



Medika d.d.

Zagreb, Capraška 1

**INTERIM REPORT
for I-IX 2020
Medika d.d. Zagreb**

October 2020

Management interim report

Reclassification

In 2020, and for all comparable previous periods, reclassification of account balances was made according to reclassification of audited annual financial statements.

Comment on the business results for the first nine months of 2020

Medika d.d. („Company“) has realised total revenue in the first nine months of 2020 in amount of HRK 2 billion 903.0 million which is by 11.30% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 2 billion 889.7 million for the first nine months of 2020 are by 11.33% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 99.54% while in the same period of previous year it was 99.51%.

Other operating revenues, which amount to HRK 12.4 million, are 4.75% higher comparing to the same period of previous year. Share of other operating revenues in total revenue was 0.45% in the first nine months of 2019, and in the first nine months of 2020 is 0.43%.

Out of the total sales revenues, 99.79% revenues are generated on domestic market, while 0.21% is generated on the foreign market. In the first nine months of 2019, 99.81% revenues were generated on domestic market, while only 0.19% was generated on the foreign market.

Material expenses amount to HRK 2 billion 763.7 million and are 11.91% higher comparing to the same period of previous year, which is in accordance with the growth of sales revenue. Since the operating expenses are growing in almost the same percentage, share of material expenses in the operating expenses has not significantly changed comparing to the same period of previous year and amounts to 97.06%.

Employee expenses are higher by 9.65% comparing to the same period of previous year. Their share in the total expenses amounts to 1.75% and has not significantly changed comparing to the same period of previous year. Increase in employee expenses is influenced by higher number of employees and additional expenses due to the epidemy caused by Covid-19 virus which appeared in Republic of Croatia in March 2020.

Finance income has not significantly changed comparing to the same period of previous year. Finance income in 2020 relates entirely to interest income.

Finance expenses have increased compared to the same period of previous year by HRK 161 thousand, which is 3.85%. Their share has not significantly changed comparing to the same period of previous year and amounts to 0.15%.

Gross margin in the first nine months of 2019 amounted to 5.81%, while in the first nine months of 2020 amounts to 5.05%, which is decrease by 0.76 percentage point.

Gross profit (profit before taxation) amounts to HRK 51.3 million, while in the same period of previous year amounted to HRK 61.5 million, which is decrease of HRK 10.2 million, or 16.61%. Lower gross profit is result of greater increase of total expenses (increase of 11.97% comparing to the same period of previous year mostly due to the increase in operating expenses) in relation to the increase of total income (increase of 11.30% comparing to the same period of previous year mostly due to the increase in operating income).

Operative earnings amount to HRK 54.7 million and are by HRK 10.0 million, which is 15.49% lower comparing to the same period of previous year. Lower operative earnings are significantly result of higher realized exchange rate differences by suppliers due to the higher exchange rate EURO.

Realised net profit amounts to HRK 42.0 million.

Transactions with the related parties in the first nine months of 2020 generated total net revenues in amount of HRK 278.7 million, which is 13.73% more of generated revenue in the same period of previous year when it amounted to HRK 245.1 million.

Trade goods purchased from the related parties amount to HRK 115.9 million, while in the same period of previous year amounted to HRK 120.5 million, which is decrease of HRK 4.6 million or 3.81%.

Total assets amount to HRK 2 billion 565.7 million which is by 17.76% higher comparing to the beginning of the year.

Long term assets have increased by 3.30% compared to the beginning of the year.

Non-current intangible assets amount to HRK 28.6 million and they decreased by 3.04% compared to the beginning of the year due to charged depreciation. Non-current tangible assets amount to HRK 156.4 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 loans. Long term financial assets amount to HRK 109.9 million and they increased by 18.62% compared to the beginning of the year due to the reclassification of investments in the associated company Primus nekretnine d.o.o. (more details with Subsidiaries and Associates).

Non-current receivables refer to the given commodity loans (commodity loans are due receivables that are reprogrammed and the payment has been agreed in the future periods). Non-current receivables decreased by HRK 3.2 million compared to the beginning of the year as a result of early collection of loan receivables.

Deferred tax assets are at the same level comparing to the beginning of the year.

Short term assets amount to HRK 2 billion 266.6 million which is 19.95% higher compared to the beginning of the year. In the structure of short-term assets cash in bank and on hand, financial assets and inventory have decreased, while receivables increased compared to the beginning of the year.

Inventory amounts to HRK 336.5 million and has decreased by HRK 33.0 million comparing to the beginning of the year, which is 8.94% due to the reclassification of investments in the associated company Primus nekretnine d.o.o. (more details with *Subsidiaries and Associates*) and the fact that turnover in April and May 2020 was lower than expected, so inventory was lower too.

Total short-term receivables amount to HRK 1 billion 891.9 million and are higher for HRK 423.80million, which is 28.87%, comparing to the beginning of the year. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 885.4 million and have increased by 28.95% comparing to the beginning of the year as a result of increase of sales and slower collection.

Short term financial assets amount to HRK 4.9 million and relate to short term given loans. Comparing to the beginning of the year they have decreased for HRK 701 thousand as a result of loan repayment.

Cash in bank and on hand amounts to HRK 33.3 million and has decreased comparing to the beginning of the year.

In equity, there was change in the retained earnings position as a result of dividends payments from retained earnings of the Company in amount of HRK 36.0 million.

Long term liabilities amount to HRK 6.1 million, out of which HRK 4.0 million relate to finance lease liabilities and HRK 2.1 million to liabilities based on operating lease agreement (in accordance with IFRS 16 Leases). Long term liabilities are lower for HRK 676 thousand comparing to the beginning of the year.

Short term liabilities amount to HRK 2 billion 124.1 million out of which the biggest part in amount of HRK 1 billion 556.8 million relates to trade payables and liabilities to related parties and HRK 530.8 million to indebtedness (HRK 527,3 million to short term loans and HRK 3.5 million to finance lease).

Trade payables and liabilities to related parties are higher for HRK 156.2 million comparing to the beginning of the year, which is 11.15%.

Total loans liabilities of Medika amounts to HRK 527.3 million which is increase of HRK 227.0 million comparing to the beginning of the year. Funds received from banks were used to pay trade payables. As at 30.9.2020 Medika does not have any long-term loans. All loans are short term loans and denominated in HRK so there is no exposure to foreign exchange risk at this balance sheet items.

Key events

Total pharmaceutical market in the first nine months of 2020 has increased comparing to the same period of previous year. At the same time, sales of Medika have increased slightly faster comparing to the market increase, which has influenced in smaller increase in market share.

Total indebtedness has increased for HRK 227.0 million compared to the beginning of the year.

Expected future development of the Company

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

Treasury shares

As at 30.09.2020, the Company holds 2,940 treasury shares.

Subsidiaries and associates

The Company has subsidiaries Zdravstvena ustanova Ljekarne Prima Pharme and Primus nekretnine d.o.o. Both subsidiaries are fully owned by the Company. At the end of 2019, the Company entered into a contract with the buyer for the transfer of a business interest in the subsidiary Primus nekretnine d.o.o. and it has been reclassified to assets held for sale. Since the contract was terminated in the meantime, the investments in the associated company Primus nekretnine d.o.o. have been reclassified or returned to the category of long-term financial assets.

ZU Ljekarne Prima Pharme has 100% of ownership in subsidiaries ZU Ljekarne Delonga, ZU Ljekarne Ines Škoko, ZU Ljekarna Pirović and associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

Related parties

The company with major voting rights, Auctor d.o.o. owns 28.60% of the Company and has 46.99% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 28.05% 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 the 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 of changes in market interest rates.

The Company's interest rate risk arises from short term and long term given loans and borrowings with variable interest rates. Borrowings with variable interest rates expose the Company to cash flow interest rate risk. 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. However, 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. However, hospital have longer collection period than pharmacies, but credit risk is significantly lower because they are indirectly receivable from the state.

The most significant risk within market risks is a long collection period of receivables, especially HZZO and HZZO related receivables, especially hospital. Therefore, a significant amount of working capital is not available what has an influence on cash flows and timely settlement of Medika liabilities.

As these receivables are directly or indirectly related to the receivables from the State institutions, the collection of receivables should not be viewed from the aspect of risk of unpayment but from the aspect of extended payment deadlines. This increases the need for additional financing of working capital, which increases finance expenses.


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

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2020

to

30.9.2020

Year:

2020

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.hr

Number of employees
(end of the reporting

498

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:

DIJANA RADMILOVIĆ

(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 30.09.2020.

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	288.422.687	297.940.462
I INTANGIBLE ASSETS (ADP 004 to 009)			
	003	29.523.740	28.625.605
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	17.540.269	15.515.273
3 Goodwill	006	11.929.586	11.929.586
4 Advances for the purchase of intangible assets	007	17.280	0
5 Intangible assets in preparation	008	36.605	1.180.746
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)			
	010	160.079.907	156.430.762
1 Land	011	23.406.270	23.406.270
2 Buildings	012	111.971.327	108.411.537
3 Plant and equipment	013	18.703.205	18.804.919
4 Tools, working inventory and transportation assets	014	3.014.659	2.646.769
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	201.027	84.216
7 Tangible assets in preparation	017	1.929.098	2.229.106
8 Other tangible assets	018	854.321	847.945
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)			
	020	92.607.223	109.852.549
1 Investments in holdings (shares) of undertakings within the group	021	80.000.000	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	12.607.223	9.653.219
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	4.386.753	1.206.482
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	4.386.753	1.206.482
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS			
	036	1.825.064	1.825.064
C) CURRENT ASSETS (ADP 038+046+053+063)			
	037	1.889.592.528	2.266.643.015
I INVENTORIES (ADP 039 to 045)			
	038	369.560.059	336.518.236
1 Raw materials and consumables	039	114.200	125.571
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	342.755.666	333.633.430
5 Advances for inventories	043	6.490.863	2.759.235
6 Fixed assets held for sale	044	20.199.330	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)			
	046	1.468.107.468	1.891.941.969
1 Receivables from undertakings within the group	047	100.767.189	130.143.460
2 Receivables from companies linked by virtue of participating interests	048	22.514.675	28.271.417

3 Customer receivables	049	1.338.855.146	1.726.950.248
4 Receivables from employees and members of the undertaking	050	33.018	31.809
5 Receivables from government and other institutions	051	4.345.068	4.995.474
6 Other receivables	052	1.592.372	1.549.561
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	5.617.170	4.916.467
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	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	5.617.170	4.866.467
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	46.307.831	33.266.343
D) PREPAID EXPENSES AND ACCRUED INCOME	064	835.904	1.139.468
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.178.851.119	2.565.722.945
OFF-BALANCE SHEET ITEMS	066	127.268.833	134.026.950
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	427.042.955	433.097.109
I INITIAL (SUBSCRIBED) CAPITAL	068	209.244.420	209.244.420
II CAPITAL RESERVES	069	-7.657.921	-7.657.921
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	61.886.379	61.886.379
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	-37.187.824	-37.187.824
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 (ADP 078 to 080)	077	0	0
1 Fair value of financial assets 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
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	106.525.460	127.594.797
1 Retained profit	082	106.525.460	127.594.797
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	57.044.617	42.029.434
1 Profit for the business year	085	57.044.617	42.029.434
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	439.780	439.780
1 Provisions for pensions, termination benefits and similar obligations	089	439.780	439.780
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	6.745.743	6.069.636
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	4.686.053	3.981.142
7 Liabilities for advance payments	102	0	0

8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	2.059.690	2.088.494
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	1.737.829.022	2.124.061.596
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	50.807.170	57.851.546
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	303.874.169	530.774.967
7 Liabilities for advance payments	114	4.377.787	17.022
8 Liabilities to suppliers	115	1.349.747.392	1.498.908.533
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	8.799.205	8.095.932
11 Taxes, contributions and similar liabilities	118	17.424.603	26.925.980
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	2.798.696	1.487.616
E) ACCRUALS AND DEFERRED INCOME	122	6.793.619	2.054.824
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	2.178.851.119	2.565.722.945
G) OFF-BALANCE SHEET ITEMS	124	127.268.833	134.026.950

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2020. to 30.09.2020.

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 126 to 130)	125	2.607.379.131	900.880.934	2.902.144.836	963.760.384
1 Income from sales with undertakings within the group	126	212.478.696	73.367.277	234.268.251	75.998.549
2 Income from sales (outside group)	127	2.383.062.895	824.160.178	2.655.476.731	883.974.144
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	409.136	129.287	399.248	135.431
5 Other operating income (outside the group)	130	11.428.404	3.224.192	12.000.606	3.652.260
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	2.542.606.226	877.836.989	2.847.408.451	940.127.780
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	2.469.622.693	853.908.972	2.763.664.724	916.822.091
a) Costs of raw materials and consumables	134	8.725.283	2.692.971	7.478.733	2.261.460
b) Costs of goods sold	135	2.444.806.490	845.431.679	2.743.904.707	910.763.389
c) Other external costs	136	16.090.920	5.784.322	12.281.284	3.797.242
3 Staff costs (ADP 138 to 140)	137	45.485.440	15.407.455	49.872.708	16.251.423
a) Net salaries and wages	138	27.742.940	9.409.966	30.615.764	10.005.154
b) Tax and contributions from salary costs	139	11.829.081	3.994.924	12.650.341	4.117.702
c) Contributions on salaries	140	5.913.419	2.002.565	6.606.603	2.128.567
4 Depreciation	141	10.750.886	3.601.846	11.388.445	3.837.919
5 Other costs	142	15.089.243	3.933.350	22.691.988	3.179.409
6 Value adjustments (ADP 144+145)	143	1.273.936	601.338	-209.414	36.938
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	1.273.936	601.338	-209.414	36.938
7 Provisions (ADP 147 to 152)	146	384.028	384.028	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	384.028	384.028	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	886.180	323.370	875.493	172.105
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	15.017	430
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	886.180	323.370	860.476	152.114
8 Exchange rate differences and other financial income	162	0	0	0	19.561
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	4.195.157	1.534.103	4.356.471	1.624.790
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	4.189.702	1.514.042	4.150.021	1.624.790
4 Exchange rate differences and other expenses	169	5.455	20.061	206.450	0
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	2.608.265.311	901.204.304	2.903.020.329	963.932.489
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	2.546.801.383	879.371.092	2.851.764.922	941.752.570
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	61.463.928	21.833.212	51.255.407	22.179.919
1 Pre-tax profit (ADP 177-178)	180	61.463.928	21.833.212	51.255.407	22.179.919
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	11.063.507	3.929.978	9.225.973	3.992.385
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	50.400.421	17.903.234	42.029.434	18.187.534

1 Profit for the period (ADP 179-182)	184	50.400.421	17.903.234	42.029.434	18.187.534
2 Loss for the period (ADP 182-179)	185	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 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	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 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	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 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	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	202	50.400.421	17.903.234	42.029.434	18.187.534
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	50.400.421	17.903.234	42.029.434	18.187.534
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 216+217)	215	0	0	0	0
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2020. to 30.09.2020.

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	61.463.928	51.255.407
2 Adjustments (ADP 003 to 010):	002	18.319.513	18.939.056
a) Depreciation	003	10.750.886	11.388.445
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-339.571	-178.257
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	1.273.936	-209.414
d) Interest and dividend income	006	-886.180	-875.493
e) Interest expenses	007	4.189.702	4.150.020
f) Provisions	008	384.028	0
g) Exchange rate differences (unrealised)	009	-193.184	-436.183
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	3.139.896	5.099.938
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	79.783.441	70.194.463
3 Changes in the working capital (ADP 013 to 016)	012	-216.033.556	-266.289.320
a) Increase or decrease in short-term liabilities	013	157.753.656	151.373.826
b) Increase or decrease in short-term receivables	014	-343.511.598	-425.405.701
c) Increase or decrease in inventories	015	-30.275.614	7.742.555
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-136.250.115	-196.094.857
4 Interest paid	018	-4.371.994	-3.878.047
5 Income tax paid	019	-1.655.032	-4.053.711
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-142.277.141	-204.026.615
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	365.491	669.568
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	891.137	870.222
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	6.252.206	9.108.837
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	7.508.834	10.648.627
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-9.293.720	-4.382.663
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-1.500.000	-800.000
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-3.200	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-10.796.920	-5.182.663
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-3.288.086	5.465.964
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	440.000.000	707.000.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	440.000.000	707.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-281.000.000	-480.000.000
2 Cash payments for dividends	041	-19.077.800	-35.975.280
3 Cash payments for finance lease	042	-2.693.207	-3.739.849
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-1.015.346	-1.765.708
VI Total cash payments from financing activities (ADP 040 to 044)	045	-303.786.353	-521.480.837
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	136.213.647	185.519.163
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	-9.351.580	-13.041.488
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	19.055.229	46.307.831
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	9.703.649	33.266.343

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: MEDIKA D.D.

Personal identification number (OIB): 94818858923

Reporting period: 01.01.2020 - 30.09.2020

Notes to financial statements

Medika d.d. states that the same financial policies and calculation methods are applied in the financial statements for the period 01.01.-30.09.2020. as well as in the annual financial statements for 2019.

Significant business events and transactions in the observed period are explained in the Management interim report for I-IX 2020. Medika d.d.

Zagreb, 29 October 2020

Pursuant to the articles 462 to 471 of the Capital market Law (Official Gazette 65/18 and 17/20) 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 2020 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 2020 presents fair presentation of development and results of the operations and position of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.

Jasminko Herceg
President of the Management Board

³ **Medika** d.d.
ZAGREB, Capraška 1