



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 thereof due after more than one year € 21,909.76 (PY € 21,909.76)	1.263.444,30	1.244.033,11
	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. Distribution on expected Liquidation Proceed		-1.297.622,28	-1.297.622,28
III. Accumulated loss		-1.698.812,66	-1.698.766,80
		2.418.399,50	2.418.445,36
B. Provisions and Accruals			
	Other Accruals	457.382,33	597.825,84
		457.382,33	597.825,84
C. Liabilities			
	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>
		2.880.447,14	3.019.955,72

UMS United Medical Systems International AG i.L., Hamburg
Income Statement for the Period from M ai 1. 2017 to July 31. 2017
and M ay 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.

Variances for technical reasons

For technical reasons (e.g. conversion of technical formats) there may be variances 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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