

A man in a blue shirt is seen from the back, with his right arm outstretched 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 openness and aspiration.

Geratherm[®]

*SOLUTIONS FOR A
HEALTHY WORLD*

9-Month Report 2016

GERATHERM

AT A GLANCE

| Facts and Figures | January- September 2016 | January- September 2015 | Change |
|--|-------------------------------|-------------------------------|----------------|
| Sales revenues | 16,350 kEUR | 15,914 kEUR | 2.7 % |
| of which export share | 13,841 kEUR | 13,723 kEUR | 0.9 % |
| Export ratio | 85 % | 86 % | -1.2 % |
| Gross result (EBITDA) | 2,716 kEUR | 2,726 kEUR | -0.4 % |
| EBITDA margin | 16.6 % | 17.1 % | -2.9 % |
| Amortisation or depreciation | -857 kEUR | -636 kEUR | 34.9 % |
| Operating result (EBIT) | 1,859 kEUR | 2,090 kEUR | -11.1 % |
| EBIT margin | 11.4 % | 13.1 % | -13.0 % |
| Financial result | -63 kEUR | -13 kEUR | >100.0 % |
| Result of ordinary activities | 1,796 kEUR | 2,077 kEUR | -13.5 % |
| Net earnings of the parent company's shareholders in the period concerned | 1,348 kEUR | 1,831 kEUR | -26.3 % |
| Long-term assets | 4,805 kEUR | 4,107 kEUR | 17.0 % |
| Short-term assets | 21,994 kEUR | 24,370 kEUR | -9.7 % |
| Balance sheet total | 26,799 kEUR | 28,477 kEUR | -5.9 % |
| Equity capital | 19,692 kEUR | 21,291 kEUR | -7.5 % |
| Return on equity | 9.1 % | 11.5 % | -20.4 % |
| Equity ratio | 73.5 % | 74.8 % | -1.7 % |
| Cash, cash equivalents and securities | 10,379 kEUR | 13,240 kEUR | -21.6 % |
| Earnings per share according to IFRS (EPS)* | 0.27 EUR | 0.37 EUR | -27.0 % |
| Earnings per share according to DVFA* | 0.27 EUR | 0.37 EUR | -27.0 % |
| Number of employees at end of period | 207 | 167 | 24.0 % |
| 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 - 30 September 2016

- Sales revenues EUR 16.4 million +2.7 %
- Overall performance EUR 17.1 million +4.7 %
- Gross result for first 9 months of year (EBITDA) 2,716 kEUR -0.4 %
- Operating result (EBIT) 1,859 kEUR -11.1 %
- Results from ordinary business activities 1,796 kEUR -13.5 %
- Earnings after taxes (EAT) 1,348 kEUR -26.3 %

Dear Shareholders and Parties Interested in Geratherm Medical,

Geratherm Medical posted a sales growth of +2.7 % for the first nine months of the current business year. The third quarter performed weaker on a whole compared to the same quarter last year. Development in the Warming Systems segment, among others, had an adverse impact on performance. Our subsidiary LMT, which also belongs to this segment, was unable to bring any larger projects to account during the third quarter. That resulted in a shift of potential orders.

Compared to the slight growth in sales, the company managed to post an above-average increase in the gross profit by +6.2 % to EUR 10.9 million. Based on an overall performance, that equates to a gross margin of 63.7 % (2015: 62.8 %).

The EBITDA margin of business operations was 16.6 % (2015: 17.1 %), while the EBIT margin of business operations amounted to 11.4 % (2015: 13.1 %),

The overall return totalled 8.2 % (2015: 10.0 %). The equity-to-assets ratio was 73.5 % with a return on equity of 9.1 % (2015: 11.5 %),

The third quarter performed weaker due to the sharp drop in sales in the Warming Systems segment compared to the same reference period last year. The sales for the past three months declined by -4.5 %. The overall performance decreased on a group level by -2.5 %.

Investments in new employees were made in almost all sectors, which increased personnel costs by 35.9 % over the prior year. Of the 40 new employees, 24 were assigned to the plant in Thuringia for the production of gallium-filled clinical thermometers, and 11 employees for the production of medical capillaries. The write-offs increased considerably by +38.6 %. The operating result for the three-month period decreased by -49.2 % to 311 kEUR (2015: 611 kEUR).

The financial result was positive with +91 kEUR (2015: +169 kEUR). During the 3rd quarter, the result from ordinary activities amounted to 402 kEUR (2015: 781 kEUR). After deducting income tax, the company reported during the third quarter a consolidated profit of 258 kEUR (-57.2 %). Less the minority interests, the result after taxes amounts during the third quarter to 7 EUR cents per share (2015: 16 EUR cent).

Facts and Figures (in kEUR)

| | III/16 | II/16 | I/16 | IV/15 | III/15 |
|---------------|--------|-------|-------|-------|--------|
| Sales | 5,023 | 5,899 | 5,428 | 5,675 | 5,260 |
| EBITDA margin | 12.1% | 23.5% | 13.3% | 12.3% | 15.7% |
| EBIT | 311 | 1,104 | 444 | 444 | 611 |
| EPS (EUR) | 0.07 | 0.15 | 0.05 | 0.18 | 0.16 |
| Cash flow | 600 | 1,184 | 756 | 620 | 1,006 |

Sales Development

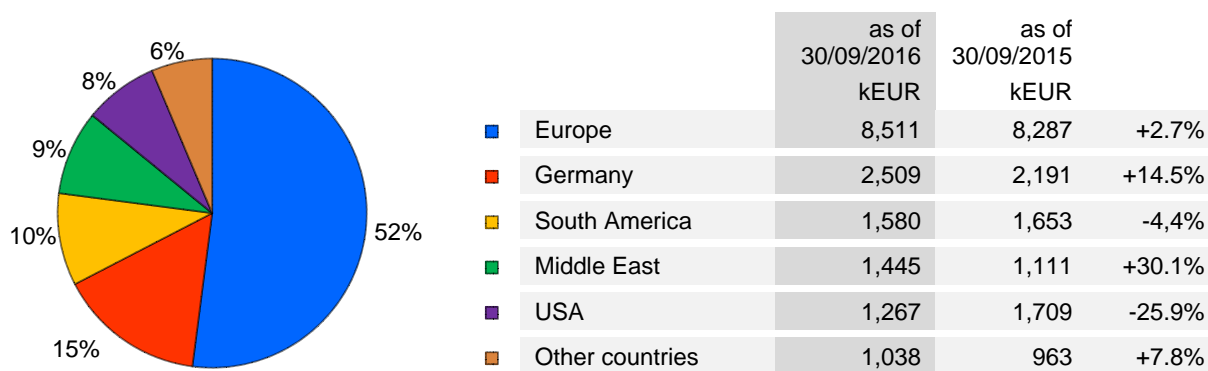
The sales development of Geratherm Medical for the first nine months amounted to +2.7 % (EUR 16.4 million). The sales of Geratherm products varied greatly in the individual regions. We posted a healthy growth with a 30.1 % increase in the Middle Eastern markets. Sales on the German market, which reported an increase of 14.5 % exhibited a positive performance.

The South American market has stabilised. A -4.4 % drop in sales was reported here. Sales on the European market registered a slight increase of 2.7 % compared to the prior year.

We posted a weaker sales with with a -25.9 % drop on the US market. Besides a lower sales reported by our subsidiary LMT Medical, there was a temporary decrease in the purchase orders for gallium-filled thermometers.

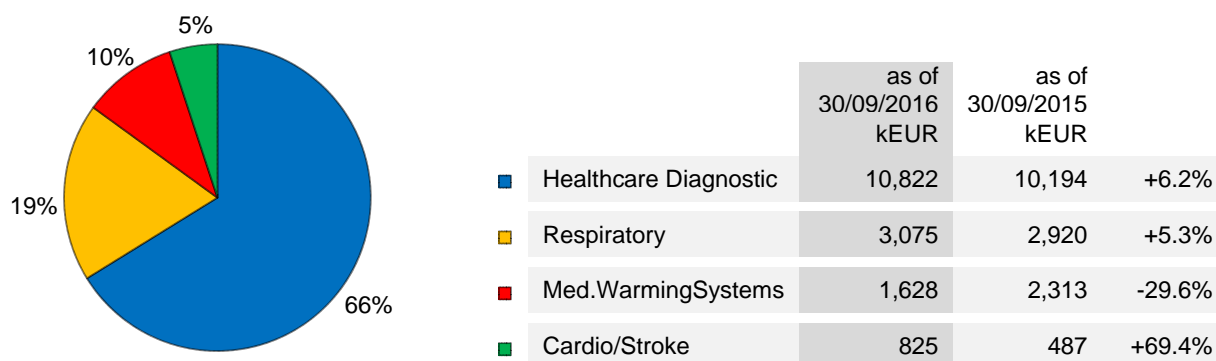
The sales in Other countries enjoyed an above-average increase of +7.8 %. This group of countries essentially includes Africa and Asia.

Sales by regions 01/01 - 30/09/2016



Geratherm products are primarily sold internationally. The export share represented 84.7 % (2015: 86.2 %),

Sales by segments 01/01 - 30/09/2016



The Healthcare Diagnostic segment developed with a +6.2 % growth in sales in line with our expectations. The sales growth benefited from the strong demand for family planning products. The sales of digital clinical thermometers increased slightly by +7.4 % compared to the prior year.

The sales of blood pressure monitors decreased by -8.3 %. During the fourth quarter, we will be launching a new generation of blood pressure monitors on the market such that we expect a market-based stabilisation of this product group.

The Respiratory segment managed to expand its sales by +5.3 % compared to the same period last year. This segment is now the group's second largest sales pillar with a 18.8 % share of sales. We are anticipating a considerably healthier growth for the other quarters and have thus made corresponding investments in new employees. During the third quarter, we equipped the Lisbon University Hospital, among other facilities, with large-scale Geratherm devices. The purchase order for 25 Ergostik modules for a Novartis study focusing on heart failure, which will be delivered in the next few months, was also satisfying.

The Medical Warming Systems segment was our main concern with a -29.6 % drop in sales in the third quarter. There were a number of factors that had a negative impact on business performance. LMT Medical's major purchase orders were deferred to the fourth quarter of 2016. With regard to the Unique Temp and Unique Resc product group we are currently in a recertification process, which should be concluded in November. This had a negative impact on the sales reported by the segment.

The Cardio/Stroke segment continued to develop favorably and was able to build on its growth. For the first nine months of this year, sales increased by +69.4 % to 825 kEUR compared to the same reference period last year.

Earnings Situation

The realised income decreased with a slight 11.1 % increase in sales on a nine-month basis. This can be attributed to the weak third quarter which was considerably impacted by the performance of LMT Medical. Compared to the profit reported in the amount of 275 kEUR for the same reference quarter last year, a loss of -121 kEUR was posted in the third quarter. We anticipate being able to settle larger-scale projects in the fourth quarter such that LMT Medical's earnings situation will stabilise again.

The gross margin of the overall performance did increase during the first nine months to 63.7 % (2015: 62.8 %). The reason for this is the increasing sales of higher-margin products. The gross profit (EBITDA) was 2,716 kEUR (2015: 2,726 kEUR), while the EBITDA margin for the nine-month period amounted to 16.6 % (2015: 17.1 %). The write-offs increased by +34.9 % to 857 kEUR (2015: 636 kEUR).

The operating result (EBIT) decreased by 11.1 % to 1,859 kEUR (2015: 2,090 kEUR). The EBIT margin for the nine-month period amounted to 11.4 % (2015: 13.1 %).

The financial result of the Geratherm Group amounted to -63 kEUR (2015:-13 kEUR). Interests and similar earnings amounted to 292 kEUR (2015: 312 kEUR). Of which the interest burden of our Brazilian subsidiary amounted to 248 kEUR. The financial earnings from dividends and sales of securities amounted to 229 kEUR (2015: 302 kEUR). The earnings from the sales of securities increased considerably during the fourth quarter.

The Geratherm Group managed to generate a result from ordinary business activities of 1,796 kEUR (2,077 kEUR) for the first nine months of the current business year. That corresponds to a 13.5 % decrease. Income taxes weighed on the result with 407 kEUR (2015: 588 kEUR). The effective taxes amounted to 268 kEUR. The remaining amount of 139 kEUR accounted for the reduction of non-cash effective deferred tax assets due to the use of losses carried forward.

The consolidated net profit for the first nine months was 1,389 kEUR (2015: 1,489 kEUR), a decrease of 6.7 %. After considering the results attributable to minority interests, the shareholders of the parent company had for the first nine months a net income of 1,348 kEUR (2015: 1,831 kEUR), a decrease of 26.3 %. The result per share is 27 EUR cents (2015: 37 EUR cents).

Net Assets and Financial Situation

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 26.8 million is essentially formed by equity capital in the amount of EUR 19.7 million.

The equity-to-assets ratio as of the reporting date was 73.5 % (2015: 74.8 %). The return on equity amounted to 9.1 % (2015: 11.5 %). The overall return on investment capital is 8.2 %. As of 30 September 2016 the company had cash, cash equivalents and securities in the amount of EUR 10.4 million (2015: EUR 14.7 million). Thus, the company has a solid financial position.

The long-term assets amount to EUR 4.8 million (2015: EUR 4.9 million). The intangible assets decreased by -13.1 % to 524 kEUR due to the implemented amortisations.

The tangible assets reported in the amount of EUR 3.8 million remained almost the same with EUR 3.7 million compared to 2015.

The short-term assets decreased by 13.4 % to EUR 22.0 million. Inventories increased slightly by +5.8 % to EUR 7.2 million. The trade accounts receivable increased by +24.0 % to EUR 3.9 million.

The gross cash flow for the first nine months was 2,540 kEUR (2015: 2,636 kEUR). The cash flow from business operations was 270 kEUR (2015: 2,157 kEUR). The cash flow from investments amounted to -1,463 kEUR (2015: -752 kEUR).

Research and Development

Our research and development activities are currently focussed on the business segments Respiratory and Warming Systems. The research and development activities include individual projects that are planned for the long term. There have been no changes in this regard over the past few months.

Staff

The Geratherm Group had a staff of 207 persons in total as of 30 September 2016 (2015: 167) with 183 employees in Germany (2015: 151). The addition of 40 employees can be viewed in the context of the planned growth and acquisition of the medical capillary production (+11 employees).

An additional 14 employees were hired to accommodate the ramp-up of higher capacities for the production of gallium-filled thermometers. 6 additional employees were also hired for the Respiratory segment. apoplex medical's staff was also augmented by 4 new employees. As a result, we are laying the foundation for the company's planned growth.

Outlook

We anticipate that sales and earnings will continue to develop favourably for the fourth quarter of 2016. The possible settlement of large-scale projects by our subsidiary LMT Medical during the fourth quarter is expected to have a positive impact on consolidated profits. A considerably higher financial result should be realised by the end of year. The reasons for this lie in the liquidation of the shares held in Epigenomics and the planned takeover offer of CompuGroup Medical for the Agfa Gaevert-Group. Geratherm holds 700,000 shares of Agfa-Gaevert at a book value of EUR 3.54 per share.

Geschwenda, November 2016



Dr. Gert Frank
Chief Executive Officer

Statement of comprehensive income for the period January 1, 2016 to September 30, 2016

| | July-Sept. 2016 EUR | July-Sept. 2015 EUR | Change | Jan.-Sept. 2016 EUR | Jan.-Sept. 2015 EUR | Change |
|--|---------------------------|---------------------------|---------------|---------------------------|---------------------------|-------------------|
| Sales revenue | 5,023,026 | 5,259,891 | -4.5% | 16,349,894 | 15,914,252 | 2.7% |
| Change in stocks of finished and unfinished goods | 139,805 | -52,504 | >100.0% | 219,374 | -157,733 | >100.0% |
| Other own work capitalized | 31,288 | 1,003 | >100.0% | 83,331 | 6,497 | >100.0% |
| Other operating income | 75,668 | 195,905 | -61.4% | 450,950 | 573,879 | -21.4% |
| | 5,269,787 | 5,404,295 | -2.5% | 17,103,549 | 16,336,895 | 4.7% |
| Material costs | | | | | | |
| Costs for consumables, supplies and goods and for specific products | -1,735,362 | -1,942,351 | -10.7% | -5,363,829 | -5,724,315 | -6.3% |
| Costs of purchased services | -242,649 | -124,437 | 95.0% | -844,594 | -356,513 | >100.0% |
| | -1,978,011 | -2,066,788 | -4.3% | -6,208,423 | -6,080,828 | 2.1% |
| Gross profit | 3,291,776 | 3,337,507 | -1.4% | 10,895,126 | 10,256,067 | 6.2% |
| Personnel expenses | | | | | | |
| Wages and salaries | -1,315,184 | -954,247 | 37.8% | -3,800,404 | -2,953,736 | 28.7% |
| Social contributions and expenditures for pensions | -262,326 | -206,175 | 27.2% | -808,887 | -675,120 | 19.8% |
| | -1,577,510 | -1,160,422 | 35.9% | -4,609,291 | -3,628,856 | 27.0% |
| Depreciation of intangible assets and tangible fixed assets | -295,335 | -213,154 | 38.6% | -857,343 | -635,590 | 34.9% |
| Other operating expenditure | -1,108,250 | -1,352,680 | -18.1% | -3,569,685 | -3,901,119 | -8.5% |
| Operating results | 310,681 | 611,251 | -49.2% | 1,858,807 | 2,090,502 | -11.1% |
| Income from dividends | 0 | 0 | - | 39,000 | 39,000 | - |
| Income from sale of securities | 175,962 | 262,650 | -33.0% | 189,609 | 262,650 | -27.8% |
| Depreciation of securities | 0 | 0 | - | 0 | 0 | - |
| Expenses from securities | -655 | -7,324 | -91.1 | -4,336 | -10,091 | -57.0% |
| Other interest and related income | 1,943 | 2,362 | -17.7% | 5,081 | 7,640 | -33.5% |
| Interests and similar expenses | -86,305 | -88,422 | -2.4% | -292,044 | -312,368 | -6.5% |
| Financial result | 90,945 | 169,266 | -46.3% | -62,690 | -13,169 | >100.0% |
| Result of normal business activity | 401,626 | 780,517 | -48.5% | 1,796,117 | 2,077,333 | -13.5% |
| Taxes on income and profit | -143,663 | -178,231 | -19.4% | -407,475 | -588,568 | -30.8% |
| Group net profit for the period | 257,963 | 602,286 | -57.2% | 1,388,642 | 1,488,765 | -6.7% |
| Result of non-controlling shareholders for the period | -102,258 | -171,260 | -40.3% | 40,367 | -341,758 | - |
| Net earnings of the parent company's shareholders in the period concerned | 360,221 | 773,546 | -53.4% | 1,348,275 | 1,830,523 | -26.3% |
| Gross result for first quarter of year (EBITDA) | 606,016 | 824,405 | -26.5% | 2,716,150 | 2,726,092 | -0.4% |
| Earnings per share undiluted | 0.07 | 0.16 | -56.3% | 0.27 | 0.37 | -27.0% |

Statement of financial position as at the end of the period by September 30, 2016

| Assets | 30. September 2016 EUR | 31. December 2015 EUR | Change |
|---|---------------------------|--------------------------|---------------|
| A. Long-term assets | | | |
| I. Intangible assets | | | |
| 1. Development costs | 167,538 | 161,491 | 3.7% |
| 2. Other intangible assets | 281,126 | 366,234 | -23.2% |
| 3. Goodwill | 75,750 | 75,750 | - |
| | 524,414 | 603,475 | -13.1% |
| II. Tangible assets | | | |
| 1. Land and buildings | 1,220,239 | 1,021,961 | 19.4% |
| 2. Plant and machinery | 2,164,048 | 2,254,680 | -4.0% |
| 3. Other plants, operating and office equipment | 330,947 | 311,484 | 6.2% |
| 4. Assets under construction | 48,754 | 134,412 | -63.7% |
| | 3,763,988 | 3,722,537 | 1.1% |
| III. Other assets | 270,000 | 270,000 | - |
| IV. Other long-term receivables | 247,175 | 123,045 | >100.0% |
| V. Deferred taxes | 0 | 139,642 | - |
| | 4,805,577 | 4,858,699 | -1.1% |
| B. Current assets | | | |
| I. Inventories | | | |
| 1. Raw, auxiliary and operating materials | 2,396,456 | 2,148,258 | 11.6% |
| 2. Unfinished products | 1,047,169 | 1,317,323 | -20.5% |
| 3. Finished products and goods | 3,766,179 | 3,349,944 | 12.4% |
| | 7,209,804 | 6,815,525 | 5.8% |
| II. Receivables and other assets | | | |
| 1. Trade accounts receivable | 3,875,546 | 3,125,080 | 24.0% |
| 2. Tax claims | 157,124 | 303,731 | -48.3% |
| 3. Other assets | 372,055 | 446,595 | -16.7% |
| | 4,404,725 | 3,875,406 | 13.7% |
| III. Securities | 4,530,096 | 5,015,682 | -9.7% |
| IV. Means of payment | 5,849,280 | 9,682,703 | -39.6% |
| | 21,993,905 | 25,389,316 | -13.4% |
| | 26,799,482 | 30,248,015 | -11.4% |
| Equity and Liabilities | | | |
| A. Equity | | | |
| I. Subscribed capital | 4,949,999 | 4,949,999 | - |
| II. Capital reserves | 11,035,367 | 11,035,367 | - |
| III. Other reserves | 4,343,010 | 6,523,091 | -33.4% |
| Attributable to parent company shareholders | 20,328,376 | 22,508,457 | -9.7% |
| Non-controlling shareholders | -636,637 | -569,240 | 11.8% |
| | 19,691,739 | 21,939,217 | -10.2% |
| B. Non-current liabilities | | | |
| 1. Liabilities to banks | 1,183,933 | 1,533,697 | -22.8% |
| 2. Accrued investment subsidies | 392,864 | 474,221 | -17.2% |
| 3. Other long-term liabilities | 923,954 | 791,228 | 16.8% |
| | 2,500,751 | 2,799,146 | -10.7% |
| C. Current liabilities | | | |
| 1. Amounts owed to credit institutions | 1,372,932 | 1,144,682 | 19.9% |
| 2. Advances received | 230,592 | 305,790 | -24.6% |
| 3. Trade accounts payable | 1,133,147 | 1,707,003 | -33.6% |
| 4. Tax liabilities | 560,957 | 638,373 | -12.1% |
| 5. Other current liabilities | 1,309,364 | 1,713,804 | -23.6% |
| | 4,606,992 | 5,509,652 | -16.4% |
| | 26,799,482 | 30,248,015 | -11.4% |

Statement of cash flow for the period January 1, 2016 to September 30, 2016

| | January – Sept. 2016 kEUR | January – Sept. 2015 kEUR |
|---|---------------------------------|---------------------------------|
| Group net profit for the period | 1,389 | 1,489 |
| Other non-cash expenses | -91 | 5 |
| Dividend income | -39 | -39 |
| Interest income | -5 | -8 |
| Interest paid | 292 | 312 |
| Decrease in deferred taxes | 140 | 376 |
| Expenditure from income taxes | 268 | 212 |
| Depreciation of fixed assets | 857 | 636 |
| Income from the sale of securities | -190 | -263 |
| Losses from securities trading | 0 | 0 |
| Depreciation of securities | 0 | 0 |
| Amortization of allowances and subsidies | -81 | -84 |
| Loss on disposal of fixed assets | 0 | 0 |
| Gross cash flow | 2,540 | 2,636 |
| Increase in inventories | -394 | -132 |
| Increase in trade receivables and other assets | -656 | -400 |
| Decrease/Increase in current and other liabilities | -487 | 348 |
| Cash from dividends | 39 | 39 |
| Inflow from interest | 5 | 8 |
| Outflow from interest | -292 | -312 |
| Outflow of taxes | -485 | -30 |
| Cash flow from operations | 270 | 2,157 |
| Outflow for investment in fixed assets | -1,245 | -319 |
| Inflow from financial investments | 829 | 612 |
| Outflow for financial investments | -1,047 | -1,045 |
| Cash flow from investments | -1,463 | -752 |
| Cash inflow from non-controlling shareholders | 0 | 2 |
| Share acquisition of non-controlling shareholders | -100 | 0 |
| Dividend distribution | -2,475 | -1,238 |
| Proceeds from the repayment of loans | 2,343 | 964 |
| Outflows for the repayment of loans | -2,465 | -2,415 |
| Increase in fixed liabilities | 133 | 63 |
| Cash flow from financing activities | -2,564 | -2,624 |
| Change in cash and cash equivalents | -3,757 | -1,219 |
| Cash and cash equivalents at the start of the reporting period | 9,683 | 8,869 |
| Effect of exchange rate changes on cash and cash equivalents | -77 | 258 |
| Cash and cash equivalents at the end of the reporting period | 5,849 | 7,908 |

Statement of changes in equity for the period by September 30, 2016

| | | | Other reserves | | | To be assigned to the shareholders of the parent company | Non-controlling interests | Equity capital |
|--|--------------------|-------------------|--------------------------|------------------------------|----------------------|--|---------------------------|-------------------|
| | Subscribed capital | Capital reserves | Market valuation reserve | Currency conversion reserves | Accumulated earnings | | | |
| | EUR | EUR | EUR | EUR | EUR | | | |
| As of January 1, 2015 | 4,949,999 | 11,035,367 | 659,054 | 16,963 | 4,047,646 | 20,709,029 | -366,071 | 20,342,958 |
| Interest-proportional increase in share capital of subsidiary Geratherm Medical do Brasil Ltda. | 0 | 0 | 0 | 0 | 0 | 0 | 84,703 | 84,703 |
| Purchase of shares in the subsidiary apoplex medical technologies GmbH by shareholders of minority interests | 0 | 0 | 0 | 0 | 0 | 0 | -83,334 | -83,334 |
| Dividend payment to shareholders | 0 | 0 | 0 | 0 | -1,237,500 | -1,237,500 | 0 | -1,237,500 |
| Transaction with associates and shareholders | 0 | 0 | 0 | 0 | -1,237,500 | -1,237,500 | 1,369 | -1,236,131 |
| Group period result | 0 | 0 | 0 | 0 | 1,830,523 | 1,830,523 | -341,758 | 1,488,765 |
| Unrealized profits and losses from revaluation of securities | 0 | 0 | 432,915 | 0 | 0 | 432,915 | 0 | 432,915 |
| Currency translation in group | 0 | 0 | 0 | 133,957 | 0 | 133,957 | 128,704 | 262,661 |
| Total consolidated income | 0 | 0 | 432,915 | 133,957 | 1,830,523 | 2,397,395 | -213,054 | 2,184,341 |
| As of September 30, 2015 | 4,949,999 | 11,035,367 | 1,091,969 | 150,920 | 4,640,669 | 21,868,924 | -577,756 | 21,291,168 |
| As of January 1, 2016 | 4,949,999 | 11,035,367 | 865,252 | 116,856 | 5,540,983 | 22,508,457 | -569,240 | 21,939,217 |
| Purchase of shares in the subsidiary Geratherm Respiratory GmbH von nicht beherrschenden Anteilseignern | 0 | 0 | 0 | 0 | -74,000 | -74,000 | -26,000 | -100,000 |
| Dividend payment to shareholders | 0 | 0 | 0 | 0 | -2,475,000 | -2,475,000 | 0 | -2,475,000 |
| Transaction with associates and shareholders | 0 | 0 | 0 | 0 | -2,549,000 | -2,549,000 | -26,000 | -2,575,000 |
| Group period result | 0 | 0 | 0 | 0 | 1,348,276 | 1,348,276 | 40,367 | 1,388,643 |
| Unrealized profits and losses from revaluation of securities | 0 | 0 | -893,607 | 0 | 0 | -893,607 | 0 | -893,607 |
| Currency translation in group | 0 | 0 | 0 | -85,750 | 0 | -85,750 | -81,764 | -167,514 |
| Total consolidated income | 0 | 0 | -893,607 | -85,750 | 1,348,276 | 368,919 | -41,397 | 327,522 |
| As of September 30, 2016 | 4,949,999 | 11,035,367 | -28,355 | 31,106 | 4,340,259 | 20,328,376 | -636,637 | 19,691,739 |

Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2016 to September 30, 2016

| | 01.01.-30.09.2016 EUR | 01.01.-30.09.2015 EUR |
|--|--------------------------|--------------------------|
| Net earnings of the parent company's shareholders in the period concerned | 1,388,643 | 1,488,765 |
| Income and expenses directly included in equity capital | | |
| Which are reclassified under specific conditions to profit or loss: | | |
| Profit and losses from the revaluation of securities | -893,607 | 432,915 |
| Difference resulting from currency translation | -167,514 | 262,661 |
| Income and expenses directly included in equity capital | -1,061,121 | 695,576 |
| Total consolidated income | 327,522 | 2,184,341 |
| Of which for non-controlling shareholders | -41,397 | -213,054 |
| Of which for parent company shareholders | 368,919 | 2,397,395 |

Segment Report for the period from January 1, 2016 to September 30, 2016

| According to product segments | Healthcare Diagnostic | Respiratory | Med. Warming Systems | Cardio/Stroke | Consolidation | Reconciliation | Total |
|---|-----------------------|------------------|----------------------|------------------|------------------|------------------|------------------|
| | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR |
| 2016 | | | | | | | |
| Segment revenues | 12,204 | 2,714 | 2,080 | 825 | -1,473 | 0 | 16,350 |
| Operating results | 1,872 | 152 | -256 | 144 | 22 | -75 | 1,859 |
| of which: | | | | | | | |
| Amortization of intangible assets and depreciation of tangible assets | 618 | 27 | 87 | 18 | -14 | 121 | 857 |
| Segment assets | 11,229 | 1,790 | 2,993 | 633 | 0 | 10,154 | 26,799 |
| Segment liabilities | 5,282 | 612 | 625 | 589 | 0 | 0 | 7,108 |

| According to product segments | Healthcare Diagnostic | Respiratory | Med. Warming Systems | Cardio/Stroke | Consolidation | Reconciliation | Total |
|---|-----------------------|------------------|----------------------|------------------|------------------|------------------|------------------|
| | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR | Jan.- Sept. kEUR |
| 2015 | | | | | | | |
| Segment revenues | 11,097 | 2,661 | 2,183 | 488 | -521 | 6 | 15,914 |
| Operating results | 1,526 | 270 | 306 | 21 | -61 | 28 | 2,090 |
| of which: | | | | | | | |
| Amortization of intangible assets and depreciation of tangible assets | 456 | 49 | 67 | 9 | -2 | 57 | 636 |
| Segment assets | 10,028 | 2,080 | 2,946 | 400 | 0 | 12,815 | 28,269 |
| Segment liabilities | 5,203 | 685 | 775 | 523 | 0 | 0 | 7,186 |

| According to regions | Europe | South America | Germany | Middle East | USA | Others | Total |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2016 | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR |
| Sales revenue | 8,511 | 1,656 | 3,451 | 1,445 | 1,722 | 1,038 | 17,823 |
| Elimination of intercompany Sales | 0 | -76 | -942 | 0 | -455 | 0 | -1,473 |
| Sales revenue to third parties | 8,511 | 1,580 | 2,509 | 1,445 | 1,267 | 1,038 | 16,350 |
| Gross profit or loss | 5,646 | 1,043 | 1,719 | 958 | 841 | 688 | 10,895 |
| Operating results | 920 | 254 | 280 | 156 | 137 | 112 | 1,859 |
| of which: | | | | | | | |
| Amortization/depreciation of intangible assets and tangible assets | 487 | 7 | 148 | 83 | 73 | 59 | 857 |
| Amortization of public grants and subsidies | 47 | 0 | 14 | 8 | 7 | 5 | 81 |
| Acquisition costs of fixed assets for the period | 0 | 14 | 806 | 0 | 0 | 0 | 820 |
| Segment assets | 0 | 2,059 | 24,588 | 0 | 152 | 0 | 26,799 |

| According to regions | Europe | South America | Germany | Middle East | USA | Others | Total |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2015 | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR | Jan.-Sept. kEUR |
| Sales revenue | 8,287 | 1,813 | 2,551 | 1,111 | 1,709 | 964 | 16,435 |
| Elimination of intercompany Sales | 0 | -161 | -360 | 0 | 0 | 0 | -521 |
| Sales revenue to third parties | 8,287 | 1,652 | 2,191 | 1,111 | 1,709 | 964 | 15,914 |
| Gross profit or loss | 5,392 | 972 | 1,430 | 723 | 1,112 | 627 | 10,256 |
| Operating results | 1,502 | -495 | 398 | 201 | 310 | 174 | 2,090 |
| of which: | | | | | | | |
| Amortization/depreciation of intangible assets and tangible assets | 364 | 9 | 97 | 49 | 75 | 42 | 636 |
| Amortization of public grants and subsidies | 49 | 0 | 13 | 7 | 10 | 5 | 84 |
| Acquisition costs of fixed assets for the period | 0 | 1 | 184 | 0 | 0 | 0 | 185 |
| Segment assets | 0 | 1,720 | 26,549 | 0 | 0 | 0 | 28,269 |

Notes on Interim Consolidated Financial Statements for the Period from 1 January 2016 to 30 September 2016

Accounting and Valuation Methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the first nine 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 Business 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.

Consolidated Group

The following changes occurred in the consolidation group as of 30 September 2016. Geratherm Medical AG took over further nominal capital shares of minority interests in Geratherm Respiratory GmbH at a purchase price of 100 kEUR. Thus, Geratherm's interest in Respiratory's share capital increased by 26 kEUR (+4%). The purchase price difference in the amount of 74 kEUR was shown as revenue reserve in equity capital of Geratherm.

| Company | Share quota 30/9/2016 | Share quota 31/12/2015 |
|--|--------------------------|---------------------------|
| GME Rechte und Beteiligungen GmbH, Geschwenda, Germany | 100.00% | 100.00% |
| apoplex medical technologies GmbH, Pirmasens, Germany | 58.76% | 58.76% |
| Geratherm Respiratory GmbH, Bad Kissingen, Germany | 65.27% | 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 <i>Subsidiary of LMT Lübeck</i> | 66.67 % | 66.67 % |
| <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 as of 30 September 2016 to EUR 4,949,999 (2015: EUR 4,949,999) and is divided into 4,949,999 share certificates issued to the bearers (2015: 4,949,999). The subscribed capital has been paid in full. As of the reporting date there were no shares held by the company.

Geschwenda, November 2016



Dr. Gert Frank
Chief Executive Officer

COMPANY CALENDAR 2016

Quarterly Statement 1st quarter 2016

24th May ✓

Half yearly report 2016

23rd August ✓

Quarterly Statement 3rd quarter 2016

22nd November ✓

COMPANY CALENDAR 2017

Quarterly Statement 1st quarter 2017

23th May

Half yearly report 2017

23rd August

Quarterly Statement 3rd quarter 2017

23rd November

Annual General Meeting in Frankfurt am Main
"Grandhotel Hessischer Hof"

06 June

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