



# Geratherm<sup>®</sup>

*SOLUTIONS FOR A  
HEALTHY WORLD*

Quarterly Statement 3<sup>rd</sup> Quarter **2017**

# GERATHERM

## AT A GLANCE

Facts and Figures	January - September 2017	January - September 2016	Change
<b>Sales revenues</b>	<b>16,255 kEUR</b>	<b>16,350 kEUR</b>	<b>-0.6 %</b>
of which export share	13,789 kEUR	13,841 kEUR	-0.4 %
Export ratio	85 %	85 %	0.0 %
Gross result (EBITDA)	2,512 kEUR	2,716 kEUR	-7.5 %
<b>EBITDA margin</b>	<b>15.5 %</b>	<b>16.6 %</b>	<b>-6.6 %</b>
Amortisation or depreciation	-815 kEUR	-857 kEUR	-4.9 %
<b>Operating result (EBIT)</b>	<b>1,697 kEUR</b>	<b>1,859 kEUR</b>	<b>-8.7 %</b>
<b>EBIT margin</b>	<b>10.4 %</b>	<b>11.4 %</b>	<b>-8.8 %</b>
Financial results	-23 kEUR	-63 kEUR	-63.0 %
Profit (loss) on ordinary activities	1,674 kEUR	1,796 kEUR	-6.8 %
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>1,123 kEUR</b>	<b>1,348 kEUR</b>	<b>-16.7 %</b>
Long-term assets	4,778 kEUR	4,805 kEUR	-0.6 %
Short-term assets	24,500 kEUR	21,994 kEUR	11.4 %
Balance sheet total	29,278 kEUR	26,799 kEUR	9.3 %
Equity capital	21,568 kEUR	19,692 kEUR	9.5 %
Return on equity	6.9 %	9.1 %	-23.9 %
Equity ratio	73.7 %	73.5 %	0.3 %
Cash, cash equivalents and securities	12,421 kEUR	10,379 kEUR	19.7 %
<b>Earnings per share according to IFRS (EPS)*</b>	<b>EUR 0.23</b>	<b>EUR 0.27</b>	<b>-14.8 %</b>
<b>Earnings per share according to DVFA*</b>	<b>EUR 0.23</b>	<b>EUR 0.27</b>	<b>-14.8 %</b>
Number of employees at end of period	207	207	0.0 %
Total shares issued	4,949,999	4,949,999	-
* based on total shares issued	4,949,999	4,949,999	-

## Business Performance from 1 January to 30 September 2017

- Sales revenues EUR 16.3 million -0.6 %; Q3 EUR 5.2 million +3.3 %
- EBITDA 2,512 kEUR -7.5 %; Q3 767 kEUR +26.5 %
- EBIT 1,697 kEUR -8.7 %; Q3 505 kEUR +62.7 %
- Consolidated net profit 1,174 kEUR -15.5 %; Q3 340 kEUR +31.9 %
- Earnings per share EUR 0.23 (2016: EUR 0.27); Q3 EUR 0.05 (2016: EUR 0.07)
- Apoplex has already achieved its annual objective of having 100 participating hospitals, internationalisation has started
- Start of construction of new medical capillary production unit at Geschwenda location; EUR 4 million invested

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

During the first nine months of the year, Geratherm registered as a whole a slight -0.6 % drop in sales. In a quarter-on-quarter comparison, we managed to close with a slight +3.3 % increase in sales. All in all, the third quarter improved noticeably compared to the same reference period last year. Except for Medical Warming Systems, all segments were able to post a positive earnings contribution.

The gross profit amounted to EUR 11.051 million or 68.0 % of sales (2016: 66.6 %) on a nine-month basis. The EBITDA margin of business operations as of 30 Sept. 2017 was 15.5 % (2016: 16.6 %), while the EBIT margin of business operations amounted to 10.4 % (2016: 11.4 %). The overall return totalled 8.7 % (2016: 12.2 %). The equity-to-assets ratio was 73.7 % with a return on equity of 6.9 % (2016: 9.1 %). As of 30 Sept. 2017 exchange losses in the amount of -385 kEUR due to dollar holdings had to be compensated. The loss of contribution of -54 kEUR on part of the Warming Systems segment and the consolidated losses posted by Geratherm do Brasil in the amount of -267 kEUR had a negative impact.

The third quarter was considerably stronger in terms of earnings than the same period last year. With a +3.3 % growth in sales, the operating result jumped by +62.7 % to 505 kEUR. The low financial earnings yielded a financial result of -66 kEUR (2016: +91 kEUR). For the third quarter the company posted 439 kEUR (+9.4 %) as a result from ordinary business activities. The cash flow in the third quarter amounted to EUR 1.220 million.

## Facts and figures

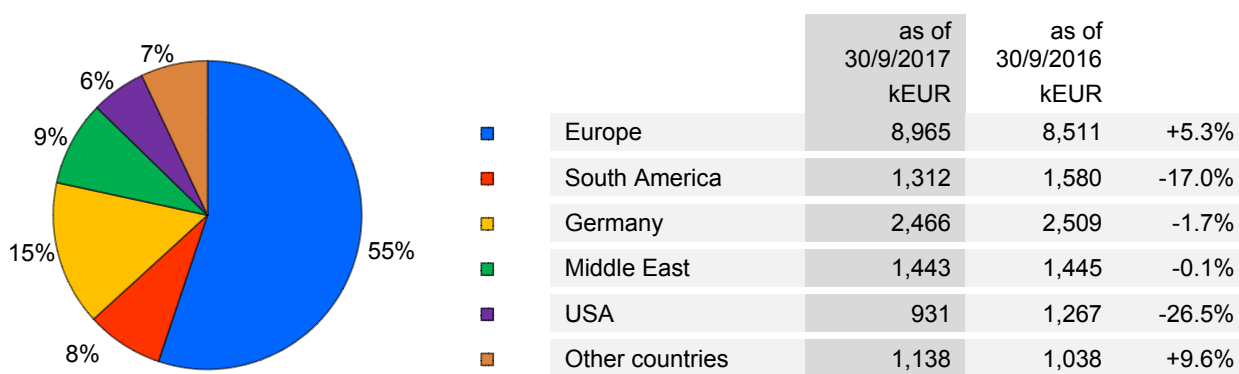
(in kEUR)

	III/17	II/17	I/17	IV/16	III/16
Sales	5,187	4,879	6,189	5,059	5,023
EBITDA margin	14.8 %	9.2 %	20.9 %	19.6 %	12.1 %
EBIT	506	187	1,004	680	311
EPS (EUR)	0.06	0.04	0.13	0.18	0.07
Cash flow	1,220	343	1,290	656	600

## Sales development

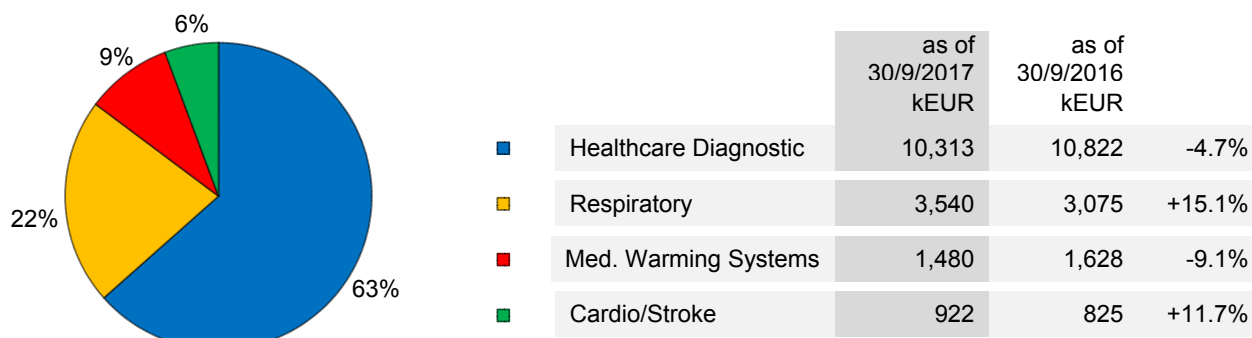
The sales development of Geratherm Medical for the first nine months remained steady, during which we posted a sales growth in the third quarter. Based on current estimates, it is expected that it will also continue in the fourth quarter of 2017. On the European market, our most important sales market, we were able to increase sales by +5.3 %. We registered on the German market, however, a slight -1.7 % decline. The sales development registered in the Middle East was stable for the most part. On the South American market we suffered a -17.0 % drop. LMT was unable to place a product system on the US market such that compared to last year there was a temporary decline in sales of -26.5 %. The sales in Other countries enjoyed an above-average increase of +9.6 %.

## Sales by regions 1/1 to 30/9/2017



The export quota of Geratherm Medical is still healthy. All in all, 84.8 % of Geratherm products were exported like the same period last year.

### Sales by segments 1/1 to 30/9/2017



The Healthcare Diagnostic segment declined by -4.7 % during the first nine months of the year and did not entirely meet our expectations. The sales of gallium-filled thermometers rose slightly by +1.8 %. We experienced a decrease with regard to digital clinical thermometers and blood pressure monitors, which were affected by fierce competition.

The Respiratory segment, where we managed to boost sales by +15.1 % during the first nine months, performed well. The product segment makes up a 21.8 % share of the company's total sales in the meantime. The prospects are positive and we expect double-digit sales growth in the upcoming quarters.

The decreased sales posted in the Medical Warming Systems segment were offset by an invoice for a large order for an incubator from LMT Medical. On the whole, there was, however, a -9.1 % decrease in sales for the first nine months of the year. The Warming Systems group, which is currently undergoing recertification, has reached the final stage of the recertification process. We assume that this product group will obtain CE accreditation once again during the course of this year.

Business development in the Cardio/Stroke segment was very favourable. Our original objective of having 100 participating stroke centers by the end of the year was already achieved in late September of 2017. With the additional funds received in April 2017, apoplex medical will expand its business model over the next few months in Europe. Appropriate sales employees were hired.

Other good news is that we managed to get our first four hospitals in Brazil to join apoplex medical's system. The feedback from attending physicians with regard to the new atrial fibrillation diagnostic system has been very positive. We will expand the installation basis in Brazil over the next few months. A contract was also signed with one of the largest ECG manufacturer in Brazil.

### Earnings situation

The Geratherm Group generated an EBIT based operating result of EUR 1.697 million (-8.7 %) on a nine-month basis. Due to the depreciation of the dollar, we had to compensate foreign exchange losses in the amount of -385 kEUR. Our Brazilian subsidiary also contributed to a negative profit contribution of -267 kEUR. The approval-related framework conditions for the product group OP-warming systems have also led to a negative profit contribution of -185 kEUR. In light of these extraordinary burdens, we are satisfied with the operating performance on a group level.

The gross profit margin in the group amounted to 68.0 % (2016: 66.6 %). We managed to gradually increase the gross margin over the last few quarters to today's level, which represents a good starting point for further sales growth.

Due to the aforementioned extraordinary burdens, the reported gross profit on an EBITDA level declined slightly by -7.5 % to EUR 2.512 million, while the EBITDA margin for the nine-month period amounted to 15.5 % (2016: 16.6 %). The amortisation and depreciation decreased by -4.9 % to 815 kEUR (2016: 857 kEUR).

The operating result (EBIT) decreased by -8.7 % to EUR 1.697 million (2016: EUR 1.859 million). The EBIT margin for the nine-month period amounted to 10.4 % (2016: 11.4 %).

The financial result of the Geratherm Group amounted to -23 kEUR (2016: -63 kEUR). Interests and similar earnings totalled 156 kEUR (2016: 292 kEUR). In this context, the interest burden of our Brazilian subsidiary amounted to 131 kEUR. To stabilise the company, we were able at 11 July 2017 to repurchase a bank loan granted with a share of 50 % as part of a “haircut”. This resulted in a significantly lower interest burden. The earnings from the sales of securities amounted to 125 kEUR (2016: 190 kEUR). The result from ordinary activities was EUR 1.674 million (2016: EUR 1.796 million). Income taxes weighed on the result with 500 kEUR (2016: 407 kEUR).

The consolidated net profit for the first nine months was EUR 1.174 million (2016: EUR 1.389 million), resulting in a decrease of 15.5 %. After redeeming the results attributable to minority interests, a net income of EUR 1.123 million (2016: EUR 1.348 million), representing a decrease of 16.7 %, for the first nine months of the business year was generated for the shareholders of the parent company. The result per share is 23 EUR cent (2016: 27 EUR cents).

### **Net assets and financial situation**

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 29.3 million is essentially formed by equity capital in the amount of EUR 21.6 million. The equity-to-assets ratio was 73.7 % as of the reporting date (2016: 73.5 %). The return on equity amounted to 6.9 % (2016: 9.1 %). The overall return on investment capital is 8.7 % (2016: 12.2 %).

As of 30 September 2017, the company had cash, cash equivalents and securities in the amount of EUR 12.4 million (2016: EUR 12.0 million). This gives us sufficient room to manoeuvre in financial terms.

The long-term assets amount to EUR 4.8 million (2016: EUR 4.8 million). The intangible assets amount to 619 kEUR (2016: 626 kEUR).

The reported tangible assets remained almost the same as the previous year and totalled EUR 3.6 million. The short-term assets increased slightly by +3.6 % to EUR 24.5 million.

Inventories stayed at about the same level as last year with EUR 7.7 million. The increase in working capital can primarily be attributed to the fact that we had to produce in advance a larger inventory of glass capillaries during the construction of the new facility in order to compensate for any possible risks associated with the start-up of operations.

The trade accounts receivable increased by +13.8 % to EUR 3.7 million.

The gross cash flow for the first nine months was EUR 2.853 million (2016: EUR 2.540 million). The cash flow from business operations was EUR 1.023 million (2016: 270 kEUR). The cash flow from investments amounted to -1,749 kEUR (2016: -1,463 kEUR).

## Research and development

Besides the continuous research and development projects being carried out in the individual segments in the Geratherm Group, Protembis GmbH, a holding of Geratherm, is also able to report positive progress in development activities. In August of 2017 the new ProtEmbo system underwent initial clinical trials for the first time during the course of a catheter-guided aortic valve replacement in humans. Protembis has developed a special filter device for preventing strokes after heart valve surgeries. The micro particles, which become detached during such operations, are captured by the innovative filter device. Geratherm Medical holds 11.0 % of Protembis GmbH.

## Staff

The Geratherm Group had a staff of 207 persons in total as of 30 September 2017 (2016: 207), with 186 employees in Germany (2016: 183).

## Outlook

Based on the current situation, we anticipate a positive business performance for the remaining quarter of the current fiscal year. In the next six months we will build a new factory at the Geschwenda location for the production of medical capillaries, which are used, among other things, in clinical thermometers and as devices for dosing medicines. Start-up is scheduled for April 2018.



As a result, we are well-equipped for the pending global ban on mercury taking effect in 2018. Business development in the new areas are expected to continue in a positive manner. In the Warming Systems product group we anticipate a re-licensing for operating rooms and rescue operations in the next few months. The new regulatory requirements placed on the manufacturers of medical products are demanding in terms of implementation. We will adhere to these requirements, even if they will pose a temporary burden on the earnings level.

Geschwenda, November 2017



Dr. Gert Frank  
Chief Executive Officer

## Consolidated Profit and Loss Statement from 1 January 2017 to 30 September 2017

	July-Sept. 2017 EUR	July-Sept. 2016 EUR	Change	Jan.-Sept. 2017 EUR	Jan.-Sept. 2016 EUR	Change
Sales revenues	5,187,643	5,023,026	3.3%	16,255,450	16,349,894	-0.6%
Change in inventory of finished products and work in process	-23,334	139,805	>100.0%	-85,582	219,374	>100.0%
Other capitalised own work	34,034	31,288	8.8%	106,987	83,331	28.4%
Other operating income	56,702	75,668	-25.1%	309,547	450,950	-31.4%
	5,255,045	5,269,787	-0.3%	16,586,402	17,103,549	-3.0%
Cost of materials						
Cost of raw materials, consumables and goods for resale	-1,619,903	-1,735,362	-6.7%	-4,627,642	-5,363,829	-13.7%
Costs of purchased services	-279,722	-242,649	15.3%	-908,197	-844,594	7.5%
	-1,899,625	-1,978,011	-4.0%	-5,535,839	-6,208,423	-10.8%
<b>Gross profit or loss</b>	<b>3,355,420</b>	<b>3,291,776</b>	<b>1.9%</b>	<b>11,050,563</b>	<b>10,895,126</b>	<b>1.4%</b>
Personnel expenses						
Wages and salaries	-1,288,115	-1,315,184	-2.1%	-3,858,781	-3,800,404	1.5%
Social security, pension and other benefits	-284,205	-262,326	8.3%	-861,608	-808,887	6.5%
	-1,572,320	-1,577,510	-0.3%	-4,720,389	-4,609,291	2.4%
Amortisation of intangible assets and depreciation of tangible assets	-261,270	-295,335	-11.5%	-815,141	-857,343	-4.9%
Other operating expenses	-1,016,460	-1,108,250	-8.3%	-3,818,155	-3,569,685	7.0%
<b>Operating results</b>	<b>505,370</b>	<b>310,681</b>	<b>62.7%</b>	<b>1,696,878</b>	<b>1,858,807</b>	<b>-8.7%</b>
Dividend income	2,421	0	-	2,421	39,000	-93.8%
Income from securities trading	0	175,962	-	125,386	189,609	-33.9%
Amounts written off for securities	0	0	-	0	0	-
Securities-related expenses	-1,414	-655	>100.0%	-3,657	-4,336	-15.7%
Other interest and similar income	3,233	1,943	66.4%	8,645	5,081	70.1%
Interest and similar expenses	-70,232	-86,305	-18.6%	-155,970	-292,044	-46.6%
<b>Financial results</b>	<b>-65,992</b>	<b>90,945</b>	<b>&gt;100.0%</b>	<b>-23,175</b>	<b>-62,690</b>	<b>-63.0%</b>
<b>Profit (loss) on ordinary activities</b>	<b>439,378</b>	<b>401,626</b>	<b>9.4%</b>	<b>1,673,703</b>	<b>1,796,117</b>	<b>-6.8%</b>
Income taxes	-98,998	-143,663	-31.1%	-499,897	-407,475	22.7%
<b>Consolidated profit for the year</b>	<b>340,380</b>	<b>257,963</b>	<b>31.9%</b>	<b>1,173,806</b>	<b>1,388,642</b>	<b>-15.5%</b>
Net earnings of non-controlling shareholders in the period concerned	78,935	-102,258	>100.0%	50,830	40,367	25.9%
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>261,445</b>	<b>360,221</b>	<b>-27.4%</b>	<b>1,122,976</b>	<b>1,348,275</b>	<b>-16.7%</b>
<b>Gross result (EBITDA) for the first quarter</b>	<b>766,640</b>	<b>606,016</b>	<b>26.5%</b>	<b>2,512,019</b>	<b>2,716,150</b>	<b>-7.5%</b>
<b>Earnings per share (undiluted)</b>	<b>0.05</b>	<b>0.07</b>	<b>-28.6%</b>	<b>0.23</b>	<b>0.27</b>	<b>-14.8%</b>

## Consolidated balance sheet as of 30 September 2017

Assets	30 September 2017 EUR	31 December 2016 EUR	Change
<b>A. Long-term assets</b>			
<b>I. Intangible assets</b>			
1. Development costs	401,018	303,696	32.0%
2. Other intangible assets	142,098	246,343	-42.3%
3. Goodwill	75,750	75,750	0.0%
	618,866	625,789	-1.1%
<b>II. Tangible assets</b>			
1. Land, land rights and buildings	1,148,570	1,202,108	-4.5%
2. Technical equipment and machinery	1,504,847	2,001,863	-24.8%
3. Other equipment, factory and office equipment	279,503	322,578	-13.4%
4. Construction in process	676,325	50,519	>100.0%
	3,609,245	3,577,068	0.9%
<b>III. Other assets</b>	426,000	270,000	57.8%
<b>IV. Other long-term receivables</b>	123,891	275,659	-55.1%
<b>V. Deferred taxes</b>	0	0	-
	<b>4,778,002</b>	<b>4,748,516</b>	<b>0.6%</b>
<b>B. Short-term assets</b>			
<b>I. Inventories</b>			
1. Raw materials and supplies	2,287,525	2,400,900	-4.7%
2. Unfinished goods	1,038,555	1,125,026	-7.7%
3. Finished goods and merchandise	4,360,487	4,234,564	3.0%
	7,686,567	7,760,490	-1.0%
<b>II. Receivables and other assets</b>			
1. Trade receivables	3,741,330	3,288,213	13.8%
2. Tax receivables	217,385	161,560	34.6%
3. Other assets	433,541	396,414	9.4%
	4,392,256	3,846,187	14.2%
<b>III. Securities</b>	3,683,023	2,529,800	45.6%
<b>IV. Cash and cash equivalents</b>	8,737,784	9,517,644	-8.2%
	<b>24,499,630</b>	<b>23,654,121</b>	<b>3.6%</b>
	<b>29,277,632</b>	<b>28,402,637</b>	<b>3.1%</b>
<b>Equity and liabilities</b>			
<b>A. Equity capital</b>			
I. Subscribed capital	4,949,999	4,949,999	0.0%
II. Capital reserves	12,174,192	11,035,367	10.3%
III. Other reserves	4,188,409	5,275,788	-20.6%
Assignable to the shareholders of the parent company	21,312,600	21,261,154	0.2%
Shareholders of minority interest	255,772	-704,252	>100.0%
	<b>21,568,372</b>	<b>20,556,902</b>	<b>4.9%</b>
<b>B. Non-current liabilities</b>			
1. Liabilities to banks	2,730,572	1,051,766	>100.0%
2. Accrued investment subsidies	299,368	365,745	-18.1%
3. Other long-term liabilities	735,681	1,051,829	-30.1%
	<b>3,765,621</b>	<b>2,469,340</b>	<b>52.5%</b>
<b>C. Current debts</b>			
1. Liabilities to banks	688,101	1,375,182	-50.0%
2. Payments on accounts	189,627	337,245	-43.8%
3. Trade accounts payables	1,186,402	1,782,780	-33.5%
4. Tax liabilities	579,809	673,611	-13.9%
5. Other short-term liabilities	1,247,028	1,154,905	8.0%
	<b>3,890,967</b>	<b>5,323,723</b>	<b>-26.9%</b>
<b>D. Deferred tax liabilities</b>	52,672	52,672	-
	<b>29,277,632</b>	<b>28,402,637</b>	<b>3.1%</b>

## Consolidated statement of cash flows from 1 January to 30 September 2017

	January-September 2017 KEUR	January-September 2016 KEUR
Consolidated profit for the year	1,174	1,389
Other non-cash expenses	399	-91
Dividend income	-2	-39
Interest earnings	-9	-5
Interest expenses	156	292
Decrease in deferred taxes	0	140
Income tax expenditure	500	268
Depreciation of fixed assets	815	857
Income from securities trading	-125	-190
Loss from securities trading	0	0
Amounts written off for securities	0	0
Amortisation of public grants and subsidies	-66	-81
Loss from disposal of fixed assets	11	0
<b>Gross cash flow</b>	<b>2,853</b>	<b>2,540</b>
Decrease/increase in inventories	74	-394
Increase in trade receivables and other assets	-285	-656
Decrease in current liabilities and other liabilities	-691	-487
Cash inflow from dividends	2	39
Cash inflow from interest	9	5
Cash outflow from interest	-156	-292
Cash outflow/inflow from taxes	-783	-485
<b>Cash flow from operations</b>	<b>1,023</b>	<b>270</b>
Cash outflow for investments in fixed assets	-733	-1,245
Cash inflow based on financial assets	166	829
Cash outflow based on financial assets	-1,182	-1,047
<b>Cash flow from investments</b>	<b>-1,749</b>	<b>-1,463</b>
Cash inflow from shareholders of non-controlling interests	2,000	0
Share acquisition from shareholders of minority interests	0	-100
Dividend payments	-2,475	-2,475
Cash inflow from taking out loan liabilities	2,260	2,343
Cash outflow for repayment of loan liabilities	-1,268	-2,465
Decrease/increase in long-term liabilities	-316	133
<b>Cash flow from financing activities</b>	<b>201</b>	<b>-2,564</b>
<b>Change in cash and cash equivalents</b>	<b>-525</b>	<b>-3,757</b>
<b>Cash and cash equivalents at beginning of fiscal year</b>	<b>9,518</b>	<b>9,683</b>
<b>Exchange rate difference</b>	<b>-255</b>	<b>-77</b>
<b>Cash and cash equivalents at end of fiscal year</b>	<b>8,738</b>	<b>5,849</b>

## Consolidated statement of change to the shareholders' equity as of 30 September 2017

	Sub- scribed capital	Capital reserve	Other reserves			Assignable to share- holders of the parent company	Non- control- ling interests	Equity capital
			Market valuation reserve	Currency conversion reserve	Accumulated earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>as of 1 January 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>
Purchase of shares in the subsidiary Geratherm Respiratory GmbH from shareholders of minority interests	0	0	0	0	-74,000	-74,000	-26,000	-100,000
Dividend paid to shareholders	0	0	0	0	-2,475,000	-2,475,000	0	-2,475,000
<b>Transactions with shareholders and member partners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,549,000</b>	<b>-2,549,000</b>	<b>-26,000</b>	<b>-2,575,000</b>
Consolidated earnings in period concerned	0	0	0	0	1,348,276	1,348,276	40,367	1,388,643
Unrealised profits and losses from revaluation of securities	0	0	-893,607	0	0	-893,607	0	-893,607
Currency translation in the Group	0	0	0	-85,750	0	-85,750	-81,764	-167,514
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>-893,607</b>	<b>-85,750</b>	<b>1,348,276</b>	<b>368,919</b>	<b>-41,397</b>	<b>327,522</b>
<b>as of 30 September 2016</b>	<b>4,949,999</b>	<b>11,035,367</b>	<b>-28,355</b>	<b>31,106</b>	<b>4,340,259</b>	<b>20,328,376</b>	<b>-636,637</b>	<b>19,691,739</b>
<b>as of 1 January 2017</b>	<b>4,949,999</b>	<b>11,035,367</b>	<b>52,504</b>	<b>-5,504</b>	<b>5,228,788</b>	<b>21,261,154</b>	<b>-704,252</b>	<b>20,556,902</b>
Increase in share capital of the subsidiary apoplex medical technologies GmbH from shareholders of minority interests	0	1,138,825	0	0	0	1,138,825	861,175	2,000,000
Dividend paid to shareholders	0	0	0	0	-2,475,000	-2,475,000	0	-2,475,000
<b>Transactions with shareholders and member partners</b>	<b>0</b>	<b>1,138,825</b>	<b>0</b>	<b>0</b>	<b>-2,475,000</b>	<b>-1,336,175</b>	<b>861,175</b>	<b>-475,000</b>
Consolidated earnings in period concerned	0	0	0	0	1,122,976	1,122,976	50,830	1,173,806
Unrealised profits and losses from revaluation of securities	0	0	168,215	0	0	168,215	0	168,215
Currency translation in the Group	0	0	0	96,430	0	96,430	48,019	144,449
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>168,215</b>	<b>96,430</b>	<b>1,122,976</b>	<b>1,387,621</b>	<b>98,849</b>	<b>1,486,470</b>
<b>as of 30 September 2017</b>	<b>4,949,999</b>	<b>12,174,192</b>	<b>220,719</b>	<b>90,926</b>	<b>3,876,764</b>	<b>21,312,600</b>	<b>255,772</b>	<b>21,568,372</b>

## Consolidated statement of comprehensive income as per IFRS for the period from 1 January to 30 September 2017

	January – September 2017 EUR	January – September 2016 EUR
<b>Consolidated profit for the year</b>	<b>1,173,806</b>	<b>1,388,643</b>
<b>Income and expenses directly recognised in equity, which are reclassified to profit or loss under specific conditions:</b>		
<b>Profits and losses from revaluation of securities</b>	168,215	-893,607
Difference resulting from currency translation	144,449	-167,514
<b>Income and expenses directly included in equity capital</b>	<b>312,664</b>	<b>-1,061,121</b>
<b>Total consolidated income</b>	<b>1,486,470</b>	<b>327,522</b>
of which assignable to shareholders of minority interest	98,849	-41,397
of which assignable to shareholders of parent company	1,387,621	368,919

## Group segment report for the period from 1 January to 30 September 2017

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
2017							
<b>Segment sales</b>	<b>11,792</b>	<b>3,140</b>	<b>1,515</b>	<b>922</b>	<b>-1,114</b>	<b>0</b>	<b>16,255</b>
<b>Operating results</b>	<b>1,476</b>	<b>244</b>	<b>-54</b>	<b>136</b>	<b>51</b>	<b>-156</b>	<b>1,697</b>
including:							
Amortisation/depreciation of intangible and tangible assets	590	53	80	37	-29	84	815
<b>Segment assets</b>	<b>10,823</b>	<b>1,730</b>	<b>3,137</b>	<b>2,353</b>	<b>0</b>	<b>11,235</b>	<b>29,278</b>
<b>Segment debts</b>	<b>6,399</b>	<b>429</b>	<b>545</b>	<b>284</b>	<b>0</b>	<b>52</b>	<b>7,709</b>

By 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
2016							
<b>Segment sales</b>	<b>12,204</b>	<b>2,714</b>	<b>2,080</b>	<b>825</b>	<b>-1,473</b>	<b>0</b>	<b>16,350</b>
<b>Operating results</b>	<b>1,872</b>	<b>152</b>	<b>-256</b>	<b>144</b>	<b>22</b>	<b>-75</b>	<b>1,859</b>
including:							
Amortisation/depreciation of intangible and tangible assets	618	27	87	18	-14	121	857
<b>Segment assets</b>	<b>11,229</b>	<b>1,790</b>	<b>2,993</b>	<b>633</b>	<b>0</b>	<b>10,154</b>	<b>26,799</b>
<b>Segment debts</b>	<b>5,282</b>	<b>612</b>	<b>625</b>	<b>589</b>	<b>0</b>	<b>0</b>	<b>7,108</b>

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

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	2016	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR	Jan.-Sept. kEUR
<b>Sales revenues</b>	<b>8,511</b>	<b>1,656</b>	<b>3,451</b>	<b>1,445</b>	<b>1,722</b>	<b>1,038</b>	<b>17,823</b>
Elimination of intragroup sales	0	-76	-972	0	-455	0	-1,473
<b>Sales revenues on third parties</b>	<b>8,511</b>	<b>1,580</b>	<b>2,509</b>	<b>1,445</b>	<b>1,267</b>	<b>1,038</b>	<b>16,350</b>
<b>Gross profit or loss</b>	<b>5,646</b>	<b>1,043</b>	<b>1,719</b>	<b>958</b>	<b>841</b>	<b>688</b>	<b>10,895</b>
<b>Operating results</b>	<b>920</b>	<b>254</b>	<b>280</b>	<b>156</b>	<b>137</b>	<b>112</b>	<b>1,859</b>
including:							
Amortisation and depreciation of intangible and tangible assets	487	7	148	83	73	59	857
Amortisation of public grants and subsidies	47	0	14	8	7	5	81
<b>Acquisition costs of fixed assets for the period</b>	<b>0</b>	<b>14</b>	<b>806</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>820</b>
<b>Segment assets</b>	<b>0</b>	<b>2,059</b>	<b>24,588</b>	<b>0</b>	<b>152</b>	<b>0</b>	<b>26,799</b>

## Notes on Interim Consolidated Financial Statements for the Period from 1 January 2017 to 30 September 2017

### Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the nine months of the 2017 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 2016 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 life for long-term assets are based on estimates and assumptions. In addition, the assessment of the intrinsic value of deferred taxation allocated to the losses carried forward 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.

### Consolidation group

The following changes occurred in the consolidation group as of 30 September 2017: In accordance with the resolution of the shareholders' meeting from 13 Apr. 2017, the share capital of apoplex medical technologies GmbH was increased by EUR 61,842 to EUR 680,209 by creating new company shares. The share capital has been paid in full. Geratherm's interests in apoplex medical technologies GmbH thus changed from 58.76 % to 53.42 %.

Company	Share quota 9/30/2017	Share quota 12/31/2016
GME Rechte und Beteiligungen GmbH, Geschwenda, Deutschland	100.00 %	100.00 %
apoplex medical technologies GmbH, Pirmasens, Germany	53.42%	58.76 %
Geratherm Respiratory GmbH, Bad Kissingen, Germany	65.27 %	65.27 %
Geratherm Medical do Brasil Ltda., Sao Paulo, Brazil	73.29 %	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 %



The share capital of Geratherm Medical do Brasil Ltda. was increased by way of resolution adopted by the shareholders' meeting on 28 August 2017 by BRL 558,000 (150 kEUR) to BRL 1,226,530 BRL (350 kEUR). The share capital has been paid in full. As a result, Geratherm's share quota in Geratherm Medical do Brasil Ltda. increased to 73.3 %

### 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 30 September 2017 (2016: EUR 4,949,999) and is divided into 4,949,999 (2016: 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 2017 were not audited or reviewed by the company's auditors.

Geschwenda, November 2017



Dr. Gert Frank  
Chief Executive Officer

## COMPANY CALENDAR 2017

Quarterly report Q1/2017	23 May ✓
Semi-annual report 2017	23 August ✓
Quarterly report Q3/2017	23 November ✓

## COMPANY CALENDAR 2018

Quarterly report Q1/2018	24 May
Semi-annual report 2018	23 August
Quarterly report Q3/2018	22 November

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