



Medika d.d.

Zagreb, Capraška 1

**INTERIM REPORT
for I-VI 2021
Medika d.d. Zagreb**

July 2021

Management interim report

Comment on the business results for the first half of 2021

Medika d.d. ("Company") has realised total revenue in the first six months of 2021 in amount of HRK 1.936 million in total revenues, which is lower by 0.17% compared to the same period last year.

Sales revenues which amount to HRK 1,920 million for the first six months of 2021 are by 0.49% lower comparing to the same period of previous year.

Share of sales revenues in the total revenue is 99.20%, while in the same period last year it was 99.52%.

Other operating revenues which amount to HRK 10.9 million are higher by 26.8% compared to the same period last 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).

The share of other operating revenues in total revenues in the first six months of the previous year was 0.44%, and in the first six months of 2021 it was 0.56%.

Out of the total sales revenue, 99.89% of revenue are 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 costs amount to HRK 1,836 million and are 0.58% lower compared to the same period last year, which is in accordance with the decrease of sales revenue. Since the operating expenses decrease in higher percentage, the share of material costs in operating expenses increased by 0.47 percentage points compared to the same period last year and amounted to 96.83%.

Employee expenses are lower by 2.12% comparing to the same period of previous year. Their share in total expenses amounted to 1.74% and decreased by 1.08 percentage points compared to the same period last year. This decrease was affected by the average number of employees based on hours worked. The average number of employees based on hours worked in the first six months of 2021 is 477, which is 20 employees less than the average number of employees based on hours worked in the first six months of 2020.

Finance income has increased compared to the same period last year for HRK 3.9 million, or 536.23%. Finance income mostly refers to interest income, and a smaller part to exchange rate income.

Finance expenses have decreased compared to the same period of previous year by HRK 286 thousand, or 10.40%. Their share in total expenditures is 0.13%.

Gross margin in the first six months of 2020 amounted to 5.01%, while in the first six months of 2021 amounts to 5.15%, which is increase by 2.82 percentage points.

Gross profit (profit before tax) amounts to HRK 46.2 million, while in the same period last year amounted to HRK 29.1 million, which is an increase of HRK 17.1 million or 58.87%. Higher gross profit is result of greater decrease of total expenses (decrease of 1.07% comparing to the same period of previous year mostly due to the decrease in operating expenses) in relation to the decrease in total revenues (decrease of 0.17% comparing to the same period of previous year due to the decrease in operating income). Net exchange rate differences from operating activities had the largest impact on gross profit growth.

Operative earnings amount to HRK 44.1 million and are by HRK 12.9 million or 41.64% higher comparing to the same period of previous year. Higher operative earnings are result of greater decrease in operating expenses (decrease of 1.06% comparing to the same period of previous year) in relation to a decrease of operating income (decrease of 0.37% comparing to the same period of previous year).

Realized net profit amounts to HRK 38.6 million.

Transactions with the related parties in the first six months of 2021 generated total net revenues in amount to HRK 196.1 million, while in the same period of the previous year the total net revenues amounted to HRK 188.1 million, which is an increase of 4,26%. The increase was due to increased sales to the Prima Pharma Group.

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

Total assets decreased by 4.78% compared to the beginning of the year and amounted to HRK 2 billion 287.4 million.

Long-term intangible assets amount to HRK 39.1 million and are higher by 7.31% compared to the beginning of the year, which was most significantly influenced by the inclusion of new storage space in fixed assets.

Fixed tangible assets amount to HRK 207.6 million and recorded an increase compared to the beginning of the year by HRK 50.9 million as a result of the purchase of new land for the needs of the construction of a new logistics and distribution center.

Long term financial assets mostly relate to the investment in related parties and in smaller part to the given loans. It amounts to HRK 107.1 million and records a decrease of 2.46% compared to the beginning of the year.

Long-term receivables refer to goods loans given to customers (goods loans are overdue receivables for the sale of goods that have been rescheduled and collection has been contracted in future periods). Long-term receivables are higher for 5.83% compared to the beginning of the year, due to new loans.

Deferred tax assets decreased by 5.86% compared to the beginning of the year.

Short term assets amount to HRK 1 billion 930.2 million and are lower by 7.93% 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 amounted to HRK 344.9 million, which is HRK 8.3 million more than at the beginning of the year, i.e. 2.45%.

Total short-term receivables amount to HRK 1 billion 546.6 million and record a decrease compared to the beginning of the year of HRK 135.1 million, or 8.03%. Trade receivables, related parties and receivables from participating parties amount to HRK 1 billion 541 million and have decrease of 7.92% comparing to the beginning of the year due to improved collection in the first six months of 2021.

Cash at bank and on hand amounts to HRK 33.4 million and decreased for HRK 39.7 million compared to 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 78.6 million, out of which HRK 5.4 million relate to finance lease liabilities, HRK 8.2 million to liabilities based on operating leases agreement (in accordance with IFRS 16 Leases), and HRK 65.0 million on liabilities for long-term loan. Long-term liabilities are higher for HRK 66.5 million compared 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 725.4 million, out of which the biggest part in the amount of HRK 1 billion 515.4 million relates to trade payables and liabilities to related parties and HRK 178.0 million to credit indebtedness (HRK 174.0 million short-term loans and HRK 4 million financial lease).

Trade payables and liabilities to related parties decreased compared to the beginning of the year by HRK 100.2 million, or 6.2%.

Total loans liabilities of Medika amounts to HRK 239.0 million, which is a decrease of HRK 39.3 million compared to the beginning of the year due to a decrease in current liquidity needs. 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 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.

Expected future development of the Company

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

Treasury shares

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

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 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, 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, did not have significant impact on the operations of the Company, in 2020 and in the first six months of 2020, and Company 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:

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**508**

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)

Handwritten signature

BALANCE SHEET
balance as at 30.06.2021

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	305.000.489	355.938.398
I INTANGIBLE ASSETS (ADP 004 to 009)	003	36.464.639	39.131.450
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	24.010.403	26.217.226
3 Goodwill	006	11.929.586	11.929.586
4 Advances for the purchase of intangible assets	007	374.082	374.082
5 Intangible assets in preparation	008	150.568	610.556
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	156.645.918	207.552.443
1 Land	011	23.406.270	23.406.270
2 Buildings	012	107.675.773	106.060.528
3 Plant and equipment	013	18.839.578	21.953.559
4 Tools, working inventory and transportation assets	014	2.576.429	1.709.897
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	31.000	514.396
7 Tangible assets in preparation	017	3.271.048	53.066.223
8 Other tangible assets	018	845.820	841.570
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	109.837.493	107.131.173
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	9.638.163	6.931.843
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	1.635.092	1.730.430
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	1.635.092	1.730.430
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	417.347	392.902
C) CURRENT ASSETS (ADP 038+046+053+063)	037	2.096.516.668	1.930.207.937
I INVENTORIES (ADP 039 to 045)	038	336.643.083	344.905.073
1 Raw materials and consumables	039	119.297	106.365
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	333.880.976	341.829.535
5 Advances for inventories	043	2.642.810	2.969.173
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1.681.671.971	1.546.567.604

1 Receivables from undertakings within the group	047	117.833.029	138.863.670
2 Receivables from companies linked by virtue of participating interests	048	23.720.641	29.137.872
3 Customer receivables	049	1.531.867.678	1.372.929.034
4 Receivables from employees and members of the undertaking	050	29.313	44.886
5 Receivables from government and other institutions	051	5.339.555	3.721.580
6 Other receivables	052	2.881.755	1.870.562
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	5.120.821	5.331.106
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	5.070.821	5.281.106
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	73.080.793	33.404.154
D) PREPAID EXPENSES AND ACCRUED INCOME	064	859.895	1.279.646
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.402.377.052	2.287.425.981
OFF-BALANCE SHEET ITEMS	066	146.642.127	166.110.973
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	451.783.230	481.376.426
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	127.594.797	152.249.593
1 Retained profit	084	127.594.797	152.249.593
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	60.715.555	38.623.955
1 Profit for the business year	087	60.715.555	38.623.955
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	961.788	961.788
1 Provisions for pensions, termination benefits and similar obligations	091	961.788	961.788
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	12.122.732	78.648.048
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
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	5.823.431	70.374.837
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	6.299.301	8.273.211
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	1.936.250.525	1.725.425.586
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	64.034.757	50.889.341
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	282.534.541	177.980.951
7 Liabilities for advance payments	116	2.343.096	47.352
8 Liabilities to suppliers	117	1.551.504.994	1.464.465.273
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	8.332.383	6.262.717
11 Taxes, contributions and similar liabilities	120	25.149.842	22.705.049
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	2.350.912	3.074.903
E) ACCRUALS AND DEFERRED INCOME	124	1.258.777	1.014.133
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	2.402.377.052	2.287.425.981
G) OFF-BALANCE SHEET ITEMS	126	146.642.127	166.110.973

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 30.06.2021

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	1.938.384.452	888.901.969	1.931.181.966	955.506.889
1 Income from sales with undertakings within the group	002	158.269.702	72.623.477	163.359.143	80.504.318
2 Income from sales (outside group)	003	1.771.502.587	811.994.053	1.756.902.947	867.383.081
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	263.817	133.591	293.223	147.151
5 Other operating income (outside the group)	006	8.348.346	4.150.848	10.626.653	7.472.339
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	1.907.280.671	869.855.430	1.887.125.630	927.036.572
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	1.846.842.633	849.044.774	1.836.181.772	903.812.455
a) Costs of raw materials and consumables	010	5.217.273	2.165.791	5.472.976	2.805.669
b) Costs of goods sold	011	1.833.141.318	842.765.499	1.821.400.510	896.044.215
c) Other external costs	012	8.484.042	4.113.484	9.308.286	4.962.571
3 Staff costs (ADP 014 to 016)	013	33.621.285	16.632.078	32.906.949	16.664.103
a) Net salaries and wages	014	20.610.610	10.222.200	20.630.048	10.442.423
b) Tax and contributions from salary costs	015	8.532.639	4.201.393	7.886.735	3.998.266
c) Contributions on salaries	016	4.478.036	2.208.485	4.390.166	2.223.424
4 Depreciation	017	7.550.526	3.823.703	8.408.484	4.259.502
5 Other costs	018	19.512.579	3.147	9.714.042	2.433.492
6 Value adjustments (ADP 020+021)	019	-246.352	351.728	-85.617	-132.980
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	-246.352	351.728	-85.617	-132.980
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	722.949	252.443	4.599.651	3.219.349
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	14.587	14.293	744	374
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	708.362	170.720	4.485.502	3.105.570
8 Exchange rate differences and other financial income	038	0	67.430	113.405	113.405
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	2.751.242	1.355.647	2.465.191	1.097.756
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	2.525.231	1.355.647	2.465.191	1.196.416
4 Exchange rate differences and other expenses	045	226.011	0	0	-98.660
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	1.939.107.401	889.154.412	1.935.781.617	958.726.238
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	1.910.031.913	871.211.077	1.889.590.821	928.134.328
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	29.075.488	17.943.335	46.190.796	30.591.910
1 Pre-tax profit (ADP 053-054)	056	29.075.488	17.943.335	46.190.796	30.591.910

2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	5,233,588	3,229,800	7,566,841	4,759,042
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	23,841,900	14,713,535	38,623,955	25,832,868
1 Profit for the period (ADP 055-059)	060	23,841,900	14,713,535	38,623,955	25,832,868
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	23,841,900	14,713,535	38,623,955	25,832,868
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	23,841,900	14,713,535	38,623,955	25,832,868
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

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

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	29.075.488	46.190.796
2 Adjustments (ADP 003 to 010):	002	12.736.687	3.776.579
a) Depreciation	003	7.550.526	8.408.484
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-140.547	-545.838
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-246.352	-85.617
d) Interest and dividend income	006	-722.949	-4.486.246
e) Interest expenses	007	2.525.231	2.465.191
f) Provisions	008	-799.397	0
g) Exchange rate differences (unrealised)	009	570.320	-4.074.236
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	3.999.855	2.094.841
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	41.812.175	49.967.375
3 Changes in the working capital (ADP 013 to 016)	012	-228.684.211	17.005.921
a) Increase or decrease in short-term liabilities	013	71.932.739	-108.921.096
b) Increase or decrease in short-term receivables	014	-326.474.141	134.189.007
c) Increase or decrease in inventories	015	25.857.191	-8.261.990
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-186.872.036	66.973.296
4 Interest paid	018	-2.506.359	-2.465.324
5 Income tax paid	019	0	-1.902.914
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-189.378.395	62.605.058
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	625.846	738.410
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	723.704	4.475.672
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	7.152.649	3.334.642
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	8.502.199	8.548.724
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-1.907.959	-56.657.294
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-50.000	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-1.957.959	-56.657.294
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	6.544.240	-48.108.570
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	457.000.000	311.030.000
4 Other cash receipts from financing activities	038	0	0

V Total cash receipts from financing activities (ADP 035 to 038)	039	457.000.000	311.030.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-295.000.000	-323.300.000
2 Cash payments for dividends	041	0	-38.155.600
3 Cash payments for finance lease	042	-2.737.388	-2.376.958
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	-1.125.845	-1.370.569
VI Total cash payments from financing activities (ADP 040 to 044)	045	-298.863.233	-365.203.127
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	158.136.767	-54.173.127
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	-24.697.388	-39.676.639
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	46.307.831	73.080.793
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	21.610.443	33.404.154

"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 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 30.06.2021. 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. 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 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 2020 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.-30.06.2021. as well as in the annual financial statements for 2020.

d) an explanation of the business results in the event that the issuer performs 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 39.1 million and are higher by 7.31% compared to the beginning of the year due to the inclusion of new leased storage space in fixed assets.

Receivables from customers, related companies and participating companies amount to HRK 1 billion 541 million and recorded a decrease of 7.89% 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.-30.06.2021. It generated sales revenues in the amount of HRK 1,920,262 thousand (in the period 01.01.-30.06.2020, HRK 1,929,772 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. no debt after more than 5 years.

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 during the current period 01 01 -30 06 2021 is 500 employees (during the period 01 01 -30 06 2020 the average number of

average number of employees during the reporting period (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 30.06.2021. amounted to HRK 393 thousand and decreased by 5.86% 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 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 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 they grant.

Medika d.d. there are no certificates of participation, convertible debentures, guarantees, options or similar securities or rights.

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

Medika d.d. has no stake in unlimited liability companies.

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

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

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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