

**Management Board interim report  
for the temporary unaudited annual  
financial statements for 2014  
Medika d.d. Zagreb**

**February 2015**

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## Report Submitted by Director

### ***Comment on temporary unaudited unconsolidated financial statements for the fourth quarter of 2014***

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of 2014, Medika d.d. has prepared temporary unaudited financial statements which present approximate balance sheet as at 31 December 2014, approximate profit and loss statement for the fourth quarter of 2014, approximate statement of changes in equity and approximate statement of cash flow.

We stress out that these financial statements are temporary and as such are not approved by the Supervisory Board. Furthermore, 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 2015.

With the above stated, Management Board does not comment financial statements, but only presents key events for the Company in 2014.

#### ***Key events***

Total pharmaceutical market in 2014 has decreased comparing to the same period of previous year. At the same time, sales of Medika have increased, so the market share has grown in 2014.

There were several changes of The list of medicinal products and medical devices during the year, which lowered the sales prices and affected the amount of realized revenues from sale.

Based on the decision passed by General Assembly, the Company increased share capital. Share capital has increased for HRK 40.8 million and amounts to HRK 135.0 million.

Due to better cash inflow in 2014, indebtness decreased comparing to the beginning of year.

***Expected future development of the Company***

The Company will continue with its core business: distribution of medicinal products and medical devices and will strongly develop operations with products that make the core business of the firm.

***Treasury shares***

At 31 December 2014, Medika holds 1,155 treasury shares.

***Subsidiaries and associates***

The Company has 100% of ownership in subsidiary Zdravstvena ustanova Ljekarne Prima Pharme and associate Litmus d.o.o. in which it holds 41.53% of ownership.

ZU Ljekarne Prima Pharme has 100% of ownership ZU Ljekarne Delonga, ZU Ljekarne Ines Škoko, ZU Ljekarne Atalić and associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

During 2014 Ljekarna Elvira Štimac was merged with ZU Ljekarne Prima Pharme.

Also, from 1st of January 2014, ZU Ljekarne Hermed entered in Prima Pharma Group. During 2014 ZU Ljekarne Hermed was merged with ZU Ljekarne Prima Pharme.

***Related parties***

The company with major voting rights or a parent company Mavota d.o.o. owns 47.38% of the Company and has 49.26% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.33% 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's purchase of goods is predominantly 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.

The Company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

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 price decrease on List of medicinal products and medical devices approved by HZZO and administrative approach in determining prices and margins of medicinal products and medical devices. 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 pharmacies, which have potential going concern issue. Hospitals which have longer collection period do not have a going concern issue and collection issue.

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 either dependent from or owned by State, risk of collection is not high, but this increases the need for future financing, which increases finance expenses.

Jasminko Herceg, dipl.oec.  
Director



**Medika** d.d.  
ZAGREB, Capraška 1

**Appendix 1.**

Reporting period:

1.1.2014

to

31.12.2014.

**Quarterly financial statements TFI-POD**

Registration number (MB): 03209741

Identification number of company (MBS): 080027531

Personal identification number (OIB): 94818858923

Issuer: MEDIKA d.d.

Postal code and city: 10000

ZAGREB

Address: CAPRAŠKA 1

e-mail: medika.uprava@medika.hr

web page: www.medika.hr

Code and name of municipality/city: 133 ZAGREB

Code and county name: 21 GRAD ZAGREB

Number of employees: 370  
(end of reporting period)

Consolidated statements: NO

NKD code: 4646

Consolidated entities (according to IFRS):

Headquarters:

MB:

Bookkeeping service:

Contact person: RADMILOVIĆ DIJANA

(only name of the contact person)

Telephone number: 012412551

Telefaks: 012371441

e-mail: medika.uprava@medika.hr

Name: HERCEG JASMINKO

(osoba ovlaštene za zastupanje)

**Documentation for publishing:**

1. Financial statements (Balance sheet, Profit and loss account, Cash flow statements, Statements of changes in equity and Notes to financial statements)
2. Interim report,
3. Statement of Liability.

**3 Medika d.d.**  
ZAGREB, Capraška 1

M.P.

(signature of authorised person)

**BALANCE SHEET**  
balance as at 31.12.2014.

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	235.510.659	244.906.254
I. INTANGIBLE ASSETS (004 to 009)	003	19.640.383	17.634.786
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	5.873.164	3.799.079
3. Goodwill	006	11.929.586	11.929.586
4. Advances for intangible assets	007	106.987	43.035
5. Intangible assets under construction	008	1.730.646	1.863.086
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	146.572.413	160.984.034
1. Land	011	15.994.715	15.994.716
2. Buildings	012	102.542.496	99.198.609
3. Equipment and machinery	013	4.263.093	4.327.186
4. Furniture, fittings and vehicles	014	7.682.896	7.233.750
5. Biological assets	015		
6. Advances for tangible assets	016	6.007.726	839.803
7. Tangible assets under construction	017	9.347.737	32.571.220
8. Other tangible assets	018	733.750	818.750
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	68.856.720	65.755.234
1. Investment in subsidiaries and associates	021	59.148.400	59.353.400
2. Loans to related parties	022		
3. Loans given to minority interest	023		
4. Loans given to participating parties	024		
5. Investment in securities	025		
6. Loans given, deposits and similar	026	9.708.320	6.401.834
7. Other non-current financial assets	027		
8. Investments at equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033	441.143	532.200
C) CURRENT ASSETS (035+043+050+058)	034	1.625.481.613	1.551.604.566
I. INVENTORY (036 To 042)	035	211.243.565	229.320.141
1. Raw material	036	96.103	127.534
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	209.998.864	224.504.490
5. Advances for inventories	040	1.148.598	4.688.117
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.312.175.181	1.108.901.197
1. Receivables from related parties	044	246.515.688	225.132.479
2. Trade receivables	045	1.056.109.550	872.355.337
3. Receivables from participating parties	046		
4. Receivables from employees	047	27.994	40.214
5. Receivables from the state and other institutions	048	5.654.012	9.228.075
6. Other receivables	049	3.867.937	2.145.092
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	50.405.113	148.273.952
1. Investment in subsidiaries and associates	051		
2. Loans to related parties	052		
3. Equity investments	053		
4. Loans given to participating parties	054		
5. Investment in securities	055		
6. Loans given, deposits and similar	056	50.405.113	148.273.952
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	51.657.754	65.109.276
D) PREPAID EXPENSES AND ACCRUED INCOME	059	728.889	2.140.099
E) TOTAL ASSETS (001+002+034+059)	060	1.861.721.161	1.798.650.919
G) OFF BALANCE SHEET ITEMS	061	185.013.175	161.014.153

<b>EQUITY AND LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	388,050,446	449,518,920
I. SHARE CAPITAL	<b>063</b>	94,205,280	134,967,180
II. CAPITAL RESERVES	<b>064</b>	-9,243,180	-9,243,180
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	<b>065</b>	88,587,744	88,587,744
1. Legal reserves	<b>066</b>	7,277,713	13,953,444
2. Reserves for treasury shares	<b>067</b>	60,000,000	53,324,269
3. Treasury shares	<b>068</b>	10,486,459	10,486,459
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	31,796,490	31,796,490
IV. REVALUATION RESERVES	<b>071</b>		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	<b>072</b>	173,091,313	173,738,701
1. Retained earnings	<b>073</b>	173,091,313	173,738,701
2. Accumulated loss	<b>074</b>		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	<b>075</b>	41,409,289	61,468,475
1. Profit for the period	<b>076</b>	41,409,289	61,468,475
2. Loss for the period	<b>077</b>		
VII. MAJORITY INTERESTS	<b>078</b>		
<b>B) PROVISIONS (080 To 082)</b>	<b>079</b>	515,583	562,715
1. Provisions for retirement, severance payment and similar	<b>080</b>	515,583	562,715
2. Tax provisions	<b>081</b>		
3. Other provisions	<b>082</b>		
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	5,638,314	17,464,937
1. Liabilities to related parties	<b>084</b>		
2. Borrowings and deposits	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	5,638,314	17,464,937
4. Liabilities for advances received	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Liabilities for securities	<b>089</b>		
7. Liabilities to participating parties	<b>090</b>		
8. Other non-current liabilities	<b>091</b>		
9. Deferred tax liability	<b>092</b>		
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	1,466,203,854	1,329,643,375
1. Liabilities to related parties	<b>094</b>	122,955,376	121,317,815
2. Borrowings and deposits	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	309,262,788	257,184,099
4. Liabilities for advances received	<b>097</b>	417,048	1,296,785
5. Trade payables	<b>098</b>	1,021,690,528	933,176,663
6. Liabilities for securities	<b>099</b>		
7. Liabilities to participating parties	<b>100</b>		
8. Liabilities to employees	<b>101</b>	5,106,170	7,022,980
9. Liabilities for taxes and contributions	<b>102</b>	4,116,250	6,466,811
10. Dividend payables	<b>103</b>	1,034	1,034
11. Liabilities for non-current assets available for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	2,654,660	3,177,188
<b>E) DEFERRED INCOME AND ACCRUED EXPENSES</b>	<b>106</b>	1,312,964	1,460,972
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1,861,721,161	1,798,650,919
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	185,013,175	161,014,153
<b>SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributable to equity holders	<b>109</b>		
2. Attributable to minority interest	<b>110</b>		

Note 1.: Supplement to balance sheet is filled for consolidated financial statements.

**PROFIT AND LOSS**  
for period from 1.1.2014. to 31.12.2014.

Issuer: MEDIKA d.d

Description	AOP mark	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING REVENUES (112+113)</b>	<b>111</b>	2.210.919.397	534.518.835	2.219.090.131	571.344.201
1. Revenues from sale	112	2.182.080.092	520.208.278	2.186.425.888	550.286.374
2. Other operating revenues	113	28.839.305	14.310.557	32.664.243	21.057.827
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	2.151.398.364	521.780.560	2.151.113.021	536.875.008
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	2.036.582.157	487.830.656	2.055.883.949	509.952.223
a) Raw materials	117	10.107.434	2.948.100	10.151.389	2.745.162
b) Cost of goods sold	118	2.002.537.230	478.481.768	2.023.973.466	500.849.705
c) Other expenses	119	23.937.493	6.400.788	21.759.094	6.357.356
3. Employee expenses (121 to 123)	120	49.169.423	12.446.841	49.841.952	12.572.872
a) Net salaries	121	28.586.428	7.317.175	28.621.896	7.327.563
b) Tax and contributions from salaries	122	14.094.879	3.487.109	14.126.053	3.424.543
c) Contributions on salaries	123	6.488.116	1.642.357	7.094.003	1.820.766
4. Depreciation and amortization	124	13.306.348	3.239.963	9.736.465	2.231.365
5. Other expenses	125	38.907.715	19.182.579	30.269.561	12.624.823
6. Impairment (127+128)	126	13.327.292	-1.022.708	5.331.911	-555.458
a) of non-current assets (financial assets excluded)	127			1.840.163	1.840.163
b) of current assets (financial assets excluded)	128	13.327.292	-1.022.708	3.491.748	-2.395.621
7. Provisions	129	103.429	103.429	49.183	49.183
8. Other operating expenses	130				
<b>III. FINANCE INCOME (132 to 136)</b>	<b>131</b>	4.155.567	620.389	10.781.566	3.681.747
1. Interests, foreign exchanges and dividend from related parties	132				
2. Interests, foreign exchanges and dividend from non-related parties	133	4.155.567	620.389	10.781.566	3.681.747
3. Share of profit from associate	134				
4. Unrealised gains	135				
5. Other financial income	136				
<b>IV. FINANCE EXPENSES (138 to 141)</b>	<b>137</b>	19.828.388	4.890.682	15.586.695	3.918.855
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	19.828.388	4.890.682	15.586.695	3.918.855
3. Unrealised losses	140				
4. Other finance expenses	141				
<b>V. SHARE OF PROFIT FROM ASSOCIATE</b>	<b>142</b>				
<b>VI. SHARE OF LOSS FROM ASSOCIATE</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	2.215.074.964	535.139.224	2.229.871.697	575.025.948
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	2.171.224.752	526.671.242	2.166.699.716	540.793.863
<b>XI. PROFIT OR LOSS BEFORE TAX ( 146-147)</b>	<b>148</b>	43.850.212	8.467.982	63.171.981	34.232.085
1. Profit before tax (146-147)	149	43.850.212	8.467.982	63.171.981	34.232.085
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. INCOME TAX</b>	<b>151</b>	2.440.923	-8.173.746	1.703.506	-5.531.468
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	41.409.289	16.641.728	61.468.475	39.763.553
1. Profit for the period (149-151)	153	41.409.289	16.641.728	61.468.475	39.763.553
2. Loss for the period (151-148)	154	0	0	0	0



**SUPPLEMENT TO PROFIT AND LOSS (for consolidated financial statements)**

**XIV. PROFIT OR LOSS FOR THE PERIOD**

1. Attributable to equity holders	155				
2. Attributable to minority interest	156				

**OTHER COMPREHENSIVE INCOME REPORT (for IFRS reporting)**

I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	41,409,289	16,641,728	61,468,475	39,763,553
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 to 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Changes in revaluation reserves for non-current tangible and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161				
4. Gains or losses from efficient cash flow hedging	162				
5. Gains or losses from efficient hedge of net investment abroad	163				
6. Share in other comprehensive profit/loss of associates	164				
7. Actuarial gains/losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)	168	41,409,289	16,641,728	61,468,475	39,763,553

**APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)**

**VI. COMPREHENSIVE PROFIT OR LOSS**

1. Attributable to equity holders	169				
2. Attributable to minority interest	170				

**STATEMENT OF CASH FLOW - Indirect method**  
for period from 1.1.2014. to 31.12.2014.

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	43.850.212	63.171.981
2. Depreciation and amortisation	002	13.306.348	9.736.465
3. Increase of current liabilities	003		
4. Decrease of current receivables	004	103.068.938	203.273.984
5. Decrease of inventories	005		
6. Other increase of cash flow	006	5.367.185	
<b>I. Total increase of cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>165.592.683</b>	<b>276.182.430</b>
1. Decrease of current liabilities	008	89.682.782	84.481.790
2. Increase of current receivables	009		
3. Increase of inventories	010	24.229.072	18.076.576
4. Other decrease of cash flow	011		96.650.387
<b>II. Total decrease of cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>113.911.854</b>	<b>199.208.753</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>51.680.829</b>	<b>76.973.677</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of tangible and intangible assets	015	761.183	181.927
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	1.678.880	7.632.805
4. Dividends received	018		
5. Other proceeds from investing activities	019		
<b>III. Total proceeds from investing activities (015 to 019)</b>	<b>020</b>	<b>2.440.063</b>	<b>7.814.732</b>
1. Purchase of tangible and intangible assets	021	10.603.112	29.469.430
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023	39.937.000	
<b>IV. Total purchases resulting from investing activities (021 to 023)</b>	<b>024</b>	<b>50.540.112</b>	<b>29.469.430</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	<b>48.100.049</b>	<b>21.654.698</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	261.000.000	258.885.249
3. Other proceeds from financing activities	029		
<b>V. Total proceeds from financing activities (027 to 029)</b>	<b>030</b>	<b>261.000.000</b>	<b>258.885.249</b>
1. Repayments of borrowings	031	223.800.094	298.666.667
2. Dividends paid	032		
3. Repayments of finance lease	033	2.785.128	2.086.039
4. Purchase of treasury shares	034	1.680.971	
5. Other purchases resulting from financing activities	035		
<b>VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)</b>	<b>036</b>	<b>228.266.193</b>	<b>300.752.706</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>32.733.807</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>0</b>	<b>41.867.457</b>
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	36.314.587	13.451.522
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	0
Cash and cash equivalents at beginning of the period	041	15.343.167	51.657.754
Increase of cash and cash equivalents	042	36.314.587	13.451.522
Decrease of cash and cash equivalents	043		
Cash and cash equivalents at end of the period	044	51.657.754	65.109.276

**STATEMENT OF CHANGES IN EQUITY**  
for period from 1.1.2014 to 31.12.2014.

Description 1	AOP mark 2	Previous period 3	Current period 4
1. Share capital	001	94.205.280	134.967.180
2. Capital reserves	002	-9.243.180	-9.243.180
3. Reserves from retained earnings	003	88.587.744	88.587.744
4. Retained earnings or accumulated loss	004	173.091.313	173.738.701
5. Profit or loss for the period	005	41.409.289	61.468.475
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
<b>10. Total capital and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>388.050.446</b>	<b>449.518.920</b>
11. Foreign exchanges from the foreign investments	011		
12. Current and deferred tax (part)	012		
13. Cash flow hedge	013		
14. Changes of accounting policies	014		
15. Correction of material mistakes from previous period	015		
16. Other changes of equity	016		
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>
<b>17 a. Attributable to equity holders</b>	<b>018</b>		
<b>17 b. Attributable to minority interest</b>	<b>019</b>		

Balances that decrease equity are presented with the minus  
Data in AOP 001 to 009 are presented as the balance as at balance sheet date

Zagreb, 09 February 2015

Pursuant to the articles 407. to 410. of the Capital market Law (Official Gazette 88/08 and 146/08) Director Jasminko Herceg provides

### **MANAGEMENT BOARD'S STATEMENT OF LIABILITY**

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

Temporary unaudited consolidated and unconsolidated financial statements for the period period 01 January to 31 December 2014 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company and the Group.

The interim management report for the temporary unaudited financial statements for the period 01 January to 31 December 2014 presents true and fair presentation of development and results of the operations of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.

Jasminko Herceg  
Director

<sup>3</sup> **Medika** d.d.  
ZAGREB, Capraška 1