



MEDIKA d.d.
Capraška 1
10000 Zagreb

Home Member State: Croatia
LEI: 7478000000R8ZVGJJO27
ISIN: HRMDKARA0000
TICKER: MDKA-R-A
Regulated market segment: Zagreb Stock Exchange – Official market

Zagreb, May 02, 2022

NOTICE ON DECISIONS ADOPTED AT THE GENERAL ASSEMBLY

Regular annual General Assembly of Medika d.d. was held in Zagreb on 02.05.2022. beginning at 12.00 at headquarters of Medika d.d. in Zagreb, Capraška 1, with the following agenda:

1. Opening of the General Assembly and determining the representation of shareholders
2. Discussion on financial statements for the year 2021 determined by the Management Board and the Supervisory Board, discussion on Annual report together with the auditor's report, Report of Management Board on the status of the Company and Report of the Supervisory Board;
3. Passing decision on distribution of profit
4. Passing decision on issuing the note of release to the President and Members of the Management Board
5. Passing decision on issuing the note of release to the Members of the Supervisory Board
6. Remuneration report for year 2021.
7. Decision on the appointment of auditor of the Company for the year 2022
8. Passing decision for giving right to the Management Board for acquisition and disposal of ordinary shares of Medika d.d.

According to the list of attendees at the General Assembly, there were 8 registered shareholders or proxies who have a total of 25,823 votes, which is 85.52% of the share capital of the Company or 89.19% of the total number of votes.

Ad 3) According to the counter-proposal of the shareholder Auctor d.o.o. from Zagreb, the existing draft decision under item 3 of the Agenda following decision has been adopted:

The total net profit of the Company in the amount of HRK 77,500,231.00, will be distributed in the retained earnings.

Dividend will be paid out to the shareholders in the amount of HRK 1,400.00 per share.

Dividend will be paid out from the retained earnings of the Company. All shareholders who had the status of the shareholder on the day of the passing the decision on dividend pay-out have the right on the dividend, except for treasury shares of the Company.

Management Board is responsible for determining the exact date of the dividend pay-out, taking into consideration that the pay-out has to be executed not later than 30 days from the date of the passing the decision.

Decisions ad 3. was made with 99.86% of the valid given votes (25,786).

Ad 4) The note of release is given to the President and Members of the Management Board – by which the work in 2021 is approved.

Decisions ad 4. was made with 99.97% of the valid given votes (25,817).

Ad 5) The note of release is given to the Supervisory Board by which the work in 2021 is approved.

Decisions ad 5. was made with 100% of the valid given votes (22,209).

Ad 6) Decisions ad 6. was made with 100% of the valid given votes (25,823).

The determined and audited Remuneration report for 2021 is approved.



Independent limited assurance report on the Remuneration Report of Medika d.d.

We were engaged by the Management Board of Medika d.d. („Company“) to express limited assurance on the Remuneration Report for the year ended 31 December 2021, attached as an appendix. Our engagement is to form an independent limited assurance conclusion, based on our work performed and evidence obtained, that nothing has come to our attention that causes us to believe that the attached Remuneration Report is not prepared in accordance with the requirements specified in Paragraphs 1 and 2 of Article 272r of the Companies Act applicable in the Republic of Croatia (“Reporting Criteria”).

Management and Supervisory Board responsibilities

Management and Supervisory Board are responsible for the preparation and presentation of the Remuneration Report that is free from material misstatement in accordance with Paragraphs 1 and 2 of Article 272r of the Companies Act and for the information contained therein.

Management is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation and presentation of the Remuneration Report that is free from material misstatement, whether due to fraud or error;
- measurement and reporting of compensations in accordance with the Reporting Criteria;
- selecting and applying policies as well as making judgments and estimates that are reasonable in relation to the preparation of the Remuneration Report.

Our responsibility

Our responsibility is to examine the Remuneration Report and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 - *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Remuneration Report is prepared in accordance with the Reporting Criteria, in all material respects, as the basis for our limited assurance conclusion.

KPMG Croatia d.o.o. za reviziju complies with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and applies the International Standard on Quality Control 1 (ISQM 1). Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards, including independence and other requirements founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit or review of the Remuneration Report nor of the underlying accounting and other records from which it was compiled.

This version of the Independent limited assurance report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.



Independent limited assurance report on the Remuneration Report of Medika d.d. (continued)

Reporting Criteria

The Reporting Criteria for the preparation of the Remuneration Report are the required information as specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

Limitations in the preparation of the Remuneration Report

The interpretation of performance results is to some extent subjective because it takes into account both qualitative and quantitative aspects. Due to the inherent subjectivity in interpreting qualitative reward criteria, but also subjectivity applied in measuring quantitative goals (for example, related to measuring results for the year), different acceptable methodologies for measuring the achievement of individual goals are possible. Furthermore, various other estimates and judgments were used in the preparation of the Remuneration Report, including, but not limited to: compliance with the remuneration policy; the manner in which the members of the Management Board and the Supervisory Board support the long-term success of the Company and the manner in which the benchmarks for assessing that performance have been applied; an explanation of how workers' remuneration was taken into account in calculating average remuneration and what is the composition of workers included in that calculation.

Statement of Management and Supervisory Board

The Management Board and the Supervisory Board state that the Remuneration Report for the year ended 31 December 2021 is accurate and complete and includes all required information as specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

Our conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report for the year ended 31 December 2021 is not prepared, in all material respects, in compliance with the requirements specified in Paragraphs 1 and 2 of Article 272r of the Companies Act.

This conclusion should be considered in context with the remainder of our limited assurance report, especially in context with the *Limitations in the preparation of the Remuneration Report* and the *Restrictions on the use of our report* paragraphs.

Restrictions on the use of our report

Our report is intended solely for the purpose specified in Article 272r of the Companies Act. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Croatia d.o.o.

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22 March 2022

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In accordance with Article 272.r of the Companies Act and articles of the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, the Management Board and the Supervisory Board of Medika d.d. (hereinafter: "the Company") submit to the General Assembly the following

REPORT ON REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD IN 2021

Remuneration of the members of the Supervisory Board

Members of the Supervisory Board are entitled to remuneration for their work in accordance with the decision of the Company's General Assembly and in accordance with the Remuneration Policy for members of the Supervisory Board, as well as reimbursement of all actual costs related to attendance and participation in the Supervisory Board of the Company in case a member of the Supervisory Board does not have residence or place of work in the place where the session is held.

Each member of the Supervisory Board is entitled to a fixed monthly remuneration from the day of appointment to this position until the day of termination. Remuneration of members of the Supervisory Board does not depend on the Company's results and does not contain a variable part.

The remuneration of the members of the Supervisory Board is appropriate to the tasks they perform and the condition and operations of the Company.

The Supervisory Board of Medika d.d. comprises seven members. As at 31 December 2021, the members of the Supervisory Board were as follows: Ružica Vađić, President of the Supervisory Board, Damjan Možina, Vice-President, Oleg Uskoković, member of the Supervisory Board, Mihael Furjan, member of the Supervisory Board, Antonijo Samaržija, member of the Supervisory Board, Josef Pilka, member of the Supervisory Board, and Jozef Harviš, member of the Supervisory Board.

Since Ružica Vađić and Oleg Uskoković are members of the Audit Committee, they also received remuneration for their work in this Committee. Remuneration for the work in the Audit Committee depends on the average monthly salary in the Company and amounts to 20% of average monthly net salaries in the Company paid in the previous month.

Attachment: Remuneration Report 2021

Following the above, in 2021, the following remunerations were calculated for the members of the Supervisory Board:

Surname and name of the Supervisory Board member	Supervisory Board remuneration	Audit Committee remuneration
Antonijo Samaržija	51,282.00	-
Harviš Jozef	45,000.00	-
Možina Damjan	52,500.00	-
Pilka Josef	36,000.00	-
Uskoković Oleg	51,282.00	23,864.89
Vadić Ružica	68,376.07	25,837.12
TOTAL	304,440.07	49,702.01

The calculated remuneration refers to the gross amount of the remuneration calculated in the period from 1 January to 31 December 2021.

At the same time, in the period from 1 January 2021 to 31 December 2021, the members of the Supervisory Board were paid a total of HRK 304,390.07 as remuneration for work in the Supervisory Board and HRK 49,759.80 as remuneration for work in the Audit Committee.

The difference between the calculated remuneration and the paid remuneration for 2021 has arisen since the remuneration is paid each month for work in the previous month.

Mr. Mihael Furjan waived his remuneration for his work in the Supervisory Board, and for this reason it was not paid to him.

The Company or its "daughter" companies did not make any payments to the members of the Supervisory Board other than the above mentioned.

The report on the remuneration of members of the Supervisory Board for 2021 was prepared in accordance with the relevant legal provisions, the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, the Remuneration Policy for members of the Management Board and the Supervisory Board of the Company for the four-year period 2020-2023. The Remuneration Policy was adopted at the General Assembly held on 17 December 2020.

Remuneration of the members of the Management Board

The Management Board of Medika d.d. comprises three members: Jasminko Herceg, President of the Management Board, Jakov Jaki Radošević, member of the Management Board, and Matko Galeković, member of the Management Board.

The competencies and responsibilities of the President of the Management Board and the members of the Management Board are determined by their contracts and the Rules of Procedure of the Management Board. The Supervisory Board may, during the term of office, recall the members of the Management Board from office. In case of revocation, members of the Management Board are entitled to severance pay determined by the contract.

Attachment: Remuneration Report 2021

Remuneration of members of the Management Board is determined by the contract and is in accordance with the Remuneration Policy. This includes fixed and variable remuneration, and the total remuneration for their work includes other monetary and/or non-monetary benefits, related to the performance of their tasks as members of the Management Board of the Company.

Fixed remuneration of members of the Management Board consists of their base salary, which is determined in a monthly gross amount and represents full compensation for the work performed by a member of the Management Board on the basis of a concluded contract, with the exception of annual award.

Fixed remuneration reflects the professional experience and competencies of a member of the Management Board, and also take into account the situation on the labour market and in comparable companies (size, activity, complexity of structure and jobs) in the region, taking into account conditions of employee remuneration and working conditions in the Company.

The annual award to which the members of the Management Board are entitled, if the Supervisory Board accepts the annual financial statements for the previous business year, is also determined in part in a fixed amount that is not subject to a special decision of the Supervisory Board.

Members of the Management Board are also entitled to a variable part of the annual award, in line with the decision of the Supervisory Board of the Company. The variable part of the annual award is related to the goals set by the Strategic Development Guidelines of the Company for the 2020-2022 period and depending on their realization, the Supervisory Board makes a decision on the payment of the variable part of the annual award. In this way, performance-linked rewarding is followed, which is provided for by the Ordinance on salaries and other employee benefits.

The annual award may be paid to the members of the Management Board in cash or by transferring the Company's shares according to their market value on the day the Supervisory Board adopts the decision. For 2021, the annual award will be paid in cash.

No deferred payment of part of the remuneration is foreseen, nor is there an obligation to return the paid variable parts of the remuneration.

Following the above, in 2021 the following remunerations were calculated for the members of the Management Board:

Surname and name	Fixed part	%	Variable part	%	Total	%
Herceg Jasminko	2,627,404.86	99.96%	1,000.00	0.04%	2,628,404.86	100.00%
Galeković Matko	879,769.52	67.83%	417,172.30	32.17%	1,296,941.82	100.00%
Radošević Jaki Jakov	880,343.08	67.88%	416,572.30	32.12%	1,296,915.38	100.00%
Total	4,387,517.46		834,744.60		5,222,262.06	

The calculated remuneration refers to the gross I amount of the remuneration calculated in the period from 1 January to 31 December 2021. The fixed part refers to the salary and the fixed part of the annual award, while the variable part refers to the variable part of the annual award, Easter bonus, Christmas bonus and a gift for children under 15.

The amounts paid differ from those calculated since the salary is paid in the current month for the previous month, and the annual award is paid upon approval of the financial statements for the year, which is usually in March of the following calendar year.

Attachment: Remuneration Report 2021

In accordance with the above, in 2021, Jasminko Herceg was paid a total of HRK 2,800,077.56, of which HRK 2,325,728.39 (83.06%) relates to the fixed part, and HRK 474,349.17 (16.94%) to the variable part. Matko Galeković was paid a total of HRK 1,297,019.71, of which HRK 879,847.41 (67.84%) relates to the fixed part, and HRK 417,172.30 (32.16%) to the variable part. Jakov Jaki Radošević was paid a total of HRK 1,297,511.94, of which HRK 880,939.64 (67.89%) relates to the fixed part, and HRK 416,572.30 (32.11%) to the variable part.

Members of the Management Board of Medika d.d. are also members of the Management Committee of pharmacies in the Prima Pharne Group. For their work and engagement in the Management Committee in 2021, their fixed remuneration was calculated and paid as follows:

Surname and name	Management Committee remuneration
Herceg Jasminko	48,865.68
Galeković Matko	34,904.04
Radošević Jaki Jakov	48,865.68
TOTAL	132,635.40

The calculated remuneration refers to the gross I amount of the remuneration calculated in the period from 1 January to 31 December 2021.

Below is the average remuneration of Medika d.d. employees who are in management positions (directors) for the previous five business years in gross I amount, which includes: salary, annual awards, Easter bonus, Christmas bonus, gift for children under 15, disability benefits.

Annual remuneration per employee in HRK	2021	2020	2019	2018	2017
Gross I	640,266	647,000	690,881	752,145	739,057

In addition, the movement of the total income and profit of the Company for the previous five business years is presented.

In thousands of HRK	2021	2020	2019	2018	2017
Revenue of Medika d.d.	3,976,614	3,851,971	3,530,384	2,971,135	2,720,858
Net profit of Medika d.d.	77,500	60,716	57,045	20,032	33,075

The movement of income and net profit of the Company shows that the remuneration of members of the Management Board contributes to the long-term success of the Company.

Attachment: Remuneration Report 2021

The report on the remuneration of members of the Management Board for 2021 was prepared in accordance with the relevant legal provisions, the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, the Remuneration Policy for the members of the Management Board and the Supervisory Board of the Company for the four-year period 2020-2023. The Remuneration Policy was adopted at the General Assembly held on 17 December 2020.

The Company has not deviated from the Remuneration Policy under the provisions of Article 247a. paragraph 2 of the Companies Act.

The 2021 Remuneration Report will be prepared and determined by the Management Board and the Supervisory Board in accordance with the provisions of Article 272.r of the Companies Act and its approval will be decided by the General Assembly in 2022 in line with Article 276.a paragraph 4 of the Companies Act.

In Zagreb, 22 March 2022



Jasminko Herceg
President of the Management Board



Ružica Vačić
President of the Supervisory Board

Medika d.d.
ZAGREB, Capraška 1

Ad 7) KPMG Croatia d.o.o., Ivana Lučića 2a, Zagreb is appointed as the auditor of the Company for the year 2022.

Decisions ad 7. was made with 100% of the valid given votes (25,823).

Ad 8) Decision on acquiring of treasury shares

Management Board of the Company is empowered, with the prior consent of the Supervisory Board and in accordance with the financial status of the Company, to acquire treasury shares on organised market – on regulated market or on multilateral trading platform („Market“) in the period of 5 years from the date of passing this decision.

The consent is given for one or more purchases of regular shares of the Company („Shares“) in a way that the highest total number of acquired shares based on this and earlier consents amounts up to 10% of the share capital of the Company. The lowest purchase price per share should not amount less than 10% lower of the average market value of share on the Market in the period of 30 days prior to the date of purchase. The highest purchase price per share should not amount over 10% higher of the average market value of share in the period of 30 days prior to date of purchase. In the case there is no trading with the shares of the Company on the Market in the period of 30 days prior to the date of the purchase, price per share should not amount less than 10% or more than 10% of the average market value of share in the period of 30 days prior to the date of the last trading on the market.

The Management Board of the Company is empowered and obliged to acquire treasury shares only on the organized securities Market.

The Management Board of the Company can dispose treasury shares only on securities Market, without decision of the General Assembly of the Company.

While acquiring and disposing of treasury shares the Management Board is allowed to deviate from article 211, article 308 paragraphs 2 and 4 of Companies Act.

This decision is effective from the date of passing.

Decisions ad 8. was made with 100% of the valid given votes (25,823).