



UMS United Medical Systems International AG i. L.

Quarterly Financial Report May 1, 2018 to July 31, 2018

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Letter to the Shareholders

Dear Shareholders:

On August 8 we entered into a settlement agreement with our former tax advisors, thus putting an end to the proceedings once and for all. We will received EUR 335,000 in damages for the harm caused by the malpractice and an additional EUR 13,998.20 EUR to reimburse us for our court costs. We are currently terminating all outstanding contracts and plan to hold the last shareholders' meeting on November 19, 2018. We assume that we will be able to make the final distribution in early October. We will let you know the amount of that distribution before it happens.

I would like to say a word of thanks for all the hard work and for your trust and support in the first three months of the new liquidation year.

Signed Jørgen Madsen

Liquidator

Results of Operations

No expenses were incurred in the first three months of the current liquidation year that were not covered by the provision set up for expenses during liquidation. Because the settlement with the Company's former tax advisors was not entered into until after the balance sheet date, the related claim in the amount of EUR 349k was not yet reflected in the financial statements.

Financial Condition

The other assets of EUR 109k (beginning of period: EUR 90k) primarily relate to claims against the Tax Office for input tax paid. Bank balances decreased by EUR 280k from May 1 and now amount to EUR 2.4 million. Other provisions and trade payables decreased accordingly. Equity now amounts to EUR 2.3 million, as it did at the beginning of the liquidation year. That corresponds to 55 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, 2017 to April 30, 2018 remain unchanged.

UMS United Medical Systems International AG i.L., Hamburg
Balance Sheet as of July 31, 2018 and April 30, 2018

ASSETS	2018 €	2018 €
Current Assets		
I. Receivables Trade and other Receivables		
Other Receivables	109.498,16	90.025,93
thereof due after more than one year		
€ 0.00 (PY € 0.00)		
	<u>109.498,16</u>	<u>90.025,93</u>
II. Cash, Cash in Banks	2.424.242,41	2.703.760,25
	<u>2.424.242,41</u>	<u>2.703.760,25</u>
	<u><u>2.533.740,57</u></u>	<u><u>2.793.786,18</u></u>

UMS United Medical Systems International AG i.L., Hamburg
Balance Sheet as of July 31, 2018 and April 30, 2018

EQUITY AND LIABILITIES		2018 €	2018 €
A. Equity			
I. Common Stock	Share Capital	6.016.261,00	6.016.261,00
	Treasury Shares	601.426,56	601.426,56
		----- 5.414.834,44	----- 5.414.834,44
II. Capital Reserve		0,00	0,00
III. Distribution on expected Liquidation Proceed		-1.297.622,28	-1.297.622,28
IV. Accumulated loss		-1.774.070,58	-1.774.070,58
		<u>2.343.141,58</u>	<u>2.343.141,58</u>
B. Provisions and Accruals			
	Other Accruals	190.505,67	430.201,00
		<u>190.505,67</u>	<u>430.201,00</u>
C. Liabilities			
	Trade Accounts payables thereof due within one year € 93.32 (PY € 22,443.60)	93,32	20.443,60
		<u>93,32</u>	<u>20.443,60</u>
		<u>2.533.740,57</u>	<u>2.793.786,18</u>

UMS United Medical Systems International AG i.L., Hamburg
Income Statement for the Period from Mai 1, to July 31, 2018
and May 1, to July 31, 2017

	2018	2017
	€	€
	<hr/>	<hr/>
1. General and Administrative Expenses	0,00	-45,86
2. Other operating Income	0,00	0,00
3. Other operating Expenses	0,00	0,00
4. Interest Expenses	0,00	0,00
5. Interest and similar Income	0,00	0,00
6. Result from ordinary Operations	<hr/> 0,00	<hr/> -45,86
7. Profit / Loss for the Period	<hr/> 0,00	<hr/> -45,86
8. Loss Carried Forward	-1.774.070,58	-1.698.766,80
9. Accumulated loss	<hr/> -1.774.070,58 <hr/>	<hr/> -1.698.812,66 <hr/>

UMS United Medical Systems International AG i.L., Hamburg
Cash Flow Statement
for the Period from May 1, to July 31, 2018 and
and May 1, to July 31, 2017

	2018	2017
	€	€
Profit / Loss	0	-46
Adjustment to reconcile profit for the year to net cash flows:		
. Depreciation	0	46
Working Capital adjustments:		
Increase(-)/Decrease(+) in Prepaid expenses and other current assets	-19.472	-19.411
Increase(+)/Decrease(-) in trade payables	-20.350	981
Increase(+)/Decrease(-) in other accrued expenses and current liabilities	-239.695	-140.444
= Net cash provided by operating activities	-279.518	-158.874
Dividends paid to equity holders of the parent	0	0
= Net cash used in financing activities	0	0
Net increase/decrease in cash and cash equivalents	-279.518	-158.874
+ Cash and cash equivalents at beginning of the period	2.703.760	1.761.701
= Cash and cash equivalents at end of period	2.424.242	1.602.827
Additional information on cash flows		
Payments for interest	0	0
Proceeds from interest	0	0
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	0	-1.297.622	-1.698.767	2.418.445
Comprehensive Income					-46	0
Balance July 31, 2016	6.016.261	0	0	-1.297.622	-1.698.813	2.418.445
Balance May 1, 2018	6.016.261	601.427	0	-1.297.622	-1.774.071	2.343.142
Comprehensive Income					0	0
Balance July 31, 2018	6.016.261	601.427	0	-1.297.622	-1.774.071	2.343.142

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 30, 2017 were taken. The prior period figures in the income statement, statement of cash flow and statement of changes in equity are the figures for the period from May 1 to July 31, 2017.

Events after the Balance Sheet Date

On August 8, the Company entered into a settlement agreement with its former tax advisors. The agreement provides that the former tax advisors will pay the Company EUR 349k. This agreement is not yet reflected in the financial statements. When this claim is reflected in the balance sheet, the Company's equity will increase by 8 cents per share to 63 cents per share.

No other 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	
	directly	indirectly
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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