

INTERIM REPORT
for I-IX 2022
Medika d.d. Zagreb

October 2022

Management interim report

Comment on the business results for the third quarter of 2022

Medika d.d. („Company“) has realised total revenue in the first nine months of 2022 in amount of HRK 3,360.7 million which is by 14.82% higher comparing to the same period of previous year. The increase in total revenues is a result of market growth.

Sales revenues which amount to HRK 3,328.8 million for the first nine months of 2022 are by 14.57% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 99.05% while in the same period of previous year it was 99.26%.

Other operating revenues which amount to HRK 17.6 million are higher by 13.86% comparing to the same period of previous year. Share of other operating revenues in total revenue was 0.53% in the first nine months of 2021, and in the first nine months of 2022 is 0.52%.

Out of the total sales revenues, 99.73% revenues are generated on domestic market, while 0.27% is generated on the foreign market. In the first nine months of 2021, 99.75% revenues were generated on domestic market, while 0.25% were generated on the foreign market.

Material expenses amount to HRK 3,184.9 million and are by 14.64% higher comparing to the same period of previous year, which is in accordance with the increase of sales revenue. The share of material expenses in the operating expenses is almost at the same levels as in the same period of previous year and amounts to 97.29%.

Employee expenses are higher by 4.25% comparing to the same period of previous year. This increase was affected by the average number of employees, which is higher in the first nine months of 2022 compared to the same period of the previous year. Their share in the total expenses amounts to 1.58%.

Finance income has increased compared to the same period of the previous year by HRK 8.1 million, which is more than two times higher. Finance income relates entirely to interest income. This increase was exclusively influenced by the increase in income from default interest (due to the collection on hospital lawsuits).

Finance expenses have decreased compared to the same period of previous year by HRK 1.5 million, or 50.21%. Their share in total expenses is 0.05%.

Gross margin in the first nine months of 2021 amounted to 5.14%, while in the first nine months of 2022 amounts to 5.10%.

Gross profit (profit before taxation) amounts to HRK 85.6 million, while in the same period of previous year amounted to HRK 66.8 million, which is increase of HRK 18.8 million, or 28.25%. Higher gross profit is result of lower growth of total expenses (higher by 14.50% comparing to the same period of previous year mostly due to the increase in operating expenses) in relation to the

increase of total income (higher by 14.82% comparing to the same period of previous year due to the increase in operating income).

Operative earnings amount to HRK 72.8 million and are by HRK 9.2 million, or by 14.44% higher comparing to the same period of previous year.

Realised net profit amounts to HRK 70.0 million.

Transactions with the related parties in the first nine months of 2022 generated total net revenues in amount of HRK 338.3 million, which is 14.49% higher of generated revenue in the same period of previous year when it amounted to HRK 295.5 million. The increase is a result of increase sales in Prima Pharmer Group.

Trade goods purchased from the related parties amount to HRK 215.3 million, while in the same period of previous year amounted to HRK 119.6 million, which is increase of HRK 95.7 million, or 79.94%.

Total assets amount to HRK 2 billion 756.5 million which is by 28.94% 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 HRK 39.3 million which is an increase by 1.83% compared to the beginning of the year, most significantly affected by the purchase of new trucks through financial leasing in January 2022 and development of an application solution for the web store. Non-current tangible assets amount to HRK 208.4 million and did not significantly change compared to the beginning of the year.

Long-term financial assets mostly relate to the investment in related parties and in smaller part to the given long-term cash loans. Long-term financial assets amount to HRK 102.3 million and decreased by 1.98% compared to the beginning of the year, due to loan repayment.

Non-current receivables refer to the given commodity loans to customers (commodity loans are due receivables that are reprogrammed and the payment has been agreed in the future periods). Non-current receivables increased by 93.50% compared to the beginning of the year, due to issued new commodity loans.

Deferred tax assets decreased by 3.78% compared to the beginning of the year.

Short-term assets amount to HRK 2 billion 402.8 million which is 34.63% higher compared to the beginning of the year. In the structure of current assets, trade receivables, inventories and cash have increased, while financial assets have decreased compared to the beginning of the year.

Inventory amounts to HRK 394.2 million and has increased by HRK 74.6 million comparing to the beginning of the year, or 23.35%, which was most significantly influenced by higher procurement affected by increase in sales.

Total short-term receivables amount to HRK 1 billion 722.6 million and are higher by HRK 344.3 million, or 24.98%, comparing to the beginning of the

year. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 714.7 million and have increased by 24.97% comparing to the beginning of the year due to slower collection and sales growth.

Cash in bank and on hand amounts to HRK 282.0 million record an increase by HRK 200.7 million comparing to the beginning of the year.

Long-term liabilities amount to HRK 55.3 million, out of which HRK 21.5 million relates to liabilities for received long-term loan, HRK 22.6 million to agreed instalments with supplier, HRK 5.9 million to liabilities under operating leases (in accordance with IFRS 16 Leases), HRK 5.1 million relates to finance lease liabilities and HRK 244 thousand to received long-term deposits. Long-term liabilities decreased by HRK 19.1 million compared to the beginning of the year.

Short-term liabilities amount to HRK 2 billion 137.3 million out of which the biggest part in amount of HRK 1 billion 690.0 million relates to trade payables and liabilities to related parties and HRK 411.9 million to credit indebtedness (HRK 408.2 million relates to short-term loans and HRK 3.7 million to finance lease).

Trade payables and liabilities to related parties are higher by HRK 219.0 million comparing to the beginning of the year, or 14.89%.

Total credit indebtedness of the Company amount to HRK 429.7 million which is an increase of HRK 378.1 million comparing to the beginning of the year, for the liquidity purposes. Of the total indebtedness, on 30 September 2022, HRK 21.5 million relates to long-term loan. All loans are in HRK, and there is no currency risk exposure on these items.

Key events

The pharmaceutical market in the first nine months of 2022 has increased by 11.84% comparing to the same period of previous year. At the same time, sales of Company have increased by 14.18% compared to the same period of the previous year, which resulted in an increase in the market share by 0.68 percentage points, which is 33.05%.

Credit indebtedness has increased by HRK 378.1 million compared to the beginning of the year, for the liquidity purposes.

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 30.09.2022, the Company holds 1,240 treasury shares.

OB N.

Subsidiaries and associates

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

ZU Ljekarne Prima Pharme has an associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

On February 1, 2022, ZU Ljekarne Ljubica Pleško was purchased and merged to ZU Ljekarna Prima Pharme.

On September 1, 2022, ZU Ljekarne Delonga was merged to ZU 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

Within financial risks, foreign exchange risk is significant. The Company realizes majority of its revenue on domestic market in Croatian kuna. The Company's purchase of goods is partly realised on the foreign market. The Company is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to EUR. All borrowings are in Croatian kuna so the Company is not exposed to foreign exchange risk from this part.

The Company has part of assets which are interest-bearing so the Company's income and operating cash flows are dependent on changes in market interest rates.

The Company's interest rate risk arises from received and given short-term and long-term loans and borrowings with variable interest rates. Borrowings with variable interest rates expose the Company to interest rate risk from cash flows. Borrowings with fixed interest rates expose the Company to the fair value interest rate risk exposure.

The Company does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. On the other hand, the Company continuously monitors changes in interest rates. Various scenarios are simulated taking into account refinancing, renewal of existing positions and alternative financing.

Price risk arises from a continuous decrease in the price of HZZO's List of medicinal products and administrative approach in determining prices and

margins of medicinal products. To lower this risk, the Company focused on increase of variety of products which are not limited by law in respect of the price of the product.

Majority of the credit risk relates to trade receivables. Credit risk is higher when dealing with private owned pharmacies. On the other hand, hospitals have longer collection period, but there is no risk of unpayment.

The most significant risk within market risks is a long collection period of receivables, especially HZZO and HZZO related receivables. Therefore, a significant amount of working capital is not available which significantly influences on cash flows and timely settlement of Company's liabilities.

As these receivables are directly or indirectly related to the receivables from the State institutions, the collection of these receivables should not be classified as a risk of unpayment. This indirectly increases the need for additional financing, which increases finance expenses.

The epidemic caused by the Covid-19 virus, which appeared in Croatia in March 2020, had no significant impact on the operations of the Company, both in 2020 and 2021 and in the first nine months of 2022, and the Company did not use support provided by the Republic of Croatia to companies whose business was therefore compromised.

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.

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


Medika d.d.
ZAGREB Capraška

AB
H.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

to

30.9.2022

Year:

2022

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:

747800000R8ZVGJJO27

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.hrNumber of employees
(end of the reporting

529

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)

BALANCE SHEET
balance as at 30.09.2022

in HRK

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	352.320.315	352.627.711
I INTANGIBLE ASSETS (ADP 004 to 009)	003	38.595.008	39.301.184
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	23.490.619	22.508.469
3 Goodwill	006	11.929.586	11.929.586
4 Advances for the purchase of intangible assets	007	312.013	312.013
5 Intangible assets in preparation	008	2.862.790	4.551.116
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	207.718.922	208.394.640
1 Land	011	23.406.270	23.406.270
2 Buildings	012	114.109.591	110.171.537
3 Plant and equipment	013	20.706.248	20.257.730
4 Tools, working inventory and transportation assets	014	1.601.479	2.624.311
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	1.655.022	2.286.947
7 Tangible assets in preparation	017	45.402.992	48.816.900
8 Other tangible assets	018	837.320	830.945
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	104.369.222	102.304.425
1 Investments in holdings (shares) of undertakings within the group	021	100.199.330	100.199.330
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	4.169.892	2.105.095
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	1.081.601	2.092.898
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	1.081.601	2.092.898
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	555.562	534.564
C) CURRENT ASSETS (ADP 038+046+053+063)	037	1.784.677.915	2.402.788.821
I INVENTORIES (ADP 039 to 045)	038	319.598.649	394.229.422
1 Raw materials and consumables	039	100.563	284.067
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	315.949.527	391.494.738
5 Advances for inventories	043	3.548.559	2.450.617
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1.378.310.986	1.722.591.502
1 Receivables from undertakings within the group	047	144.206.570	177.595.950
2 Receivables from companies linked by virtue of participating interests	048	25.521.946	25.012.082
3 Customer receivables	049	1.202.360.456	1.512.108.590

AB π.

4 Receivables from employees and members of the undertaking	050	34.467	43.988
5 Receivables from government and other institutions	051	4.684.575	4.292.991
6 Other receivables	052	1.502.972	3.537.901
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	5.425.603	3.965.748
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	50.000	50.000
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	5.375.603	3.915.748
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	81.342.677	282.002.149
D) PREPAID EXPENSES AND ACCRUED INCOME	064	785.595	1.126.976
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.137.783.825	2.756.543.508
OFF-BALANCE SHEET ITEMS	066	156.539.827	140.745.191
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	522.588.968	554.356.705
I INITIAL (SUBSCRIBED) CAPITAL	068	209.244.420	209.244.420
II CAPITAL RESERVES	069	-2.131.085	-2.131.085
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	83.389.543	83.389.543
1 Legal reserves	071	18.548.510	18.548.510
2 Reserves for treasury shares	072	48.811.980	48.811.980
3 Treasury shares and holdings (deductible item)	073	-15.684.660	-15.684.660
4 Statutory reserves	074	0	0
5 Other reserves	075	31.713.713	31.713.713
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	154.585.859	193.827.846
1 Retained profit	084	154.585.859	193.827.846
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	77.500.231	70.025.981
1 Profit for the business year	087	77.500.231	70.025.981
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	942.819	942.819
1 Provisions for pensions, termination benefits and similar obligations	091	942.819	942.819
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	74.404.349	55.271.790
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
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0

AB n.

5 Liabilities for loans, deposits etc.	102	243.577	243.577
6 Liabilities to banks and other financial institutions	103	38.362.090	26.540.371
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	28.193.803	22.581.946
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	7.604.879	5.905.896
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1.535.985.517	2.137.268.907
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	75.416.715	103.229.771
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	20.451.277	411.910.901
7 Liabilities for advance payments	116	1.884.626	47.291
8 Liabilities to suppliers	117	1.395.549.378	1.586.751.675
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	9.595.426	7.112.772
11 Taxes, contributions and similar liabilities	120	30.265.811	24.937.249
12 Liabilities arising from the share in the result	121	15.405	29.567
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	2.806.879	3.249.681
E) ACCRUALS AND DEFERRED INCOME	124	3.862.172	8.703.287
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	2.137.783.825	2.756.543.508
G) OFF-BALANCE SHEET ITEMS	126	156.539.827	140.745.191

15 π.

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2022 to 30.09.2022

in HRK

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	2.920.830.680	989.648.714	3.346.322.987	1.162.210.161
1 Income from sales with undertakings within the group	002	246.994.743	83.635.600	285.832.539	96.027.804
2 Income from sales (outside group)	003	2.658.403.162	901.500.215	3.042.919.162	1.059.581.671
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	429.685	136.462	406.798	135.162
5 Other operating income (outside the group)	006	15.003.090	4.376.437	17.164.488	6.465.524
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	2.857.200.509	970.074.879	3.273.507.291	1.133.325.868
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	2.778.204.089	942.022.317	3.184.890.721	1.102.343.132
a) Costs of raw materials and consumables	010	8.263.343	2.790.367	10.176.102	3.274.796
b) Costs of goods sold	011	2.756.133.164	934.732.654	3.159.005.491	1.093.399.811
c) Other external costs	012	13.807.582	4.499.296	15.709.128	5.668.525
3 Staff costs (ADP 014 to 016)	013	49.707.732	16.800.783	51.819.709	17.385.640
a) Net salaries and wages	014	31.212.213	10.582.165	32.551.747	10.918.835
b) Tax and contributions from salary costs	015	11.959.447	4.072.712	12.571.277	4.220.480
c) Contributions on salaries	016	6.536.072	2.145.906	6.696.685	2.246.325
4 Depreciation	017	12.706.493	4.298.009	13.646.894	4.565.306
5 Other costs	018	16.809.419	7.095.377	22.191.500	8.716.212
6 Value adjustments (ADP 020+021)	019	-227.224	-141.607	958.467	315.578
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	-227.224	-141.607	958.467	315.578
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	6.200.442	1.600.791	14.350.055	3.977.236
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	1.122	378	1.002	337
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	6.104.005	1.618.503	14.349.053	3.976.899
8 Exchange rate differences and other financial income	038	95.315	-18.090	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	3.048.032	582.841	1.517.536	633.274
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	3.048.032	582.841	1.477.555	635.032
4 Exchange rate differences and other expenses	045	0	0	39.981	-1.758
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	2.927.031.122	991.249.505	3.360.673.042	1.166.187.397
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	2.860.248.541	970.657.720	3.275.024.827	1.133.959.142
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	66.782.581	20.591.785	85.648.215	32.228.255
1 Pre-tax profit (ADP 053-054)	056	66.782.581	20.591.785	85.648.215	32.228.255

B n.

2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	11.273.362	3.706.521	15.622.234	5.878.433
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	55.509.219	16.885.264	70.025.981	26.349.822
1 Profit for the period (ADP 055-059)	060	55.509.219	16.885.264	70.025.981	26.349.822
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	55.509.219	16.885.264	70.025.981	26.349.822
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	55.509.219	16.885.264	70.025.981	26.349.822
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

Bo T.

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2022 to 30.09.2022

in HRK

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	66.782.581	85.648.215
2 Adjustments (ADP 003 to 010):	002	10.850.864	6.465.460
a) Depreciation	003	12.706.493	13.646.894
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-547.323	-925.512
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-227.224	958.467
d) Interest and dividend income	006	-6.105.127	-14.350.055
e) Interest expenses	007	3.048.032	1.477.555
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-1.108.635	-538.715
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	3.084.648	6.196.826
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	77.633.445	92.113.675
3 Changes in the working capital (ADP 013 to 016)	012	102.674.879	-211.482.286
a) Increase or decrease in short-term liabilities	013	-79.196.029	214.684.097
b) Increase or decrease in short-term receivables	014	203.731.191	-347.616.140
c) Increase or decrease in inventories	015	-21.860.283	-78.550.243
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	180.308.324	-119.368.611
4 Interest paid	018	-3.262.680	-1.133.278
5 Income tax paid	019	-4.680.266	-21.097.341
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	172.365.378	-141.599.230
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	739.963	925.580
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	6.088.125	14.338.434
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	5.293.722	6.115.698
6 Other cash receipts from investment activities	026	0	2.166.791
III Total cash receipts from investment activities (ADP 021 to 026)	027	12.121.810	23.546.503
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-60.604.675	-11.507.627
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-600.000
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	-60.604.675	-12.107.627
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-48.482.865	11.438.876
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	381.273.577	511.000.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	381.273.577	511.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-473.300.000	-132.891.892

AB 7.

2 Cash payments for dividends	041	-38.155.600	-40.535.600
3 Cash payments for finance lease	042	-3.534.399	-3.267.765
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	-2.091.235	-3.484.917
VI Total cash payments from financing activities (ADP 040 to 044)	045	-517.081.234	-180.180.174
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-135.807.657	330.819.826
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	-11.925.144	200.659.472
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	73.080.793	81.342.677
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	61.155.649	282.002.149

AS 77.

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

Issuer: MEDIKA d.d.

OIB: 94818858923

Reporting period: 01.01.2022. - 30.09.2022.

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 30.09.2022. year in relation to the beginning of the year Medika d.d. increased credit indebtedness by HRK 378,1 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 HX 2022 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 2021 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).

Medika d.d. declares that the same accounting policies are applied in the financial statements for the period 01.01.-30.09.2022. as well as in the annual financial statements for 2021.

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.

e) other disclosures prescribed by IAS 34 - Financial Reporting for periods during the year

Non-current intangible assets amount to HRK 39,3 million and are higher by 1,83% compared to the beginning of the year, which was most significantly affected by the purchase of new trucks in January 2022 due to the fact that vehicles purchased under financial leasing are classified into long-term intangible assets.

Receivables from customers, related companies and participating companies amount to HRK 1 billion 716,8 million and recorded a increase of 25,03% compared to the beginning of the year due to improved collection.

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 it 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.-30.09.2022. has generated sales revenues in the amount of HRK 3,328,752 thousand (in the period 01.01.-30.09.2021. HRK 2,905,398 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 after more than 5 years.

Long-term tangible assets with a net book value as of June 30, 2022 are pledged as collateral for the loan amounts to HRK 124,910 thousand.

6. average number of employees during the current period.

Ab 78.

Average number of employees during the current period 01.01.-30.09.2022. is 528 employees (during the period 01.01.-30.09.2021. the average number of employees was 501 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 30.09.2022. amounted to HRK 535 thousand and decreased by 3,78% compared to 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 ZU Ljekarna Prima 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 30.09.2022. is HRK 209,244,420 and is divided into 30,194 shares. The nominal value of one share is HRK 6,930.

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.

14 8.

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, 2022. years.

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.

“

nb m.

Zagreb, 27 October 2022

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 from 01 January to 30 September 2022 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 from 01 January to 30 September 2022 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




Medika d.d.
ZAGREB Capraška