and amortization of non-current assets	93,051.82	125,513.22
+/- Increase/decrease in provisions	770,954.56	464,569.94
+/- Other non-cash expenses/income	-1,362,404.01	-180,413.12
Increase/decrease in trade receivables and other assets not attributable to investing or financing activities	-1,908,962.48	3,901,184.30
Decrease/increase in trade accounts payable and other liabilities not attributable to investing or financing activities	-265,523.62	341,294.79
+/- Interest result	-174,072.81	-150,970.14
+ Income tax expense	87,108.00	85,000.00
- Income tax payments	-171,722.44	-655.25
= Cash flow from operating activities	4,857,476.88	9,131,204.90
Payments made for investments in property, plant and equipment	-133,100.03	-50,861.10
+ Interest received	191,763.63	162,487.91
= Cash flow from investing activities	58,663.60	111,626.91
- Interest paid	0.00	-54.00
- Payment to shareholders (profit transfer from previous year)	-4,545,681.16	-5,703,907.05
= Cash flow from financing activities	-4,545,681.16	-5,703,961.05
Cash-effective change in cash and cash equivalents	370,459.32	3,538,870.76
Effect of exchange rate changes on cash and cash equivalents	1,328,975.45	128,538.65
+/- Cash and cash equivalents at the beginning of the period	7,621,040.17	3,953,630.76
= Cash and cash equivalents at the end of the period	9,320,474.94	7,621,040.17

STATEMENT OF CHANGES IN EQUITY

for the period from October 1, 2021 to September 30, 2022 (previous year: October 1, 2020 to September 30, 2021)

INDICATIONS IN €	Reserves				Net income	Total
	Signed Capital	Capital reserve	Retained ear- nings	Retained ear- nings		
	Ordinary shares	Pursuant to Sec- tion 272 (2) No. 1 - 3 HGB	Legal reserve	Other revenue reserves		
Status 01.10.2020/ 30.09.2021	1,820,000.00	11,461,332.48	5,000.00	4,539,688.30	0.00	17,826,020.78
Status 01.10.2021/ 30.09.2022	1,820,000.00	11,461,332.48	5,000.00	4,539,688.30	0.00	17,826,020.78

MeVis Medical Solutions AG, Bremen

NOTES FOR THE FISCAL YEAR 2021/2022

ACCOUNTING AND VALUATION PRINCIPLES

MeVis Medical Solutions AG has its registered office in Bremen and is entered in the commercial register at Bremen Local Court (HRB 23791 HB).

The annual financial statements have been prepared in accordance with the provisions of the German Commercial Code applicable to corporations and in compliance with the German Stock Corporation Act. The nature of expense method has been used for the income statement. The annual financial statements have been prepared on a going concern basis.

The Company is a large corporation within the meaning of Section 267 (3) sentence 2 HGB.

The fiscal year of MeVis Medical Solutions AG covers the reporting period from October 1 of each year to September 30 of the following year. These financial statements cover the reporting period from October 1, 2021 to September 30, 2022.

Purchased intangible assets are carried at cost less straight-line amortization. Impairment losses are recognized where necessary. Software for commercial and technical applications is amortized over a useful life of three years. The amortization of acquired rights to use software intended for marketing is based on a useful life of five years.

Property, plant and equipment are valued at acquisition cost less scheduled depreciation. Depreciation is calculated using the straight-line method, taking into account the normal useful life of the asset. Where necessary, unscheduled depreciation is charged.

Scheduled straight-line depreciation is based on the following estimated useful lives of the assets:

	Useful life in years
EDP devices	3
Operating equipment	3 - 10
Leasehold improvements	5 - 10

Low-value assets and standard software with acquisition costs between € 250.00 and € 800.00 are depreciated within the year of acquisition.

Investments in affiliated companies are measured at cost. If there is a permanent impairment, they are written down to the lower fair value. This is determined using the discounted cash flow method on the basis of the respective corporate planning. The planned revenue surpluses are derived using a capitalization rate derived from the return on a risk-adequate alternative investment. To the extent that the reasons for a write-down no longer exist, this is taken into account by means of a write-up.

Loans are generally recognized at nominal value.

Receivables and other assets are carried at their nominal values less appropriate specific valuation allowances.

Cash and cash equivalents are carried at nominal value.

Payments made prior to the balance sheet date are recognized as **prepaid** expenses if they represent expenses for a certain period after this date.

Provisions for pensions are recognized at their present value. Reinsurance policies taken out to cover the claims of pension beneficiaries are recognized at fair value. The fair value of the reinsurance corresponds to

the actuarial reserve as evidenced by the insurer. This value also corresponds to the amortized cost in accordance with the lower of cost or market principle. In accordance with § 246 (2) sentence 2 HGB, pension obligations are offset against the asset value of the reinsurance policy.

Tax accruals and **other accruals** are recognized at the amount required to settle the underlying obligations according to prudent business judgment. They include all identifiable risks and uncertain liabilities.

Liabilities correspond to the agreed payment obligations and are recognized at the settlement amount.

Advance payments received are measured at nominal value.

Deferred income is recognized for payments received prior to the balance sheet date to the extent that they represent income for a specific period after that date.

Receivables and payables denominated in **foreign currencies with a** remaining term of up to one year are translated at the exchange rate on the transaction date and at the mean spot exchange rate on the balance sheet date. In the case of a remaining term of more than one year, translation is at the exchange rate at the time of origination. In the case of changes in exchange rates up to the balance sheet date, valuation is generally carried out at the average spot exchange rate on the balance sheet date, taking into account the lower of cost or market principle on the assets side and the higher of cost or market principle on the liabilities side.

NOTES TO THE BALANCE SHEET

Fixed assets

A statement of changes in non-current assets based on total acquisition cost (statement of changes in non-current assets) is presented in the appendix to the notes.

Shares in affiliated companies

MeVis Medical Solutions AG (hereinafter also "MMS AG" or the "Company") holds interests in the following companies:

INDICATIONS in T€	Share in capital	Amount of equity	Annual result
1. MeVis BreastCare Verwaltungsgesellschaft mbH, Bremen, Germany	51.0 %	32	-1
2. MeVis BreastCare GmbH & Co. KG, Bremen, Germany (MBC KG)	51.0 %	2,772	438

The information provided in the table relates in each case to September 30, 2022 and the fiscal year 2021/2022 ending September 30, 2022.

Receivables and other assets

Of the receivables and other assets, other assets amounting to € 250 k (previous year: € 250 k) have a remaining term of more than one year. As in the previous year, the remaining receivables and other assets have a remaining term of up to one year.

Receivables from affiliated companies relate in the amount of € 102 k (previous year: € 64 k) to trade with MBC KG and in the amount of € 628 k (previous year: € 463 k) to trade with Varex Imaging Deutschland AG, Willich, and Varex Imaging Corporation, Salt Lake City, USA.

Other assets amounted to € 310 k as of the balance sheet date (previous year: € 354 k). These mainly relate to a rent deposit in the amount of € 250 k and receivables from a development project in the amount of € 48 k.

Prepaid expenses and deferred charges

Prepaid expenses mainly include a payment for software licenses that can be called up in the future.

Taxes

Due to the income tax unity between Varex Imaging Deutschland AG and MMS AG, which has been in place since October 1, 2017, MMS AG is no longer subject to income taxes. The income taxes of € 87 k incurred in the current reporting year result from the taxation of the compensation payment made by Varex Imaging Deutschland AG to the outside shareholders at MMS AG in accordance with section 16 KStG.

Deferred taxes arise from temporary valuation differences between the commercial balance sheet and the tax balance sheet which, when offset in later years, lead to a charge or credit. Deferred tax assets also arise from tax loss carryforwards that can be taken into account. Due to the fiscal unity for income tax purposes, deferred taxes are only to be taken into account at the parent company, Varex Imaging Deutschland AG, in accordance with the formal approach required by commercial law.

Equity

a) Share capital

The share capital of MMS AG amounts to €1,820 k (2020/2021: €1,820 k). It consists of 1,820,000 (2020/2021: 1,820,000) no-par value registered shares, which are fully paid up. The notional value of each no-par share is €1.

b) Capital reserve

The capital reserve amounts to € 11,461 k (previous year: € 11,461 k) and results from the issue proceeds originally received in connection with the Company's IPO in excess of the increase in capital stock, to the extent that it was not used to offset the net accumulated loss in 2013, and from the sale of treasury shares in the Company in 2015.

c) Retained earnings

In accordance with Section 150 of the German Stock Corporation Act (AktG), a legal reserve of €5 k was formed in 2006. As the total of the legal reserve and the capital reserves pursuant to § 272 (2) nos. 1-3 HGB exceeds 10% of the capital stock, no further allocations are to be made.

d) Authorized capital

In accordance with the resolution of the Annual General Meeting on June 24, 2020, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the Company's capital stock by up to €910 k in the period up to June 23, 2025 by issuing new no-par value registered shares on one or more occasions against cash contributions or contributions in kind. In principle, shareholders are to be granted subscription rights; the statutory subscription right may also be granted in such a way that the new shares are taken up by one or more banks or equivalent companies pursuant to Section 186 (5) sentence 1 AktG (German Stock Corporation Act) with the obligation to offer them for subscription to the shareholders of MeVis Medical Solutions AG. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases.

e) Notifications pursuant to WpHG

Based on the notifications received by MMS AG pursuant to §§ 21 et seq. WpHG, the following notifiable shareholdings or voting rights in MMS AG existed up to the date of preparation of the annual financial statements:

- 1) On January 5, 2017, Varex Imaging Deutschland AG, Willich, Germany, notified us pursuant to Section 21 (1) WpHG (now Section 33 (1) WpHG) that on December 31, 2016, it had received from VMS Deutschland Holdings GmbH a proxy to exercise voting rights in MeVis Medical Solutions AG, Bremen, Germany, which is not bound by instructions and is unlimited in time. On this date, 73.66% (corresponding to 1,340,498 voting rights) were attributed to it pursuant to Section 22 (1) WpHG (now Section 34 (1) WpHG).

On January 5, 2017, Varex Imaging Investments BV, Dinxperlo, Netherlands, notified us pursuant to Section 21 (1) WpHG (now Section 33 (1) WpHG) that its subsidiary, Varex Imaging Deutschland AG, Willich,

Germany, had received a proxy to exercise voting rights in MeVis Medical Solutions AG, Bremen, Germany, from VMS Deutschland Holdings GmbH on December 31, 2016, which is not bound by instructions and is unlimited in time. On this date, 73.66% (corresponding to 1,340,498 voting rights) were attributed to it pursuant to Section 22 (1) WpHG (now Section 34 (1) WpHG).

On January 5, 2017, Varex Imaging International Holdings BV, Dinxperlo, Netherlands, notified us pursuant to Section 21 (1) WpHG (now Section 33 (1) WpHG) that its second-tier subsidiary, Varex Imaging Deutschland AG, Willich, Germany, had been granted a proxy to exercise voting rights in MeVis Medical Solutions AG, Bremen, Germany, by VMS Deutschland Holdings GmbH on December 31, 2016, without being bound by instructions and for an unlimited period. On this date, 73.66% (corresponding to 1,340,498 voting rights) were attributed to it pursuant to Section 22 (1) WpHG (now Section 34 (1) WpHG).

Varex Imaging Corporation, Wilmington, Delaware, USA, has notified us pursuant to Section 21 (1) WpHG (now § Section 33 (1) WpHG) on January 5, 2017, that its great-grandchild company, Varex Imaging Deutschland AG, Willich, Germany, had been granted a proxy to exercise voting rights in MeVis Medical Solutions AG, Bremen, Germany, by VMS Deutschland Holdings GmbH on December 31, 2016, without instructions and for an unlimited period. On this date, 73.66% (corresponding to 1,340,498 voting rights) were attributed to it pursuant to Section 22 (1) WpHG (now Section 34 (1) WpHG).

Full chain of subsidiaries starting with the ultimate controlling company: Varex Imaging Corporation, Varex Imaging International Holdings BV, Varex Imaging Investments BV, Varex Imaging Deutschland AG.

- 2) On March 2, 2021, Hauck & Aufhäuser Fund Services S.A., Munsbach, Luxembourg (prior to 2018: Oppenheim Asset Management Services S.à.r.l., Luxembourg, Luxembourg) notified us pursuant to Section 33 (1) of the German Securities Trading Act (WpHG) that its share of voting rights in MeVis Medical Solutions AG, Bremen, Germany, had fallen below the threshold of 3% on February 25, 2021 and amounted to 2.74% (equivalent to 49,800 voting rights) on that date.
- 3) HANSAINVEST Hanseatische Investment-GmbH, Hamburg, Germany, notified us on November 2, 2021 pursuant to Section 33 (1) WpHG that its share of voting rights in MeVis Medical Solutions AG, Bremen, Germany, exceeded the threshold of 10% on November 1, 2021 and amounted to 12.57% (equivalent to 228,726 voting rights) on that date.

Provisions

a) Pension obligations

The settlement amount of pension provisions (€ 973 k; previous year: € 903 k) is initially determined in accordance with the benefit obligations arising from pension commitments on the basis of biometric probabilities based on the Heubeck 2018 G mortality tables using the actuarial projected unit credit method. The contractually agreed interest rate of 4 % is taken into account when determining the present value of the earned entitlement. The calculation of the accrual for pensions was based on an average fluctuation rate of 1.5 % p.a. (previous year: 1.5 % p.a.). The discount rate used is the respective interest rate published by the Deutsche Bundesbank for a remaining term of 15 years. In accordance with § 253 (2) sentence 1 HGB (new version), pension accruals were discounted at the balance sheet date using an average market interest rate for the last ten years (1.77 %; previous year: 1.98 %). The average market interest rate for the last seven years is 1.40 % (previous year: 1.39 %). The difference pursuant to Sec. 253 (6) Sentence 1 HGB amounts to € 90 k (previous year: € 142 k). The difference is the difference between the pension accruals valued at the 10-year average interest rate as of the balance sheet date and the pension accruals valued at the 7-year average interest rate as of the balance sheet date. The amount of the difference is subject to a distribution restriction. The difference is included in the profit transfer to Varex Imaging Deutschland AG and was therefore not subject to a transfer restriction.

In accordance with the provisions of § 246 (2) sentence 2 HGB, pension accruals were offset against the fair value of the reinsurance policy (€ 433 k; previous year: € 419 k).

b) Tax provisions

Provisions for taxes amount to € 170 k (previous year: € 254 k). The tax provisions are based on the tax returns and tax calculations of MMS AG for the years 2020 to 2022.

c) Other accrued liabilities

Other accruals amount to € 2,996 k (previous year: € 2,276 k). Of these, € 992 k (previous year: € 574 k) relate mainly to bonus provisions, € 664 k (previous year: € 355 k) to outstanding invoices, € 512 k (previous year: € 459 k) to the defense against a patent lawsuit, € 385 k (previous year: € 385 k) to provisions for the 13th salary, € 268 k (previous year: € 265 k) to provisions for vacation and overtime, and € 175 k (previous year: € 151 k) to provisions for guarantees. 151 k) to warranty provisions.

Liabilities

In the reporting period, trade payables decreased by € 47 k and amount to € 193 k as of the reporting date. As in the previous year, there were no liabilities to affiliated companies relating to current offsetting. The liabilities to affiliated companies of € 7,789 k (previous year: € 4,546 k) relate to the profit transfer based on the existing control and profit transfer agreement with Varex Imaging Deutschland AG.

As in the previous year, all liabilities have a term of up to one year at September 30, 2022.

Deferred income

This item includes deferred revenue components from multiple-element arrangements that have already been paid but not yet recognized. In addition, payments received under maintenance contracts are deferred to the extent that the corresponding maintenance service has not yet been performed.

NOTES TO THE INCOME STATEMENT

Revenues

The breakdown of sales by revenue type is as follows:

INDICATIONS IN € K	2021/2022	2020/2021
Revenues from maintenance	5,945	5,521
Proceeds from the sale of licenses	5,213	4,848
Other	7,604	5,845
	18,762	16,214

In the financial year 2021/2022, the Company generated the majority of its revenues in the USA (€ 14,442 k; previous year: € 12,198 k) with its customers Hologic, Varian, Varex, Vital Images and Philips. This relates to revenues from the sale of licenses as well as revenues from maintenance and other services. Accordingly, revenues of € 4,320 k (previous year: € 4,016 k) were generated in Europe.

Other sales include income from the recharging of personnel expenses, rent and ancillary costs amounting to € 1,247 k (previous year: € 1,210 k).

Some of the sales revenues are subject to estimates, as the final invoicing of the services actually rendered is only performed annually and not as of the balance sheet date.

Other operating income

Other operating income amounted to € 2,696 k in the financial year (previous year: € 1,403 k). Of this amount, € 2,517 k (previous year: € 1,188 k) is mainly attributable to exchange rate differences. The exchange rate differences are due to the fact that the majority of services are invoiced in US dollars and liquidity is also held in US dollars. Due to the affiliation with the Varex Imaging Group and in line with its corporate policy, no hedging transactions are concluded.

Personnel expenses

Personnel expenses amount to € 9,422 k in 2021/2022 (previous year: € 8,854 k). The average number of employees in the reporting year was 104 (previous year: 104). Of these, 1 (previous year: 1) were temporary employees. The average figures do not include the Executive Board. There were no industrial employees and one managerial employee in the current financial year (previous year: industrial: 0, managerial: 1).

Other operating expenses

In the previous year, expenses for legal, consulting and audit fees included expenses of an exceptional magnitude in connection with the defense of a patent lawsuit totaling € 608 k.

With regard to expenses arising from exchange rate differences, please refer to the explanatory notes on other operating income.

Income from loans held as financial assets

Income from loans of the Company's financial assets totaled € 178 k in 2021/2022 (previous year: € 162 k) and, as in the previous year, relates exclusively to interest income from a fixed-interest loan to Varex Imaging Deutschland AG.

Interest expense

Interest expense amounts to € 4 k in 2021/2022 (previous year: € 11 k) and is fully attributable to the net expense from the compounding of pension provisions of € 18 k (previous year: € 19 k) after offsetting against income from plan assets of € 14 k (previous year: € 8 k).

NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents are identical to the item "Cash on hand, bank balances". The cash flow statement has been prepared in accordance with the principles of GAS 21.

OTHER INFORMATION

Other financial commitments and contingencies

The Company's other financial obligations as of September 30, 2022 amount to € 3,269 k (previous year: € 945 k). Of this amount, rental agreements account for € 3,141 k (previous year: € 789 k) and leases for € 128 k (previous year: € 156 k). Other financial obligations are due within one year in the amount of € 652 k, within a period of between one and five years in the amount of € 2,332 k, and in more than five years.

The rental agreements relate exclusively to rental agreements with limited terms for office space. The leases relate to motor vehicles and copying stations.

All of MMS AG's existing leases in fiscal year 2021/2022 are operating leases for passenger cars and copying stations. The economic ownership and thus the utilization risk of the leased assets lies with the respective lessor.

In § 3 of the partnership agreement of MBC KG, MMS AG has undertaken to immediately grant the affiliated company a loan of up to € 820 k at standard banking terms in the event of capital requirements exceeding the contributions. However, in view of the economic situation of MBC KG, we do not expect MBC KG to be dependent on additional loans in the short term to maintain its liquidity.

MMS AG has a partial contractual obligation to indemnify and hold its customers harmless from costs incurred by customers in connection with disputes, lawsuits and penalties relating to the infringement of copyrights, patents or other proprietary rights of third parties arising from the use and distribution of MeVis products. As MMS AG is the owner of a number of German, European and U.S. patents and patent applications, we do not currently expect any claim to be made on the Company's obligation.

Relationships with related parties

The Company conducts transactions with related parties, which are explained below. These are part of the ordinary course of business and are treated as arm's length transactions.

Related parties include the jointly controlled entities MBC KG and MBC GmbH, Varex Imaging Deutschland AG and, via the latter, the affiliated companies of Varex Group, as well as the Executive Board and the Supervisory Board and their close relatives.

The following receivables, liabilities, expenses and income of the Company relate to related parties:

FIGURES IN € K	2021/2022
Parent company	
Receivables (from loans granted)	16,225
Receivables (from services)	155
Liabilities (from profit and loss transfer agreement)	7,789
Income (mainly services and interest income)	962
Expenses (from profit transfer agreement)	7,789
Other affiliated companies	
Receivables (from services)	575
Income (mainly services)	2,684

Information on the Company's governing bodies

Overview of the members of the Executive Board and the Supervisory Board of MMS AG who work full-time for the Company:

BOARD

Marcus Kirchhoff Chairman Dassendorf	as of 1.3.2012	<ul style="list-style-type: none"> Member of the shareholder delegation of MeVis BreastCare GmbH & Co. KG Executive Board of Varex Imaging Deutschland AG (since Jan. 20, 2017)
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SUPERVISORY COUNCIL

Kimberley E. Honeysett Chair Sandy, Utah, USA	from 8.3.2017	<ul style="list-style-type: none"> Senior Vice President, Chief Legal Officer, General Counsel and Corporate Secretary at Varex Imaging Corporation Member of the Supervisory Board of Varex Imaging Deutschland AG (Oct. 20, 2016 to May 31, 2018 and since Oct. 11, 2019) Member of the Board of Directors of Varex Imaging International AG, Switzerland (since Nov. 25, 2016)
Shubham Maheshwari Vice Chairman Jericho, New York, USA	from 24.3.2021	<ul style="list-style-type: none"> Chief Finance Officer at Varex Imaging Corporation Member of the Supervisory Board of Varex Imaging Deutschland AG (since March 24, 2021) Member of the Board of Directors of Varex Imaging International AG, Switzerland (since Feb. 19, 2021)
Sunny Sanyal (Vice Chairman until March 24, 2021), Sandy, Utah, USA	as of 24.9.2020	<ul style="list-style-type: none"> Chief Executive Officer at Varex Imaging Corporation Member of the Supervisory Board of Varex Imaging Deutschland AG (since Sept. 27, 2020) Non-executive Board member of the Medical Imaging Technology Alliance (MITA)

Compensation of the Executive Board

Currently, the Executive Board of MeVis Medical Solutions AG consists of one person, Mr. Marcus Kirchhoff, who manages the company as sole member of the Executive Board. His contract was extended in November 2020 until March 2026.

The total compensation of the Executive Board of the Company for fiscal year 2021/2022 amounts to € 316 k (prior year: € 307 k) and includes fixed compensation components including fringe benefits such as allowances for health insurance, accident insurance and the assessment of car usage.

The Company does not pay a variable, performance-related compensation component.

Remuneration of the Supervisory Board

The total compensation of the members of the Supervisory Board for fiscal year 2021/2022 amounts to € 0 k (prior year: € 0 k).

The Company has not granted any advances or loans to members or former members of the Supervisory Board. A pecuniary loss liability insurance policy has been taken out at the expense of the Company for the benefit of the members of the Executive Board and the Supervisory Board.

Auditor's fees

Figures in € k	01.10.2021- 30.09.2022
Final exams	188
Other confirmation services	0
Tax consultancy	0
Other services	0
Total	188

German Corporate Governance Code

The Executive Board and Supervisory Board of MeVis Medical Solutions AG support the initiative of the Government Commission on the German Corporate Governance Code and issue joint declarations of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) on an annual basis. Since issuing the last declaration of conformity dated September 9, 2021 with an update or supplement dated January 25, 2022, MeVis Medical Solutions AG has complied with the recommendations of the German Corporate Governance Code (DKGK) in the version dated December 16, 2019 with the exceptions stated and justified in the declarations dated September 9, 2021 and January 25, 2022. For the period from September 9, 2022, the Executive Board and the Supervisory Board declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that MeVis Medical Solutions AG complies or will comply in principle with the recommendations of the German Corporate Governance Code as amended on April 28, 2022, and which recommendations have not been or will not be applied. The current declaration of conformity is dated September 9, 2022 and is available to shareholders as a PDF on the Company's website.

Profit transfer/compensation payments

The profit of € 7,789 k is transferred to Varex Imaging Deutschland AG on the basis of the control and profit transfer agreement.

In the control and profit and loss transfer agreement, Varex Imaging Deutschland AG has undertaken to pay the outside shareholders a recurring cash payment ("compensation payment") for each full financial year for the duration of this agreement. This amounts to EUR 1.13 (gross) per share for each full financial year.

Group affiliation

MMS AG belongs to the Varex Imaging Group, headed by Varex Imaging Corporation, Salt Lake City, USA, via Varex Imaging Deutschland AG, Willich. This company prepares the consolidated financial statements for the largest and smallest group of companies and MMS AG is included in these. The consolidated financial statements are filed with the U.S. Securities and Exchange Commission (SEC) and are available at the registered office of the Group's parent company.

As MMS AG only has subsidiaries that do not have to be included in consolidated financial statements in accordance with Section 296 HGB, it is exempt from the obligation to prepare consolidated financial statements in accordance with Section 290 (5) HGB.

Events after the balance sheet date

There were no business transactions of particular significance for the Company after the balance sheet date.

Bremen, January 18, 2023



Marcus Kirchhoff
Sole Director

DEVELOPMENT OF FIXED ASSETS

(Statement of changes in non-current assets - appendix to the notes)

for the period from October 1, 2021 to September 30, 2022

INDICATIONS IN €	Acquisition costs			
	1.10.2021	Additions	Disposals	
I.				
Intangible assets				
Concessions, industrial property rights and similar rights and assets acquired against payment, as well as licenses to such rights and assets	1,329,859.48	0.00	0.00	1,329,859.48
II.				
Property, plant and equipment				
Operating and office equipment	1,778,534.62	133,100.03	0.00	1,911,634.65
III.				
Financial assets				
1. Shares in affiliated companies	312,042.00	0.00	0.00	312,042.00
2. Loans to affiliated companies	16,225,211.69	0.00	0.00	16,225,211.69
	16,537,253.69	0.00	0.00	16,537,253.69
	19,645,647.79	133,100.03	0.00	19,778,747.82

Accumulated depreciation				Carrying amounts	
<u>1.10.2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>30.09.2022</u>	<u>30.09.2022</u>	<u>30.09.2021</u>
1,329,521.02	183.18	0.00	1,329,704.20	155.28	338.46
1,656,741.87	92,868.64	0.00	1,749,610.51	162,024.14	121,792.75
0.00	0.00	0.00	0.00	312,042.00	312,042.00
0.00	0.00	0.00	0.00	16,225,211.69	16,225,211.69
0.00	0.00	0.00	0.00	16,537,253.69	16,537,253.69
<u>2,986,262.89</u>	<u>93,051.82</u>	<u>0.00</u>	<u>3,079,314.71</u>	<u>16,699,433.11</u>	<u>16,659,384.90</u>

RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES (BALANCE SHEET OATH)

"To the best of my knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company."

Bremen, January 18, 2023

MeVis Medical Solutions AG

A handwritten signature in black ink, appearing to read 'Marcus Kirchhoff', with a stylized flourish at the end.

Marcus Kirchhoff

Sole Executive Board

The auditor's report reproduced below also includes a "Report on the audit of the electronic reproductions of the financial statements and management report prepared for disclosure purposes in accordance with Section 317 (3b) HGB" ("ESEF Report"). The subject matter underlying the ESEF Note (ESEF documents to be audited) is not attached. The audited ESEF documents can be viewed in or downloaded from the Federal Gazette.

AUDITOR'S REPORT OF THE INDEPENDENT AUDITOR

To the MeVis Medical Solutions AG, Bremen

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of MeVis Medical Solutions AG, Bremen, comprising the balance sheet as of September 30, 2022, and the income statement, cash flow statement and statement of changes in equity for the fiscal year from October 1, 2021 to September 30, 2022, and the notes to the financial statements, including a description of the accounting policies. In addition, we have audited the management report of MeVis Medical Solutions AG, Bremen, for the fiscal year from October 1, 2021 to September 30, 2022. In accordance with German legal requirements, we did not audit the content of the corporate governance statement pursuant to Section 289f of the German Commercial Code (HGB), to which reference is made in the management report, or the statement by the legal representatives on the appropriateness and effectiveness of the overall internal control system and risk management system (Recommendation A.5 of the German Corporate Governance Code 2022) contained in the section of the management report entitled "Part of the management report not subject to audit".

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as of September 30, 2022 and of its results of operations for the fiscal year from October 1, 2021 to September 30, 2022 in accordance with German principles of proper accounting; and
- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and accurately presents the opportunities and risks of future development. Our opinion on the management report does not cover the contents of the aforementioned corporate governance statement or the opinion of the legal representatives on the appropriateness and effectiveness of the overall internal control system and risk management system contained in the "Non-audit part of the management report" section of the management report.

In accordance with Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements and the management report.

Basis for the audit judgments

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and the EU Regulation on the Audit of Annual Financial Statements (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those regulations and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the Company in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services as defined in Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and the management report.

Particularly important audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the fiscal year from October 1, 2021 to September 30, 2022. These matters were considered in the context of our audit of the financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

In the following, we present what we consider to be a particularly important audit matter, namely the recognition of unbilled revenues with the main customer.

We have structured our presentation of this particularly important audit matter as follows:

- a) Description of facts (including reference to related disclosures in the financial statements)
- b) Audit procedure

Recognition of unbilled revenues with the main customer

a) The revenues of EUR 18,762 k reported in the Company's financial statements mainly relate to revenues from the sale of licenses, revenues from maintenance and other revenues. Revenues of EUR 10,009 k (i.e. 53%) are attributable to the main customer Hologic Inc., Marlborough, Massachusetts/USA, of which EUR 5,123 k (i.e. 51%) is attributable to revenues from maintenance contracts, EUR 4,009 k to revenues from the sale of licenses, and EUR 877 k to other revenues. Income before the balance sheet date resulted in deferred income of EUR 1,495 k, which mainly relates to agreed advance payments from Hologic Inc.

Maintenance contracts are usually concluded as part of the sale of new licenses, but also in the form of contracts to extend the maintenance period, each with a term of twelve months. License revenue is primarily generated from the sale of new licenses. In addition, the Company recognizes revenue from license upgrades for licenses that have already been sold. Based on a plan prepared by Hologic Inc. and agreed between Hologic Inc. and the Company regarding the expected number of new maintenance contract renewals and license upgrades, Hologic Inc. makes monthly payments on account over a period of twelve months. Based on this, the legal representatives prepare a sales plan in relation to Hologic Inc. The final settlement is made annually, in arrears, for the period from May 1 of one year to April 30 of the following year. On the part of the Company, the amounts received in advance are recognized as deferred income and released to income over the term of the contract.

For the months of May to September, revenues totaling EUR 629 k were recognized that had not been finally settled as of the reporting date and were based on the original revenue planning of the legal representatives for the entire planning period from May 2022 to April 2023. As revenue recognition is subject to considerable uncertainty as a result of the estimates and assumptions made by the legal representatives on which the planning is based, this matter was of particular importance in the context of our audit.

The Company's revenue recognition disclosures are included in the "Notes to the Income Statement" section of the Notes.

b) As part of our audit, we first assessed the contractual basis for the exchange of services between the Company and Hologic Inc. In order to audit the recognized and already billed revenues, we examined invoices, incoming payments and receipts for services already rendered. For the audit of recognized and unbilled revenues, we further assessed the Company's budgetary compliance based on the final billings of the past three billing periods, each for the period from May 1 of one year to April 30 of the following year. In this regard, we reviewed invoices, payment receipts, and final communications with Hologic Inc. We also obtained an understanding of the significant processes involved in determining revenue and performed tests of the design and operation of the controls relevant to the audit. Further, we assessed whether and to what extent revenue recognition was affected by subjectivity, complexity, or other inherent risk factors. In order to assess the appropriateness of the revenue recognized in the financial year, we examined in particular the planning on which the revenue recognition is based and checked the consistency and consistency of the estimates and assumptions made by the legal representatives. To this end, we questioned the legal representatives and obtained the relevant evidence.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information includes:

- the report of the Supervisory Board,
- the corporate governance statement pursuant to Section 289f of the German Commercial Code (HGB), to which reference is made in the management report,
- the statement by the legal representatives on the appropriateness and effectiveness of the overall internal control system and risk management system contained in the section of the management report entitled "Part of the management report not subject to mandatory audit" (Recommendation A.5 of the German Corporate Governance Code 2022),
- the assurance of the legal representatives pursuant to Section 264 (2) sentence 3 HGB or Section 289 (1) sentence 5 HGB on the annual financial statements and the management report, and
- all other parts of the published annual report,
- but not the annual financial statements, not the content of the audited management report, and not our audit opinion thereon.

The Supervisory Board is responsible for the Report of the Supervisory Board. The declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance statement, is the responsibility of the legal representatives and the Supervisory Board. Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the financial statements and the management report do not cover the other information and, accordingly, we do not express an audit opinion or any other form of conclusion thereon.

In connection with our audit, we have a responsibility to read the other information referred to above and, in doing so, assess whether the other information is

- are materially inconsistent with the financial statements, the content of the audited management report disclosures or our knowledge obtained in the audit, or
- otherwise appear to be materially misrepresented.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the management report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with German principles of proper accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and management report.

Auditor's Responsibility for the Audit of the Annual Financial Statements and the Management Report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU-APrVO and in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- Identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material misstatements is higher for noncompliance than for inaccuracy, as noncompliance may involve fraud, forgery, intentional omissions, misleading representations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the financial statements and the arrangements and actions relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the understanding of the Company's position given by it.
- We perform audit procedures on the forward-looking statements made by management in the management report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and the safeguards that have been put in place to address them.

From the matters we discussed with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure of the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the annual financial statements and management report prepared for disclosure purposes in accordance with Section 317 (3a) of the German Commercial Code (HGB)

Audit opinion

In accordance with Section 317 (3a) HGB, we have performed a reasonable assurance engagement to determine whether the reproductions of the annual financial statements and management report (hereinafter also referred to as "ESEF documents") contained in the file provided, which has the SHA-256 value 3D975F624AD5C8A81886C72C97CCC2EF063BD8C3077BA0B82656A53359473B21 and prepared for disclosure purposes, comply in all material respects with the requirements of Section 328 (1) HGB on the electronic reporting format ("ESEF format"). 1 HGB on the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this audit extends only to the conversion of the information in the annual financial statements and management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the annual financial statements and management report contained in the aforementioned file provided and prepared for disclosure purposes comply, in all material respects, with the electronic reporting format requirements of Section 328 (1) HGB. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file other than this opinion and our opinions on the accompanying financial statements and the accompanying management report for the fiscal year from October 1, 2021 to September 30, 2022 contained in the preceding "Report on the audit of the financial statements and management report".

Basis for the audit opinion

We conducted our audit of the reproductions of the annual financial statements and the management report contained in the above-mentioned provided file in accordance with Section 317 (3a) of the German Commercial Code (HGB) and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3a) of the German Commercial Code (HGB) (IDW PS 410 (10.2021)). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1) applied.

Responsibility of the legal representatives and the supervisory board for the ESEF documents

The Company's management is responsible for the preparation of the ESEF documents containing the electronic reproductions of the annual financial statements and the management report in accordance with section 328 (1) sentence 4 no. 1 HGB.

Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB regarding the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB. During the audit we exercise professional judgment and maintain a critical attitude. Furthermore

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of internal control relevant to the audit of ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documentation, i.e. whether the file provided containing the ESEF documentation complies with the requirements of Delegated Regulation (EU) 2019/815 as amended at the reporting date regarding the technical specification for this file.
- we assess whether the ESEF documentation provides a content equivalent XHTML reproduction of the audited financial statements and the audited management report.

Other information according to Article 10 EU-APrVO

We were elected as auditors of MeVis Medical Solutions AG, Bremen, for the first time by the Annual General Meeting on March 23, 2022. We were engaged by the Supervisory Board on September 7, 2022.

We declare that the audit opinions contained in this audit opinion are consistent with the additional report to the Audit Committee pursuant to Article 11 EU-APrVO (Audit Report).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited annual financial statements and the audited management report as well as the audited ESEF documents. The annual financial statements and management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited annual financial statements and audited management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

AUDITOR IN CHARGE

The auditor responsible for the audit is Christian Dinter.

Hamburg, the January 26, 2023

Deloitte Ltd.

Wirtschaftsprüfungsgesellschaft

(Christian Dinter)
Certified Public Accountant

(Isabelle Kühne)
German Public Auditor

DISCLAIMER

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are based on management's current estimates of future developments. Such statements are subject to risks and uncertainties that are beyond MeVis Medical Solutions AG's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the successful integration of new acquisitions and the actions of government regulators. If any of these or other uncertainties and imponderables materialize, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. MeVis Medical Solutions AG neither intends nor assumes any separate obligation to update any forward-looking statements to reflect events or developments occurring after the date of this report.

DEVIATIONS FOR TECHNICAL REASONS

For technical reasons (e.g. conversion of electronic formats), there may be differences between the accounting documents contained in this financial report and those submitted to the Federal Gazette. In this case, the version submitted to the Federal Gazette shall be deemed the binding version.

The financial report is available for download on the Internet at:

<http://www.mevis.de/investor-relations/finanzberichte>

FINANCIAL CALENDAR 2022/2023

Date	Event
January 26, 2023	Publication of Annual Report 2021/2022
March 21, 2023	Annual General Meeting, Bremen
May 25, 2023	Publication of half-year financial report 2022/2023

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