

MeVis

Interim Report 2014

MeVis Medical Solutions AG

Q3



KEY FIGURES (IFRS)

FIGURES IN € k		Jan. 1 -Sept. 30, 2014	Jan. 1 -Sept. 30, 2013	Change
Revenues		9,661	9,712	-1 %
of which segment	Digital Mammography	7,280	7,087	3 %
	Other Diagnostics	2,381	2,625	-9 %
of which billing currency ¹	Euro	548	559	-2 %
	US-Dollar	9,113	9,153	0 %
EBITDA		4,373	4,697	-7 %
EBITDA margin		45 %	48 %	
EBIT		3,150	3,485	-10 %
EBIT margin		33 %	36 %	
Net financial result		775	-325	
EBT		3,925	3,160	24 %
Net profit for the period		3,456	2,949	17 %
Earnings per share in € (basic and diluted)		2.01	1.71	17 %
		Sept. 30, 2014	Dec. 31, 2013	Change
Equity capital		30,159	26,445	14 %
Intangible assets		15,761	15,662	1 %
Non-current and current liabilities		7,522	7,568	-1 %
Balance sheet total		37,661	34,013	11 %
Equity ratio in %		80 %	78 %	
Liquid funds ²		15,519	13,450	15 %
Employees ³		93	94	-1 %

¹ 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.

² Comprising cash, cash equivalents and securities available for sale.

³ Full-time equivalents as of balance sheet date.

KEY SHARE DATA

As at September 30, 2014	
Industry sector	Software / Medical Technology
Subscribed capital	€ 1,820,000.00
No. of shares	1,820,000
Last quotation on December 31, 2013	€ 20.49
Last quotation on September 30, 2014	€ 15.00
High/low in 2014	€ 22.95 / € 13.60
Market capitalization	€ 25.837 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,*

As in the previous year, the third quarter was the year's most successful quarter; sales were slightly higher year on year and the EBIT margin was 38 %. Sales after three quarters are only down marginally on the previous year. EBIT declined by some € 0.3 million due to the scheduled increase in staff costs, but after-tax earnings and earnings per share were 17 % higher year on year thanks to the € 1.1 million rise in the financial result.

As a result of the amendment to IFRS 11, the joint venture with Siemens, MeVis BreastCare GmbH & Co. KG, has been consolidated according to the equity method instead of on a proportionate basis since the beginning of 2014. The previous year's figures have been adjusted accordingly in order to allow for better comparison.

Our performance in detail: **Sales** in the third quarter of 2014 came to € 3,599 k, up 1 % on the third quarter of 2013 (€ 3,554 k). Sales in the first nine months were just slightly lower year on year at € 9,661 k (prev. year: € 9,712 k). Sales in the new license business remained unchanged at € 5,067 k, while sales in the maintenance business were down marginally by 3 % to € 4,293 k, accounting for 44 %, almost half of total sales. Sales in the Digital Mammography segment improved by 3 % to € 7,280 k (prev. year: € 7,087 k) while sales in the Other Diagnostics segment fell by 9 % to € 2,381 k (prev. year: € 2,625 k).

As in the first two quarters, operating **costs** also rose in the third quarter of 2014. The scheduled considerable increase in staff costs in previous quarters dropped to 1 % in the third quarter (from € 1,648 k in the previous year to € 1,641 k), which corresponds to an increase of 6 % for the first nine months. Other operating expenses rose by 26 % to € 572 k (prev. year: € 453 k). This was primarily due to higher selling, acquisition and maintenance costs. Cumulated for the first nine months of 2014, other operating expenses were up € 239 k (from € 1,303 k in the previous year to € 1,542 k). Some of these costs were passed on to MeVis BreastCare, as is reflected in the sharp € 276 k rise in other operating income.

Capitalized development expenses were 8 % higher at € 1,163 k in the first nine months of 2014 (prev. year: € 1,075 k). However, this is expected to subside considerably in future.

EBITDA (earnings before interest, taxes, depreciation and amortization) was down by 7 %, from € 4,697 k to € 4,373 k year on year due to the slight drop in sales and higher costs.

Depreciation and amortization came to € 1,223 k (on par with the previous year), resulting in **EBIT** (earnings before interest and taxes) of € 3,150 k (down by a sharp 10 % on the previous year's figure of € 3,485 k); the **EBIT margin** remained strong at 33 % (prev. year: 36 %).

The financial result improved considerably by € 1,100 k to € 775 k. This was attributable to the development of the US dollar, the sharp improvement in earnings at MeVis BreastCare and higher net interest income. Tax expenses increased by € 258 k to € 469 k .

After-tax **earnings** increased by € 507 k to € 3,456 k, which is equivalent to earnings per share of € 2.01 (prev. year € 1.71).

Cash and cash equivalents were up € 427 k to € 15,519 k in the third quarter, which corresponds to a € 2,069 k increase in the first three quarters of 2014.

In view of the development of business so far, we are very confident that we can meet our forecast for the year. Given that fiscal year 2013 was very successful, we anticipate a slight decline in sales to between € 12.0 million and € 12.5 million in 2014. The development of EBIT will in our view be significantly impacted by the expected slight decline in sales and a marginal increase in costs. We also anticipate considerably lower capitalized development expenses in the fourth quarter. We expect EBIT to fall slightly to between € 3.0 million and € 3.5 million. Liquidity is forecast to rise to between € 15.0 million and € 16.0 million in 2014 as a result of sustained positive cash flows from operating activities.

The amendment to the cooperation agreement with Hologic announced in January was contractually concluded in the third quarter. With this step, the importance of our initiatives to expand the business introduced two years ago increased further. In addition to the expansion of the product portfolio for online services, we continued to develop our software solution for the promising future lung screening market in the third quarter and finalized work on our Veolity product. The conclusion of a contract with an important industrial customer in the third quarter confirms our conviction that other market players see lung screening as a lucrative market. On the 10th of November 2014 the CMS (Centers for Medicare & Medicaid Services) decided that the national health insurances Medicare and Medicaid will assume the reimbursement of costs for lung screening in the United States. Through this decision a lung screening program throughout the United States can be implemented in the coming years.

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.



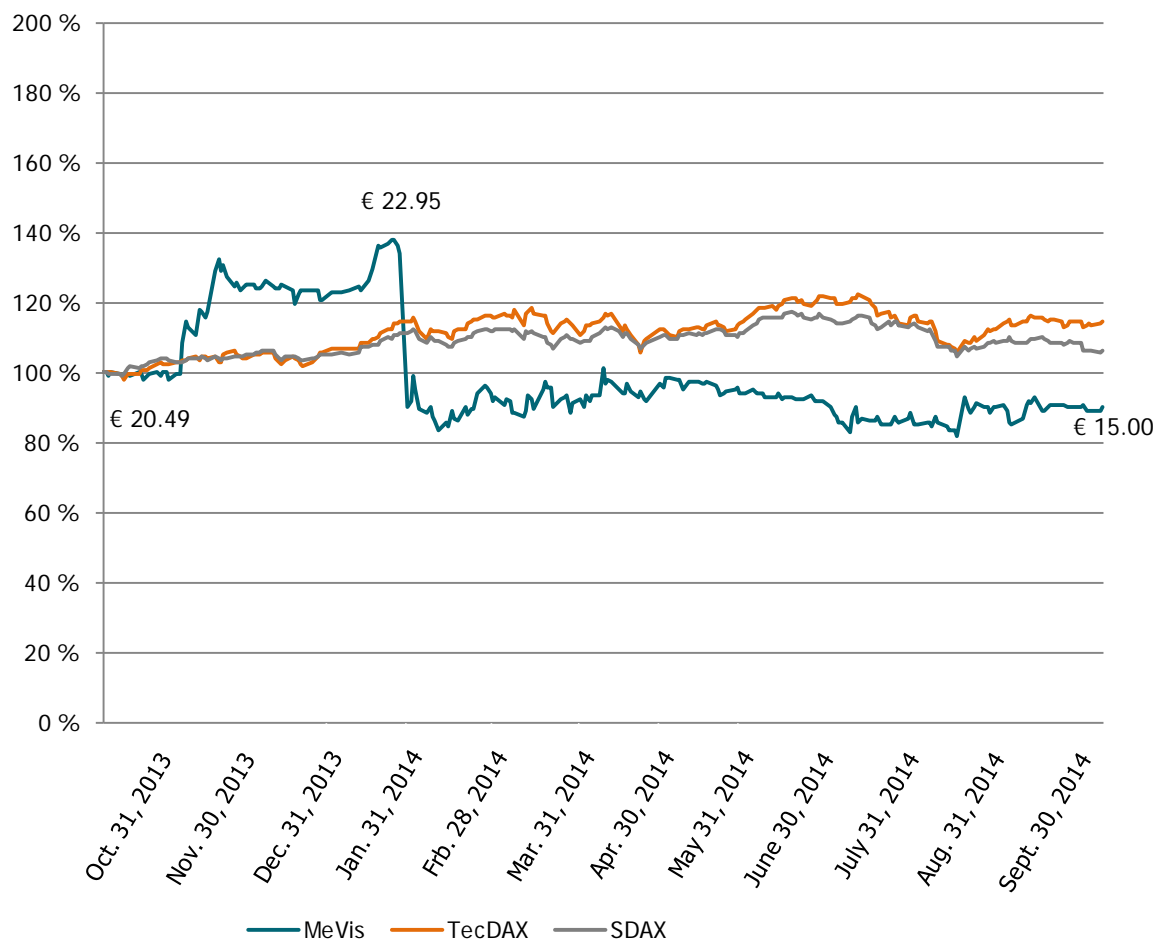
Marcus Kirchoff
Chairman & CEO



Dr. Robert Hannemann
Member of the Executive Board

THE MEVIS SHARE

DEVELOPMENT OF THE MEVIS SHARE (12 MONTH)



In the first three quarters of 2014, the share fell by around 26 % against the closing price at the end of 2013. At the same time, the MeVis share has developed slightly negative over the last 12 months compared to the third quarter of 2013, losing around -10 %. The highest price recorded for the MeVis share on the XETRA electronic trading system during the period was € 22.95; the lowest level it traded at was € 13.60. MeVis Medical Solutions AG closed the third quarter at a share price of € 15.00 (XETRA) compared to € 20.49 at the end of 2013. At the end of the period, the Company's market capitalization amounted to approximately € 25.8 million in relation to the 1,722,447 shares in circulation. The number of registered deposit accounts increased from 843 at the end of 2013 to 919 at the end of the period.

KEY INDICATORS OF THE MEVIS SHARE

	9 M 30 Sept. 2014	6 M 30 June 2014	3 M 31 Mar. 2014	12 M 31 Dec. 2013
Closing price in €	15.00	13.74	15.54	20.49
Period high in €	22.95	22.95	22.95	21.98
Period low in €	13.60	13.74	13.85	8.05
Market capitalization in million € (XETRA ultimo)	25.8	23.7	26.8	35.3
Number of shares	1,820,000	1,820,000	1,820,000	1,820,000
Treasury stock	97,553	97,553	97,553	97,553
Price-to-earnings ratio in € (XETRA ultimo)	5.60	6.93	9.71	9.40
Earnings per share in € (basic and diluted)	2.01	1.00	0.40	2.14

DEVELOPMENT OF THE SHAREHOLDER STRUCTURE

The shareholder structure did not change significantly in the third quarter of 2014. The three founders accounted for approximately 44 % of the share capital at the end of the quarter. The Companies treasury stock is equivalent to 5.36 %. The remaining shares are predominantly held by institutional investors and private shareholders.

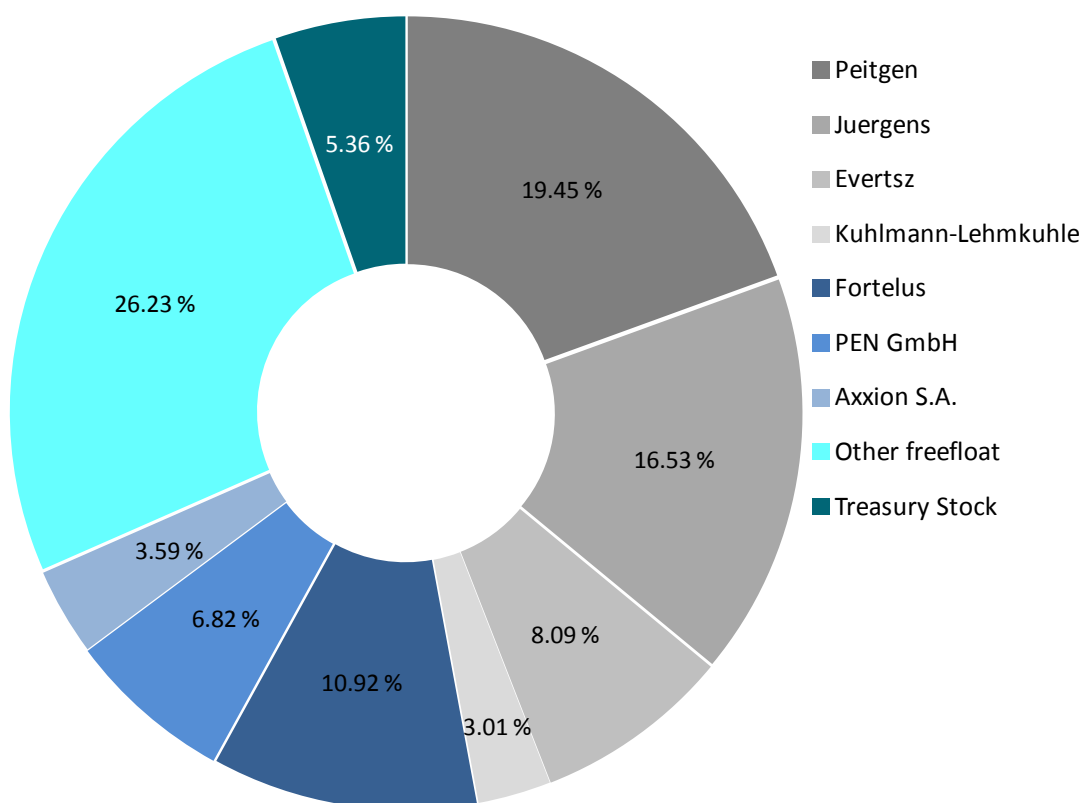


Fig.: Shareholder structure as at September 30, 2014

INTERIM MANAGEMENT REPORT Q3/2014

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").

MMS AG has held around 41 % of the stock in Medis Holding BV, Leiden (Netherlands) since the beginning of June 2010. The pro-rata earnings of this equity interest are reported in the net financial result. This shareholding was sold to Reiber Consultancy B.V. in April 2014. The proceeds from the sale of MMS AG shares amounted to € 500 k.

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. The **Digital Mammography** segment includes the business with Hologic, Inc..

In addition to the breast diagnostics business based on magnetic resonance imaging conducted with Invivo Corp., 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. 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).

ECONOMIC REPORT

EARNINGS POSITION

Sales of € 3,599 k in the third quarter of 2014 were up approximately 1 % on the level of the previous year (€ 3,554 k). At € 1,513 k, the maintenance business remained relatively constant year on year (prev. year: € 1,509 k) and the new license business increased by 2 % to € 1,999 k (prev. year: € 1,967 k).

Revenues in the first nine months of 2014 amounted to € 9,661 k and declined by approximately 1 % from the level of the previous year (prev. year: € 9,712 k). Revenues are broken down into the segments Digital Mammography at € 7,280 k (prev. year: € 7,087 k) and Other Diagnostics at € 2,381 k (prev. year: € 2,625 k). At 75 % (prev. year: 73 %), 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 three quarters of 2014, the share of sales accounted for by maintenance and service amounted to 44 % (prev. year: 45 %).

The rise in staff costs by 6 % to € 5,208 k (prev. year: € 4,895 k) is largely due to slight salary increases and a rise in the average number of full-time equivalents compared to the same period in the previous year. MMS AG had 107 employees on average in the first three quarters of 2014. This corresponds to 94 full-time equivalents (prev. year: 107 employees or 92 full-time equivalents).

Capitalized development expenses in the period under review amounted to € 1,163 k (prev. year: € 1,075 k). As in the previous year's period, these accounted for staff costs related to the development of new products in the Digital Mammography segment.

Other operating expenses increased year on year, and totaled € 1,542 k (prev. year: € 1,303 k). This amount mainly comprised rental/leasing expenses of € 378 k (prev. year: € 330 k), maintenance/repair costs of € 211 k (prev. year: € 102 k), travel expenses of € 150 k (prev. year: € 118 k), legal and consulting costs of € 91 k (prev. year: € 89 k), and stationery of € 68 k (prev. year: € 43 k).

EBITDA (earnings before interest, taxes, depreciation and amortization) totaled € 4,373 k in the period under review (prev. year: € 4,697 k). The EBITDA margin decreased accordingly to 45 % (prev. year: 48 %).

Depreciation, amortization and impairments of intangible assets and property, plant and equipment increased slightly by 1 % to € 1,223 k (prev. year: € 1,212 k), while amortization of development services rose by € 123 k to € 824 k (prev. year: € 701 k) and amortization of intangible assets fell by € 98 k to € 274 k (prev. year: € 372 k).

Earnings before interest and taxes (EBIT) amounted to € 3,150 k in the reporting period (prev. year: € 3,485 k). The EBIT margin fell accordingly to 33 % compared to a previous year value of 36 %.

The financial result increased considerably in the reporting period to € 775 k (prev. year: € -325 k). The main reason for this is the improved earnings of the 51 % share in MeVis BreastCare GmbH & Co. KG of € 289 k (prev. year: € -145 k), which is recognized at equity, as well as the balance of income and expenses from exchange rate differences of € 502 k (prev. year: € -157 k).

Earnings before taxes (EBT) came to € 3,925 k in the reporting period (prev. year: € 3,160 k). The EBT margin improved considerably to 41 % compared to 33 % in the previous year.

After-tax earnings are impacted by income taxes and the deferred tax expenses of € 469 k reported here (prev. year: € 211 k), amounting to € 3,456 k in the period under review (prev. year: € 2,949 k).

Earnings per share increased to € 2.01 (prev. year: € 1.71).

FINANCIAL POSITION

Cash flow from current operating activities came to € 2,510 k (prev. year: € 4,635 k) in the period under review. This comprised earnings before interest and taxes (EBIT) of € 3,150 k (prev. year: € 3,485 k), adjusted for depreciation in the amount of € 1,223 k (prev. year: € 1,212 k), changes in provisions of € 6 k (prev. year: € 13 k), the total of all non-cash expenses and income of € 154 k (prev. year: € 116 k), the total of interest paid and received of € 157 k (prev. year: € 70 k), the total of taxes paid and received in the amount of € 18 k (prev. year: € -166 k), exchange rate differences paid and received of € 213 k (prev. year: € -10 k), changes in inventories and trade receivables and other assets of € -1,807 k (prev. year: € -184 k), and changes in trade payables and other liabilities of € -604 k (prev. year: € -81 k).

In the period under review, cash flow from investing activities came to € -4,810 k (prev. year: € -927 k) and mainly consisted of payments for capitalized development expenses of € 1,163 k (prev. year: € 1,075 k), payments for the acquisition of securities of € 9,205 k (prev. year: € 0 k) as well as payments received for the disposal of securities in the amount of € 5,148 k (prev. year: € 300 k).

Cash flow from financing activities, amounting to € -9 k (prev. year: € -38 k), consisted exclusively of leasing transactions.

The change in cash and cash equivalents in the period under review came to € -2,309 k (prev. year: € 3,670 k).

NET ASSET POSITION

Liquid funds amounted to € 15,519 k (December 31, 2013: € 13,450 k) as of the balance sheet date. This comprised cash and cash equivalents of € 7,199 k (December 31, 2013: € 9,299 k) and securities available for sale of € 8,320 k (December 31, 2013: € 4,151 k).

Total assets increased by € 3,648 k to € 37,661 k (December 31, 2013: € 34,013 k) as of the end of the third quarter and the balance sheet structure remained largely unchanged compared to the end of fiscal year 2013. The equity ratio increased slightly to 80 % (December 31, 2013: 78 %). Equity covered 171 % of fixed assets (December 31, 2013: 152 %) and amounted to 88 % of current assets (December 31, 2013: 104 %). Fixed assets fell slightly to 47 % compared to total assets (December 31, 2013: 51 %).

The increase in assets is largely attributable to the rise in liquidity. While other financial assets fell by € 4,225 k to € 8,670 k (December 31, 2013: € 4,445 k) due to the acquisition of securities, cash and cash equivalents declined to € 7,199 k (December 31, 2013: € 9,299 k) as a result. Furthermore, trade receivables rose by € 1,667 k to € 3,686 k due to the balance sheet date (December 31, 2013: € 2,019 k).

Equity was up 14 % to € 30,139 k (December 31, 2013: € 26,445 k) on the back of net profit for the year. Other significant changes in liabilities related to trade payables, which declined by € 482 k to € 307 k (December 31, 2013: € 789 k), and other current financial liabilities, which rose by € 348 k to € 1,143 k (December 31, 2013: € 795 k) largely due to the increase in staff liabilities.

MATERIAL EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No transactions of material relevance to the Company have arisen since the balance sheet date.

OPPORTUNITIES AND RISK REPORT

The risks associated with dependency on large customers and on customers' success became more specific following Hologic's announcement on January 17, 2014 about the change to the cooperation, supplemented by the Corporate News of September 25, 2014. No further 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, 2013 remain valid.


OUTLOOK

Based on the first quarters, we are very confident to achieve our forecast for this year. Thereafter, we expect a slight decline in sales compared to the very strong financial year 2013 to € 12.0 million to € 12.5 million. In our view the development of EBIT will be significantly influenced by the expected slight decline in sales and a marginal increase in costs. In addition, we anticipate significantly lower capitalization of development costs for the fourth quarter. Therefore we expect the EBIT to fall slightly to between € 3.0 million and € 3.5 million. Liquidity is anticipated to rise to between € 15.0 million and € 16.0 million in 2014 as a result of sustained positive cash flows from operating activities. As in the previous reporting period, the Executive Board will review its expectations during the financial year on a regular basis based on the current business developments.

Bremen, November 17, 2014



Marcus Kirchoff
Chairman & CEO



Dr. Robert Hannemann
Member of the Executive Board

INCOME STATEMENT Q1 TO Q3 2014

for the period January 1 through September 30, 2014

FIGURES IN € k	Notes	Jan 1 - Sept 30, 2014	Jan 1 - Sept 30, 2014
Revenues	1	9,661	9,712
Income from capitalization of development expenses	2	1,163	1,075
Other operating income		789	513
Cost of material		-490	-405
Staff costs	3	-5,208	-4,895
Other operating expenses	4	-1,542	-1,303
Earnings before interest, taxes, depreciation and amortization (EBITDA)		4,373	4,697
Depreciation, amortization and impairment of intangible and tangible assets	5	-1,223	-1,212
Earnings before interest and tax (EBIT)		3,150	3,485
Share of profit of associates		289	-145
Interest income		162	80
Interest expenses		-17	-48
Other net financial result		341	-212
Net financial result	6	775	-325
Earnings before tax (EBT)		3,925	3,160
Income tax	7	-469	-211
Net profit for the period		3,456	2,949
Earnings per share in €	14		
Basic		2.01	1.71
Diluted		2.01	1.71

STATEMENT OF COMPREHENSIVE INCOME

for the period January 1 through September 30, 2014

FIGURES IN € k	Notes	Jan 1 - Sept 30, 2014	Jan 1 - Sept 30, 2013
Net profit for the period		3,456	2,949
Changes in fair value of available-for-sale financial instruments		346	0
Deferred tax on changes in fair value		-108	0
Other comprehensive income		238	0
Total comprehensive income		3,694	2,949

INCOME STATEMENT Q3 2014

for the period July 1 through September 30, 2014

FIGURES IN € k	Notes	July 1 - Sept 30, 2014	July 1 - Sept 30, 2013
Revenues		5,599	3,554
Income from capitalization of development expenses		322	315
Other operating income		206	256
Cost of material		-146	-116
Staff costs		-1,641	-1,648
Other operating expenses		-572	-453
Earnings before interest, taxes, depreciation and amortization (EBITDA)		1,768	1,908
Depreciation, amortization and impairment of intangible and tangible assets		-407	-435
Earnings before interest and tax (EBIT)		1,361	1,473
Share of profit of associates		221	233
Interest income		52	66
Interest expenses		-5	-10
Other net financial result		350	-213
Net financial result		618	66
Earnings before tax (EBT)		1,979	1,539
Income tax		-250	-141
Net profit for the period		1,729	1,398
Earnings per share in €			
Basic		1.00	0.81
Diluted		1.00	0.81

STATEMENT OF COMPREHENSIVE INCOME

for the period July 1 through September 30, 2014

FIGURES IN € k	Notes	July 1 - Sept 30, 2014	July 1 - Sept 30, 2013
Net profit for the period		1,729	1,398
Changes in fair value of available-for-sale financial instruments		108	0
Deferred tax on changes in fair value		-34	0
Other comprehensive income		74	0
Total comprehensive income		1,803	1,398

STATEMENT OF FINANCIAL POSITIONS

As of September 30, 2014

FIGURES IN € k	Notes	Sept 30, 2014	Dec 31, 2013
Non-current assets			
Intangible assets		15,761	15,662
Property, plant and equipment		398	484
Interest in associated companies	8	1,512	1,223
		17,671	17,369
Current assets			
Trade receivables		3,686	2,019
Income tax receivables		28	79
Other financial assets	9	8,670	4,445
Other assets		407	306
Cash and cash equivalents		7,199	9,299
Assets held for sale		0	496
		19,990	16,644
ASSETS		37,661	34,013
Equity capital			
	10		
Subscribed capital		1,820	1,820
Capital reserve		9,768	9,768
Revaluation reserve		533	611
Treasury stock		-3,300	-3,300
Cumulated fair value changes of available-for-sale financial instruments		223	-15
Retained earnings		21,095	17,561
		30,139	26,445
Non-current liabilities			
Provisions		44	44
Other financial liabilities	11	45	145
Deferred taxes		1,889	1,753
		1,978	1,942
Current liabilities			
Provisions		403	397
Trade payables		307	789
Other financial liabilities	11	1,143	795
Deferred income		2,235	2,199
Other liabilities		317	516
Income tax liabilities		1,139	930
		5,544	5,626
EQUITY AND LIABILITIES		37,661	34,013

STATEMENT OF CASH FLOW

for the period January 1 through September 30, 2014

FIGURES IN € k	Notes	Jan 1 - Sept 30, 2014	Jan 1 - Sept 30, 2013
Earnings before interest and tax (EBIT)		3,150	3,485
+ Depreciation and amortization and impairments	5	1,223	1,212
+/- Increase/decrease in provisions		6	13
+/- Other non-cash expenses/income		154	116
+ Interest received		160	90
- Interest paid		-3	-20
+ Tax received		51	0
- Tax paid		-33	-166
+/- Exchange rate differences received/paid		213	-10
+/- Decrease/increase in inventories		0	180
+/- Decrease/increase in trade receivables and other assets		-1,807	-184
-/+ Decrease/increase in trade payables and other liabilities		-604	-81
= Cash flow from operating activities		2,510	4,635
- Purchase of property, plant and equipment		-55	-144
- Purchase of intangible assets (excl. development cost)		-35	-8
- Payments for capitalized development cost		-1,163	-1,075
+ Proceeds from sale of business units		500	0
- Payments for the acquisition for marketable securities		-9,205	0
+ Proceeds from sale of marketable securities		5,148	300
= Cash flow from investing activities		-4,810	-927
- Repayment of finance lease liabilities		-9	-38
= Cash flow from financing activities		-9	-38
Change in cash and cash equivalents		-2,309	3,670
Effect of exchange rates on cash and cash equivalents		209	-114
Cash and cash equivalents at the beginning of the period		9,299	7,335
= Cash and cash equivalents at the end of the period		7,199	10,891

STATEMENT OF CHANGES IN EQUITY

for the period January 1 through September 30, 2014

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
Balance on Jan. 1, 2013	1,820	28,079	753	-3,300	2	-4,585	22,769
Transfer to retained earnings according to amortization	0	0	-107	0	0	107	0
Net result	0	0	0	0	0	2,949	2,949
Balance on Sept. 30, 2013	1,820	28,079	646	-3,300	2	-1,529	25,718
Balance on Jan. 1, 2014	1,820	9,768	611	-3,300	-15	17,561	26,445
Transfer to retained earnings according to amortization	0	0	-78	0	0	78	0
Net result	0	0	0	0	238	3,456	3,694
Balance on Sept. 30, 2014	1,820	9,768	533	-3,300	223	21,095	30,139

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2014

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 September 30, 2014 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 September 30, 2014 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, 2014 use the same recognition and measurement policies as the IFRS consolidated financial statements for the financial year 2013. The interim financial statements as of September 30, 2014 must therefore be read in conjunction with the consolidated financial statements as of December 31, 2013.

EFFECTS OF NEW ACCOUNTING STANDARDS

MMS AG's interim financial statements as of September 30, 2014 including the previous year's figures have been prepared in accordance with IFRS as endorsed by the European Union as of December 31, 2013. The same accounting and valuation principles were applied that were used in preparing the consolidated financial statements as at December 31, 2013; 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 consolidated financial statements as of December 31, 2013, 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 of September 30, 2014 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 - Sept. 30, 2014	Jan. 1 - Sept. 30, 2013
Software and licenses	5,067	5,034
Maintenance (software service contracts)	4,293	4,407
Services (consulting and training)	289	260
Hardware	12	11
	9,661	9,712

2. INCOME FROM THE CAPITALIZATION OF DEVELOPMENT COSTS

In the period under review, expenditures on research and development came to € 2,752 k (prev. year: € 2,513 k). In accordance with IAS 38, development expenses of € 1,163 k (prev. year: € 1,075 k) were capitalized, of which none were accounted for by third-party services as in the previous year.

3. STAFF COSTS

The average headcount was 107 (prev. year: 107). This is equivalent to an average of 94 full-time positions (prev. year: 92). The average figures include 10 testers (as a rule, students employed on a negligible part-time basis) (prev. year: 15).

4. OTHER OPERATING EXPENSES

FIGURES IN € k	Jan. 1 - Sept. 30, 2014	Jan. 1 - Sept. 30, 2013
Rental/leasing expenses	378	330
Maintenance/repairs	211	102
Travel expenses	150	118
Legal and consulting costs	91	89
Stationary	68	43
Cost of preparing and auditing financial statements	65	110
Energy costs	64	39
Training costs	64	25
Supervisory Board remuneration	59	60
Vehicle costs	56	28
Insurances	41	32
Internet expenses	30	26
Cleaning expenses	30	27
Catering expenses	23	17
Others	212	257
	1,542	1,303

5. DEPRECIATION AND AMORTIZATION

FIGURES IN € k	Jan. 1 - Sept. 30, 2014	Jan. 1 - Sept. 30, 2013
Amortization of industrial property rights and similar rights and customer bases	274	372
Amortization of capitalized development expenses	824	701
Depreciation of property, plant and equipment	125	139
	1,223	1,212

6. NET FINANCIAL RESULT

MeVis' net financial result as at September 30, 2014 amounted to € 775 k (prev. year: € -325 k). This comprises interest income from the investment of cash and cash equivalents of € 162 k (prev. year: € 80 k), interest expense of € -17 k (prev. year: € -48 k), the result derived from associates, amounting to € 289 k (prev. year: € -145 k), the balance of income and expenses from exchange rate differences of € 502 k (prev. year: € -157 k), as well as the change in value of derivative financial instruments in the amount of € -118 k (prev. year: € -6 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	Jan. 1 - Sept. 30, 2014	Jan. 1 - Sept. 30, 2013
Securities	8,320	4,151
Loans granted and receivables	173	169
Deferred interest	93	65
Eligible expenses	84	37
Other	0	23
	8,670	4,445

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 € 173 k (31. Dec. 2013: € 84 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	2014	2013
Status as at January 1	611	753
-Transfer of the amount corresponding to write-downs and the associated deferred taxes to retained earnings, without an impact on profit and loss	-78	-107
Status as at September 30	533	646

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 a total of 97,553 treasury shares were held as of September 30, 2014. This corresponds to 5.36 % of the current share capital.

11. OTHER FINANCIAL LIABILITIES

Non-current other financial liabilities

FIGURES IN € k	Sept. 30, 2014	Dec. 31, 2013
Liability from 49 % acquisition of MBS KG	45	145
	45	145

Current other financial liabilities

FIGURES IN € k	Sept. 30, 2014	Dec. 31, 2013
Staff liabilities	866	624
Liability from 49 % acquisition of MBS KG	171	150
Derivative financial instruments	99	0
Miscellaneous other financial liabilities	7	21
	1,143	795

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, 2013.

13. CONTINGENT RECEIVABLES AND CONTINGENT LIABILITIES

In comparison with the contingent receivables and contingent liabilities presented in the consolidated financial statements for 2013, no changes occurred in the first three quarters 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 had not been satisfied as of the balance sheet date, it can be assumed that no options had been exercised by the employees and that no shares had been awarded to entitled members of the Executive Board. Accordingly, they are not included in the calculation of earnings per share, which means that diluted earnings per share are identical to basic earnings per share.

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

	Sept. 30, 2014	Sep. 30, 2013
Net result for the period in € k	3,456	2,949
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 €	2.01	1.71
Diluted earnings per share in €	2.01	1.71

15. SEGMENT INFORMATION

As of September 30, 2014 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:

FIGURES IN € k	Digital Mammography		Other Diagnostics		Total	
	Jan. 1 - Sept. 30.		Jan. 1 - Sept. 30.		Jan. 1 - Sept. 30.	
	2014	2013	2014	2013	2014	2013
External revenues	7,280	7,087	2,381	2,625	9,661	9,712
Intersegment revenues	0	0	0	0	0	0
Revenues	7,280	7,087	2,381	2,625	9,661	9,712
Grants	0	0	310	146	310	146
Total segment revenues	7,280	7,087	2,691	2,771	9,971	9,858
Capitalized development costs	1,163	1,075	0	0	1,163	1,075
Depreciation and amortization	-1,107	-952	-116	-260	-1,223	-1,212
Operating expenses	-2,609	-1,818	3,089	-3,482	-5,698	-5,300
Result of operating activities	4,727	5,392	-514	-971	4,213	4,421
Other operating income	169	8	310	359	479	367
Other operating expenses	-347	-848	-1,195	-455	-1,542	-1,303
Segment net profit/loss	4,549	4,552	-1,399	-1,067	3,150	3,485

16. POST BALANCE SHEET EVENTS

No transactions of material relevance to the Company have arisen since the balance sheet date.

Bremen, November 17, 2014



Marcus Kirchhoff
Chairman & CEO



Dr. Robert Hannemann
Member of the Executive Board

RESPONSIBILITY STATEMENT („BILANZEID“)

Responsibility statement required by section 37y no. 1 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with sections 297(2) sentence 4 and 315(1) sentence 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, November 17, 2014

MeVis Medical Solutions AG



Marcus Kirchoff
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 on the Internet at:
http://www.mevis.de/ir_finanzberichte.html?&L=1

FINANCE CALENDAR 2014

Date	Event
May 19, 2014	Interim report for Q1 2014
June 5, 2014	Annual general meeting, Bremen
August 11, 2014	Interim report for H1 2014
September 1-3, 2014	Small Cap Conference, Frankfurt am Main
November 17, 2014	Interim report for Q3 2014
November 25-26, 2014	German Equity Forum, Frankfurt am Main



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