

Q3 | 2017/2018
Interim Report
MeVis Medical Solutions AG



KEY FIGURES (IFRS)

FIGURES IN € k		Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017	Change
Revenues		12,133	14,196	-15 %
of which segment ¹	Digital Mammography	8,192	8,984	-9 %
	Other Diagnostics	3,941	5,212	-24 %
EBITDA		5,140	6,286	-18 %
EBITDA margin		42 %	44 %	
EBIT		4,440	5,327	-17 %
EBIT margin		37 %	38 %	
Net financial result		685	-211	
EBT		5,125	5,116	0 %
Net profit for the period		5,122	3,967	29 %
Earnings per share in € (basic)		2.81	2.18	29 %
Earnings per share in € (diluted)		2.81	2.18	29 %
		June 30, 2018	Sep. 30, 2017	Change
Equity capital		37,633	32,511	16 %
Intangible assets		11,275	11,722	-4 %
Non-current and current liabilities		6,270	16,568	-62 %
Balance sheet total		43,903	49,079	-11 %
Equity ratio in %		86 %	66 %	
Liquid funds ²		5,200	29,735	-83 %
Employees ³		92	94	

¹ Excluding intersegment revenues.

² Cash

³ Full-time equivalents as of balance sheet date.

KEY SHARE DATA

As at June 30, 2018	
Industry sector	Software / Medical Technology
Subscribed capital	€ 1,820,000.00
No. of shares	1,820,000
Last quotation on September 29, 2017	€ 39.11
Last quotation on June 29, 2018	€ 36.40
High/low in fiscal year 2017/2018	€ 40.60 / € 36.40
Market capitalization	€ 66.248 m
Treasury stock	0 (0 %)
Free float	17.8 %
Prime Standard (Regulated market)	Frankfurt and Xetra
Over-the-counter markets	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*

Following the very strong fiscal year 2016/2017, sales declined as expected also in the third quarter of the current fiscal year, due to the already forecasted decline in sales in the mammography segment. Good cost management kept the EBIT margin at an attractive 37 %. Encouragingly, the first sales from a joint project with Varex Imaging were realized in the past quarter, which will be continued in the coming months. This mainly involves cooperation on innovative software modules in the medical sector but also increasingly in the industrial sector.

Our performance in detail: **Sales** in the third quarter of fiscal year 2017/2018 came to € 3,900 k, about 12 % below the previous year (€ 4,400 k). Licensing business declined by 28 % in the third quarter to € 995 k (prev. year: € 1,383 k), and maintenance business fell by 9 % to € 1,632 k (prev. year: € 1,799 k). The service business marginally decreased from € 1,256 k in the previous-year period to € 1,270 k. Revenues thus amounted to € 12,133 k in the first nine months of the year (prev. year: € 14,196 k), of which € 8,192 k was attributable to the Digital Mammography segment (prev. year: € 8,984 k) and € 3,941 k to Other Diagnostics (prev. year: € 5,212 k). In the previous year, the revenues in the Other Diagnostics segment also included the one-off revenues of € 1,800 k from the sale of MeVisLab usage rights. At 68 % (prev. year: 72 %, without one-off revenue from sale of usage rights), the Digital Mammography segment continues to be the main source of revenues at the Company.

Operating **costs** fell slightly in the first nine month. Personnel expenses fell by 9 % to € 6,110 k (prev. year: € 6,767 k). Other operating expenses were down year on year and totalled € 1,428 k (prev. year: € 1,471 k).

EBITDA (earnings before financial result, taxes, depreciation and amortization) totalled € 5,140 k in the period under review (prev. year: € 6,282 k). The EBITDA margin was at 42 % (prev. year: 44 %).

As expected, depreciation, amortization and impairments of intangible assets and property, plant and equipment fell by 27 % to € 700 k (prev. year: € 959 k), while amortization of development services declined by € 279 k to € 284 k (prev. year: € 563 k). Thus, the **EBIT** (earnings before financial result and taxes) amounted to € 4,440 k in the reporting period (prev. year: € 5,327 k). The EBIT margin remained largely stable with 37 % compared to a previous year value of 38 %.

The **financial result** improved significantly in the period under review to € 685 k (prev. year: € -211 k). In comparison to the previous year, there were significant changes in the balance of income and expenses from exchange rate differences of € 120 k (prev. year: € -502 k), as well as in the earnings of the 51 % share in MeVis BreastCare GmbH & Co. KG of € 461 k (prev. year: € 173 k), which is recognized at equity.

Earnings before taxes (EBT) came to € 5,125 k in the reporting period (prev. year: € 5,116 k). Accordingly, the EBT margin increased to 42 % compared to the previous year's value of 36 %. The **tax result** came to € -3 k (prev. year: € -1,149 k).

Net profit after taxes therefore amounted to € 5,122 k (prev. year: € 3,967 k), corresponding with undiluted earnings per share of € 2.81 (prev. year: € 2.18).

Liquid funds decreased by € 24,535 k to € 5,200 k as of June 30, 2018 compared to the end of fiscal year 2016/2017, mainly due to the profit transfer for fiscal years 2016 and 2016/2017, an advance payment of T€ 2,000 for fiscal year 2017/2018 and the granting of a loan to Varex Imaging Deutschland AG.

For **fiscal year 2017/2018**, a significant decline in revenues to between € 14.5 million and € 15.0 million is still expected. In addition to the non-recurring effect of € 1.8 million reported in Q1 2016/2017 from the sale of MeVisLab usage rights, a declining business expectation of the Digital Mammography segment is contributing to this development, although this segment will still be the main generator of sales. Earnings before financial result and taxes (EBIT) should also decline significantly to between € 3.0 million and € 3.5 million as a result of the expected sales development. As in the previous reporting period, the Executive Board will regularly review its expectations during fiscal year 2017/2018 based on current business developments.

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!



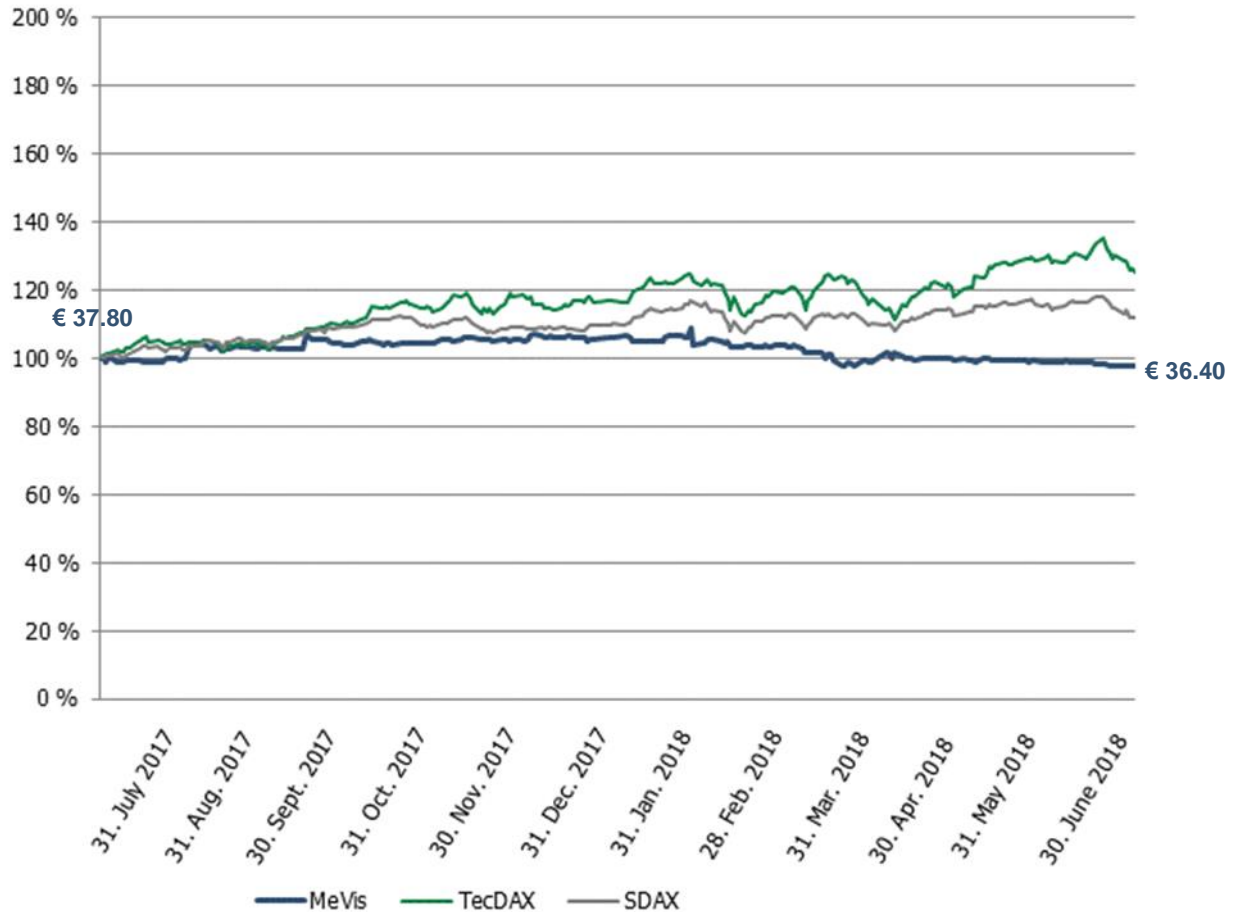
Marcus Kirchhoff
Chairman & CEO



Dr. Robert Hannemann
Member of the Executive Board

THE MEVIS SHARE

DEVELOPMENT OF THE MEVIS SHARE (12 MONTH)



The highest price recorded for the MeVis share in electronic XETRA trading over the reporting period was € 40.60 and the lowest price was € 36.40. MeVis Medical Solutions AG finished the third quarter with a share price of € 36.40 (XETRA) compared to € 39.11 on September 30, 2017 and € 37.25 at the end of the third quarter of the previous year. As a result, the value of the MeVis share at the end of the third quarter of the current fiscal year fell by just over 7 % compared to the closing price at the end of fiscal 2016/2017. Over the last twelve months, the MeVis share has developed negatively by -2 %. Taking into account 1,820,000 shares in circulation, market capitalization at the end of the period was € 66.25 million. The number of registered deposit accounts at the end of the period, at 613, was slightly reduced compared with December 31, 2017 (658).

KEY INDICATORS OF THE MEVIS SHARE

	9 M June 30, 2018	6 M Mar. 31, 2018	3 M Dec. 31, 2017
Closing price in €	36.40	37.80	39.62
Period high in €	37.80	40.60	39.83
Period low in €	36.40	36.40	38.75
Market capitalization in million € (XETRA ultimo)	66.25	68.8	72.1
Number of shares	1,820,000	1,820,000	1,820,000
Price-to-earnings ratio (XETRA ultimo)	9.72	14.54	11.65
Earnings per share in € (basic)	2.81	1.30	0.85
Earnings per share in € (diluted)	2.81	1.30	0.85

DEVELOPMENT OF THE SHAREHOLDER STRUCTURE

At the end of the reporting period Varex Imaging Deutschland AG, an indirect subsidiary of the Varex Imaging Corporation, Salt Lake City, Utah, USA, held 73.65 % of the share capital of MeVis Medical Solutions AG. Other institutional shareholders include HANSAINVEST Hanseatische Investment-GmbH, which holds approximately 5.51 % of the share capital in MeVis Medical Solutions AG, and Hauck & Aufhaeuser Fund Services S.A., which holds approximately 3.01 %, according to shareholder notifications that we have received. As a result, around 17.83 % of shares are currently in free float.

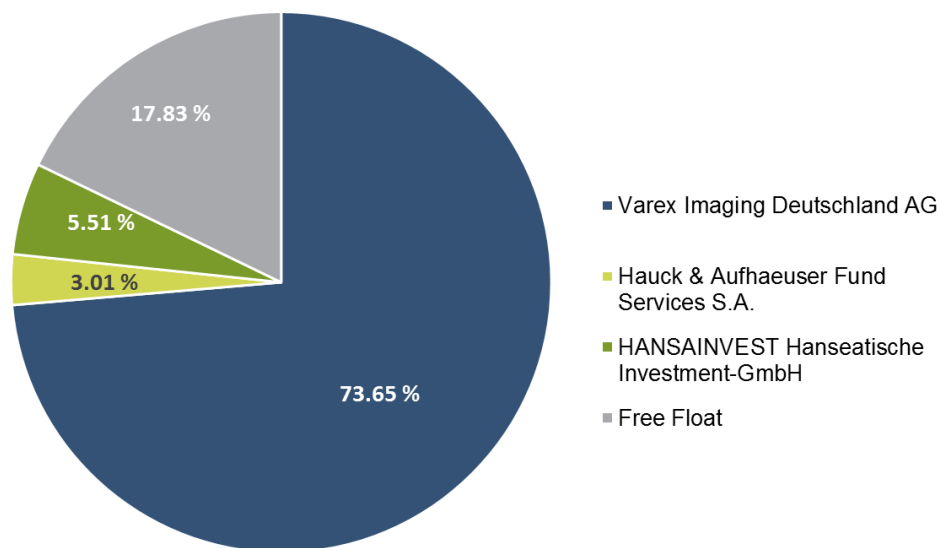


Fig.: Shareholder structure as at June 30, 2018
(In accordance with the shareholder notifications received by us.)

INTERIM MANAGEMENT REPORT Q3 2017/2018

PREAMBLE

As resolved during the Annual General Meeting on June 7, 2016, MeVis Medical Solutions AG, Bremen, (hereafter: "MMS AG" or "Company") has changed its fiscal year. The Company's fiscal year starts on October 1 and ends on September 30 of the following year. Accordingly, the third quarter of fiscal year 2017/2018, which is reported here, covers the period April 1 to June 30, 2018.

BASICS OF THE COMPANY

STRUCTURE

Through a joint venture with Siemens Healthcare GmbH, Munich (hereafter: "Siemens"), MMS AG holds 51 % of MeVis BreastCare GmbH & Co. KG, Bremen, (hereafter: "MBC" or "MBC KG").

Since October 12, 2017, MMS AG has been part of the Varex Group under the leadership of Varex Imaging Corporation, Salt Lake City, Utah, USA, through Varex Imaging Deutschland AG, Willich. Varex Imaging Deutschland AG holds 73.65% of the total share capital of MMS AG. Varex Imaging Deutschland AG and MMS AG have a domination and profit and loss transfer agreement which obliges Varex Imaging Deutschland AG to pay an annual cash payment ("compensation payment") to the outside shareholders for each full fiscal year for the duration of this agreement. This amounts to € 1.13 (gross) or € 0.95 (net) per share for each full fiscal year.

Varex Imaging Corporation prepares the consolidated financial statements for the largest and smallest group of entities and MMS AG is included in these. The consolidated financial statements are filed with the U.S. Securities and Exchange Commission (SEC) and can be obtained from the head office of the group parent company.

SHORT SUMMARY OF BUSINESS ACTIVITIES

MMS AG and its affiliate MBC KG (hereinafter also collectively: "MeVis" or the "Companies") develop innovative software for analyzing and evaluating image data and marketing it to equipment manufacturers of medical devices and providers of medical IT platforms.

Clinical focuses are image-based early detection and diagnosis of epidemiologically important diseases such as breast, lung, liver and prostate cancer, as well as neurological disorders. The software applications support many of 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). MeVis supplies technologies and software applications for global medical industry leaders, meeting their needs and helping them to strengthen their technological leadership positions.

Besides the sale of software licenses, maintenance contracts and services in the field of software development for medical technology companies, MeVis also offers services to clinical end customers. These include three-dimensional technical visualizations ("MeVis Distant Services"), interactive online training options to improve the diagnostic capabilities of clinicians and special online applications in teleradiology ("MeVis Online Services").

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 sold to the medical technology company Hologic.

In addition to the breast diagnostics business based on magnetic resonance imaging conducted with the customer 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 the services of “MeVis Distant Services” for technical visualizations, which are used in training, for publications, presentations and for research purposes. In addition, this segment includes MeVis Online Services, e.g. interactive online trainings (“MeVis Online Academy”) to improve the diagnostic capabilities of clinical end customers.

ECONOMIC REPORT

EARNINGS POSITION

Sales in the third quarter of fiscal year 2017/2018 came to € 3,900 k, about 12 % below the previous year (€ 4,400 k). Licensing business declined by 28 % in the third quarter to € 995 k (prev. year: € 1,383 k), and maintenance business fell by 9 % to € 1,632 k (prev. year: € 1,799 k). The service business slightly increased from € 1,256 k in the previous-year period to € 1,270 k.

Revenues thus amounted to € 12,133 k in the first nine months of the year (prev. year: € 14,196 k), of which € 8,192 k was attributable to the Digital Mammography segment (prev. year: € 8,984 k) and € 3,941 k to Other Diagnostics (prev. year: € 5,212 k). In the previous year, the revenues in the Other Diagnostics segment also included the one-off revenues of € 1,800 k from the sale of MeVisLab usage rights. At 68 % (prev. year: 72 %, without one-off revenue from sale of usage rights), the Digital Mammography segment continues to be the main source of revenues at the Company.

Personnel expenses fell by 9 % to € 6,110 k (prev. year: € 6,727 k). MMS AG had 105 employees on average in the first three quarters of the fiscal year 2017/2018. This corresponds to 95 full-time equivalents (prev. year: 105 employees or 93 full-time equivalents).

Other operating expenses were down year on year and totalled € 1,428 k (prev. year: € 1,471 k). These expenses mainly comprised rental/leasing expenses of € 417 k (prev. year: € 433 k), travel expenses of € 167 k (prev. year: € 169 k), legal and consulting costs of € 116 k (prev. year: € 122 k), and maintenance costs of € 116 k (prev. year: € 177 k).

EBITDA (earnings before financial result, taxes, depreciation and amortization) totalled € 5,140 k in the period under review (prev. year: € 6,286 k). Accordingly, the EBITDA margin was 42 % (prev. year: 44 %).

As expected, depreciation, amortization and impairments of intangible assets and property, plant and equipment fell by 27 % to € 700 k (prev. year: € 959 k), while amortization of development services declined by € 279 k to € 284 k (prev. year: € 563 k).

Earnings before financial result and taxes (EBIT) amounted to € 4,440 k in the reporting period (prev. year: € 5,327 k). The EBIT margin decreased slightly to 37 % compared to a previous year value of 38 %.

The financial result improved significantly in the period under review to € 685 k (prev. year: € -211 k). In comparison to the previous year, there were significant changes in the balance of income and expenses from exchange rate differences of € 120 k (prev. year: € -502 k), as well as in the earnings of the 51 % share in MeVis BreastCare GmbH & Co. KG of € 461 k (prev. year: € 173 k), which is recognized at equity.

Earnings before taxes (EBT) came to € 5,125 k in the reporting period (prev. year: € 5,116 k). Accordingly, the EBT margin increased significantly to 42 % compared to the previous year's value of 36 %. The tax result came to € -3 k (prev. year: € -1,149 k).

Net profit after taxes therefore amounted to € 5,122 k (prev. year: € 3,967 k).

Undiluted earnings per share climbed to € 2.81 (prev. year: € 2.18).

FINANCIAL POSITION

Cash flow from current operating activities came to € 3,120 k (prev. year: € 4,903 k) in the period under review. This comprises earnings before financial result and taxes (EBIT) of € 4,440 k (prev. year: € 5,327 k), adjusted for depreciation in the amount of € 700 k (prev. year: € 959 k), the total of interest paid and received in the amount of € 4 k (prev. year: € 186 k), the total of taxes paid and received in the amount of € -72 k (prev. year: € -231 k), changes in trade receivables and other assets in the amount of € -1,090 k (prev. year: € -1,107 k), and changes in trade payables and other liabilities in the amount of € -861 k (prev. year: € -238 k).

Net cash inflow from investing activities stood at € -201 k in the period under review (prev. year: € -97 k) and predominantly comprised payments for investments.

Cash flow from financing activities amounted to € -27,593 k, as Varex Imaging Deutschland AG received a total of € 9,368 k in profits for 2016 and 2016/2017, an advance payment of € 2,000 k for 2017/2018 and a loan of US\$ 19.2 m (converted at the time of payout: € 16,225 k) was granted.

The liquidity-relevant change in cash and cash equivalents came to € -24,674 k in the period under review (prev. year: € 4,806 k).

NET ASSET POSITION

Liquid funds amounted to € 5,200 k (September 30, 2017: € 29,735 k) as of the balance sheet date. They consist solely of cash.

Total assets decreased by € -5,176 k to € 43,903 k as of the end of the third quarter (September 30, 2017: € 49,079 k). The equity ratio increased to 86 % (September 30, 2017: 66 %). Equity covered 241 % of fixed assets (September 30, 2017: 208 %), and fixed assets amounted to 55 % of current assets (September 30, 2017: 47 %). Fixed assets in relation to total assets increased to 36 % (September 30, 2017: 32 %).

The decrease in assets is largely due to the trend in liquidity. As a result of the net income for the period, the equity capital increased by 16 % to € 37,633 k (September 30, 2017: € 32,511 k) and current liabilities fell to € 5,969 k (September 30, 2017: € 16,267 k) as a result of the payment of the profit transfer for fiscal year 2016 and fiscal year 2016/2017. There were no other significant changes in liabilities.

MATERIAL EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no transactions of material significance for the Company after the reporting date.

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 annual financial statements for the fiscal year as of September 30, 2017, remain valid.

OUTLOOK

For fiscal year 2017/2018, a significant decline in revenues to between € 14.5 million and € 15.0 million is expected. In addition to the non-recurring effect of € 1.8 million reported in Q1 2016/2017 from the sale of MeVisLab usage rights, a declining business expectation of the Digital Mammography segment is contributing to this development, although this segment will still be the main generator of sales. Earnings before financial result and taxes (EBIT) should also decline significantly to between € 3.0 million and € 3.5 million as a result of the expected sales development.

As in the previous reporting period, the Executive Board will regularly review its expectations during fiscal year 2017/2018 based on current business developments.

Bremen, August 21, 2018



Marcus Kirchhoff
Chairman & CEO



Dr. Robert Hannemann
Member of the Executive Board

INCOME STATEMENT Q1 - Q3 2017/2018

for the period October 1, 2017 through June 30, 2018

FIGURES IN € k	Notes	Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017
Revenues	1	12,133	14,196
Other operating income		860	726
Cost of material		-315	-438
Staff costs	2	-6,110	-6,727
Other operating expenses	3	-1,428	-1,471
Earnings before financial result, taxes, depreciation and amortization (EBITDA)		5,140	6,286
Depreciation, amortization and impairment of intangible and tangible assets	4	-700	-959
Earnings before financial result and tax (EBIT)		4,440	5,327
Share of profit of equity-method investments		461	173
Interest income		117	132
Other net financial result		107	-516
Net financial result	5	685	-211
Earnings before tax (EBT)		5,125	5,116
Income tax	6	-3	-1,149
Profit for the period		5,122	3,967
Earnings per share in €	13		
Basic		2.81	2.18
Diluted		2.81	2.18

STATEMENT OF COMPREHENSIVE INCOME

for the period October 1, 2017 through June 30, 2018

FIGURES IN € k	Notes	Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017
Net loss/profit for the period		5,122	3,967
Items that are never recognized as profit or loss		0	0
Items that have been or could be recognized as profit or loss		0	0
Other comprehensive income		0	0
Total comprehensive income		5,122	3,967

INCOME STATEMENT Q3 2017/2018

for the period April 1 through June 30, 2018

FIGURES IN € k	Notes	Apr. 1, 2018 - June 30, 2018	Apr. 1, 2017 - June 30, 2017
Revenues	1	3,900	4,440
Other operating income		342	286
Cost of material		-117	-82
Staff costs	2	-2,125	-2,197
Other operating expenses	3	-478	-448
Earnings before financial result, taxes, depreciation and amortization (EBITDA)		1,522	1,999
Depreciation, amortization and impairment of intangible and tangible assets	4	-218	-282
Earnings before financial result and tax (EBIT)		1,304	1,717
Share of profit of equity-method investments		17	308
Interest income		40	72
Other net financial result		1,396	-1,686
Net financial result	5	1,453	-1,306
Earnings before tax (EBT)		2,757	411
Income tax	6	-1	1
Net profit for the period		2,756	412
Earnings per share in €	13		
Basic		1.51	0.23
Diluted		1.51	0.23

STATEMENT OF COMPREHENSIVE INCOME

for the period April 1 through June 30, 2018

FIGURES IN € k	Notes	Apr. 1, 2018 - June 30, 2018	Apr. 1, 2017 - June 30, 2017
Net loss/profit for the period		2,756	412
Items that are never recognized as profit or loss		0	0
Items that have been or could be recognized as profit or loss		0	0
Other comprehensive income		0	0
Total comprehensive income		2,756	412

STATEMENT OF FINANCIAL POSITION

as of June 30, 2018

FIGURES IN € k	Notes	June 30, 2018	Sep. 30, 2017
Non-current assets			
Intangible assets		11,275	11,722
Property, plant and equipment		265	316
Joint venture/Equity investments	7	2,452	1,991
Trade receivables		1,636	1,636
		15,628	15,665
Current assets			
Trade receivables		4,223	3,362
Other financial assets	8	18,733	150
Other assets		119	167
Cash		5,200	29,735
		28,275	33,414
ASSETS		43,903	49,079
Equity capital			
	9		
Subscribed capital		1,820	1,820
Capital reserve		7,475	7,475
Revaluation reserve		160	226
Retained earnings		28,178	22,990
		37,633	32,511
Non-current liabilities			
Provisions		301	301
		301	301
Current liabilities			
Provisions		138	138
Trade payables		219	279
Other financial liabilities	10	1,064	11,393
Deferred income		2,724	3,029
Other liabilities		669	204
Income tax liabilities		1,155	1,224
		5,969	16,267
EQUITY AND LIABILITIES		43,903	49,079

STATEMENT OF CASH FLOW

for the period October 1, 2017 through June 30, 2018

FIGURES IN € k	Notes	Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017
Earnings before financial result and tax (EBIT)		4,440	5,327
+ Depreciation and amortization and impairments	5	700	959
+/- Increase/decrease of provisions		0	1
+/- Other non-cash expenses/income		-1	6
+ Interest received		4	186
- Tax paid		-72	-231
+/- Decrease/increase in trade receivables and other assets		-1,090	-1,107
-/+ Decrease/increase in trade payables and other liabilities		-861	-238
= Cash flow from operating activities		3,120	4,903
- Purchase of property, plant and equipment		-99	-90
- Purchase of intangible assets (excl. development cost)		-102	-7
= Cash flow from investing activities		-201	-97
- Payments to shareholders	8,10	-11,368	0
- Granting of loans		-16,225	0
= Cash flow from financing activities		-27,593	0
Change in cash and cash equivalents		-24,674	4,806
Effect of exchange rates on cash and cash equivalents		139	-758
+ Cash at the beginning of the period		29,735	24,356
= Cash at the end of the period		5,200	28,404

STATEMENT OF CHANGES IN EQUITY

for the period October 1, 2017 through June 30, 2018

FIGURES IN € k	Subscribed capital	Capital reserve	Re-valuation reserve	Retained earnings	Total
Balance on Oct. 1, 2016	1,820	8,219	326	22,524	32,889
Net profit	0	0	0	3,967	3,967
Total comprehensive income	0	0	0	3,967	3,967
Issue of stock options	0	6	0	0	6
Transfer from revaluation reserve to retained earnings based on amortization	0	0	-76	76	0
Balance on June 30, 2017	1,820	8,225	250	26,567	36,862
Balance on Oct. 1, 2017	1,820	7,475	226	22,990	32,511
Net profit	0	0	0	5,122	5,122
Total comprehensive income	0	0	0	5,122	5,122
Transfer from revaluation reserve to retained earnings based on amortization	0	0	-66	66	0
Balance on June 30, 2018	1,820	7,475	160	28,178	37,633

NOTES TO THE FINANCIAL STATEMENTS AS OF JUNE 30, 2018

BASIC INFORMATION

GENERAL DISCLOSURES

MeVis Medical Solutions AG ("MMS AG", "MeVis" or "Company" 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. MMS AG is registered in the Commercial Register of the District Court of Bremen (HRB 23791 HB).

Since October 12, 2017, MMS AG has been part of the Varex Group under the leadership of Varex Imaging Corporation, Salt Lake City, Utah, USA, through Varex Imaging Deutschland AG, Willich. Varex Imaging Deutschland AG holds 73.65% of the total share capital of MMS AG. Varex Imaging Deutschland AG and MMS AG have a domination and profit and loss transfer agreement which obliges Varex Imaging Deutschland AG to pay an annual cash payment ("compensation payment") to the outside shareholders for each full fiscal year for the duration of this agreement. This amounts to € 1.13 (gross) or € 0.95 (net) per share for each full fiscal year.

Varex Imaging Corporation prepares the consolidated financial statements for the largest and smallest group of entities and MMS AG is included in these. The consolidated financial statements are filed with the U.S. Securities and Exchange Commission (SEC) and can be obtained from the head office of the group parent company.

The interim financial statements of MeVis Medical Solutions AG, Bremen as at June 30, 2018 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 June 30, 2018 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 October 1, 2017 to June 30, 2018 use the same recognition and measurement policies as the individual financial statement according to IFRS for the fiscal year 2016/2017. The interim financial statements as of June 30, 2018 must therefore be read in conjunction with the individual financial statements according to IFRS for the fiscal year as of September 30, 2017.

EFFECTS OF NEW ACCOUNTING STANDARDS

MMS AG's interim financial statements as of June 30, 2018 including the previous year's figures have been prepared in accordance with IFRS as endorsed by the European Union as of September 30, 2017. The same accounting and valuation principles were applied that were used in preparing the individual financial statements according to IFRS for the fiscal year as at September 30, 2017 and in addition, IAS 34 "Interim reporting" was applied. New announcements of the IASB applicable as at June 30, 2018 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	Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017
Maintenance (software service contracts)	5,107	5,429
Software and licenses	3,519	4,231
Services (consulting and trainings)	3,503	4,528
Hardware	4	8
	12,133	14,196

2. STAFF COSTS

The average headcount was 105 (prev. year: 105). This is equivalent to an average of 95 full-time positions (prev. year: 93). The average figures include 4 testers (as a rule, students employed on a negligible part-time basis) (prev. year: 7).

3. OTHER OPERATING EXPENSES

FIGURES IN € k	Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017
Rental/leasing expenses	417	433
Travel expenses	167	169
Legal and consulting costs	116	122
Maintenance/repairs	116	177
Vehicle costs	97	53
Cost of preparing and auditing financial statements	69	60
Internet expenses	46	46
Energy costs	44	54
Office supplies	44	24
Events & congresses	42	23
Training costs	39	56
Hospitality costs	35	27
Others	196	227
	1,428	1,471

4. DEPRECIATION AND AMORTIZATION

FIGURES IN € k	Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017
Amortization of industrial property rights and similar rights and customer bases	266	272
Amortization of capitalized development expenses	284	563
Depreciation of property, plant and equipment	150	124
	700	959

5. NET FINANCIAL RESULT

The net financial result as of June 30, 2018 amounted to € 685 k (prev. year: € -211 k). It mainly consisted of the balance of income and expenses from exchange rate differences of € 120 k (prev. year: € -502 k), the result derived from equity-method investments amounting to € 461 k (prev. year: € 173 k) and interest income € 117 k (prev. year: € 132 k).

6. INCOME TAXES

Income tax expenses mainly resulted from withholding tax on capital.

7. EQUITY-METHOD INVESTMENTS

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.

8. CURRENT OTHER FINANCIAL ASSETS

FIGURES IN € k	June 30, 2018	Sept. 30, 2017
Loans granted	16,552	0
Other receivables	2,132	148
Other	49	2
	18,733	150

The loan of US\$ 19.2 million granted to Varex Imaging Deutschland AG is in place since October 16, 2017 and bears interest at 1 % p. a.

Other receivables amounted to € 2,000 k (September 30, 2017: € 0 k) against Varex Imaging Deutschland AG, Willich, resulting from an advance payment for the profit transfer for the fiscal year 2017/2018, as well as an amount of € 132 k (September 30, 2017: € 148 k) against MeVis BreastCare GmbH & Co. KG, Bremen.

9. SHAREHOLDERS' EQUITY

Revaluation reserve

The assets and liabilities of MBS KG had to be completely revalued in connection with the acquisition of the 49 % interest in MBS KG from Siemens AG and the subsequent full consolidation of MBS KG in 2008. To the extent that this increase in value was attributable to the 51 % interest in MBS KG already held by the Company, the difference had to be allocated to the revaluation reserve. The amount of € 1,688 k allocated comprised intangible assets of € 2,411 k less deferred taxes of € 723 k thereon. Amounts corresponding with the amortization recognized on these assets are transferred proportionately to retained earnings. With the merger of MBS KG into MMS AG in the fiscal year 2013, the values from the revaluation reserve were also transferred into the individual IFRS financial statements.

FIGURES IN € k	Oct. 1, 2017 - June 30, 2018	Oct. 1, 2016 - June 30, 2017
Status as at October 1	226	326
-Transfer of the amount corresponding to write-downs and the associated deferred taxes to retained earnings, without an impact on profit and loss	-66	-76
Status as at June 30	160	250

10. OTHER FINANCIAL LIABILITIES

Current other financial liabilities

FIGURES IN € k	June 30, 2018	Sep. 30, 2017
Staff liabilities	1,064	2,025
Liabilities to affiliated companies	0	9,368
	1,064	11,393

Staff liabilities primarily comprise the costs for accrued vacation entitlements, bonuses and the 13th salary.

11. TRANSACTIONS WITH RELATED PARTIES

On October 16, 2017, MMS AG concluded a loan agreement with Varex Imaging Deutschland AG, Willich, under which MMS AG granted Varex Imaging Deutschland AG, Willich, a loan in the amount of USD 19.2 million, which bears interest at 1 % p. a.

12. CONTINGENT RECEIVABLES AND CONTINGENT LIABILITIES

In comparison with the contingent receivables and contingent liabilities presented the individual financial statement according to IFRS for the fiscal year 2016/2017, no changes occurred in the first nine months of the current fiscal year.

13. 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.

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

As of the balance sheet date, there were no more outstanding stock options.

	June 30, 2018	June 30, 2017
Net result for the period in € k	5,122	3,967
Weighted average of shares outstanding during the reporting period - basic	1,820,000	1,820,000
Dilution through stock options	0	562
Weighted average of shares outstanding during the reporting period - diluted	1,820,000	1,820,562
Basic earnings per share in €	2.81	2.18
Diluted earnings per share in €	2.81	2.18

14. SEGMENT INFORMATION

As of June 30, 2018 the activities of the Company were still subdivided into the reportable segments of Digital Mammography and Other Diagnostics. The management of each of these segments reports directly to the Executive Board of MMS AG in its function as the responsible corporate entity.

Segment net profit and loss, which corresponds to earnings before financial result 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	
	Oct. 1 - June 30		Oct. 1 - June 30		Oct. 1 - June 30	
	2017/ 2018	2016/ 2017	2017/ 2018	2016/ 2017	2017/ 2018	2016/ 2017
Segment revenues	8,192	8,984	3,941	5,212	12,133	14,196
Depreciation and amortization	-561	-830	-139	-129	-700	-959
Operating expenses	-2,686	-2,447	-3,739	-4,718	-6,425	-7,165
Result of operating activities	4,945	5,707	63	365	5,008	-6,072
Other operating income	367	252	493	474	860	726
Other operating expenses	-629	-533	-799	-938	-1,428	-1,471
Segment net profit/loss	4,683	5,426	-243	-99	4,440	5,327

15. POST BALANCE SHEET EVENTS

No material events occurred after the balance sheet date.

Bremen, August 21, 2018



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/en/investor-relations/financial-reports/>

FINANCE CALENDAR 2018

Date	Event
January 23, 2018	Annual Report 2016/2017
February 20, 2018	Interim Report for Q1 2017/2018
March 14, 2018	Annual General Meeting, Bremen
May 15, 2018	Interim Report for H1 2017/2018
August 21, 2018	Interim Report for Q3 2017/2018
September 3/4, 2018	Fall Conference, Frankfurt am Main

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