

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

General Assembly - Notices of convening, counter-proposals and decisions

Zagreb, May 02, 2024

NOTICE ON DECISIONS ADOPTED AT THE GENERAL ASSEMBLY

Regular annual General Assembly of Medika d.d. was held in Zagreb on 02.05.2024 beginning at 12.00 at headquarters of Medika d.d. in Zagreb, Capraška 1, with the following agenda:

Agenda:

1. Opening of General Assembly and determination of presence of shareholders at the General Assembly;
2. Discussion on financial statements for the year 2023 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 President and Members of the Supervisory Board
6. Remuneration report for the year 2023
7. Confirmation of the Receipts Policy of the members of the Management Board and members of the Supervisory Board of the Company for the four-year period 2024-2027
8. Decision on the appointment of auditor of the Company for the year 2024

According to the list of attendees at the General Assembly, there were 11 registered shareholders or proxies who have a total of 26,154 votes, which is 86.62% of the share capital of the Company or 90.33% 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, the following decision has been adopted:

Total profit of the Company in amount of HRK 112,784,174.84 / EUR 14,969,032.43 will be distributed in the retained earnings. Dividend will be paid out to the shareholders in the amount of EUR 200.00 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 86.18% of the valid given votes (22,540).

Ad 4) The note of release is given to the President and Members of the Management Board – by which the work in 2023 is approved.

Decisions ad 4. was made with 100.00% of the valid given votes (26,132).

Ad 5) The note of release is given to the Supervisory Board by which the work in 2023 is approved.

Decisions ad 5. was made with 99.90% of the valid given votes (22,518).

Ad 6) Decisions ad 6. was made with 100% of the valid given votes (26,132).

The determined and audited Remuneration report for 2023 is approved.

Independent limited assurance report on Remuneration Report for the year 2023

To the Management board and Supervisory board of Medika d.d.

Underlying Subject Matter

Pursuant to the provisions of Article 272r, paragraph 3 of the Companies Act and the agreement concluded with Medika d.d. ("the Company"), we have performed an engagement expressing a limited assurance on the attached Remuneration Report for the year ended 31 December 2023 ("Remuneration Report") prepared by the Company's Management board and Supervisory board.

Our limited assurance engagement relates to the subject matter whether the Remuneration Report contains data in accordance with the Article 272r, paragraphs 1 and 2 of the Companies Act.

Applicable Criteria

The applicable reporting criteria for identifying the individuals to be included in the Remuneration Report and the disclosure requirements of their remuneration are contained in the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act.

Inherent limitations

In the case of additional information or data provided to us, or in the case of misleading oral or written statements or explanations, our findings, interpretations or conclusions in our independent limited assurance report may be incomplete or may result in the need for additional procedures not included in the scope of this engagement.

Specific purpose and distribution of use

Our report is intended solely for the Management board and Supervisory board for the purpose of reporting to the General Assembly on the Remuneration Report prepared by the Company for the year ended 31 December 2023 in accordance with Article 272r of the Companies Act.

Based on the procedures performed and outlined below, this is a report expressing a conclusion with limited assurance and its purpose is not, nor does it represent, a legal opinion on compliance with Article 272r of the Companies Act.

To the fullest extent permitted by law, we do not accept responsibility and do not agree to any obligations to any party other than the Company's Management board and Supervisory board, in connection with our work or this limited assurance report or the conclusions we have reached.

Management board and Supervisory board Responsibilities

The Company's Management board and Supervisory board are responsible for:

- preparing the Remuneration Report for the year 2023 in accordance with the disclosure requirements of Article 272r, paragraphs 1 and 2 of the Companies Act,
- identifying the individuals to be included in the Remuneration Report in accordance with Article 272r, paragraph 1 of the Companies Act,
- selecting and applying appropriate remuneration policies as well as making judgments and estimates that are reasonable in relation to the data disclosed in the Remuneration Report,
- measurement of remunerations for the year ended 31 December 2023 in accordance with the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act, and
- publishing the Remuneration Report on the Company's website in accordance with the provisions of Article 272r, paragraph 4 of the Companies Act.

The Company's Management board and Supervisory board are responsible for the design, implementation and maintenance of the internal control system which reasonably ensures that the previously described data do not contain material errors, whether due to fraud or error. In addition, the Company's Management board and Supervisory board are responsible for ensuring that the documentation provided to us is complete and accurate.

Our Responsibility

Our responsibility is to express a conclusion on Remuneration Report in accordance with the requirements of Article 272r, paragraph 3 of the Companies Act. We conducted our limited assurance engagement in accordance with International Standards for Assurance Engagements (ISAE) 3000 (revised) - Engagements to perform assurance engagements other than audits or reviews of historical financial information.

Applicable requirements for quality management

We apply the International Standard on Quality Management (ISQM) 1 and accordingly, we ensure the design, implementation, and functioning of the quality management system, including policies and procedures related to compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Compliance with independence requirements and other ethical requirements

We comply with the requirements of independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants (IESBA), which are based on fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional behavior.

Summary of performed procedures

In respect of the subject matter, we have performed the following procedures:

- inquired members of the Management board and Supervisory board and other persons within the Company, to gain understanding of remuneration policies and the process applied in preparing the Remuneration Report;
- received from the Company a list of all members of the Company's Management board and Supervisory board during 2023 and checked whether their remunerations are disclosed in the Remuneration Report;
- reconciled the remuneration data presented in the Remuneration Report with the Company's accounting records (general ledger and subledgers) for the year ended 31 December 2023
- reviewed, on a sample basis, the relevant documentation of the Company (contracts and payments) related to the remuneration data presented in the Remuneration Report; and
- checked whether the Remuneration Report contains all the data required by the provisions of Article 272r, paragraphs 1 and 2 of the Companies Act.

The nature and extent of our procedures were determined based on our risk assessment and our professional judgment in order to obtain limited assurance.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that Remuneration Report for the year ended 2023 prepared by Medika d.d. does not contain data, in all material respects, in accordance with the Article 272r, paragraphs 1 and 2 of the Companies Act.



Berislav Horvat
President of the Management Board and Certified auditor

20 March 2024

Ernst & Young d.o.o.
Radnička cesta 50
10000 Zagreb
Republic of Croatia

Attachment: Remuneration report for 2023

Attachment: Remuneration Report 2023



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 2023

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 2023, the members of the Supervisory Board were as follows: Oleg Uskoković, President of the Supervisory Board, Mihael Furjan, Vice-President, Damjan Možina, member of the Supervisory Board, Tanja Kragulj Mežnarić, member of the Supervisory Board, Ivica Roso member of the Supervisory Board, Josef Pilka, member of the Supervisory Board, and Jozef Harviš, member of the Supervisory Board. Until the day of the constituent session of the Supervisory Board on 2 May 2023, the composition of the Supervisory Board on was 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, Oleg Uskoković and Jozef Pilka were members of the Audit Committee during the year, 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 2023

Following the above, in 2023, the following remunerations were calculated for the members of the Supervisory Board:

Surname and name of the Supervisory Board member	Supervisory Board remuneration (eur)	Audit Committee remuneration (eur)
Dunković Zlatko	2,316.28	-
Harviš Jozef	5,972.52	-
Kragulj Mežnarić Tanja	4,512.33	-
Možina Damjan	6,304.32	-
Pilka Josef	5,972.52	1,373.26
Roso Ivica	4,554.22	-
Uskoković Oleg	8,181.35	3,407.90
Vadić Ružica	3,088.38	1,348.43
TOTAL	40,901.92	6,129.59

The calculated remuneration refers to the gross amount of the remuneration calculated in the period from 1 January to 31 December 2023.

At the same time, in the period from 1 January 2023 to 31 December 2023, the members of the Supervisory Board were paid a total of EUR 43,027.86 as remuneration for work in the Supervisory Board and EUR 4,998.45 as remuneration for work in the Audit Committee.

The difference between the calculated remuneration and the paid remuneration for 2023 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.

Member of the Supervisory Board Jozef Harviš in 2020 purchased 972 shares in Medika d.d. at unit price in the amount of EUR 1,024.09 from the related entity Auctor d.o.o. primarily via secured loans received from the same related entity. The voting rights of the shares remain with Auctor d.o.o. and may be repurchased by Auctor d.o.o. or transferred to third parties under specific conditions until the middle of 2026. During 2021, the fiduciary ownership right of Auctor d.o.o. was removed from 243 Medika d.d. shares of a member of the Supervisory Board Jozef Harviš. Expense and corresponding capital increase recognized in 2023 amounts to EUR 85,799 for Jozef Harviš's shares.

The report on the remuneration of members of the Supervisory Board for 2023 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.

Attachment: Remuneration Report 2023

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.

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 members of the Management Board are also entitled to the annual reward, after the Supervisory Board accepts the annual financial statements for the previous business year. Jasminko Herceg is entitled to the annual award in the amount of 1% of net profit of the Company, while Matko Galeković and Jakov Jaki Radošević are entitled to a fixed amount of annual award of EUR 15,926.74. The stated amounts are paid regardless of the achieved work results and are not a subject to a special decision of the Supervisory Board. Members of the Management Board are also entitled to an additional variable part of the annual award. However, the amount of the stated award is not pre-signed and depends on the decision of the Supervisory Board of the Company.

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 2023, the annual award will be paid in cash. Delayed payments of part of remuneration are not anticipated, nor an obligation to return paid variable part of remuneration.

Following the above, in 2023 the following remunerations were calculated for the members of the Management Board:

Surname and name	Fixed part (EUR)	%	Variable part (EUR)	%	Total (EUR)	%
Herceg Jasminko	177,842.46	42.15	244,084.11	57.85	421,926.57	100.00%
Galeković Matko	118,729.36	55.19	96,389.26	44.81	215,118.62	100.00%
Radošević Jaki Jakov	118,956.09	55.34	95,992.55	44.66	214,948.64	100.00%
Total	415,527.91	48.77	436,465.92	51.23	851,993.83	100.00%

Attachment: Remuneration Report 2023

The calculated remuneration refers to the gross I amount of the remuneration calculated in the period from 1 January to 31 December 2023. The fixed part refers to the salary, salary in kind, and meal allowance, while the variable part refers to of the annual award, jubilee award, reward benefit 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.

In accordance with the above, in 2023, Jasminko Herceg was paid a total of EUR 393,700.34, of which EUR 177,690.33 (45.13%) relates to the fixed part, and EUR 216,010.01 (54.87%) to the variable part. Matko Galeković was paid a total of EUR 199,863.60, of which EUR 117,321.78 (58.70%) relates to the fixed part, and EUR 82,541.82 (41.30%) to the variable part. Jakov Jaki Radošević was paid a total of EUR 199,603.63, of which EUR 117,458.83 (58.85%) relates to the fixed part, and EUR 82,144.80 (41.15%) to the variable part.

In addition to the amount of fixed and variable part, members of the Management Board have the right to use the official vehicle for business and private purposes. In addition, the Company concludes a life insurance contract with a savings component and the possibility of taking over life insurance policies after termination of employment for the President of the Management Board.

Members of the Management Board of the Company are also members of the Management Committee of pharmacies in the Prima Pharme Group. For their work and engagement in the Management Committee in 2023, their fixed remuneration was calculated and paid as follows:

Surname and name	Management Committee remuneration (EUR)
Herceg Jasminko	6,485.64
Galeković Matko	4,632.60
Radošević Jaki Jakov	6,485.64
TOTAL	17,603.88

The calculated remuneration refers to the gross I amount of the remuneration calculated in the period from 1 January to 31 December 2023.

Members of the Management Board of the Company in 2020, bought 2,300 shares of Medika d.d., i.e. Jasminko Herceg 1,100 shares, and Matko Galeković and Jakov Jaki Radošević 600 shares each, by unit price of EUR 1,024.09, from the related company Auctor d.o.o., primarily through secured loans received from the same related company. The voting rights of the purchased shares remain with Auctor d.o.o. and Auctor d.o.o. can buy them back or transfer them to third parties under certain conditions until the middle of 2026. The cost and the corresponding capital increase recognized in 2023 is EUR 129,463 for the shares of Jasminko Herceg, EUR 70,616 for the shares of Matko Galeković and EUR 70,616 for the shares of Jakov Jaki Radošević.

In case of dismissal of the President of the Management Board if there is an important reason for this, or in case of termination of the contract due to the expiration of the mandate, the

Attachment: Remuneration Report 2023

member of the Management Board has the right to a one-time payment of 24 basic monthly salaries that the President of the Management Board earned in position.

In the event of termination of the Agreement due to the expiration of the term of office, if a new contract is not concluded with the President of the Management Board on the performance of the same tasks, the President of the Management Board is ensured of performing other tasks that correspond to his professional training and abilities acquired through work. The President of the Management Board retains the right to the monthly salary that he earned in his position for a period of six months, counting from the day of his dismissal from that position, and at the end of that period he is entitled to the salary that is provided for the work he performs. If the President of the Management Board declares that he does not want to continue working at Medika d.d. after the end of his mandate, the employer will immediately pay him a compensation of 24 basic monthly salaries that he earned as the President of the Management Board.

In case of dismissal of a member of the Management Board if there is an important reason for this, or in case of termination of the contract due to the expiration of the mandate, the member of the Management Board has the right to a one-time payment of 12 basic monthly salaries that the member of the Management Board earned while in the position. In the event of termination of the Agreement due to the expiration of the term of office, if a new contract is not concluded with the member of the Management Board on the performance of the same tasks, the member of the Management Board is ensured the performance of other tasks that correspond to his professional training and abilities acquired through work. If a member of the Management Board declares that he does not want to continue working at Medika d.d. after the end of his mandate, the employer will immediately pay him a compensation of 12 basic monthly salaries that he earned as a member of the Management Board.

Below is the average remuneration of the Company. employees who were employed full-time for the previous five business years in gross I amount, which includes: salary, salary in kind, awards, daily allowance, jubilee awards, loyalty awards (for the period 2019 to 2022), meal allowance, allowance for the transport, allowance for unused annual leave, allowance for preschool education, reward benefit, severance pay, grants for the birth of a child, grants due to natural disasters, grants due to the death of a close family member, gift for children under 15, disability benefits.

<i>Annual remuneration per employee in EUR</i>	2023	2022	2021	2020	2019
Gross I	16,821.27	16,435.09	15,625.55	16,616.44	15,713.91

The following is a comparative presentation of the annual changes in the remunerations of the Supervisory Board members and the Management Board members, expressed as a percentage, based on the total amount (gross I) of remuneration (which include the fixed and variable part of salaries, bonuses, other remuneration in kind and all other payments made with the Management Board member, or, the Supervisory Board members of the Company status) for the specified year, divided by the average number of the Management Board members, or, the Supervisory Board members.

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Annual change in the remuneration of the Supervisory Board members- in %	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018
	0%	0%	-8%	18%	4%

Annual change in the remuneration of the Management Board members- in %	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018
	7%	15%	-3%	-5%	-11%

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

<i>In thousands of EUR</i>	2023	2022	2021	2020	2019
Income of Medika d.d.	728,010	607,388	527,787	511,244	468,562
Net profit of Medika d.d.	14,969	11,830	10,286	8,058	7,571

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. The Company did not demand the return of any variable part of the salary, nor were any conditions met.

There are no payments or obligations for payment by a third party to the members of the Management Board, in connection with the work they performed as members of the Management Board in the Company or any other function within the Medika Group.

The report on the remuneration of members of the Management Board for 2023 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 2023 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 2024 in line with Article 276.a paragraph 4 of the Companies Act.

In Zagreb, 20 March 2024



Jasminko Herceg
President of the Management Board



Oleg Uskokovic
President of the Supervisory Board

Ad 7) Decisions ad 7. was made with 100% of the valid given votes (26,132).
The Receipts Policy approved on 20 December 2020 is confirmed and applies for the period from 2024 to 2027.

Ad 8) Decisions ad 8. was made with 100% of the valid given votes (26,154).
Ernst&Young d.o.o., Zagreb, Radnička cesta 50, OIB: 58960122779, is appointed as the auditor of the Company for the year 2024.