



**Medika** d.d.

Zagreb, Capraška 1

**INTERIM REPORT  
for I-VI 2021  
Group Medika**

July 2021

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## Management interim report

### ***Comment on the business results for the first half of 2021***

Medika Group („the Group“) has realised total revenue in the first six months of 2021 in amount of HRK 2 billion 3.4 million in total revenues, which is 0.17% higher than in the same period of previous year.

Sales revenues which amount to HRK 1 billion 984.5 million for the first six months of 2021 are by 0.21% lower comparing to the same period of previous year.

Share of sales revenues in the total revenues is 99.06%, while in the same period of previous year it was 99.43%.

Other operating revenues which amount to HRK 12.9 million are higher by HRK 3.3 million comparing to the same period of previous year, which is partly the result of net positive exchange rate differences from operating activities. Namely, in the same period last year, net exchange rate differences from operating activities were negative (10.1 million HRK) and were reported within operating expenses (other operating expenses), while this year net exchange rate differences from operating activities were positive (3.4 million HRK) and are stated within operating revenues (other operating revenues - outside the group).

Share of other operating revenues in total revenues in the first six months of the previous year was only 0.48%, and in the first six months of 2021 it was 0.64%.

Of the total sales revenue, 99.89% of revenue is generated on the domestic market, while only 0.11% of sales revenue is generated on the foreign market. In the first six months of 2020, 99.75% of revenues were generated on the domestic market, while only 0.25% of sales revenues were generated on the foreign market.

Material expenses amount to HRK 1 billion 857.0 million and are 0.34% lower compared to the same period of previous year, which is affected by the decline in sales. Given that operating expenses recorded a higher percentage decrease, the share of material costs in operating expenses increased by 0.36 percentage points compared to the same period last year and amounted to 95.53%.

Employee expenses are higher by 1.01% comparing to the same period of previous year. Their share in total expenses amounts to 3.09% and increased by 1.74 percentage points compared to the same period last year. The increase in employee costs was most significantly influenced by the average number of employees, which was higher in the first six months of 2021 compared to the same period of previous year.

Financial income has increased compared to the same period of previous year by HRK 4.1 million, or 558.46%. Financial income mostly refers to interest income, and a smaller part to exchange rate income.

Compared to the same period of the previous year, financial expenses decreased by HRK 747.9 thousand, i.e. 19.97%, which was most significantly affected by minor negative exchange rate differences. In the first six months of 2021, the net income from exchange rate differences was realized, while in the same period of the previous year, the net cost of exchange rate differences was realized.

Gross margin in the first six months of 2020 was 7.19%, while in the first six months of 2021 it was 7.39%, which is an increase of 2.84 percentage points.

Gross profit (profit before tax) amounts to HRK 56.5 million, while in the same period of previous year amounted to HRK 38.3 million, which is an increase of HRK 18.2 million, or 47.54%. Higher gross profit is result of a decrease in total expenses (decrease of 0.75% compared to the same period last year, mainly due to a decrease in operating expenses) comparing to the growth of total revenues (increase of 0.17% compared to same period of the previous year). Net exchange rate differences from operating activities had the largest impact on gross profit growth.

Operative earnings amount to HRK 53.5 million and are by HRK 13.3 million or 33.17% higher compared to the same period of previous year. Higher operative earnings are result of greater decrease of operating expenses (decrease of 0.72% comparing to the same period of previous year) in relation to a decrease in operating income (decrease of 0.04% comparing to the same period of previous year).

Realized net profit amounts to HRK 47.0 million.

Transactions with the related parties in the first six months of 2021 generated total net revenues in amount of HRK 32.5 million, while in the same period of previous year the total net income amounted to HRK 29.6 million, which is an increase of 9, 91%.

Trade goods purchased from the related parties amount to HRK 74.2 million, while HRK 81.3 million was procured in the same period of previous year, which is a decrease of HRK 7.1 million or 8.7%.

Total assets amount to HRK 2 billion and 491.4 million which is by 3.9% lower compared to the beginning of the year.

Long-term intangible assets did not change significantly compared to the beginning of the year.

Tangible fixed assets amounted to HRK 232.9 million and increased by HRK 51.2 million compared to the beginning of the year as a result of the purchase of new land for the construction of a new logistics and distribution center.

Long-term financial assets mostly relate to investments in related parties and to the given loans. It amounts to HRK 31.3 million and is HRK 2.6 million lower than at the beginning of the year, which was most significantly affected by the loan repayment.

Deferred tax assets are 4.33% lower than at the beginning of the year.

Short term assets amount to HRK 1 billion 945.2 million and recorded a decrease of 7.39% compared to the beginning of the year. In the structure of short term assets, inventories and financial assets are higher compared to the beginning of the year, while receivables and cash are declining.

Inventories amounts to HRK 388.0 million and are higher for HRK 14.4 million or 3.86% more than at the beginning of the year.

Total short-term receivables amount to HRK 1 billion 516 million and are lower compared to the beginning of the year of HRK 127.4 million, or 7.75%. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 507.1

million and have a decrease of 7.75% compared to the beginning of the year due to improved collection.

Cash at bank and in hand amounted to HRK 36.0 million, which is HRK 42.4 million less than at the beginning of the year.

Within capital and reserves, there was a change in the retained earnings position due to the payment of dividends from the Company's retained earnings in the amount of HRK 38.2 million.

Long-term liabilities amount to HRK 124.1 million, out of which HRK 5.0 million relate to finance lease liabilities, HRK 17.7 million to deferred tax liabilities, HRK 36.1 million to liabilities based on operating lease agreement (in accordance with IFRS -in 16 Leases) and 65.0 million to liabilities for long term loan. Long-term liabilities are higher for HRK 63.9 million comparing to the beginning of the year, which was most significantly affected by the change in the maturity of part of short-term loans in the amount of HRK 65.0 million.

Short-term liabilities amount to HRK 1 billion 780.9 million, out of which the biggest part in the amount of HRK 1 billion 528.9 million relates to trade payables and liabilities to related parties and HRK 192.7 million to credit indebtedness (HRK 188.7 million short-term loans and HRK 4 million financial lease).

Trade payables and liabilities to related parties are lower by HRK 96.6 million comparing to the beginning of the year, which is 5.95%.

Total loans liabilities of Medika Group amounts to HRK 253.7 million, which is a decrease compared to the beginning of the year by HRK 39.4 million. On 30.06.2021. HRK 65.0 million relates to a 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 six months of 2021 recorded growth compared to the same period last year. At the same time, Medika's sales declined, which led to a slight decrease in market share.

On January 1, 2021, ZU Ljekarna Pirović was merged with ZU Ljekarna Prima Pharma.

On April 1, 2021. ZU Ljekarna Prima Pharma takes over the business of Ljekarna Novoselac.

### ***Expected future development of the Group***

The company will retain the core business of distributing medicines and medical products and further develop the business with the products that make up the core business of the company.

The development strategy of ZU Prima Pharma is to expand the network of pharmacies throughout Croatia.

### ***Treasury shares***

On 30.06.2021. Medika has 1,240 treasury shares. In June 2021, the Company sold 1,700 treasury shares.

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***Subsidiaries and associates***

The company is 100% owned by its subsidiaries Prima Pharma Pharmacy and Primus nekretnine d.o.o.

ZU Ljekarne Prima Pharma is 100% owned by ZU Ljekarna Delonga, ZU Ljekarna Ines Škoko, Ljekarna Zrinka Kujundžić Bubalo and Ljekarna Novoselac, as well as the associated company ZU Ljekarna Jagatić in which it has a 49% share.

***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 Group realizes majority of its revenue on domestic market in Croatian kuna. The Group's purchase of goods is partly realised on the foreign market. The Group 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.

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

The Group'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 Group to cash flow interest rate risk. Borrowings with fixed interest rates expose the Group to the fair value interest rate risk exposure.

The Group does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. However, the Group 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 Group 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, 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 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 these receivables should not be classified as a collection of receivables risk. This 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 Group, in 2020 and in the first six months of 2021, and Group did not use support provided by the Republic of Croatia to companies whose business was therefore compromised.

Jasminko Herceg, dipl.oec.

*President of the Management Board*


**Medika** d.d.  
ZAGREB, Capraška 1



## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

1.1.2021

to

30.6.2021

Year:

2021

Quarter:

2.

## 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

920

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

**ZU Ljekarne Prima Pharme**

Zagreb

0694975

**ZU Ljekarne Delonga**

Zagreb

1605747

**ZU Ljekarne Ines Škoko**

Zagreb

2708396

**Primus nekretnine d.o.o.**

Zagreb

4439856

**Ljekarna Zrinka Kujundžić Bubalo mag.pharm.**

Solin

80385095

**Ljekarna Draženka Novoselac**

Virovitica

1890786

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**

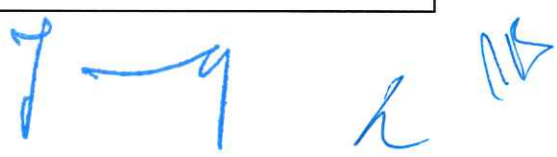
Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)


**Medika d.d.**  
 ZAGREB Capraška



**BALANCE SHEET**  
balance as at 30.06.2021

in HRK

<b>Submitter: Group Medika</b>			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	491.142.129	544.783.420
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	272.664.942	277.649.350
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	193.598.919	192.493.936
3 Goodwill	<b>006</b>	78.060.872	83.596.776
4 Advances for the purchase of intangible assets	<b>007</b>	388.178	948.082
5 Intangible assets in preparation	<b>008</b>	150.568	610.556
6 Other intangible assets	<b>009</b>	466.405	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	181.714.058	232.903.313
1 Land	<b>011</b>	30.400.331	30.400.331
2 Buildings	<b>012</b>	120.560.548	118.717.188
3 Plant and equipment	<b>013</b>	19.572.738	22.666.396
4 Tools, working inventory and transportation assets	<b>014</b>	6.548.945	6.678.209
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	37.739	514.396
7 Tangible assets in preparation	<b>017</b>	3.728.937	53.066.223
8 Other tangible assets	<b>018</b>	864.820	860.570
9 Investment property	<b>019</b>	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	33.923.220	31.327.840
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	0	0
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	24.194.756	24.276.742
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	9.728.464	7.051.098
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	2.093.938	2.189.276
1 Receivables from undertakings within the group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	2.093.938	2.189.276
4 Other receivables	<b>035</b>	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	745.971	713.641
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	2.100.439.118	1.945.191.472
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	373.563.411	387.968.749
1 Raw materials and consumables	<b>039</b>	541.768	516.521
2 Work in progress	<b>040</b>	0	0
3 Finished goods	<b>041</b>	0	0
4 Merchandise	<b>042</b>	370.347.054	384.483.055
5 Advances for inventories	<b>043</b>	2.674.589	2.969.173
6 Fixed assets held for sale	<b>044</b>	0	0
7 Biological assets	<b>045</b>	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	1.643.337.056	1.515.898.827



1 Receivables from undertakings within the group	047	15.000	750
2 Receivables from companies linked by virtue of participating interests	048	23.720.641	29.137.872
3 Customer receivables	049	1.609.970.576	1.477.932.339
4 Receivables from employees and members of the undertaking	050	29.591	46.626
5 Receivables from government and other institutions	051	5.496.276	4.134.390
6 Other receivables	052	4.104.972	4.646.850
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>5.070.821</b>	<b>5.281.106</b>
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	5.070.821	5.281.106
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>78.467.830</b>	<b>36.042.790</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>881.399</b>	<b>1.414.636</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>2.592.462.646</b>	<b>2.491.389.528</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>146.642.127</b>	<b>166.110.973</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 085)</b>	<b>067</b>	<b>545.526.418</b>	<b>583.798.013</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	209.244.420	209.244.420
II CAPITAL RESERVES	069	-7.657.921	-2.131.085
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	61.886.379	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	-37.187.824	-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	205.180.117	246.248.840
1 Retained profit	084	205.180.117	246.248.840
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	76.873.423	47.046.295
1 Profit for the business year	087	76.873.423	47.046.295
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>1.334.165</b>	<b>1.334.165</b>
1 Provisions for pensions, termination benefits and similar obligations	091	1.334.165	1.334.165
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

<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	60.201.912	124.123.086
1 Liabilities to undertakings within the group	<b>098</b>	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>099</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>100</b>	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>101</b>	0	0
5 Liabilities for loans, deposits etc.	<b>102</b>	0	0
6 Liabilities to banks and other financial institutions	<b>103</b>	5.823.431	70.374.837
7 Liabilities for advance payments	<b>104</b>	0	0
8 Liabilities to suppliers	<b>105</b>	0	0
9 Liabilities for securities	<b>106</b>	0	0
10 Other long-term liabilities	<b>107</b>	36.683.040	36.052.808
11 Deferred tax liability	<b>108</b>	17.695.441	17.695.441
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	1.984.008.494	1.780.876.153
1 Liabilities to undertakings within the group	<b>110</b>	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>111</b>	0	0
3 Liabilities to companies linked by virtue of participating interests	<b>112</b>	64.034.757	50.889.341
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>113</b>	0	0
5 Liabilities for loans, deposits etc.	<b>114</b>	0	0
6 Liabilities to banks and other financial institutions	<b>115</b>	297.326.208	192.722.618
7 Liabilities for advance payments	<b>116</b>	2.344.202	55.539
8 Liabilities to suppliers	<b>117</b>	1.561.456.400	1.477.963.093
9 Liabilities for securities	<b>118</b>	0	0
10 Liabilities to employees	<b>119</b>	13.023.101	10.404.783
11 Taxes, contributions and similar liabilities	<b>120</b>	29.123.765	26.057.789
12 Liabilities arising from the share in the result	<b>121</b>	0	0
13 Liabilities arising from fixed assets held for sale	<b>122</b>	0	0
14 Other short-term liabilities	<b>123</b>	16.700.061	22.782.990
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	1.391.657	1.258.111
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	2.592.462.646	2.491.389.528
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	146.642.127	166.110.973

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2021 to 30.06.2021

in HRK

Submitter: Group Medika

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	1.998.100.066	917.615.777	1.997.388.628	993.299.061
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	1.988.588.184	912.860.142	1.984.510.850	984.565.645
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	0	0	21.500	11.500
5 Other operating income (outside the group)	006	9.511.882	4.755.635	12.856.278	8.721.916
<b>II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)</b>	<b>007</b>	1.957.935.399	896.186.368	1.943.902.661	959.767.846
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	1.863.318.702	858.486.163	1.857.031.388	917.998.524
a) Costs of raw materials and consumables	010	6.493.975	2.641.405	6.772.082	3.359.293
b) Costs of goods sold	011	1.845.592.276	850.426.409	1.837.761.510	908.071.937
c) Other external costs	012	11.232.451	5.418.349	12.497.796	6.567.294
3 Staff costs (ADP 014 to 016)	013	59.515.181	29.252.283	60.115.118	30.817.397
a) Net salaries and wages	014	37.219.875	18.051.252	37.925.160	19.487.391
b) Tax and contributions from salary costs	015	14.963.691	7.525.589	14.648.951	7.482.581
c) Contributions on salaries	016	7.331.615	3.675.442	7.541.007	3.847.425
4 Depreciation	017	13.193.168	6.688.793	14.262.667	7.230.759
5 Other costs	018	22.154.501	1.407.210	12.564.969	3.838.620
6 Value adjustments (ADP 020+021)	019	-246.153	351.919	-71.481	-117.454
a) fixed assets other than financial assets	020	0	0	17.511	17.511
b) current assets other than financial assets	021	-246.153	351.919	-88.992	-134.965
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
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	1.890.944	869.193	4.776.857	3.396.301
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	1.165.484	388.977	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	14.588	14.294	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	710.872	171.853	4.486.592	3.106.036
8 Exchange rate differences and other financial income	038	0	294.069	290.265	290.265
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	3.743.982	1.654.622	2.996.124	1.251.318
1 Interest expenses and similar expenses with undertakings within the group	042	14.588	14.294	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	3.092.231	1.640.328	2.996.124	1.455.968
4 Exchange rate differences and other expenses	045	637.163	0	0	-204.650
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
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	0	0	1.257.986	662.754
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	0	0	0	0
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	1.999.991.010	918.484.970	2.003.423.471	997.358.116
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	1.961.679.381	897.840.990	1.946.898.785	961.019.164
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	38.311.629	20.643.980	56.524.686	36.338.952
1 Pre-tax profit (ADP 053-054)	056	38.311.629	20.643.980	56.524.686	36.338.952

2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	6.803.362	3.729.720	9.478.391	5.904.729
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	31.508.267	16.914.260	47.046.295	30.434.223
1 Profit for the period (ADP 055-059)	060	31.508.267	16.914.260	47.046.295	30.434.223
2 Loss for the period (ADP 059-055)	061	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
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
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
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
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
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
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
I PROFIT OR LOSS FOR THE PERIOD	078	31.508.267	16.914.260	47.046.294	30.434.223
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	31.508.267	16.914.260	47.046.294	30.434.223
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2021 to 30.06.2021

in HRK

Submitter: Group Medika			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	38.311.629	56.524.686
2 Adjustments (ADP 003 to 010):	002	14.051.177	8.673.224
a) Depreciation	003	13.193.168	14.262.667
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-4.643.073	-971.718
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-246.352	-71.481
d) Interest and dividend income	006	-1.890.944	-4.486.592
e) Interest expenses	007	3.092.231	2.996.124
f) Provisions	008	-799.397	0
g) Exchange rate differences (unrealised)	009	1.000.987	-4.258.454
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	4.344.557	1.202.678
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>52.362.806</b>	<b>65.197.910</b>
3 Changes in the working capital (ADP 013 to 016)	012	-234.034.357	11.637.252
a) Increase or decrease in short-term liabilities	013	68.353.339	-105.738.856
b) Increase or decrease in short-term receivables	014	-319.642.247	131.135.918
c) Increase or decrease in inventories	015	17.254.551	-13.759.810
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-181.671.551</b>	<b>76.835.162</b>
4 Interest paid	018	-3.073.359	-2.555.282
5 Income tax paid	019	-1.367.171	-4.440.530
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-186.112.081</b>	<b>69.839.350</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	660.546	2.464.410
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	721.210	4.476.016
4 Dividends received	024	147.000	1.176.000
5 Cash receipts from repayment of loans and deposits	025	7.179.486	3.334.642
6 Other cash receipts from investment activities	026	143.933	7.562
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>8.852.175</b>	<b>11.458.630</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-3.202.260	-59.117.775
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	-2.211.448	-5.803.829
5 Other cash payments from investment activities	032	-13.320	-6.876
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-5.427.028</b>	<b>-64.928.480</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>3.425.147</b>	<b>-53.469.850</b>
<b>Cash flow from financing activities</b>			
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	457.000.000	311.030.000
4 Other cash receipts from financing activities	038	0	0

<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	457.000.000	311.030.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	<b>040</b>	-298.788.099	-323.585.902
2 Cash payments for dividends	<b>041</b>	0	-38.155.600
3 Cash payments for finance lease	<b>042</b>	-2.737.388	-2.376.958
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	<b>043</b>	0	0
5 Other cash payments from financing activities	<b>044</b>	-1.125.845	-5.706.080
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	-302.651.332	-369.824.540
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	154.348.668	-58.794.540
1 Unrealised exchange rate differences in respect of cash and cash equivalents	<b>047</b>	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	-28.338.266	-42.425.040
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	53.420.725	78.467.830
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	25.082.459	36.042.790



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

Issuer: MEDIKA d.d.

OIB: 94818858923

Reporting period: 01.01.2021. - 30.06.2021.

Notes to the financial statements for quarterly periods include:

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

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

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

On 30.06.2021. year in relation to the beginning of the year Medika d.d. reduced credit indebtedness by HRK 39.3 million compared to the beginning of the year.

On January 1, 2021, ZU Ljekarna Pirović was merged with ZU Ljekarna Prima Pharma.

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-VI 2021 Group Medika, which was published simultaneously on this website Medika dd [www.medika.hr](http://www.medika.hr), on the website of the Zagreb Stock Exchange d.d. and submitted to the Official Register of Prescribed Information at the Croatian Financial Services Supervisory Agency.

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

The notes to the financial statements are included in the audited annual financial statements of the Medika Group.

The audited annual financial statements for 2020 are available on the website of Medika d.d. [www.medika.hr](http://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.

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 Medika Group states that the accounting policies are applied in the financial statements for the period 01.01.- 30.06.2021. as well as in the annual financial statements for 2020.

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

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

e) other disclosures required by IAS 34 - Financial Reporting for the Periods during the year Receivables from customers, related companies and participating companies amount to HRK 1 billion 507.1 million and record a decrease of 7.75% 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 periods:

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



PARENT COMPANY INFORMATION:

Name of the issuer: Medika d.d.,

Headquarters: Capraška 1, 10000 Zagreb

Legal form: joint stock company

Country of establishment: Republic of Croatia

MBS: 080027531

OIB: 94818858923

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

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

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

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

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

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

Medika Group in the reporting period 01.01.-30.06.2021. It generated consolidated sales revenues in the amount of HRK 1,984,508 thousand (in the period 01.01.-30.06.2020, HRK 1,988,588 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 Group on 30.06.2021. There are liabilities that fall due after more than 5 years and are entirely related to operating lease liabilities in the amount of HRK 7,219 thousand.

Long-term tangible assets with a net book value as of June 30, 2021 are pledged as collateral for the loan. amounts to HRK 103,684 thousand.

6. average number of employees during the current period

Average number of employees of the Medika Group during the current period 01.01.-30.06.2021. amounts to 872 employees (during the period 01.01.-30.06.2020. the average number of employees was 837 employees).

7. if the entrepreneur in the business year in accordance with the regulations capitalized the cost of salaries in part or in full, information on the amount of total employee costs during the year broken down into the amount directly charged to the period and the amount capitalized in the value of assets during the period. for each part separately states the total amount of net salaries and the amount of taxes, contributions from salaries and contributions to salaries

The Medika Group did not capitalize the cost of salaries during the reporting period.

8. if provisions for deferred tax, deferred tax balances at the end of the business year and movements of these balances during the business year are recognized in the balance sheet

Deferred tax assets on 30.06.2021. amounts to HRK 714 thousand and records a decrease of HRK 32 thousand at the beginning of the year.

Deferred tax assets (in thousands of HRK)

Situation as on 31 December 2020 746

Income tax on income statement (32)

Income tax -

Stand on 30.06.2021. year 714

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 a 100% stake in ZU Ljekarna Prima Pharma, which holds a 49% stake in ZU Ljekarne Jagatić.

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 of the Medika Group as at 30.06.2021. 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 conferring

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

12. name, registered office and legal form of each undertaking in which the undertaking has unlimited liability  
Not applicable.

13. name and registered office of the undertaking compiling the quarterly consolidated financial statements of the largest group of undertakings in which the undertaking participates as a controlled member of the group  
Not applicable.

14. the name and registered office of the undertaking which draws up the quarterly consolidated financial statements of the smallest group of undertakings in which the undertaking participates as a controlled member and which is also included in the group of undertakings referred to in point 13.

Not applicable.

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

Not applicable.

16. the nature and business purpose of undertakings' arrangements not included in the balance sheet and the financial impact of those arrangements on the undertaking, provided that the risks or rewards of such arrangements are material and the disclosure of such risks or rewards is necessary to assess the undertaking's financial position. Medika Group has no material arrangements with companies that are not included in the financial statements as at 30.06.2021. 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

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

“

Zagreb, 22 July 2021

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**

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

Temporary unaudited unconsolidated and consolidated financial statements for the period 01 January to 30 June 2021 present true and fair view of assets and liabilities, financial position, profit or loss of the Company and the Group.

The interim management report for the temporary unaudited financial statements for the period 01 January to 30 June 2021 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 1