

Geratherm®

SOLUTIONS FOR A
HEALTHY WORLD



GERATHERM

AT A GLANCE

Facts and figures	January - September 2019	January - September 2018	Change %
Sales revenues	15,348 kEUR	15,628 kEUR	-1.8 %
of which export share	12,116 kEUR	13,030 kEUR	-7.0 %
Export ratio	79 %	83 %	-4.8 %
Gross result for period under review (EBITDA)	2,128 kEUR	1,851 kEUR	14.9 %
EBITDA margin	13.9 %	11.8 %	17.8 %
Amortisation and depreciation	-881 kEUR	-588 kEUR	49.8 %
Operating result (EBIT)	1,247 kEUR	1,263 kEUR	-1.3 %
EBIT margin	8.1 %	8.1 %	0.0 %
Financial results	-1 kEUR	316 kEUR	>-100.0%
Profit (loss) on ordinary business activities	1,246 kEUR	1,579 kEUR	-21.1 %
Net earnings of the parent company's shareholders in given period	765 kEUR	1,123 kEUR	-31.9 %
Long-term assets	12,244 kEUR	8,050 kEUR	52.1 %
Short-term assets	20,670 kEUR	20,485 kEUR	0.9 %
Balance sheet total	32,914 kEUR	28,535 kEUR	15.3 %
Equity capital	19,131 kEUR	19,964 kEUR	-4.2 %
Return on equity	5.3 %	7.5 %	-28.9 %
Equity ratio	58.1 %	70.0 %	-17.0 %
Cash, cash equivalents and securities	9,205 kEUR	9,001 kEUR	2.3 %
Net result per share for given period according to IFRS (EPS)*	EUR 0.15	EUR 0.23	-34.8 %
Net result per share for given period as per DVFA* (German Association for Financial Analyses and Asset Management)	EUR 0.15	EUR 0.23	-34.8 %
Number of employees at end of period	208	207	0.5 %
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 2019

- Sales revenues EUR 15.4 million -1.8 %
- Gross result for the period under review (EBITDA) 2,128 kEUR +14.9 %
- Operating result (EBIT) 1,247 kEUR (2018: 1,263 kEUR)
- EBIT margin 8.1 % (2018: 8.1 %)
- Results from ordinary activities 1,246 kEUR (2018: 1,579 kEUR)
- New production facility in planning for Geratherm Respiratory
- Delays in product delivery of the new LMT “nomag[®] Incubator” burden, delivery in the 4th quarter of 2019
- Earnings per share EUR 0.15 (2018: EUR 0.23)

Dear Shareholders and Parties Interested in Geratherm Medical,

During the first nine months of the year, Geratherm posted a stable sales performance as a whole. We were able to clearly increase our gross profit during the third quarter of the year in spite of a decline in sales, where the increase can be attributed to the growing sales for higher-margin products. The sales and earnings report was affected by the lack of sales of LMT products. This should be balanced out by the 4th quarter of 2019.

Geratherm Medical's sales amounted to EUR 15.4 million on a nine-month basis, which represents a slight decline of -1.8 %. The gross profit increased by +5.7 % and accounted for 72.0 % of sales (2018: 66.9 %), while the EBITDA margin of business operations amounted to 13.9 % (2018: 11.8 %). The EBIT margin amounted to 8.1 % (2018: 8.1 %).

The third quarter was considerably stronger in terms of earnings than the same period last year. In terms of sales, we posted a drop of -11.6 %.

With EUR 5.226 million, the company's overall performance was at -0.4 % only slightly below the prior year's level. The higher inventories will be delivered in the fourth quarter. The operating result (EBIT) during the third quarter was 304 kEUR (2018: 112 kEUR) considerably higher than the level attained last year.

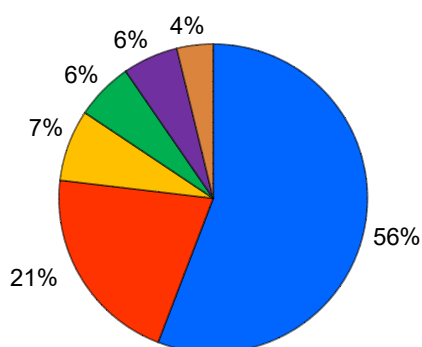
Facts and figures (in kEUR)

	III/19	II/19	I/19	IV/18	III/18
Sales	4,644	4,428	6,276	5,894	5,256
EBITDA margin	13.3%	6.3%	19.6%	16.1%	5.5%
EBIT	304	-14	957	724	112
EPS (EUR)	0.03	0.00	0.12	0.00	0.00
Cash flow	536	345	1,171	690	149

Sales development

Sales development in the first nine months varied in the individual regions. All in all, we were able to maintain the sales level of the previous year. In our main sales market Europe, sales did decrease by -8.2 % during the first nine months. Sales posted for the German market were favourable; we managed to post a growth of +24.4 %. As expected, the Middle East region was also able to considerably increase sales by +63.7 % after obtaining the necessary product approvals. Sales on the US market were weaker. That resulted in a decrease of -29.5 %. The reasons for this were the lower sales of our gallium-filled thermometers as well as the lack of sales posted by LMT Medical on the US market. After a difficult phase, sales generated in South America showed once again favourable growth of 27.4 % for the first nine months of the current business year. The sales in Other countries dropped by -27.4 % during the period under review.

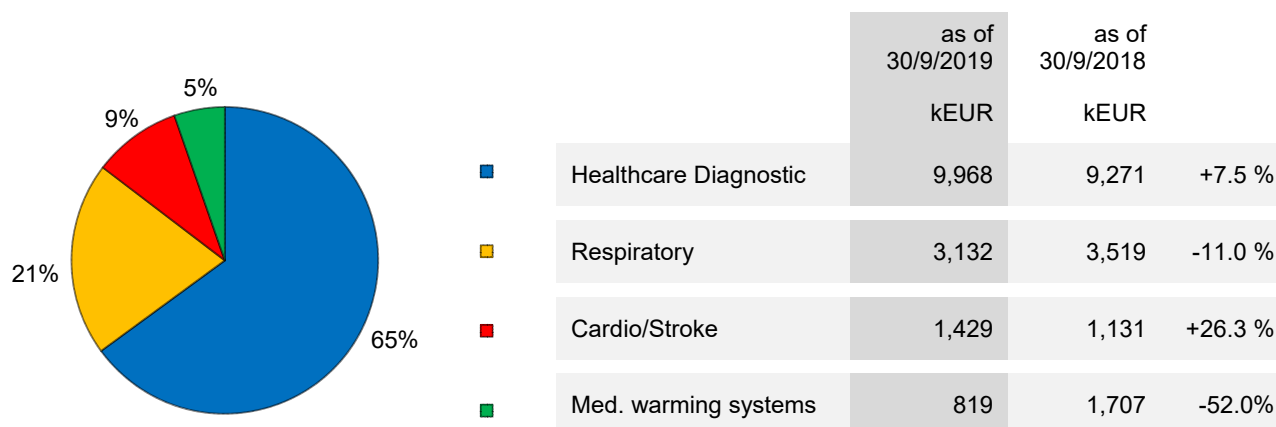
Sales by regions 1/1 to 30/9/2019



	As of 30/9/2019 kEUR	As of 30/9/2018 kEUR	
Europe	8,566	9,329	-8.2%
Germany	3,232	2,598	+24.4%
Middle East	1,151	703	+63.7%
USA	926	1,314	-29.5%
Other countries	891	1,227	-27.4%
South America	582	457	+27.4%

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 78.9 % (2018: 83.4%). Geratherm products are exported to more than 60 countries.

Sales by segments 1/1 to 30/9/2019



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 managed to report a 7.5 % growth in sales during the first nine months. The sales of gallium-filled thermometers decreased by -7.5 %. Sales of blood pressure monitors showed positive development, posting an increase +39.3 % thanks to the introduction of new products. The relatively new Women Health segment attained a sales growth of +43.8 % compared to the prior year during the first nine months.

The Respiratory segment, in which we offer products for testing pulmonary function, showed a temporary drop in sales of -11.0 %. The temporary decline in sales is due to the inventory production and the loss of marginal segments. Otherwise the segment is on track to show good growth. In 2019, we managed to obtain product approvals for Morocco and Turkey. The approval processes are still ongoing for China, Russia, Australia, Indonesia and Singapore. As a result of that, we are confident that we will be able to relatively quickly utilize the capacity of the new production facility in Bad Kissingen in February of 2020.

The rate of growth in the Cardio/Stroke segment was also maintained during the course of the third quarter. The segment managed to report a +26.3 % increase in sales during the first nine months. The integration of additional hospitals and clinics as well as the advancement of internationalisation is progressing favourably. On the Brazilian market, we were able to conclude an agreement with the largest Brazilian pharmaceutical company EMS to offer apoplex products through its own sales organisation. Currently, apoplex' product for atrial fibrillation diagnosis is currently in use in 30 hospitals and clinics in Brazil. Marketing in Argentina is scheduled to start in the fourth quarter (Congress of Arrtimias). In Germany, we also signed a supplementary agreement with the insurance company KKH-Versicherung, allowing us to offer our users cardiological findings with our new SRACardio live product.

Sales in the Medical Warming Systems segment had declined in the period under review, as in the quarters of the previous year. All in all, we posted here a -52.1 % decline in sales. We do assume that the situation in this segment will improve. At the end of August, we submitted all documents for the recertification process for the Warming Systems product group to the competent approval authority. We also assume that LMT Medical will deliver on even larger orders worth around 700 kEUR by the end of the year. The product approval process for LMT's "nomag[®] Incubator" product is now in the final stage for the Chinese market.

Earnings situation

The Geratherm Group generated an operating result (EBIT) of EUR 1.247 million (2018: EUR 1.263 million) on a nine-month basis. The lack of sales by the Warming Systems segment and the increased expenses incurred due to preparation and implementation of the EU's new Medical Device Regulation (MDR) as well as the higher personnel expenses posed in particular burdens.

The gross profit margin increased to 72.0 % (2018: 66.9 %) as part of focussing on premium medical products.

Personnel costs experienced an above-average increase of 791 kEUR (+16.3 %). Half of that was attributed to new hires at apoplex medical and at Geratherm Respiratory. Personnel expenses rose by +9.5 % at the Geschwenda location in Thuringia.

The gross profit (EBITDA) was EUR 2.128 million (2018: EUR 1.851 million), an increase of 14.9 %. The EBITDA margin increased to 13.9 % (2018: 11.8 %). The write-offs increased by +49.8 % to 881 kEUR due to the higher capital expenditures.

The operating result (EBIT) decreased slightly by -1.3 % to EUR 1.247 million (2018: EUR 1.263 million). The EBIT margin for the nine-month period amounted to 8.1 % (2018: 8.1 %). Currently, this does not correspond with our minimum margin of 10 %. The reported financial result was -1 kEUR and is only comparable to a limited extent to the financial results for the same period last year of 316 kEUR. The income realised from the sale of securities (366 kEUR) during the prior-year reference period was reclassified to equity capital at the end of the year. The profits from ordinary business activities decreased by -21.1 % to EUR 1.246 million (2018: EUR 1.579 million).

Income taxes weighed on the net income for given period by 542 kEUR (2018: 528 kEUR). The consolidated net profit for the first nine months of the 2019 fiscal year amounted to 703 kEUR (2018: EUR 1.050 million).

After including the result attributable to minority interests, there was a net income of 765 kEUR (2018: EUR 1.123 million) generated for the shareholders the parent company for the first nine months.

Income and expenses directly recognised in equity amounted to 280 kEUR (2018: 223 kEUR). The total consolidated income for the nine-month period totalled 984 kEUR (2018: EUR 1.273 million). After deducting the non-controlling shareholders, the shareholders of the parent company have a total income of EUR 1.017 million (2018: EUR 1.165 million) for the first nine months of the business year.

The result per share for the first nine months is EUR 0.15 (2018: EUR 0.23).

Net assets and financial situation

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 32.9 million is essentially formed by equity capital in the amount of EUR 19.1 million. The equity-to-assets ratio as of the reporting date was 58.1 % (2018: 70.0 %). The return on equity amounted to 5.3 % (2018: 7.5 %). The return on investment capital for the first nine months of the current fiscal year was 3.2 % (2018: 5.4 %).

As at the end of September 2019, the company had cash, cash equivalents and securities in the amount of EUR 9.2 million (2018: EUR 9.0 million). In September 2019, we accepted a debt tranche of EUR 3 million at an interest rate of 0.7 % over 5 years. Thus, the company still has a solid financial position.

The long-term assets amounted to EUR 12.2 million (2018: EUR 10.5 million).

The short-term assets increased by +9.7 % to EUR 20.7 million. Inventories increased by +10.3 % to EUR 8.0 million.

The accounts receivable and other assets decreased by -8.3 % to EUR 3.417 million. Geratherm holds securities in the amount of EUR 3.846 million (+56.2 %). That essentially includes 900,000 shares of Agfa Gevaert. The cash and cash equivalents available as at 30 September 2019 amounted to EUR 5.4 million (2018: EUR 5.4 million).

The gross cash flow for the first nine months increased to EUR 2.052 million (2018: EUR 2.017 million). The cash flow from operations amounted to EUR 1.120 million (2018: 440 kEUR). The cash flow from investments amounted to EUR -3.102 million (2018: EUR -1.184 million). The cash flow from financing activities was EUR 1.948 million (2018: EUR -2.115 million).

Research and development

Our research and development activities focussed primarily on the segments Respiratory, Cardio/Stroke and Warming Systems. The Respiratory segment offers very promising innovative product solutions. For instance, prototypes for monitoring patients in hospitals are in clinical trials. There is also a prototype for detecting liver cancer using respiratory air in the clinical trial.

At apoplex medical, we are currently in the process of expanding the scope of cardiological findings.

On 12 August 2019, Geratherm took a stake in the Hamburg-based start-up company "MindPeak". The objective of Mind Peak is to significantly increase the analysis of tissue samples in pathology in terms of quality and speed with the aid of artificial intelligence.

As part of the new EU regulation and the introduction of the Medical Device Regulation (MDR), medical technology companies face a very high expenditure in order to fulfil the requirements. Geratherm also has to satisfy these new requirements when it comes to future product developments.

Staff

The Geratherm Group had a staff of 208 persons in total as at 30 September 2019 (2018: 207) with 200 employees in Germany.

Outlook

We expect sales and earnings to develop favourably for the fourth quarter. As a result of the order situation at LMT Medical, we assume that a majority of the postponed orders will be delivered at the end of the year. The Medical Diagnostic segment will continue to develop on a stable level. For the Cardio/Stroke and Respiratory segments, we continue to expect double-digit growth.

Geschwenda, November 2019



Dr. Gert Frank
Chief Executive Officer

Consolidated profit and loss statement from 1 January to 30 September 2019

	July-Sept. 2019 EUR	July-Sept. 2018 EUR	Change	Jan.-Sept. 2019 EUR	Jan.-Sept. 2018 EUR	Change
Sales revenues	4,644,010	5,255,672	-11.6%	15,347,937	15,627,952	-1.8%
Change in inventory of finished products and work in process	316,170	-173,659	>100.0%	691,022	-170,712	>100.0%
Other capitalised own work	132,487	19,324	>100.0%	324,751	83,885	>100.0%
Other operating income	133,098	144,655	-8.0%	407,221	351,488	15.9%
	5,225,765	5,245,992	-0.4%	16,770,931	15,892,613	5.5%
Cost of materials						
Cost of raw materials, consumables and goods for resale	-1,495,061	-1,894,939	-21.1%	-4,874,319	-4,918,094	-0.9%
Costs of purchased services	-261,215	-223,386	16.9%	-842,354	-516,403	63.1%
	-1,756,276	-2,118,325	-17.1%	-5,716,673	-5,434,497	5.2%
Gross profit or loss	3,469,489	3,127,667	10.9%	11,054,258	10,458,116	5.7%
Personnel expenses						
Wages and salaries	-1,554,588	-1,254,344	23.9%	-4,672,856	-4,014,733	16.4%
Social security, pension and other benefits	-323,463	-281,344	15.0%	-983,821	-851,078	15.6%
	-1,878,051	-1,535,688	22.3%	-5,656,677	-4,865,811	16.3%
Other operating expenses	-972,634	-1,303,771	-25.4%	-3,270,231	-3,741,009	-12.6%
Gross profit (EBITDA)	618,804	288,208	>100.0%	2,127,350	1,851,296	14.9%
Amortisation of intangible assets and depreciation of tangible assets	-315,125	-176,267	78.8%	-880,842	-588,198	49.8%
Operating results	303,679	111,941	>100.0%	1,246,508	1,263,098	-1.3%
Income from securities trading	0	0	-	0	366,047	-
Securities-related expenses	-934	-25	>100.0%	-3,081	-40,066	-92.3%
Other interest and similar income	1,913	7,421	-74.2%	48,637	24,422	99.2%
Interest expense for rental and lease agreements	-1,675	-	-	-5,200	-	-
Interest and similar expenses	-15,057	-10,134	48.6%	-41,367	-34,897	18.5%
Financial results	-15,753	-2,738	>100.0%	-1,011	315,506	>100.0%
Profit (loss) on ordinary business activities	287,926	109,203	>100.0%	1,245,497	1,578,604	-21.1%
Tax on profit or loss	-174,296	-170,299	2.3%	-542,065	-528,393	2.6%
Consolidated profit for the period	113,630	-61,096	>100.0%	703,432	1,050,211	-33.0%
Net earnings of non-controlling shareholders in given period	-85,355	-51,758	64.9%	-61,317	-72,903	-15.9%
Net earnings of the parent company's shareholders in given period	198,985	-9,338	>100.0%	764,749	1,123,114	-31.9%
Earnings per share (undiluted)	0.03	0.00	-	0.15	0.23	-34.8%

Consolidated balance sheet as at 30 September 2019

Assets	30 September 2019 EUR	31 December 2018 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	824,574	661,872	24.6%
2. Other intangible assets	173,164	165,107	4.9%
3. Goodwill	75,750	75,750	0.0%
	1,073,488	902,729	18.9%
II. Tangible assets			
1. Land, land rights and buildings	3,408,501	3,420,582	-0.4%
2. Technical equipment and machinery	4,282,834	3,883,675	10.3%
3. Other equipment, factory and office equipment	275,891	251,856	9.5%
4. Construction in process	925,919	77,149	>100.0%
	8,893,145	7,633,262	16.5%
III. Rights of use	345,241	0	-
IV. Financial assets accounted on basis of equity method	350,000	350,000	0.0%
V. Other assets	1,170,651	1,070,151	9.4%
VI. Other long-term receivables	134,043	165,530	-19.0%
VII. Deferred taxes	276,855	411,189	-32.7%
	12,243,423	10,532,861	16.2%
B. Short-term assets			
I. Inventories			
1. Raw materials and supplies	2,383,281	2,294,383	3.9%
2. Unfinished goods	1,375,593	1,063,287	29.4%
3. Finished goods and merchandise	4,289,173	3,940,098	8.9%
	8,048,047	7,297,768	10.3%
II. Receivables and other assets			
1. Trade receivables	2,734,341	2,849,249	-4.0%
2. Receivables from current income taxes	146,660	173,789	-15.6%
3. Receivables from other taxes	312,871	142,975	>100.0%
4. Other assets	222,904	561,557	-60.3%
	3,416,776	3,727,570	-8.3%
III. Securities	3,845,925	2,461,500	56.2%
IV. Cash and cash equivalents	5,359,404	5,360,555	0.0%
	20,670,152	18,847,393	9.7%
	32,913,575	29,380,254	12.0%
Equity and liabilities			
A. Equity capital			
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	2,232,261	3,195,498	-30.1%
Assignable to the shareholders of the parent company	19,356,452	20,319,689	-4.7%
Shareholders of minority interests	-225,149	-192,037	17.2%
	19,131,303	20,127,652	-5.0%
B. Non-current liabilities			
1. Liabilities to banks	6,584,402	2,279,487	>100.0%
2. Accrued investment subsidies	1,379,329	1,190,945	15.8%
3. Long-term leasing liabilities	43,995	0	-
4. Other long-term liabilities	409,989	409,989	0.0%
	8,417,715	3,880,421	>100.0%
C. Current debts			
1. Liabilities to banks	913,673	1,099,020	-16.9%
2. Trade accounts payables	1,034,830	1,607,892	-35.6%
3. Short-term leasing liabilities	301,246	0	-
4. Liabilities from current income taxes	189,699	76,727	>100.0%
5. Contractual liabilities	849,096	412,788	>100.0%
6. Other tax liabilities	654,829	542,620	20.7%
7. Other short-term liabilities	1,421,184	1,633,134	-13.0%
	5,364,557	5,372,181	-0.1%
	32,913,575	29,380,254	12.0%

Consolidated statement of cash flows from 1 January to 30 September 2019

	January-September 2019 KEUR	January-September 2018 kEUR
Consolidated profit for the period	703	1,050
Other non-cash expenses	28	252
Interest earnings	-49	-24
Interest expenses	41	35
Decrease in deferred taxes	134	59
Income tax expenditure	408	469
Depreciation of fixed assets	881	588
Income from securities trading	0	-366
Loss from securities trading	0	0
Amounts written off for securities	0	0
Amortisation of public grants and subsidies	-94	-46
Loss from disposal of fixed assets	0	0
Gross cash flow	2,052	2,017
Increase in inventories	-750	-600
Increase in trade receivables and other assets	315	-819
Decrease/increase in current liabilities and other liabilities	-237	356
Cash inflow from interest	49	24
Cash outflow from interest	-41	-35
Cash outflow for taxes	-268	-503
Cash flow from operations	1,120	440
Cash outflow for investments in fixed assets	-2,119	-3,195
Cash inflow from funding sources for investments	282	697
Cash inflow based on financial assets	0	1,356
Cash outflow based on financial assets	-1,265	-42
Cash flow from investments	-3,102	-1,184
Dividend payments	-1,980	-2,327
Cash inflow from taking out loan liabilities	4,500	177
Cash outflow for repayment of loan liabilities	-380	0
Increase/ decrease in long-term liabilities	0	35
Cash outflow for rental and lease agreements	-192	0
Cash flow from financing activities	1,948	-2,115
Change in cash and cash equivalents	-34	-2,859
Cash and cash equivalents at beginning of fiscal year	5,361	8,811
Exchange rate difference	32	119
Cash and cash equivalents at end of reporting period	5,359	6,071

Consolidated statement of change to the shareholders' equity as at 30 September 2019

	Subscribed capital	Capital reserve	Other reserves			Assignable to the shareholders of the parent company	Non-controlling interests	Equity capital
			Market valuation reserve	Currency conversion reserve	Accumulated earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
as of 1 January 2018	4,949,999	12,174,192	308,636	152,943	3,433,576	21,019,346	-2,293	21,017,053
Dividend paid to shareholders	0	0	0	0	-2,326,500	-2,326,500	0	-2,326,500
Transactions with shareholders and member partners	0	0	0	0	-2,326,500	-2,326,500	0	-2,326,500
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 valuation 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
Total consolidated income	0	0	-147,557	189,470	1,123,114	1,165,027	108,079	1,273,106
as of 30 September 2018	4,949,999	12,174,192	161,079	342,413	2,230,190	19,857,873	105,786	19,963,659
as of 1 January 2019	4,949,999	12,174,192	703,276	288,383	2,203,839	20,319,689	-192,037	20,127,652
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	-1,979,999	-1,979,999	0	-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	988,589	19,356,452	-225,149	19,131,303

Consolidated statement of comprehensive income as per IFRS for the period from 1 January to 30 September 2019

	January – September 2019 EUR	January – September 2018 EUR
Consolidated profit for the period	703,432	1,050,211
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	219,900	0
	219,900	0
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	-147,557
Difference resulting from currency translation	60,318	370,452
	60,318	222,895
Income and expenses directly included in equity capital	280,218	222,895
Total consolidated income	983,650	1,273,106
of which assignable to shareholders of minority interest	-33,112	108,079
of which assignable to shareholders of parent company	1,016,762	1,165,027

Group segment report for the period from 1 January to 30 September 2019

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
2019							
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	13,240	4,130	3,505	2,377	0	9,385	32,637
Segment debts	10,511	2,345	458	468	0	0	13,782

Based on 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
2018							
Segment sales	10,105	3,694	1,727	1,131	-1,029	0	15,628
Operating results	1,264	389	-107	-34	-34	-215	1,263
including:							
Amortisation/depreciation of intangible and tangible assets	380	27	64	42	13	62	588
Segment assets	12,329	2,337	3,114	2,274	0	8,175	28,229
Segment debts	6,981	595	716	279	0	0	8,571

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
2019							
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	31,860	0	153	0	32,637

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
2018							
Sales revenues	9,329	517	3,566	703	1,314	1,227	16,657
Elimination of intragroup sales	0	-60	-969	0	0	0	-1,029
Sales revenues on third parties	9,329	457	2,598	703	1,314	1,227	15,628
Gross profit or loss	6,285	182	1,806	474	885	826	10,458
Operating results	879	-174	253	66	124	115	1,263
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
Acquisition costs of fixed assets for the period	0	0	3,195	0	0	0	3,195
Segment assets	0	723	27,449	0	57	0	28,229

Notes on interim consolidated financial statements for the period from 1 January 2019 to 30 September 2019

Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the nine months of the 2019 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 2018 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

The following changes occurred in the consolidation group as of 30 September 2019:

Company	Share quota 30/9/2019	Share quota 31/12/2018
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%	66.67 %
<i>LMT Medical Systems Inc., Ohio, USA</i>	<i>100.00%</i>	<i>100.00 %</i>

With the notarial agreement from 12 April 2019, the shareholders of LMT Medical Systems GmbH decided to increase the company's share capital from 300 kEUR to 500 kEUR. The new share in the amount of 200 kEUR was assumed by Geratherm Medical AG and paid in on 24 April 2019. The share quota thus changed to 80.00 % (2018: 66.67 %). The entry in the Commercial Register was carried out on 7 May 2019.

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 2019 (2018: EUR 4,949,999) and is divided into 4,949,999 (2018: 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 September 2019 were not audited or reviewed by the company's auditors.

Geschwenda, November 2019



Dr. Gert Frank
Chief Executive Officer

COMPANY CALENDAR 2019

Quarterly report Q3/2019

21 November ✓

COMPANY CALENDAR 2020

2019 Annual financial statements

23 April

Quarterly report Q1/2020

20 May

Annual general meeting in Frankfurt am Main
"Grandhotel Hessischer Hof"

12 June

Quarterly report Q2/2020

20 August

Quarterly report Q3/2020

19 November

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