

INTERIM REPORT
for I-IX 2023
Medika d.d. Zagreb

October 2023

Management interim report

Comment on the business results for the third quartal of 2023

Medika d.d. („Company“) has realised total revenue in the first nine months of 2023 in amount of EUR 542.8 million which is by 21.70% higher comparing to the same period of previous year. The increase in total revenues is a result of market growth and increased sales.

Net sales revenues which amount to EUR 538.3 million for the first nine months of 2023 are by 21.83% higher compared to the same period of previous year.

Share of sales revenues in the total revenue is 99.16% while in the same period of previous year it was 99.05%. Other operating revenues which amount to EUR 2.8 million are higher by 20.27% comparing to the same period of previous year. Share of other operating revenues in total revenue is 0.52% in the first nine months of 2023, and does not record the movement in relation to the same period of the previous year.

Out of the total sales revenues, 99.55% revenues are generated on domestic market, while 0.45% is generated on the foreign market. In the first nine months of 2022, 99.73% revenues were generated on domestic market, while 0.27% were generated on the foreign market.

Material expenses amount to EUR 515.3 million and are by 21.91% higher compared to the same period of previous year, which is in accordance with the increase of sales. The share of material expenses in the operating expenses amount to 97.58%, while in the same period of previous year amounted to 97.29%.

Employee expenses are higher by 7.04% compared to the same period of previous year. Their share in the total expenses amounts to 1.39% and decreased by 0.19 percentage points compared to the same period of the previous year. This increase of employee expenses was affected by the average number of employees, which is higher in the first nine months of 2023 compared to the same period of the previous year and salary increases for employees during 2022 and 2023.

Financial income has decreased by EUR 132 thousand, which is 6.94% less compared to the same period of the previous year. Financial income relates entirely to interest income. This decrease was affected by the decrease in income from penalty interest due to the collection of receivables from hospital lawsuits compared to the same period of the previous year.

Financial expenses have increased compared to the same period of previous year by EUR 906 thousand, and are significantly higher. Their share in total expenses is 0.21%. This increase was affected by higher average credit indebtedness and higher average contracted interest rate compared to the realized average indebtedness and realised average interest rate in the same period of the previous year.

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Gross margin in the first nine months of 2022 amounted to 5.10%, while in the first nine months of 2023 amounts to 4.99%, which is an increase by 0.11 percentage points.

Gross profit (profit before taxation) amounts to EUR 13.6 million, while in the same period of previous year amounted to EUR 11.4 million, which is an increase of EUR 2.2 million, or 19.72%. Higher gross profit is result of lower growth of total expenses (which are higher by EUR 94.6 million comparing to the same period of previous year mostly due to the increase in operating expenses) in relation to the increase of total income (which are higher by EUR 96.8 million comparing to the same period of previous year mostly due to the increase in operating income).

Operative earnings amount to EUR 12.9 million and are by EUR 3.3 million, or is 33.94% higher comparing to the same period of previous year.

Realised net profit amounts to EUR 11.1 million.

Transactions with the related parties in the first nine months of 2023 generated total net revenues in amount of EUR 50.0 million, which is 11.28% higher compared to generated revenue in the same period of previous year when it amounted to EUR 44.9 million. The increase is a result of increased sales in Prima Pharme Group.

Trade goods purchased from related parties amounts to EUR 35.7 million, while in the same period of previous year amounted to EUR 28.6 million, which is an increase of EUR 7.1 million, or is 24.82%.

Total assets amount to EUR 445.8 million which is by 18.55% higher comparing to the beginning of the year.

Long term assets did not significantly change compared to the beginning of the year. Non-current intangible assets amount to EUR 6.0 million which is an increase by 8.57% compared to the beginning of the year, which was most significantly affected by new leased warehouse. Non-current tangible assets amount to EUR 27.7 million which is a decrease of EUR 159 thousand, or 0.57% compared to the beginning of the year, which was affected by depreciation.

Long term financial assets mostly relate to the investment in related parties and given long-term cash loans. Long term financial assets amount to EUR 13.6 million and decreased by 0.78% compared to the beginning of the year, due to payments of given loans.

Long term receivables refer to the given merchandise loans to customers (merchandise loans are due receivables that are reprogrammed and the payment has been agreed in the future periods). Long term receivables increased by 42.36% compared to the beginning of the year, due to new merchandise loans given to customers.

Deferred tax assets are on the same level compared to the beginning of the year.

Current assets amount to EUR 398.1 million which is 21.12% higher compared to the beginning of the year. In the structure of current assets, trade receivables and inventories have increased, while financial assets and cash have decreased compared to the beginning of the year.

Inventory amounts to EUR 67.1 million and has increased by EUR 10.3 million comparing to the beginning of the year, or 18.09%, which was most significantly affected by sales increase.

Total current receivables amount to EUR 316.3 million and are higher by EUR 97.6 million, or 44.64%, compared to the beginning of the year. Trade receivables, receivables from related parties and receivables from participating parties amounts to EUR 315.3 million and have increased by 44.67% compared to the beginning of the year due to slower collection from customers and sales growth.

Cash in bank and on hand amounts to EUR 14.5 million and record a decrease by EUR 38.2 million comparing to the beginning of the year.

Long-term liabilities amount to EUR 8.6 million, out of which EUR 3.5 million relates to liabilities for received non-current loan, EUR 3.2 million to agreed payment instalments with suppliers, EUR 1.2 million to liabilities under operating leases (in accordance with IFRS 16 Leases), EUR 654 thousand relates to finance lease liabilities and EUR 32 thousand to received long-term deposits.

Short term liabilities amount to EUR 355.3 million out of which the biggest part in amount of EUR 288.3 million relates to trade payables and liabilities to related parties and EUR 61.8 million to credit indebtedness toward banks and financial institutions (EUR 61.3 million short term credits from banks and EUR 532 thousand financial lease).

Trade payables and liabilities to related parties are higher by EUR 49.8 million comparing to the beginning of the year, or by 20.87%.

Medika's total credit indebtedness amounts to EUR 67.7 million, which is an increase of EUR 17.6 million compared to the beginning of the year, for the purposes of current liquidity and for the payment of trade payables due to a slower collection of receivables from customers. Of the total indebtedness, as at 30 September 2023, the amount of EUR 3.5 million relates to long-term borrowing. Regarding the transition to the national currency euro at the beginning of 2023, there is no exposure to a foreign currency, given that all loans were converted to euro as of 1 January 2023.

Key events

In the first nine months of 2023, the pharmaceutical product market increased by 13.31% compared to the same period of the previous year. Medika's sales increased by 29.58% compared to the same period of the previous year, resulting in an increase in the market share of 4.75 percentage points, and it is 37.87%.

Credit indebtedness increased by EUR 17.6 million compared to the beginning of the year for the liquidity purposes that is, for the purposes of paying obligations to suppliers.

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 Company

The Company 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.

Treasury shares

As at 30 September 2023, the Company holds 1,240 treasury shares.

Subsidiaries and associates

The Company 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 an associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

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 Company 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 of the Company and timely settlement of its 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 Company'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 Company's interest rate risk arises from its short-term and long-term borrowings at variable rates. Variable-rate borrowings expose the Company to the interest-rate cash flow risk. Fixed-rate borrowings expose the Company 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 Company 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 Company 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, Medika d.d. 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.

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Nevertheless, the Company's Management Board estimates that a direct impact on the Company 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 Company monitors developments and assesses the impact on business financial situation and cash flows.

² **Medika** d.d.

ZAGREB, Capraška 1

Jasminko Herceg, dipl.oec.

President of the Management Board

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Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2023

to

30.9.2023

Year:

2023

Quarter:

3.

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:

74780000O0R8ZVGJJO27

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

538

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

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
AB [signature]

BALANCE SHEET
balance as at 30.09.2023

in EUR

Submitter: Medika d.d.			
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	47.293.535	47.584.661
I INTANGIBLE ASSETS (ADP 004 to 009)	003	5.508.688	5.980.557
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	3.884.947	4.076.140
3 Goodwill	006	1.583.328	1.583.328
4 Advances for the purchase of intangible assets	007	33.148	303.148
5 Intangible assets in preparation	008	7.265	17.941
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	27.817.190	27.658.244
1 Land	011	3.106.546	3.106.546
2 Buildings	012	14.903.762	14.379.458
3 Plant and equipment	013	3.058.721	3.093.884
4 Tools, working inventory and transportation assets	014	330.685	398.096
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	73.721	115.632
7 Tangible assets in preparation	017	6.233.752	6.455.471
8 Other tangible assets	018	110.003	109.157
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	13.725.765	13.619.379
1 Investments in holdings (shares) of undertakings within the group	021	13.298.736	13.298.736
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	0	0
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	427.029	320.643
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	284.298
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	284.298
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	42.183	42.183
C) CURRENT ASSETS (ADP 038+046+053+063)	037	328.623.675	398.045.105
I INVENTORIES (ADP 039 to 045)	038	56.805.493	67.083.913
1 Raw materials and consumables	039	27.990	23.576
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	55.894.900	66.334.735
5 Advances for inventories	043	882.603	725.602
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	218.666.907	316.268.951
1 Receivables from undertakings within the group	047	18.807.805	19.497.311
2 Receivables from companies linked by virtue of participating interests	048	3.505.036	4.251.913
3 Customer receivables	049	195.607.731	291.512.822

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4 Receivables from employees and members of the undertaking	050	382	307
5 Receivables from government and other institutions	051	478.175	582.821
6 Other receivables	052	267.778	423.777
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	454.690	239.749
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	6.636	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	239.749
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	52.696.585	14.452.492
D) PREPAID EXPENSES AND ACCRUED INCOME	064	98.762	143.170
E) TOTAL ASSETS (ADP 001+002+037+064)	065	376.015.972	445.772.936
OFF-BALANCE SHEET ITEMS	066	19.504.191	18.899.811
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	76.208.069	81.359.944
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	25.821.196	31.743.404
1 Retained profit	084	25.821.196	31.743.404
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	11.830.516	11.053.210
1 Profit for the business year	087	11.830.516	11.053.210
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	84.506	84.506
1 Provisions for pensions, termination benefits and similar obligations	091	84.506	84.506
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	8.309.321	8.612.128
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	2.880.000
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	32.328
6 Liabilities to banks and other financial institutions	103	3.312.714	1.224.462
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	4.250.025	3.250.005
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	714.254	1.225.333
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	291.162.306	355.346.537
1 Liabilities to undertakings within the group	110	0	757
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	21.293.851
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	0
6 Liabilities to banks and other financial institutions	115	45.491.803	61.813.568
7 Liabilities for advance payments	116	354.405	19.898
8 Liabilities to suppliers	117	222.129.377	266.987.089
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	1.457.558	1.151.481
11 Taxes, contributions and similar liabilities	120	4.947.064	3.253.996
12 Liabilities arising from the share in the result	121	5.804	3.877
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	408.040	822.020
E) ACCRUALS AND DEFERRED INCOME	124	251.770	369.821
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	376.015.972	445.772.936
G) OFF-BALANCE SHEET ITEMS	126	19.504.191	18.899.811

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STATEMENT OF PROFIT OR LOSS
for the period 01.01.2023 to 30.09.2023

in EUR

Submitter: Medika d.d.

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	444.133.385	154.251.796	541.059.581	182.324.847
1 Income from sales with undertakings within the group	002	37.936.497	12.745.080	42.265.457	13.918.663
2 Income from sales (outside group)	003	403.864.777	140.630.655	495.989.407	167.405.466
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	53.991	17.939	59.620	19.742
5 Other operating income (outside the group)	006	2.278.120	858.122	2.745.097	980.976
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	434.469.081	150.418.192	528.115.191	178.162.288
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	422.707.642	146.306.077	515.323.992	173.829.437
a) Costs of raw materials and consumables	010	1.350.601	434.640	1.192.121	388.925
b) Costs of goods sold	011	419.272.081	145.119.094	511.369.614	172.362.757
c) Other external costs	012	2.084.960	752.343	2.762.257	1.077.755
3 Staff costs (ADP 014 to 016)	013	6.877.657	2.307.471	7.361.835	2.578.424
a) Net salaries and wages	014	4.320.359	1.449.178	4.593.338	1.601.793
b) Tax and contributions from salary costs	015	1.668.495	560.154	1.810.720	643.474
c) Contributions on salaries	016	888.803	298.139	957.777	333.157
4 Depreciation	017	1.811.254	605.920	1.999.408	690.062
5 Other costs	018	2.945.318	1.156.840	3.212.603	938.228
6 Value adjustments (ADP 020+021)	019	127.210	41.884	217.353	126.137
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	127.210	41.884	217.353	126.137
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
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	0	0	0	0
8 Other operating expenses	029	0	0	0	0
III FINANCIAL INCOME (ADP 031 to 040)	030	1.904.580	527.870	1.772.384	517.266
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	133	45	114	35
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	1.904.447	527.825	1.772.270	517.231
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	201.412	84.050	1.107.798	556.896
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	757	757
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	196.106	84.283	1.107.041	556.139
4 Exchange rate differences and other expenses	045	5.306	-233	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	0	0	0	0
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	446.037.965	154.779.666	542.831.965	182.842.113
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	434.670.493	150.502.242	529.222.989	178.719.184
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	11.367.472	4.277.424	13.608.976	4.122.929
1 Pre-tax profit (ADP 053-054)	056	11.367.472	4.277.424	13.608.976	4.122.929

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2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	2.073.427	780.202	2.555.766	774.286
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	9.294.045	3.497.222	11.053.210	3.348.643
1 Profit for the period (ADP 055-059)	060	9.294.045	3.497.222	11.053.210	3.348.643
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	9.294.045	3.497.222	11.053.210	3.348.643
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	9.294.045	3.497.222	11.053.210	3.348.643
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

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STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2023 to 30.09.2023

in EUR

Submitter: Medika d.d.

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	11.367.472	13.608.976
2 Adjustments (ADP 003 to 010):	002	858.114	2.303.798
a) Depreciation	003	1.811.254	1.999.408
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-122.837	-55.080
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	127.210	217.353
d) Interest and dividend income	006	-1.904.580	-1.772.384
e) Interest expenses	007	196.105	1.107.041
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-71.500	1.347
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	822.462	806.113
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	12.225.586	15.912.774
3 Changes in the working capital (ADP 013 to 016)	012	-28.068.523	-61.203.042
a) Increase or decrease in short-term liabilities	013	28.493.476	47.780.179
b) Increase or decrease in short-term receivables	014	-46.136.590	-98.222.464
c) Increase or decrease in inventories	015	-10.425.409	-10.760.757
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-15.842.937	-45.290.268
4 Interest paid	018	-150.412	-847.847
5 Income tax paid	019	-2.800.098	-3.771.676
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-18.793.447	-49.909.791
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	122.846	69.617
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	1.903.037	1.773.986
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	811.693	739.796
6 Other cash receipts from investment activities	026	287.582	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	3.125.158	2.583.399
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-1.527.325	-1.660.102
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-79.634	-146.001
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-1.606.959	-1.806.103
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	1.518.199	777.296
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	67.821.355	76.880.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	67.821.355	76.880.000

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1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-17.637.785	-59.315.070
2 Cash payments for dividends	041	-5.379.999	-6.225.110
3 Cash payments for finance lease	042	-433.707	-451.418
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	-462.528	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-23.914.019	-65.991.598
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	43.907.336	10.888.402
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	26.632.088	-38.244.093
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	10.796.029	52.696.585
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	37.428.117	14.452.492

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

Issuer: MEDIKA d.d.

OIB: 94818858923

Reporting period: 01.01.2023. - 30.09.2023.

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 of the issuer compared to the last business year, ie publish information related to these events and update relevant information published in the last annual financial report (paragraphs 15 to 15C IAS 34 - Financial Reporting for Periods during the Year).

Financial statements of Medika d.d. they have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS). Financial statements of Medika d.d. they are made using the historical cost method, unless otherwise stated.

The preparation of 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 30.09.2023. year in relation to the beginning of the year Medika d.d. increased credit indebtedness by EUR 17.6 million.

Significant business events and transactions in the observed period, which are important for understanding the changes in the Statement of Financial Position and Business Results are explained in pdf document - Interim Management Report for I-IX 2023 Medika dd, which was published simultaneously on this website pages of Medika dd 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.

b) information where access to the most recent annual financial statements is provided, in order to understand the information disclosed in the notes to the financial statements prepared for the reporting quarter.

The notes to the financial statements are attached to the audited annual financial statements of Medika d.d. 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 were submitted to the Official Register of Prescribed Information at the Croatian Financial Services Supervisory Agency.

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 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 an activity of a seasonal nature (paragraphs 37 and 38 of IAS 34 - Financial Reporting for Periods during the Year).

Medika d.d. does not perform activities of a seasonal nature.

AB P.

e) other disclosures prescribed by IAS 34 - Financial Reporting for periods during the year
Non-current intangible assets amount to EUR 6.0 million and are higher by 8,57% compared to the beginning of the year, which was affected by the new leased warehouse. Long-term tangible assets are lower by 0,57% compared to the beginning of the year, which was affected by the calculated depreciation.

Short-term and long-term receivables from customers, related companies and participating companies amount to EUR 315.5 million and recorded a increase of 44,67% compared to the beginning of the year due to slower collection and 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 period:

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

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)

Medika d.d. during the reporting period 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 and loans (which are shown in the balance sheet)

Medika d.d. issued guarantees from banks 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 d.d. in the reporting period 01.01.-30.09.2023. has generated net sales revenues in the amount of EUR 538,255 thousand (in the period 01.01.-30.09.2022. EUR 441,801 thousand).

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 d.d. has no debt over 5 years.

Long-term tangible assets with a net book value as of September 30, 2023 are pledged as collateral for the loan amounts to EUR 16,342 thousand.

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6. average number of employees during the current period.
Average number of employees during the current period 01.01.-30.09.2023. is 534 employees (during the period 01.01.-30.09.2022. the average number of employees was 528 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, it shall state separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions to salaries.
Medika d.d. did not capitalize the cost of wages during the reporting period.
8. if deferred tax provisions, 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 30.09.2023. amounted to EUR 42.2 thousand.
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 30.09.2023. 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 they grant.
Medika d.d. 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.
Medika d.d. has no stake in unlimited liability companies.
Not applicable.
13. the name and registered office of the undertaking which draws up 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 to the extent necessary to disclose such risks or rewards. .

Medika d.d. has no material arrangements with companies that are not included in the financial statements as of September 30, 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.

Medika d.d. has no significant events that occurred after the balance sheet date and were not reflected in the income statement or loss or balance sheet.

Regarding EU restriction measures, which refers to the consequences of exposure and the impact of the Russian invasion of Ukraine, Company 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 Company's management estimates that an indirect impact on the Company'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 Company monitors developments and assesses the impact on business, financial situation and cash flows.

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Zagreb, 27 October 2023

Pursuant to the articles 462 to 471 of the Capital market Law (Official Gazette 65/18) President of the Management Board Jasminko Herceg provides

STATEMENT OF LIABILITY FOR PREPARING FINANCIAL STATEMENTS OF ISSUER

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.

Unaudited unconsolidated and consolidated financial statements for the period 01 January to 30 September 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 unaudited financial statements for the period 01 January to 30 September 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.

3 Medika d.d.
ZAGREB, Capraška 1

Jasminko Herceg
President of the Management Board