

Geratherm®

SOLUTIONS FOR A
HEALTHY WORLD



Half-yearly Report **2019**

GERATHERM

AT A GLANCE

Facts and figures	January - June 2019	January - June 2018	Change %
Sales revenues	10,704 kEUR	10,372 kEUR	3.2 %
of which export share	8,473 kEUR	8,603 kEUR	-1.5 %
Export ratio	79 %	83 %	-4.8 %
Gross result (EBITDA) for the first quarter	1,509 kEUR	1,563 kEUR	-3.5 %
EBITDA margin	14.1 %	15.1 %	-6.6 %
Amortisation and depreciation	-566 kEUR	-412 kEUR	37.3 %
Operating result (EBIT)	943 kEUR	1,151 kEUR	-18.1 %
EBIT margin	8.8 %	11.1 %	-20.7 %
Financial results	15 kEUR	318 kEUR	-95.4 %
Profit (loss) on ordinary business activities	958 kEUR	1,469 kEUR	-34.8 %
Net earnings of the parent company's shareholders in given period	566 kEUR	1,132 kEUR	-50.0 %
Long-term assets	11,656 kEUR	6,943 kEUR	67.9 %
Short-term assets	18,127 kEUR	20,845 kEUR	-13.0 %
Balance sheet total	29,783 kEUR	27,788 kEUR	7.2 %
Equity capital	18,659 kEUR	19,620 kEUR	-4.9 %
Return on equity	6.1 %	11.5 %	-47.4 %
Equity ratio	62.6 %	70.6 %	-11.3 %
Cash, cash equivalents and securities	6,402 kEUR	9,931 kEUR	-35.5 %
Net result per share for given period according to IFRS (EPS)*	EUR 0.11	EUR 0.23	-52.2 %
Net result per share for given period as per DVFA* (German Association for Financial Analyses and Asset Management)	EUR 0.11	EUR 0.23	-52.2 %
Number of employees at end of period	205	210	-2.4 %
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 2019

- Sales revenues EUR 10.7 million +3.2 %
- Gross result for period under review (EBITDA) 1,509 kEUR -3.5 %
- Operating result (EBIT) 943 kEUR (2018: 1,151 kEUR).
- EBIT margin 8.8 % (2018: 11.1 %)
- Results from ordinary activities 958 kEUR (2018: 1,469 kEUR).
- New production facility in planning for Geratherm Respiratory
- Delay in the launch of new generation of “nomag[®] incubator” at LMT Medical has impact in sales and results
- Earnings per share EUR 0.11 (2018: EUR 0.23)

Dear Shareholders and Parties Interested in Geratherm Medical,

Business development during the second quarter was mainly impacted by delays in the start-up of the new generation of LMT Medical's product. That resulted in a lower turnover of 674 kEUR compared to the same period in the previous year and thus a lower result of 538 kEUR in this segment. In turn, this circumstance also influenced the operating figures of the Geratherm Group. We do anticipate that the new generation will be delivered during the 4th quarter and that we will be able to proceed again with the original plans. The other product segments developed for the most part as expected.

During the first six months of 2019, we were able to post sales revenues of EUR 10.7 million on the Group level. This corresponds to a 3.2 % increase. The gross profit increased by +3.5 % to EUR 7.6 million. Based on sales, that corresponds to a gross margin of 70.9 % (2018: 70.7 %). The EBITDA margin on the Group level amounted to 14.1 % during the first half of the business year (2018: 15.1 %). The EBIT margin amounted to 8.8 % (2018: 11.1 %).

The financial results amounted to +15 kEUR (2018: 318 kEUR). This is only comparable to a limited extent to the financial results of the previous year, as the income from securities in the amount of 366 kEUR from the first half of 2018 was reclassified to equity capital at the end of 2018.

The results from ordinary business activities was 958 kEUR (2018: EUR 1.469 million).

Shareholders' earnings after taxes for the first six months of the current fiscal year amounted to 566 kEUR (2018: EUR 1.132 million), representing a decrease of 50 %. The result of the share for the first six months was EUR 0.11 (2018: EUR 0.23).

The sales revenues generated during the second quarter of the business year decreased by -13.4 % compared to the same period under review last year. This is largely due to the postponement of sales by the subsidiary LMT Medical, caused by a delay in the delivery of the new generation of the nomag[®] incubator for premature babies.

The operating result (EBITDA) decreased during the second quarter to 277 kEUR (2018: 791 kEUR). The EBIT during the second quarter was negative with -14 kEUR (2018: 594 kEUR). With the disclosure of a positive financial result of 26 kEUR (2018: 323 kEUR), income from ordinary business activities amounted to +12 kEUR (2018: 917 kEUR) for the second quarter.

After deducting income tax, the company reported during the second quarter a consolidated net profit of -32 kEUR (2018: 718 kEUR). After deducting the minority interests, the result after taxes for the second quarter amounted to -16 kEUR (2018: 685 kEUR).

Facts and figures (in kEUR)

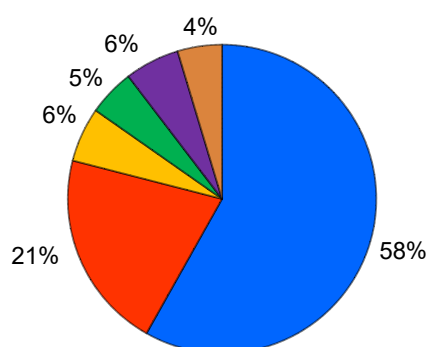
	II/19	I/19	IV/18	III/18	II/18
Sales	4,428	6,276	5,894	5,256	5,113
EBITDA margin	6.3%	19.6%	16.1%	5.5%	15.5%
EBIT	-14	957	724	112	594
EPS (EUR)	0	0.12	0.00	0.00	0.14
Cash flow	345	1,171	690	149	962

Sales development

Sales development varied in the individual countries. All in all, we were able to increase sales by +3.2 % during the first six months of the year. In our main sales market, Europe, we posted a slight increase in sales. The German market, our second largest market, grew favourably by +26.1 %. Even in the Middle East region, we were able to report encouraging sales growth of almost 40.0 % thanks to the conclusion of recertification measures. Sales in the US were much weaker, experiencing a 48.8 % drop. This was due almost exclusively to the lack of sales of our subsidiary LMT Medical in this market.

After a difficult period, sales in South America again recorded pleasing growth.

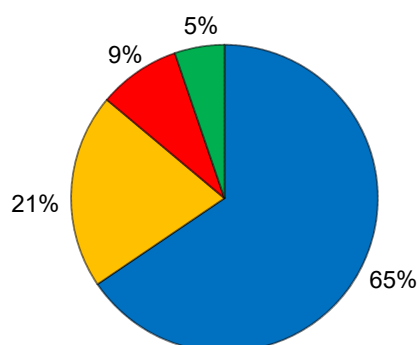
Sales by regions 1/1 to 30/6/2019



	as of 30/6/2019 kEUR	as of 30/6/2018 kEUR	
Europe	6,225	6,167	+0.9 %
Germany	2,231	1,769	+26.1 %
Middle East	612	438	+39.7 %
USA	524	1,024	-48.8 %
Other countries	614	658	-6.7 %
South America	498	316	+57.6 %

During the first six months of 2019, the export quota of Geratherm Medical was 79.2 % (2018: 82.9%). Geratherm products are exported to more than 60 countries.

Sales by segments 1/1 to 30/6/2019



	as of 30/6/2019 kEUR	as of 30/6/2018 kEUR	
Healthcare Diagnostic	7,014	6,215	+12.9 %
Respiratory	2,202	2,192	+0.5 %
Cardio/Stroke	926	733	+26.3 %
Med. warming systems	562	1,232	-54.4 %

In the Healthcare Diagnostic segment, where we primarily market clinical thermometers, blood pressure monitors and women's health products to pharmacies and drugstores world-wide, we managed to report a 12.9 % growth in sales. The increase in sales was supported by the expanded marketing activities of our subsidiary on South American market. The sales of our mercury-free clinical thermometers were slightly above the figure posted in the same period last year. We recorded a growth in sales for blood pressure monitors, which essentially generated the growth in segment sales.

The Respiratory segment, in which we offer products for testing pulmonary function, showed stable sales compared with the same period in the previous year. All in all, sales in the amount of EUR 2.2 million were generated during the first six months. The new factory building, which was started at the beginning of the year, is developing in line with our plans. Our goal is that we will move into the new structure at the end of the business year. We anticipate a considerable sales growth for the third quarter.

Business development in the Cardio/Stroke segment has been proceeding in line with our expectations. Sales increased by +26.3 % compared to the same period in the previous year. Currently, there are 128 hospitals and clinics (2018: 115) connected to the apoplex medical's system. The expansion efforts initiated in Europe are still being implemented, and we are hoping to see a significant increase in our customer base.

Sales in our Medical Warming Systems segment relating to LMT's nomag[®] incubator for premature babies did drop temporarily. As a result of the delayed release of LMT's new product line, we had to show a lack of sales, especially during the second quarter, which resulted in a decline in sales of -54.4 % in the product segment. Sales in the Warming Systems segment amounted in the first six months of the year to 562 kEUR (2018: EUR 1.232 million). Despite the sharp decline in sales, we are confident that we have passed the lowest point in the product segment. LMT Medical will release a new generation of MRI-capable diagnostic devices for premature babies on the market at the beginning of the fourth quarter. We are also expecting the product approval for the Chinese market.

The recertification process for the warming systems for operating rooms has essentially been completed on our end. The documents will be submitted again to the licensing authority at the end of August this year.

Earnings situation

Earnings development during the first six months was impacted by the weaker second quarter. The lack of high-margin sales of LMT Medical, in particular, led to a reduced earnings report for the first six months of the current business year.

The gross profit margin of sales amounted during the first half of the business year to 70.9 % (2018: 70.7 %). The gross profit (EBITDA) was EUR 1.509 million (2018: EUR 1.563 million), resulting in a decrease of 3.5 %. The EBITDA margin declined slightly from 15.1 % to 14.1 % compared to the same reference period last year. The write-offs increased by +37.3 % to 566 kEUR. The higher write-offs can be attributed primarily to the start of production of the new capillary basin at the Geschwenda location.

The operating result (EBIT) decreased by -18.1 % to 943 kEUR for the first six months of the current fiscal year. The EBIT margin dropped to 8.8 % (2018: 11.1 %). The disclosed financial result of +15 kEUR is only comparable to a limited extent to the financial results of 318 kEUR for the same period in the previous year. During the prior-year reference period, non-recurring proceeds from the sale of securities (366 kEUR) were shown, which were reclassified to equity capital at the end of the year. The profits from ordinary business activities decreased by 34.8 % to 958 kEUR (2018: EUR 1.469 million).

Income taxes weighed on the result with 368 kEUR (2018: 358 kEUR). The consolidated net profit for the first six months of 2019 was 590 kEUR (2018: EUR 1.111 million). After redeeming the result attributable to minority interests, a net income of 566 kEUR (2018: EUR 1.132 million) was generated for the shareholders of the parent company for the first half of 2019. The result per share for the first six months is EUR 0.11 (2018: EUR 0.23).

Net assets and financial situation

Geratherm Medical enjoys a stable asset situation. The balance sheet total of EUR 29.8 million is essentially formed by equity capital in the amount of EUR 18.7 million. The equity-to-assets ratio as of the reporting date was 62.6 % (2018: 70.6 %). The return on equity amounts to 6.1 % (2018: 11.5 %). The return on investment capital for the first six months of the current fiscal year is 4.0 % (2018: 8.3 %).

As of 30 June 2019, the company had cash, cash equivalents and securities in the amount of EUR 6.4 million (2018: EUR 9.9 million). Thus, the company still has a solid financial position.

The long-term assets amount to EUR 11.7 million (2018: EUR 10.5 million).

The short-term assets decreased by -3.8 % to EUR 18.1 million. Inventories increased by +9.2 % to EUR 8.0 million.

The accounts receivable and other assets increased slightly by 0.8 % to EUR 3.759 million. The cash and cash equivalents available as at 30 June 2019 amounted to EUR 3.1 million (2018: EUR 5.4 million).

The gross cash flow for the first six months decreased to EUR 1.516 million (2018: EUR 1.868 million). The cash flow from operations was 571 kEUR (2018: EUR 1.327 million). The cash flow from investments amounted to -2,093 kEUR (2018: -264 kEUR). The cash flow from financing activities was -717 kEUR (2018: -2,462 kEUR).

The total consolidated income including income and expenses recognised in equity was 511 kEUR (2018: 930 kEUR) for the first six months of the current business year.

Research and development

Our research and development activities focused primarily on the segments Respiratory, Cardio/Stroke and Warming Systems. During the past six months, the greatest development expenditure was posted by LMT Medical, which has been updating its previous product.

Annual general meeting

The annual general meeting of the shareholders of Geratherm Medical AG was held on 14 June 2019, 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 48.78 % (2018: 47.51 %).

Staff

The Geratherm Group had a staff of 205 in total as at 30 June 2019 (2018: 210) with 197 employees in Germany.

Outlook

After a weaker second quarter, we are assuming that the burden caused by the lack of sales on part of LMT Medical will still affect the third quarter. A large part of the planned product delivery from LMT medical should take place still in the fourth quarter so that we are currently expecting to meet our planning estimates.

The product segments Cardio/Stroke and Respiratory are expected to continue to report double-digit growth in sales. We also anticipate that sales for the Healthcare Diagnostic segment will remain stable.

Geschwenda, August 2019



Dr. Gert Frank
Chief Executive Officer

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

	April-June 2019 EUR	April-June 2018 EUR	Change	Jan.-June 2019 EUR	Jan.-June 2018 EUR	Change
Sales revenues	4,427,730	5,113,211	-13.4%	10,703,927	10,372,280	3.2%
Change in inventory of finished products and work in process	286,608	99,420	>100.0%	374,852	2,947	>100.0 %
Other capitalised own work	132,764	19,324	>100.0%	192,264	64,561	>100.0 %
Other operating income	157,958	160,387	-1.5%	274,123	206,833	32.5%
	5,005,060	5,392,342	-7.2%	11,545,166	10,646,621	8.4%
Cost of materials						
Cost of raw materials, consumables and goods for resale	-1,369,293	-1,641,299	-16.6%	-3,379,258	-3,023,155	11.8%
Costs of purchased services	-265,196	-26,816	>100.0%	-581,139	-293,017	98.3%
	-1,634,489	-1,668,115	-2.0%	-3,960,397	-3,316,172	19.4%
Gross profit or loss	3,370,571	3,724,227	-9.5%	7,584,769	7,330,449	3.5%
Personnel expenses						
Wages and salaries	-1,609,702	-1,450,771	11.0%	-3,118,268	-2,760,389	13.0%
Social security, pension and other benefits	-338,994	-287,481	17.9%	-660,358	-569,734	15.9%
	-1,948,696	-1,738,252	12.1%	-3,778,626	-3,330,123	13.5%
Other operating expenses	-1,144,772	-1,195,429	-4.2%	-2,297,597	-2,437,238	-5.7%
Gross result (EBITDA)	277,103	790,546	-64.9%	1,508,546	1,563,088	-3.5%
Amortisation of intangible assets and depreciation of tangible assets	-291,192	-196,819	47.9%	-565,717	-411,931	37.3%
Operating results	-14,089	593,727	-	942,829	1,151,157	-18.1%
Income from securities trading	0	363,679	-	0	366,047	-
Securities-related expenses	-911	-38,649	-97.6%	-2,147	-40,041	-94.6%
Other interest and similar income	46,357	12,809	>100.0%	46,724	17,001	>100.0 %
Interest expense for rental and lease agreements	-1,762	0	-	-3,525	0	-
Interest and similar expenses	-17,169	-14,592	17.7%	-26,310	-24,763	6.2%
Financial results	26,515	323,247	-91.8%	14,742	318,244	-95.4%
Profit (loss) on ordinary business activities	12,426	916,974	-98.6%	957,571	1,469,401	-34.8%
Tax on profit or loss	-44,514	-199,000	-77.6%	-367,769	-358,094	2.7%
Consolidated profit for the period	-32,088	717,974	-	589,802	1,111,307	-46.9%
Net earnings of non-controlling shareholders in the period concerned	-15,748	32,519	-	24,038	-21,145	>100.0 %
Net earnings of the parent company's shareholders in given period	-16,340	685,455	-	565,764	1,132,452	-50.0%
Earnings per share (undiluted)	0.00	0.14	-	0.11	0.23	-52.2%

Consolidated balance sheet as at 30 June 2019

Assets	30 June 2019 EUR	31 December 2018 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	767,499	661,872	16.0 %
2. Other intangible assets	171,198	165,107	3.7 %
3. Goodwill	75,750	75,750	0.0 %
	1,014,447	902,729	12.4 %
II. Tangible assets			
1. Land, land rights and buildings	3,446,394	3,420,582	0.8 %
2. Technical equipment and machinery	4,123,577	3,883,675	6.2 %
3. Other equipment, factory and office equipment	280,458	251,856	11.4 %
4. Construction in process	528,266	77,149	>100.0 %
	8,378,695	7,633,262	9.8 %
III. Rights of use	386,513	0	-
IV. Financial assets accounted on basis of equity method	350,000	350,000	0.0 %
V. Other assets	1,070,151	1,070,151	0.0 %
VI. Other long-term receivables	159,824	165,530	-3.4 %
VII. Deferred taxes	296,056	411,189	-28.0 %
	11,655,686	10,532,861	10.7 %
B. Short-term assets			
I. Inventories			
1. Raw materials and supplies	2,257,783	2,294,383	-1.6 %
2. Unfinished goods	1,116,990	1,063,287	5.1 %
3. Finished goods and merchandise	4,591,985	3,940,098	16.5 %
	7,966,758	7,297,768	9.2 %
II. Receivables and other assets			
1. Trade receivables	3,061,359	2,849,249	7.4 %
2. Receivables from current income taxes	88,441	173,789	-49.1 %
3. Receivables from other taxes	358,343	142,975	>100.0 %
4. Other assets	250,618	561,557	-55.4 %
	3,758,761	3,727,570	0.8 %
III. Securities	3,287,763	2,461,500	33.6 %
IV. Cash and cash equivalents	3,113,790	5,360,555	-41.9 %
	18,127,072	18,847,393	-3.8 %
	29,782,758	29,380,254	1.4 %
Equity and liabilities			
A. Equity capital			
I. Subscribed capital	4,949,999	4,949,999	0.0 %
II. Capital reserves	12,174,192	12,174,192	0.0 %
III. Other reserves	1,727,412	3,195,498	-45.9 %
Assignable to the shareholders of the parent company	18,851,603	20,319,689	-7.2 %
Shareholders of minority interests	-193,028	-192,037	0.5 %
	18,658,575	20,127,652	-7.3 %
B. Non-current liabilities			
1. Liabilities to banks	3,663,115	2,279,487	60.7 %
2. Accrued investment subsidies	1,185,230	1,190,945	-0.5 %
3. Long-term leasing liabilities	67,961	0	-
4. Other long-term liabilities	409,989	409,989	0.0 %
	5,326,295	3,880,421	37.3 %
C. Current debts			
1. Liabilities to banks	1,108,942	1,099,020	0.9 %
2. Trade accounts payables	1,423,700	1,607,892	-11.5 %
3. Short-term leasing liabilities	318,552	0	-
4. Liabilities from current income taxes	192,824	76,727	>100.0 %
5. Contractual liabilities	637,662	412,788	54.5 %
6. Other tax liabilities	577,604	542,620	6.4 %
7. Other short-term liabilities	1,538,604	1,633,134	-5.8 %
	5,797,888	5,372,181	7.9 %
	29,782,758	29,380,254	1.4 %

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

	January- June 2019 kEUR	January- June 2018 kEUR
Consolidated profit for the period	590	1,111
Other non-cash expenses	-43	376
Interest earnings	-47	-17
Interest expenses	26	25
Decrease in deferred taxes	115	43
Income tax expenditure	368	315
Depreciation of fixed assets	566	412
Income from securities trading	0	-366
Loss from securities trading	0	0
Amounts written off for securities	0	0
Amortisation of public grants and subsidies	-59	-31
Loss from disposal of fixed assets	0	0
Gross cash flow	1,516	1,868
Increase in inventories	-669	-531
Increase in trade receivables and other assets	-111	-313
Increase/decrease in current liabilities and other liabilities	-19	678
Cash inflow from interest	47	17
Cash outflow from interest	-26	-25
Cash outflow for taxes	-167	-367
Cash flow from operations	571	1,327
Cash outflow for investments in fixed assets	-1,292	-1,895
Cash inflow from funding sources for investments	53	317
Cash inflow based on financial assets	0	1,356
Cash outflow based on financial assets	-854	-42
Cash flow from investments	-2,093	-264
Dividend payments	-1,980	-2,327
Cash inflow from taking out loan liabilities	1,500	0
Cash outflow for repayment of loan liabilities	-106	-151
Increase/ decrease in long-term liabilities	0	16
Cash outflow for rental and lease agreements	-131	0
Cash flow from financing activities	-717	-2,462
Change in cash and cash equivalents	-2,239	-1,399
Cash and cash equivalents at beginning of fiscal year	5,361	8,811
Exchange rate difference	-8	-83
Cash and cash equivalents at end of reporting period	3,114	7,329

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

	Subscribed capital	Capital reserve	Other reserves			Assignable to the shareholders of the parent company	Non-controlling interests	Equity capital
			Market assessment reserve	Currency conversion reserve	Accumulated earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
as of 1 January 2018	4,949,999	12,174,192	308,636	152,943	3,433,576	21,019,346	-2,293	21,017,053
Dividend paid to shareholders	0	0	0	0	-2,326,500	-2,326,500	0	-2,326,500
Transactions with shareholders and member partners	0	0	0	0	-2,326,500	-2,326,500	0	-2,326,500
Consolidated earnings in period concerned	0	0	0	0	1,132,452	1,132,452	-21,145	1,111,307
Unrealised profits and losses from revaluation of securities	0	0	-474,557	0	0	-474,557	0	-474,557
Currency translation in the Group	0	0	0	150,025	0	150,025	143,026	293,051
Total consolidated income	0	0	-474,557	150,025	1,132,452	807,920	121,881	929,801
as of 30 June 2018	4,949,999	12,174,192	-165,921	302,968	2,239,528	19,500,766	119,588	19,620,354
as of 1 January 2019	4,949,999	12,174,192	703,276	288,383	2,203,839	20,319,689	-192,037	20,127,652
Dividend paid to shareholders	0	0	0	0	-1,980,000	-1,980,000	0	-1,980,000
Transactions with shareholders and member partners	0	0	0	0	-1,980,000	-1,980,000	0	-1,980,000
Consolidated earnings in period concerned	0	0	0	0	565,764	565,764	24,038	589,802
Unrealised profits and losses from revaluation of securities	0	0	-27,759	0	0	-27,759	0	-27,759
Currency translation in the Group	0	0	0	-26,091	0	-26,091	-25,029	-51,120
Total consolidated income	0	0	-27,759	-26,091	565,764	511,914	-991	510,923
as of 30 June 2019	4,949,999	12,174,192	675,517	262,292	789,603	18,851,603	-193,028	18,658,575

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

	Jan. - June 2019 EUR	Jan. - June 2018 EUR
Consolidated profit for the period	589,802	1,111,307
Income and expenses directly recognised in equity, which are not reclassified to profit or loss:		
Profits or losses from valuation of investments according to IFRS 9	0	0
Profits or losses from valuation of securities according to IFRS 9	-27,759	0
Income and expenses directly recognised in equity, which are reclassified to profit or loss under specific conditions:		
Profits or losses from valuation of securities according to IFRS 39	0	-474,557
Difference resulting from currency translation	-51,120	293,051
Income and expenses directly included in equity capital	-78,879	-181,506
Total consolidated income	510,923	929,801
of which assignable to shareholders of minority interest	-991	121,881
of which assignable to shareholders of parent company	511,914	807,920

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

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
2019							
Segment sales	7,583	2,216	570	926	-591	0	10,704
Operating results	834	257	-412	2	120	142	943
including:							
Amortisation/ depreciation of intangible and tangible assets	311	52	81	31	58	33	566
Segment assets	13,319	4,211	3,497	2,489	0	5,971	29,487
Segment debts	7,323	2,409	905	487	0	0	11,124

Based on 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
2018							
Segment sales	6,876	2,352	1,244	733	-833	0	10,372
Operating results	949	279	126	-34	-17	-152	1,151
including:							
Amortisation/depreciation of intangible and tangible assets	276	41	48	26	-2	23	412
Segment assets	11,162	1,846	3,426	2,331	0	8,701	27,466
Segment debts	6,562	581	789	235	0	0	8,167

By region	Europe	South America	Germany	Middle East	USA	Other	Total
2019	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR
Sales revenues	6,225	514	2,806	612	524	614	11,295
Elimination of intragroup sales	0	-16	-575	0	0	0	-591
Sales revenues on third parties	6,225	498	2,231	612	524	614	10,704
Gross profit or loss	4,296	416	1,665	422	362	424	7,585
Operating results	436	216	169	43	36	43	943
including:							
Amortisation and depreciation of fixed intangible and tangible assets	339	1	131	33	29	33	566
Amortisation of public grants and subsidies	36	0	13	4	3	3	59
Acquisition costs of fixed assets for the period	0	1	1,291	0	0	0	1,292
Segment assets	0	894	28,829	0	60	0	29,783

By region	Europe	South America	Germany	Middle East	USA	Other	Total
2018	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR	Jan.-June KEUR
Sales revenues	6,167	413	2,505	438	1,024	658	11,205
Elimination of intragroup sales	0	-97	-736	0	0	0	-833
Sales revenues on third parties	6,167	316	1,769	438	1,024	658	10,372
Gross profit or loss	4,382	141	1,302	311	727	467	7,330
Operating results	792	-149	235	56	132	85	1,151
including:							
Amortisation and depreciation of fixed intangible and tangible assets	251	1	74	18	41	27	412
Amortisation of public grants and subsidies	19	0	6	1	3	2	31
Acquisition costs of fixed assets for the period	0	-5	1,900	0	0	0	1,895
Segment assets	0	40	27,355	0	71	0	27,466

Notes on Interim Consolidated Financial Statements for the Period from 1 January 2019 to 30 June 2019

Accounting and valuation methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the first six months of the 2019 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 2018 Fiscal Year.

The valuation of assets and liabilities is based in part on estimates and/or assumptions about future developments. For instance, the assessment of capitalisation requirements for development projects, the statements on economic useful lives for long-term intangible and tangible assets are based in particular on estimates and assumptions. In addition, the assessment of tax deferrals and accruals, the long-term impairment of assets available for sale and the impairment tests of the cash-generating units and assets is based on the corporate planning, which of course involves uncertainties such that the actual values may deviate from the made assumptions and estimates in individual cases. Estimates and the underlying assumptions are regularly checked and evaluated with regard to possible impact on accounting. Exercise of substantial discretionary powers is not available.

Consolidated group

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

Company	Share quota 30/6/2019	Share quota 31/12/2018
GME Rechte und Beteiligungen GmbH, Geschwenda, Germany	100.00 %	100.00 %
apoplex medical technologies GmbH, Pirmasens, Germany	53.42 %	53.42 %
Geratherm Respiratory GmbH, Bad Kissingen, Germany	65.27 %	65.27 %
Geratherm Medical do Brasil Ltda., Sao Paulo, Brazil	51.00 %	51.00 %
Sensor Systems GmbH, Steinbach Hallenberg, Germany	100.00 %	100.00 %
Capillary Solutions GmbH, Geschwenda, Germany	100.00 %	100.00 %
LMT Medical Systems GmbH, Lübeck, Germany	80.00 %	66.67 %
<i>Subsidiary of LMT Lübeck</i>		
<i>LMT Medical Systems Inc., Ohio, USA</i>	100.00 %	100.00 %

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

Equity capital

The development of the equity capital is shown in the consolidated statement of change to the shareholders' equity. The subscribed capital of Geratherm Medical AG amounts all in all to EUR 4,949,999 as at 30 Jun. 2019 (2018: EUR 4,949,999) and is divided into 4,949,999 (2018: 4,949,999) share certificates issued to the bearers. The subscribed capital has been paid in full. As of the reporting date there were no shares held by the company.

The shareholders of Geratherm Medical AG have agreed during the annual general meeting of the company on 14 June 2019 in Frankfurt to distribute a dividend of EUR 0.40 per individual share.

The dividend was distributed in the amount of EUR 1,980,000 on 19 June 2019.

These interim consolidated financial statements as at Sunday, June 30, 2019 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 2019



Dr. Gert Frank
Chief Executive Officer

COMPANY CALENDAR 2019

Annual general meeting in Frankfurt am Main "Grandhotel Hessischer Hof"	14 June ✓
Quarterly report Q1/2019	23 May ✓
Interim report on the first half of 2019	22 August ✓
Quarterly report Q3/2019	21 November
Analysts' Conference "Le Méridien Hotel", Frankfurt am Main	2 & 3 September

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