



Geratherm[®]

*SOLUTIONS FOR A
HEALTHY WORLD*

Half-yearly Report **2017**

GERATHERM

AT A GLANCE

Facts and Figures	January - June 2017	January - June 2016	Change
Sales revenues	11,068 kEUR	11,327 kEUR	-2.3%
of which export share	9,361 kEUR	9,620 kEUR	-2.7%
Export ratio	85 %	85 %	0.0%
Gross result (EBITDA)	1,745 kEUR	2,110 kEUR	-17.3%
EBITDA margin	15.8 %	18.6 %	-15.1%
Amortisation and depreciation	-554 kEUR	-562 kEUR	-1.4%
Operating result (EBIT)	1,191 kEUR	1,548 kEUR	-23.0%
EBIT margin	10.8 %	13.7 %	-21.2%
Financial results	43 kEUR	-154 kEUR	>100.0%
Result of ordinary activities	1,234 kEUR	1,394 kEUR	-11.5%
Net earnings of the parent company's shareholders in the period concerned	862 kEUR	988 kEUR	-12.8%
Long-term assets	4,675 kEUR	5,022 kEUR	-6.9%
Short-term assets	22,967 kEUR	21,857 kEUR	5.1%
Balance sheet total	27,642 kEUR	26,879 kEUR	2.8%
Equity capital	21,313 kEUR	19,561 kEUR	9.0%
Return on equity	8.1 %	10.1 %	-19.9%
Equity ratio	77.1 %	72.8 %	5.9%
Cash, cash equivalents and securities	10,802 kEUR	9,528 kEUR	13.4%
Earnings per share according to IFRS (EPS)*	EUR 0.17	EUR 0.20	-15.0%
Earnings per share according to DVFA*	EUR 0.17	EUR 0.20	-15.0%
Number of employees at end of period	205	204	0.5%
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 June 2017

- Sales revenues EUR 11.1 million -2.3 %
- Gross result for first half of year (EBITDA) EUR 1.745 million -17.3 %
- Operating result (EBIT) EUR 1.191 million -23.0 %
- Results from ordinary business activities EUR 1.234 million -11.5 %
- Earnings after taxes (EAT) 862 kEUR -12.8 %
- Weaker second quarter due to dollar exchange rate and warming systems

Dear Shareholders and Parties Interested in Geratherm Medical,

Geratherm Medical posted a weaker performance for the first six months of the current business year. After a strong first quarter, we had to compensate for a weak second quarter. Due to the high level of dollar holdings and accounts receivable on dollar basis, value adjustments in the amount of 278 kEUR were carried out at the end of the first six months of 2017. The situation affecting the Warming Systems segment continues to weigh on the operating result.

During the first six months of 2017 we posted sales revenues of EUR 11.1 million on the Group level. That represents a slight drop of 2.3 % compared to the same period last year. The gross profit increased by +1.2 % to EUR 7.7 million, which equates to a gross margin, based on the overall performance, of 67.9 % (2016: 64.2 %).

The EBITDA margin at the Group level amounted to 15.8 % during the first six months (2016: 18.6 %), the EBIT margin amounted to 10.8 % (2016: 13.7 %).

The sales of the Healthcare Diagnostic segment decreased by -2.7 % during the first six months. The EBIT margin amounted to 15.4 % (2016: 15.2 %). The Respiratory segment managed to build on its sales by +20.9 % compared to the same period last year. The EBIT margin amounted to 6.0 % (2016: 9.2 %). In the Warming Systems segment, we had to accept a -42.7 % decrease in sales. The main reason was the temporary suspension of the approval for products in this segment. The segment registered a negative EBIT margin.

The Cardio/Stroke segment managed to expand its sales by +23.0 %. The EBIT margin was 20.5 % (2016: 17.9 %).

The sales revenues generated during the second quarter of the business year decreased by -17.3% compared to the same period under review last year. In addition, we had to adjust the values of dollar holdings and accounts receivable in the amount of 275 kEUR. These two negative factors caused the gross profit EBITDA to sharply drop by -67.6 %, ending at 450 kEUR (2016: EUR 1.387 million) for the past three months. The EBIT was 187 kEUR (2016: EUR 1.104 million), which corresponds to an EBIT margin of 3.8 % on the Group level. We assume that the negative underlying conditions that we experienced during the second quarter will change in a positive way in the coming quarters. After deducting income tax, the company reported during the second quarter a consolidated net profit of 174 kEUR (2016: 888 kEUR). Less the minority interests, the result after taxes for the second quarter amounted to 241 kEUR or 5 EUR cents per share (2016: 15 EUR cents).

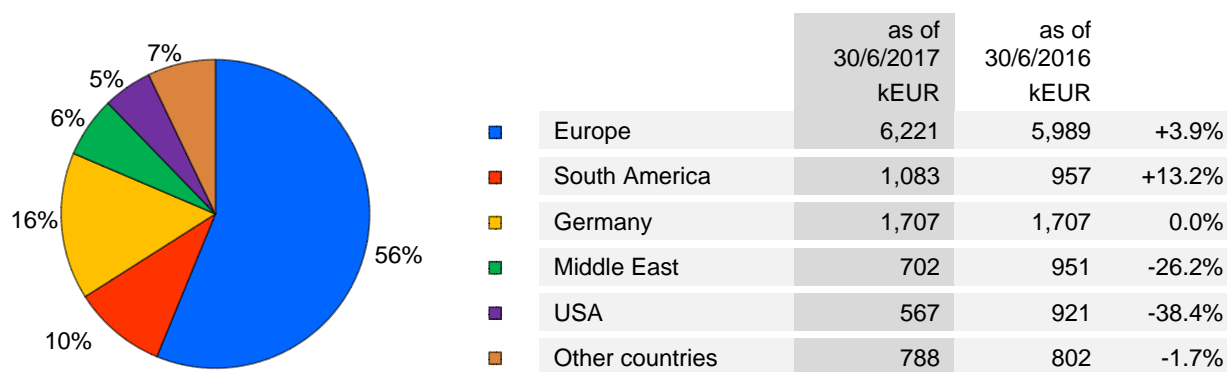
Facts and figures (in kEUR)

	II/17	I/17	IV/16	III/16	II/16
Sales	4,879	6,189	5,059	5,023	5,899
EBITDA margin	9.2 %	20.9%	19.6%	12.1%	23.5%
EBIT	187	1,004	680	311	1,104
EPS (EUR)	0.04	0.13	0.18	0.07	0.15
Cash flow	343	1,290	656	600	1,184

Sales development

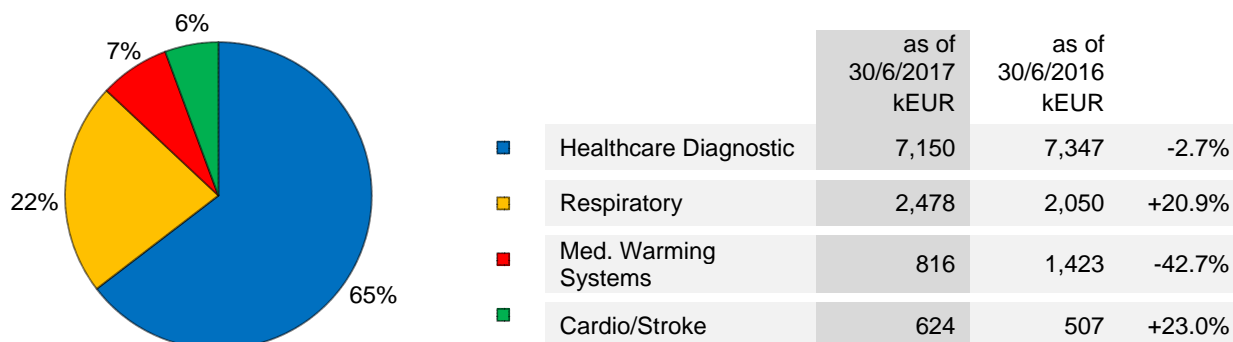
Sales development varied greatly in the individual countries and was affected in part by the date of the deliveries. We managed to post a slight +3.9 % increase in sales on the European market. Even our Brazilian subsidiary was able to register a +13.2 % growth in sales thanks to the improved underlying conditions. Sales on the German market have remained stable. Due to the postponement of deliveries intended for Saudi Arabia, we have to report a -26.2 % decline in sales on the Middle Eastern market. We also experienced a -38.4 % drop in sales on the US market due to seasonal factors. The sales posted in Other countries remained stable for the most part.

Sales by regions 1/1- 30/6/2017



The export quota of Geratherm Medical is still very healthy. All in all, 84.6 % (2016: 84.9 %) of Geratherm products were exported to more than 60 countries.

Sales by segments 1/1- 30/6/2017



The sales of the Healthcare Diagnostic segment decreased by -2.7 % during the first six months of the year. Our best-selling product group – gallium-filled thermometers - generated a sales increase of 4.0 % during the first six months. The production and sales of gallium-filled thermometers make up a 38.1 % share of the overall sales. The digital clinical thermometer and blood pressure monitor product groups exhibited a weaker development.

The Respiratory segment, in which we offer products for testing pulmonary function, was able to continue its sales growth, as in the previous months, achieving a sales of +20.9 % on a six-month basis. In particular, the demand from emerging markets, including China, resulted in positive business performance.

Segment sales in the Medical Warming Systems business unit was very weak, registering a -42.7 % drop in sales. Negative factors that weighed on business performance included the sales development of LMT Medical and the blocked delivery of Warming Systems due to new regulatory requirements. We do believe, however, that we have overcome the low we experienced during the second quarter. LMT received the approval for its products on the Korean market at the end of the second quarter. With this approval, LMT is able to deliver on its first order for a medical system for premature babies amounting to approx. 500 kEUR, which will in turn have a positive impact on sales and earnings posted during the third quarter. With regard to our warming systems, we have adapted the extensive documentation and product files in terms of the new requirements posed by the licensing authority over the last twelve months. We will submit these again at the end of August 2017. We are optimistic that the licensing authority will reinstate the suspended approval again.

Business development in the Cardio/Stroke segment continued to be very positive. Sales increased by +23.0 %. The number of participating hospitals/stroke centers increased to 95 clinics and hospitals (2016: 75). As a result of that, we are already very close to achieving our goal of having more than 100 participating hospitals in Germany by the end of 2017.

Earnings situation

The slight decline in sales and the extraordinary burdens posed by currency adjustments made to our dollar holdings and accounts receivable as well as the sales losses registered by Warming Systems resulted in a weaker performance for the first six months of 2017.

The gross profit margin of the overall performance amounted during the first six months to 67.9 % (2016: 64.2 %). The gross profit margin rose slightly by +1.2 % over the level posted last year. The gross profit (EBITDA) was EUR 1.745 million (2016: EUR 2.110 million). The EBITDA margin declined slightly from 18.6 % to 15.8 % compared to the same reference period last year. The write-offs decreased by 1.4 % to 554 kEUR (2016: 562 kEUR).

The operating result (EBIT) decreased by -23.0 % to EUR 1.191 million for the first six months of the current fiscal year. The EBIT margin dropped from 13.7 % to 10.8 %.

The financial result made a positive contribution to results in the amount of +43 kEUR. Restructuring measures carried out at our subsidiary Geratherm do Brasil did lead to a better operating result. The parent company took over a loan from a Brazilian bank with a 47 % quota. Doing so eliminated the burden on Geratherm do Brasil posed by the high interest payments on the extended loans amounting up to 35 % p.a.

The profits from ordinary business activities decreased by 11.5 % to EUR 1.234 million (2016: EUR 1.394 million). Income taxes amounted to a burden of 401 kEUR (2016: 264 kEUR).

The consolidated net profit for the first six months of 2017 was 833 kEUR (2016: EUR 1.131 million), a decrease of 26.3 %. After redeeming the result attributable to minority interests, a net income of 862 kEUR (-12.8%) for the first half of the year was generated for the shareholders of the parent company. The result per share for the first six months is 17 EUR cents (2016: 20 EUR cents).

Net assets and financial situation

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 27.6 million is essentially formed by equity capital in the amount of EUR 21.3 million. The equity-to-assets ratio was 77.1 % as of the reporting date (2016: 72.8 %). The return on equity amounted to 8.1 % (2016: 10.1 %). The overall return on investment capital is 6.7 % (2016: 8.9 %).

As of 30 June 2017 the company had cash, cash equivalents and securities in the amount of EUR 10.8 million (2016: EUR 9.5 million). The increase in liquid funds can be attributed to the influx of EUR 2 million due to the capital increase assumed by the Swiss Eckenstein-Geigy-Stiftung (foundation) in the subsidiary apoplex medical. Thus, the company's financial situation is above-average.

The other long-term intangible assets increased by +57.8 % to 426 kEUR. The value of the assets represents an 11.0 % stake in Protembis GmbH Aachen. The company is developing a cardiological system "ProtEmbo" for preventing strokes during heart valve operations. The company received permission during the second quarter of 2017 to implant the system it developed in patients during an initial human clinical study.

Inventories increased by +6.3 % to EUR 8.3 million. The accounts receivable and other assets increased by +1.7 % to EUR 3.9 million during the first six months of the year. As at 30 June 2017, the company held securities worth EUR 3.1 million (+22.6 %). The increase in this item can mainly be attributed to the increase in the value of the securities held. The cash and cash equivalents amounted to EUR 7.7 million (-19.1 %)

The gross cash flow for the first six months fell to EUR 1.633 million (2016: EUR 1.940 million). The cash flow from business operations was -253 kEUR (2016: -668 kEUR). The cash flow from investments decreased to -803 kEUR (2016: EUR -1.651 million).

Research and development

The focal point of our research and development efforts have not changed and primarily involved the business segments Medical warming systems, our subsidiary LMT, Geratherm Respiratory and apoplex medical.

Annual general meeting

The annual general meeting of the shareholders of Geratherm Medical convened on 6 June 2017, at Grandhotel "Hessischer Hof" in Frankfurt am Main. All items on the agenda were discussed and adopted by our shareholders. The shareholders in attendance represented 55.96 % (2016: 58.79 %).

Staff

The Geratherm Group had a staff of 205 persons in total as of 30 June 2017 (2016: 204), with 184 employees in Germany (2016: 187).

Outlook

In spite of the weaker second quarter, we do expect a positive development for the remainder of the business year. The burdens placed on Geratherm due to new regulatory requirements should decrease in the next few months. We expect a re-licensing of the warming systems product group and a considerable increase in sales for our subsidiary LMT. The sales growth in the Respiratory and apoplex segments should continue.

Geschwenda, August 2017



Dr. Gert Frank
Chief Executive Officer

Consolidated profit and loss statement from 1 January 2017 to 30 June 2017

	April-June 2017 EUR	April-June 2016 EUR	Change	Jan.-June 2017 EUR	Jan.-June 2016 EUR	Change
Sales revenues	4,879,100	5,898,955	-17.3%	11,067,807	11,326,868	-2.3%
Change in inventory of finished products and work in process	230,654	85,229	>100.0%	-62,248	79,569	-100.0%
Other capitalised own work	36,550	27,157	34.6%	72,953	52,043	40.2%
Other operating income	124,592	174,508	-28.6%	252,845	375,282	-32.6%
	5,270,896	6,185,849	-14.8%	11,331,357	11,833,762	-4.2%
Cost of materials						
Cost of raw materials, consumables and goods for resale	-1,393,303	-1,837,469	-24.2%	-3,007,739	-3,628,467	-17.1%
Costs of purchased services	-356,766	-275,781	29.4%	-628,475	-601,945	4.4%
	-1,750,069	-2,113,250	-17.2%	-3,636,214	-4,230,412	-14.0%
Gross profit or loss	3,520,827	4,072,599	-13.5%	7,695,143	7,603,350	1.2%
Personnel expenses						
Wages and salaries	-1,289,570	-1,296,231	-0.5%	-2,570,666	-2,485,220	3.4%
Social security, pension and other benefits	-285,026	-288,376	-1.2%	-577,403	-546,561	5.6%
	-1,574,596	-1,584,607	-0.6%	-3,148,069	-3,031,781	3.8%
Amortisation of intangible assets and depreciation of tangible assets	-262,248	-282,092	-7.0%	-553,871	-562,008	-1.4%
Other operating expenses	-1,496,312	-1,101,401	35.9%	-2,801,695	-2,461,435	13.8%
Operating results	187,671	1,104,499	-83.0%	1,191,508	1,548,126	-23.0%
Dividend income	0	39,000	-	0	39,000	-
Income from securities trading	125,386	13,647	>100.0%	125,386	13,647	>100.0%
Amounts written off for securities	0	0	-	0	0	-
Securities-related expenses	-658	-2,042	-67.8%	-2,243	-3,681	-39.1%
Other interest and similar income	3,301	2,011	64.1%	5,412	3,138	72.5%
Interests and similar expenses	29,268	-113,696	>100.0%	-85,738	-205,739	-58.3%
Financial results	157,297	-61,080	>100.0%	42,817	-153,635	>100.0%
Result of ordinary activities	344,968	1,043,419	-66.9%	1,234,325	1,394,491	-11.5%
Income taxes	-170,874	-155,594	9.8%	-400,899	-263,812	52.0%
Consolidated profit for the year	174,094	887,825	-80.4%	833,426	1,130,679	-26.3%
Net earnings of non-controlling shareholders in the period concerned	-66,599	136,402	-100.0%	-28,105	142,625	-100.0%
Net earnings of the parent company's shareholders in the period concerned	240,693	751,423	-68.0%	861,531	988,054	-12.8%
Gross result (EBITDA) for the first	449,919	1,386,591	-67.6%	1,745,379	2,110,134	-17.3%
Earnings per share (undiluted)	0.05	0.15	-66.7%	0.17	0.20	-15.0%

Consolidated balance sheet as of 30 June 2017

Assets	30 June 2017 EUR	31 December 2016 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	363,843	303,696	19.8%
2. Other intangible assets	177,119	246,343	-28.1%
3. Goodwill	75,750	75,750	0.0%
	616,712	625,789	-1.5%
II. Tangible assets			
1. Land, land rights and buildings	1,165,841	1,202,108	-3.0%
2. Technical equipment and machinery	1,662,387	2,001,863	-17.0%
3. Other equipment, factory and office equipment	300,044	322,578	-7.0%
4. Construction in process	373,250	50,519	>100.0%
	3,501,522	3,577,068	-2.1%
III. Other assets	426,000	270,000	57.8%
IV. Other long-term receivables	131,002	275,659	-52.5%
V. Deferred taxes	0	0	-
	4,675,236	4,748,516	-1.5%
B. Short-term assets			
I. Inventories			
1. Raw materials and supplies	2,402,808	2,400,900	0.1%
2. Unfinished goods	1,042,890	1,125,026	-7.3%
3. Finished goods and merchandise	4,805,927	4,234,564	13.5%
	8,251,625	7,760,490	6.3%
II. Receivables and other assets			
1. Trade receivables	3,231,348	3,288,213	-1.7%
2. Tax receivables	275,997	161,560	70.8%
3. Other assets	406,081	396,414	2.4%
	3,913,426	3,846,187	1.7%
III. Securities	3,101,250	2,529,800	22.6%
IV. Cash and cash equivalents	7,700,256	9,517,644	-19.1%
	22,966,557	23,654,121	-2.9%
	27,641,793	28,402,637	-2.7%
Equity and liabilities			
A. Equity capital			
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	4,001,342	5,275,788	-24.2%
Assignable to the shareholders of the parent company	21,125,533	21,261,154	-0.6%
Shareholders of minority interest	187,254	-704,252	>100.0%
	21,312,787	20,556,902	3.7%
B. Non-current liabilities			
1. Liabilities to banks	731,252	1,051,766	-30.5%
2. Accrued investment subsidies	321,494	365,745	-12.1%
3. Other long-term liabilities	988,808	1,051,829	-6.0%
	2,041,554	2,469,340	-17.3%
C. Current debts			
1. Liabilities to banks	1,276,776	1,375,182	-7.2%
2. Payments on accounts	210,332	337,245	-37.6%
3. Trade accounts payables	1,123,716	1,782,780	-37.0%
4. Tax liabilities	444,685	673,611	-34.0%
5. Other short-term liabilities	1,179,271	1,154,905	2.1%
	4,234,780	5,323,723	-20.5%
D. Deferred tax liabilities	52,672	52,672	0.0%
	27,641,793	28,402,637	-2.7%

Consolidated statement of cash flows from 1 January to 30 June 2017

	January- June 2017 kEUR	January- June 2016 kEUR
Consolidated profit for the year	833	1,131
Other non-cash expenses	-78	-113
Dividend income	0	-39
Interest earnings	-5	-3
Interest expenses	86	206
Decrease in deferred taxes	0	92
Income tax expenditure	401	172
Depreciation of fixed assets	554	562
Income from securities trading	-125	-14
Loss from securities trading	0	0
Amounts written off for securities	0	0
Amortisation of public grants and subsidies	-44	-54
Loss from disposal of fixed assets	11	0
Gross cash flow	1,633	1,940
Increase in inventories	-491	-632
Decrease/increase in trade receivables and other assets	186	-1,067
Decrease in current liabilities and other liabilities	-727	-367
Cash inflow from dividends	0	39
Cash inflow from interest	5	3
Cash outflow from interest	-86	-206
Cash outflow/inflow from taxes	-773	-378
Cash flow from operations	-253	-668
Cash outflow for investments in fixed assets	-637	-1,118
Cash inflow based on financial assets	166	514
Cash outflow based on financial assets	-332	-1,047
Cash flow from investments	-803	-1,651
Cash inflow from shareholders of minority 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	208	2,364
Cash outflow for repayment of loan liabilities	-627	-2,381
De/increase in long-term liabilities	-63	14
Cash flow from financing activities	-957	-2,578
Change in cash and cash equivalents	-2,013	-4,897
Cash and cash equivalents at beginning of fiscal year	9,518	9,683
Exchange rate difference	195	-57
Cash and cash equivalents at end of fiscal year	7,700	4,729

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

	Subscribed 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	Accumulate d earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
as of 1 January 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 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
Transactions with shareholders and member partners	0	0	0	0	-2,549,000	-2,549,000	-26,000	-2,575,000
Consolidated earnings in period concerned	0	0	0	0	988,054	988,054	142,625	1,130,679
Unrealised profits and losses from revaluation of securities	0	0	-763,897	0	0	-763,897	0	-763,897
Currency translation in the Group	0	0	0	-86,693	0	-86,693	-83,020	-169,713
Total consolidated income	0	0	-763,897	-86,693	988,054	137,464	59,605	197,069
as of 30/6/2016	4,949,999	11,035,367	101,355	30,163	3,980,037	20,096,921	-535,635	19,561,286
as of 1 January 2017	4,949,999	11,035,367	52,504	-5,504	5,228,788	21,261,154	-704,252	20,556,902
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
Transactions with shareholders and member partners	0	1,138,825	0	0	-2,475,000	-1,336,175	861,175	-475,000
Consolidated earnings in period concerned	0	0	0	0	861,531	861,531	-28,105	833,426
Unrealised profits and losses from revaluation of securities	0	0	280,325	0	0	280,325	0	280,325
Currency translation in the Group	0	0	0	58,698	0	58,698	58,436	117,134
Total consolidated income	0	0	280,325	58,698	861,531	1,200,554	30,331	1,230,885
as of 30 June 2017	4,949,999	12,174,192	332,829	53,194	3,615,319	21,125,533	187,254	21,312,787

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

	January - June 2017 EUR	January - June 2016 EUR
Consolidated profit for the year	833,426	1,130,679
Income and expenses directly recognised in equity, which are reclassified to profit or loss under specific conditions:		
Profits and losses from revaluation of securities	280,325	-763,897
Difference resulting from currency translation	117,134	-169,713
Income and expenses directly included in equity capital	397,459	-933,610
Total consolidated income	1,230,885	197,069
of which assignable to shareholders of minority interest	30,331	59,605
of which assignable to shareholders of parent company	1,200,554	137,464

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

By product groups	Healthcare Diagnostic Jan.-June kEUR	Respiratory Jan.-June kEUR	Medical Warming Systems Jan.-June kEUR	Cardio/ Stroke Jan.-June kEUR	Consolidation Jan.-June kEUR	Reconciliation Jan.-June kEUR	Total Jan.-June kEUR
2017							
Segment sales	8,397	2,044	882	624	-882	3	11,068
Operating results	1,289	122	-247	128	-65	-36	1,191
including:							
Amortisation of intangible assets and depreciation of tangible assets	404	32	84	24	-6	16	554
Segment assets	11,072	1,806	2,953	2,917	0	8,894	27,642
Segment debts	4,830	505	495	499	0	0	6,329

By product groups	Healthcare Diagnostic Jan.-June kEUR	Respiratory Jan.-June kEUR	Medical Warming Systems Jan.-June kEUR	Cardio/ Stroke Jan.-June kEUR	Consolidation Jan.-June kEUR	Reconciliation Jan.-June kEUR	Total Jan.-June kEUR
2016							
Segment sales	8,199	1,864	1,424	507	-667	0	11,327
Operating results	1,250	172	115	91	-4	-76	1,548
including:							
Amortisation of intangible assets and depreciation of tangible assets	425	33	58	11	-10	45	562
Segment assets	11,513	1,868	3,050	631	0	9,769	26,831
Segment debts	5,486	485	707	640	0	0	7,318

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR
2017							
Sales revenues	6,221	1,166	2,428	702	645	788	11,950
Elimination of intragroup sales	0	-83	-721	0	-78	0	-882
Sales revenues on third parties	6,221	1,083	1,707	702	567	788	11,068
Gross profit or loss	4,313	723	1,233	486	393	547	7,695
Operating results	719	29	206	81	65	91	1,191
including:							
Amortisation of intangible assets and depreciation of tangible assets	338	8	96	38	31	43	554
Amortisation of public grants and subsidies	27	0	8	3	2	4	44
Acquisition costs of fixed assets for the period	0	-6	486	0	0	0	480
Segment assets	0	2,031	25,572	0	39	0	27,642

By region	Europe	South America	Germany	Middle East	USA	Other	Total
	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR
2016							
Sales revenues	5,989	989	2,342	951	921	802	11,994
Elimination of intragroup sales	0	-32	-635	0	0	0	-667
Sales revenues on third parties	5,989	957	1,707	951	921	802	11,327
Gross profit or loss	3,960	712	1,163	629	609	530	7,603
Operating results	764	218	224	122	118	102	1,548
including:							
Amortisation of intangible assets and depreciation of tangible assets	320	5	94	51	49	43	562
Amortisation of public grants and subsidies	31	0	9	5	5	4	54
Acquisition costs of fixed assets for the period	0	14	679	0	0	0	693
Segment assets	0	1,825	24,938	0	68	0	26,831

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

Accounting and Valuation Methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the first six months of the 2017 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 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.

Consolidated Group

The following changes occurred in the consolidation group as of 30 June 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 30/6/2017	Share quota 31/12/2016
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	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>	<i>100.00 %</i>	<i>100.00 %</i>

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 June 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 own shares held by the company.

The shareholders of Geratherm Medical AG have agreed during the annual general meeting of the company on 6 June 2017 in Frankfurt am Main to distribute a dividend of 0.50 EUR per individual share.

The dividend was distributed in the amount of EUR 2,475,000 on 9 June 2017.

These interim consolidated financial statements as at 30 June 2017 were not audited or reviewed by the company's auditors.

Financial statement affidavit

To the best of my knowledge, and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Geschwenda, August 2017



Dr. Gert Frank
Chief Executive Officer

COMPANY CALENDAR 2017

Quarterly report Q1/2017	23 May ✓
Half-yearly report 2017	23 August ✓
Quarterly report Q3/2017	23 November

COMPANY CALENDAR 2018

Quarterly report Q1/2018	24 May
Half-yearly report 2018	23 August
Quarterly report Q3/2018	22 November

Geratherm Medical AG
Fahrenheitstraße 1
98716 Geschwenda
Phone: +49 36205 980
Fax.: +49 36205/98 115
E-Mail: info@geratherm.com
Internet: www.geratherm.com