



Medika d.d.

Zagreb, Capraška 1

**Management Board interim report
for the temporary unaudited annual
consolidated financial statements for 2020
Group Medika**

February 2021

Management interim report

Reclassification

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

Comment on temporary unaudited consolidated financial statements for the fourth quarter of the year 2020

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of 2020, Medika d.d. has prepared temporary unaudited consolidated financial statements which present approximate consolidated balance sheet as at 31 December 2020, approximate consolidated profit and loss statement for the fourth quarter of 2020, approximate consolidated statement of changes in equity and approximate consolidated statement of cash flow.

We point out that these consolidated financial statements are temporary and as such are not approved by the Supervisory Board. Furthermore, consolidated financial statements are unaudited and investors should not take them as a basis for their investment decisions, but they should merely use them as approximate info until the publishing of the final results, since there may be differences between temporary and final results.

Publishing of the final results (annual audited financial statements) for the Company and the Group is expected by 31 March 2021.

With the above stated, Management Board does not comment financial statements, but only presents key events for the Company and the Group in 2020.

Key events

The total pharmaceutical market in 2020 has increased compared to the previous year. At the same time, sales of Medika d.d. have increased slightly faster compared to the market increase, resulting in a slight increase in market share.

Total indebtedness has decreased for HRK 21.9 million compared to the beginning of the year.

At the General Assembly meeting held on 27.08.2020. decisions were passed to pay out the dividend from the retained earnings of the Company to the amount of HRK 36.0 million. The dividend amounted to HRK 1,320.00 per share.

During March 2020, ZU Ljekarne Prima Pharme signed a contract acquiring 100% share in ZU Ljekarne Pirović. In December 2020 Ljekarna Zrinka Kujundžić Bubalo also joined the Group Prima Pharme.

Expected future development of the Group

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 firm.

Development strategy of ZU Ljekarne Prima Pharme is to expand network of pharmacies on the whole territory of Croatia.

Treasury shares

As at 31.12.2020, the Company holds 2,940 treasury shares.

Subsidiaries and associates

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

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

Related parties

The company with major voting rights, Auctor d.o.o. owns 42.41% of the Company and has 46.99% of shares with voting rights. In the course of the financial restructuring of Auctor d.o.o., in 2019, ownership of Auctor d.o.o. was transferred to Auctor Holding a.s., resulting in an indirect change of ownership of Medika's shares.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 28.05% of the voting rights. Given the share in the ownership and business transactions with the Company, Pliva Hrvatska has significant influence on the current operations of the Company.

Financial risks and exposure to price risk, credit risk, liquidity and cash flow risk

Within financial risks, foreign exchange risk is significant. The 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 pandemic caused by the Covid-19 virus, which appeared in Croatia in March 2020, did not have a significant impact on the Group's operations, and Group did not use any support provided by the Republic of Croatia to companies whose business was affected by the pandemic.

³  **Medika** d.d.
Z A O R E B, Čopraška 1
Jasminko Herceg, dipl.oec.
President of the Management Board

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2020

to

31.12.2020

Year:

2020

Quarter:

4.

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:

7478000000R8ZVGJJO27

Institution
code:

1339

Name of the issuer: **MEDIKA d.d.**

Postcode and town:

10000

ZAGREBStreet and house number: **CAPRAŠKA 1**E-mail address: **medika.uprava@medika.hr**Web address: **www.medika.hr**Number of employees
(end of the reporting

899

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

ZU Ljekarna Pirović

Biograd na moru

1446525

Ljekarna Zrinka Kujundžić Bubalo mag.pharm.

Solin

80385095

Bookkeeping firm:

(Yes/No)

(name of the bookkeeping firm)

Contact person: **DIJANA RADMILOVIĆ**

(only name and surname of the contact person)

Telephone: **01/2412 551**E-mail address: **medika.uprava@medika.hr**

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 31.12.2020

in HRK

| Submitter: MEDIKA d.d. | | | |
|--|------------|---|---|
| Item | ADP code | Last day of the preceding business year | At the reporting date of the current period |
| 1 | 2 | 3 | 4 |
| A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID | 001 | 0 | 0 |
| B) FIXED ASSETS (ADP 003+010+020+031+036) | 002 | 458.093.355 | 491.142.129 |
| I INTANGIBLE ASSETS (ADP 004 to 009) | 003 | 248.041.147 | 272.664.942 |
| 1 Research and development | 004 | 0 | 0 |
| 2 Concessions, patents, licences, trademarks, software and other rights | 005 | 176.760.177 | 193.598.919 |
| 3 Goodwill | 006 | 70.970.905 | 78.060.872 |
| 4 Advances for the purchase of intangible assets | 007 | 17.280 | 388.178 |
| 5 Intangible assets in preparation | 008 | 292.785 | 150.568 |
| 6 Other intangible assets | 009 | 0 | 466.405 |
| II TANGIBLE ASSETS (ADP 011 to 019) | 010 | 167.418.404 | 181.714.058 |
| 1 Land | 011 | 23.406.270 | 30.400.331 |
| 2 Buildings | 012 | 115.017.136 | 120.560.548 |
| 3 Plant and equipment | 013 | 19.226.384 | 19.572.738 |
| 4 Tools, working inventory and transportation assets | 014 | 6.514.263 | 6.548.945 |
| 5 Biological assets | 015 | 0 | 0 |
| 6 Advances for the purchase of tangible assets | 016 | 201.027 | 37.739 |
| 7 Tangible assets in preparation | 017 | 2.180.004 | 3.728.937 |
| 8 Other tangible assets | 018 | 873.320 | 864.820 |
| 9 Investment property | 019 | 0 | 0 |
| III FIXED FINANCIAL ASSETS (ADP 021 to 030) | 020 | 34.871.292 | 33.923.220 |
| 1 Investments in holdings (shares) of undertakings within the group | 021 | 0 | 0 |
| 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 | 22.043.273 | 24.194.756 |
| 5 Investment in other securities of companies linked by virtue of participating interests | 025 | 0 | 0 |
| 6 Loans, deposits etc. to companies linked by virtue of participating interests | 026 | 0 | 0 |
| 7 Investments in securities | 027 | 0 | 0 |
| 8 Loans, deposits, etc. given | 028 | 12.828.019 | 9.728.464 |
| 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 | 5.569.187 | 2.093.938 |
| 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 | 5.569.187 | 2.093.938 |
| 4 Other receivables | 035 | 0 | 0 |
| V DEFERRED TAX ASSETS | 036 | 2.193.325 | 745.971 |
| C) CURRENT ASSETS (ADP 038+046+053+063) | 037 | 1.881.746.644 | 2.100.439.118 |
| I INVENTORIES (ADP 039 to 045) | 038 | 399.767.048 | 373.563.411 |
| 1 Raw materials and consumables | 039 | 534.205 | 541.768 |
| 2 Work in progress | 040 | 0 | 0 |
| 3 Finished goods | 041 | 0 | 0 |
| 4 Merchandise | 042 | 376.458.823 | 370.347.054 |
| 5 Advances for inventories | 043 | 6.549.181 | 2.674.589 |
| 6 Fixed assets held for sale | 044 | 16.224.839 | 0 |
| 7 Biological assets | 045 | 0 | 0 |
| II RECEIVABLES (ADP 047 to 052) | 046 | 1.422.905.419 | 1.643.337.056 |
| 1 Receivables from undertakings within the group | 047 | 0 | 0 |
| 2 Receivables from companies linked by virtue of participating interests | 048 | 22.514.675 | 23.720.641 |
| 3 Customer receivables | 049 | 1.394.252.777 | 1.609.985.576 |

| | | | |
|---|------------|----------------------|----------------------|
| 4 Receivables from employees and members of the undertaking | 050 | 33.378 | 29.591 |
| 5 Receivables from government and other institutions | 051 | 4.494.847 | 5.496.276 |
| 6 Other receivables | 052 | 1.609.742 | 4.104.972 |
| III CURRENT FINANCIAL ASSETS (ADP 054 to 062) | 053 | 5.653.452 | 5.070.821 |
| 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 | 5.653.452 | 5.070.821 |
| 9 Other financial assets | 062 | 0 | 0 |
| IV CASH AT BANK AND IN HAND | 063 | 53.420.725 | 78.467.830 |
| D) PREPAID EXPENSES AND ACCRUED INCOME | 064 | 888.812 | 881.399 |
| E) TOTAL ASSETS (ADP 001+002+037+064) | 065 | 2.340.728.811 | 2.592.462.646 |
| OFF-BALANCE SHEET ITEMS | 066 | 127.268.833 | 146.642.127 |
| LIABILITIES | | | |
| A) CAPITAL AND RESERVES (ADP 068 to | 067 | 504.628.275 | 545.526.418 |
| I INITIAL (SUBSCRIBED) CAPITAL | 068 | 209.244.420 | 209.244.420 |
| II CAPITAL RESERVES | 069 | -7.657.921 | -7.657.921 |
| III RESERVES FROM PROFIT (ADP 071+072-073+074+075) | 070 | 61.886.379 | 61.886.379 |
| 1 Legal reserves | 071 | 18.548.510 | 18.548.510 |
| 2 Reserves for treasury shares | 072 | 48.811.980 | 48.811.980 |
| 3 Treasury shares and holdings (deductible item) | 073 | -37.187.824 | -37.187.824 |
| 4 Statutory reserves | 074 | 0 | 0 |
| 5 Other reserves | 075 | 31.713.713 | 31.713.713 |
| IV REVALUATION RESERVES | 076 | 0 | 0 |
| V FAIR VALUE RESERVES (ADP 078 to 080) | 077 | 0 | 0 |
| 1 Fair value of financial assets available for sale | 078 | 0 | 0 |
| 2 Cash flow hedge - effective portion | 079 | 0 | 0 |
| 3 Hedge of a net investment in a foreign operation - effective portion | 080 | 0 | 0 |
| VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083) | 081 | 168.375.311 | 205.180.117 |
| 1 Retained profit | 082 | 168.375.311 | 205.180.117 |
| 2 Loss brought forward | 083 | 0 | 0 |
| VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086) | 084 | 72.780.086 | 76.873.423 |
| 1 Profit for the business year | 085 | 72.780.086 | 76.873.423 |
| 2 Loss for the business year | 086 | 0 | 0 |
| VIII MINORITY (NON-CONTROLLING) INTEREST | 087 | 0 | 0 |
| B) PROVISIONS (ADP 089 to 094) | 088 | 571.767 | 1.334.165 |
| 1 Provisions for pensions, termination benefits and similar obligations | 089 | 571.767 | 1.334.165 |
| 2 Provisions for tax liabilities | 090 | 0 | 0 |
| 3 Provisions for ongoing legal cases | 091 | 0 | 0 |
| 4 Provisions for renewal of natural resources | 092 | 0 | 0 |
| 5 Provisions for warranty obligations | 093 | 0 | 0 |
| 6 Other provisions | 094 | 0 | 0 |
| C) LONG-TERM LIABILITIES (ADP 096 to 106) | 095 | 53.395.100 | 60.201.912 |
| 1 Liabilities to undertakings within the group | 096 | 0 | 0 |
| 2 Liabilities for loans, deposits, etc. of undertakings within the group | 097 | 0 | 0 |
| 3 Liabilities to companies linked by virtue of participating interests | 098 | 0 | 0 |
| 4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests | 099 | 0 | 0 |
| 5 Liabilities for loans, deposits etc. | 100 | 0 | 0 |
| 6 Liabilities to banks and other financial institutions | 101 | 4.686.053 | 5.823.431 |
| 7 Liabilities for advance payments | 102 | 0 | 0 |
| 8 Liabilities to suppliers | 103 | 0 | 0 |
| 9 Liabilities for securities | 104 | 0 | 0 |
| 10 Other long-term liabilities | 105 | 32.162.488 | 36.683.040 |

| | | | |
|---|------------|---------------|---------------|
| 11 Deferred tax liability | 106 | 16.546.559 | 17.695.441 |
| D) SHORT-TERM LIABILITIES (ADP 108 to 121) | 107 | 1.775.104.454 | 1.984.008.494 |
| 1 Liabilities to undertakings within the group | 108 | 0 | 0 |
| 2 Liabilities for loans, deposits, etc. of undertakings within the group | 109 | 0 | 0 |
| 3 Liabilities to companies linked by virtue of participating interests | 110 | 50.807.170 | 64.034.757 |
| 4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests | 111 | 0 | 0 |
| 5 Liabilities for loans, deposits etc. | 112 | 0 | 0 |
| 6 Liabilities to banks and other financial institutions | 113 | 318.574.169 | 297.326.208 |
| 7 Liabilities for advance payments | 114 | 4.381.470 | 2.344.202 |
| 8 Liabilities to suppliers | 115 | 1.356.878.915 | 1.561.456.400 |
| 9 Liabilities for securities | 116 | 0 | 0 |
| 10 Liabilities to employees | 117 | 12.318.353 | 13.023.101 |
| 11 Taxes, contributions and similar liabilities | 118 | 21.395.939 | 28.743.182 |
| 12 Liabilities arising from the share in the result | 119 | 0 | 0 |
| 13 Liabilities arising from fixed assets held for sale | 120 | 0 | 0 |
| 14 Other short-term liabilities | 121 | 10.748.438 | 17.080.644 |
| E) ACCRUALS AND DEFERRED INCOME | 122 | 7.029.215 | 1.391.657 |
| F) TOTAL – LIABILITIES (ADP 067+088+095+107+122) | 123 | 2.340.728.811 | 2.592.462.646 |
| G) OFF-BALANCE SHEET ITEMS | 124 | 127.268.833 | 146.642.127 |

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2020. to 31.12.2020.

in HRK

Submitter: MEDIKA d.d.

| Item | ADP code | Same period of the previous year | | Current period | |
|--|------------|----------------------------------|--------------------|----------------------|--------------------|
| | | Cumulative | Quarter | Cumulative | Quarter |
| 1 | 2 | 3 | 4 | 5 | 6 |
| I OPERATING INCOME (ADP 126 to 130) | 125 | 3.647.091.854 | 957.559.248 | 3.989.596.884 | 992.095.884 |
| 1 Income from sales with undertakings within the group | 126 | 12.310 | 12.310 | 0 | 0 |
| 2 Income from sales (outside group) | 127 | 3.628.077.992 | 952.424.333 | 3.970.720.217 | 987.019.598 |
| 3 Income from the use of own products, goods and services | 128 | 0 | 0 | 0 | 0 |
| 4 Other operating income with undertakings within the group | 129 | 0 | 0 | 0 | 0 |
| 5 Other operating income (outside the group) | 130 | 19.001.552 | 5.122.605 | 18.876.667 | 5.076.286 |
| II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153) | 131 | 3.554.222.613 | 941.643.525 | 3.892.346.897 | 963.058.636 |
| 1 Changes in inventories of work in progress and finished goods | 132 | 0 | 0 | 0 | 0 |
| 2 Material costs (ADP 134 to 136) | 133 | 3.385.000.440 | 893.329.495 | 3.708.270.292 | 914.369.434 |
| a) Costs of raw materials and consumables | 134 | 13.893.740 | 3.307.701 | 12.506.702 | 3.229.465 |
| b) Costs of goods sold | 135 | 3.338.881.068 | 878.722.823 | 3.671.496.906 | 903.786.459 |
| c) Other external costs | 136 | 32.225.632 | 11.298.971 | 24.266.684 | 7.353.510 |
| 3 Staff costs (ADP 138 to 140) | 137 | 110.067.297 | 29.005.513 | 118.977.805 | 29.939.148 |
| a) Net salaries and wages | 138 | 68.095.789 | 17.922.880 | 74.148.476 | 18.717.919 |
| b) Tax and contributions from salary costs | 139 | 28.455.249 | 7.499.978 | 30.079.626 | 7.482.820 |
| c) Contributions on salaries | 140 | 13.516.259 | 3.582.655 | 14.749.703 | 3.738.409 |
| 4 Depreciation | 141 | 25.009.999 | 6.354.815 | 26.795.446 | 6.867.839 |
| 5 Other costs | 142 | 32.985.422 | 13.455.412 | 37.392.568 | 10.764.320 |
| 6 Value adjustments (ADP 144+145) | 143 | 323.597 | -953.540 | -330.675 | -123.566 |
| a) fixed assets other than financial assets | 144 | 0 | 0 | 0 | 0 |
| b) current assets other than financial assets | 145 | 323.597 | -953.540 | -330.675 | -123.566 |
| 7 Provisions (ADP 147 to 152) | 146 | 835.858 | 451.830 | 1.241.461 | 1.241.461 |
| a) Provisions for pensions, termination benefits and similar obligations | 147 | 248.491 | 248.491 | 513.000 | 513.000 |
| b) Provisions for tax liabilities | 148 | 0 | 0 | 0 | 0 |
| c) Provisions for ongoing legal cases | 149 | 414.306 | 30.278 | 29.074 | 29.074 |
| d) Provisions for renewal of natural resources | 150 | 0 | 0 | 0 | 0 |
| e) Provisions for warranty obligations | 151 | 0 | 0 | 0 | 0 |
| f) Other provisions | 152 | 173.061 | 173.061 | 699.387 | 699.387 |
| 8 Other operating expenses | 153 | 0 | 0 | 0 | 0 |
| III FINANCIAL INCOME (ADP 155 to 164) | 154 | 4.020.541 | 1.533.467 | 4.027.049 | 1.529.480 |
| 1 Income from investments in holdings (shares) of undertakings within the group | 155 | 0 | 0 | 0 | 0 |
| 2 Income from investments in holdings (shares) of companies linked by virtue of participating interests | 156 | 1.949.410 | 355.383 | 2.298.482 | 679.926 |
| 3 Income from other long-term financial investment and loans granted to undertakings within the group | 157 | 0 | 0 | 0 | 0 |
| 4 Other interest income from operations with undertakings within the group | 158 | 0 | 0 | 0 | 0 |
| 5 Exchange rate differences and other financial income from operations with undertakings within the group | 159 | 0 | 0 | 0 | -37 |
| 6 Income from other long-term financial investments and loans | 160 | 0 | 0 | 0 | 0 |
| 7 Other interest income | 161 | 2.071.131 | 1.178.084 | 1.728.567 | 849.591 |
| 8 Exchange rate differences and other financial income | 162 | 0 | 0 | 0 | 0 |
| 9 Unrealised gains (income) from financial assets | 163 | 0 | 0 | 0 | 0 |
| 10 Other financial income | 164 | 0 | 0 | 0 | 0 |
| IV FINANCIAL EXPENSES (ADP 166 to 172) | 165 | 6.872.698 | 1.871.959 | 7.515.416 | 1.944.985 |
| 1 Interest expenses and similar expenses with undertakings within the group | 166 | 0 | 0 | 0 | 0 |
| 2 Exchange rate differences and other expenses from operations with undertakings within the group | 167 | 0 | 0 | 0 | 0 |
| 3 Interest expenses and similar expenses | 168 | 6.681.196 | 1.687.495 | 6.926.728 | 1.914.583 |
| 4 Exchange rate differences and other expenses | 169 | 191.502 | 184.464 | 588.688 | 30.402 |
| 5 Unrealised losses (expenses) from financial assets | 170 | 0 | 0 | 0 | 0 |
| 6 Value adjustments of financial assets (net) | 171 | 0 | 0 | 0 | 0 |
| 7 Other financial expenses | 172 | 0 | 0 | 0 | 0 |
| V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS | 173 | 0 | 0 | 0 | 0 |
| VI SHARE IN PROFIT FROM JOINT VENTURES | 174 | 0 | 0 | 0 | 0 |
| VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST | 175 | 0 | 0 | 0 | 0 |
| VIII SHARE IN LOSS OF JOINT VENTURES | 176 | 0 | 0 | 0 | 0 |
| IX TOTAL INCOME (ADP 125+154+173 + 174) | 177 | 3.651.112.395 | 959.092.715 | 3.993.623.933 | 993.625.364 |
| X TOTAL EXPENDITURE (ADP 131+165+175 + 176) | 178 | 3.561.095.311 | 943.515.484 | 3.899.862.313 | 965.003.621 |
| XI PRE-TAX PROFIT OR LOSS (ADP 177-178) | 179 | 90.017.084 | 15.577.231 | 93.761.620 | 28.621.743 |
| 1 Pre-tax profit (ADP 177-178) | 180 | 90.017.084 | 15.577.231 | 93.761.620 | 28.621.743 |
| 2 Pre-tax loss (ADP 178-177) | 181 | 0 | 0 | 0 | 0 |
| XII INCOME TAX | 182 | 17.236.998 | 3.712.402 | 16.888.197 | 5.296.797 |
| XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182) | 183 | 72.780.086 | 11.864.829 | 76.873.423 | 23.324.946 |
| 1 Profit for the period (ADP 179-182) | 184 | 72.780.086 | 11.864.829 | 76.873.423 | 23.324.946 |
| 2 Loss for the period (ADP 182-179) | 185 | 0 | 0 | 0 | 0 |
| DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations) | | | | | |

| | | | | | |
|---|------------|------------|------------|------------|------------|
| XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188) | 186 | 0 | 0 | 0 | 0 |
| 1 Pre-tax profit from discontinued operations | 187 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss on discontinued operations | 188 | 0 | 0 | 0 | 0 |
| XV INCOME TAX OF DISCONTINUED OPERATIONS | 189 | 0 | 0 | 0 | 0 |
| 1 Discontinued operations profit for the period (ADP 186-189) | 190 | 0 | 0 | 0 | 0 |
| 2 Discontinued operations loss for the period (ADP 189-186) | 191 | 0 | 0 | 0 | 0 |
| TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations) | | | | | |
| XVI PRE-TAX PROFIT OR LOSS (ADP 179+186) | 192 | 0 | 0 | 0 | 0 |
| 1 Pre-tax profit (ADP 192) | 193 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss (ADP 192) | 194 | 0 | 0 | 0 | 0 |
| XVII INCOME TAX (ADP 182+189) | 195 | 0 | 0 | 0 | 0 |
| XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195) | 196 | 0 | 0 | 0 | 0 |
| 1 Profit for the period (ADP 192-195) | 197 | 0 | 0 | 0 | 0 |
| 2 Loss for the period (ADP 195-192) | 198 | 0 | 0 | 0 | 0 |
| APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements) | | | | | |
| XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201) | 199 | 0 | 0 | 0 | 0 |
| 1 Attributable to owners of the parent | 200 | 0 | 0 | 0 | 0 |
| 2 Attributable to minority (non-controlling) interest | 201 | 0 | 0 | 0 | 0 |
| STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS) | | | | | |
| I PROFIT OR LOSS FOR THE PERIOD | 202 | 72.780.086 | 11.864.829 | 76.873.423 | 23.324.946 |
| II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211) | 203 | 0 | 0 | 0 | 0 |
| 1 Exchange rate differences from translation of foreign operations | 204 | 0 | 0 | 0 | 0 |
| 2 Changes in revaluation reserves of fixed tangible and intangible assets | 205 | 0 | 0 | 0 | 0 |
| 3 Profit or loss arising from subsequent measurement of financial assets available for sale | 206 | 0 | 0 | 0 | 0 |
| 4 Profit or loss arising from effective cash flow hedging | 207 | 0 | 0 | 0 | 0 |
| 5 Profit or loss arising from effective hedge of a net investment in a foreign operation | 208 | 0 | 0 | 0 | 0 |
| 6 Share in other comprehensive income/loss of companies linked by virtue of participating interests | 209 | 0 | 0 | 0 | 0 |
| 7 Actuarial gains/losses on the defined benefit obligation | 210 | 0 | 0 | 0 | 0 |
| 8 Other changes in equity unrelated to owners | 211 | 0 | 0 | 0 | 0 |
| III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 212 | 0 | 0 | 0 | 0 |
| IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212) | 213 | 0 | 0 | 0 | 0 |
| V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213) | 214 | 72.780.086 | 11.864.829 | 76.873.423 | 23.324.946 |
| APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements) | | | | | |
| VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217) | 215 | 0 | 0 | 0 | 0 |
| 1 Attributable to owners of the parent | 216 | 0 | 0 | 0 | 0 |
| 2 Attributable to minority (non-controlling) interest | 217 | 0 | 0 | 0 | 0 |

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2020. to 31.12.2020

in HRK

| Submitter: MEDIKA d.d. | | | |
|--|------------|----------------------------------|--------------------|
| Item | ADP code | Same period of the previous year | Current period |
| 1 | 2 | 3 | 4 |
| Cash flow from operating activities | | | |
| 1 Pre-tax profit | 001 | 90.017.084 | 93.761.620 |
| 2 Adjustments (ADP 003 to 010): | 002 | 40.206.044 | 35.532.402 |
| a) Depreciation | 003 | 25.009.999 | 26.795.446 |
| b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets | 004 | 2.988.678 | -187.638 |
| c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets | 005 | 259.628 | -330.675 |
| d) Interest and dividend income | 006 | -2.071.131 | -1.728.567 |
| e) Interest expenses | 007 | 6.683.143 | 6.926.728 |
| f) Provisions | 008 | 423.710 | -4.462 |
| g) Exchange rate differences (unrealised) | 009 | 1.730.519 | -2.289.022 |
| h) Other adjustments for non-cash transactions and unrealised gains and losses | 010 | 5.181.498 | 6.350.592 |
| I Cash flow increase or decrease before changes in working capital (ADP 001+002) | 011 | 130.223.128 | 129.294.022 |
| 3 Changes in the working capital (ADP 013 to 016) | 012 | -94.928.739 | -1.070.605 |
| a) Increase or decrease in short-term liabilities | 013 | 223.972.450 | 209.858.337 |
| b) Increase or decrease in short-term receivables | 014 | -252.108.761 | -213.517.822 |
| c) Increase or decrease in inventories | 015 | -42.457.301 | 4.887.362 |
| d) Other increase or decrease in working capital | 016 | -24.335.127 | -2.298.482 |
| II Cash from operations (ADP 011+012) | 017 | 35.294.389 | 128.223.417 |
| 4 Interest paid | 018 | -6.038.044 | -7.307.973 |
| 5 Income tax paid | 019 | -4.982.263 | -9.085.722 |
| A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019) | 020 | 24.274.082 | 111.829.722 |
| Cash flow from investment activities | | | |
| 1 Cash receipts from sales of fixed tangible and intangible assets | 021 | 4.091.719 | 900.908 |
| 2 Cash receipts from sales of financial instruments | 022 | 0 | 0 |
| 3 Interest received | 023 | 2.063.936 | 1.709.183 |
| 4 Dividends received | 024 | 0 | 0 |
| 5 Cash receipts from repayment of loans and deposits | 025 | 8.287.625 | 10.868.775 |
| 6 Other cash receipts from investment activities | 026 | 1.743.775 | 147.000 |
| III Total cash receipts from investment activities (ADP 021 to 026) | 027 | 16.187.055 | 13.625.866 |
| 1 Cash payments for the purchase of fixed tangible and intangible assets | 028 | -24.451.913 | -17.423.326 |
| 2 Cash payments for the acquisition of financial instruments | 029 | 0 | 0 |
| 3 Cash payments for loans and deposits for the period | 030 | -2.600.000 | -2.269.742 |
| 4 Acquisition of a subsidiary, net of cash acquired | 031 | -5.637.533 | -8.645.970 |
| 5 Other cash payments from investment activities | 032 | 0 | 0 |
| IV Total cash payments from investment activities (ADP 028 to 032) | 033 | -32.689.446 | -28.339.038 |
| B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033) | 034 | -16.502.391 | -14.713.172 |
| 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 | 604.700.000 | 885.000.000 |
| 4 Other cash receipts from financing activities | 038 | 0 | 150.237 |

| | | | |
|---|------------|--------------|--------------|
| V Total cash receipts from financing activities (ADP 035 to 038) | 039 | 604.700.000 | 885.150.237 |
| 1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments | 040 | -556.000.000 | -907.008.333 |
| 2 Cash payments for dividends | 041 | -19.077.800 | -35.975.280 |
| 3 Cash payments for finance lease | 042 | -3.599.843 | -4.751.058 |
| 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 | -9.547.896 | -9.989.170 |
| VI Total cash payments from financing activities (ADP 040 to 044) | 045 | -588.225.539 | -957.723.841 |
| C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045) | 046 | 16.474.461 | -72.573.604 |
| 1 Unrealised exchange rate differences in respect of cash and cash equivalents | 047 | 581.213 | 504.160 |
| D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047) | 048 | 24.827.365 | 25.047.106 |
| E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 049 | 28.593.360 | 53.420.725 |
| F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049) | 050 | 53.420.725 | 78.467.831 |

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

Name of the issuer: MEDIKA D.D.

Personal identification number (OIB): 94818858923

Reporting period: 01.01.2020. - 31.12.2020.

Notes to financial statements

Medika Group states that the same financial policies and calculation methods are applied in the financial statements for the period 01.01.-31.12.2020. as well as in the annual financial statements for 2019.

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

Zagreb, 26 February 2020

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 31 December 2020 present true and fair view of assets and liabilities, financial position, profit or loss of the Company and the Group.

The interim management report for the temporary unaudited financial statements for the period 01 January to 31 December 2020 presents fair presentation of development and results of the operations and position of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.


3 Medika d.d.
ZAGREB Capraška 1
Jasminko Herceg
President of the Management Board