A color photograph of a man with grey hair and a young child with curly blonde hair. The man is smiling and looking towards the camera, while the child is perched on his shoulders, also smiling. They are standing on a sandy beach with the ocean in the background. The image is framed by a white border.

Geratherm®

*SOLUTIONS FOR A
HEALTHY WORLD*

Interim Report 1st quarter 2015

GERATHERM

AT A GLANCE

Facts and Figures	January-March 2015	January-March 2014	Change %
Sales revenues	5,350 kEUR	3,847 kEUR	+39.1
of which export share	4,530 kEUR	3,266 kEUR	+38.7
Export ratio	85 %	85 %	-
Gross result (EBITDA)	929 kEUR	501 kEUR	+85.5
EBITDA margin	17.4 %	13.0 %	+33.8
Amortisation or depreciation	-210 kEUR	-155 kEUR	+35.6
Operating result (EBIT)	719 kEUR	346 kEUR	+107.8
EBIT margin	13.4%	9.0%	+48.9
Financial result	-92 kEUR	-46 kEUR	-
Result of ordinary activities	627 kEUR	300 kEUR	+109.0
Net earnings of the parent company's shareholders in the period concerned	569 kEUR	190 kEUR	+198.7
Long-term assets	4,545 kEUR	4,959 kEUR	-8.3
Short-term assets	24,884 kEUR	23,905 kEUR	+4.1
Balance sheet total	29,429 kEUR	28,864 kEUR	+2.0
Equity capital	21,130 kEUR	20,325 kEUR	+4.0
Return on equity	10.8 %	3.7 %	+188.1
Equity ratio	71.8 %	70.4 %	+2.0
Cash, cash equivalents and securities	13,972 kEUR	15,159 kEUR	-7.8
Earnings per share according to IFRS (EPS)*	EUR 0.11	EUR 0.04	+175.0
Earnings per share according to DVFA*	EUR 0.11	EUR 0.04	+175.0
Number of employees at end of period	144	119	+21.0
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 to 31 March 2015

- Sales revenues EUR 5.4 million +39.1%
- Overall performance EUR 5.6 million +40.6%
- Gross result for first quarter of year (EBITDA) 929 kEUR +85.5%
- Operating result (EBIT) 719 kEUR +107.8%
- Results from ordinary business activities 627 kEUR +109.0%
- Earnings after taxes (EAT) 569 kEUR +198.7%

Dear Shareholders and Parties Interested in Geratherm Medical,

Geratherm Medical reported a strong first quarter for all product segments. Sales and earnings increased considerably. Compared to the same quarter last year, sales increased by +39.1%, with exports accounting for 85%.

With an EBITDA margin of 17.4% and an EBIT margin of 13.4%, we exhibited a substantially healthier performance in terms of operations compared to the reference period of 2014. The gross profit amounts to EUR 3.538 million and thus was +55.3% above the level attained last year. That means the company's total gross profit margin for the first three months of 66.1% (2014: 59.2%). Besides the strong demand for Geratherm products, the operating result was also bolstered by currency gains on our dollar holdings.

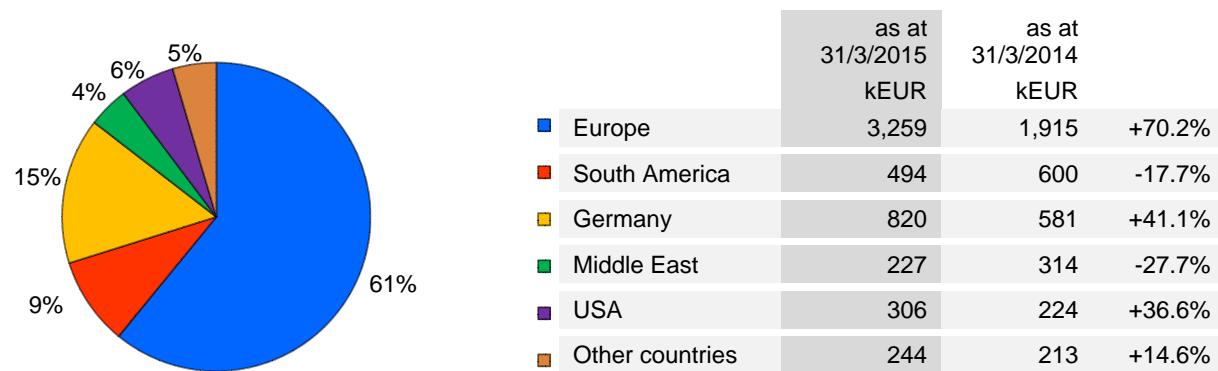
The operating result (EBIT) was during the first quarter 719 kEUR (2014: 346 kEUR). The result from ordinary activities amounted to 627 kEUR (2014: 300 kEUR). The shareholders' result after taxes was 569 kEUR (2014: 190 kEUR) or EUR 0.11 per share (2014: EUR 0.04 per share).

Facts and Figures (in kEUR)		I/15	IV/14	III/14	II/14	I/14
	Sales	5,350	4,693	5,148	5,027	3,847
EBITDA margin	17.4%	19.8%	16.8%	17.5%	13.0%	
EBIT	719	704	646	719	346	
EPS (EUR)	0.11	0.12	0.08	0.10	0.04	
Cash flow	964	845	853	854	479	

Sales Development

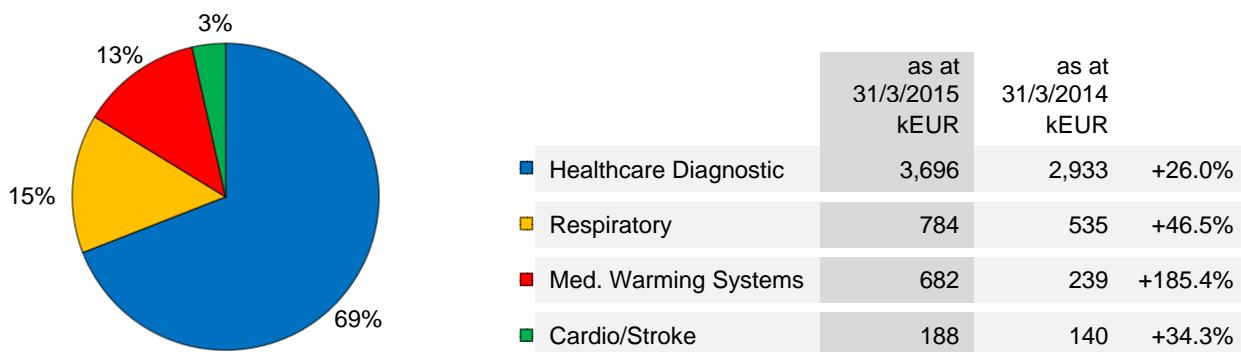
Sales especially in Europe and on the German market were all in all above-average. The same is true for the markets in the U.S. and Other countries. In the Middle East region a sizable order was postponed to the second quarter such that the decline in sales only has limited significance. The South American market declined on a euro basis. As a result of the sharp deterioration of the Brazilian real, we posted a double-digit drop in sales.

Sales by regions 1/1 - 31/3/2015



The dynamics shown by Geratherm's current growth can also be noted at the individual segment level. All product segments exhibited a healthy double-digit sales growth during the first quarter of the current business year.

Sales by segments 1/1 to 31/3/2015



The Healthcare Diagnostic segment, which still posted a drop in sales of -8.1% during the 2014 business year, generated an increase in sales of +26.0% for the first quarter. The strongest growth driver was the sales of our clinical thermometers which recorded a growth of more than 33.1% compared to all product groups. The sale of our environmentally friendly gallium-filled thermometers accounted for 39.9% of the segment sales which amounted to EUR 3.696 million.

The Respiratory segment, in which we offer products for testing pulmonary function, reported a +46.5% growth in sales during the first three months. The strong growth was positively influenced by the inclusion of Geratherm's subsidiary Sensor Systems. This business unit manufactures, among other things, sensors used in pulmonary function measuring devices like spirometers.

At the end of the first quarter we had received the product approval for the Chinese market. The Med-Tech Trade Fair, taking place in Shanghai from 15 May to 18 May 2015, represents the starting signal for launching the products in China.

Even the Medical Warming Systems segment was able to post very good sales growth of +185.4%. The strong growth in sales was favorably impacted by the inclusion of LMT Medical Systems, which generated good sales in the first quarter. We expect this trend to continue as well during the next quarters.

The Cardio/Stroke segment at low level managed to augment its quarterly sales again by +34.3% compared to the prior year. This growth is expected to continue during the next quarters.

Earnings situation

The quality of earnings from operating activities had improved considerably once again during the first three months of the year compared to the prior year. Even the new business segments are all reporting positive performance figures in the meantime.

With an EBITDA margin of 17.4% and an EBIT margin of 13.4%, we are above our original margin targets.

The quality of the Geratherm Group's earnings is thus clear that above operating result already takes into consideration a loss for the quarter due to restructuring costs for our Brazilian subsidiary in the amount of -293 kEUR (EBIT).

Such costs are non-recurring and involve a staff reduction. The overall performance of the Geratherm Group increased by +40.6% during the first quarter compared to the same period last year.

The gross profit (EBITDA) was with 929 kEUR (2014: 501 kEUR) at its highest level so far for the three month period. The write-offs increased by +35.6% to 210 kEUR. The higher write-offs can be attributed to the capitalised product approval costs, which were written off as of the middle of last year.

Material expenses increased by +21.2%, a below-average development compared to the stronger overall performance. This can be attributed to the lower material costs share for the sales of higher-quality medical technology products. The +37.9% increase in personnel costs more or less corresponds with the company's growth.

The operating result (EBIT) doubled during the first three months to 719 kEUR (2014: 346 kEUR). The financial result amounted to -92 kEUR, of which 92 kEUR (2014: 54 kEUR) accounted for interests and similar expenses. Here the interest charges of the subsidiary Geratherm do Brasil again represented a burden of 75 kEUR. The result from ordinary activities for the first three months of the current business year doubled to 627 kEUR (2014: 300 kEUR).

Taxes on profit amounted to 248 kEUR (2014: 120 kEUR). The effective taxes amounted, however, to only 69 kEUR. The remaining amount of 179 kEUR accounted for the reduction of non-cash effective deferred tax assets due to the use of losses carried forward. All in all, a consolidated net profit of 379 kEUR (2014: 180 kEUR) was reported for the first three months.

The net result generated for shareholders of the parent company amounted to 569 kEUR (2014: 190 kEUR) for the first three months of the current business year. The result per share for the first quarter of 2014 was EUR 0.11 (2014: EUR 0.04).

Net Assets and Financial Situation

The asset situation of Geratherm Medical is stable. The balance sheet total of EUR 29.4 million is essentially formed by equity capital in the amount of EUR 21.1 million. The equity-to-assets ratio was 71.8% as of the reporting date (2014: 70.4%). The return on equity amounted to 10.8% (2014: 3.7%).

As of 31 March 2015 the company had cash, cash equivalents and securities in the amount of EUR 14.0 million (2014: EUR 15.2 million). Thus, the company has an above-average healthy financial position, particularly in light of the current growth phase.

There were no significant changes with regard to long-term assets. On the whole, this position was reported with EUR 4.5 million (-7.8%).

The tangible assets essentially remained at the same level as last year. The deferred taxes decreased by the reported profits to 406 kEUR (2014: 585 kEUR).

The short-term assets increased by +5.6% to EUR 24.9 million. The trade receivables item increased considerably by 25.9% to EUR 3.779 million. This can be essentially explained by the company's healthy growth.

The gross cash flow for the first three months of the current business year was 964 kEUR (2014: 479 kEUR). The cash flow from operations was EUR 1.069 million (2014: -233 kEUR). The cash flow from investments amounted to -76 kEUR (2014: -85 kEUR).

Research and Development

Our research and development activities are currently focused primarily on our Warming Systems and Respiratory segments. In the Medical Warming Systems segment, we are currently working on a new generation of OP system products that we aim to launch during the third quarter of this year.

At the same time, considerable development capacities have also been invested in an innovative project relating to medical cooling applications for the emergency response sector. In the Respiratory segment we are also working on different innovative products for measuring pulmonary function.

Staff

The Geratherm Group had a staff of 144 in total as of 31 March 2015 (2014: 119) with 126 employees in Germany.

Outlook

We are anticipating that sales and earnings will continue to develop favourably during the second quarter. Based on our current knowledge, the demand on the market for Geratherm products will remain strong for all segments.

We are looking forward to meeting with our shareholders at this year's annual general meeting on 5 June 2015, at 1:30 PM in "Grandhotel Hessischer Hof" in Frankfurt am Main.

Geschwenda, May 2015



Dr. Gert Frank
Chairman of the Board



Thomas Robst
Head of Sales

Statement of comprehensive income for the period January 1, 2015 to March 31, 2015

	Jan.-March 2015 EUR	Jan.-March 2014 EUR	Change
Sales revenue	5,350,114	3,847,058	39.1%
Change in stocks of finished and unfinished goods	-153,292	22,491	-
Other own work capitalized	2,295	0	-
Other operating income	438,226	140,406	>100.0%
	5,637,343	4,009,955	40.6%
Material costs			
Costs for consumables, supplies and goods			
and for specific products	-1,988,789	-1,619,254	22.8%
Costs of purchased services	-110,153	-112,972	-2.5%
	-2,098,942	-1,732,226	21.2%
Gross profit	3,538,401	2,277,729	55.3%
Personnel expenses			
Wages and salaries	-998,787	-720,133	38.7%
Social contributions and expenditures for pensions	-222,131	-165,428	34.3%
	-1,220,918	-885,561	37.9%
Depreciation of intangible assets and tangible fixed assets	-209,888	-154,780	35.6%
Other operating expenditure	-1,388,440	-891,354	55.8%
Operating results	719,155	346,034	>100.0%
Income from dividends	0	0	-
Income from sale of securities	0	0	-
Depreciation of securities	0	0	-
Expenses from securities	-1,500	-500	>100.0%
Other interest and related income	1,669	8,647	-80.7%
Interests and similar expenses	-92,147	-54,101	70.3%
Financial result	-91,978	-45,954	>100.0%
Result of normal business activity	627,177	300,080	>100.0%
Taxes on income and profit	-248,390	-120,062	>100.0%
Group net profit for the period	378,787	180,018	>100.0%
Result of non-controlling shareholders for the period	-190,171	-10,437	>100.0%
Net earnings of the parent company's shareholders in the period concerned	568,958	190,455	>100.0%
Gross result for first quarter of year (EBITDA)	929,043	500,814	85.5%
Earnings per share undiluted	0.11	0.04	>100.0%

Statement of financial position as at the end of the period by March 31, 2015

Assets	31. March 2015 EUR	31. December 2014 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	154,135	157,442	-2.1%
2. Other intangible assets	453,061	488,597	-7.3%
3. Goodwill	75,750	75,750	-
	682,946	721,789	-5.4%
II. Tangible assets			
1. Land and buildings	1,070,944	1,087,273	-1.5%
2. Plant and machinery	1,806,191	1,905,588	-5.2%
3. Other plants, operating and office equipment	324,210	344,048	-5.8%
4. Assets under construction	40,600	0	-
	3,241,945	3,336,909	-2.8%
III. Other assets	14,706	14,706	-
IV. Other long-term receivables	200,162	269,193	-25.6%
V. Deferred taxes	405,567	584,714	-30.6%
	4,545,326	4,927,311	-7.8%
B. Current assets			
I. Inventories			
1. Raw, auxiliary and operating materials	1,872,004	2,103,356	-11.0%
2. Unfinished products	1,728,083	1,753,405	-1.4%
3. Finished products and goods	3,074,162	3,174,442	-3.2%
	6,674,249	7,031,203	-5.1%
II. Receivables and other assets			
1. Trade accounts receivable	3,779,223	3,001,313	25.9%
2. Tax claims	151,836	195,886	-22.5%
3. Other assets	306,670	261,776	17.1%
	4,237,729	3,458,975	22.5%
III. Securities	4,466,621	4,203,050	6.3%
IV. Means of payment	9,505,006	8,868,854	7.2%
	24,883,605	23,562,082	5.6%
	29,428,931	28,489,393	3.3%
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	5,589,231	4,723,663	18.3%
Attributable to parent company shareholders	21,574,597	20,709,029	4.2%
Non-controlling shareholders	-444,810	-366,071	21.5%
	21,129,787	20,342,958	3.9%
B. Non-current liabilities			
1. Liabilities to banks	1,910,110	2,127,456	-10.2%
2. Accrued investment subsidies	557,835	585,706	-4.8%
3. Other long-term liabilities	703,079	703,079	-
	3,171,024	3,416,241	-7.2%
C. Current liabilities			
1. Amounts owed to credit institutions	1,888,445	2,108,732	-10.4%
2. Advances received	123,937	63,594	94.9%
3. Trade accounts payable	1,462,614	998,254	46.5%
4. Tax liabilities	319,071	218,490	46.0%
5. Other current liabilities	1,334,053	1,341,124	-0.5%
	5,128,120	4,730,194	8.4%
	29,428,931	28,489,393	3.3%

Statement of cash flow for the period January 1, 2015 to March 31, 2015

	January – March 2015 kEUR	January – March 2014 kEUR
Group net profit for the period	379	180
Other non-cash expenses	65	-4
Dividend income	0	0
Interest income	-2	-9
Interest paid	92	54
Decrease in deferred taxes	179	119
Expenditure from income taxes	69	1
Depreciation of fixed assets	210	155
Income from the sale of securities	0	0
Losses from securities trading	0	0
Depreciation of securities	0	0
Amortization of allowances and subsidies	-28	-28
Loss on disposal of fixed assets	0	11
Gross cash flow	964	479
Decrease/increase in inventories	357	-581
Increase in trade receivables and other assets	-728	-151
Increase in current and other liabilities	557	0
Cash from dividends	0	0
Inflow from interest	2	9
Outflow from interest	-92	-54
Inflow of taxes	9	65
Cash flow from operations	1,069	-233
Outflow for investment in fixed assets	-76	-85
Inflow from funds for investments	0	0
Payments from financial investments	0	0
Cash flow from investments	-76	-85
Cash inflow from non-controlling shareholders	80	0
Distribution of profits to non-controlling shareholders	0	0
Dividend distribution	0	0
Proceeds from the repayment of loans	162	288
Outflows for the repayment of loans	-599	-338
Decrease/increase in fixed liabilities	0	0
Cash flow from financing activities	-357	-50
Change in cash and cash equivalents	636	-368
Cash and cash equivalents at the start of the reporting period	8,869	11,112
Cash and cash equivalents at the end of the reporting period	9,505	10,744

Statement of changes in equity for the period by March 31, 2015

	Subscribed capital	Capital reserves	Other reserves			To be assigned to the shareholders of the parent company	Non-controlling interests	Equity capital
			Market valuation reserve	Currency conversion reserves	Accumulated earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of January 1, 2014	4,949,999	10,711,677	1,477,897	11,865	3,553,287	20,704,725	-624,334	20,080,391
Dividend payment to shareholders	0	0	0	0	0	0	0	0
Transaction with associates and shareholders	0	0	0	0	0	0	0	0
Group period result	0	0	0	0	190,455	190,455	-10,437	180,018
Unrealized profits and losses from valuation of securities	0	0	68,917	0	0	68,917	0	68,917
Currency translation in group	0	0	0	-1,973	0	-1,973	-1,894	-3,867
Total consolidated income	0	0	68,917	-1,973	190,455	257,399	-12,331	245,068
As of March 31, 2014	4,949,999	10,711,677	1,546,814	9,892	3,743,742	20,962,124	-636,665	20,325,459
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
Increase in share capital of subsidiary Geratherm Medical do Brasil Ltda.	0	0	0	0	0	0	79,690	79,690
Dividend payment to shareholders	0	0	0	0	0	0	0	0
Transaction with associates and shareholders	0	0	0	0	0	0	79,690	79,690
Group period result	0	0	0	0	568,958	568,958	-190,171	378,787
Unrealized profits and losses from valuation of securities	0	0	263,571	0	0	263,571	0	263,571
Currency translation in group	0	0	0	33,039	0	33,039	31,742	64,781
Total consolidated income	0	0	263,571	33,039	568,958	865,568	-158,429	707,139
As of March 31, 2015	4,949,999	11,035,367	922,625	50,002	4,616,604	21,574,597	-444,810	21,129,787

Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2015 to March 31, 2015

	01.01.-31.03.2014 EUR	01.01.-31.03.2013 EUR
Net earnings of the parent company's shareholders in the period concerned	378,787	180,018
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	263,571	68,917
Difference resulting from currency translation	64,781	-3,867
Income and expenses directly included in equity capital	328,352	65,050
Total consolidated income	707,139	245,068
Of which for non-controlling shareholders	-158,429	-12,331
Of which for parent company shareholders	865,568	257,399

Segment Report for the period from January 1, 2015 to March 31, 2015

According to product segments	Healthcare Diagnostic Jan.- March kEUR	Respiratory Jan.- March kEUR	Med. Warming Systems Jan.- March kEUR	Cardio/ Stroke Jan.- March kEUR	Consolidation Jan.- March kEUR	Reconciliation Jan.- March kEUR	Total Jan.- March kEUR
2015							
Segment revenues	3,960	770	569	188	-137	0	5.350
Operating results	652	2	-5	45	-149	174	719
of which:							
Amortization of intangible assets and depreciation of tangible assets	134	15	9	3	1	48	210
Segment assets	10,498	1,817	2,613	424	0	13,671	29,023
Segment liabilities	6,512	412	853	522	0	0	8,299

According to product segments	Healthcare Diagnostic Jan.- March kEUR	Respiratory Jan.- March kEUR	Med. Warming Systems Jan.- March kEUR	Cardio/ Stroke Jan.- March kEUR	Consolidation Jan.- March kEUR	Reconciliation Jan.- March kEUR	Total Jan.- March kEUR
2014							
Segment revenues	3,121	433	166	140	-13	0	3,847
Operating results	297	28	1	12	13	-5	346
of which:							
Amortization of intangible assets and depreciation of tangible assets	136	2	3	1	-8	21	155
Segment assets	10,896	872	924	222	0	14,986	27,900
Segment liabilities	7,424	225	331	559	0	0	8,539

According to regions 2015	Europe Jan.-March kEUR	South America Jan.-March kEUR	Germany Jan.-March kEUR	Middle East Jan.-March kEUR	USA Jan.-March kEUR	Others Jan.-March kEUR	Total Jan.-March kEUR
Sales revenue	3,259	514	937	227	306	244	5,487
Elimination of intercompany Sales	0	-20	-117	0	0	0	-137
Sales revenue to third parties	3,259	494	820	227	306	244	5,350
Gross profit or loss	2,200	258	554	153	207	165	3,537
Operating results	699	-309	176	49	66	52	733
of which:							
Amortization/depreciation of intangible assets and tangible assets	139	3	35	10	13	10	210
Amortization of public grants and subsidies	19	0	5	1	2	1	28
Acquisition costs of fixed assets for the period	0	0	76	0	0	0	76
Segment assets	0	2,117	26,906	0	0	0	29,023

According to regions 2014	Europe Jan.-March kEUR	South America Jan.-March kEUR	Germany Jan.-March kEUR	Middle East Jan.-March kEUR	USA Jan.-March kEUR	Others Jan.-March kEUR	Total Jan.-March kEUR
Sales revenue	1,915	601	593	314	224	213	3,860
Elimination of intercompany Sales	0	-1	-12	0	0	0	-13
Sales revenue to third parties	1,915	600	581	314	224	213	3,847
Gross profit or loss	1,127	366	342	185	132	126	2,278
Operating results	192	20	58	32	22	22	346
of which:							
Amortization/depreciation of intangible assets and tangible assets	89	4	27	15	10	10	155
Amortization of public grants and subsidies	17	0	5	3	2	1	28
Acquisition costs of fixed assets for the period	0	5	80	0	0	0	85
Segment assets	0	2,365	25,535	0	0	0	27,900

Notes on Interim Consolidated Financial Statements for the Period from 1 January 2015 to 31 March 2015

Accounting and Valuation Methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the first three months of the 2015 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 2014 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 at 31 March 2015:

Company	Share quota 31/3/2015	Share quota 31/12/2014
GME Rechte und Beteiligungen GmbH, Geschwenda, Germany	100.00%	100.00%
apoplex medical technologies GmbH, Pirmasens, Germany	57.92%	57.92%
Geratherm Respiratory GmbH, Bad Kissingen, Germany	61.27%	61.27%
Geratherm Medical do Brasil Ltda., Sao Paulo, Brazil	51.00%	51.00%
Sensor Systems GmbH, Steinbach Hallenberg, Germany	100.00%	100.00%
LMT Medical Systems GmbH, Lübeck, Germany	66.67%	66.67%

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 31 March 2015 to EUR 4,949,999 (2014: EUR 4,949,999) and is divided into 4,949,999 share certificates issued to the bearers (2014: 4,949,999). The subscribed capital has been paid in full. As of the reporting date there were no shares held by the company.

COMPANY CALENDAR 2015

Annual General Meeting in Frankfurt am Main, "Grandhotel Hessischer Hof"	05 June
Interim Report 1 st quarter	21 May
Interim Report 2 nd quarter	20 August
Interim Report 3 rd quarter	19 November

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