

CORPORATE NEWS

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MeVis remains highly profitable in the first half of the year

Profit situation remains strong, but slight decrease in results as expected due to increased staff costs with sales remaining largely stable

- Sales stable in the second quarter at €3.2 million (prev. year: €3.2 million)
- At €6.1 million, sales in the first half of the year marginally lower than in the previous year (€6.2 million)
- Share of maintenance business remained stable at 46 % (prev. year: 47 %)
- Earnings before interest and taxes (EBIT) decreased slightly to €1.8 million (prev. year: €2.0 million), but with still strong EBIT margin at 30 %
- Net profit for the period slightly higher at €1.7 million (prev. year: €1.6 million)
- Liquidity of €15.1 million as of June 30, 2014 (end of 2013: €13.5 million)
- Completion of lung screening software solution expected in the third quarter

Bremen, August 11, 2014 – MeVis Medical Solutions AG [ISIN: DE000A0LBFE4], a leading provider of medical imaging software, today announced its results for the first half of 2014.

Liquid funds increased considerably as of the end of 2013 by €1,642 k to €15,092 k as of June 30, 2014.

Liquidity increased in first half of the year by €1.6 million to €15.1 million

Sales in the second quarter of 2014 came to €3,234 k, which is on par with the second quarter of 2013 (€3,210 k) and up considerably on the first quarter of 2014 (€2,828 k). At €6,062 k, sales in the first half of the year declined slightly year on year (prev. year: €6,158 k). Sales in the new license business have stabilized at €3,068 k (prev. year: €3,067), while sales in the maintenance business were down by 4 % to €2,780 k, accounting for 46 % of total sales. Sales in the Digital Mammography segment increased by 7 % to €4,738 k (prev. year: €4,439 k) and sales in the Other Diagnostics segment fell by 23 % to €1,324 k (prev. year: €1,719 k).

Sales down slightly year on year, share of maintenance business stable at 46 %

Operating costs in the first half of 2014 rose primarily on the back of higher staff costs, which increased by 10 % to €3,567 k (prev. year: €3,247 k), particularly due to increased provisions and a rise in the number of staff. Other operating expenses increased by 14 % to €970 k (prev. year: €850 k).

Staff costs higher due to increase in number of staff, other operating costs also higher

Capitalized development expenses increased slightly in the first half of 2014 to €841 k (prev. year: €760 k).

EBITDA (earnings before interest, taxes, depreciation and amortization) was down slightly by 7 %, from €2,789 k to €2,605 k year on year, due to the marginal reduction in sales and higher costs.

Depreciation and amortization came to €816 k (up 5 % year on year), resulting in EBIT (earnings before interest and taxes) of €1,789 k (down a sharp 11 % on the previous year's figure of €2,012 k); the EBIT margin remains strong at 30 % (prev. year: 33 %).

EBIT down due to sales and staff costs, but still strong margin at 30 %

The net financial result improved considerably by €548 k to €157 k year on year; this was primarily attributable to improved results posted by the joint venture MeVis BreastCare and increased interest income. Tax expenses increased by €149 k to €219 k.

After-tax earnings increased by €176 k to €1,727 k, which is equivalent to earnings per share of €1.00 (prev. year: €0.90).

Earnings per share of €1.00

"In line with the results of the first half of 2014, we confirm our forecast for the current fiscal year, expecting a slight decline in sales to €12.0 million to €12.5 million. In our view, the development of earnings before interest and taxes (EBIT) will be significantly impacted by the forecasted slight decline in sales and a marginal increase in costs. We anticipate an EBIT of €3.0 million to €3.5 million for the year," said Dr. Robert Hannemann, CFO of MeVis Medical Solutions AG: "We also expect liquidity of €15.0 million to €16.0 million at year-end 2014." Dr. Hannemann continued: "We are pleased that the very positive development of earnings and liquidity over the past few years will enable future dividend payments. We announced our dividend policy at the annual general meeting held on June 5:

Forecast confirmed for 2014

According to this policy, we intend to pay out an annual dividend of between 40 % and 60 % of net profit for the year. With regard to the highly successful year 2013, as we were unable to issue dividend payments this summer due to the balance sheet structure, we are considering making an additional dividend payment for 2013 in the summer of 2015 depending on development in the upcoming quarters.”

Planned dividends of 40 % to 60 % of net profit for the year

Additional dividends possible for 2013

“We are continuing to expand our product portfolio in order to reduce dependency on the Digital Mammography segment,” added Marcus Kirchhoff, CEO of MeVis Medical Solutions AG. “Among other things, we have begun at an early stage with the development of its own dedicated software solution for the growing market of lung cancer screening in close cooperation with the renowned University of Nijmegen.”

Continued expansion of the product portfolio

Besides prostate, colon and breast cancer, lung cancer is today among the four most common cancers. But since it is noticeable relatively late by symptoms and discomfort, an early diagnosis is of essential importance for treatment and the prognosis of patients. Way back there have already been discussions about the possibilities of early detection of lung cancer. And, at least for the U.S., the introduction of appropriate screening programs based on CT images are within reach since mid 2013. In the ELCAP study (Early Lung Cancer Action Project) in the United States it has been verified that CT lung screening is far superior in detection of lung cancer at an early stage compared to normal radiography. And thus the responsible Expert Committee (USPSTF) has issued a recommendation for a lung screening in December 2013. Accordingly, a strong increase in lung CT images, which need to be diagnosed, is expected. MeVis assumes that, as a result, there will be an increased demand for solutions that simplify, shorten and improve the quality of this this procedure. An introduction in Europe is also discussed.

Lung screening as potential growth market

Kirchhoff continued: “We anticipate the completion of our software in the third quarter of 2014, which will already include the important FDA approval for the American health care market. We envisage to gain an important industrial customer for our software solution in near future. We are also aiming to gain additional industrial customers active in the strong demand-driven pulmonary diagnostics market.

Completion of a dedicated, FDA-approved lung screening software solution in the third quarter 2014

Prospective contract with industrial customer on screening solution

In cooperation with Lahey Hospital & Medical Center in Burlington (USA), we were also able to set up an online training solution for the lung screening program valid in the USA that supports interested parties in introducing and establishing a lung screening program in their respective institutions.”

Cooperation underway with Lahey Hospital & Medical Center on lung screening online training

The Company's financial reports can be downloaded from the following website:

http://www.mevis.de/ir_finanzberichte.html

MeVis Medical Solutions AG was founded in 1997 and is one of the world's leading independent developer and provider of medical imaging software with focus on dedicated, disease-oriented clinical applications. MeVis AG has been listed on the Frankfurt Stock Exchange in the Prime Standard segment of the Regulated Market since November 16, 2007.

Over the past few years, there has been an enormous increase in the complexity and volume of medical imaging data derived from diagnostic imaging processes such as digital mammography, computed tomography (CT), magnetic resonance imaging (MRI), and ultrasound (US). MeVis' products analyze and process this data in such a way as to provide medical professionals with crucial information for early detection, diagnosis and intervention in the areas of cancer and lung diseases as well as neurological disorders. The Company develops its software solutions in close consultation with world's leading medical experts and original equipment manufacturers (OEM) in the medical technology sector and primarily markets this software via these partnerships.