

Geratherm®

*SOLUTIONS FOR A
HEALTHY WORLD*



Half-yearly Report **2020**

GERATHERM

AT A GLANCE

Facts and figures	January - June 2020	January - June 2019	Change %
Sales revenues	13,847 kEUR	10,704 kEUR	29.4 %
of which export share	11,307 kEUR	8,473 kEUR	33.4 %
Export ratio	82 %	79 %	3.8 %
Gross result for period under review (EBITDA)	2,052 kEUR	1,509 kEUR	36.0 %
EBITDA margin	14.8 %	14.1 %	5.0 %
Amortisation and depreciation	-598 kEUR	-566 kEUR	5.8 %
Operating result (EBIT)	1,454 kEUR	943 kEUR	54.2 %
EBIT margin	10.5 %	8.8 %	19.3 %
Financial results	-51 kEUR	15 kEUR	>100.0 %
Profit (loss) on ordinary business activities	1,403 kEUR	958 kEUR	46.5 %
Net earnings of the parent company's shareholders in given period	1,039 kEUR	566 kEUR	83.6 %
Long-term assets	13,955 kEUR	11,578 kEUR *	20.5 %
Short-term assets	22,362 kEUR	17,992 kEUR *	24.3 %
Balance sheet total	36,317 kEUR	29,570 kEUR *	22.8 %
Equity capital	20,235 kEUR	18,127 kEUR *	11.6 %
Return on equity	10.3 %	6.2 % *	64.4 %
Equity ratio	55.7 %	61.3 % *	-9.1 %
Cash, cash equivalents and securities	11,095 kEUR	6,402 kEUR	73.3 %
Net result per share for given period according to IFRS (EPS)**	EUR 0.21	EUR 0.11	90.9 %
Net result per share for given period as per DVFA** (German Association for Financial Analyses and Asset Management)	EUR 0.21	EUR 0.11	90.9 %
Number of employees at end of period	229	205	11.7 %
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 June 2020

- Strong international demand for Geratherm medical devices for corona prevention
- Sales revenues EUR 13.9 million +29.4 %, QII +71.5 %
- Gross result for the period under review (EBITDA) EUR 2.052 million +36.0 %, QII EUR 1.381 million
- Operating result (EBIT) EUR 1.454 million +54.2 %
QII EUR 1.082 million
- EBIT margin 10.5 %, QII 14.2 %
- Results from ordinary business activities EUR 1.403 million +46.5 %
QII EUR 1.055 million
- Earnings per share EUR 0.21 (2019: EUR 0.11), QII EUR 0.15

Dear Shareholders and Parties Interested in Geratherm Medical,

The international corona pandemic has resulted in a strong demand for our products, especially our clinical thermometers and products for monitoring pulmonary function over the past few months. The trend should continue well into next year.

In the past three months, there was a on a +71.5 % increase in sales for the entire company. In relation to the first half of 2020, we were able to expand the Group's sales by +29.4 % to EUR 13.9 million. All business segments showed a healthy growth in sales.

The gross profit increased by +17.1 % to EUR 8.9 million. Based on sales, that corresponds to a gross margin of 64.1 % (2019: 70.9 %). The gross margin's decline is due to the higher Corona-related costs in material procurement.

This should be offset again through delayed price adjustments in the second half of the year. The EBITDA margin on the Group level amounted to 14.8 % (2019: 14.1 %) during the first half of the business year. The EBIT margin amounted to 10.5 % (2019: 8.8 %).

The financial results amounted to -51 kEUR (2019: 15 kEUR), which was mainly due to interest expenses (-48 kEUR).

The results from ordinary business activities for the first six months amounted to EUR 1.403 million (2019: 958 kEUR).

Shareholders' earnings after taxes for the first six months of the current fiscal year amounted to EUR 1.039 million (2019: 566 kEUR), an increase of 83.6 %. The result per share for the first six months was EUR 0.21 (2019: EUR 0.11).

The global impact of the coronavirus has resulted in an increased demand for Geratherm products as of March 2020. During the second quarter, the sales for the entire Geratherm Group jumped by +71.5 % to EUR 7.6 million. Demand is still greater than supply, therefore we assume that the company's positive development will continue in the coming quarters.

The significantly higher level of sales reported during the second quarter has also led to a significantly higher earnings report on a quarterly basis. The operating income at the EBITDA level climbed to EUR 1.381 million (2019: 277 kEUR). The EBIT increased in the second quarter to EUR 1.082 million (2019: -14 kEUR).

Together with the financial results, the results from ordinary business activities for the second quarter rose to EUR 1.055 million (2019: 12 kEUR).

After deducting income tax, the company reported during the second quarter a consolidated net profit of 867 kEUR (2019: -32 kEUR). After deducting the minority interests, the result after taxes for the second quarter amounted to 752 kEUR (2019: -16 kEUR) or EUR 0.15 per share.

Facts and figures

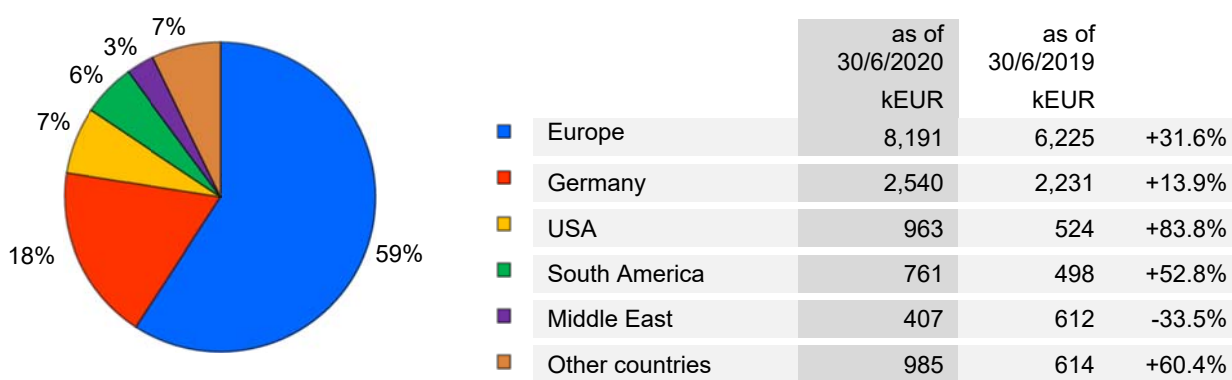
(in kEUR)

	II/20	I/20	IV/19	III/19	II/19
Sales	7,594	6,253	4,503	4,644	4,428
EBITDA margin	18.2%	10.7%	5.0%	13.3%	6.3%
EBIT	1,082	372	-198	304	-14
EPS (EUR)	0.15	0.06	-0.04	0.03	0.00
Cash flow	1,531	1,043	694	536	345

Sales development

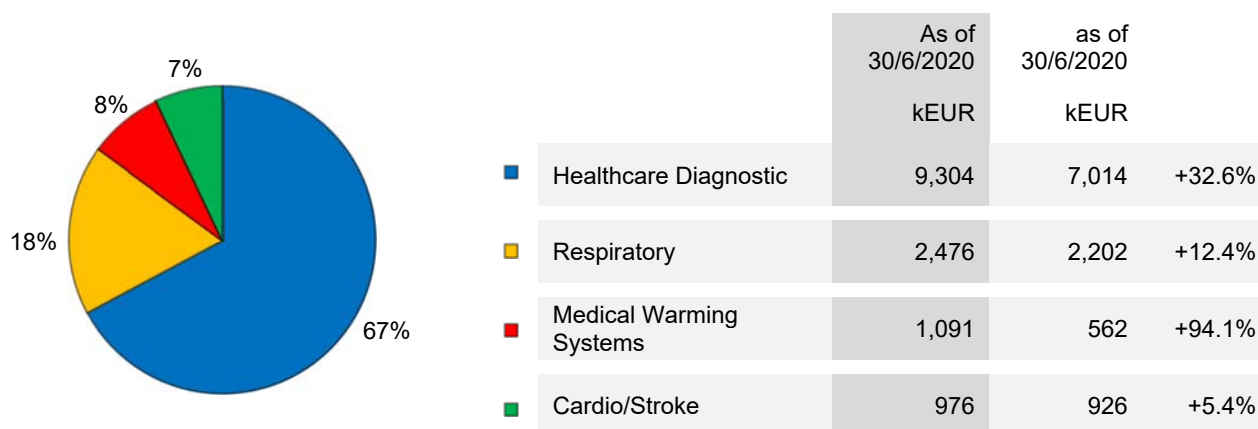
In the first six months, we managed to post a strong double-digit sales growth in almost every region. In Europe, our main sales market, sales increased by +31.6 %. On the German market, we were able to register a 13.9 % jump in sales. We also recorded strong growth on the US market, which posted an 83.8 % increase compared to the same reference period last year. On the South American market, there was also a strong jump in sales +52.8 % as a result of the coronavirus. Only in the Middle East, where we primarily sell blood pressure monitors, did we experience a decline in demand due to the “lockdown”. The sales in Other countries also showed a healthy increase of +60.4 %.

Sales by regions 1/1 to 30/6/2020



During the first six months of 2020, the export quota of Geratherm Medical was 81.7 % (2019: 79.2%). Geratherm products are exported to more than 60 countries.

Sales by segments 1/1 to 30/6/2020



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 +32.6 % to EUR 9.3 million during the first six months. We managed to post considerably stronger growth rates in the sales of clinical thermometers, which offset the decline in blood pressure monitors. Currently, the international demand for clinical thermometers is significantly higher than supply. The production capacities of Geratherm, which is one of the major clinical thermometer manufacturers, are already allocated with customer orders well into the next year.

In the Respiratory segment, where we offer sensors and products for testing pulmonary function, we also managed to record a healthy growth in sales of +12.4 % to EUR 2.5 million. A stronger growth in sales was limited by procurement problems in sensors and by the sharp drop in stress tests (spirometry/ergospirometry) as a result of international lockdown measures. Even visiting clinics and hospitals was only permitted to a very limited extent. We do expect a healthy increase in sales for the segment in the medium term. This is not only due to corona-related long-term lung damage but also the new country registrations. We do expect to get product approvals for China and Russia by the end of the year. By completing and moving into the new premises with improved organisational structures and processes, we have laid the groundwork for the company's planned growth.

Segment sales in Medical Warming Systems increased by +94.1 % to EUR 1.1 million compared to the same period last year as a result of lockdown measures being left in clinics and hospitals. LMT showed favourable sales development, amounting to EUR 1.018 million (+116.6 %) during the first six months. Our medical warming systems for operating rooms are currently still in the recertification process.

In the Cardio/Stroke segment, we were able to boost sales by +5.4 % to just under EUR 1 million in the past few months in spite of no hospital or clinic visits. apoplex medical also has a lot of good news to report. A contract was signed with the Berlin-based Vivantes Group for the integration of the SRAclinic product in all of its neurological clinics. Moreover, a framework agreement was signed with the Asklepios Group for the use of SRAclinic in all of the Group's neurological clinics and rehabilitation facilities. Other good news included apoplex installing its SRAclinic product in nine neurological clinics in Italy. For our new research project to develop an artificial intelligence application (AI) for the field of secondary stroke prevention, we received a committed funding from the EU in the amount of 400 kEUR.

Earnings situation

Earnings development during the first six months was impacted by a very strong second quarter. The strong demand for clinical thermometers and the elimination of export barriers due to lockdown measures in the individual countries led to a significantly higher earnings report.

The gross profit (EBITDA) was EUR 2.052 million (2019: EUR 1.509 million), an increase of 36.0 %. The EBITDA margin increased slightly from 14.1 % to 14.8 % compared to the same reference period last year. The write-offs increased by +5.8 % to 598 kEUR.

The operating result (EBIT) jumped by +54.2 % to EUR 1.454 million for the first six months of the current fiscal year. The EBIT margin increased to 10.5 % (2019: 8.8 %). Taking into account the financial result in the amount of -51 kEUR (2019: +15 kEUR), the result from ordinary business activities was EUR 1.403 million, representing an increase of 46.5 %.

Income taxes weighed on the result with 388 kEUR (2019: 368 kEUR). The consolidated net profit for the first six months of 2020 was EUR 1.015 million (2019: 590 kEUR). After taking into consideration the result attributable to minority interests, a net income of EUR 1.039 million (2019: 566 kEUR) was generated for the first half of the year for the shareholders of the parent company. The result per share for the first six months is EUR 0.21 (2019: EUR 0.11).

Net assets and financial situation

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 36.3 million is essentially formed by equity capital in the amount of EUR 20.2 million. The equity-to-assets ratio as of the reporting date was 55.7 % (2019: 61.3 %). The return of equity amounted to 10.3 % (2019: 6.2 %). The return on investment capital for the first six months of the current fiscal year is 6.0 % (2019: 4.0 %).

As of 30 June 2020, the company had cash, cash equivalents and securities in the amount of EUR 11.1 million (2019: EUR 6.4 million). Thus, the company has a healthy financial position to facilitate further growth. The long-term assets amounted to EUR 14.0 million (2019: EUR 11.6 million). The short-term assets increased by +7.6 % to EUR 22.4 million. Inventories decreased by -14.0 % to EUR 6.8 million. The accounts receivable and other assets increased by +33.1 % to EUR 4.5 million. The cash and cash equivalents available as at 30 June 2020 amounted to EUR 6.3 million (2019: EUR 3.1 million).

The gross cash flow for the first six months increased to EUR 2.574 million (2019: EUR 1.516 million). The cash flow from operations was EUR 2.091 million (2019: 571 kEUR). The cash flow from investments amounted to -EUR 2.006 million (2019: -EUR 2.093 million). The cash flow from financing activities was EUR 2.088 million (2019: -717 kEUR).

The total consolidated income including income and expenses recognised in equity was EUR 1.054 million (2019: 511 kEUR) for the first six months of the current business year.

Research and Development

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

After significant investment, LMT was able to get its new product generation approved in accordance with the new Medical Device Regulation (MDR). The other products of the Geratherm Group are gradually being adapted to the new MDR. Apoplex medical and Respiratory have ongoing research and development projects that focus on introducing artificial intelligence (AI) in existing product applications.

Annual general meeting

The annual general meeting of Geratherm Medical AG shareholders, which was scheduled to be held on 12 June 2020, had to be cancelled as a result of the prevailing circumstances relating to the coronavirus. The new date for the annual general meeting is 18 September 2020, at 2:00 PM in the “Grandhotel Hessischer Hof” in Frankfurt am Main.

Staff

The Geratherm Group had a staff of 229 persons in total as of 30 June 2020 (2019: 205) with 217 employees in Germany.

Outlook

The positive business development of the Geratherm Group is strongly influenced by the corona pandemic. The overall general conditions that are important for our company as a result of the pandemic are likely to last well into next year. Our existing customer base has expanded thanks to the healthy international demand for Geratherm products. We are assuming that the growth in sales and earnings will continue for the rest of the year.

Geratal, August 2020



Dr. Gert Frank
Chief Executive Officer

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

	April-June 2020 EUR	April-June 2019 EUR	Change	Jan.-June 2020 EUR	Jan.-June 2019 EUR	Change
Sales revenues	7,594,003	4,427,730	71.5%	13,847,276	10,703,927	29.4%
Change in inventory of finished products and work in process	-315,272	286,608	>100.0%	-705,637	374,852	>100.0%
Other capitalised own work	249,849	132,764	88.2%	301,772	192,264	57.0%
Other operating income	102,326	157,958	-35.2%	274,074	274,123	0.0%
	7,630,906	5,005,060	52.5%	13,717,485	11,545,166	18.8%
Cost of materials						
Cost of raw materials, consumables and goods for resale	-2,488,844	-1,369,293	81.8%	-4,272,690	-3,379,258	26.4%
Costs of purchased services	-314,205	-265,196	18.5%	-565,346	-581,139	-2.7%
	-2,803,049	-1,634,489	71.5%	-4,838,036	-3,960,397	22.2%
Gross profit or loss	4,827,857	3,370,571	43.2%	8,879,449	7,584,769	17.1%
Personnel costs						
Wages and salaries	-1,833,110	-1,609,702	13.9%	-3,425,651	-3,118,268	9.9%
Social security, pension and other benefits	-358,846	-338,994	5.9%	-689,024	-660,358	4.3%
	-2,191,956	-1,948,696	12.5%	-4,114,675	-3,778,626	8.9%
Other operating expenses	-1,254,578	-1,144,772	9.6%	-2,712,751	-2,297,597	18.1%
Gross profit (EBITDA)	1,381,323	277,103	>100.0%	2,052,023	1,508,546	36.0%
Amortisation of intangible assets and depreciation of tangible assets	-299,583	-291,192	2.9%	-598,496	-565,717	5.8%
Operating results	1,081,740	-14,089	>100.0%	1,453,527	942,829	54.2%
Income from securities trading	0	0	-	0	0	-
Securities-related expenses	-298	-911	-67.3%	-620	-2,147	-71.1%
Other interest and similar income	160	46,357	-99.7%	623	46,724	-98.7%
Interests and similar expenses	-26,199	-18,931	38.4%	-50,471	-29,835	69.2%
Financial results	-26,337	26,515	>100.0%	-50,468	14,742	>100.0%
Profit (loss) on ordinary business activities	1,055,403	12,426	>100.0%	1,403,059	957,571	46.5%
Income taxes	-188,393	-44,514	>100.0%	-387,676	-367,769	5.4%
Consolidated profit for the period	867,010	-32,088	>100.0%	1,015,383	589,802	72.2%
Net earnings of non-controlling shareholders in given period	115,228	-15,748	>100.0%	-23,606	24,038	>100.0%
Net earnings of the parent company's shareholders in given period	751,782	-16,340	>100.0%	1,038,989	565,764	83.6%
Earnings per share (undiluted)	0.15	0.00	-	0.21	0.11	90.9%

Consolidated balance sheet as at 30 June 2020

Assets	30/6/2020 EUR	31/12/2019 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	2,314,646	1,952,094	18.6%
2. Other intangible assets	222,051	244,432	-9.2%
3. Goodwill	1	1	0.0%
	2,536,698	2,196,527	15.5%
II. Tangible assets			
1. Land, land rights and buildings	3,332,682	3,396,137	-1.9%
2. Technical equipment and machinery	3,182,251	3,310,947	-3.9%
3. Other equipment, factory and office equipment	300,985	252,301	19.3%
4. Construction in process	2,367,461	1,323,247	78.9%
	9,183,379	8,282,632	10.9%
III. Rights of use	393,414	346,142	13.7%
IV. Financial assets accounted on basis of equity method	350,000	350,000	0.0%
V. Other financial assets	1,370,650	1,173,731	16.8%
VI. Other long-term receivables	121,120	127,437	-5.0%
	13,955,261	12,476,469	11.9%
B. Short-term assets			
I. Inventories			
1. Raw materials and supplies	2,192,208	2,318,131	-5.4%
2. Unfinished goods	1,447,040	1,252,899	15.5%
3. Finished goods and merchandise	3,126,899	4,293,693	-27.2%
	6,766,147	7,864,723	-14.0%
II. Receivables and other assets			
1. Trade receivables	3,563,123	2,505,893	42.2%
2. Receivables from current income taxes	184,119	360,385	-48.9%
3. Receivables from other taxes	243,974	167,827	45.4%
4. Other assets	509,215	346,794	46.8%
	4,500,431	3,380,899	33.1%
III. Securities	4,778,846	5,403,538	-11.6%
IV. Cash and cash equivalents	6,316,058	4,138,814	52.6%
	22,361,482	20,787,974	7.6%
	36,316,743	33,264,443	9.2%
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	3,406,430	2,703,227	26.0%
Assignable to the shareholders of the parent company	20,530,621	19,827,418	3.5%
Shareholders of minority interests	-295,632	-646,636	-54.3%
	20,234,989	19,180,782	5.5%
B. Non-current liabilities			
1. Liabilities to banks	6,994,861	5,208,328	34.3%
2. Accrued investment subsidies	1,291,040	1,347,995	-4.2%
3. Long-term leasing liabilities	147,145	63,011	>100.0%
4. Other long-term liabilities	425,478	409,989	3.8%
	8,858,524	7,029,323	26.0%
C. Deferred taxes	29,756	30,733	-3.2%
D. Current debts			
1. Liabilities to banks	2,313,109	2,057,920	12.4%
2. Trade accounts payables	1,383,461	1,410,724	-1.9%
3. Short-term leasing liabilities	253,047	290,301	-12.8%
4. Liabilities from current income taxes	21,076	41,016	-48.6%
5. Contractual liabilities	1,332,801	1,267,167	5.2%
6. Other tax liabilities	436,756	520,155	-16.0%
7. Other short-term liabilities	1,453,224	1,436,322	1.2%
	7,193,474	7,023,605	2.4%
	36,316,743	33,264,443	9.2%

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

	January- June 2020 KEUR	January- June 2019 KEUR
Consolidated profit for the period	1,015	590
Non-cash expenses and income of Geratherm do Brasil Ltda.	-178	0
Other non-cash expenses	760	-43
Interest earnings	0	-47
Interest expenses	48	26
Increase/ decrease in deferred taxes	-1	115
Income tax expenditure	388	368
Depreciation of fixed assets	453	435
Amortisation of usage rights	146	131
Amortisation of public grants and subsidies	-57	-59
Gross cash flow	2,574	1,516
Decrease/ increase in inventories	1,099	-669
Increase in trade receivables and other assets	-1,301	-111
Increase in current liabilities and other liabilities	-13	-19
Cash inflow from interest	0	47
Cash outflow from interest	-48	-26
Cash outflow for taxes	-220	-167
Cash flow from operations	2,091	571
Cash outflow for investments in intangible assets (without capitalised development costs) and tangible assets	-1,339	-1,186
Additions to capitalised development costs	-369	-106
Cash inflow from funding sources for investments	0	53
Cash inflow based on financial assets	0	0
Cash outflow based on financial assets	-298	-854
Cash flow from investments	-2,006	-2,093
Cash outflow for rental and lease liabilities	-146	-131
Dividend payments	0	-1,980
Cash inflow from taking out loan liabilities	2,659	1,500
Cash outflow for repayment of loan liabilities	-425	-106
Decrease/ increase in long-term liabilities	0	0
Cash flow from financing activities	2,088	-717
Change in cash and cash equivalents	2,173	-2,239
Cash and cash equivalents at beginning of reporting period	4,139	5,361
Exchange rate difference	4	-8
Cash and cash equivalents at end of reporting period	6,316	3,114

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

Geratherm Medical AG

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	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 1/1/2019	4,949,999	12,174,192	703,276	288,383	1,837,808	19,953,658	-357,718	19,595,940
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
Dividend paid to shareholders	0	0	0	0	-1,980,000	-1,980,000	0	-1,980,000
Transactions with shareholders and member partners	0	0	0	0	-1,923,068	-1,923,068	-56,932	-1,980,000
Consolidated earnings in period concerned	0	0	0	0	565,764	565,764	24,038	589,802
Unrealised profits and losses from valuation of securities	0	0	-27,759	0	0	-27,759	0	-27,759
Currency translation in the Group	0	0	0	-26,091	0	-26,091	-25,029	-51,120
Total consolidated income	0	0	-27,759	-26,091	565,764	511,914	-991	510,923
as of 30/6/2019	4,949,999	12,174,192	675,517	262,292	480,504	18,542,504	-415,641	18,126,863
as of 1/1/2020	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	0	0	0	0
Transactions with shareholders and member partners	0	0	0	0	0	0	0	0
Consolidated earnings in period concerned	0	0	0	0	1,038,989	1,038,989	-23,606	1,015,383
Unrealised profits and losses from valuation of securities	0	0	-725,208	0	0	-725,208	0	-725,208
Currency translation in the Group	0	0	0	389,422	0	389,422	374,610	764,032
Total consolidated income	0	0	-725,208	389,422	1,038,989	703,203	351,004	1,054,207
as of 30/6/2020	4,949,999	12,174,192	1,204,081	703,021	1,499,328	20,530,621	-295,632	20,234,989

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

Cardinal Health plc

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	1/1 - 30/6/2020 EUR	1/1 - 30/6/2019 EUR
Consolidated profit for the period	1,015,383	589,802
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	-725,208	-27,759
	-725,208	-27,759
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 IFRS 39	0	0
Difference resulting from currency translation	764,032	-51,120
	764,032	-51,120
Income and expenses directly included in equity capital	38,824	-78,879
Total consolidated income	1,054,207	510,923
of which assignable to shareholders of minority interest	351,004	-991
of which assignable to shareholders of parent company	703,203	511,914

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

By product groups	Healthcare Diagnostic Jan.-June kEUR	Respiratory Jan.-June kEUR	Medical Warming Systems Jan.-June kEUR	Cardio/Stroke Jan.-June kEUR	Consolidation Jan.-June kEUR	Reconciliation Jan.-June kEUR	Total Jan.-June kEUR
2020							
Segment sales	10,056	2,329	1,096	983	-617	0	13,847
Operating results	1,321	55	-132	231	119	-140	1,454
including:							
Amortisation/depreciation of intangible and tangible assets	315	68	22	35	133	25	598
Segment assets	13,794	4,573	3,448	2,770	0	11,732	36,317
Segment debts	11,366	2,834	713	1,139	0	0	16,052

Based on product groups	Healthcare Diagnostic Jan.-June kEUR	Respiratory Jan.-June kEUR	Medical Warming Systems Jan.-June kEUR	Cardio/Stroke Jan.-June kEUR	Consolidation Jan.-June kEUR	Reconciliation Jan.-June kEUR	Total Jan.-June kEUR
2019							
Segment sales	7,583	2,216	570	926	-591	0	10,704
Operating results	834	257	-412	2	120	142	943
including:							
Amortisation/depreciation of intangible and tangible assets	311	52	81	31	58	33	566
Segment assets *	13,208	4,211	3,465	2,496	0	5,971	29,351
Segment debts *	7,673	2,409	975	277	0	0	11,334

*Last year's figures have been adjusted.

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR
2020							
Sales revenues	8,191	796	3,122	407	963	985	14,464
Elimination of intragroup sales	0	-35	-582	0	0	0	-617
Sales revenues on third parties	8,191	761	2,540	407	963	985	13,847
Gross profit or loss	5,175	415	1,801	257	608	623	8,879
Operating results	1,006	-192	350	50	119	121	1,454
including:							
Amortisation and depreciation of intangible and tangible assets	355	17	124	18	42	42	598
Amortisation of public grants and subsidies	36	0	11	2	4	4	57
Acquisition costs of fixed assets for the period	0	0	1,708	0	0	0	1,708
Segment assets	0	886	35,323	0	108	0	36,317

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR
2019							
Sales revenues	6,225	514	2,806	612	524	614	11,295
Elimination of intragroup sales	0	-16	-575	0	0	0	-591
Sales revenues on third parties	6,225	498	2,231	612	524	614	10,704
Gross profit or loss	4,296	416	1,665	422	362	424	7,585
Operating results	436	216	169	43	36	43	943
including:							
Amortisation and depreciation of intangible and tangible assets	339	1	131	33	29	33	566
Amortisation of public grants and subsidies	36	0	13	4	3	3	59
Acquisition costs of fixed assets for the period	0	1	1,291	0	0	0	1,292
Segment assets *	0	894	28,397	0	60	0	29,351

*Last year's figures have been adjusted.

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

Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the first six months of the 2020 business 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 June 2020:

Company	Share quota 30/6/2020	Share quota 31/12/2019
GME Rechte und Beteiligungen GmbH, Geschwenda, Germany	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 <i>Subsidiary of LMT Lübeck</i>	80.00 %	80.00 %
<i>LMT Medical Systems Inc., Ohio, USA</i>	100.00 %	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 June 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.

These interim consolidated financial statements as at 30 June 2020 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 2020



Dr. Gert Frank
Chief Executive Officer

COMPANY CALENDAR 2020

Half-yearly Report 2020	20 August ✓
Quarterly report Q3/2020	19 November
Analyst meeting “Herbstkonferenz” Virtual 1on1 Summit	01 September
Annual general meeting in Frankfurt am Main “Grandhotel Hessischer Hof”	18 September

Geratherm Medical AG
Fahrenheitstraße 1
99331 Geratal
Phone: +49 36205 980
Fax: +49 36205/98 115
e-mail: info@geratherm.com
Internet: www.geratherm.com