

Geratherm®

*SOLUTIONS FOR A
HEALTHY WORLD*



Quarterly Statement **Q3/2020**

GERATHERM

AT A GLANCE

Key group figures	January - September 2020	January - September 2019	Change %
Sales revenues	19,759 kEUR	15,348 kEUR	28.7 %
of which export share	16,228 kEUR	12,116 kEUR	33.9 %
Export ratio	82 %	79 %	3.8 %
Gross result for period under review (EBITDA)	3,053 kEUR	2,128 kEUR	43.5 %
EBITDA margin	15.5 %	13.9 %	11.5 %
Amortisation and depreciation	-913 kEUR	-881 kEUR	3.7 %
Operating result (EBIT)	2,140 kEUR	1,247 kEUR	71.6 %
EBIT margin	10.8 %	8.1 %	33.3 %
Financial results	-86 kEUR	-1 kEUR	>100.0 %
Profit (loss) on ordinary business activities	2,054 kEUR	1,246 kEUR	64.9 %
Net earnings of the parent company's shareholders in given period	1,536 kEUR	765 kEUR	100.8 %
Long-term assets	14,255 kEUR	12,165 kEUR	*
Short-term assets	21,245 kEUR	20,535 kEUR	*
Balance sheet total	35,500 kEUR	32,700 kEUR	*
Equity capital	19,249 kEUR	18,600 kEUR	*
Return on equity	10.6 %	5.5 %	*
Equity ratio	54.2 %	56.9 %	*
Cash, cash equivalents and securities	9,247 kEUR	9,205 kEUR	0.5 %
Net result per share for given period according to IFRS (EPS)**	EUR 0.31	EUR 0.15	106.7 %
Net result per share for given period as per DVFA**	EUR 0.31	EUR 0.15	106.7 %
Number of employees at end of period	237	208	13.9 %
Total shares issued	4,949,999	4,949,999	0.0 %
**based on total shares issued	4,949,999	4,949,999	0.0 %

*Last year's figures have been adjusted.

Business performance from 1 January to 30 September 2020

- Continued strong international demand for Geratherm medical devices
- Sales revenues EUR 19.8 million, +28.7 %, QIII +27.3 %
- Gross result for period under review (EBITDA) EUR 3.053 million, +43.5 %, QIII EUR 1.001 million, +61.8 %
- Operating result (EBIT) EUR 2.140 million, +71.6 %, QIII 686 kEUR, +125.9 %
- EBIT margin 10.8 %, QIII +11.6 %
- Results from ordinary business activities EUR 2.054 million, +64.9 %, QIII 651 kEUR, +126.0 %
- Earnings per share EUR 0.31 (2019: EUR 0.15), QIII EUR 0.10

Dear Shareholders and Parties Interested in Geratherm Medical,

Geratherm Medical's performance continues to be very positive. Even during the third quarter, we managed to post a +27.3 % sales growth again. Earnings had more than doubled in the third quarter. For the fourth quarter, we expect sales and earnings to show considerably stronger growth compared to the prior year.

The sales reported for the first nine months of the year amounted to EUR 19.8 million (+28.7 %). In other words, we had already achieved the overall annual sales posted in 2019 by the end of September.

The gross profit on a nine-month basis was 67.0 % of sales (2019: 72.0 %). As a result of price adjustments made, the company was able to show again a gross profit margin of 73.7 % in the third quarter, while the EBITDA margin of business operations amounted to 15.5 % (2019: 13.9 %). The EBIT margin for the nine-month period amounted to 10.8 % (2019: 8.1 %).

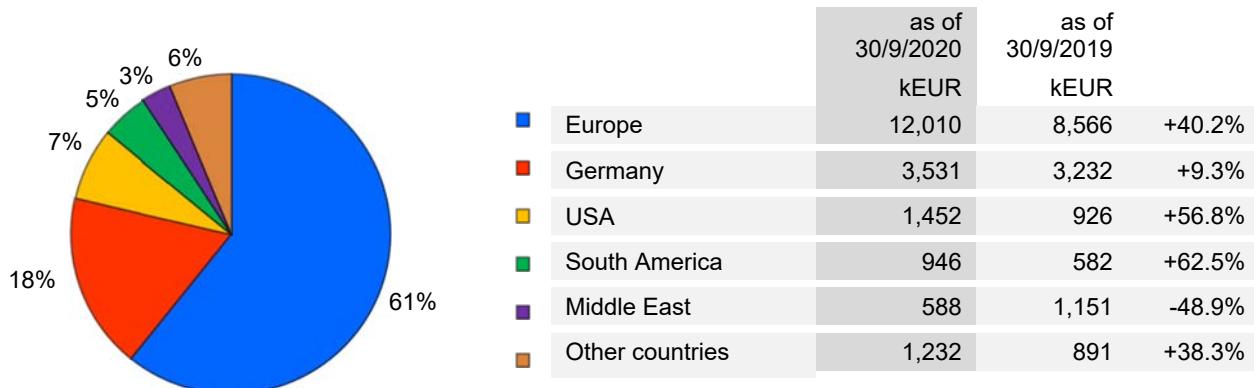
The third quarter was considerably stronger in terms of earnings than the same period last year. Sales increased by +27.3 % and the result from ordinary business activities doubled to 651 kEUR.

Facts and figures (in kEUR)		III/20	II/20	I/20	IV/19	III/19
Sales	5,912	7,594	6,253	4,503	4,644	
EBITDA margin	16.9%	18.2%	10.7%	5.0%	13.3%	
EBIT	686	1,082	372	-198	304	
EPS (EUR)	0.10	0.15	0.06	-0.04	0.03	
Cash flow	1,160	1,531	1,043	694	536	

Sales development

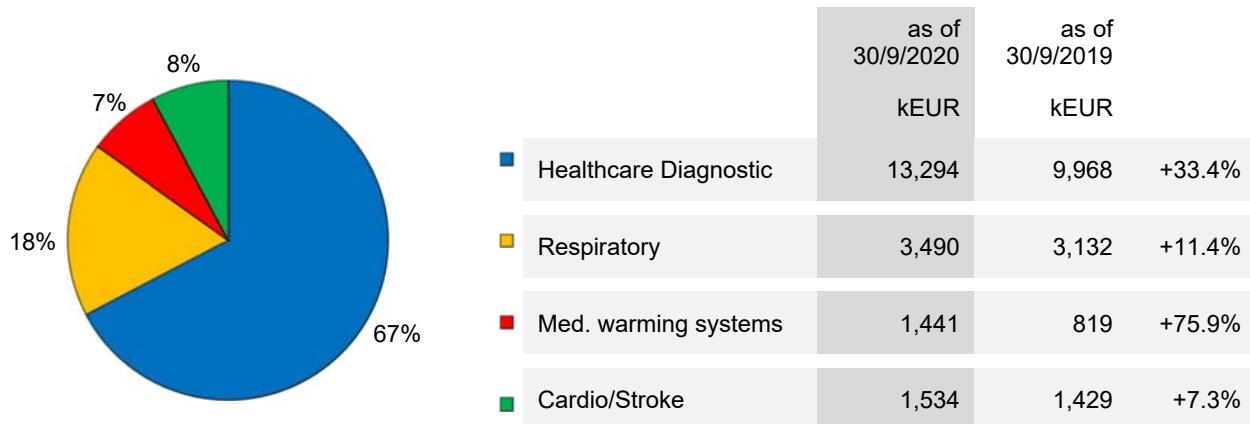
Sales development during the first nine months progressed very dynamically with the exception of the Middle East region. All in all, we managed to increase our sales by +28.7 % compared to the prior year. Sales in Europe, our main sales market, increased by +40.2 %. On the German market, we were able to register a +9.3 % growth in sales. The sales on the US market grew significantly by +56.8 %. On the South American market, we also managed to show a healthy sales growth of +62.5 %. Sales in the Middle East region, where we primarily sell blood pressure monitors, dropped by -48.9 %. The demand for blood pressure monitors was considerably less. The sales of Geratherm products in Other countries enjoyed a +38.3 % jump.

Sales by regions 1/1 to 30/9/2020



Geratherm Medical's products are primarily marketed internationally. During the first nine months of the current business year, the export quota of Geratherm Medical was 82.1 % (2019: 78.9 %). Geratherm products are exported to more than 60 countries.

Sales by segments 1/1 to 30/9/2020



In the first nine months of the current business year, all business segments managed to record a significant increase in sales. This is a very favourable development, especially since the segments Respiratory and Cardio/Stroke faced general underlying conditions that were very restrictive in terms of contact options with clinics and hospitals as a result of the pandemic.

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 showed a considerable increase in sales by +33.4 % to EUR 13.3 million during the first nine months. We were able to record the greatest increase in sales in the analogue clinical thermometers product group (+50.4 %) and in infrared clinical thermometers (+74.0 %). While the sales of the blood pressure monitors showed weaker development with a minus of 41.5 %, it should recover again in the next few months. We did experience a slight decrease of -14.9 % in Women's healthcare products.

In the Respiratory segment, where we offer sensors and products for testing pulmonary function, we were able to post sales of +11.4 %. Investments in the development of new products have been increased again.

We expect product approvals for Geratherm Respiratory's products for China and Russia by the end of the year or within the next three months.

The segment sales in the Medical Warming Systems increased considerably by +75.9 %. The main sales driver involved the sales of incubators from LMT Medical, which more than doubled its sales with EUR 1.333 million compared to the same period last year. We are expecting good progress at LMT Medical for the fourth quarter as well. Our Medical Warming Systems product segment for operating rooms are still in the recertification process. Based on our current knowledge, we will submit the relevant documents for this product group to the approval agency in March of next year.

In spite of limited hospital visits, we managed to register a sales increase of 7.3 % in the Cardio/Stroke segment during the first nine months of the current financial year. The core product of apoplex medical SRAclinic⁺ is now used as standard in over 130 clinics and hospitals for automatically detecting paroxysmal atrial fibrillation (pVHF). In the future, we plan to offer a holistic complete system including cardiological diagnosis of the relevant ECG sections.

Earnings situation

The earnings situation in the first nine months was influenced by a healthy second and third quarter. Especially the strong demand for clinical thermometers led to considerable higher reported sales and earnings. The Geratherm Group generated an operating result (EBIT) of EUR 2.140 million (2019: EUR 1.247 million) on a nine-month basis. This is a positive development, especially since the negative effects from the Warming Systems segment and higher expenses due to preparations and efforts to implement the EU's new Medical Device Regulation (MDR) could be offset.

The gross profit (EBITDA) was EUR 3.053 million (2019: EUR 2.128 million), an increase of 43.5 %. The EBITDA margin increased to 15.5 % (2019: 13.9 %). The write-offs increased slightly by +3.7 % to 913 kEUR (2019: 881 kEUR).

The operating income (EBIT) increased significantly by +71.6 % to EUR 2.140 million (2019: EUR 1.247 million). The EBIT margin for the nine-month period amounted to 10.8 % (2019: 8.1 %). This corresponds with our minimum requirement of a 10% EBIT margin at the Group level. The financial result reported was -86 kEUR (2019: -1 kEUR) and related mainly to the interests on investment loans of Geratherm Medical AG and the construction of Geratherm Respiratory's new facility in Bad Kissingen. The results from ordinary business activities increased by +64.9 % to EUR 2.054 million (2019: EUR 1.246 million).

Income taxes weighed on the net income for given period by 555 kEUR (2019: 542 kEUR). The consolidated net profit for the first nine months of the 2020 fiscal year amounted to EUR 1.499 million (2019: 703 kEUR).

After including the result attributable to minority interests, there was a net income of EUR 1.536 million (2019: 765 kEUR) generated for the shareholders of the parent company for first nine months of the year. The result per share is EUR 0.31 (2019: EUR 0.15).

Net assets and financial situation

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 35.5 million is essentially formed by equity capital in the amount of EUR 19.3 million. The equity-to-assets ratio as of the reporting date was 54.2 % (2019: 56.9 %). The return of equity amounted to 10.6 % (2019: 5.5 %). The return on investment capital for the first nine months of the current fiscal year was 6.0 % (2019: 3.3 %).

As at the end of September 2020, the company had cash, cash equivalents and securities in the amount of EUR 9.3 million (2019: EUR 9.2 million). Thus, the company has a healthy financial position to facilitate further growth. The long-term assets amounted to EUR 14.3 million (2019: EUR 12.5 million). The short-term assets amounted to EUR 21.3 million (2019: EUR 20.8 million). Inventories decreased by -6.1 % to EUR 7.4 million. The accounts receivable and other assets increased by +36.4 % to EUR 4.6 million. The trade accounts receivable increased by +48.6 % to EUR 3.7 million. The cash and cash equivalents available as at 30 September 2020 amounted to EUR 4.9 million (2019: EUR 4.1 million).

The gross cash flow for the first nine months increased to EUR 3.734 million (2019: EUR 2.052 million). The cash flow from business operations was EUR 2.422 million (2019: EUR 1.120 million). The cash flow from investments amounted to EUR -2.604 million (2019: EUR -3.102 million). The cash flow from financing activities was 966 kEUR (2019: EUR 1.948 million).

Research and development

Our research and development activities continued to focus primarily on the segments Respiratory, Cardio/Stroke and Warming Systems.

A prototype for detecting liver carcinomas is in clinical trials in the Respiratory segment. In the Cardio/Stroke segment, additional telemedical applications are being developed while incorporating AI algorithms. Additional development services are planned for the planned approval of the warming systems.

General meeting

The general meeting took place on 18 September 2020 at Grandhotel "Hessischer Hof" in Frankfurt. Despite the challenging underlying conditions, we were happy about the good loyalty of our shareholders. All items on the agenda were adopted.

Staff

The Geratherm Group had a staff of 237 persons in total as of 30 September 2020 (2019: 208) with 225 employees in Germany.

Outlook

After showing a strong second and third quarter, we do expect the sales and earnings to continue to grow. Based on current information, the fourth quarter should continue to gain momentum. The current production capacities for clinical thermometers are already utilised in full until July of 2021.

Geratal, November 2020



Dr. Gert Frank
Chief Executive Officer

Consolidated profit and loss statement from 1 January to 30 September 2020

	July-Sept. 2020 EUR	July-Sept. 2019 EUR	Change	Jan.-Sept. 2020 EUR	Jan.-Sept. 2019 EUR	Change
Sales revenues	5,911,288	4,644,010	27.3%	19,758,564	15,347,937	28.7%
Change in inventory of finished products and work in process	16,964	316,170	-94.6%	-688,673	691,022	-
Other capitalised own work	206,826	132,487	56.1%	508,598	324,751	56.6%
Other operating income	153,074	133,098	15.0%	427,148	407,221	4.9%
	6,288,152	5,225,765	20.3%	20,005,637	16,770,931	19.3%
Cost of materials						
Cost of raw materials, consumables and goods for resale	-1,617,683	-1,495,061	8.2%	-5,890,373	-4,874,319	20.8%
Costs of purchased services	-313,355	-261,215	20.0%	-878,701	-842,354	4.3%
	-1,931,038	-1,756,276	10.0%	-6,769,074	-5,716,673	18.4%
Gross profit or loss	4,357,114	3,469,489	25.6%	13,236,563	11,054,258	19.7%
Personnel costs						
Wages and salaries	-1,761,822	-1,554,588	13.3%	-5,187,473	-4,672,856	11.0%
Social security, pension and other benefits	-327,758	-323,463	1.3%	-1,016,782	-983,821	3.4%
	-2,089,580	-1,878,051	11.3%	-6,204,255	-5,656,677	9.7%
Other operating expenses	-1,266,558	-972,634	30.2%	-3,979,309	-3,270,231	21.7%
Gross profit (EBITDA)	1,000,976	618,804	61.8%	3,052,999	2,127,350	43.5%
Amortisation of intangible assets and depreciation of tangible assets	-314,897	-315,125	-0.1%	-913,393	-880,842	3.7%
Operating results	686,079	303,679	>100.0%	2,139,606	1,246,508	71.6%
Securities-related expenses	-298	-934	-68.1%	-918	-3,081	-70.2%
Other interest and similar income	344	1,913	-82.0%	967	48,637	-98.0%
Interests and similar expenses	-35,283	-16,732	>100.0%	-85,754	-46,567	84.2%
Financial results	-35,237	-15,753	>100.0%	-85,705	-1,011	>100.0%
Profit (loss) on ordinary business activities	650,842	287,926	>100.0%	2,053,901	1,245,497	64.9%
Income taxes	-167,291	-174,296	-4.0%	-554,967	-542,065	2.4%
Consolidated profit for the period	483,551	113,630	>100.0%	1,498,934	703,432	>100.0%
Net earnings of non-controlling shareholders in given period	-13,785	-85,355	-83.8%	-37,391	-61,317	-39.0%
Net earnings of the parent company's shareholders in given period	497,336	198,985	>100.0%	1,536,325	764,749	>100.0%
Earnings per share (undiluted)	0.10	0.04	>100.0%	0.31	0.15	>100.0%

Consolidated balance sheet as at 30 September 2020

Assets	30/09/ 2020 EUR	31/12/2019 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	2,589,046	1,952,094	32.6%
2. Other intangible assets	205,927	244,432	-15.8%
3. Goodwill	1	1	0.0%
	2,794,974	2,196,527	27.2%
II. Tangible assets			
1. Land, land rights and buildings	3,294,575	3,396,137	-3.0%
2. Technical equipment and machinery	3,187,267	3,310,947	-3.7%
3. Other equipment, factory and office equipment	285,713	252,301	13.2%
4. Construction in process	2,439,431	1,323,247	84.4%
	9,206,986	8,282,632	11.2%
III. Rights of use	366,772	346,142	6.0%
IV. Financial assets accounted on basis of equity method	350,000	350,000	0.0%
V. Other financial assets	1,420,401	1,173,731	21.0%
VI. Other long-term receivables	115,544	127,437	-9.3%
	14,254,677	12,476,469	14.3%
B. Short-term assets			
I. Inventories			
1. Raw materials and supplies	2,246,053	2,318,131	-3.1%
2. Unfinished goods	1,086,345	1,252,899	-13.3%
3. Finished goods and merchandise	4,053,419	4,293,693	-5.6%
	7,385,817	7,864,723	-6.1%
II. Receivables and other assets			
1. Trade receivables	3,722,505	2,505,893	48.6%
2. Receivables from current income taxes	77,254	360,385	-78.6%
3. Receivables from other taxes	281,002	167,827	67.4%
4. Other assets	532,116	346,794	53.4%
	4,612,877	3,380,899	36.4%
III. Securities	4,376,617	5,403,538	-19.0%
IV. Cash and cash equivalents	4,870,133	4,138,814	17.7%
	21,245,444	20,787,974	2.2%
	35,500,121	33,264,443	6.7%
Equity and liabilities			
A. Equity capital			
I. Subscribed capital	4,949,999	4,949,999	0.0%
II. Capital reserve	12,174,192	12,174,192	0.0%
III. Other reserves	2,349,922	2,703,227	-13.1%
Assignable to the shareholders of the parent company	19,474,113	19,827,418	-1.8%
Shareholders of minority interests	-225,243	-646,636	-65.2%
	19,248,870	19,180,782	0.4%
B. Non-current liabilities			
1. Liabilities to banks	6,735,563	5,208,328	29.3%
2. Accrued investment subsidies	1,262,563	1,347,995	-6.3%
3. Long-term leasing liabilities	140,404	63,011	>100.0%
4. Other long-term liabilities	424,804	409,989	3.6%
	8,563,334	7,029,323	21.8%
C. Deferred taxes	31,452	30,733	2.3%
D. Current debts			
1. Liabilities to banks	2,693,823	2,057,920	30.9%
2. Trade accounts payables	1,400,460	1,410,724	-0.7%
3. Short-term leasing liabilities	232,678	290,301	-19.8%
4. Liabilities from current income taxes	32,048	41,016	-21.9%
5. Contractual liabilities	1,405,157	1,267,167	10.9%
6. Other tax liabilities	414,863	520,155	-20.2%
7. Other short-term liabilities	1,477,436	1,436,322	2.9%
	7,656,465	7,023,605	9.0%
	35,500,121	33,264,443	6.7%

Consolidated statement of cash flows from 1 January to 30 September 2020

	Jan.- Sept. 2020 kEUR	Jan.- Sept. 2019 kEUR
Consolidated profit for the period	1,499	703
Non-cash expenses and income of Geratherm do Brasil Ltda.	-233	0
Other non-cash expenses	1,000	28
Interest earnings	-1	-49
Interest expenses	86	41
Decrease in deferred taxes	1	134
Income tax expenditure	554	408
Depreciation of fixed assets	694	689
Amortisation of usage rights	219	192
Amortisation of public grants and subsidies	-85	-94
Gross cash flow	3,734	2,052
Decrease/ increase in inventories	478	-750
Increase/decrease in trade receivables and other assets	-1,517	315
Increase/decrease in current liabilities and other liabilities	78	-237
Cash inflow from interest	1	49
Cash outflow from interest	-86	-41
Cash outflow from taxes	-266	-268
Cash flow from operations	2,422	1,120
Cash outflow for investments in intangible assets (without capitalised development costs) and tangible assets	-1,604	-1,956
Additions to capitalised development costs	-652	-163
Cash inflow from funding sources for investments	0	282
Cash inflow based on financial assets	0	0
Cash outflow based on financial assets	-348	-1,265
Cash flow from investments	-2,604	-3,102
Cash outflow for leasing liabilities	-219	-192
Dividend payments	-1,237	-1,980
Cash inflow from taking out loan liabilities	3,060	4,500
Cash outflow for repayment of loan liabilities	-638	-380
Decrease/ increase in long-term liabilities	0	0
Cash flow from financing activities	966	1,948
Change in cash and cash equivalents	784	-34
Cash and cash equivalents at beginning of reporting period	4,139	5,361
Exchange rate difference	-53	32
Cash and cash equivalents at end of reporting period	4,870	5,359

Consolidated statement of change to the shareholders' equity as at 30 September 2020

	Other reserves						Assignable to the shareholders of the parent company	Non- control- ling interests	Equity capital
	Sub- scribed capital	Capital reserve	Market valuation reserve	Currency conversion reserve	Accumulat- ed earnings				
as of 1/1/2019	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Capital increase by subsidiary LMT Medical Systems GmbH with sole participation of Geratherm Medical AG as of 12 April 2019 without proportional consolidated net income	0	0	0	0	56,932	56,932	-56,932	0	0
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	-1,923,067	-1,923,067	-56,932	-1,979,999	
Consolidated earnings in period concerned	0	0	0	0	764,749	764,749	-61,317	703,432	
Unrealised profits and losses from valuation of securities	0	0	219,900	0	0	219,900	0	219,900	
Currency translation in the Group	0	0	0	32,113	0	32,113	28,205	60,318	
Total consolidated income	0	0	219,900	32,113	764,749	1,016,762	-33,112	983,650	
as of 30 September 2019	4,949,999	12,174,192	923,176	320,496	679,490	19,047,353	-447,762	18,599,591	
as of 1 January 2020	4,949,999	12,174,192	1,929,289	313,599	460,339	19,827,418	-646,636	19,180,782	
Dividend paid to shareholders	0	0	0	0	-1,237,500	-1,237,500	0	-1,237,500	
Transactions with shareholders and member partners	0	0	0	0	-1,237,500	-1,237,500	0	-1,237,500	
Consolidated earnings in period concerned	0	0	0	0	1,536,325	1,536,325	-37,391	1,498,934	
Unrealised profits and losses from valuation of securities	0	0	-1,127,436	0	0	-1,127,436	0	-1,127,436	
Currency translation in the Group	0	0	0	475,306	0	475,306	458,784	934,090	
Total consolidated income	0	0	-1,127,436	475,306	1,536,325	884,195	421,393	1,305,588	
as of 30 September 2020	4,949,999	12,174,192	801,853	788,905	759,164	19,474,113	-225,243	19,248,870	

Consolidated statement of comprehensive income as per IFRS for the period from 1 January to 30 September 2020

	1/1 - 30/9/2020 EUR	1/1 - 30/9/2019 EUR
Consolidated profit for the period	1,498,934	703,432
Income and expenses directly recognised in equity, which are not reclassified to profit or loss:		
Profits or losses from valuation of investments according to IFRS 9	0	0
Profits or losses from valuation of securities according to IFRS 9	-1,127,436	219,900
	-1,127,436	219,900
Income and expenses directly recognised in equity, which are reclassified to profit or loss under specific conditions:		
Profits or losses from valuation of securities according to IAS 39	0	0
Difference resulting from currency translation	934,090	60,318
	934,090	60,318
Income and expenses directly included in equity capital	-193,346	280,218
Total consolidated income	1,305,588	983,650
of which assignable to shareholders of minority interest	421,393	-33,112
of which assignable to shareholders of parent company	884,195	1,016,762

Group segment report for the period from 1 January to 30 September 2020

By product groups 2020	Healthcare Diagnostic	Respiratory	Medical Warming Systems	Cardio/ Stroke	Consolidation	Reconciliation	Total
	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR
Segment sales	14,576	3,437	1,444	1,406	-1,104	0	19,759
Operating results	1,996	83	-308	267	124	-22	2,140
including:							
Amortisation/depreciation of intangible and tangible assets	474	102	132	50	89	66	913
Segment assets	13,856	4,889	3,855	3,193	0	9,707	35,500
Segment debts	11,025	2,987	684	1,524	0	0	16,220

By product groups 2019	Healthcare Diagnostic	Respiratory	Medical Warming Systems	Cardio/ Stroke	Consolidation	Reconciliation	Total
	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR
Segment sales	10,818	3,265	834	1,423	-992	0	15,348
Operating results	1,344	295	-650	-8	433	-167	1,247
including:							
Amortisation/depreciation of intangible and tangible assets	500	83	122	48	84	43	880
Segment assets *	13,126	4,129	3,491	2,370	0	9,385	32,501
Segment debts *	10,654	2,345	470	523	0	0	13,992

*Last year's figures have been adjusted.

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	2020	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR
Sales revenues	12,010	990	4,591	588	1,452	1,232	20,863
Elimination of intragroup sales	0	-44	-1,060	0	0	0	-1,104
Sales revenues on third parties	12,010	946	3,531	588	1,452	1,232	19,759
Gross profit or loss	7,920	490	2,669	388	958	812	13,237
Operating results	1,435	-170	484	70	174	147	2,140
including:							
Amortisation and depreciation of intangible and tangible assets	552	25	176	27	67	57	904
Amortisation of public grants and subsidies	54	0	16	3	7	5	85
Acquisition costs of fixed assets for the period	0	0	2,256	0	0	0	2,256
Segment assets	0	678	34,727	0	95	0	35,500

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	2019	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR
Sales revenues	8,566	639	4,167	1,151	926	891	16,340
Elimination of intragroup sales	0	-57	-935	0	0	0	-992
Sales revenues on third parties	8,566	582	3,232	1,151	926	891	15,348
Gross profit or loss	5,948	379	2,454	799	643	618	10,841
Operating results	512	134	211	69	55	53	1,034
including:							
Amortisation and depreciation of intangible and tangible assets	500	2	206	67	54	52	881
Amortisation of public grants and subsidies	55	0	20	7	6	6	94
Acquisition costs of fixed assets for the period	0	0	2,119	0	0	0	2,119
Segment assets *	0	624	31,724	0	153	0	32,501

*Last year's figures have been adjusted.

Notes on Interim Consolidated Financial Statements for the Period from 1 January 2020 to 30 September 2020

Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical were prepared for the nine months of the 2020 fiscal year 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 2019 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 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 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. Exercise of substantial discretionary powers is not available.

Consolidated group

No changes occurred in the consolidation group as at 30 September 2020:

Company	Share quota 30/9/2020	Share quota 31/12/2019
GME Rechte und Beteiligungen GmbH, Geschwenda, Germany	100,0 %	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 <i>Subsidiary of LMT Lübeck</i> <i>LMT Medical Systems Inc., Ohio, USA</i>	80,00 % 100,00 %	80.00 % 100.00 %

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 amounted all in all to EUR 4,949,999 as at 30 September 2020 (2019: EUR 4,949,999) and is divided into 4,949,999 (2019: 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.

The shareholders of Geratherm Medical AG have agreed during the annual general meeting of the company on 18 September 2020 in Frankfurt to distribute a dividend of EUR 0.25 per individual share.

The dividend was distributed in the amount of EUR 1,237,499.75 on 23 September 2020.

These interim consolidated financial statements as at 30 September 2020 were not audited or reviewed by the company's auditors.

Geratal, November 2020



Dr. Gert Frank
Chief Executive Officer

COMPANY CALENDAR 2020

Quarterly report Q3/2020

19 November ✓

COMPANY CALENDAR 2021

2020 Annual financial statements	28 April
Quarterly report Q1/2021	20 May
Annual general meeting in Frankfurt am Main	11 June
Quarterly report Q2/2021	25 August
Quarterly report Q3/2021	24 November

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