

**Management Board interim report
for the temporary unaudited annual
consolidated financial statements for 2023
Medika Group**

February 2024

Management interim report

Comment on temporary unaudited consolidated financial statements for the fourth quarter of the year 2023

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of 2023, Medika Group (the Group) has prepared temporary unaudited consolidated financial statements which present approximate consolidated balance sheet as at 31 December 2023, approximate consolidated profit and loss statement for the fourth quarter of 2023, approximate consolidated statement of changes in equity and approximate consolidated statement of cash flow.

We point out that these consolidated financial statements are temporary and as such are not approved by the Supervisory Board. Furthermore, consolidated financial statements are unaudited and investors should not take them as a basis for their investment decisions, but they should merely use them as approximate info until the publishing of the final results, since there may be differences between temporary and final results.

Publishing of the final results (annual audited financial statements) for the Company and the Group is expected by 31 March 2024.

With the above stated, Management Board does not comment consolidated financial statements, but only presents key events for the Company and the Group in 2023.

Key events

The total pharmaceutical market in 2023 has increased by 12,28% compared to the previous year. At the same time, sales of Medika d.d. have increased by 24,91% compared to the previous year, which resulted in an increase in the market share by 3,84 percentage points and it is 38,04%.

Total indebtedness has decreased for EUR 24,9 million compared to the beginning of the year.

At the General Assembly meeting held on 02.05.2023. decisions were passed to pay out the dividend from the retained earnings of the Company to the amount of EUR 6,2 million. The dividend amounted to EUR 215.00 per share.

The Government of the Republic of Croatia adopted the Decision on the announcement of the introduction of the euro as the official currency in the Republic of Croatia (published in "Official Gazette" No. 85/22). With the aforementioned decision, the euro becomes the official monetary unit and legal currency in the Republic of Croatia on 1 January 2023. The fixed conversion rate is set at HRK 7.53450 for one euro.

The summary financial statements were prepared on the basis of the same accounting policies, views and calculation methods used in the preparation of the annual financial statements as at 31 December 2022, with the

conversion of the reporting currency for the comparative period at the conversion rate of 7.53450.

Expected future development of the Group

The Group will continue with its core business: distribution of medicinal products and medical devices and strongly develop operations with products that make the core business of the company.

Development strategy of Ljekarne Prima Pharme is to expand network of pharmacies through the territory of Croatia.

Treasury shares

As at 31.12.2023., the Company holds 1,240 treasury shares.

Subsidiaries and associates

The Company Medika d.d. has 100% ownership in subsidiaries Ljekarne Prima Pharme and Primus nekretnine d.o.o.

Ljekarne Prima Pharme has 100% ownership in subsidiary ZU Ljekarna Šeremet and associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

In the last quarter of 2023, the Group private practise Ljekarna Milanka Ivandić i Ana Ivandić was bought and merged to Ljekarne Prima Pharme.

Related parties

The company with major voting rights, Auctor d.o.o. owns 48,04% of the Company and has 50,10% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.41% of the voting rights. Given the share in the ownership and business transactions with the Company, Pliva Hrvatska has significant influence on the current operations of the Company.

Financial risks and exposure to price risk, credit risk, liquidity and cash flow risk

The most significant market risk for the Group is the long collection period for trade receivables, especially HZZO (Croatian State Health Insurance) related receivables. Therefore, a significant amount of working capital is not available, which strongly affects the cash flow and timely settlement of Group's liabilities.

As the receivables represent, directly or indirectly, amounts owed by state institutions, their collection should not be regarded as probable of default risk. This indirectly increases the need for additional funding, which means additional business costs.

Credit risk arises primarily from trade receivables. The risk is higher when dealing with privately owned pharmacies. Hospitals, on the other hand, have extended collection periods, but there is no risk of non-settlement.

A part of the Group's assets are interest-bearing assets, as a result of which its revenue and investing cash flows depend on fluctuations in market interest rates.

The Group's interest rate risk arises from its short-term and long-term borrowings at variable rates. Variable-rate borrowings expose the Group to the interest-rate cash flow risk. Fixed-rate borrowings expose the Group to the interest-rate fair value risk.

Price risk arises from continuous decrease in the prices of prescription medicinal products on the HZZO list and administrative approach in determining the prices and margins of medicinal products. To lower this risk, the Group has focused on expanding the lines of products that are not limited by law in respect of the price of the product.

In accordance with the Decision on the announcement of the introduction of the euro as the official currency in the Republic of Croatia (published in the "Official Gazette" No. 85/22), the euro becomes the official monetary unit and legal tender in the Republic of Croatia on 1 January 2023, and consequently the Group has no significant currency risk.

Regarding EU restriction measures, which refers to the consequences of exposure and the impact of the Russian invasion of Ukraine, the Group declares that it does not have a direct business relationship with entities from Russia or Ukraine, nor it is otherwise directly exposed to those entities in its business.

Nevertheless, the Company's Management Board estimates that a direct impact on the Group operations is possible due to the impact of the entire economy on global level, mainly due to the increase in the price of the products, both raw materials, interest rates and inflation that have increased further with the Russian invasion of Ukraine. Given the uncertain extent of the impact of the economy, the Group monitors developments and assesses the impact on business financial situation and cash flows.

Jasminko Herceg, dipl.oec.
President of the Management Board

³ **Medika** d.d.
ZAGREB, Capraška 1

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Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2023

to

31.12.2023

Year:

2023

Quarter:

4.

Quarterly financial statements

Registration number (MB):

03209741

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

080027531

Personal identification
number (OIB):

94818858923

LEI:

7478000000R8ZVGJJO27

Institution
code:

1339

Name of the issuer: **MEDIKA d.d.**

Postcode and town:

10000

ZAGREB

Street and house number:

CAPRAŠKA 1

E-mail address:

medika.uprava@medika.hr

Web address:

www.medika.hr

Number of employees
(end of the reporting

990

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Ljekarne Prima Pharme

Zagreb

0694975

Primus nekretnine d.o.o.

Zagreb

4439856

Zdravstvena ustanova Ljekarna Šeremet

Zagreb

1324870

Bookkeeping firm:

(Yes/No)

(name of the bookkeeping firm)

Contact person: **INES BOSNAR ŠMITUC**

(only name and surname of the contact person)

Telephone: **01/2412 551**E-mail address: **medika.uprava@medika.hr**

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

3 **Medika d.d.**
ZAGREB, Capraška 1

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BALANCE SHEET
balance as at 31.12.2023

in EUR

Submitter: Group Medika			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	74.751.251	82.532.426
I INTANGIBLE ASSETS (ADP 004 to 009)	003	39.545.931	43.726.272
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	28.642.644	32.180.350
3 Goodwill	006	10.862.874	11.386.917
4 Advances for the purchase of intangible assets	007	33.148	146.351
5 Intangible assets in preparation	008	7.265	12.654
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	30.978.881	29.695.054
1 Land	011	4.034.817	3.106.546
2 Buildings	012	15.295.615	13.763.430
3 Plant and equipment	013	3.137.133	3.366.065
4 Tools, working inventory and transportation assets	014	894.118	1.775.467
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	73.721	108.916
7 Tangible assets in preparation	017	6.233.805	6.330.796
8 Other tangible assets	018	112.525	111.397
9 Investment property	019	1.197.147	1.132.437
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	3.898.087	4.250.555
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	3.449.155	3.482.037
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	448.932	768.518
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	199.709	4.708.179
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	199.709	4.708.179
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	128.643	152.366
C) CURRENT ASSETS (ADP 038+046+053+063)	037	331.027.650	362.800.681
I INVENTORIES (ADP 039 to 045)	038	61.993.765	78.723.861
1 Raw materials and consumables	039	72.224	67.515
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	61.033.874	76.095.664
5 Advances for inventories	043	887.667	2.560.682
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	214.408.171	241.218.378
1 Receivables from undertakings within the group	047	100	100
2 Receivables from companies linked by virtue of participating interests	048	3.505.036	3.987.461
3 Customer receivables	049	209.437.383	235.062.267

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4 Receivables from employees and members of the undertaking	050	393	464
5 Receivables from government and other institutions	051	492.336	914.051
6 Other receivables	052	972.923	1.254.035
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	448.054	32.475.734
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	448.054	32.475.734
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	54.177.660	10.382.708
D) PREPAID EXPENSES AND ACCRUED INCOME	064	101.354	96.830
E) TOTAL ASSETS (ADP 001+002+037+064)	065	405.880.255	445.429.937
OFF-BALANCE SHEET ITEMS	066	19.504.191	18.290.002
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	95.364.448	109.691.688
I INITIAL (SUBSCRIBED) CAPITAL	068	27.771.507	27.778.480
II CAPITAL RESERVES	069	-282.844	-282.844
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	11.067.694	11.067.694
1 Legal reserves	071	2.461.810	2.461.810
2 Reserves for treasury shares	072	6.478.463	6.478.463
3 Treasury shares and holdings (deductible item)	073	-2.081.712	-2.081.712
4 Statutory reserves	074	0	0
5 Other reserves	075	4.209.133	4.209.133
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	41.313.534	51.048.227
1 Retained profit	084	41.313.534	52.096.499
2 Loss brought forward	085	0	1.048.272
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	15.494.557	20.080.131
1 Profit for the business year	087	15.494.557	20.080.131
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	160.294	170.803
1 Provisions for pensions, termination benefits and similar obligations	091	160.294	170.803
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	14.980.828	13.651.885
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0

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4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	32.328	0
6 Liabilities to banks and other financial institutions	103	3.312.714	531.002
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	4.250.025	4.244.112
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	4.572.573	5.539.540
11 Deferred tax liability	108	2.813.188	3.337.231
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	294.945.188	321.631.535
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	16.368.255	19.991.198
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	32.328
6 Liabilities to banks and other financial institutions	115	45.491.803	22.782.916
7 Liabilities for advance payments	116	354.768	335.611
8 Liabilities to suppliers	117	222.861.695	268.100.531
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	2.151.596	2.485.611
11 Taxes, contributions and similar liabilities	120	6.200.719	5.079.314
12 Liabilities arising from the share in the result	121	5.804	5.289
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	1.510.548	2.818.737
E) ACCRUALS AND DEFERRED INCOME	124	429.497	284.026
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	405.880.255	445.429.937
G) OFF-BALANCE SHEET ITEMS	126	19.504.191	18.290.002

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2023 to 31.12.2023

in EUR

Submitter: Group Medika

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	628.863.337	169.334.415	751.552.415	194.151.050
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	624.256.355	168.107.898	745.794.352	192.612.137
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	1.195	398	1.194	298
5 Other operating income (outside the group)	006	4.605.787	1.226.119	5.756.869	1.538.615
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	610.913.084	164.432.846	728.154.366	187.618.347
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	583.551.534	156.427.410	697.815.792	178.655.813
a) Costs of raw materials and consumables	010	2.374.060	685.635	2.076.644	576.199
b) Costs of goods sold	011	577.095.697	154.446.917	690.846.606	176.687.933
c) Other external costs	012	4.081.777	1.294.858	4.892.542	1.391.681
3 Staff costs (ADP 014 to 016)	013	16.554.478	4.312.921	18.183.927	4.792.374
a) Net salaries and wages	014	10.470.998	2.727.890	11.436.991	3.038.945
b) Tax and contributions from salary costs	015	4.092.910	1.063.595	4.538.000	1.175.214
c) Contributions on salaries	016	1.990.570	521.436	2.208.936	578.215
4 Depreciation	017	4.035.209	1.021.364	4.333.525	1.131.562
5 Other costs	018	6.649.578	2.683.855	7.780.574	3.363.046
6 Value adjustments (ADP 020+021)	019	94.822	-40.167	95.251	-269.745
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	94.822	-40.167	95.251	-269.745
7 Provisions (ADP 023 to 028)	022	27.463	27.463	-54.703	-54.703
a) Provisions for pensions, termination benefits and similar obligations	023	4.675	4.675	5.433	5.433
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	1.230	1.230
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	22.788	22.788	-61.366	-61.366
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	2.646.184	741.721	2.276.745	504.097
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	2.646.184	741.721	2.276.745	504.097
8 Exchange rate differences and other financial income	038	0	0	0	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	386.025	98.016	1.731.795	538.776
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	369.405	92.561	1.731.795	538.776
4 Exchange rate differences and other expenses	045	16.620	5.455	0	0
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	431.584	121.525	430.824	134.789
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	631.941.105	170.197.661	754.259.984	194.789.936
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	611.299.109	164.530.862	729.886.161	188.157.123
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	20.641.996	5.666.799	24.373.823	6.632.813
1 Pre-tax profit (ADP 053-054)	056	20.641.996	5.666.799	24.373.823	6.632.813

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2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	5.147.439	2.428.877	4.293.692	1.357.058
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	15.494.557	3.237.922	20.080.131	5.275.755
1 Profit for the period (ADP 055-059)	060	15.494.557	3.237.922	20.080.131	5.275.755
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	15.494.557	3.237.922	20.080.131	5.275.755
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	15.494.557	3.237.922	20.080.131	5.275.755
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2023 to 31.12.2023

in EUR

Submitter: Group Medika			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	20.641.996	24.373.823
2 Adjustments (ADP 003 to 010):	002	1.869.792	3.639.768
a) Depreciation	003	4.035.209	4.333.525
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-787.565	-1.091.517
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	94.822	95.251
d) Interest and dividend income	006	-2.646.184	-2.276.745
e) Interest expenses	007	369.405	1.731.795
f) Provisions	008	27.463	-54.703
g) Exchange rate differences (unrealised)	009	-27.454	226
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	804.096	901.936
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	22.511.788	28.013.591
3 Changes in the working capital (ADP 013 to 016)	012	-9.059.198	54.403
a) Increase or decrease in short-term liabilities	013	43.509.446	48.702.715
b) Increase or decrease in short-term receivables	014	-37.152.791	-31.308.224
c) Increase or decrease in inventories	015	-15.415.853	-17.340.088
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	13.452.590	28.067.994
4 Interest paid	018	-342.673	-1.685.493
5 Income tax paid	019	-3.978.127	-5.882.199
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	9.131.790	20.500.302
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	955.618	2.992.848
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	2.644.069	2.274.046
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	1.114.829	1.264.802
6 Other cash receipts from investment activities	026	414.126	397.942
III Total cash receipts from investment activities (ADP 021 to 026)	027	5.128.642	6.929.638
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-2.244.675	-2.895.429
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-339.409	-32.896.468
4 Acquisition of a subsidiary, net of cash acquired	031	-1.618.536	-2.096.297
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-4.202.620	-37.888.194
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	926.022	-30.958.556
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	69.015.860	98.000.159
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	69.015.860	98.000.159

1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-28.693.236	-122.885.419
2 Cash payments for dividends	041	-5.379.999	-6.225.110
3 Cash payments for finance lease	042	-584.417	-605.180
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-1.534.086	-1.621.148
VI Total cash payments from financing activities (ADP 040 to 044)	045	-36.191.738	-131.336.857
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	32.824.122	-33.336.698
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	42.881.934	-43.794.952
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	11.295.726	54.177.660
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	54.177.660	10.382.708

AB

"FINANCIAL STATEMENT NOTES
(are compiled for quarterly reporting periods)

Issuer: MEDIKA d.d.

OIB: 94818858923

Reporting period: 01.01.2023. - 31.12.2023.

Notes to the financial statements for quarterly periods include:

a) an explanation of business events that are significant for understanding the changes in the statement of financial position and business results for the reporting quarter for the issuer's quarter, ie information related to those events is published and relevant information published in the last annual financial report is updated (paragraphs 15 to 15C of IAS 34 - Financial Reporting for Interim Years),

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The consolidated financial statements of the Group have been prepared under the historical cost convention, unless otherwise stated.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards as adopted by the European Union (IFRS) requires the use of certain critical accounting estimates.

On 31.12.2023. year in relation to the beginning of the year Group decreased credit indebtedness by EUR 24.9 million.

In the last quarter of 2023, the Group private practise Ljekarna Milanka Ivandić i Ana Ivandić was bought and merged to Ljekarne Prima Pharme.

These financial statements are temporary and as such are not approved by the Supervisory Board. Furthermore, financial statements are unaudited and investors should not take them as a basis for their investment decisions, but they should merely use them as approximate info until the publishing of the final results, since there may be differences between temporary and final results.

b) information where access to the latest annual financial statements is provided, in order to understand the information published in the notes to the financial statements prepared for the reporting quarter,

The notes to the financial statements are included in the audited annual financial statements of the Medika Group. The audited annual financial statements for 2022 are available on the website of Medika d.d. www.medika.hr, on the website of the Zagreb Stock Exchange d.d. and was submitted to the Official Register of Prescribed Information at the Croatian Financial Services Supervisory Agency.

The audited annual financial statements for 2023 will be available on the website of Medika d.d. www.medika.hr, on the website of the Zagreb Stock Exchange d.d. and were submitted to the Official Register of Prescribed Information at the Croatian Financial Services Supervisory Agency until March 31, 2024.

c) a statement that the same accounting policies are applied in preparing the financial statements for the quarterly period as in the most recent annual financial statements or, if those accounting policies have changed, a description of the nature and effect of the change (paragraph 16A (a) of IAS 34 Financial Reporting for periods during the year),

The financial statements for Group were prepared on the basis of the same accounting policies, presentations and calculation methods as well as they were in the annual financial statements on December 31, 2022, with the exception of the reporting currency (for 2022, the functional and reporting currency was HRK, and the amounts are recalculated at the conversion rate of 7.53450).

d) an explanation of the business results in the event that the issuer performs activities of a seasonal nature (paragraphs 37 and 38 of IAS 34 - Financial Reporting for Periods during the Year)

The Medika Group does not perform activities of a seasonal nature.

e) other disclosures required by IAS 34 - Financial Reporting for the Periods during the year
Short-term and long-term receivables from customers, related companies and participating companies amount to EUR 243,8 million and record a increase of 14,36% compared to the beginning of the year due to sales growth.

Reclassification:

AOP 119 Liabilities to employees include short-term provisions.

Assets with the right of use are stated within long-term intangible assets by type of assets, while lease liabilities are stated within other long-term and short-term liabilities.

Interest payable on loans is stated within other short-term liabilities.

f) in addition to the above information, the following information shall be disclosed in the notes to the financial statements for the quarterly periods:

1. name, registered office of the undertaking (address), legal form of the undertaking, country of establishment, registration number of the entity, personal identification number and, if applicable, that the undertaking is in liquidation, bankruptcy, summary winding up or extraordinary administration

PARENT COMPANY INFORMATION:

Name of the issuer: Medika d.d.,

Headquarters: Capraška 1, 10000 Zagreb

Legal form: joint stock company

Country of establishment: Republic of Croatia

MBS: 080027531

OIB: 94818858923

2. adopted accounting policies (only an indication of whether there has been a change compared to the previous period)

During the reporting period, the Medika Group did not change its accounting policies compared to the previous year.

3. the total amount of any financial liabilities, guarantees or contingencies not included in the balance sheet, as well as an indication of the nature and form of any actual insurance provided; all liabilities relating to the pensions of an entrepreneur within a group or company related to a participating interest are disclosed separately

For a certain part of liabilities to suppliers, leases and loans (which are shown in the balance sheet), the Medika Group issued bank guarantees or debentures as collateral.

Liabilities from provisions for pensions are presented in the balance sheet in accordance with IAS-19.

4. the amount and nature of individual items of income or expenditure of exceptional size or occurrence

Medika Group in the reporting period 01.01.-31.12.2023. have generated consolidated net sales revenues in the amount of EUR 745.8 million (in the period 01.01.-31.12.2022., EUR 624.3 million).

5. amounts owed by the entrepreneur and maturing after more than five years, as well as the total debts of the entrepreneur covered by valuable insurance provided by the entrepreneur, with an indication of the type and form of insurance

Medika Group on 31.12.2023. have liabilities over 5 years and are entirely related to operating lease liabilities in the amount of EUR 1,677 thousand.

Long-term tangible assets with a net book value as of December 31, 2023 are pledged as collateral for the loan amounts to EUR 16,214 thousand.

6. average number of employees during the current period

Average number of employees of the Medika Group during the current period 01.01.-31.12.2023. amounts to 961 employees (during the period 01.01.-31.12.2022. the average number of employees was 945 employees).

7. if the entrepreneur in the business year in accordance with the regulations capitalized the cost of salaries in part or in full, information on the amount of total employee costs during the year broken down into the amount directly charged to the period and the amount capitalized in the value of assets during the period. for each part separately states the total amount of net salaries and the amount of taxes, contributions from salaries and contributions to salaries
The Medika Group did not capitalize the cost of salaries during the reporting period.

8. if provisions for deferred tax, deferred tax balances at the end of the business year and movements of these balances during the business year are recognized in the balance sheet
Deferred tax assets on 31.12.2023. amounts to EUR 152 thousand and records an increase of EUR 24 thousand from the beginning of the year.

9. the name and registered office of each undertaking in which the undertaking, alone or through a person acting in his own name but on behalf of the undertaking, holds a participating share in the capital, showing the amount of capital held, the amount of total capital and reserves, business years of the undertaking concerned, for which the annual financial statements have been adopted; information on capital and reserves and profit or loss may be omitted if the undertaking in question does not publish its balance sheet and is not under the control of another undertaking

Medika d.d. has 100% stake in Primus nekretnine d.o.o. and Ljekarna Prima Pharme which holds 100% stake in ZU Ljekarna Šeremet and the associated company ZU Ljekarna Jagatić in which it has a 49% stake.

10. number and nominal value, or if there is no nominal value, the book value of shares or stakes subscribed during the business year within the authorized capital

No new shares are subscribed during the business year.

Share capital as at 31.12.2023. is EUR 27,778 thousand and is divided into 30,194 shares. The nominal value of one share is EUR 920,00.

11. the existence of any certificates of participation, convertible debentures, guarantees, options or similar securities or rights, indicating their number and the rights conferring

The Medika Group has no certificates of participation, convertible debentures, guarantees, options or similar securities or rights.

12. name, registered office and legal form of each undertaking in which the undertaking has unlimited liability

Not applicable.

13. name and registered office of the undertaking compiling the quarterly consolidated financial statements of the largest group of undertakings in which the undertaking participates as a controlled member of the group

Not applicable.

14. the name and registered office of the undertaking which draws up the quarterly consolidated financial statements of the smallest group of undertakings in which the

undertaking participates as a controlled member and which is also included in the group of undertakings referred to in point 13.

Not applicable.

15. the place where copies of the quarterly consolidated financial statements referred to in points 13 and 14 can be obtained, provided that they are available

Not applicable.

16. the nature and business purpose of undertakings' arrangements not included in the balance sheet and the financial impact of those arrangements on the undertaking, provided that the risks or rewards of such arrangements are material and the disclosure of such risks or rewards is necessary to assess the undertaking's financial position.

Medika Group has no material arrangements with companies that are not included in the financial statements as at 31.12.2023.

17. the nature and financial impact of significant events that occurred after the balance sheet date and were not reflected in the income statement or balance sheet

The Medika Group has no significant events that occurred after the balance sheet date and are not reflected in the income statement or balance sheet.

Regarding EU restriction measures, which refers to the consequences of exposure and the impact of the Russian invasion of Ukraine, Group declares that it does not have a direct business relationship with entities from Russia or Ukraine, nor is it otherwise directly exposed to those entities in its business.

Nevertheless, the Group's management estimates that an indirect impact on the Group's operations is possible due to the impact on the entire economy on global level, mainly due to the increase in the price of energy products, both raw materials, interest rates and inflation that have increased further with the Russian invasion of Ukraine. Given the uncertain extent of the impact on the economy, the Group monitors developments and assesses the impact on business, financial situation and cash flows.

“

Zagreb, 28 February 2024

Pursuant to the articles 462 to 471 of the Capital market Law (Official Gazette 65/18, 17/20 and 83/21) President of the Management Board Jasminko Herceg provides

STATEMENT OF LIABILITY FOR PREPARING FINANCIAL STATEMENTS OF ISSUER

Temporary unaudited unconsolidated and consolidated financial statements of Medika d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

Temporary unaudited unconsolidated and consolidated financial statements for the period 01 January to 31 December 2023 present true and fair view of assets and liabilities, financial position, profit or loss of the Company and the Group.

The interim management report for the temporary unaudited financial statements for the period 01 January to 31 December 2023 presents fair presentation of development and results of the operations and position of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.

Jasminko Herceg
President of the Management Board

³ **Medika** d.d.
ZAGREB, Capraška 1