



# MeVis

## Interim Report

**MeVis Medical Solutions AG**

Medical imaging software -  
Detect what matters.

Q1

2015

## KEY FIGURES (IFRS)

FIGURES IN € k		Jan. 1 - Mar. 31, 2015	Jan. 1 - Mar. 31, 2014	Change
Revenues		3,408	2,828	21 %
of which segment	Digital Mammography	2,721	2,227	22 %
	Other Diagnostics	687	601	14 %
of which billing currency <sup>1</sup>	Euro	394	151	161 %
	US-Dollar	3,014	2,677	13 %
EBITDA		1,107	1,100	1 %
EBITDA margin		32 %	39 %	
EBIT		542	694	-22 %
EBIT margin		16 %	25 %	
Net financial result		138	79	75 %
EBT		680	773	-12 %
Net profit for the period		638	685	-7 %
Earnings per share in € (basic and diluted)		0.37	0.40	-7 %
		Mar. 31, 2015	Mar. 31, 2014	Change
Equity capital		30,946	30,270	2 %
Intangible assets		15,103	15,621	-3 %
Non-current and current liabilities		8,724	7,984	9 %
Balance sheet total		39,670	38,254	4 %
Equity ratio in %		78 %	79 %	
Liquid funds <sup>2</sup>		18,964	17,511	8 %
Employees <sup>3</sup>		93	94	-1 %

<sup>1</sup> Revenues are allocated to the currency according to the location of the customer; comprised of indirect sales via industry customers as well as sales to clinical end customers in the segment Distant Services.

<sup>2</sup> Comprising cash, cash equivalents and securities available for sale.

<sup>3</sup> Full-time equivalents as of balance sheet date.

## KEY SHARE DATA

As at March 31, 2015	
Industry sector	Software / Medical Technology
Subscribed capital	€ 1,820,000.00
No. of shares	1,820,000
Last quotation on December 31, 2014	€ 18.11
Last quotation on Marz 31, 2015	€ 18.62
High/low in 2015	€ 19.50 / € 17.65
Market capitalization	€ 32.072 m
Treasury stock	97,553 (5.4 %)
Free float	47.6 %
Prime Standard (Regulated market)	Frankfurt and Xetra
Over-the-counter markets	Frankfurt, Berlin, Dusseldorf, Munich, Stuttgart
Indices	CDAX, PrimeAS, TechnologyAS, DAXsector Software, DAXsubsector Software, GEX
ISIN / WKN / Ticker symbol	DE000A0LBFE4 / A0LBFE / M3V



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## LETTER TO THE SHAREHOLDERS



from left: Marcus Kirchhoff, Dr. Robert Hannemann

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

**MeVis started the first quarter of 2015 on a mixed note: whereas sales were up a sharp 21 % year on year on the back of a strong US dollar, EBIT declined by around 22 % due to the scheduled discontinuation of the capitalization of development expenses and higher costs. After-tax earnings and earnings per share likewise declined accordingly.**

Our performance in detail: **Sales** in the first quarter of 2015 amounted to € 3,408 k, up 21 % compared to the first quarter of 2014 (€ 2,828 k). Sales growth of € 580 k is almost exclusively attributable to the change in the US dollar exchange rate. Software development services totaling € 183 k (prev. year: € 0 k) from the agreement with Hologic concluded in September 2014, also contributed significantly to sales in the first quarter of 2015.

Sales in the new license business improved by 17 % to € 1,561 k, while sales in the maintenance business increased by 9 % to € 1,493 k, accounting for 44 % of total sales. Service sales improved from a low basis of € 111 k to € 355 k. Sales in the Digital Mammography segment were up by 22 % to € 2,721 k (prev. year: € 2,227 k) while sales in the Other Diagnostics segment grew by 14 % to € 687 k (prev. year: € 601 k).

Operating **costs** rose in the first quarter of 2015. Staff costs increased as planned by 1 % (from € 1,812 k in the prev. year to € 1,837 k) and other operating expenses rose by 34 % year on year to € 549 k (prev. year: € 411 k).

Development costs (prev. year: € 428 k) were capitalized for the last time in the fourth quarter of 2014.

Despite higher costs and the discontinuation of the capitalization of development expenses, **EBITDA** (earnings before interest, taxes, depreciation and amortization) increased slightly by 1 % year on year, from € 1,100 k to € 1,107 k due to the improvement in sales.

Depreciation and amortization came to € 565 k (up 39 % year on year), resulting in **EBIT** (earnings before interest and taxes) of € 542 k (down sharply by 22 % compared to € 694 k in the previous year) and an **EBIT margin** of 16 % (prev. year: 25 %).

The financial result improved by € 59 k year on year to € 138 k. This was attributable to the development of the US dollar, the improvement in earnings at MeVis BreastCare and higher net interest income. Tax expenses fell by € 46 k to € 42 k.

**After-tax earnings** were down by € 47 k to € 638 k, which is equivalent to earnings per share of € 0.37 (prev. year: € 0.40).

**Cash and cash equivalents** rose by € 1,453 k to € 18,964 k as of March 31, 2015 compared to the end of the year.

In view of the development of business so far, we reiterate our forecast for the year adjusted on April 22. We forecast stable sales of between € 13.0 million and € 13.5 million. The Digital Mammography segment will remain the main sales contributor with at least around 75 %. This segment will again exclusively comprise the business with our industrial customer, Hologic, in 2015. Earnings before interest and taxes (EBIT) is expected to decline significantly year on year from € 3.9 million to between € 2.0 million and € 2.5 million, largely due to an increase in operating costs, the absence of capitalized development expenses and a minor increase in depreciation and amortization. Liquidity is expected to rise to between € 22.0 million and € 23.0 million in 2015 as a result of sustained positive cash flows from operating activities and the payment for the sale of treasury shares of € 1.7 million received in April 2015. As in the reporting period, we will regularly review and adjust our guidance during the course of the fiscal year according to business developments.

Following the voluntary takeover offer on January 27, 2015, Varian Medical Systems acquired 73.52 %, almost three quarters of MeVis shares on April 21, 2015. Against the backdrop of the anticipated decline in business with our largest customer Hologic in the medium to long term, we welcome the fact that MeVis is now part of a large group with a broad industrial customer base, as this provides good opportunities for expanding business. The next step planned as part of this acquisition is a domination agreement including the determination of the compensation and settlement regulations for minority shareholders in compliance with the legal requirements and based on the company's enterprise value. The planned domination agreement needs to be approved by a general meeting of MeVis Medical Solutions AG scheduled for the second half of 2015. We support a domination agreement as this will allow for the ongoing integration between MeVis and Varian Medical Systems, while ensuring the rights of the minority shareholders by means of the compensation and settlement regulations to be defined.

We would like to take this opportunity to once again thank all employees for their exceptional performance as well as our business associates, customers and shareholders for their confidence in us!



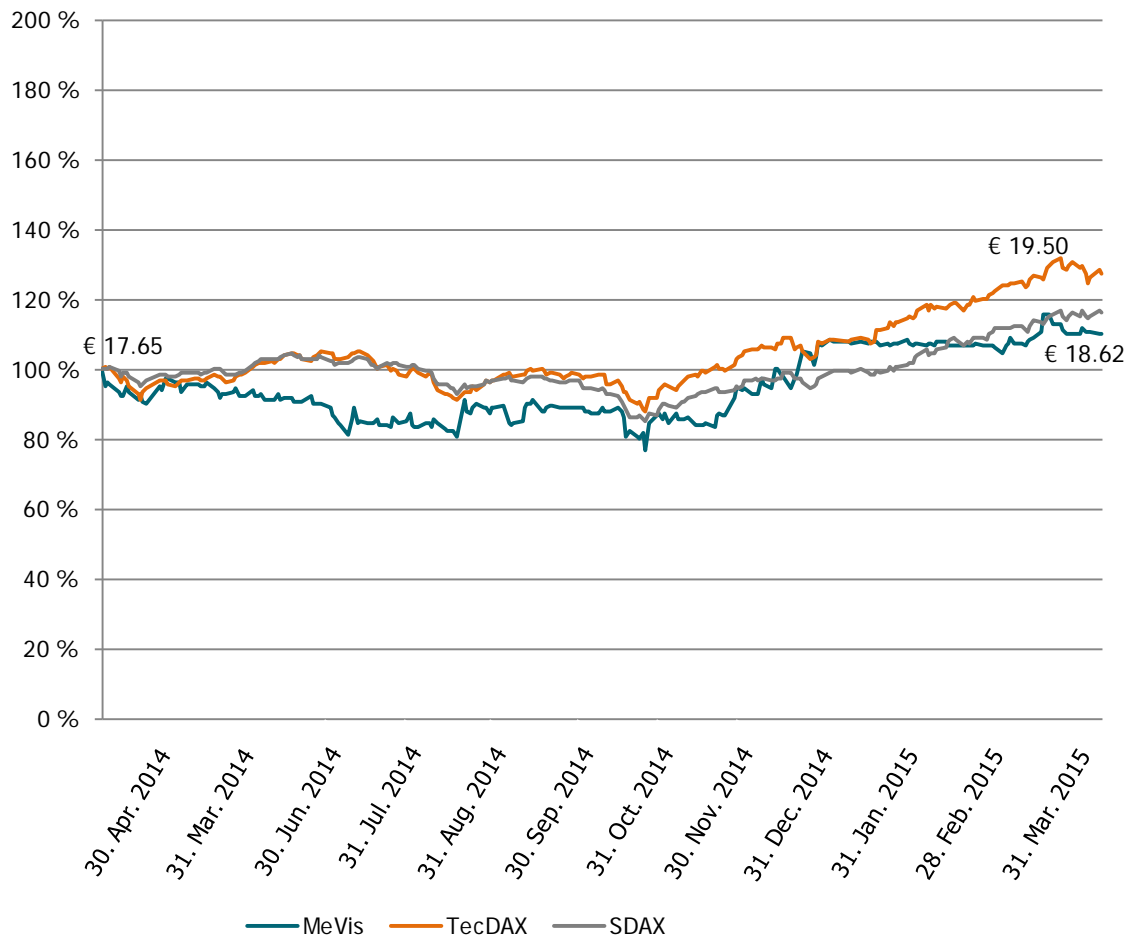
Marcus Kirchhoff  
Chairman & CEO



Dr. Robert Hannemann  
Member of the Executive Board

## THE MEVIS SHARE

### DEVELOPMENT OF THE MEVIS SHARE (12 MONTH)



In the first quarter of 2015, the share gained around 3 % against the closing price at the end of 2014. At the same time, the MeVis share performed positively over the last 12 months compared to the first quarter of 2014, gaining around 20 %. The highest price recorded for the MeVis share on the XETRA electronic trading system during the period was € 19.50; the lowest level it traded at was € 17.65. MeVis Medical Solutions AG closed the first quarter at a share price of € 18.62 (XETRA) compared to € 18.11 at the end of 2014. At the end of the period, the Company's market capitalization amounted to approximately € 32.1 million in relation to the 1,722,447 shares in circulation. The number of registered deposit accounts declined sharply from 1,007 at the end of 2014 to 710 at the end of the period.

## KEY INDICATORS OF THE MEVIS SHARE

	3 M Mar. 31, 2015	12 M Dec. 31, 2014
Closing price in €	18.62	18.11
Period high in €	19.50	22.95
Period low in €	17.65	12.93
Market capitalization in million € (XETRA ultimo)	32.1	31.2
Number of shares	1,820,000	1,820,000
Treasury stock	97,553	97,553
Price-to-earnings ratio (XETRA ultimo)	12.58	8.38
Earnings per share in € (basic and diluted)	0.37	2.16

## DEVELOPMENT OF THE SHAREHOLDER STRUCTURE

The shareholder structure hardly changed in the first quarter of 2015. The three founders accounted for approximately 44 % of the share capital at the end of the first quarter and the Company has own shares equivalent to 5.36 %. The remaining shares were predominantly held by institutional investors and private shareholders at this time.

The shareholder structure changed significantly after the end of the quarter. On January 27, 2015, VMS Deutschland Holdings GmbH announced its decision to make a voluntary takeover offer to the shareholders of MeVis Medical Solutions AG to acquire their registered shares for cash consideration of € 17.50 per share. The offer for 1,337,995 shares (which corresponds to 73.52 % of the share capital) was accepted and was concluded on April 21, 2015. On this date VMS Deutschland Holdings GmbH acquired the majority of shares in MeVis Medical Solutions AG.

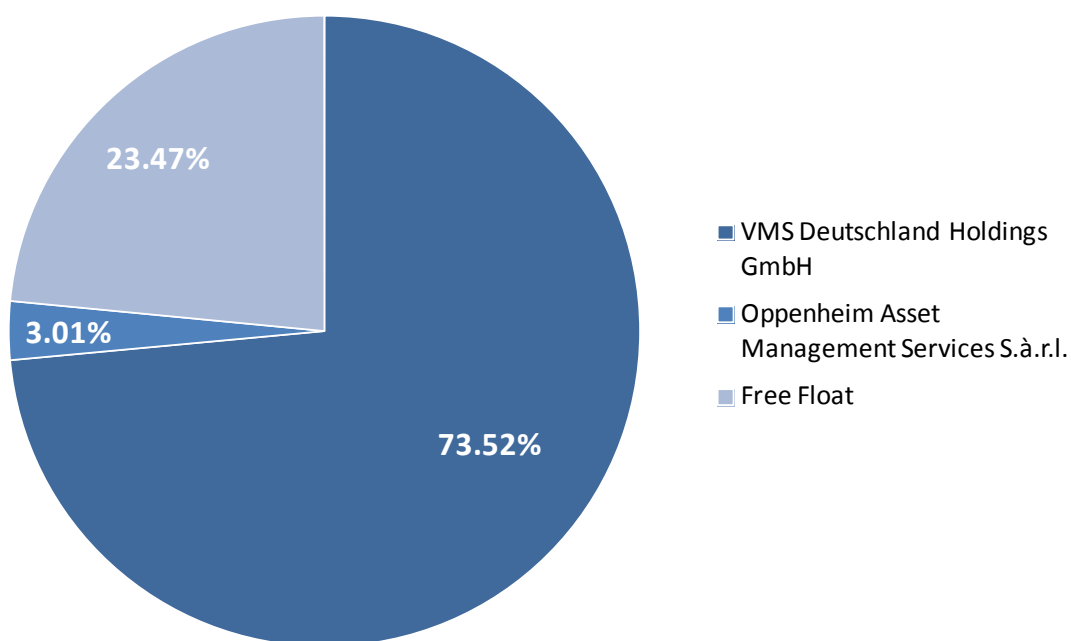


Fig.: Shareholder structure as at April 30, 2015

# INTERIM MANAGEMENT REPORT Q1/2015

## BASICS OF THE COMPANY

### STRUCTURE

Through a joint venture with Siemens Aktiengesellschaft, Berlin and Munich (hereafter: "Siemens"), MeVis Medical Solutions AG (hereafter: "MMS AG", "MeVis" or "Company") holds 51 % of MeVis BreastCare GmbH & Co. KG (hereafter: "MBC" or "MBC KG").

### SHORT SUMMARY OF BUSINESS ACTIVITIES

MMS AG develops innovative software for analyzing and evaluating image data and marketing it to equipment manufacturers of medical devices and providers of medical IT platforms.

MeVis' clinical focuses are image-based early detection and diagnosis of epidemiologically important diseases such as breast, lung, prostate and colon cancer as well as neurological disorders. The software applications support all the imaging modalities available. These not only include X-ray modalities such as computed tomography, digital mammography or digital tomosynthesis, but also magnetic resonance imaging, digital sonography and the simultaneous use of multiple modalities (multimodality). Then there are the more modern imaging modalities, such as positron emission tomography (PET), sonoelastography and molecular imaging. MeVis supplies technologies and applications for global medical industry leaders, meeting their needs and helping them to strengthen their leadership positions.

MeVis also offers image-based support for planning and conducting surgical interventions in the form of MeVis Distant Services, which provides customized services to automate the processing, quantitative analysis and patient-specific visualization of radiological image data. It also offers an internationally unparalleled process for planning complex operations on the liver and other organs is offered. Sales and marketing activities are directly addressed towards clinical end users (B2C).

In addition, MeVis is expanding its offer for clinical end users by two online services: MeVis Online CAD offers fully automated detection as well as assessment and quantification of anomalies of the lung. MeVis Online Academy offers interactive online training to improve the diagnostic capabilities of clinical end users. The product range of online services will be expanded gradually.



## REPORTING SEGMENTS

For reporting purposes and internal governance, MeVis has two operating segments ("**Digital Mammography**" and "**Other Diagnostics**").

The **Digital Mammography** segment develops and markets software products which support breast diagnostic imaging and intervention. Aside from the original products for digital mammography, new software applications for other imaging modalities such as ultrasound, magnetic resonance imaging and tomosynthesis were added. These products are distributed to the industrial customer Hologic.

In addition to the breast diagnostics business based on magnetic resonance imaging conducted with Invivo Corporation, the **Other Diagnostics** segment also includes digital radiology products (e.g. magnetic resonance imaging (MRI), computed tomography (CT), etc.) for other types of diseases such as lung, prostate and intestinal disorders as well as general image-based analysis and diagnostics of radiology images. Furthermore, the business with Vital Images for lung diagnostics and general analysis of MR-image data is included in this segment. Other main activities in this segment include image and risk analysis for planning liver surgery and tumor diagnostics in connection with clinical studies of pharmaceutical companies (Distant Services business segment).

The MMS AG differentiates the geographical areas USA and Europe due to the local distribution of realized sales.

## ECONOMIC REPORT

### EARNINGS POSITION

Sales of € 3,408 k in the first quarter of 2015 were up approximately 21 % on the previous year's level (€ 2,828 k). Sales growth of € 580 k is almost exclusively attributable to the change in the US dollar at € 526 k. The maintenance business increased by 9 % year on year to € 1,493 k (prev. year: € 1,372 k) and the new license business improved by 17 % to € 1,561 k (prev. year: € 1,337 k).

Revenues are broken down into the segments Digital Mammography at € 2,721 k (prev. year: € 2,227 k) and Other Diagnostics at € 687 k (prev. year: € 601 k). At 80 % (prev. year: 79 %), the Digital Mammography segment continues to be the main source of revenues in the Company.

The installed base of software licenses once again led to consistently high maintenance and service revenues. In the first quarter of 2015, the share of maintenance and service sales in total sales amounted to 44 % (prev. year: 49 %).

The 1 % rise in staff costs to € 1,837 k (prev. year: € 1,812 k) is largely due to minor salary increases. MMS AG had 108 employees on average in the first quarter of 2015. This corresponds to 94 full-time equivalents (prev. year: 109 employees or 95 full-time equivalents).

Development expenses were capitalized for the last time in the fourth quarter of 2014. This led to a reduction in capitalized development expenses in the period under review to € 0 k (prev. year: € 428 k). Other operating expenses increased year on year, and totaled € 549 k (prev. year: € 411 k). This amount mainly comprised rental/leasing expenses of € 129 k (prev. year: € 126 k), maintenance/repair costs of € 28 k (prev. year: € 48 k), travel expenses of € 51 k (prev. year: € 32 k), legal and consulting costs of € 121 k (prev. year: € 7 k) and accounting and auditing expenses of € 25 k (prev. year: € 23 k).

EBITDA (earnings before interest, taxes, depreciation and amortization) totaled € 1,107 k in the period under review (prev. year: € 1,100 k) and the EBITDA margin decreased accordingly to 32 % (prev. year: 39 %).

Depreciation, amortization and impairments of intangible assets and property, plant and equipment increased sharply by 39 % to € 565 k (prev. year: € 406 k), while amortization of development services rose by € 96 k to € 357 k (prev. year: € 261 k) and amortization of intangible assets increased by € 74 k to € 171 k (prev. year: € 97 k).

Earnings before interest and taxes (EBIT) were € 542 k in the reporting period (prev. year: € 694 k). Accordingly, the EBIT margin (return on sales) declined to 16 % compared to 25 % in the previous year.

The financial result increased in the reporting period to € 138 k (prev. year: € 79 k). The main reason for this rise is the improved earnings of the 51 % share in MeVis BreastCare GmbH & Co. KG of € 94 k (prev. year: € 60 k), which is recognized at equity.

Earnings before taxes (EBT) were € 680 k in the reporting period (prev. year: 773 k). The EBT margin decreased to 20 % compared to 27 % in the previous year.

After-tax earnings are impacted by income taxes and the deferred tax expenses of € 42 k reported here (prev. year: € 88 k), amounting to € 638 k in the period under review (prev. year: € 685 k).

Earnings per share fell to € 0.37 (prev. year: € 0.40).

## FINANCIAL POSITION

Cash flow from current operating activities came to € 987 k (prev. year: € 306 k) in the period under review. This comprised earnings before interest and taxes (EBIT) of € 542 k (prev. year: € 694 k), adjusted for depreciation in the amount of € 565 k (prev. year: € 406 k), changes in provisions of € 199 k (prev. year: € 2 k), the total of all non-cash expenses and income of € 57 k (prev. year: € 15 k), the total of interest paid and received of € 45 k (prev. year: € 53 k), the total of taxes paid and received in the amount of € -5 k (prev. year: € -12 k), changes in inventories and trade receivables and other assets of € -1,067 k (prev. year: € -502 k), and changes in trade payables and other liabilities of € 651 k (prev. year: € -350 k).

In the period under review, cash flow from investing activities came to € -62 k (prev. year: € -4,465 k) and mainly consisted of payments for the acquisition of securities of € 2,531 k (prev. year: € 7,428 k) as well as payments received for the disposal of securities in the amount of € 2,495 k (prev. year: € 3,450 k).

The change in cash and cash equivalents in the period under review came to € 1,300 k (prev. year: € -4,172 k).

## NET ASSET POSITION

Liquid funds amounted to € 18,964 k (December 31, 2014: € 17,511 k) as of the balance sheet date. This comprised cash and cash equivalents of € 10,567 k (December 31, 2014: € 9,267 k) and securities available for sale of € 8,397 k (December 31, 2014: € 8,244 k).

Total assets increased by € 1,416 k to € 39,670 k (December 31, 2014: € 38,254 k) as of the end of the first quarter and the balance sheet structure remained largely unchanged compared to the end of fiscal year 2014. The equity ratio dropped slightly to 78 % (December 31, 2014: 79 %). Equity covered 181 % of fixed assets (December 31, 2014: € 173 %) and amounted to 76 % of current assets (December 31, 2014: 104 %). Fixed assets fell slightly to 43 % compared to total assets (December 31, 2014: 46 %).

The increase in assets is largely attributable to the rise in liquidity. Furthermore, trade receivables rose by € 298 k to € 3,031 k (December 31, 2014: € 2,733 k).

Equity was up 2 % to € 30,946 (December 31, 2014: € 30,270 k) on the back of net profit for the year. Other significant changes in liabilities related to trade payables, which declined by € 458 k to € 121 k (December 31, 2014: € 579 k), and other current financial liabilities, which rose by € 437 k to € 1,542 k (December 31, 2014: € 1,105 k) largely due to the increase in staff liabilities.

## MATERIAL EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Varian Medical Systems acquired 73.52 %, almost three quarters of MeVis shares on April 21, 2015. On April 29, the Company announced that the management of VMS Deutschland Holdings GmbH, Darmstadt, and the Executive Board of MeVis Medical Solutions AG had agreed to prepare and conclude a domination agreement between VMS Deutschland Holdings GmbH as the controlling company and MeVis Medical Solutions AG as the controlled company.

## OPPORTUNITIES AND RISK REPORT

No material changes have occurred with regard to the risk situation of the Company since the beginning of the fiscal year. Therefore, the statements made in the opportunities and risk report of the consolidated annual financial statements as of December 31, 2014 remain valid.


## OUTLOOK

In view of the development of business so far, we reiterate our forecast for the year adjusted on April 22. We forecast stable sales of between € 13.0 million and € 13.5 million. The Digital Mammography segment will remain the main sales contributor with at least 75 %. This segment will again exclusively comprise the business with our industrial customer, Hologic, in 2015. Earnings before interest and taxes (EBIT) is expected to decline significantly year on year from € 3.9 million to between € 2.0 million and € 2.5 million, largely due to an increase in operating costs, the discontinuation of capitalized development expenses and a minor increase in depreciation and amortization. Liquidity is expected to rise to between € 22.0 million and € 23.0 million in 2015 as a result of sustained positive cash flows from operating activities and the payment for the sale of treasury shares of € 1.7 million received in April 2015. As in the previous reporting period, we will review our expectations during the fiscal year on a regular basis based on the current business developments.

Bremen, May 21, 2015



Marcus Kirchhoff  
Chairman & CEO



Dr. Robert Hannemann  
Member of the Executive Board

## INCOME STATEMENT Q1 2015

for the period January 1 through March 31, 2015

FIGURES IN € k	Notes	Jan 1 - Mar. 31, 2015	Jan 1 - Mar. 31, 2014
<b>Revenues</b>	1	<b>3,408</b>	<b>2,828</b>
Income from capitalization of development expenses	2	0	428
Other operating income		176	203
Cost of material		-91	-136
Staff costs	3	-1,837	-1,812
Other operating expenses	4	-549	-411
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		<b>1,107</b>	<b>1,100</b>
Depreciation, amortization and impairment of intangible and tangible assets	5	-565	-406
<b>Earnings before interest and tax (EBIT)</b>		<b>542</b>	<b>694</b>
Share of profit of associates		94	60
Interest income		45	53
Interest expenses		0	-5
Other net financial result		-1	-29
<b>Net financial result</b>	6	<b>138</b>	<b>79</b>
<b>Earnings before tax (EBT)</b>		<b>680</b>	<b>773</b>
Income tax	7	-42	-88
<b>Net profit for the period</b>		<b>638</b>	<b>685</b>
<b>Earnings per share in €</b>	14		
Basic		0.37	0.40
Diluted		0.37	0.40

## STATEMENT OF COMPREHENSIVE INCOME

for the period January 1 through March 31, 2015

FIGURES IN € k	Notes	Jan 1 - Mar. 31, 2015	Jan 1 - Mar. 31, 2014
<b>Net profit for the period</b>		<b>638</b>	<b>685</b>
Changes in fair value of available-for-sale financial instruments		56	9
Deferred tax on changes in fair value		-18	-3
<b>Other comprehensive income</b>		<b>38</b>	<b>6</b>
<b>Total comprehensive income</b>		<b>676</b>	<b>691</b>



# STATEMENT OF FINANCIAL POSITIONS

As of March 31, 2015

FIGURES IN € k	Notes	Mar. 31, 2015	Dec 31, 2014
<b>Non-current assets</b>			
Intangible assets		15,103	15,621
Property, plant and equipment		353	374
Interest in associated companies	8	1,664	1,571
		<b>17,120</b>	<b>17,566</b>
<b>Current assets</b>			
Trade receivables		3,031	2,733
Other financial assets	9	8,584	8,441
Other assets		368	247
Cash and cash equivalents		10,567	9,267
		<b>22,550</b>	<b>20,688</b>
<b>ASSETS</b>		<b>39,670</b>	<b>38,254</b>
<b>Equity capital</b>	10		
Subscribed capital		1,820	1,820
Capital reserve		9,784	9,784
Revaluation reserve		481	507
Treasury stock		-3,300	-3,300
Cumulated fair value changes of available-for-sale financial instruments		192	154
Retained earnings		21,969	21,305
		<b>30,946</b>	<b>30,270</b>
<b>Non-current liabilities</b>			
Provisions		158	158
Deferred taxes		2,407	2,444
		<b>2,565</b>	<b>2,602</b>
<b>Current liabilities</b>			
Provisions		504	305
Trade payables		121	579
Other financial liabilities	11	1,542	1,105
Deferred income		2,519	2,343
Other liabilities		641	311
Income tax liabilities		832	739
		<b>6,159</b>	<b>5,382</b>
<b>EQUITY AND LIABILITIES</b>		<b>39,670</b>	<b>38,254</b>

## STATEMENT OF CASH FLOW

for the period January 1 through March 31, 2015

FIGURES IN € k	Notes	Jan 1 - Mar. 31, 2015	Jan 1 - Mar. 31, 2014
<b>Earnings before interest and tax (EBIT)</b>		<b>542</b>	<b>694</b>
+ Depreciation and amortization and impairments	5	565	406
+/- Increase/decrease in provisions		199	2
+/- Other non-cash expenses/income		57	15
+ Interest received		45	53
- Interest paid		0	0
+ Tax received		0	0
- Tax paid		-5	-12
+/- Decrease/increase in inventories		0	0
Decrease/increase in trade receivables and other assets		-1,067	-502
-/+ liabilities		651	-350
<b>= Cash flow from operating activities</b>		<b>987</b>	<b>306</b>
- Purchase of property, plant and equipment		-16	-27
Purchase of intangible assets			
- (excl. development cost)		-10	-32
- Payments for capitalized development cost		0	-428
Payments for the acquisition for marketable securities		2,531	-7,428
+ Proceeds from sale of marketable securities		2,495	3,450
<b>= Cash flow from investing activities</b>		<b>-62</b>	<b>-4,465</b>
- Repayment of finance lease liabilities		0	-9
<b>= Cash flow from financing activities</b>		<b>0</b>	<b>-9</b>
<b>Change in cash and cash equivalents</b>		<b>925</b>	<b>-4,168</b>
<b>Effect of exchange rates on cash and cash equivalents</b>		<b>375</b>	<b>-4</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>9,267</b>	<b>9,299</b>
<b>= Cash and cash equivalents at the end of the period</b>		<b>10,567</b>	<b>5,127</b>

## STATEMENT OF CHANGES IN EQUITY

for the period January 1 through March 31, 2015

FIGURES IN € k	Subscribed capital	Capital reserve	Re-valuation reserve	Treasury shares	Cumulative change in fair value for sale of available assets	Retained earnings	Total
<b>Balance on Jan. 1, 2014</b>	<b>1,820</b>	<b>9,768</b>	<b>611</b>	<b>-3,300</b>	<b>-15</b>	<b>17,561</b>	<b>26,445</b>
Transfer to retained earnings according to amortization	0	0	-26	0	0	26	0
Net result	0	0	0	0	6	685	691
<b>Balance on Mar. 31, 2014</b>	<b>1,820</b>	<b>9,768</b>	<b>585</b>	<b>-3,300</b>	<b>-9</b>	<b>18,272</b>	<b>27,136</b>
<b>Balance on Jan. 1, 2015</b>	<b>1,820</b>	<b>9,784</b>	<b>507</b>	<b>-3,300</b>	<b>154</b>	<b>21,305</b>	<b>30,270</b>
Transfer to retained earnings according to amortization	0	0	-26	0	0	26	0
Net result	0	0	0	0	38	638	676
<b>Balance on Mar. 31, 2015</b>	<b>1,820</b>	<b>9,784</b>	<b>481</b>	<b>-3,300</b>	<b>192</b>	<b>21,969</b>	<b>30,946</b>

# NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2015

## BASIC INFORMATION

### GENERAL DISCLOSURES

MeVis Medical Solutions AG ("MMS AG" for short) was incorporated at the end of 1997 and commenced business in 1998. It has its registered office in Bremen/Germany. Its address is Caroline-Herschel-Str. 1, 28359 Bremen.

The interim financial report of MeVis was prepared in accordance with the provisions of § 37x (3) of the German Securities Trading Act (WpHG) along with interim financial statements and a management report.

The interim financial statements of MeVis Medical Solutions AG, Bremen (MMS AG) as at March 31, 2015 were prepared in accordance with Section 315a (1) of the German Commercial Code (HGB) in line with the rules and regulations in force on the balance sheet date and approved by the European Union of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Accordingly, this interim report as at March 31, 2015 was prepared in conformity with IAS 34 "Interim Reporting". The notes to the interim financial statements are presented in abridged form in line with the option provided by IAS 34. The interim financial statements and interim management report have neither been audited nor subjected to accounting review.

### RECOGNITION AND MEASUREMENT METHODS

The interim financial statements from January 1 to September 30, 2015 use the same recognition and measurement policies as the separate financial statement according to IFRS consolidated financial statements for the financial year 2015. The interim financial statements as of September 30, 2014 must therefore be read in conjunction with the separate financial statement according to IFRS as of December 31, 2014.

### EFFECTS OF NEW ACCOUNTING STANDARDS

MMS AG's interim financial statements as of March 31, 2015 including the previous year's figures have been prepared in accordance with IFRS as endorsed by the European Union as of December 31, 2014. The same accounting and valuation principles were applied that were used in preparing the consolidated financial statements as at December 31, 2014; in addition, IAS 34 "Interim reporting" was applied. At the same time according to the new regulations of IFRS 11 applicable in the EU from 1 January 2014, as already mentioned in the separate financial statement according to IFRS as of December 31, 2014, the jointly controlled entities MeVis BreastCare GmbH & Co. KG and MeVis BreastCare Verwaltungsgesellschaft mbH are recognized in the interim report using the equity method. New announcements of the IASB applicable as at March 31, 2015 had no material impacts on the MeVis financial statements.

## SELECTED NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

### 1. REVENUES

Revenues break down by type as follows:

FIGURES IN € k	Jan. 1 - Mar. 31, 2015	Jan. 1 - Mar. 31, 2014
Software and licenses	1,561	1,337
Maintenance (software service contracts)	1,492	1,372
Services	355	111
Hardware	0	8
	<b>3,408</b>	<b>2,828</b>

### 2. INCOME FROM THE CAPITALIZATION OF DEVELOPMENT COSTS

In the period under review, expenditures on research and development came to € 955 k (prev. year: € 955 k). Development costs (prev. year: € 428 k) were capitalized for the last time in the fourth quarter of 2014.

### 3. STAFF COSTS

The average headcount was 108 (prev. year: 109). This is equivalent to an average of 94 full-time positions (prev. year: 95). The average figures include 11 testers (as a rule, students employed on a negligible part-time basis) (prev. year: 11).

### 4. OTHER OPERATING EXPENSES

FIGURES IN € k	Jan. 1 - Mar. 31, 2015	Jan. 1 - Mar. 31, 2014
Rental/leasing expenses	129	126
Legal and consulting costs	121	7
Travel expenses	51	32
Maintenance/repairs	28	48
Cost of preparing and auditing financial statements	25	23
Vehicle costs	24	21
Energy costs	20	18
Supervisory Board remuneration	20	20
Training costs	19	6
Events/Congresses	14	5
Stationary	12	19
Internet expenses	12	10
Cleaning expenses	10	11
Others	64	65
	<b>549</b>	<b>411</b>



## 5. DEPRECIATION AND AMORTIZATION

FIGURES IN € k	Jan. 1 - Mar. 31, 2015	Jan. 1 - Mar. 31, 2014
Amortization of industrial property rights and similar rights and customer bases	171	97
Amortization of capitalized development expenses	357	261
Depreciation of property, plant and equipment	37	48
	<b>565</b>	<b>406</b>

## 6. NET FINANCIAL RESULT

MeVis' net financial result as at March 31, 2015 amounted to € 138 k (prev. year: € 79 k). This comprises interest income from the investment of cash and cash equivalents of € 45 k (prev. year: € 53 k), the result derived from associates, amounting to € 94 k (prev. year: € 60 k), the balance of income and expenses from exchange rate differences of € 166 k (prev. year: € -10 k), as well as the change in value of derivative financial instruments in the amount of € -160 k (prev. year: € 0 k).

## 7. INCOME TAXES

Income tax expenses were mainly the result the corporate and trade tax as well as capital income tax and deferred tax assets and liabilities resulting from the differences between amounts included in the IFRS financial statements and those included in the tax assessment.

## 8. INTEREST IN ASSOCIATED COMPANIES

Financial assets concern the equity interest of 51 %, valued in accordance with the equity method, in the MeVis BreastCare GmbH & Co. KG, Bremen, as well as the MeVis BreastCare Verwaltungsgesellschaft mbH, Bremen.

## 9. CURRENT OTHER FINANCIAL ASSETS

FIGURES IN € k	Mar. 31 , 2015	Dec. 31, 2014
Securities	8,397	8,244
Deferred interest	92	69
Eligible expenses	87	41
Loans granted and receivables	8	87
	<b>8,584</b>	<b>8,441</b>

The securities held are a widely diversified portfolio of fixed-income corporate and government bonds. Since investment in securities is for the purpose of cash management, the securities are listed on an exchange and it is not intended to hold the securities to maturity, these were categorized as "available-for-sale" and classified in general as current assets.

Loans and receivables are due from the MeVis BreastCare GmbH & Co. KG at € 8 k (31. Dec. 2014: € 87 k).

## 10. SHAREHOLDERS' EQUITY

### Revaluation reserve

In connection with the acquisition of the 49 % interest in MeVis BreastCare Solutions GmbH & Co. KG (hereafter: "MBS KG") from Siemens AG and the subsequent full consolidation of MBS KG in 2008, the assets and liabilities of MBS KG, which were accrued to MMS AG with the official registration of the merger of MeVis BreastCare Solutions Verwaltungs-GmbH on August 1, 2013, were completely revaluated. Where this increase was attributable to the 51 % interest in MBS KG already held by the Company, the difference was recognized within the revaluation reserve. The amount of € 1,688 k comprises intangible assets of € 2,411 k net of deferred taxes of € 723 k. Amounts equaling the depreciation and amortization recognized on these assets are reclassified as retained earnings on a proportionate basis.

FIGURES IN € k	2015	2014
<b>Status as at January 1</b>	<b>507</b>	<b>611</b>
-Transfer of the amount corresponding to write-downs and the associated deferred taxes to retained earnings, without an impact on profit and loss	-26	-26
<b>Status as at March 31</b>	<b>481</b>	<b>585</b>

### Treasury stock

In accordance with a new resolution passed by the shareholders at the annual general meeting on September 28, 2007 concerning the acquisition of the Company's own stock in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act (AktG), the Company was authorized to acquire up to 10 % of its current share capital (€ 1,300 k) on or before March 27, 2009. MMS AG already held 37,800 treasury shares on December 31, 2007. On March 4, 2008 the Executive Board decided to initially buy back up to a further 53,200 of the Company's own shares on the stock market by August 30, 2008. As part of this stock buyback program, the Company acquired 53,200 of its own shares for a total amount of € 1,502 k as of June 17, 2008.

In the course of acquiring the software product Colotux for a total of € 220 k on October 23, 2008, half of the first purchase price installment of € 110 k was settled in mid-November 2008 by the transfer of treasury shares (a total of 1,832 treasury shares with a market value of € 55 k).

In accordance with a new resolution passed by the shareholders at the annual general meeting on July 9, 2008 concerning the acquisition of the Company's own shares in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act (AktG), the Company was authorized to acquire up to 10 % of its current share capital (€ 1,820 k) on or before January 8, 2010. On November 4, 2008, the Executive Board decided to buy up to a further 91,000 of the Company's own shares on the stock market. As part of this stock buyback program, the Company acquired 33,682 of its own shares for a total amount of € 1,163 k as of March 31, 2009. When the stock buyback program was concluded on March 31, 2009, MMS AG held a total of 122,850 treasury shares (6.75 % of share capital). A total of 18,726 treasury shares were transferred to the seller as part of the second stage in the acquisition of Medis shares on May 31, 2010. The second purchase price installment for the acquisition of the Colotux software product was paid in advance on April 15, 2011. The seller was paid a total of 6,571 treasury shares, among other things.

Therefore, as in the previous year, a total of 97,553 treasury shares were held as of March 31, 2015. This corresponds to 5.36 % of the current share capital.

On February 18, 2015, the Company tendered all of its treasury shares based on the voluntary public takeover offer of VMS Deutschland Holdings GmbH at the offer price of € 17.50 per share. The tender was accepted by VMS Deutschland Holdings GmbH after the balance sheet date on April 21, 2015.

## 11. OTHER FINANCIAL LIABILITIES

### Current other financial liabilities

FIGURES IN € k	Mar. 31, 2015	Dec. 31, 2014
Staff liabilities	1,150	815
Derivative financial instruments	292	133
Liability from 49 % acquisition of MBS KG	93	150
Miscellaneous other financial liabilities	7	7
	<b>1,542</b>	<b>1,105</b>

Staff liabilities primarily comprise the cost of accrued vacation entitlements, bonuses and the 13th salary.

## 12. TRANSACTIONS WITH RELATED PARTIES

With reference to business transacted with related parties, there have been no material changes since December 31, 2014.

## 13. CONTINGENT RECEIVABLES AND CONTINGENT LIABILITIES

In comparison with the contingent receivables and contingent liabilities presented the separate financial statement according to IFRS for 2014, no changes occurred in the first quarter of the current fiscal year.

## 14. EARNINGS PER SHARE

Earnings per share equal the profit on continuing activities or profit (after tax) divided by the weighted average number of shares outstanding during the financial year. Earnings per share (fully diluted) are calculated on the assumption that all securities, stock options and stock awards with a potentially dilutionary effect are converted or exercised.

As the criteria for exercising the options have been satisfied as of the balance sheet date, it can be assumed that the options will be exercised by the employees. Accordingly, they are included in the calculation of earnings per share.

The weighted average of shares outstanding is determined by taking account of shares redeemed and reissued subject to a chronological weighting.

	Mar. 31, 2015	Mar. 31, 2014
Net result for the period in € k	638	685
Weighted average of the number of no-par-value shares outstanding during the period under review	1,722,447	1,722,447
Basic earnings per share in €	<b>0.37</b>	<b>0.40</b>
Diluted earnings per share in €	<b>0.37</b>	<b>0.40</b>

## 15. SEGMENT INFORMATION

As of March 31, 2015 the activities of the Company were still subdivided into the reportable segments of Digital Mammography and Other Diagnostics.

Segment net profit and loss, which corresponds to earnings before interest and tax (EBIT), constitutes the key benchmark for assessing and controlling the earnings position of a particular segment.

The segments break down as follows:

	Digital Mammography		Other Diagnostics		Total	
	Jan. 1 – Mar. 31		Jan. 1 – Mar. 31		Jan. 1 – Mar. 31	
FIGURES IN € k	2015	2014	2015	2014	2015	2014
<b>Revenues</b>	<b>2,721</b>	<b>2,227</b>	<b>687</b>	<b>601</b>	<b>3,408</b>	<b>2,828</b>
Grants	0	0	46	42	46	42
<b>Total segment revenues</b>	<b>2,721</b>	<b>2,227</b>	<b>733</b>	<b>643</b>	<b>3,454</b>	<b>2,870</b>
Capitalized development costs	0	428	0	0	0	428
Depreciation and amortization	-497	-360	-68	-46	-565	-406
Operating expenses	-929	-986	-999	-962	-1,928	-1,948
<b>Result of operating activities</b>	<b>1,295</b>	<b>1,309</b>	<b>-334</b>	<b>-365</b>	<b>961</b>	<b>944</b>
Other operating income	113	0	17	161	130	161
Other operating expenses	-279	-93	-270	-318	-549	-411
<b>Segment net profit/loss</b>	<b>1,129</b>	<b>1,216</b>	<b>-587</b>	<b>-522</b>	<b>542</b>	<b>694</b>

## 16. POST BALANCE SHEET EVENTS

With the exception of the events described in the management report, no material events occurred after the balance sheet date.

Bremen, May 21, 2015



Marcus Kirchhoff  
Chairman & CEO



Dr. Robert Hannemann  
Member of the Executive Board

## RESPONSIBILITY STATEMENT („BILANZEID“)

Responsibility statement required by section 37x no. 1 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with sections 264(2) sentence 3 and 289(1) sentence 5 or 6 of the Handelsgesetzbuch (HGB – German Commercial Code) for the financial statements and the management report:

“To the best of our 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.”

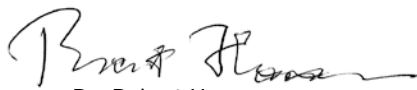
Bremen, May 21, 2015

MeVis Medical Solutions AG



Marcus Kirchhoff

Chairman & CEO



Dr. Robert Hannemann

Member of the Executive Board



## DISCLAIMER

### FORWARD-LOOKING STATEMENT

This report contains forward-looking statements which are based on management's current estimates of future developments. Such statements are subject to risks and uncertainties, which MeVis Medical Solutions AG is not able to control or estimate with any precision, e.g. future market conditions and the general economic environment, the behavior of other market participants, the successful integration of new acquisitions and government acts. If any of these uncertainties or imponderabilities materialize or if the assumptions on which these statements are based prove to be incorrect, this may cause actual results to deviate materially from those expressly or implicitly contained in these statements. MeVis Medical Solutions AG does not intend and is under no obligation to update the forward-looking statements in the light of any events or developments occurring after the date of this report.

### DEVIATIONS FOR TECHNICAL REASONS

Deviations may occur between the accounting data contained in this report and that submitted to the Bundesanzeiger for technical reasons (e.g. conversion of electronic formats). In the case of any doubt, the version submitted to the Bundesanzeiger will prevail.

This report is also available in a German-language version. In case of any doubt, the German-language version takes priority over the English-language one.

The report is available for downloading in both languages in the internet at:  
[http://www.mevis.de/ir\\_finanzberichte.html?&L=1](http://www.mevis.de/ir_finanzberichte.html?&L=1)

## FINANCE CALENDAR 2015

<b>Date</b>	<b>Event</b>
April 23, 2015	Annual report for 2014
May 21, 2015	Interim report for Q1 2015
June 9, 2015	Annual general meeting, Bremen
August 11, 2015	Interim report for H1 2015
August 31 - September 2, 2015	Small Cap Conference, Frankfurt am Main
November 19, 2015	Interim report for Q3 2015
November 23 - 25, 2015	German Equity Forum, Frankfurt am Main

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