

A man in a blue polo shirt is seen from the back, reaching out with his right arm towards a bright blue sky filled with white, fluffy clouds. He is wearing a black watch on his left wrist. The overall mood is one of hope and aspiration.

# Geratherm<sup>®</sup>

*SOLUTIONS FOR A  
HEALTHY WORLD*

Quarterly Statement Q1/2016

## GERATHERM

## AT A GLANCE

Facts and Figures	January- March 2016	January- March 2015	Change %
<b>Sales revenues</b>	<b>5,428 kEUR</b>	<b>5,350 kEUR</b>	<b>+1.5</b>
of which export share	4,626 kEUR	4,530 kEUR	+2.1
Export ratio	85 %	85 %	-
Gross result (EBITDA)	724 kEUR	929 kEUR	-22.1
<b>EBITDA margin</b>	<b>13.3 %</b>	<b>17.4 %</b>	<b>-23.6</b>
Amortisation or depreciation	-280 kEUR	-210 kEUR	+33.4
<b>Operating result (EBIT)</b>	<b>444 kEUR</b>	<b>719 kEUR</b>	<b>-38.3</b>
<b>EBIT margin</b>	<b>8.2%</b>	<b>13.4%</b>	<b>-38.8</b>
Financial result	-93 kEUR	-92 kEUR	+0.6
Result of ordinary activities	351 kEUR	627 kEUR	-44.0
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>237 kEUR</b>	<b>569 kEUR</b>	<b>-58.4</b>
Long-term assets	5,043 kEUR	4,545 kEUR	+11.0
Short-term assets	24,926 kEUR	24,884 kEUR	+0.2
Balance sheet total	29,969 kEUR	29,429 kEUR	+1.8
Equity capital	22,174 kEUR	21,130 kEUR	+4.9
Return on equity	4.3 %	10.8 %	-60.3
Equity ratio	74.0 %	71.8 %	+3.1
Cash, cash equivalents and securities	14,148 kEUR	13,972 kEUR	+1.3
<b>Earnings per share according to IFRS (EPS)*</b>	<b>EUR 0.05</b>	<b>EUR 0.11</b>	<b>-54.5</b>
<b>Earnings per share according to DVFA*</b>	<b>EUR 0.05</b>	<b>EUR 0.11</b>	<b>-54.5</b>
Number of employees at end of period	194	160	+21.3
Unit shares	4,949,999	4,949,999	-
* based on united shares in circulation	4,949,999	4,949,999	-

## Business Performance from 1 January to 31 March 2016

- Sales revenues EUR 5.4 million +1.5 %
- Gross result (EBITDA) 724 kEUR -22.1 %
- Operating result (EBIT) 444 kEUR -38.3 %
- Results from ordinary business activities 351 kEUR -44.0 %
- Earnings after taxes (EAT) 237 kEUR -58.4 %
- EPS 5 EUR cents (p.y. 11 EUR cents)

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

During the first quarter of 2016, Geratherm Medical posted on the whole a less dynamic performance compared to the very healthy results reported for the same quarter last year. The sales revenues increased by +1.5 % over the same reference period last year with an export share of 85 %.

The planned sales expansion during the course of 2016 resulted in an above-average increase in personnel expenses by 226 kEUR (+18.5 %) from 160 to 194 employees. This is currently the main reason for the temporary lower level of earnings reported compared to the same period last year. If these up-front costs are not taken into account, the quality of earnings is on the level of the very good results reported for the same quarter last year. The gross profit of the overall group amounts to EUR 3.531 million, a slight drop of 0.2 %.

The EBITDA margin decreased as a result of the higher personnel costs to 13.3 % (p.y. 17.4 %). The operating result (EBIT) was during the first quarter 444 kEUR (p.y. 719 kEUR). The financial result amounted to -93 kEUR (p.y.: -92 kEUR). The result from ordinary business activities amounted to 351 kEUR (p.y. 627 kEUR). The shareholders' result after taxes was 237 kEUR (p.y. 569 kEUR) or EUR 0.05 per share (p.y. EUR 0.11).

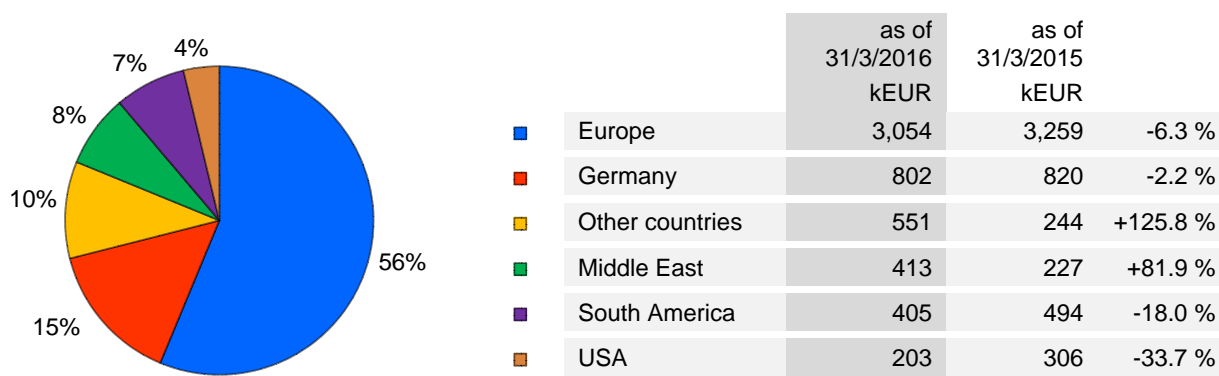
## Facts and figures (in kEUR)

	I/16	IV/15	III/15	II/15	I/15
Sales	5,428	5,675	5,260	5,304	5,350
EBITDA margin	13.3%	12.3%	15.7%	18.3%	17.4%
EBIT	444	444	611	760	719
EPS (EUR)	0.05	0.18	0.16	0.10	0.11
Cash flow	756	620	1,006	1,049	581

## Sales development

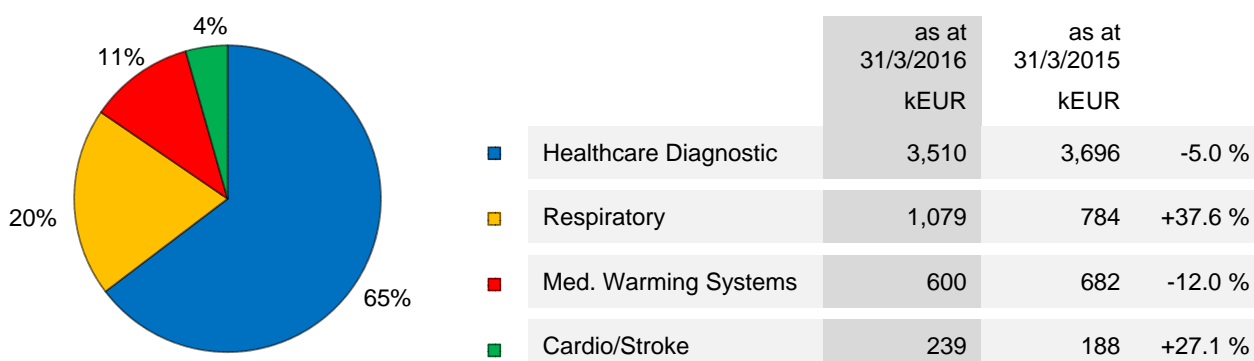
Sales exhibited a relatively varied development in the individual regions during the first quarter of the current year. The regions with the strongest sales were Middle East and Other countries which managed to post a considerable sales growth. On the U.S. market we experienced a relatively weak development. This can in part be attributed to the fact that our subsidiary LMT Medical did not settle any large-scale project as in the same reference period last year. We expect this to adjust once again during the course of the year. The market in Germany remained relatively stable with a slight decrease. We also posted a weaker performance on the European market. The quarterly sales are presented by the regions with a comparison to the same quarter last year, which showed a volatile sales growth of +39.1 %.

## Sales by regions 1/1 - 31/3/2016



The Respiratory and Cardio/Stroke segments in particular managed to report a dynamic sales performance as part of the stable sales development recorded by the Geratherm Group during the first three months.

## Sales by segments 1/1 - 31/3/2016



The Healthcare Diagnostic segment, which primarily distributes clinical thermometers, blood pressure monitors and women's healthcare products internationally to pharmacies and drugstores, reported a drop of -5.0 %. The demand for digital clinical thermometers and blood pressure monitors showed weaker development. The Healthcare Diagnostic segment accounted for 64.7 % of the overall sales generated (p.y. 69.1 %).

The Respiratory segment, in which we offer products for testing pulmonary function, reported again a healthy +37.6 % growth in sales. Business development in this segment was very positive in terms of sales and earnings. Internationally, we enjoyed a high demand for our products. This positive development should continue over the next few months ahead.

Segment sales in the Medical Warming Systems business unit was weaker for the first three months and posted a 12.0 % drop compared to the same reference period last year. The reason was attributed to a delay in projects from important customers of LMT Medical, which are integrated in the segment sales. The Medical Warming Systems product segment belonging to Geratherm Medical and which are developed specifically for hospitals and clinics managed to post a sales growth of +36.4 %. This is based on the 30 warming systems that were delivered to a new hospital in Dubai.

The Cardio/Stroke segment continued its growth course of +27.1 % for the first three months of the current year. We are optimistic that this segment will clearly generate more than EUR 1 million in 2016.

### Earnings situation

The quality of earnings from business operations was lower for the first three months of the year due to increased up-front costs. With an EBITDA margin of 13.3 % and an EBIT margin of 8.2 % we are currently below our target margins. We do assume that this development will improve considerably during the course of the year.

The gross margin of the overall performance amounted for the first three months to 62.5 % (p.y. 62.8 %). The gross profit (EBITDA) was 724 kEUR (p.y. 929 kEUR). The write-offs increased to 280 kEUR (p.y. 210 kEUR).

The operating result (EBIT) was 444 kEUR (p.y. 719 kEUR). Of the financial result in the amount of -93 kEUR, the interest charges of the Geratherm do Brasil subsidiary accounted for 78 kEUR. The result from ordinary business activities for the first three months of the current fiscal year to 351 kEUR (p.y. 627 kEUR). If the up-front costs due to personnel recruitment in the amount of 226 kEUR and the burden of approx. 70 kEUR based on the stronger value of the USD are taken into consideration, the operating result is on par with the very good performance noted for the same quarter last year.

Income taxes amounted to 108 kEUR (p.y. 248 kEUR). The effective taxes amounted, however, to only 57 kEUR. The remaining amount of 51 kEUR accounted for the reduction of non-cash effective deferred tax assets due to the use of losses carried forward. All in all, a consolidated net profit for the first three months in the amount of 243 kEUR (p.y. 379 kEUR) was reported.

The net result generated for shareholders of the parent company amounted to 237 kEUR (p.y. 569 kEUR) for the first three months of the current business year. The result per share for the first quarter of 2016 was 5 EUR cent (p.y. 11 EUR cent).

## Net assets and financial situation

The asset situation of Geratherm Medical is still very healthy. The balance sheet total of EUR 30.0 million is essentially formed by equity capital in the amount of EUR 22.2 million. The equity-to-assets ratio as of the reporting date was 74.0 % (p.y. 71.8 %). The return on equity amounted to 4.3 % (p.y. 10.8 %).

As of 31 March 2016 the company had cash, cash equivalents and securities in the amount of EUR 14.2 million (p.y. EUR 14.7 million). Thus, the company has a healthy financial position, particularly in light of the planned growth in sales.

The long-term assets amounted to EUR 5.0 million (p.y. EUR 4.9 million). Major shifts in the development of long-term assets were not noted.

The same can be said with regard to the short-term assets as well. These declined slightly by -1.8 % to EUR 24.9 million. Inventory volumes and other assets essentially remained on the same level as during the same reference period last year. The securities held item increased by +7.1 % to EUR 5.4 million. The cash and cash equivalents declined slightly by 9.4 % to EUR 8.8 million.

The gross cash flow for the first three months amounted to 756 kEUR (p.y. 581 kEUR). The cash flow from business operations was 202 kEUR (p.y. 686 kEUR). The cash flow from investments amounted to -954 kEUR (p.y. 76 kEUR). Cash outflow for investments essentially involved newly acquired fixed assets, in particular the tank for the production of medical capillaries.

## Research and development

Our research and development activities are currently still focused primarily on our Warming Systems and Respiratory segments. In the Warming Systems segment, we are working on obtaining approval for a new operating room system. LMT Medical is currently developing a new generation of incubators. We will continue to push projects based on developing products for cooling patients after launching our new warming systems.

## Staff

The Geratherm Group had a staff of 194 persons in total as of 31 March 2016 (p.y. 160) with 178 employees in Germany.

## Outlook

We are anticipating that sales and earnings will continue to develop in a stable manner during the second quarter. The planned increases in production capacities, especially at the Geschwenda plant, are expected to take effect at the end of the second quarter.

This year's annual general meeting will take place on Monday, 6 June 2016, at 1:30 PM in the Messeturm, 10th floor, conference room "Kappa", in Frankfurt am Main. We are looking forward to maintaining dialog with our shareholders.

Geschwenda, May 2016



Dr. Gert Frank  
Chairman of the Board



## Statement of comprehensive income for the period January 1, 2016 to March 31, 2016

	Jan.-March 2016 EUR	Jan.-March 2015 EUR	Change
Sales revenue	5,427,913	5,350,114	1.5%
Change in stocks of finished and unfinished goods	-5,660	-153,292	-96.3%
Other own work capitalized	24,886	2,295	>100.0%
Other operating income	200,774	438,226	-54.2%
	<b>5,647,913</b>	<b>5,637,343</b>	<b>0.2%</b>
<b>Material costs</b>			
Costs for consumables, supplies and goods and for specific products	-1,790,998	-1,988,789	-9.9%
Costs of purchased services	-326,164	-110,153	>100.0%
	<b>-2,117,162</b>	<b>-2,098,942</b>	<b>0.9%</b>
<b>Gross profit</b>	<b>3,530,751</b>	<b>3,538,401</b>	<b>-0.2%</b>
<b>Personnel expenses</b>			
Wages and salaries	-1,188,989	-998,787	19.0%
Social contributions and expenditures for pensions	-258,185	-222,131	16.2%
	<b>-1,447,174</b>	<b>-1,220,918</b>	<b>18.5%</b>
Depreciation of intangible assets and tangible fixed assets	-279,916	-209,888	33.4%
Other operating expenditure	-1,360,034	-1,388,440	-2.0%
	<b>443,627</b>	<b>719,155</b>	<b>-38.3%</b>
<b>Operating results</b>	<b>443,627</b>	<b>719,155</b>	<b>-38.3%</b>
Income from dividends	0	0	-
Income from sale of securities	0	0	-
Depreciation of securities	0	0	-
Expenses from securities	-1,639	-1,500	9.3%
Other interest and related income	1,127	1,669	-32.5%
Interests and similar expenses	-92,043	-92,147	-0.1%
	<b>-92,555</b>	<b>-91,978</b>	<b>0.6%</b>
<b>Financial result</b>	<b>-92,555</b>	<b>-91,978</b>	<b>0.6%</b>
<b>Result of normal business activity</b>	<b>351,072</b>	<b>627,177</b>	<b>-44.0%</b>
Taxes on income and profit	-108,218	-248,390	-56.4%
	<b>242,854</b>	<b>378,787</b>	<b>-35.9%</b>
<b>Group net profit for the period</b>	<b>242,854</b>	<b>378,787</b>	<b>-35.9%</b>
Result of non-controlling shareholders for the period	6,223	-190,171	-
	<b>236,631</b>	<b>568,958</b>	<b>-58.4%</b>
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>236,631</b>	<b>568,958</b>	<b>-58.4%</b>
<b>Gross result for first quarter of year (EBITDA)</b>	<b>723,543</b>	<b>929,043</b>	<b>-22.1%</b>
<b>Earnings per share undiluted</b>	<b>0.05</b>	<b>0.11</b>	<b>-54.5%</b>

## Statement of financial position as at the end of the period by March 31, 2016

Assets	31. March 2016 EUR	31. December 2015 EUR	Change
<b>A. Long-term assets</b>			
<b>I. Intangible assets</b>			
1. Development costs	152,618	161,491	-5.5%
2. Other intangible assets	338,193	366,234	-7.7%
3. Goodwill	75,750	75,750	0.0%
	<b>566,561</b>	<b>603,475</b>	<b>-6.1%</b>
<b>II. Tangible assets</b>			
1. Land and buildings	1,256,505	1,021,961	23.0%
2. Plant and machinery	2,212,868	2,254,680	-1.9%
3. Other plants, operating and office equipment	320,015	311,484	2.7%
4. Assets under construction	99,040	134,412	-26.3%
	<b>3,888,428</b>	<b>3,722,537</b>	<b>4.5%</b>
<b>III. Other assets</b>	<b>270,000</b>	<b>270,000</b>	<b>0.0%</b>
<b>IV. Other long-term receivables</b>	<b>229,457</b>	<b>123,045</b>	<b>86.5%</b>
<b>V. Deferred taxes</b>	<b>88,208</b>	<b>139,642</b>	<b>-36.8%</b>
	<b>5,402,654</b>	<b>4,858,699</b>	<b>3.8%</b>
<b>B. Current assets</b>			
<b>I. Inventories</b>			
1. Raw, auxiliary and operating materials	2,203,192	2,148,258	2.6%
2. Unfinished products	1,287,045	1,317,323	-2.3%
3. Finished products and goods	3,394,744	3,349,944	1.3%
	<b>6,884,981</b>	<b>6,815,525</b>	<b>1.0%</b>
<b>II. Receivables and other assets</b>			
1. Trade accounts receivable	3,329,338	3,125,080	6.5%
2. Tax claims	181,347	303,731	-40.3%
3. Other assets	382,567	446,595	-14.3%
	<b>3,893,252</b>	<b>3,875,406</b>	<b>0.5%</b>
<b>III. Securities</b>	<b>5,372,724</b>	<b>5,015,682</b>	<b>7.1%</b>
<b>IV. Means of payment</b>	<b>8,774,976</b>	<b>9,682,703</b>	<b>-9.4%</b>
	<b>24,925,933</b>	<b>25,389,316</b>	<b>-1.8%</b>
	<b>29,968,587</b>	<b>30,248,015</b>	<b>-0.9%</b>
<b>Equity and Liabilities</b>			
<b>A. Equity</b>			
I. Subscribed capital	4,949,999	4,949,999	0.0%
II. Capital reserves	11,035,367	11,035,367	0.0%
III. Other reserves	6,773,528	6,523,091	3.8%
Attributable to parent company shareholders	22,758,894	22,508,457	1.1%
Non-controlling shareholders	-584,544	-569,240	2.7%
	<b>22,174,350</b>	<b>21,939,217</b>	<b>1.1%</b>
<b>B. Non-current liabilities</b>			
1. Liabilities to banks	1,686,563	1,533,697	10.0%
2. Accrued investment subsidies	447,102	474,221	-5.7%
3. Other long-term liabilities	801,200	791,228	1.3%
	<b>2,934,865</b>	<b>2,799,146</b>	<b>4.8%</b>
<b>C. Current liabilities</b>			
1. Amounts owed to credit institutions	931,861	1,144,682	-18.6%
2. Advances received	328,784	305,790	7.5%
3. Trade accounts payable	1,378,424	1,707,003	-19.2%
4. Tax liabilities	601,476	638,373	-5.8%
5. Other current liabilities	1,618,827	1,713,804	-5.5%
	<b>4,859,372</b>	<b>5,509,652</b>	<b>-11.8%</b>
	<b>29,968,587</b>	<b>30,248,015</b>	<b>-0.9%</b>

## Statement of cash flow for the period January 1, 2016 to March 31, 2016

	January – March 2016 kEUR	January – March 2015 kEUR
Group net profit for the period	243	379
Other non-cash expenses	61	-318
Dividend income	0	0
Interest income	-1	-2
Interest paid	92	92
Decrease in deferred taxes	51	179
Expenditure from income taxes	57	69
Depreciation of fixed assets	280	210
Income from the sale of securities	0	0
Losses from securities trading	0	0
Depreciation of securities	0	0
Amortization of allowances and subsidies	-27	-28
Loss on disposal of fixed assets	0	0
<b>Gross cash flow</b>	<b>756</b>	<b>581</b>
Increase/decrease in inventories	-69	357
Increase in trade receivables and other assets	-124	-728
Decrease/increase in current and other liabilities	-100	557
Cash from dividends	0	0
Inflow from interest	1	2
Outflow from interest	-92	-92
Inflow of taxes	-170	9
<b>Cash flow from operations</b>	<b>202</b>	<b>686</b>
previous year adjusted		
Outflow for investment in fixed assets	-634	-76
Inflow from funds for investments	0	0
Payments from financial investments	-320	0
<b>Cash flow from investments</b>	<b>-954</b>	<b>-76</b>
Cash inflow from non-controlling shareholders	0	80
Distribution of profits to non-controlling shareholders	0	0
Dividend distribution	0	0
Proceeds from the repayment of loans	73	162
Outflows for the repayment of loans	-133	-599
Increase in fixed liabilities	10	0
<b>Cash flow from financing activities</b>	<b>-50</b>	<b>-357</b>
<b>Change in cash and cash equivalents</b>	<b>-802</b>	<b>253</b>
<b>Cash and cash equivalents at the start of the reporting period</b>	<b>9,683</b>	<b>8,869</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-106</b>	<b>383</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,775</b>	<b>9,505</b>

## Statement of changes in equity for the period by March 31, 2016

	Subscribed capital	Capital reserves	Other reserves			To be assigned to the shareholders of the parent company	Non-controlling interests	Equity capital
			Market valuation reserve	Currency conversion reserves	Accumulated earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>As of January 1, 2015</b>	<b>4,949,999</b>	<b>11,035,367</b>	<b>659,054</b>	<b>16,963</b>	<b>4,047,646</b>	<b>20,709,029</b>	<b>-366,071</b>	<b>20,342,958</b>
Increase in share capital of subsidiary Geratherm Medical do Brasil Ltda.	0	0	0	0	0	0	79,690	79,690
Dividend payment to shareholders	0	0	0	0	0	0	0	0
<b>Transaction with associates and shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,690</b>	<b>79,690</b>
Group period result	0	0	0	0	568,958	568,958	-190,171	378,787
Unrealized profits and losses from valuation of securities	0	0	263,571	0	0	263,571	0	263,571
Currency translation in group	0	0	0	33,039	0	33,039	31,742	64,781
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>263,571</b>	<b>33,039</b>	<b>568,958</b>	<b>865,568</b>	<b>-158,429</b>	<b>707,139</b>
<b>As of March 31, 2015</b>	<b>4,949,999</b>	<b>11,035,367</b>	<b>922,625</b>	<b>50,002</b>	<b>4,616,604</b>	<b>21,574,597</b>	<b>-444,810</b>	<b>21,129,787</b>
<b>As of January 1, 2016</b>	<b>4,949,999</b>	<b>11,035,367</b>	<b>865,252</b>	<b>116,856</b>	<b>5,540,983</b>	<b>22,508,457</b>	<b>-569,240</b>	<b>21,939,217</b>
Increase in share capital of subsidiary Geratherm Medical do Brasil Ltda.	0	0	0	0	0	0	0	0
Dividend payment to shareholders	0	0	0	0	0	0	0	0
<b>Transaction with associates and shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Group period result	0	0	0	0	236,631	236,631	6,223	242,854
Unrealized profits and losses from valuation of securities	0	0	37,435	0	0	37,435	0	37,435
Currency translation in group	0	0	0	-23,629	0	-23,629	-21,527	-45,156
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>37,435</b>	<b>-23,629</b>	<b>236,631</b>	<b>250,437</b>	<b>-15,304</b>	<b>235,133</b>
<b>As of March 31, 2016</b>	<b>4,949,999</b>	<b>11,035,367</b>	<b>902,687</b>	<b>93,227</b>	<b>5,777,614</b>	<b>22,758,894</b>	<b>-584,544</b>	<b>22,174,350</b>

## Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2016 to March 31, 2016

	01.01.-31.03.2016 EUR	01.01.-31.03.2015 EUR
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>242,854</b>	<b>378,787</b>
<b>Income and expenses directly included in equity capital Which are reclassified under specific conditions to profit or loss:</b>		
Profit and losses from the revaluation of securities	37,435	263,571
Difference resulting from currency translation	-45,156	64,781
<b>Income and expenses directly included in equity capital</b>	<b>-7,721</b>	<b>328,352</b>
<b>Total consolidated income</b>	<b>235,133</b>	<b>707,139</b>
Of which for non-controlling shareholders	-15,304	-158,429
Of which for parent company shareholders	250,437	865,568

## Segment Report for the period from January 1, 2016 to March 31, 2016

According to product segments	Healthcare Diagnostic Jan.- March kEUR	Respiratory Jan.- March kEUR	Med. Warming Systems Jan.- March kEUR	Cardio/ Stroke Jan.- March kEUR	Consolidation Jan.- March kEUR	Reconciliation Jan.- March kEUR	Total Jan.- March kEUR
2016							
<b>Segment revenues</b>	<b>3,932</b>	<b>1,003</b>	<b>601</b>	<b>238</b>	<b>-346</b>	<b>0</b>	<b>5,428</b>
<b>Operating results</b>	<b>451</b>	<b>100</b>	<b>-138</b>	<b>33</b>	<b>-14</b>	<b>12</b>	<b>444</b>
of which:							
Amortization of intangible assets and depreciation of tangible assets	210	7	29	5	-5	34	280
<b>Segment assets</b>	<b>10,602</b>	<b>1,853</b>	<b>2,899</b>	<b>443</b>	<b>0</b>	<b>14,084</b>	<b>29,881</b>
<b>Segment liabilities</b>	<b>6,078</b>	<b>449</b>	<b>759</b>	<b>509</b>	<b>0</b>	<b>0</b>	<b>7,795</b>

According to product segments	Healthcare Diagnostic Jan.- March kEUR	Respiratory Jan.- March kEUR	Med. Warming Systems Jan.- March kEUR	Cardio/ Stroke Jan.- March kEUR	Consolidation Jan.- March kEUR	Reconciliation Jan.- March kEUR	Total Jan.- March kEUR
2015							
<b>Segment revenues</b>	<b>3,960</b>	<b>770</b>	<b>569</b>	<b>188</b>	<b>-137</b>	<b>0</b>	<b>5,350</b>
<b>Operating results</b>	<b>652</b>	<b>2</b>	<b>-5</b>	<b>45</b>	<b>-149</b>	<b>174</b>	<b>719</b>
of which:							
Amortization of intangible assets and depreciation of tangible assets	134	15	9	3	1	48	210
<b>Segment assets</b>	<b>10,498</b>	<b>1,817</b>	<b>2,613</b>	<b>424</b>	<b>0</b>	<b>13,671</b>	<b>29,023</b>
<b>Segment liabilities</b>	<b>6,512</b>	<b>412</b>	<b>853</b>	<b>522</b>	<b>0</b>	<b>0</b>	<b>8,299</b>

According to regions	Europe Jan.-March kEUR	South America Jan.-March kEUR	Germany Jan.-March kEUR	Middle East Jan.-March kEUR	USA Jan.-March kEUR	Others Jan.-March kEUR	Total Jan.-March kEUR
2016							
<b>Sales revenue</b>	<b>3,054</b>	<b>406</b>	<b>1,148</b>	<b>413</b>	<b>203</b>	<b>551</b>	<b>5,775</b>
Elimination of intercompany Sales	0	-1	-346	0	0	0	-347
<b>Sales revenue to third parties</b>	<b>3,054</b>	<b>405</b>	<b>802</b>	<b>413</b>	<b>203</b>	<b>551</b>	<b>5,428</b>
<b>Gross profit or loss</b>	<b>1,975</b>	<b>267</b>	<b>534</b>	<b>267</b>	<b>131</b>	<b>357</b>	<b>3,531</b>
<b>Operating results</b>	<b>238</b>	<b>50</b>	<b>65</b>	<b>32</b>	<b>16</b>	<b>43</b>	<b>444</b>
of which:							
Amortization/depreciation of intangible assets and tangible assets	168	2	46	23	11	30	280
Amortization of public grants and subsidies	17	0	4	2	1	3	27
<b>Acquisition costs of fixed assets for the period</b>	<b>0</b>	<b>3</b>	<b>406</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>409</b>
<b>Segment assets</b>	<b>0</b>	<b>1,521</b>	<b>28,292</b>	<b>0</b>	<b>68</b>	<b>0</b>	<b>29,881</b>

According to regions	Europe Jan.-March kEUR	South America Jan.-March kEUR	Germany Jan.-March kEUR	Middle East Jan.-March kEUR	USA Jan.-March kEUR	Others Jan.-March kEUR	Total Jan.-March kEUR
2015							
<b>Sales revenue</b>	<b>3,259</b>	<b>514</b>	<b>937</b>	<b>227</b>	<b>306</b>	<b>244</b>	<b>5,487</b>
Elimination of intercompany Sales	0	-20	-117	0	0	0	-137
<b>Sales revenue to third parties</b>	<b>3,259</b>	<b>494</b>	<b>820</b>	<b>227</b>	<b>306</b>	<b>244</b>	<b>5,350</b>
<b>Gross profit or loss</b>	<b>2,200</b>	<b>258</b>	<b>554</b>	<b>153</b>	<b>207</b>	<b>165</b>	<b>3,537</b>
<b>Operating results</b>	<b>699</b>	<b>-309</b>	<b>176</b>	<b>49</b>	<b>66</b>	<b>52</b>	<b>733</b>
of which:							
Amortization/depreciation of intangible assets and tangible assets	139	3	35	10	13	10	210
Amortization of public grants and subsidies	19	0	5	1	2	1	28
<b>Acquisition costs of fixed assets for the period</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76</b>
<b>Segment assets</b>	<b>0</b>	<b>2,117</b>	<b>26,906</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,023</b>

## Notes on Interim Consolidated Financial Statements for the Period from 1 January 2016 to 31 March 2016

### Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the three months of the 2016 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 2015 Fiscal Year.

The valuation of assets and liabilities is based in part on estimates and/or assumptions about future developments. For instance, the statements on economic useful lives for long-term intangible and tangible assets are based on estimates and assumptions. In addition, the assessment of the recoverability of deferred taxation allocated to the losses carried forward, the long-term decline in value from the fair valuation of assets available for sale and the impairment tests of the cash-generating units and the 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.

### Consolidated group

The following changes occurred in the consolidation group as at 31 March 2016:

Company	Share quota 31/3/2016	Share quota 31/12/2015
GME Rechte und Beteiligungen GmbH, Geschwenda, Deutschland	100.00 %	100.00 %
apoplex medical technologies GmbH, Pirmasens, Germany	58.76 %	58.76 %
Geratherm Respiratory GmbH, Bad Kissingen, Germany	61.27 %	61.27 %
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>	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 amounts all in all to EUR 4,949,999 as at 31 March 2016 (p.y. EUR 4,949,999) and is divided into 4,949,999 (p.y. 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.



## COMPANY CALENDAR 2016

Annual General Meeting in Frankfurt am Main, Messeturm, 10 <sup>th</sup> floor, conference room "Kappa"	6 <sup>th</sup> June
Quarterly Statement 1 <sup>st</sup> quarter	24 <sup>th</sup> May ✓
Half yearly report	23 <sup>rd</sup> August
Quarterly Statement 3 <sup>rd</sup> quarter	22 <sup>nd</sup> November

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