

Geratherm®  
Quarterly  
Statement  
Q III/2018



# GERATHERM

## AT A GLANCE

Key Group Figures	January - September 2018	January - September 2017	Change
<b>Sales revenues</b>	<b>15,628 kEUR</b>	<b>16,255 kEUR</b>	<b>-3.9 %</b>
of which export share	13,030 kEUR	13,789 kEUR	-5.5 %
Export ratio	83 %	85 %	-2.4 %
Gross result (EBITDA)	1,851 kEUR	2,512 kEUR	-26.3 %
<b>EBITDA margin</b>	<b>11.8 %</b>	<b>15.5 %</b>	<b>-23.9 %</b>
Amortisation and depreciation	-588 kEUR	-815 kEUR	-27.8 %
<b>Operating result (EBIT)</b>	<b>1,263 kEUR</b>	<b>1,697 kEUR</b>	<b>-25.6 %</b>
<b>EBIT margin</b>	<b>8.1 %</b>	<b>10.4 %</b>	<b>-22.1 %</b>
Financial results	316 kEUR	-23 kEUR	>100.0 %
Profit (loss) on ordinary business activities	1,579 kEUR	1,674 kEUR	-5.7 %
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>1,123 kEUR</b>	<b>1,123 kEUR</b>	<b>0.0 %</b>
Long-term assets	8,050 kEUR	4,778 kEUR	68.5 %
Short-term assets	20,485 kEUR	24,500 kEUR	-9.1 %
Balance sheet total	28,535 kEUR	29,278 kEUR	-2.5 %
Equity capital	19,964 kEUR	21,568 kEUR	-7.4 %
Return on equity	7.5 %	6.9 %	8.0 %
Equity ratio	70.0 %	73.7 %	-5.0 %
Cash, cash equivalents and securities	9,001 kEUR	12,421 kEUR	-27.5 %
<b>Earnings per share according to IFRS (EPS)*</b>	<b>EUR 0.23</b>	<b>EUR 0.23</b>	<b>0.0 %</b>
<b>Earnings per share according to DVFA*</b>	<b>EUR 0.23</b>	<b>EUR 0.23</b>	<b>0.0 %</b>
Number of employees at end of period	207	207	0.0 %
Total shares issued	4,949,999	4,949,999	0.0%
* based on total shares issued	4,949,999	4,949,999	0.0%

## Business Performance from 1 January to 30 September 2018

- Sales revenues EUR 15.6 million -3.9 %; Q3 EUR 5.3 million +1.3 %
- EBITDA 1,851 kEUR -26.3 %; Q3 288 kEUR -62.4 %
- EBIT 1,263 kEUR -25.6 %; Q3 112 kEUR -77.8 %
- Net earnings of the parent company's shareholders in the period concerned 1,123 kEUR; Q3 -9 kEUR
- Earnings per share EUR 0.23 (2017: EUR 0.23)
- Increased expenses for development services
- Burden due to start-up losses relating to the new plant for capillary production
- apoplex medical signs cooperation agreement with Bristol-Myers Squibb (BMS, Munich)
- Geratherm holding, Protombis, receives funding in the amount of US\$ 10 million

### Dear Shareholders and Parties Interested in Geratherm Medical,

During the first nine months of the year, Geratherm registered as a whole a slight -3.9% drop in sales. In a quarter-on-quarter comparison, we managed to close with a slight +1.3 % increase in sales. The start-up losses relating to the new plant for capillary production are currently having a negative impact on the financial results. At the same time, we have increased the development costs at apoplex medical and Warming System significantly. The new capillary production line at the Geschwenda location is slated to start operation on 7 November 2018. After a certain settling-in phase, we are expecting a considerably higher level of sales.

The gross profit amounted to EUR 10.458 million or 66.9 % of sales (2017: 68.0 %) on a nine-month basis. The EBITDA margin of business operations as of 30 Sept. 2018 was 11.8 % (2017: 15.5 %). The EBIT margin was 8.1 % (2017: 10.4 %). The equity-to-assets ratio was 70.0 % (2017: 73.7 %) with a return on equity of 7.5 % (2017: 6.9 %).

The third quarter was considerably weaker in terms of earnings compared to the same period last year. With a +1.3 % growth in sales, the operating result dropped significantly by -77.8 % to 112 kEUR. The result from ordinary business activities was weaker by -75.1 % in third quarter and amounted to 109 kEUR. The lower results are attributed to the temporarily weak performance exhibited by the Warming Systems segment, the higher development expenditure and the start-up costs of the new capillary production.

### Facts and Figures (in kEUR)

	III/18	II/18	I/18	IV/17	III/17
Sales	5,256	5,113	5,259	4,776	5,187
EBITDA margin	5.5%	15.5%	14.7%	-15.6%	14.8%
EBIT	112	594	557	-1,070	506
EPS (EUR)	0.0	0.14	0.09	-0.09	0.06
Cash flow	149	962	906	-147	1,220

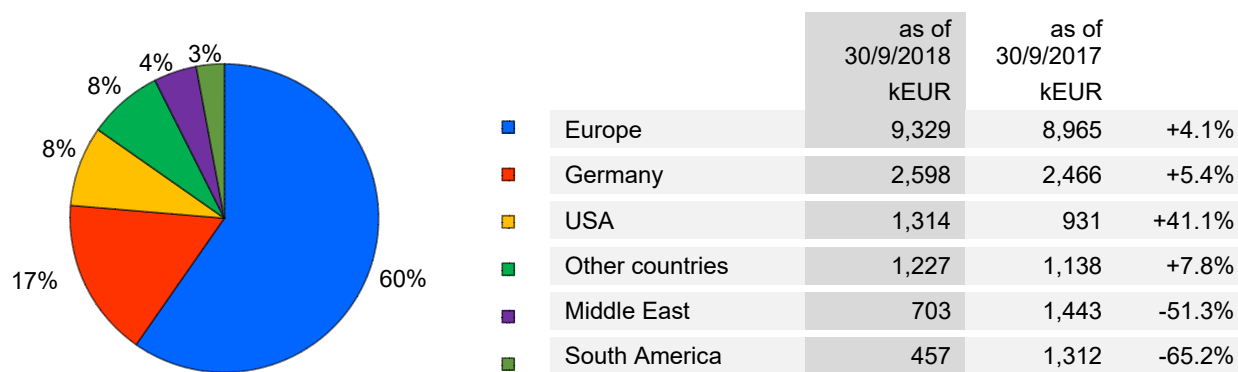
### Sales development

Sales development during the first nine months of the fiscal year turned out weaker by -3.9 % than the same reference period last year. The third quarter was with a 1.3 % increase in sales roughly at the same level as last year. Compared to the previous year, it is necessary to take into account that sales were burdened by the temporarily shut-down capillary production since November 2017.

On the European market, our most important sales market, we were able to increase sales by +4.1 %. We also registered a slight jump of +5.4 % on the German market. Sales development on the US market was favourable. Here we managed to boost sales by +41.1 % compared to the previous year. The sales in Other countries experienced a +7.8 % increase. When breaking down sales figures by regions, sales development in the Middle East, which suffered a -51.3 % drop, posted the worst results. Here sales were affected by orders that had to be postponed due to new certification regulations. Deliveries resumed in September, which is expected to offset the decreases. Reducing Geratherm's business activities on the Brazilian market resulted in a substantial drop of -65.2 % compared to the same reference period last year.

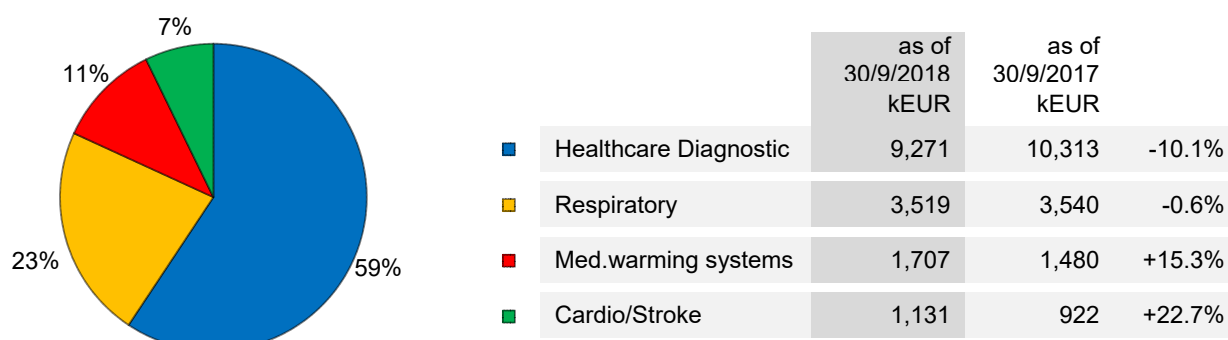


## Sales by regions 1/1 to 30/9/2018



For the most part, Geratherm Medical's products are marketed internationally. All in all, 83.4 % of Geratherm products were exported during the period under review.

## Sales by segments 1/1 to 30/9/2018



The Healthcare Diagnostic segment posted a decrease of -10.1 % during the first nine months of the year. In this segment, we primarily market our clinical thermometers and blood pressure monitors to pharmacies and drugstores world-wide. The drop in sales, as in the first two quarters of this fiscal year, was attributed to our subsidiary in Brazil. Otherwise, sales in this segment developed in line with our expectations, except for some quarterly fluctuations.

The Respiratory segment, in which we offer products for testing pulmonary function, showed a -0.6 % decline in sales during the first nine months. The actual momentum of segment's growth looks very different though. Without the drop in sales posted in Brazil, the Respiratory segment would have been able to report a +18.6 % sales growth. Sales during the third quarter amounted to +26,2 %. As a result of the strong

growth, even in the following quarters, we are currently constructing a new production facility at the Bad Kissingen location. We are expecting to have concluded the building project by late 2019. This shall provide the necessary capacities for the anticipated growth.

The Medical Warming Systems segment managed to increase its sales by +15.3 %. The third quarter's performance was weaker. We are, however, expecting that sales will rebound again in the fourth quarter. With regard to the medical warming systems developed for operating rooms, we are still in the recertification process. Based on the current situation, we assume that final product files will be submitted to the licensing authority by the end of the year.

Sales posted in the Cardio/Stroke segment increased by +22.7 % compared to the prior year. The number of participating hospitals/stroke centers increased to 118 clinics and hospitals (2017: 100). We are currently stepping up our expansion efforts in the other European countries. Bristol-Myers Squibb (BMS) Munich and Apoplex Medical have signed a cooperation agreement to jointly inform about the stroke risk analysis process (SRA) developed by Apoplex. The aim of this cooperation, which was launched in Germany, is to enable a comprehensive primary and secondary prevention of strokes in hospitals and clinics on the basis of efficient interaction of diagnostics and therapy.

There was also good news to be reported with regard to Geratherm's holding Protembis. Protembis develops an innovative catheter-based filter system, which is designed to protect patients from strokes and other neurological complications during interventional cardiology procedures. All in all, Protembis managed to raise US\$ 10 million in the oversubscribed series A level financing in order to get its product ready for the market. The main investor in this financing round is the US-based and listed medical technology group Abiomed. Geratherm Medical was one of the very first investors but it did not participate in this financing round.

### **Earnings situation**

The Geratherm Group generated an EBIT-based operating result of EUR 1.263 million (2017: EUR 1.697 million) on a nine-month basis. Extraordinary burdens included the start-up of the new production facility for manufacturing medical capillaries, the less

favourable results posted by the Warming Systems segment, the higher development costs and approval-related expenses.

The sales-related gross profit margin in the group amounted to 66.9 % (2017: 68.0 %).

Due to the aforementioned extraordinary burdens, the reported gross profit on an EBITDA level declined by -26.3 %. The EBITDA margin for the nine-month period amounted to 11.8 % (2017: 15.5 %). The amortisation and depreciation decreased by -27.8 % to 588 kEUR (2017: 815 kEUR).

The operating result (EBIT) also decreased by -25.6 % to EUR 1.263 million (2017: EUR 1.697 million).

The EBIT margin for the nine-month period amounted to 8.1 % (2017: 10.4 %).

The profits from ordinary business activities decreased by -5.7 % to EUR 1.579 million (2017: EUR 1.674 million).

The financial result of the Geratherm Group amounted to 316 kEUR (2017: -23 kEUR). Interests and similar expenses reduced significantly by -77.6 % to 35 kEUR.

Income taxes weighed on the result in the amount of 528 kEUR (2017: 500 kEUR) and consisted of expenses for current income taxes in the amount of 469 kEUR (2017: 500 kEUR) and expenses from the decrease in deferred tax assets and liabilities in the amount of 59 kEUR (2017: 0 kEUR).

The consolidated net profit for the first nine months was EUR 1.050 million (2017: EUR 1.174 million), resulting in a decrease of 10.5 %. After redeeming the result attributable to minority interests, a net income for the period in the amount of EUR 1.123 million (2017: EUR 1.123 million) was generated for the shareholders of the parent company. The result per share for the first nine months is 23 EUR cents (2017: 23 EUR cents).

## Net assets and financial situation

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 28.5 million is essentially formed by equity capital in the amount of EUR 20 million. The equity-to-assets ratio was 69.6 % as of the reporting date (2017: 73.7 %). The return on equity amounted to 7.5 % (2017: 6.9 %). The overall return on investment capital is 5.4 % (2017: 6.2 %).

The company had cash, cash equivalents and securities in the amount of EUR 9.0 million (2017: EUR 12.4 million). The decrease in the liquid funds is attributed to the financing of the new capillary production.

The long-term assets are EUR 8.1 million (2017: EUR 5.5 million). The intangible assets amount to 816 kEUR (2017: 657 kEUR). The shown tangible assets increased significantly by 62.9 % to EUR 6.3 million. The healthy increase involves construction in process, relating to the new capillary production.

Inventories increased by +8.8 % to EUR 7.4 million. In this context, finished products and merchandise accounted for EUR 4.1 million (+17.9 %). The trade accounts receivable increased by +26.8 % to EUR 3.4 million.

The cash and cash equivalents declined by -31.3 % to EUR 6.1 million.

The gross cash flow for the first nine months was EUR 2.017 million (2017: EUR 2.853 million). The cash flow from operations amounted to EUR 440 million (2017: EUR 1.023 million). The cash flow from financing activities was -2,115 kEUR (2017: 201 kEUR).

## Research and development

Research and development activities remained essentially unchanged. In the Warming Systems segment we increased development expenses relating to licensing and approval and raised personnel capacities in order to provide a basis for this segment's future success.



## Staff

The Geratherm Group had a staff of 207 persons in total as of 30 September 2018 (2017: 207) with 199 employees in Germany (2017: 186).

## Outlook

Based on the current situation, we anticipate a positive business performance for the remaining quarter of the current fiscal year. New sales momentum should arise with the launch of the new production of medical capillaries at our location in Thuringia. The segments apoplex and Respiratory are expected to continue to grow. In the Warming Systems segment, we anticipate better sales during the fourth quarter due to the orders received and project invoices for LMT Medical.

Geschwenda, November 2018



Dr. Gert Frank  
Chief Executive Officer

## Consolidated Profit and Loss Statement from 1 January to 30 September 2018

	July-Sept. 2018 EUR	July-Sept. 2017 EUR	Change-	Jan.-Sept. 2018 EUR	Jan.-Sept. 2017 EUR	Change
Sales revenues	5,255,672	5,187,643	1.3%	15,627,952	16,255,450	-3.9%
Change in inventory of finished products and work in process	-173,659	-23,334	>100.0%	-170,712	-85,582	99.5%
Other capitalised own work	19,324	34,034	-43.2%	83,885	106,987	-21.6%
Other operating income	144,655	56,702	>100.0%	351,488	309,547	13.5%
	5,245,992	5,255,045	-0.2%	15,892,613	16,586,402	-4.2%
Cost of materials						
Cost of raw materials, consumables and purchased goods	-1,894,939	-1,619,903	17.0%	-4,918,094	-4,627,642	6.3%
Costs of purchased services	-223,386	-279,722	-20.1%	-516,403	-908,197	-43.1%
	-2,118,325	-1,899,625	11.5%	-5,434,497	-5,535,839	-1.8%
<b>Gross profit or loss</b>	<b>3,127,667</b>	<b>3,355,420</b>	<b>-6.8%</b>	<b>10,458,116</b>	<b>11,050,563</b>	<b>-5.4%</b>
Personnel expenses						
Wages and salaries	-1,254,344	-1,288,115	-2.6%	-4,014,733	-3,858,781	4.0%
Social security, pension and other benefits	-281,344	-284,205	-1.0%	-851,078	-861,608	-1.2%
	-1,535,688	-1,572,320	-2.3%	-4,865,811	-4,720,389	3.1%
Amortisation of intangible assets and depreciation of tangible assets	-176,267	-261,270	-32.5%	-588,198	-815,141	-27.8%
Other operating expenses	-1,303,771	-1,016,460	28.3%	-3,741,009	-3,818,155	-2.0%
<b>Operating results</b>	<b>111,941</b>	<b>505,370</b>	<b>-77.8%</b>	<b>1,263,098</b>	<b>1,696,878</b>	<b>-25.6%</b>
Dividend income	0	2,421	-	0	2,421	-
Income from securities trading	0	0	-	366,047	125,386	>100.0%
Amounts written off for securities	0	0	-	0	0	-
Securities-related expenses	-25	-1,414	-98.2%	-40,066	-3,657	>100.0%
Other interest and similar income	7,421	3,233	>100.0%	24,422	8,645	>100.0%
Interests and similar expenses	-10,134	-70,232	-85.6%	-34,897	-155,970	-77.6%
<b>Financial results</b>	<b>-2,738</b>	<b>-65,992</b>	<b>-95.9%</b>	<b>315,506</b>	<b>-23,175</b>	<b>&gt;100.0%</b>
<b>Profit (loss) on ordinary business activities</b>	<b>109,203</b>	<b>439,378</b>	<b>-75.1%</b>	<b>1,578,604</b>	<b>1,673,703</b>	<b>-5.7%</b>
Income taxes	-170,299	-98,998	72.0%	-528,393	-499,897	5.7%
<b>Consolidated profit for the period</b>	<b>-61,096</b>	<b>340,380</b>	<b>-</b>	<b>1,050,211</b>	<b>1,173,806</b>	<b>-10.5%</b>
Net earnings of non-controlling shareholders in the period concerned	-51,758	78,935	-	-72,903	50,830	-
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>-9,338</b>	<b>261,445</b>	<b>-</b>	<b>1,123,114</b>	<b>1,122,976</b>	<b>0.0%</b>
Gross result (EBITDA) for period concerned	288,208	766,640	-62.4%	1,851,296	2,512,019	-26.3%
<b>Earnings per share (undiluted)</b>	<b>0.00</b>	<b>0.05</b>	<b>-</b>	<b>0.23</b>	<b>0.23</b>	<b>0.0%</b>

## Consolidated balance sheet as of 30 September 2018

Assets	30 September 2018 EUR	31 December 2017 EUR	Change
<b>A. Long-term assets</b>			
<b>I. Intangible assets</b>			
1. Development costs	593,528	462,526	28.3%
2. Other intangible assets	146,615	119,154	23.0%
3. Goodwill	75,750	75,750	0.0%
	<b>815,893</b>	<b>657,430</b>	<b>24.1%</b>
<b>II. Tangible assets</b>			
1. Land, land rights and buildings	1,126,300	1,180,698	-4.6%
2. Technical equipment and machinery	1,092,602	1,299,932	-15.9%
3. Other equipment, factory and office equipment	272,760	264,083	3.3%
4. Construction in process	3,851,623	1,150,294	>100.0%
	<b>6,343,285</b>	<b>3,895,007</b>	<b>62.9%</b>
<b>III. Other assets</b>	426,000	426,000	0.0%
<b>IV. Other long-term receivables</b>	158,995	178,967	-11.2%
<b>V. Deferred taxes</b>	305,996	365,160	-16.2%
	<b>8,050,169</b>	<b>5,522,564</b>	<b>45.8%</b>
<b>B. Short-term assets</b>			
<b>I. Inventories</b>			
1. Raw materials and supplies	2,257,959	2,226,466	1.4%
2. Unfinished goods	1,065,011	1,111,914	-4.2%
3. Finished goods and merchandise	4,065,152	3,449,379	17.9%
	<b>7,388,122</b>	<b>6,787,759</b>	<b>8.8%</b>
<b>II. Receivables and other assets</b>			
1. Trade receivables	3,375,877	2,662,175	26.8%
2. Receivables from current income taxes	200,643	264,345	-24.1%
3. Receivables from other taxes	239,256	129,631	84.6%
4. Other assets	279,893	264,047	6.0%
	<b>4,095,669</b>	<b>3,320,198</b>	<b>23.4%</b>
<b>III. Securities</b>	2,929,500	4,024,763	-27.2%
<b>IV. Cash and cash equivalents</b>	6,071,415	8,811,417	-31.1%
	<b>20,484,706</b>	<b>22,944,137</b>	<b>-10.7%</b>
	<b>28,534,875</b>	<b>28,466,701</b>	<b>0.2%</b>
<b>Equity and liabilities</b>			
<b>A. Equity capital</b>			
I. Subscribed capital	4,949,999	4,949,999	0.0%
II. Capital reserves	12,174,192	12,174,192	0.0%
III. Other reserves	2,733,683	3,895,155	-29.8%
Assignable to shareholders of the parent company	19,857,874	21,019,346	-5.5%
Shareholders of minority interests	105,785	-2,293	-
	<b>19,963,659</b>	<b>21,017,053</b>	<b>-5.0%</b>
<b>B. Non-current liabilities</b>			
1. Liabilities to banks	2,541,942	2,634,783	-3.5%
2. Accrued investment subsidies	928,199	277,242	>100.0%
3. Other long-term liabilities	611,197	576,206	6.1%
	<b>4,081,338</b>	<b>3,488,231</b>	<b>17.0%</b>
<b>C. Current debts</b>			
1. Liabilities to banks	614,283	344,313	78.4%
2. Payments on accounts	437,723	238,283	83.7%
3. Trade accounts payables	1,699,501	996,330	70.6%
4. Liabilities from current income taxes	12,508	110,407	-88.7%
5. Other tax liabilities	360,255	439,285	-18.0%
6. Other Short-term Liabilities	1,365,608	1,832,799	-25.5%
	<b>4,489,878</b>	<b>3,961,417</b>	<b>13.3%</b>
<b>D. Deferred tax liabilities</b>	0	0	-
	<b>28,534,875</b>	<b>28,466,701</b>	<b>0.2%</b>

## Consolidated statement of cash flows from 1 January to 30 September 2018

	January-September 2018 kEUR	January-September 2017 kEUR
Consolidated profit for the period	1,050	1,174
Other non-cash expenses	252	399
Dividend income	0	-2
Interest earnings	-24	-9
Interest expenses	35	156
Decrease in deferred taxes	59	0
Income tax expenditure	469	500
Depreciation of fixed assets	588	815
Income from securities trading	-366	-125
Loss from securities trading	0	0
Amounts written off for securities	0	0
Amortisation of public grants and subsidies	-46	-66
Loss from disposal of fixed assets	0	11
<b>Gross cash flow</b>	<b>2,017</b>	<b>2,853</b>
Increase/decrease in inventories	-600	74
Increase in trade receivables and other assets	-819	-285
Increase/decrease in current liabilities and other liabilities	356	-691
Cash inflow from dividends	0	2
Cash inflow from interest	24	9
Cash outflow from interest	-35	-156
Cash outflow/inflow from taxes	-503	-783
<b>Cash flow from operations</b>	<b>440</b>	<b>1,023</b>
Cash outflow for investments in fixed assets	-3,195	-733
Cash inflow from funding sources for investments	697	0
Cash inflow based on financial assets	1,356	166
Cash outflow based on financial assets	-42	-1,182
<b>Cash flow from investments</b>	<b>-1,184</b>	<b>-1,749</b>
Cash inflow from shareholders of non-controlling interests	0	2,000
Dividend payments	-2,327	-2,475
Cash inflow from taking out loan liabilities	177	2,260
Cash outflow for repayment of loan liabilities	0	-1,268
Increase/ decrease in long-term liabilities	35	-316
<b>Cash flow from financing activities</b>	<b>-2,115</b>	<b>201</b>
<b>Change in cash and cash equivalents</b>	<b>-2,859</b>	<b>-525</b>
<b>Cash and cash equivalents at beginning of fiscal year</b>	<b>8,811</b>	<b>9,518</b>
<b>Exchange rate difference</b>	<b>119</b>	<b>-255</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>6,071</b>	<b>8,738</b>

## Consolidated statement of change in shareholders' equity as of 30 September 2018

	Subscribed capital	Capital reserve	Other reserves			Assignable to 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
<b>as of 1 January 2017</b>	<b>4,949,999</b>	<b>11,035,367</b>	<b>52,504</b>	<b>-5,504</b>	<b>5,228,788</b>	<b>21,261,154</b>	<b>-704,252</b>	<b>20,556,902</b>
Increase in share capital of the subsidiary apoplex medical technologies GmbH from shareholders of minority interests	0	1,138,825	0	0	0	1,138,825	861,175	2,000,000
Dividend paid to shareholders	0	0	0	0	-2,475,000	-2,475,000	0	-2,475,000
<b>Transactions with shareholders and member partners</b>	<b>0</b>	<b>1,138,825</b>	<b>0</b>	<b>0</b>	<b>-2,475,000</b>	<b>-1,336,175</b>	<b>861,175</b>	<b>-475,000</b>
Consolidated earnings in period concerned	0	0	0	0	1,122,976	1,122,976	50,830	1,173,806
Unrealised profits and losses from revaluation of securities	0	0	168,215	0	0	168,215	0	168,215
Currency translation in the Group	0	0	0	96,430	0	96,430	48,019	144,449
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>168,215</b>	<b>96,430</b>	<b>1,122,976</b>	<b>1,387,621</b>	<b>98,849</b>	<b>1,486,470</b>
<b>as of 30 September 2017</b>	<b>4,949,999</b>	<b>12,174,192</b>	<b>220,719</b>	<b>90,926</b>	<b>3,876,764</b>	<b>21,312,600</b>	<b>255,772</b>	<b>21,568,372</b>
<b>as of 1 January 2018</b>	<b>4,949,999</b>	<b>12,174,192</b>	<b>308,636</b>	<b>152,943</b>	<b>3,433,576</b>	<b>21,019,346</b>	<b>-2,293</b>	<b>21,017,053</b>
Dividend paid to shareholders	0	0	0	0	-2,326,500	2,326,500	0	-2,326,500
<b>Transactions with shareholders and member partners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,326,500</b>	<b>2,326,500</b>	<b>0</b>	<b>-2,326,500</b>
Consolidated earnings in period concerned	0	0	0	0	1,123,114	1,123,114	-72,903	1,050,211
Unrealised profits and losses from revaluation of securities	0	0	-147,557	0	0	-147,557	0	-147,557
Currency translation in the Group	0	0	0	189,470	0	189,470	180,982	370,452
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>-147,557</b>	<b>189,470</b>	<b>1,123,114</b>	<b>1,165,027</b>	<b>108,079</b>	<b>1,273,106</b>
<b>as of 30 September 2018</b>	<b>4,949,999</b>	<b>12,174,192</b>	<b>161,079</b>	<b>342,413</b>	<b>2,230,190</b>	<b>19,857,873</b>	<b>105,786</b>	<b>19,963,659</b>



## Consolidated statement of comprehensive income as per IFRS for the period from 1 January to 30 September 2018

	January – September 2018 EUR	January – September 2017 EUR
<b>Consolidated profit for the period</b>	<b>1,050,211</b>	<b>1,173,806</b>
<b>Income and expenses directly recognised in equity, which are reclassified to profit or loss under specific conditions:</b>		
<b>Profits and losses from revaluation of securities</b>	-147,557	168,215
Difference resulting from currency translation	370,452	144,449
<b>Income and expenses directly included in equity capital</b>	<b>222,895</b>	<b>312,664</b>
<b>Total consolidated income</b>	<b>1,273,106</b>	<b>1,486,470</b>
Of which assignable to shareholders of minority interest	108,079	98,849
Of which assignable to shareholders of parent company	1,165,027	1,387,621

## Group segment report for the period from 1 January to 30 September 2018

By product groups	Healthcare Diagnostic Jan.-Sept. kEUR	Respiratory Jan.-Sept. kEUR	Medical Warming Systems Jan.-Sept. kEUR	Cardio/Stroke Jan.-Sept. kEUR	Consolidation Jan.-Sept. kEUR	Reconciliation Jan.-Sept. kEUR	Total Jan.-Sept. kEUR
<b>2018</b>							
<b>Segment sales</b>	<b>10,105</b>	<b>3,694</b>	<b>1,727</b>	<b>1,131</b>	<b>-1,029</b>	<b>0</b>	<b>15,628</b>
<b>Operating results</b>	<b>1,264</b>	<b>389</b>	<b>-107</b>	<b>-34</b>	<b>-34</b>	<b>-215</b>	<b>1,263</b>
including:							
Amortisation/depreciation of intangible and tangible assets	380	27	64	42	13	62	588
<b>Segment assets</b>	<b>12,329</b>	<b>2,337</b>	<b>3,114</b>	<b>2,274</b>	<b>0</b>	<b>8,175</b>	<b>28,229</b>
<b>Segment liabilities</b>	<b>6,981</b>	<b>595</b>	<b>716</b>	<b>279</b>	<b>0</b>	<b>0</b>	<b>8,571</b>

By product groups	Healthcare Diagnostic Jan.-Sept. kEUR	Respiratory Jan.-Sept. kEUR	Medical Warming Systems Jan.-Sept. kEUR	Cardio/Stroke Jan.-Sept. kEUR	Consolidation Jan.-Sept. kEUR	Reconciliation Jan.-Sept. kEUR	Total Jan.-Sept. kEUR
<b>2017</b>							
<b>Segment sales</b>	<b>11,792</b>	<b>3,140</b>	<b>1,515</b>	<b>922</b>	<b>-1,114</b>	<b>0</b>	<b>16,255</b>
<b>Operating results</b>	<b>1,476</b>	<b>244</b>	<b>-54</b>	<b>136</b>	<b>51</b>	<b>-156</b>	<b>1,697</b>
including:							
Amortisation/depreciation of intangible and tangible assets	590	53	80	37	-29	84	815
<b>Segment assets</b>	<b>10,823</b>	<b>1,730</b>	<b>3,137</b>	<b>2,353</b>	<b>0</b>	<b>11,235</b>	<b>29,278</b>
<b>Segment debts</b>	<b>6,399</b>	<b>429</b>	<b>545</b>	<b>284</b>	<b>0</b>	<b>52</b>	<b>7,709</b>

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR
<b>2018</b>							
<b>Sales revenues</b>	<b>9,329</b>	<b>517</b>	<b>3,566</b>	<b>703</b>	<b>1,314</b>	<b>1,227</b>	<b>16,657</b>
Elimination of intragroup sales	0	-60	-969	0	0	0	-1,029
<b>Sales revenues to third parties</b>	<b>9,329</b>	<b>457</b>	<b>2,598</b>	<b>703</b>	<b>1,314</b>	<b>1,227</b>	<b>15,628</b>
<b>Gross profit or loss</b>	<b>6,285</b>	<b>182</b>	<b>1,806</b>	<b>474</b>	<b>885</b>	<b>826</b>	<b>10,458</b>
<b>Operating results</b>	<b>879</b>	<b>-174</b>	<b>253</b>	<b>66</b>	<b>124</b>	<b>115</b>	<b>1,263</b>
including:							
Amortisation and depreciation of intangible and tangible assets	359	1	103	27	51	47	588
Amortisation of public grants and subsidies	28	0	8	2	4	4	46
<b>Acquisition costs of fixed assets for the period</b>	<b>0</b>	<b>0</b>	<b>3,195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,195</b>
<b>Segment assets</b>	<b>0</b>	<b>723</b>	<b>27,449</b>	<b>0</b>	<b>57</b>	<b>0</b>	<b>28,229</b>

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR	Jan.-Sept. KEUR
<b>2017</b>							
<b>Sales revenues</b>	<b>8,965</b>	<b>1,424</b>	<b>3,468</b>	<b>1,443</b>	<b>931</b>	<b>1,138</b>	<b>17,369</b>
Elimination of intragroup sales	0	-112	-1,002	0	0	0	-1,114
<b>Sales revenues on third parties</b>	<b>8,965</b>	<b>1,312</b>	<b>2,466</b>	<b>1,443</b>	<b>931</b>	<b>1,138</b>	<b>16,255</b>
<b>Gross profit or loss</b>	<b>6,089</b>	<b>830</b>	<b>1,747</b>	<b>980</b>	<b>632</b>	<b>773</b>	<b>11,051</b>
<b>Operating results</b>	<b>1,050</b>	<b>-66</b>	<b>302</b>	<b>169</b>	<b>109</b>	<b>133</b>	<b>1,697</b>
including:							
Amortisation and depreciation of intangible and tangible assets	479	11	137	77	50	61	815
Amortisation of public grants and subsidies	40	0	11	6	4	5	66
<b>Acquisition costs of fixed assets for the period</b>	<b>0</b>	<b>5</b>	<b>847</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>852</b>
<b>Segment assets</b>	<b>0</b>	<b>1,687</b>	<b>27,372</b>	<b>0</b>	<b>219</b>	<b>0</b>	<b>29,278</b>

## Notes on Interim Consolidated Financial Statements for the Period from 1 January 2018 to 30 September 2018

### Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical AG as at 30 September 2018 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 2017 Fiscal Year.

The valuation of assets and liabilities is based in part on estimates and/or assumptions about future developments. 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 tax deferrals and accruals, the long-term impairment of assets available for sale and the impairment tests of the cash-generating units and assets is based on the corporate planning, which of course involves uncertainties such that the actual values may deviate from the made assumptions and estimates in individual cases. Estimates and the underlying assumptions are regularly checked and evaluated with regard to possible impact on accounting. Exercise of substantial discretionary powers is not available.

### Consolidated Group

No changes occurred in the consolidation group as at 30 September 2018

Company	Share quota 30/9/2018	Share quota 31/12/2017
GME Rechte und Beteiligungen GmbH, Geschwenda, Deutschland	100.00 %	100.00 %
apoplex medical technologies GmbH, Pirmasens, Germany	53.42 %	53.42 %
Geratherm Respiratory GmbH, Bad Kissingen, Germany	65.27 %	65.27 %
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, Geschwenda, Germany	100.00 %	100.00 %
LMT Medical Systems GmbH, Lübeck, Germany	66.67 %	66.67 %
<i>Subsidiary of LMT Lübeck</i>		
<i>LMT Medical Systems Inc., Ohio, USA</i>	<i>100.00 %</i>	<i>100.00 %</i>

## Equity capital

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 amounts in total to EUR 4,949,999 as at 30 Sept. 2018 (2017: EUR 4,949,999) and is divided into 4,949,999 (2017: 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 own shares held by the company.

These interim consolidated financial statements as at 30 September 2018 were not audited or reviewed by the company's auditors.

Geschwenda, November 2018



Dr. Gert Frank  
Chief Executive Officer

## COMPANY CALENDAR 2018

Quarterly report Q1/2018	24 May ✓
Semi-annual report 2018	23 August ✓
Quarterly report Q3/2018	22 November ✓
Analysts' Conference "Le Meridien Hotel", Frankfurt am Main	3 & 4 September ✓

## COMPANY CALENDAR 2019

Quarterly report Q1/2019	23 May
Semi-annual report 2019	22 August
Quarterly report Q3/2019	21 November

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