

# Annual Report

for the Short Fiscal Year from January 1, 2015 to April 30, 2015

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# Letter to the Shareholders

*Dear Shareholders:*

After the shareholders resolved on September 25, 2014, to limit the Company's business operations to management of its own assets, the Management Board worked to distribute the cash on hand to you, our shareholders, as quickly as possible. As a result, in the reporting period, we completed a buyback program, through which we acquired a total of 475,609 shares at a price of EUR 10.50 per share. This allowed us to distribute the first EUR 5.0 million to shareholders.

At the annual shareholders' meeting on April 27, 2015, a resolution was adopted to distribute another dividend of EUR 7.53 per share, so that an additional EUR 32.2 million was distributed. At this meeting the shareholders also approved the proposal by the Supervisory Board and the Management Board to dissolve the Company as of April 30, 2015 so that the remaining cash could be distributed as quickly as possible.

Pursuant to this resolution, we now present the annual report for the period from January 1, 2015 to April 30, 2015.

I would also like to thank everyone for their hard work, and for their confidence and support in this short fiscal year.

Sincerely,



**Jørgen Madsen**  
CEO



## 2015 Supervisory Board Report

In the short fiscal year from January 1, 2015 to April 30, 2015, the Supervisory Board once again performed with due care the supervisory and advisory duties assigned to it by law and under the articles and bylaws. Topics and business transactions requiring approval were discussed and the corresponding decisions were made at the Supervisory Board meeting. The members of the Supervisory Board in 2015 were Wolfgang Biedermann (Chairman of the Supervisory Board), Prof. Dr. (hon) Thomas J.C. Matzen (Vice Chairman of the Supervisory Board) and Dr. (hon.) Norbert Heske. There were no changes in the composition of the Supervisory Board.

The Supervisory Board regularly advised the Management Board on the management of the Company, continually supervised its management activities and confirmed that these activities were proper and legally compliant. The Management Board involved us in all significant decisions for the Company in a timely manner.

The Management Board regularly provided us with comprehensive information about all issues material to the Company. During the reporting period, we paid particular attention to the share buy-back program and the progress made with the plans to distribute the cash on hand as soon as possible to the Company's shareholders, in view of legal and tax-related aspects.

We discussed in detail all of the Company's key business transactions based on the reports by the Management Board. To the extent necessary by law and under the articles and bylaws, the Supervisory Board voted on the reports and proposed resolutions of the Management Board after thorough review and consultation.

Between Supervisory Board meetings, the Supervisory Board Chairman maintained regular contact with the Management Board in order to stay informed about major developments.

One Supervisory Board meeting was held in the short fiscal year 2015. All Supervisory Board members were present at this meeting.

The Supervisory Board has not set up any committees. Because of the Company's overall size and the size of the Supervisory Board, we do not regard the formation of committees as necessary for the foreseeable future. Given the current composition of the Supervisory Board, we do not believe that the formation of committees and resulting division of labor would guarantee an increase in the efficiency of the Supervisory Board's workflows or ensure a reduction in its workload.

During the reporting period, there were no conflicts of interest involving members of the Supervisory Board that had to be reported to the shareholders' meeting. Likewise, there were no conflicts of interest involving Management Board members that had to be disclosed immediately to the Supervisory Board.

#### Issues discussed at meetings of the full Supervisory Board

At the financial statements meeting on March 2, 2015, we primarily dealt with the financial statements for the year ended December 31, 2014, and the alternatives prepared by the Management Board for the quickest possible distribution of cash on hand to the shareholders. After extensive review, the Supervisory Board unanimously approved the financial statements prepared in accordance with the German Commercial Code (HGB) for the year ended December 31, 2014. We also endorsed the Management Board's proposal for the use of the distributable profit and approved the 2015 Supervisory Board Report. At this meeting, we also approved the agenda for the UMS AG Annual General Meeting held on April 27, 2015, along with the proposed resolutions of the Supervisory Board, including the proposed election of the auditor for the short 2015 fiscal year and for the opening liquidation balance sheet at May 1, 2015. In this connection the Supervisory Board also dealt with the engagement of the auditor and the main points of the audit. We agreed with the auditor that the auditor would be notified immediately about any possible grounds for disqualification or partiality occurring during the audit, unless such grounds were eliminated immediately. Moreover, we agreed with the auditor that we would be informed immediately about all findings and situations material to the responsibilities of the Supervisory Board arising during performance of the audit, and that the auditor would also notify us in the event that circumstances were discovered during performance of the audit that would indicate the incorrectness of the declaration of conformity issued by the Management Board and Supervisory Board.

In view of the requirements of the German Corporate Governance Code, the Supervisory Board also regularly reviewed the efficiency of its own operations, and discussed and resolved on ways to optimize its activities. There was no reason to change the existing Management Board compensation system in the short 2015 fiscal year.

#### Corporate Governance Code

The Supervisory Board regularly discussed the application of corporate governance principles. Furthermore, on November 12, 2014, the Management Board and Supervisory Board issued the annual declaration of conformity

with the German Corporate Governance Code. The Supervisory Board also satisfied itself that the Company has adhered to and implemented the principles in the German Corporate Governance Code, as amended from time to time, with the exception of the deviations set forth in the declaration of conformity.

### Financial Statement Audit

The annual financial statements (HGB) for the short fiscal year ended April 30, 2015 and the management report for the short fiscal year 2015 were prepared by the Company's Management Board and audited by the Hamburg office of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. The Supervisory Board engaged this firm pursuant to the resolution of the shareholders' meeting held on April 27, 2015. The auditors gave the financial statements and the management report their unqualified opinion. The financial statement auditor conducted the audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). The audit focused mainly on the recognition of assets and liabilities, on the assumption that the Company would be dissolved on April 30, 2015 and then liquidated.

The audited financial statements were the main item on the agenda for the Supervisory Board's financial statements meeting on July 1, 2015. All Supervisory Board members received the annual financial statement documents along with the management report, the audit report, the Management Board's proposal for the use of the distributable profit, as well as all other materials and meeting reports, sufficiently in advance of this meeting. These documents were discussed in detail at the Supervisory Board's financial statements meeting on July 1, 2015. The Company's financial statement auditors also attended this meeting and reported on the material results of their audit and on the fact that no material weaknesses were discovered in the internal control system or risk management system. The financial statement auditors were available to answer additional questions, provide further information and elaborate on the scope and focus of their audit of the financial statements.

After an extensive discussion of the course and results of the audit report with the Management Board and the auditor and a thorough examination of the audit report, the Supervisory Board, also acting on the basis of its own review and discussion of the financial statements, the management report and the Management Board's proposal for the use of the distributable profit, concurred with the results of the auditor's audit of the financial statements as well as the management report, and determined that, based on the final result of its review, no objections needed to be raised.

At its meeting on July 1, 2015, the Supervisory Board signed off on the financial statements prepared by the Management Board as well as the management report for the Company.

On behalf of the entire Supervisory Board, I would like to thank the Management Board and all employees for their hard work in the past fiscal year.

Hamburg, July 1, 2015



**Wolfgang Biedermann**  
Supervisory Board Chairman



## The UMS Share

The UMS share was initially influenced in the reporting period by the share buyback program that began on December 16, 2014. The offer price was EUR 10.50, and therefore the market price was slightly below this offer price during the buyback program. At the annual meeting on April 27, 2015, the shareholders resolved to distribute a dividend of EUR 7.53 per share, in response to which the share price fell to its low for the period on April 30, 2015. In addition, the shareholders resolved to dissolve the company as of April 30, 2015. From now on, the market price should be around the expected final distribution amount.

### KEY INFORMATION ABOUT THE UMS SHARE

ISIN (International Securities Identification Number)	DE0005493654
WKN (German securities code)	549365
Symbol UMS	UMS
Where traded	XETRA, Frankfurt, Düsseldorf, Hamburg, Berlin
Sector	Pharma & Health Care
Market segment	Regulated Market – Prime Standard

The shareholder structure at April 30, 2015 was as follows:

### SHAREHOLDER STRUCTURE AT APRIL 30, 2015

in %	
Thomas J.C. Matzen GmbH	21.4
Marina Bello-Biedermann	5.7
Management Board	6.8
Supervisory Board	1.4
Freefloat	54.8

UMS AG practices open and transparent communication with the capital market, providing information on a regular basis. People are very interested in UMS AG. Accordingly, the CEO met individually with numerous investors, analysts and financial journalists.

Detailed information about the UMS share, company developments and various financial measures can be found on the Internet at [www.umsag.com](http://www.umsag.com). This also includes the most recent version of the declaration of conformity with the German Corporate Governance Code issued by the Management Board and Supervisory Board as required by Section 161 of the German Stock Corporation Act.

**CAPITAL MARKET FIGURES**

in EUR	2015
<b>Stock exchange price (closing prices)</b>	
High	10.50
Low	3.33
<b>Fiscal year end</b>	
Number of shares (fiscal year end, in millions)	4.757
Market capitalization (fiscal year end, in million EUR)	15.84
Earnings per share (in EUR)	-0.38

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# Management Report

for the Short Fiscal Year from January 1, 2015 to April 30, 2015

## 1. Basic Information about the Company

### Business Model of the Company

UMS International AG is a corporation listed in the Prime Standard segment of Deutsche Börse AG. The Company sold its interest in United Medical Systems (DE), Inc. and thus essentially all its assets on August 14, 2014. The shareholders agreed to this sale at the special meeting held on September 25, 2014. The agreement was consummated on November 11, 2014. Now that the assets have been sold, the purpose of the Company is to manage its own assets.

On April 27, 2015, the shareholders resolved to dissolve the Company as of April 30, 2015. The Liquidator is the former CEO Jorgen Madsen.

## 2. Economic Report

### Results of operations of UMS AG

The main feature of the financial statements for the short fiscal year from January 1, 2015 to April 30, 2015 is the formation of a liquidation provision in the amount of EUR 0.9 million. This provision includes all expenses that the Company currently expects to incur until it is dissolved. This provision was recorded under non-recurring expenses.

UMS AG generated no revenues from management fees in fiscal year 2015 because the agreement was terminated on November 11, 2014. In the previous year it generated EUR 0.3 million in management fees.

General administrative expenses were EUR 0.5 million, and thus significantly lower than the previous year's EUR 0.7 million. Other operating expenses of EUR 0.7 million were significantly lower than those in fiscal year 2014, when they amounted to EUR 2.6 million. In 2014 these expenses were due to the legal and consulting costs incurred in connection with the sale of UMS DE.

The financial result of UMS AG, i.e., the difference between interest expense and interest income, amounted to EUR 34k, following minus EUR 11 last year. This was particularly attributable to the interest income on the invested proceeds of the sale.

Overall, the results of ordinary business activities therefore totaled - EUR 0.7 million, as compared with EUR 36.8 million in 2014.

### Assets and Liabilities of UMS AG

Bank balances accounted for 97 % of the Company's total assets. These balances include time deposits of EUR 10.5 million that earn interest at 0.24 % p.a. and whose maturity is linked to the planned distributions to shareholders.

### Net income/loss and Dividend

UMS AG's net loss amounted to EUR 1.6 million, following net income of EUR 32.3 million in the previous year. Accordingly, the Liquidator of UMS AG has not proposed to the Supervisory Board and Annual Shareholders' Meeting any dividend distribution.

### Financing and securing liquidity

Because the resolution to dissolve the Company, it has ceased doing business. The liquidity resulting from the sale is to be distributed to shareholders as soon as possible and UMS AG is to be liquidated. In the past fiscal year, the Company distributed a dividend of EUR 7.53 per share, for a total of EUR 32.2 million. Also in the fiscal year, the Company proposed a share buyback program, in the course of which the Company bought back 475,609 shares at a price of EUR 10.50 per share. This resulted in an additional payment to participating shareholders of EUR 5.0 million. The vast majority of the cash is deposited at Deutsche Bank AG as a time deposit. Smaller amounts are in the Company's checking account to cover current expenses until the Company is liquidated.

### Number of employees

In addition to the sole liquidator Jørgen Madsen, the Company employs one full-time employee.

### Compensation systems

The employee stock ownership plan, which was implemented in the course of the Company's listing on the stock exchange, expired in previous years, and therefore, there are no longer any employee stock options.

The annual Management Board compensation as of April 30, 2015 consists of a meeting fee of EUR 1,000 per day on which the CEO participates in meetings on behalf of the Company.

The annual fee of the Liquidator consists of a meeting fee of EUR 1,000 per day on which the Liquidator participates in meetings on behalf of the Company.

The Company pays the D&O insurance premiums for the Liquidator. In addition, his work-related expenses are reimbursed. In accordance with the statutory provisions, the D&O insurance contains a deductible for the Liquidator that is not covered by the Company.

The employment agreement does not include any severance payment clauses for the event of an early termination of the employment relationship. There are no separate pension commitments and no stock options.

## 3. Report on Post-Balance-Sheet Events

On May 6, 2015 the Company announced its dissolution in the electronic Bundesanzeiger and notified its creditors to assert their claims. The subsequent year during which such claims may be asserted ends on May 6, 2016.

There were no other significant events for UMS AG after the balance sheet date.

## 4. Report on Opportunities and Risks

### Risk management adapted to the new structure

Since the Company has been dissolved, it has ceased doing business. Accordingly, there are no longer any operating risks. In addition to the Liquidator, the Company has one employee. Until the Company is finally liquidated in 2016, their activities will be limited to complying with the mandatory post-listing requirements due to the UMS AG share's listing on the stock exchange and to winding up the Company. The statements on risk management should be read with this background in mind.

### Financial risks

For UMS AG, financial risks include earnings, liquidity, refinancing, interest rate and currency risks as well as high-risk ventures. To address these risks, a significant portion of the proceeds of the sale were invested in time deposits in euros at Deutsche Bank. The maturities of these time deposits were adjusted to match the planned payments in the course of the liquidation.

Moreover, the Liquidator and the Supervisory Board are in regular contact to discuss the progression of the liquidation and any unplanned costs that could result in earnings risks and thus reduce the amount distributable to shareholders.

Liquidity risks could arise from mismatched maturities of time deposits and higher payments to the shareholders. The Liquidator is regularly involved in order to react appropriately and quickly address any earnings risks that may arise.

The Company seeks to offset foreign exchange and interest rate risks by investing its cash in term deposits in euros.

### Company's over all situation

The overall risk situation at UMS AG is therefore limited to the fact that increased costs could reduce the distributable amount and that cash might be needed at a time other than when the time deposits mature, which could also reduce the distributable amount. There are no risks that could endanger the Company's liquidation process.

## **5. Report on the Accounting-Related Internal Control System and Risk Management System Pursuant to § 289 (5) of the German Commercial Code**

### Internal Control System based on the Accounting Process

The goal of the internal control and risk management system based on the accounting process is to ensure that financial statements are prepared in accordance with the regulations. UMS AG has an internal control and risk management system that ensures that the accounting process is reliable and orderly and that business transactions are recorded completely and promptly in accordance with the relevant statutory and internal regulations. Changes in the laws and accounting standards are regularly reviewed for their relevance to the annual financial statements, and any resulting changes are taken into account in the internal procedures.

### Fundamentals of the internal control system based on the accounting process

The internal control and risk management system relating to the accounting process is part of the overall risk management system. Key aspects of this system are:

- The UMS Group is structured simply and clearly. The Liquidator assumes overall responsibility for the aspects of the internal control and risk management system relating to the accounting process at UMS AG.
- Coordinated planning, reporting and control processes that are appropriately documented exist for the purpose of fully analyzing and managing risk factors that could affect earnings as well as risks that could endanger the Company's continued existence as a going concern.
- A risk analysis is a permanent part of the planning process.

- Monitoring controls are performed regularly by senior finance management based on random samples and are performed every quarter through defined tests of certain control processes. The monitoring and control processes are supported with software.
- In organizational terms, financial and accounting activities are concentrated at UMS AG.
- The dual-control principle is applied to all accounting-related processes.
- The Company's financial systems are protected from unauthorized access by the corresponding IT security systems. We use standard software wherever possible.

## 6. Takeover-Relevant Disclosures

### Takeover-Related Disclosures

The following presents the takeover disclosures required by § 315(4) of the German Commercial Code (HGB) as of April 2015.

1. The Company's subscribed capital amounts to EUR 6,016,261. It is divided into 4,757,668 no-par-value shares, each theoretically representing approximately EUR 1.26 of the share capital. All of the shares are ordinary shares, and there are no classes or series of shares. Every ordinary share entitles its holder to one vote at the shareholders' meeting (§ 19(1) of the Company's Articles and Bylaws).
2. To the Management Board's knowledge, there are no limitations on the voting rights or transfer of shares, even under agreements between shareholders.
3. According to the disclosure by Thomas J. C. Matzen GmbH, Hamburg, 21.8 % of the voting rights are attributable to that company. This means that the company also owns that percentage of the Company's capital. To the Liquidator's knowledge, there are no further direct or indirect interests in the capital that exceed 10 % of the voting rights.
4. There are no shares with special rights that grant the possibility of control.
5. Employee investors have no voting right control over the capital.
6. The Liquidator is appointed and removed in accordance with § 84 of the German Stock Corporation Act (AktG), which assigns this responsibility to the Supervisory Board. The Supervisory Board is made up of three members, and to constitute a quorum, all three members must participate in the voting. Resolutions require a majority of the votes cast.

Amendments to the Articles and Bylaws are made by the shareholders' meeting. In § 13 (2) of the Articles and Bylaws, the shareholders' meeting has availed itself of the opportunity granted by § 179 (1) sentence 2 of the German Stock Corporation Act (AktG) to authorize the Supervisory Board to make amendments that affect only the wording of the Articles and Bylaws.

Pursuant to § 19 (3) of the Articles and Bylaws, shareholders' resolutions to amend the Articles and Bylaws are adopted by a simple majority of the votes cast, unless mandatory provisions of law provide otherwise, and to

the extent that the law provides for a majority of capital in addition to a majority of votes, they are adopted by a simple majority of the share capital represented when the resolution is passed. The Liquidator is authorized to provide that shareholders may cast their votes in writing or by electronic communication, even without attending the shareholders' meeting (voting by correspondence).

The Liquidator may issue new shares on the basis of shareholders' resolutions.

Pursuant to § 6 (2) of the Articles and Bylaws, the Liquidator is authorized to increase the Company's share capital, with the Supervisory Board's consent, on one or more occasions prior to June 3, 2019, by a total of up to EUR 3,008,129.95 (rounded) by issuing new no-par-value bearer shares in exchange for cash and/or in-kind contributions (authorized capital 2014). The Liquidator is also authorized to exclude the shareholders' preemptive right, with the Supervisory Board's consent. However, an exclusion of the preemptive right is only permissible in cases defined by the Shareholders' Meeting.

The Company's capital is no longer conditionally increased.

Pursuant to the shareholders' resolution of May 31, 2012, the Liquidator is authorized to purchase the Company's own shares, up to a limit of 10 % of the share capital, by May 30, 2017. The authorization may be exercised in whole or in part, once or several times.

No material agreements exist which are subject to the condition of a change in control of UMS AG.

7. The Company has not entered into any compensation agreements with the Liquidator or employees for the event of a takeover offer for the Company.

## **7. Declaration on Corporate Governance**

The Liquidator and the Supervisory Board of UMS AG have issued and made publicly available the Corporate Governance Declaration stipulated by § 289a of the German Commercial Code (HGB) on the Corporate Governance page of the Company's Web site at [www.umsag.com](http://www.umsag.com). It includes a description of the Management Board and Supervisory Board procedures, the declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) and disclosures on material corporate management practices.

Hamburg, July 2015

UMS United Medical Systems International AG  
The Liquidator



signed Jørgen Madsen

# Income Statement

for the Period from January 1, to April 30, 2015

in EUR	<b>1.1. - 30.4.2015</b>	<b>1.1. - 31.12.2014</b>
1. Revenues		335,833.00
2. Cost of Revenues		0.00
<b>3. Gross Profit</b>	<b>0.00</b>	<b>335,833.00</b>
4. General and Administrative Expenses	-452,904.21	-675,351.18
5. Other operating Income	1.44	37,178,536.12
thereof from currency exchange EUR 1.44 (previous year: EUR 156,631.14)		
6. Other operating Expenses	-279,309.16	-2,643,883.87
thereof from currency exchange EUR 0.00 (previous year: EUR 267,134.10)		
7. Income from affiliated Companies	0.00	2,540,510.75
thereof from affiliated companies 0,00 EUR (previous year: EUR 2,540,510.75)		
8. Interest and similar Income	34,286.67	12,206.66
9. Interest and similar Expenses	-224.08	-832.13
<b>10. Result from ordinary Operations</b>	<b>-698,149.34</b>	<b>36,747,019.35</b>
11. Extraordinary Income/Losses	-917,392.00	-1,646.01
12. Other Taxes	0.00	0.00
<b>13. Loss/Profit for the Year</b>	<b>-1,615,541.34</b>	<b>36,745,373.34</b>
14. Profit Carried Forward	32,268,814.47	2,675,358.97
15. Profit distributed to Shareholders	-32,243,904.27	-2,616,717.40
16. Settlement of redeemed Shares	0.00	-142,732.50
17. Donated to Earning Reserve - Other Reserves	0.00	-4,392,467.94
<b>18 Accumulated loss/gain</b>	<b>-1,590,631.14</b>	<b>32,268,814.47</b>

# Balance Sheet

as of April 30, 2015 and December 31, 2014

## ASSETS

in EUR	2015	2014
<b>A. Non-current assets</b>		
<b>I. Tangible Assets</b>		
Other Equipment	761.06	880.26
	<b>761.06</b>	<b>880.26</b>
<b>B. Current Assets</b>		
<b>I. Receivables Trade and other Receivables</b>		
Other Receivables thereof due after more than one year EUR 21,909.76 (previous year: EUR 21,909.76)	446,643.73	405,934.04
	<b>446,643.73</b>	<b>405,934.04</b>
<b>II. Cash, Cash in Banks</b>	16,016,781.99	54,017,367.59
	<b>16,016,781.99</b>	<b>54,017,367.59</b>
<b>C. Deferred Charges and Prepaid Expenses</b>	<b>0.00</b>	<b>16,178.78</b>
	<b>0.00</b>	<b>16,178.78</b>
<b>Total assets</b>	<b>16,464,186.78</b>	<b>54,440,360.67</b>

**EQUITY AND LIABILITIES**

in EUR	2015	2014
<b>A. Equity</b>		
<b>I. Common Stock</b>		
Share Capital	6,016,261.00	6,016,261.00
Treasury Shares	601,426.56	0.00
	<b>5,414,834.44</b>	<b>6,016,261.00</b>
<b>II. Capital Reserve</b>	11,120,348.82	11,120,348.82
<b>III. Earning Reserve - Other Reserves</b>	0.00	4,392,467.94
<b>IV. Accumulated loss / gain</b>	-1,590,631.14	32,268,814.47
	<b>14,944,552.12</b>	<b>53,797,892.23</b>
<b>B. Provisions and Accruals</b>		
1. Accruals for Pensions and similar Obligations	0.00	38,482.05
2. Other Accruals	1,338,965.00	90,723.11
	<b>1,338,965.00</b>	<b>129,205.16</b>
<b>C. Liabilities</b>		
1. Trade Accounts payables thereof due within one year EUR 170,871.79 (previous year: EUR 429,568.67)	170,871.79	429,568.67
2. Other Liabilities thereof due within one year EUR 9,797.87 (previous year: EUR 83,693.69)	9,797.87	83,694.61
	<b>180,669.66</b>	<b>513,263.28</b>
<b>Total equity</b>	<b>16,464,186.78</b>	<b>54,440,360.67</b>

## Statement of Changes in Equity

in TEUR	Share Capital	Additional Paid-in Capital
<b>Balance January 1, 2014</b>	<b>5,874</b>	<b>11,120</b>
Settlement of redeemed Shares	142	
Comprehensive Income		
Dividends		
Donated to Earning Reserve - Other Reserves		
<b>Balance December 31, 2014</b>	<b>6,016</b>	<b>11,120</b>
<b>Balance January 1, 2015</b>	<b>6,016</b>	<b>11,120</b>
Share Buy Back	-601	
Comprehensive Income		
Dividends		
Use up of Earning Reserve due to Share Buy Back		
<b>Balance April 30, 2015</b>	<b>5,415</b>	<b>11,120</b>

## Cash Flow Statement

for the year ended April 30st 2015

in TEUR	1.1. - 30.4.2015	1.1. - 31.12.2014
<b>Profit for the year</b>	<b>-1,616</b>	<b>36,635</b>
<b>Adjustment to reconcile profit for the year to net cash flows:</b>		
Profit(-)/Loss(+) from the sale of business units	0	-37,167
<b>Working Capital adjustments:</b>		
Increase(-)/Decrease(+) in Prepaid expenses and other current assets	-24	265
cash and cash equivalents at beginning of the period	-259	372
Increase(+)/Decrease(-) in tax payables	1,136	69
<b>= Net cash provided by operating activities</b>	<b>-763</b>	<b>174</b>

Earning Reserve - Other Reserves	Accumulated gain/deficit	Total Equity
0	2,675	19,669
	-142	0
	36,745	36,745
	-2,617	-2,617
4,392	-4,392	0
<b>4,392</b>	<b>32,269</b>	<b>53,797</b>
<b>4,392</b>	<b>32,269</b>	<b>53,797</b>
		-601
	-1,616	-1,616
	-32,244	-32,244
-4,392		-4,392
<b>0</b>	<b>-1,591</b>	<b>14,944</b>

in TEUR

Proceeds from the sale of business units	0	56,400
<b>= Net cash used for investing activities</b>	<b>0</b>	<b>56,400</b>
Payments for own Shares	-4,993	0
Dividends paid to equity holders of the parent	-32,244	-2,617
<b>= Net cash used in financing activities</b>	<b>-37,237</b>	<b>-2,617</b>
<b>Net increase/decrease in cash and cash equivalents</b>		
+ Cash and cash equivalents at beginning of the period	54,017	60
= Cash and cash equivalents at end of period	16,017	54,017
<b>Additional information on cash flows</b>		
Payments for interest	0	-1
Payments for taxes on income	34	0

# Notes to the Financial Statement

## 1. General Information

The financial statements for the short fiscal year from January 1, 2015 to April 30, 2015 were 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 Company is exempt from the duty to prepare consolidated financial statements pursuant to § 290 (5) of the German Commercial Code, because its only subsidiary, Neuromed Italia S.r.L., Italy, is in liquidation and no longer does business and thus is not to be included in consolidated financial statements pursuant to § 296 of the German Commercial Code.

The income statement has been prepared using the cost of sales method.

At their annual meeting on April 27, 2015, the shareholders adopted a resolution to dissolve the Company at the end of April 30, 2015. Final financial statements for the Company's operations will be prepared for the period from the last annual financial statements (December 31, 2014) to the date of dissolution (April 30, 2015). Since the previous year numbers relate to the period from January 1, 2014 to December 31, 2014, comparability is only possible to a limited extent.

## 2. Accounting Policies

In view of the resolution to dissolve the Company, the accounting policies are no longer based on the going concern principle. Pursuant to § 270 (2) sentence 3 of the German Stock Corporation Act (AktG), the assets and liabilities were therefore mainly measured at their liquidation values in the financial statements at April 30, 2015.

Accounting Principle IDW RS HFA 17 of the Auditing and Accounting Board of the Institute of Public Auditors in Germany of June 10, 2011 was taken into account, particularly with respect to the inclusion of all adjusting events until the balance sheet date. Despite the long period in which adjusting events after the reporting period are recognized, these financial statements contain forward-looking valuations and disclosures that are based on assumptions, expectations and estimates, with the related risks and uncertainties.

### 2.1 Intangible and tangible assets acquired for valuable consideration

Intangible and tangible assets acquired for valuable consideration are recorded at cost. They are depreciated and amortized on the basis of their expected useful lives. Depreciation and amortization is computed on a straight-line basis. Write-downs to lower fair market value were also taken where necessary.

## 2.2 Financial assets

The calculation of the distributable profit is presented in the income statement.

## 2.3 Receivables and other assets

Receivables and other assets are recorded at the lower of their principal amount or their fair value as of the balance sheet date.

## 2.4 Provisions

In accordance with the German Accounting Law Modernization Act ("BilMoG"), provisions for pensions and similar obligations are carried at the amounts required to settle the respective obligations, taking future developments into account.

They were determined using the projected unit credit method by applying the mortality tables 2005 G of Prof. Dr. Klaus Heubeck. The average market interest rate with a residual term of 15 years of 4.53 % was used for discounting, in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung) dated November 18, 2009. Expected salary increases were taken into account at a rate of 0.00 % and expected pension increases were considered at a rate of 2.0 %. Fluctuation was taken into account at a rate of 0.00 %. These obligations are shown in other provisions at April 30, 2015.

The other provisions are carried at the settlement amount (i.e. including future costs and price increases) that is deemed necessary under reasonable commercial judgment to cover all threatened losses and contingent liabilities as of the balance sheet date, particularly those related to the dissolution of the Company.

There are no non-current provisions on the balance sheet. The Company therefore has not discounted any provisions at market interest rates.

## 2.5 Liabilities

Liabilities are recorded at their settlement or repayment amounts.

## 2.6 Currency translation

Transactions in foreign currency are translated at the exchange rate prevailing on the date of the transaction.

Current assets and liabilities are translated at the rate prevailing on the balance sheet date.

### 3. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### 3.1 Fixed Assets

Development of fixed assets 2015

in EUR	Acquisition and production costs			
	01.01.2015	Additions	Disposals	30.04.2015
<b>Property plant and equipment</b>				
Other fixed assets and office equipment	27,782.17	0.00	0.00	27,782.17
	<b>27,782.17</b>	<b>0.00</b>	<b>0.00</b>	<b>27,782.17</b>

Accumulated Depreciation				Netbook Value	
01.01.2015	Additions	Disposals	30.04.2015	30.04.2015	31.12.2014
26,901.91	119.20	0.00	27,021.11	761.06	880.26
<b>26,901.91</b>	<b>119.20</b>	<b>0.00</b>	<b>27,021.11</b>	<b>761.06</b>	<b>880.26</b>

The shares in affiliated companies within the meaning of § 285 No. 11 of the German Commercial Code (HGB) involve the following companies:

Name	Location	Percentage owned	Equity 31.12.2014	Result 2014
in EUR				
<b>Direct Interests</b>				
Neuromed Italia S.r.l. in liquidazione	Padova, Italien	100 %	N/A	N/A

#### 3.2. Equity

The Company's share capital is EUR 6,016,261.00, the same as the previous year, and is divided into 4,757,668 no-par-value bearer shares with a notional interest in the share capital of approximately EUR 1.26 each.

UMS AG paid a dividend of EUR 7.53 per share in fiscal year 2015. Because the Company acquired 475,609 of its own shares on February 5, 2015, the number of shares entitled to dividends amounted to 4,282,659 when the resolution declaring the dividend was adopted. The resulting distribution of EUR 32,243,904.27 reduced the distributable profit accordingly.

The calculation of the distributable profit is presented in the income statement.

The change in other earnings reserves was as follows:

in EUR	2015	2014
<b>At January 1</b>	<b>4,392,467.94</b>	<b>0.00</b>
Transfer to retained earnings	0.00	4,535,200.44
Purchase of own shares	-4,392,467.94	-142,732.50
<b>Amount at April 30 / December 31</b>	<b>0.00</b>	<b>4,392,467.94</b>

The Liquidator is further authorized, with the Supervisory Board's consent, to increase the Company's share capital by up to EUR 3,008,129.95 (rounded), on one or more occasions by June 3, 2019, by issuing new bearer shares without par value, in exchange for cash and/or in-kind contributions.

The item "capital reserves" consists solely of additional paid-in capital as per § 272 (2) No. 1 of the German Commercial Code (HGB).

### 3.3. Provisions

#### Provisions for pensions and similar obligations

In accordance with the German Accounting Law Modernization Act ("BilMoG"), the provisions of EUR 38 thousand (previous year: EUR 38 thousand) as of the balance sheet date reflect the amount required to settle the Company's pension and similar obligations, taking future developments into account. In accordance with § 253 (2) of the German Commercial Code (new version), pension provisions must be discounted at an average interest rate in line with the term of the obligation. Due to the first-time adoption of the German Accounting Law Modernization Act ("BilMoG") in 2010, the revaluation of accrued pension obligations resulted in an extraordinary loss of EUR 2 thousand in fiscal 2014. An independent actuary provided an expert actuarial opinion letter dated December 31, 2014. These obligations are shown under other provisions (liquidation costs) at April 30, 2015.

#### Other Provisions

in TEUR	01.01.2015	Utilized	Reversal	Allocation	30.04.2015
Liquidation costs	0	0	0	917	917
Tax Field Audit Risk	0	0	0	239	239
Annual meeting and Supervisory Board costs	0	0	0	129	129
Financial statement audit	49	49	0	35	35
Annual report	30	30	0	13	13
Legal and consulting fees	12	12	0	6	6
	<b>91</b>	<b>91</b>	<b>0</b>	<b>1,339</b>	<b>1,339</b>

### 3.4 Liabilities

The remaining term of the liabilities at April 30, 2015 and December 31, 2014 did not exceed one year.

### 3.5. Other

The income statement includes the following items:

<b>Personnel expenses</b>	<b>2015</b>	<b>2014</b>
in TEUR		
Salaries and wages	12	35
Social security contributions and retirement expenses	2	7
	<b>14</b>	<b>42</b>

<b>Other operating expenditure</b>	<b>2015</b>	<b>2014</b>
in TEUR		
Accrual for Tax Field Audit	279	0
Consulting fees in connection with the sale of the investment	0	2,189
Exchange losses	0	268
Other	0	187
	<b>279</b>	<b>2,644</b>

#### Non-recurring items

This item contains only the effects of the valuations necessary because of the liquidation of the Company. They primarily relate to legal and consulting fees, the annual financial statements, the Supervisory Board and the annual general meeting (EUR 265 thousand), administration and personnel (EUR 256 thousand), other litigation and dissolution costs (EUR 225 thousand) and stock exchange listing (EUR 99 thousand).

## 4. OTHER DISCLOSURES

### 4.1. Boards

#### Management Board

<b>Name</b>	
Jørgen Madsen, Bolton Mechanical Engineer CEO	Sole member of the Management Board CEO until April 30, 2015

The Management Board has been released from the limitation under § 181 (2) of the German Civil Code (BGB)

(prior version). Pursuant to § 84 (1) of the German Stock Corporation Act (AktG), its members are appointed by the Supervisory Board for a period not exceeding five years.

The compensation paid to Jørgen Madsen, who is also CEO of the U.S. subsidiary UMS (DE) Inc., is solely reflected in the financial statements of UMS (DE) Inc., which was still a subsidiary of UMS AG in the prior year. Since November 11, 2014, the annual management board fee has consisted of a meeting fee of EUR 1,000 per day on which the CEO participates in meetings on behalf of the Company.

#### Liquidator

##### **Name**

Jørgen Madsen, Bolton Mechanical Engineer Sole Liquidator	Sole Liquidator since May 1, 2015
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The Liquidator has been released from the limitation under § 181 (2) of the German Civil Code (BGB) (prior version).

The Liquidator's total compensation for the fiscal year amounted to EUR 2 thousand (previous year: 0)).

#### Supervisory Board

##### **Name**

##### **Aufsichtsrats-/Beiratsmandate**

Wolfgang Biedermann, Hamburg Diplom-Kaufmann (MBA) Managing Director of H.I.G. European Capital Partners GmbH, Hamburg	7S Group GmbH, Jena HCS GmbH, Hamburg Losberger GmbH, Bad Rappenau Weru GmbH, Rudersberg Maillis SA, Athens
Dr. (hon) Norbert Heske, Kottgeisering Diplom-Ingenieur (Engineer) Managing Director of BIP Biomed.- Instrumente und Produkte GmbH, Türkenfeld	Keine weiteren Mandate
Prof. Dr. (hon) Thomas J.C. Matzen, Hamburg Diplom-Kaufmann (MBA) Managing Director of Thomas J.C. Matzen GmbH, Hamburg	Pricap Venture Partners AG, Hamburg FOCAM AG, Frankfurt

The total Supervisory Board compensation for fiscal 2015 amounted to EUR 48 thousand (previous year: EUR 70 thousand).

#### 4.2. Number of employees

The Company employed an average of 1 employee (previous year: 1 employee) during the fiscal year.

#### 4.3. Audit fees

A total of EUR 52 thousand (previous year EUR 52 thousand) in audit fees have been reported for the year under review. Of this amount EUR 35 thousand was attributable to the audit of the financial statements.

#### 4.4. Other financial obligations

The Company had no other financial obligations at April 30, 2015 that are material for judging its financial condition and represent obligations that it cannot avoid or ones likely enough to occur to warrant a disclosure under § 285 No. 3a of the German Commercial Code (HGB). Moreover, the Company did not enter into any off-balance-sheet transactions within the meaning of § 285 No. 3 of the German Commercial Code (HGB) that are necessary for evaluating the Company's financial position.

#### 4.5. Disclosures pursuant to § 160 (1) No. 8 of the German Stock Corporation Act (AktG)

Thomas J. C. Thomas J.C. Matzen GmbH, Hamburg, with over 20 %;

Jorgen Madsen, Bolton, USA, with over 5 %;

Marina Bello-Biedermann, Hamburg, with over 5 %.

#### 4.6. Declaration of Conformity pursuant to § 161 of the German Stock Corporation Act (AktG) ("Corporate Governance Code")

The Liquidator and the Supervisory Board have provided the declaration of conformity for 2014 as required by § 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to the shareholders on the Company's website, [www.umsag.com](http://www.umsag.com), in the section Corporate Governance.

Hamburg, July 1, 2015



**Jørgen Madsen**  
CEO

# Audit Opinion

We issued the following opinion on the financial statements and management report:

“We have audited the annual financial statements, comprising the balance sheet, the income statement, the cash flow statement, the statement of changes in equity and the notes to the financial statements, together with the bookkeeping system, and the management report of UMS United Medical Systems International AG i.L., Hamburg, for the abbreviated fiscal year from 1 January to 30 April 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company’s management. During the liquidation process, the responsibility lies with the liquidator. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB [“Handelsgesetzbuch”: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and suitably presents the opportunities and risks relating to future development.

Without qualifying this opinion, we duly draw attention to the comments provided by the liquidator in the notes to the financial statements and the management report pertaining to the dissolution of the Company as of 30 April 2015 and to the special aspects of accounting relating to the liquidation. According to those comments, the financial statements were not prepared on a going concern basis.”

Hamburg, July 1, 2015

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Möbus  
Wirtschaftsprüfer

Brorhilker  
Wirtschaftsprüfer

## Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Hamburg, March 2, 2015



**Jørgen Madsen**

CEO

## Financial Calendar

Shortened Fiscal Year from January 1st to April 30th 2015	July 14th, 2015
Quarterly Report Q1 2015/2016	September 14th, 2015
Annual General Meeting for the Shortened Fiscal Year 2015 / 2016	November 30th, 2015
Analyst Conference 2015/2016	November 30th, 2015
6-Month Report 2015/2106	December 14th, 2015
Quarterly Report Q3 2015/2016	March 14th, 2016

## List of Abbreviations

Neuromed Italia	Neuromed Italia S.r.l., Padova, Italy
UMS (DE), Inc.	United Medical Systems Inc, Delaware, USA
UMS AG	United Medical Systems International AG i.L., Hamburg, Germany

# Imprint

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## 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.

This English version is a translation of the original German version; in the event of variances, the German version shall take precedence over the English translation.

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