



UMS United Medical Systems International AG i. L.

Quarterly Financial Report May 1, 2017 to July 31, 2017

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Key Indicators

| | | May 1 to July 31, 2017 | May 1 to July 31, 2016 |
|------------------------|---------|---------------------------|---------------------------|
| Earnings per share | € | 0,00 | 0,00 |
| | | July 31, 2017 | July 31, 2016 |
| Number of employees | | 1 | 1 |
| Net financial position | mill. € | 1,6 | 6,6 |
| Total equity | mill. € | 2,4 | 6,3 |
| Outstanding Shares | in k. | 4.282 | 4.282 |
| Market Capitalisation | mill. € | 1,7 | 6,3 |

Financial Calendar

| | |
|-------------------|--------------------------------------|
| December 11, 2017 | Annual Shareholders Meeting, Hamburg |
| December 11, 2017 | Analyst Conference, Hamburg |
| December 14, 2017 | 6- Month Report 2017 / 2018 |

Letter to the Shareholders

Dear Shareholders:

On May 23rd, 2017, the Hamburg Court of Appeals handed down a ruling on the appeal in the lawsuit between us and our former tax advisor, Ebner Stolz Wirtschaftsprüfer, Steuerberater, Rechtsanwälte. It fully upheld the trial court's ruling, thus making it clear that the tax advisor must pay damages to the Company in the amount of the harm caused. Moreover, the court did not allow an appeal from this decision. However, upon being denied leave to appeal, shortly before the expiration of the 30-day deadline, Ebner Stolz filed a petition with the German Federal Court seeking leave to appeal and a two-month extension in which to state its grounds for its new appeal. The Court granted the extension, and thus this lawsuit will go on for at least another three months.

The outcome of the sales tax audit also remains uncertain. According to the responsible agency, our objection has not been processed, even though we had been told the opposite in the past. Therefore we cannot give you any news or more precise information on the time horizon of this objection proceeding. Unfortunately, there are no legal means for accelerating the proceedings.

I would also like to thank everyone for their hard work and for their confidence and support in the first three months of this new year of liquidation.

Signed Jørgen Madsen

Liquidator

Earnings

No expenses were incurred in the first three months of the current year of liquidation that were not covered by the provision established for expenses during the liquidation. The general administrative expenses related to depreciation on office equipment.

Financial Condition

The other assets of €1,263k (beginning of period: €1,244k) primarily related to claims against the tax authorities under the decision of August 2016 in connection with the ongoing sales tax audit. The Company still assumes that it was and still is entitled to fully deduct the input taxes during the period being audited. Accordingly, the Company has filed an objection to the preliminary order and has recorded the amounts returned to the tax authorities for input taxes plus interest thereon under other assets. As planned, cash in banks fell by €159k as compared to May 1 and now amounts to €1.6 million. As a result, the other provisions and the trade payables decreased. As at the beginning of the liquidation year, equity amounted to €2.4 million. That corresponds to 58 cents per share.

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, 2016 to April 30, 2017 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 July 31, 2017 and April 30, 2017

| ASSETS | 31.07.2017 | 30.04.2017 |
|---|---------------------|---------------------|
| | € | € |
| A. Non-current assets | | |
| Tangible Assets | | |
| Other Equipment | 0,00 | 45,86 |
| | 0,00 | 45,86 |
| B. Current Assets | | |
| I. Receivables Trade and other Receivables | | |
| Other Receivables | 1.263.444,30 | 1.244.033,11 |
| thereof due after more than one year | | |
| € 21,909.76 (PY € 21,909.76) | | |
| | 1.263.444,30 | 1.244.033,11 |
| II. Cash, Cash in Banks | 1.602.826,80 | 1.761.700,71 |
| | 1.602.826,80 | 1.761.700,71 |
| C. Deferred Charges and Prepaid Expenses | 14.176,04 | 14.176,04 |
| | 14.176,04 | 14.176,04 |
| | 2.880.447,14 | 3.019.955,72 |

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

| EQUITY AND LIABILITIES | | 31.07.2017 | 30.04.2017 |
|---|---|----------------------------|----------------------------|
| | | € | € |
| A. Equity | | | |
| I. Common Stock | Share Capital | 6.016.261,00 | 6.016.261,00 |
| | Treasury Shares | 601.426,56 | 601.426,56 |
| | | <u>5.414.834,44</u> | <u>5.414.834,44</u> |
| II. Distirbution on expected Liquidation Proceed | | -1.297.622,28 | -1.297.622,28 |
| III. Accumulated loss | | <u>-1.698.812,66</u> | <u>-1.698.766,80</u> |
| | | 2.418.399,50 | 2.418.445,36 |
| B. Provisions and Accruals | | | |
| | Other Accruals | 457.382,33 | 597.825,84 |
| | | <u>457.382,33</u> | <u>597.825,84</u> |
| C. Liabilites | | | |
| | Trade Accounts payables thereof due within one year € 4,665.31 (PY € 3,684.52) | 4.665,31 | 3.684,52 |
| | | <u>4.665,31</u> | <u>3.684,52</u> |
| | | <u>2.880.447,14</u> | <u>3.019.955,72</u> |

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

| | 2017 | 2016 |
|--|----------------------------------|----------------------------------|
| | € | € |
| | <hr/> | <hr/> |
| 1. General and Administrative Expenses | -45,86 | -89,50 |
| 2. Other operating Income | 0,00 | 0,00 |
| 3. Other operating Expenses | 0,00 | 0,00 |
| 4. Interest and similar Income | 0,00 | 5.953,33 |
| 5. Result from ordinary Operations | <hr/> -45,86 | <hr/> 5.863,83 |
| 6. Loss / Profit for the Period | <hr/> -45,86 | <hr/> 5.863,83 |
| 7. Loss Carried Forward | -1.698.766,80 | -1.704.362,43 |
| 8. Accumulated loss | <hr/> -1.698.812,66 <hr/> | <hr/> -1.698.498,60 <hr/> |

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

| | 2017 | 2016 |
|---|-----------------|-------------------|
| | € | € |
| Loss / Profit | -46 | 5.864 |
| Adjustment to reconcile profit for the year to net cash flows: | | |
| .Depreciation | 46 | 89 |
| Working Capital adjustments: | | |
| Increase(-)/Decrease(+) in Prepaid expenses and other current assets | -19.411 | 3.796 |
| Increase(+)/Decrease(-) in trade payables | 981 | -3.918 |
| Increase(+)/Decrease(-) in other accrued expenses and current liabilities | -140.444 | -194.414 |
| = Net cash provided by operating activities | -158.874 | -188.583 |
| Dividends paid to equity holders of the parent | 0 | -8.564.118 |
| = Net cash used in financing activities | 0 | -8.564.118 |
| Net increase/decrease in cash and cash equivalents | -158.874 | -8.752.701 |
| + Cash and cash equivalents at beginning of the period | 1.761.701 | 15.402.382 |
| = Cash and cash equivalents at end of period | 1.602.827 | 6.649.681 |
| Additional information on cash flows | | |
| Payments for interest | 0 | 0 |
| Proceeds from interest | 0 | 5.953 |
| Payments for taxes on income | 0 | 0 |

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

| | Share Capital € | Own Shares € | Additional Paid-in Capital € | Distribution on expected Liquidation Proceed € | Accumulated deficit € | Total Equity € |
|------------------------------|-----------------------|--------------------|------------------------------------|---|-----------------------------|----------------------|
| Balance May 1, 2016 | 6.016.261 | 601.427 | 11.120.349 | 0 | -1.704.362 | 14.830.821 |
| Distribution to Shareholders | | | -8.564.118 | | | -8.564.118 |
| Comprehensive Income | | | | | 5.864 | 5.864 |
| Balance July 31, 2016 | 6.016.261 | 601.427 | 2.556.231 | 0 | -1.698.498 | 6.272.567 |
| Balance May 1, 2017 | 6.016.261 | 601.427 | 0 | -1.297.622 | -1.698.767 | 2.418.445 |
| Comprehensive Income | | | | | -46 | -46 |
| Balance July 31, 2017 | 6.016.261 | 601.427 | 0 | -1.297.622 | -1.698.813 | 2.418.400 |

Notes

Accounting Principles

Like the interim report at July 31, 2016, the interim report at July 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 (HGB) and is therefore considered a large corporation within the meaning of § 267 (3) of the German Commercial Code (HGB).

The following information should be read in conjunction with the audited financial statements for the short fiscal year, the notes and the management report at April 30, 2017 contained in our annual report.

For interim reporting, the same accounting policies were applied as those explained in the notes to the annual financial statements at April 30, 2017. For the prior period figures of the balance sheet, the figures from the last published balance sheet as of April 30th 2017 were taken. The prior period figures of the p&l-, cash flow- and changes in equity statement are the figures for the period from May 1st to July 31st 2017.

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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