

Geratherm®

SOLUTIONS FOR A HEALTHY WORLD



Half-yearly Report **2022**

GERATHERM

AT A GLANCE

Facts and figures	Jan. - June 2022	Jan. - June 2021	Change %
Sales revenues	12,310 kEUR	12,401 kEUR	-0.7
of which export share	9,898 kEUR	9,592 kEUR	3.2
Export ratio	80 %	77 %	3.9
Gross result for period under review (EBITDA)	1,888 kEUR	1,729 kEUR	9.1
EBITDA margin	15.3 %	13.9 %	10.1
Amortisation and depreciation	- 848 kEUR	-748 kEUR	13.3
Operating result (EBIT)	1,040 kEUR	981 kEUR	6.0
EBIT margin	8.4 %	7.9 %	6.3
Financial results	- 104 kEUR	-67 kEUR	55.1
Profit (loss) on ordinary activities	936 kEUR	914 kEUR	2.4
Net earnings of the parent company's shareholders in given period	692 kEUR	621 kEUR	11.4
Long-term assets	16,140 kEUR	14,845 kEUR	8.7
Short-term assets	24,447 kEUR	19,982 kEUR	22.3
Balance sheet total	40,587 kEUR	34,827 kEUR	16.5
Equity capital	22,992 kEUR	18,908 kEUR	21.6
Return on equity	6.0 %	6.6 %	-8.4
Equity ratio	56.6 %	54.3 %	4.2
Cash, cash equivalents and securities	10,931 kEUR	7,266 kEUR	50.4
Net result per share for given period according to IFRS (EPS)**	EUR 0.13	EUR 0.13	0.0
Net result per share for given period as per DVFA** (German Association for Financial Analyses and Asset Management)	EUR 0.13	EUR 0.13	0.0
Number of employees at end of period	216	234	-7.7
Total shares issued	5,444,998	4,949,999	10.0
**based on total shares issued	5,444,998	4,949,999	10.0

Business Performance from 1 January to 30 June 2022

- Sales revenues EUR 12.3 million -0.7 %
- Gross result for first six months (EBITDA) EUR 1.9 million +9.1 %
- Operating result (EBIT) EUR 1.0 million +6.0 %
- EBIT margin 8.4 % (2021: 7.9 %)
- Results from ordinary activities 936 kEUR (2021: 914 kEUR).
- Earnings per share EUR 0.13 (2021: EUR 0.13)

Dear Shareholders and Parties Interested in Geratherm Medical,

We successfully concluded the first half year of 2022 in spite of the overall underlying economic challenges. Although sales did slide slightly by -0.7 % in the first six months, the operating result did rise by +6.0 %. The positive earnings performance was supported primarily by the positive development posted by the segments Medical Devices, Respiratory and Incubator Systems.

The gross result of the overall performance was EUR 8.863 million (2021: EUR 8.777 million). The gross margin on sales was 72.0 % (2021: 70.8 %). The gross earnings (EBITDA) increased +9.1 % to EUR 1.888 million in the first six months of the financial year. The operating result EBIT during the first half of the year was EUR 1.040 million (2021: 981 kEUR).

The results from ordinary business activities amounted to 936 kEUR (2021: 914 kEUR). The shareholders' result after taxes for the first half of the year was 692 kEUR (2021: 621 kEUR) or EUR 0.13 per share (2021: EUR 0.13).

Facts and figures (in kEUR)

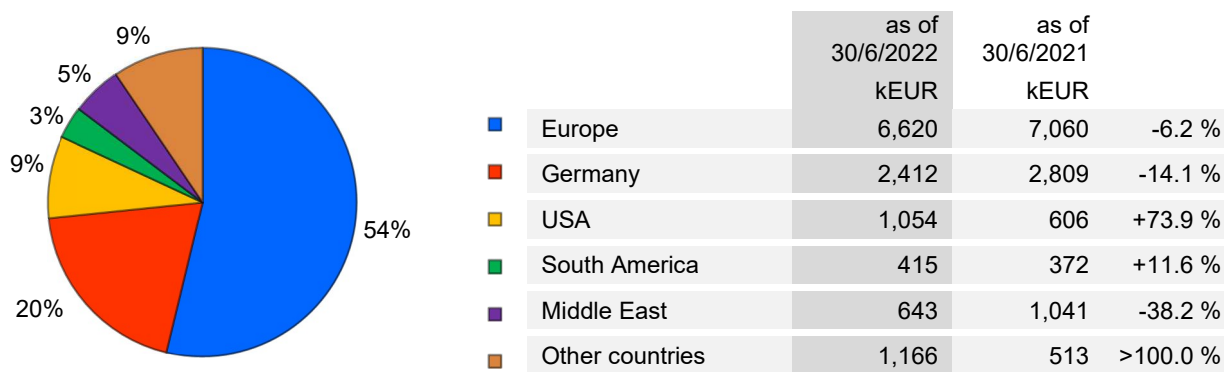
	II/22	I/22	IV/21	III/21	II/21
Sales	5,898	6,412	5,795	5,744	5,741
EBITDA margin	12.8 %	17.7 %	-9.5 %	19.6 %	11.8 %
EBIT	323	717	-1,152	761	305
EPS (EUR)	0.05	0.08	-0.19	0.08	0.04
Cash flow	707	821	-384	1,190	456

Sales development

Sales development by regions was inconsistent in the first half year of 2022. The American continent showed positive development, with the USA in particular catching up again significantly. All in all, Group sales remained almost constant despite the crises in the first six months.

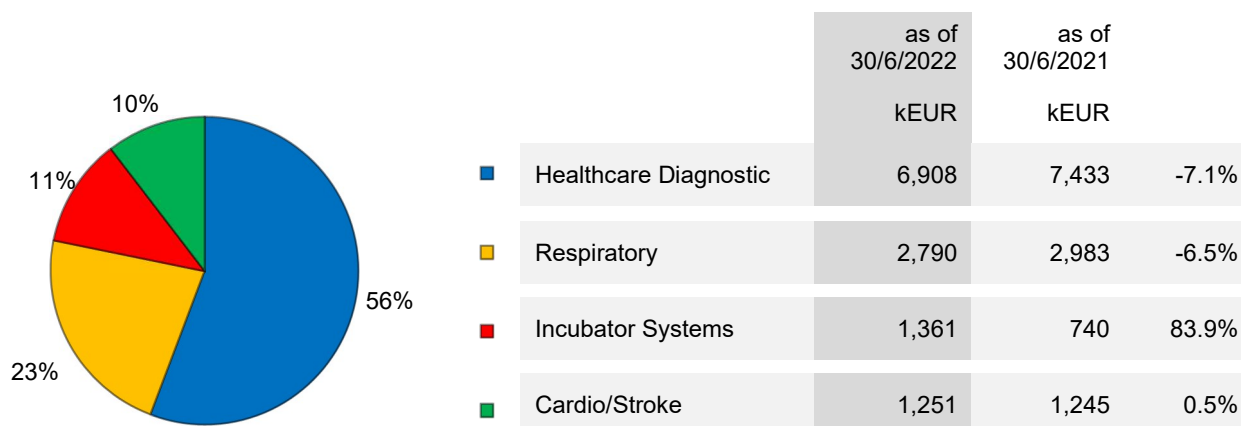
There was a -6.2 % drop in sales on the European market. On the German market, we registered a decrease in sales. Sales in Germany in the first six months were -14.1 % lower than in the same period of the previous year. In the Middle East, we posted a -38.2 % drop in sales as a result of postponed orders. On the US market, sales posted in the first half of the year showed a very strong growth by +73.9 %, compared to the same period last year. The sales posted in South America increased by +11.6 %. We experienced a burgeoning market in the Other countries region. Here, sales showed a very strong growth of more than +100.0 %.

Sales by regions 1/1 to 30/6/2022



Geratherm Medical's products are primarily marketed internationally. In the first half of the year, 80.4 % (2021: 77.3 %) of Geratherm products were exported.

Sales by segments 1/1 to 30/6/2022



In the Healthcare Diagnostic segment, where we primarily market clinical thermometers, blood pressure monitors and women's health products to pharmacies and drugstores world-wide, we registered a decline in sales of -7.1 %. In the first half of the year, sales for all product groups, with the exception of Incubator Systems and Cardio/Stroke, decreased slightly, which is probably due to the general uncertainty involving the current global economic situation. The Healthcare Diagnostic segment accounted for 56.1 % of the total sales generated by the Geratherm Group.

In the Respiratory segment, where we offer sensors and products for monitoring pulmonary functions, we currently have a healthy demand for products that are needed for long-term COVID treatment. Although the sales posted by medical devices for measuring pulmonary function decreased by -6.5 % in the first six months, we do expect growth to return in the next few quarters, since we are currently having problems everywhere on the procurement market, which is delaying the delivery of products.

The development of sales in the Incubator Systems segment (formerly: Medical Warming Systems) was once again positive during the period under review. The growth in sales was due to the favourable development posted by LMT Medical, which was able to boost its sales by +83.9 %.

In the Cardio/Stroke segment, we managed to generate a slight jump in sales of +0.5 % in the first six months. Visiting hospitals or clinics remains not very simple as a result of the strict hygiene measures, which adversely affected operating activities.

Earnings situation

In the first six months of the 2022 financial year, we were able to close with a higher Group result compared to the same period of the prior year. Sales of -0.7 % with a gross profit of +1.0 % were about on the same level as the same period last year. Positive effects were provided by the considerably higher earnings reported by LMT Medical, and the initiated cost savings. With an EBIT margin of 8.4 % (2021: 7.9 %), the sales and earnings reported in the first half of the year were in line with our expectations.

The gross profit margin of sales during the first six months amounted to 72.0 % (2021: 70.8 %). At EUR 8.863 million, the gross profit was at about the same level as in the previous year, representing a plus of 86 kEUR.

In spite of constantly rising labour costs, the development of personnel expenses remained stable with a minus of -0.8 %. It was also possible to counteract the high rate of inflation by undertaking cost-cutting measures and reduce other operating expenses by -1.4 % to EUR 2.536 million. The gross profit (EBITDA) was EUR 1.888 million, an increase of 9.1 %. The write-offs increased by +13.3 % to 848 kEUR due to investments.

The operating result (EBIT) increased by +6.0 % to EUR 1.040 million. The financial results amounted to -104 kEUR (2021: -67 kEUR). The result from ordinary business activities for the first six months rose slightly to 936 kEUR (2021: 914 kEUR).

Taxes on profit decreased by more than 100.0 % to 281 kEUR. A consolidated net profit for the first six months amounted to 655 kEUR (2021: 833 kEUR).

Taking income and expenses recognised in the equity capital into account resulted in another negative result, essentially due to currency translations in the amount of -213 kEUR (2021: +190 kEUR). This is mainly driven by currency translations in the amount of kEUR -374 (2021: kEUR -178). The consolidated statement of comprehensive income showed a surplus of 441 kEUR for the first half of the year. Of this, -226 kEUR are assigned to minority interests such that the overall comprehensive income for the shareholders of the parent company is 667 kEUR (2021: 899 kEUR).

The result per share for the first six months is EUR 0.13 (2021: EUR 0.13).

Net assets and financial situation

Geratherm Medical enjoys a favourable asset situation. The balance sheet total of EUR 40.6 million is essentially formed by equity capital in the amount of EUR 23.0 million. The equity-to-assets ratio as of the reporting date was 56.6 % (2021: 53.9 %). The return on equity amounted to 6.0 % (2021: 0.7 %).

As of 30 June 2022, the company had cash, cash equivalents and securities in the amount of EUR 10.9 million (2021: EUR 6.5 million). As a result, the company has a solid financial position in spite of the high investments made over the past few years.

The long-term assets amounted to EUR 16.1 million (2021: EUR 14.9 million). The slight jump is due to the increase in tangible assets.

The short-term assets increased by +24.7 % to EUR 24.4 million. Inventories dropped by -3.1 % to EUR 8.3 million. The trade accounts receivable increased by +10.8 % to EUR 3.5 million. All in all, the "Receivables and other assets" item increased by +13.9 % to EUR 5.2 million.

Geratherm holds securities in the amount of EUR 2.5 million (2021: EUR 4.2 million). The cash and cash equivalents available as at 30 June 2022 amounted to EUR 8.4 million (2021: EUR 2.3 million).

The gross cash flow for the first six months of 2022 reduced to EUR 1.522 million (2021: EUR 1.528 million).

The cash flow from operations improved to EUR 1.743 million (2021: 224 kEUR). The cash flow from investments amounted to 105 kEUR (2021: 447 kEUR). The cash flow from financing activities was EUR 4.203 million (2021: EUR -2.761 million).

Research and development

Our research and development activities are currently concentrated in Geratherm Respiratory, Incubator Systems and Cardio/Stroke.

Staff

The Geratherm Group had a staff of 216 persons in total as of 30 June 2022 (2021: 234) with 204 employees in Germany.

Outlook

Geratherm Medical AG's activities are very international in terms of strategy, which has a compensating effect regionally. In our traditional export countries, we have continued to struggle with the different lockdown regulations and the consequences of the war in Ukraine.

The war in Ukraine and the resulting global economic problems such as energy prices, inflation and increasing costs continue to affect us in 2022. As we have outlined above, we are well positioned thanks to extensive cost savings and process optimisations.

Our clinical thermometers are currently being manufactured at full capacity. Production is still being further optimised on the basis of past and future investments in new, state-of-the-art production facilities to ensure that we are well positioned for the future.

Geratherm products for measuring pulmonary function should continue to register a healthy demand. apoplex products in the Cardio/Stroke segment should continue to post good development in 2022.

As a result of the ongoing uncertainty due to coronavirus requirements, we have decided again not to take any risks and will hold the annual general meeting virtually this year. This will take place on 26 August 2022. The Hamburg-based company UBJ has been commissioned with carrying out and organising the annual general meeting.

Geratal, August 2022

A handwritten signature in black ink, appearing to read 'Frick', written in a cursive style.

Christian Frick
Chief Executive Officer

Consolidated profit and loss statement from 1 January to 30 June 2022

	April-June 2022 EUR	April-June 2021 EUR	Change	Jan.-Jun. 2022 EUR	Jan.-Jun. 2021 EUR	Change
Sales revenues	5,898,325	5,741,069	2.7%	12,310,032	12,401,419	-0.7%
Change in inventory of finished products and work in process	-1,268	299,944	> 100.0%	211,668	611,062	-65.4%
Other capitalised own work	190,306	230,039	-17.3%	287,002	275,883	4.0%
Other operating income	334,874	179,719	86.3%	488,340	385,811	26.6%
	6,422,237	6,450,771	-0.4%	13,297,042	13,674,175	-2.8%
Cost of materials						
Cost of raw materials, consumables and goods for resale	-1,621,765	-1,971,196	-17.7%	-3,525,874	-4,283,990	-17.7%
Costs of purchased services	-455,586	-280,108	62.6%	-907,894	-613,626	48.0%
	-2,077,351	-2,251,304	-7.7%	-4,433,768	-4,897,616	-9.5%
Gross profit or loss	4,344,886	4,199,467	3.5%	8,863,274	8,776,559	1.0%
Personnel costs						
Wages and salaries	-1,875,830	-1,914,928	-2.0%	-3,684,985	-3,737,305	-1.4%
Social security, pension and other benefits	-374,035	-382,478	-2.2%	-754,353	-736,929	2.4%
	-2,249,865	-2,297,406	-2.1%	-4,439,338	-4,474,234	-0.8%
Other operating expenses	-1,339,576	-1,222,932	9.5%	-2,535,925	-2,572,520	-1.4%
Gross result (EBITDA)	755,445	679,129	11.2%	1,888,011	1,729,805	9.1%
Amortisation of intangible assets and depreciation of tangible assets	-432,313	-373,349	15.8%	-847,562	-748,254	13.3%
Operating results	323,132	305,780	5.7%	1,040,449	981,551	6.0%
Dividend income	0	30,000	-	0	30,000	-
Securities-related expenses	-720	-36,327	-98.0%	-800	-36,642	-97.8%
Other interest and similar income	510	335	52.2%	827	708	16.8%
Interests and similar expenses	-32,047	-30,670	4.5%	-104,418	-61,376	70.1%
Financial results	-32,257	-36,662	-12.0%	-104,391	-67,310	55.1%
Profit (loss) on ordinary business activities	290,875	269,118	8.1%	936,058	914,241	2.4%
Income taxes	-142,576	65,651	> 100.0%	-281,153	-81,289	> 100.0%
Consolidated profit for the period	148,299	334,769	-55.7%	654,905	832,952	-21.4%
Net earnings of non-controlling shareholders in given period	-108,203	136,217	> 100.0%	-37,327	212,386	> 100.0%
Net earnings of the parent company's shareholders in given period	256,502	198,552	25.0%	692,232	620,566	11.5%
Earnings per share (undiluted)	0.05	0.04	25.0%	0.13	0.13	0.0%

Consolidated balance sheet as at 30 June 2022

Assets	30 June 2022 EUR	31 December 2021 EUR	Change in %
A. Long-term assets			
I. Intangible assets			
1. Development costs	3,140,214	2,993,567	4.9%
2. Other intangible assets	987,888	1,073,600	-8.0%
3. Goodwill	90,432	90,433	0.0%
	4,218,534	4,157,600	1.5%
II. Tangible assets			
1. Land, land rights and buildings	5,036,360	5,144,613	-2.1%
2. Technical equipment and machinery	4,071,879	3,049,051	33.5%
3. Other equipment, factory and office equipment	309,603	303,545	2.0%
4. Construction in process	498,741	310,182	60.8%
	9,916,583	8,807,391	12.6%
III. Rights of use	533,736	514,331	3.8%
IV. Other financial assets	1,370,150	1,370,150	0.0%
V. Other long-term receivables	100,725	99,216	1.5%
VI. Deferred taxes	0	0	-
	16,139,728	14,948,688	8.0%
B. Short-term assets			
I. Inventories			
1. Raw materials and supplies	2,097,831	2,010,257	4.4%
2. Unfinished goods	1,369,654	1,222,856	12.0%
3. Finished goods and merchandise	4,805,041	5,306,967	-9.5%
	8,272,526	8,540,080	-3.1%
II. Receivables and other assets			
1. Trade receivables	3,520,056	3,176,815	10.8%
2. Receivables from current income taxes	994,742	759,095	31.0%
3. Receivables from other taxes	412,559	147,713	>100.0
4. Other assets	316,018	517,850	-39.0%
	5,243,375	4,601,473	13.9%
III. Securities	2,544,043	4,206,085	-39.5%
IV. Cash and cash equivalents	8,387,052	2,264,089	> 100.0%
	24,446,996	19,611,727	24.7%
	40,586,724	34,560,415	17.4%
Equity and liabilities			
A. Equity capital			
I. Subscribed capital	5,444,998	4,949,999	10.0%
II. Capital reserve	15,915,569	12,203,077	30.4%
III. Other reserves	1,842,907	1,369,052	34.6%
Assignable to the shareholders of the parent company	23,203,474	18,522,128	25.3%
Shareholders of minority interests	-211,444	109,228	> 100.0%
	22,992,030	18,631,356	23.4%
B. Non-current liabilities			
1. Liabilities to banks	5,471,947	5,493,281	-0.4%
2. Accrued investment subsidies	1,234,951	1,289,432	-4.2%
3. Long-term leasing liabilities	252,275	245,046	3.0%
4. Other long-term liabilities	505,845	459,400	10.1%
5. Deferred taxes	75,126	14,033	>100.0
	7,540,144	7,501,192	0.5%
C. Current debts			
1. Liabilities to banks	3,404,183	2,844,914	19.7%
2. Trade accounts payables	1,424,264	1,430,128	-0.4%
3. Current provisions	42,189	42,189	0.0%
4. Short-term leasing liabilities	292,342	278,513	5.0%
5. Liabilities from current income taxes	56,554	51,672	9.4%
6. Contractual liabilities	1,945,848	1,759,206	10.6%
7. Other tax liabilities	739,611	483,503	53.0%
8. Other short-term liabilities	2,149,559	1,537,742	39.8%
	10,054,550	8,427,867	19.3%
	40,586,724	34,560,415	17.4%

Consolidated statement of cash flows from 1 January to 30 June 2022

	Jan.- June 2022 KEUR	Jan.- June 2021 KEUR
Consolidated profit for the period	655	833
Non-cash expenses and income of Geratherm do Brasil Ltda.	135	65
Other non-cash expenses	-446	-203
Interest earnings	-1	0
Interest expenses	104	61
Change in deferred taxes	61	-23
Income tax expenditure	220	104
Depreciation of fixed assets	681	591
Amortisation of usage rights	167	157
Amortisation of public grants and subsidies	-54	-57
Gross cash flow	1,522	1,528
Change in inventories	268	-1,656
Change in trade receivables and other assets	-537	314
Change in current liabilities and other liabilities	1,049	482
Cash inflow from interest	1	0
Cash outflow from interest	-104	-61
Cash outflow for taxes	-456	-383
Cash flow from operations	1,743	224
Cash outflow for investments in intangible assets (without capitalised development costs) and tangible assets	-1,564	-460
Additions to capitalised development costs	-287	-342
Cash inflow from funding sources for investments	134	0
Change in equity holdings	0	-50
Cash inflow based on financial assets	2,804	1,299
Cash outflow based on financial assets	-982	0
Cash flow from investments	105	447
Cash inflow from capital increase at Geratherm Medical AG by non-controlling shareholders	4,207	0
Cash outflow for rental and lease liabilities	-166	-154
Share acquisition from shareholders of minority interests	-288	-60
Dividend payments	0	-1,980
Cash inflow from taking out loan liabilities	1,102	0
Cash outflow for repayment of loan liabilities	-698	-567
Increase in long-term liabilities	46	0
Cash flow from financing activities	4,203	-2,761
Change in cash and cash equivalents	6,051	-2,090
Cash and cash equivalents at beginning of reporting period	2,264	4,855
Exchange rate difference	72	25
Cash and cash equivalents at end of reporting period	8,387	2,790

Consolidated statement of change to the shareholders' equity as at 30 June 2022

	Subscribed capital	Capital reserve	Other reserves			Assignable to the shareholders of the parent company	Non-controlling interests	Equity capital
			Market valuation reserve	Currency conversion reserve	Accumulated earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
as of 1 January 2021	4,949,999	12,174,192	1,171,470	737,712	1,268,167	20,301,540	-376,082	19,925,458
Purchase of shares in the subsidiary apoplex technologies GmbH from shareholders of minority interests without change in control	0	0	0	0	-45,000	-45,000	-15,000	-60,000
Dividend paid to shareholders	0	0	0	0	-1,979,999	-1,979,999	0	-1,979,999
Transactions with shareholders and member partners	0	0	0	0	-2,024,999	-2,024,999	-15,000	-2,039,999
Consolidated earnings in period concerned	0	0	0	0	620,566	620,566	212,386	832,952
Unrealised profits and losses from valuation of securities	0	0	368,302	0	0	368,302	0	368,302
Currency translation in the Group	0	0	0	-89,885	0	-89,885	-88,409	-178,294
Total consolidated income	0	0	368,302	-89,885	620,566	898,983	123,977	1,022,960
as of 30 June 2021	4,949,999	12,174,192	1,539,772	647,827	-136,266	19,175,524	-267,105	18,908,419
as of 1 January 2022	4,949,999	12,203,077	1,269,560	734,697	-635,205	18,522,128	109,228	18,631,356
Increase in equity at Geratherm Medical AG	494,999	3,712,492	0	0	0	4,207,491	0	4,207,491
Purchase of shares in the subsidiary "apoplex medical technologies Spain SL" by apoplex medical technologies GmbH	0	0	0	0	-35,000	-35,000	-70,000	-105,000
Purchase of shares in the subsidiary apoplex technologies GmbH from shareholders of minority interests without change in control	0	0	0	0	-158,293	-158,293	-24,930	-183,223
Dividend paid to shareholders	0	0	0	0	0	0	0	0
Transactions with shareholders and member partners	494,999	3,712,492	0	0	-193,293	4,014,198	-94,930	3,919,268
Consolidated earnings in period concerned	0	0	0	0	692,232	692,232	-37,327	654,905
Unrealised profits and losses from valuation of securities	0	0	160,561	0	0	160,561	0	160,561
Currency translation in the Group	0	0	0	-185,645	0	-185,645	-188,415	-374,060
Total consolidated income	0	0	160,561	-185,645	692,232	667,148	-225,742	441,406
as of 30/6/2022	5,444,998	15,915,569	1,430,121	549,052	-136,266	23,203,474	-211,444	22,992,030

Consolidated statement of comprehensive income as per IFRS for the period from 1 January to 30 June 2022

	1/1 - 30/6/2022 EUR	1/1 - 30/6/2021 EUR
Consolidated profit for the period	654,905	832,952
Income and expenses directly recognised in equity, which are not reclassified to profit or loss:		
Profits or losses from valuation of securities according to IFRS 9	160,561	368,302
	160,561	368,302
Income and expenses directly recognised in equity, which are reclassified to profit or loss under specific conditions:		
Difference resulting from currency translation	-374,060	-178,294
	-374,060	-178,294
Other income	-213,499	190,008
Overall result	441,406	1,022,960
of which assignable to shareholders of minority interest	-225,742	123,977
of which assignable to shareholders of parent company	667,148	898,983

Group segment report for the period from 1 January to 30 June 2022

By product groups	Healthcare Diagnostic	Respiratory	Incubator Systems	Cardio/ Stroke	Consolidation	Reconciliation	Total
	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR
2022							
Segment sales	7,756	2,693	1,866	1,278	-1,283	0	12,310
Operating results	573	293	340	78	-34	-210	1,040
including:							
Amortisation/ depreciation of intangible and tangible assets	340	75	80	106	-11	258	848
Interest expenses	64	32	1	7	0	0	104
Tax expenses	117	74	103	-13	0	0	281
Segment assets	16,454	5,030	3,526	4,934	0	10,643	40,587
Of which long-term assets	7,880	2,502	1,360	3,128	0	1,270	16,140
Segment debts	10,210	2,950	1,492	2,868	0	0	17,520

By product groups	Healthcare Diagnostic	Respiratory	Medical Warming Systems	Cardio/ Stroke	Consolidation	Reconciliation	Total
	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR
2021							
Segment sales	8,277	2,843	762	1,258	-739	0	12,401
Operating results	742	202	-248	376	-57	-34	981
including:							
Amortisation/ depreciation of intangible and tangible assets	328	97	139	66	66	52	748
Interest expenses	25	28	1	7	0	0	61
Tax expenses	97	18	-34	0	0	0	81
Segment assets	15,344	4,464	3,778	3,614	0	7,627	34,827
Of which long-term assets	6,840	2,568	1,592	2,375	0	1,470	14,845
Segment debts	10,095	2,799	1,396	1,629	0	0	15,919

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR	Jan.-Jun. kEUR
2022							
Sales revenues	6,646	460	3,119	643	1,559	1,166	13,593
Elimination of intragroup sales	-27	-45	-706	0	-505	0	-1,283
Sales revenues on third parties	6,619	415	2,413	643	1,054	1,166	12,310
Gross profit or loss	4,665	288	1,892	453	743	822	8,863
Operating results	593	-50	241	58	94	104	1,040
including:							
Amortisation and depreciation of intangible and tangible assets	448	24	182	44	71	79	848
Amortisation of public grants and subsidies	30	0	11	3	5	5	54
Interest income	-1	-35	-67	0	-1	0	-104
Acquisition costs of fixed assets for the period	0	2	1,849	0	0	0	1,851
Segment assets	1,282	600	38,353	0	352	0	40,587
Of which long-term assets	857	139	15,144	0	0	0	16,140
2021							
Sales revenues	7,060	404	3,516	1,041	606	513	13,140
Elimination of intragroup sales	0	-32	-707	0	0	0	-739
Sales revenues on third parties	7,060	372	2,809	1,041	606	513	12,401
Gross profit or loss	4,890	267	2,124	721	420	355	8,777
Operating results	504	105	219	74	43	36	981
including:							
Amortisation and depreciation of intangible and tangible assets	420	18	182	62	36	30	748
Amortisation of public grants and subsidies	33	0	13	5	3	3	57
Interest income	0	0	-61	0	0	0	-61
Acquisition costs of fixed assets for the period	0	0	802	0	0	0	802
Segment assets	0	523	33,957	0	347	0	34,827
Of which long-term assets	0	241	14,602	0	2	0	14,845

Notes on Interim Consolidated Financial Statements for the Period from 1 January to 30 June 2022

Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical AG as at 30 June 2022 were prepared in accordance with the rules of the International Financial Reporting Standards (IFRS) valid on the date of the financial statements and in consideration of the guidance provided by the International Financial Reporting Interpretations Committee (IFRIC), as is mandatory in the European Union.

The accounting, evaluation and consolidation principles were maintained, as shown in the Notes to Consolidated Financial Statements for 2021 Fiscal Year. The valuation of assets and liabilities is based in part on estimates and/or assumptions about future developments. The estimates are based on past experience and other knowledge of the business transactions which are to be accounted for. For instance, the assessment of capitalisation requirements for development projects, the statements on economic useful lives for long-term intangible and tangible assets are based in particular on estimates and assumptions. In addition, the assessment of assets of the "hold and sell" category, which are not traded on an active market and are intangible assets that are not ready for use, is based on the corporate planning, which of course involves uncertainties such that the actual values may deviate in individual cases from the made assumptions and estimates. There are also estimates and assumptions relating to the contractual term of the leased office and storage space of subsidiaries. Estimates and the underlying assumptions are regularly checked and evaluated with regard to possible impact on accounting. There are also estimates relating to the loan obligations of the Brazilian subsidiary, which is currently in bankruptcy protection under Brazilian law. Estimates are also made when evaluating the valuation allowance due to the expected credit losses on trade accounts receivable and contractual assets as well as the recognition of deferred tax assets in relation to the availability and future taxable results, against which deductible temporary differences and tax losses carried forward can be used.

Consolidated Group

The changes occurred in the consolidation group as of 30 June 2022:

Company	Share quota 30/6/2022	Share quota 31/12/2021
GME Rechte und Beteiligungen GmbH, Geratal, Germany	100.00 %	100.00 %
apoplex medical technologies GmbH, Pirmasens, Germany <i>Subsidiary: apoplex medical technologies Spain SL Barcelona, Spain</i>	57.08 % 69.33 %	53.42 % 57.57 %
Geratherm Respiratory GmbH, Bad Kissingen, Germany	67.58 %	67.58 %
Geratherm Medical do Brasil Ltda., Sao Paulo, Brazil	51.00 %	51.00 %
Sensor Systems GmbH, Steinbach Hallenberg, Germany	100.00 %	100.00 %
Capillary Solutions GmbH, Geratal, Germany	100.00 %	100.00 %
LMT Medical Systems GmbH, Lübeck, Germany <i>Subsidiary of LMT Lübeck LMT Medical Systems Inc., Ohio, USA</i>	80.00 % 100.00 %	80.00 % 100.00 %

With the notarised purchase agreement from 2 March 2022, Geratherm Medical AG took over additional nominal capital shares of minority interests in apoplex medical technologies GmbH at a purchase price of 183 kEUR. As a result, the participation in the nominal capital of apoplex medical technologies GmbH increased by +3.66 % (25 kEUR). The purchase price difference in the amount of 158 kEUR was shown as revenue reserve in equity capital of the Group.

apoplex medical technologies GmbH acquired additional shares in apoplex medical technologies Spain SL during the second quarter of the year.

Equity capital

On 13 Apr. 2022, the management board had decided with the supervisory board, to increase the share capital of the company by partially using the existing authorised capital, excluding the subscription right of the shareholders, from EUR 4,949,990.00 by issuing 494,999 new shares made out in the name of the holder (this corresponds to 10 % of the previous share capital) at an issue price of EUR 8.50 per new share, for a total issue price of EUR 4,207,491.50, against cash contributions. The issue price corresponds to a premium of 13.33 % on the stock market price (closing price EUR 7.50).

The capital increase was already underwritten in full by the investor JotWe GmbH, Steinbach am Wald.

The development of the equity capital is shown in the consolidated statement of change to the shareholders' equity. The subscribed capital of Geratherm Medical AG amounted all in all to EUR 5,444,998 as at 30 June 2022 (2021: EUR 4,949,999) and is divided into 5,444,998 (2021: 4,949,999) share certificates issued to the bearers. The subscribed capital has been paid in full. As of the reporting date, there were no shares held by the company.

These interim consolidated financial statements as at 30 June 2022 were not audited or reviewed by the company's auditors.

Financial statement affidavit

To the best of my knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim 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 interim 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 for the remaining months of the financial year.

Geratal, August 2022



Christian Frick
Chief Executive Officer

COMPANY CALENDAR 2022

Quarterly report Q1/2022	25 May ✓
Semi-annual report 2022	24 August ✓
Quarterly report Q3/2022	23 November
Virtual Annual General Meeting	26 August
Analysts' Conference	5/6 September

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