



UMS United Medical Systems International AG i. L.

Financial Report May 1, 2016 to January 31, 2017

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Key Indicators

		May 1, 2016 to January 31, 2017	May 1, 2015 to January 31, 2016
Earnings per share	€	0,00	0,00
		January 31, 2017	January 31, 2016
Number of employees		1	1
Net financial position	mill. €	1,8	15,5
Total equity	mill. €	2,4	15,0
Outstanding Shares	in k.	4.282	4.282
Market Capitalisation	mill. €	1,8	13,8

Financial Calendar

March 14, 2017	9- Month Report 2016/2017
July 14, 2017	Publication Annual Financial Statements 2016/17

Letter to the Shareholders

Dear Shareholders,

In the first 9 months of the second liquidation year, the Liquidator discussed the status of the liquidation with the Supervisory Board and distributed additional cash to the shareholders. On June 8, 2016, an initial distribution of EUR 2.00 per share was made to shareholders. An additional EUR 0.90 per share was then distributed on August 2, 2016. Altogether, a total of EUR 10.43 per share or EUR 44.7 million has been distributed to shareholders in three tranches since the business was sold.

In addition, progress was made with the liquidation. To save costs, we moved into much smaller offices and forged ahead with the proceedings against the former tax advisor and the special VAT audit. Nevertheless, we cannot currently calculate the financial outcome of these proceedings or how long they will take.

I would like to thank everyone for their work and for their trust and support in the first 9 months of the new liquidation year.

Signed Jorgen Madsen

Liquidator

Earnings

In the past 9 months, as in the first 9 months of 2015/2016, no material expenses were incurred in the liquidation phase that were not covered by the provision established for liquidation. The interest and other income related to the cash invested in a term until the distribution to the shareholders. The interest was payable as the respective tranches mature.

Financial Condition

Other assets of EUR 1,234 k (previous year: EUR 449 k) relate primarily to claims against the tax authorities from decisions in August 2016 pursuant to the ongoing VAT audit. The Company still assumes as in previous years that it was and still is entitled to deduct input VAT during the period being audited. Accordingly, the Company filed an objection to the preliminary decisions and showed the amounts refunded to the tax authorities for input tax plus interest under other assets. Due to the distribution of EUR 12.4 million and the refund of input VAT plus interest of EUR 0.7 million, cash in banks fell by EUR 13.6 million from

May 1 and now amounts to EUR 1.8 million. An additional EUR 0.4 million was spent on the planned, provisioned expenses. Accordingly, the other provisions and the trade payables decreased as well. Equity amounted to EUR 2.4 million, down from EUR 14.8 million at the beginning of the 9 months period. That corresponds to an equity ratio of 78%, down from 93% at May 1, 2016.

Report on Risks and Opportunities, Forecast

The Company is not aware of any matters that would result in a change in the material forecasts and other statements made in the last management report on the progress of the liquidation of the Company during the current fiscal year. The statements on risks and opportunities made in the annual report for the liquidation year from May 1, 2015 to April 30, 2016 remain unchanged. In particular, because of the two ongoing proceedings, the duration of the liquidation and the amount of the final distribution remain uncertain.

UMS United Medical Systems International AG i.L., Hamburg
Balance Sheet as of January 31, 2017 and April 30, 2016

ASSETS	January 31, 2017 €	April 30, 2016 €
A. Non-current assets		
Tangible Assets		
Other Equipment	135,26	403,46
	<u>135,26</u>	<u>403,46</u>
B. Current Assets		
I. Receivables Trade and other Receivables		
Other Receivables thereof due after more than one year € 21,909.76 (PY € 21,909.76)	1.233.745,49	449.328,44
	<u>1.233.745,49</u>	<u>449.328,44</u>
II. Cash, Cash in Banks	<u>1.837.803,23</u>	<u>15.402.382,44</u>
	1.837.803,23	15.402.382,44
C. Deferred Charges and Prepaid Expenses	<u>14.176,04</u>	<u>14.176,04</u>
	14.176,04	14.176,04
	<u><u>3.085.860,02</u></u>	<u><u>15.866.290,38</u></u>

UMS United Medical Systems International AG i.L., Hamburg
Balance Sheet as of January 31, 2017 and April 30, 2016

EQUITY AND LIABILITIES		January 31, 2017	April 30, 2016
		€	€
A. Equity			
I. Common Stock	Share Capital	4.718.638,72	6.016.261,00
	Treasury Shares	601.426,56	601.426,56
		<u>4.117.212,16</u>	<u>5.414.834,44</u>
II. Capital Reserve		0,00	11.120.348,82
III. Accumulated loss		-1.698.677,39	-1.704.362,43
		<u>2.418.534,77</u>	<u>14.830.820,83</u>
B. Provisions and Accruals			
	Other Accruals	667.325,25	1.027.900,00
		<u>667.325,25</u>	<u>1.027.900,00</u>
C. Liabilities			
	Trade Accounts payables thereof due within one year € 0.00 (PY € 7,569.55)	0,00	7.569,55
		<u>0,00</u>	<u>7.569,55</u>
		<u>3.085.860,02</u>	<u>15.866.290,38</u>

UMS United Medical Systems International AG i.L., Hamburg
Income Statement for the Period from May 1 2016 to January 31, 2017

	May 1, 2016 to January 31, 2017	May 1, 2015 to January 31, 2016
	€	€
4. General and Administrative Expenses	-268,20	-268,20
5. Other operating Income	0,00	1,44
6. Other operating Expenses	-0,09	-91,10
7. Interest and similar Income	5.953,33	21.566,67
9. Result from ordinary Operations	<u>5.685,04</u>	<u>21.208,81</u>
10. Profit for the Period	<u>5.685,04</u>	<u>21.208,81</u>
11. Loss carried forward	-1.704.362,43	-1.590.631,14
13. Accumulated loss	<u><u>-1.698.677,39</u></u>	<u><u>-1.569.422,33</u></u>

UMS United Medical Systems International AG i.L., Hamburg
Cash Flow Statement
for the Period from May 1, 2016 to January 31, 2017

	May 1, 2016 to January 31, 2017	May 1, 2015 to October 31, 2016
	€	€
Profit for the Period	5.685	21.209
Adjustment to reconcile profit for the year to net cash flows:		
Depreciation	268	268
Working Capital adjustments:		
Increase(-)/Decrease(+) in Prepaid expenses and other current assets	-784.417	-3.452
Increase(+)/Decrease(-) in trade payables	-7.570	-161.405
Increase(+)/Decrease(-) in other accrued expenses and current liabilities	-360.575	-418.702
= Net cash provided by operating activities	-1.146.608	-562.082
= Net cash used for investing activities	0	0
Dividends paid to equity holders of the parent	-12.417.971	0
= Net cash used in financing activities	-12.417.971	0
Net increase/decrease in cash and cash equivalents	-13.564.579	-562.082
+ Cash and cash equivalents at beginning of the period	15.402.382	16.016.782
= Cash and cash equivalents at end of period	1.837.803	15.454.700
Additional information on cash flows		
Payments for interest	0	0
Proceeds from interest	5.953	2.252
Payments for taxes on income	0	802

UMS United Medical Systems International AG i. L., Hamburg
Statement of Changes in Equity

	Share Capital €	Additional Paid-in Capital €	Accumulated deficit €	Total Equity €
Balance May 1, 2015	5.414.834	11.120.349	-1.590.631	14.944.552
Comprehensive Income			21.209	21.209
Balance January 31, 2016	5.414.834	11.120.349	-1.569.422	14.965.761
Balance May 1, 2016	5.414.834	11.120.349	-1.704.362	14.830.821
Comprehensive Income			5.685	5.685
Dividends payed	-1.297.622	-11.120.349		-12.417.971
Balance January 31, 2017	4.117.212	0	-1.698.677	2.418.535

Notes

Accounting Principles

Like the annual report for the period from May 1, 2015 to April 30, 2016, the 9 months report at January 31, 2017, was prepared in accordance with the statutory provisions. The Company is capital market oriented within the meaning of § 264d of the German Commercial Code and is therefore considered a large corporation under § 267(3) of the German Commercial Code.

The Company is exempt from the requirement to prepare consolidated financial statements under §290(5) of the German Commercial Code, because its only subsidiary, Neuromed Italia S.r.L, Italy, is in liquidation and the responsible court in Padua has given order to clear the company from register. Thus, it is not to be included in consolidated financial statements pursuant to § 296 of the German Commercial Code.

The following information should be read in conjunction with the audited financial statements for the fiscal year, the notes and the management report at April 30, 2016 contained in our annual report.

The accounting principles explained in the notes to the annual financial statements for the fiscal year ended April 30, 2016 were used to prepare this report. The figures in the last published balance sheet at April 30, 2016 were used as comparable for the balance sheet. Figures in the last published reporting period (from May 1, 2015 to January 31, 2016) were used as comparable for the income statement, statement of cash flows and the statement of changes in equity.

Events after the balance sheet date

There were no events that could have a material effect on the Company's assets, financial position or earnings and would thus have to be reported.

Shares held by members of the governing bodies

	Number of Shares held	
	<u>directly</u>	<u>indirectly</u>
CEO / Liquidator		
Jorgen Madsen	320.965	
Supervisory Board		
Wolfgang Biedermann		269.667
Dr. h.c. Norbert Heske	33.084	33.084

Legal Notice

Forward-looking statements

This report contains forward-looking statements. These statements are based on current estimates and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not be accurate. Many factors could cause the actual results, performance or achievements of UMS AG to be materially different from those that may be expressed or implied by such statements. We do not assume any obligation to update the forward-looking statements contained in this report.

Variations for technical reasons

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

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