



**Medika** d.d.

Zagreb, Capraška 1

**INTERIM REPORT  
for I-VI 2015  
Group Medika**

**July 2015**

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## Report Submitted by Director

### *Comment on the business results for the first six months of 2015*

Medika Group („Group“) has realised total revenue in the first six months of 2015 in amount of HRK 1 billion 238.8 million which is by 11,64% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 1 billion 211.4 million for the first six months of 2015 are by 10.87% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 97.79% and has not significantly changed comparing to the same period of previous year when it was 98.47%.

Other operating revenues which amount to HRK 13.8 million are higher comparing to the same period of previous year by HRK 6.0 million. Since the share of other operating revenues in total revenue was only 0.70% in the first six months of 2014, and in the first six months of 2015 is only 1.12%, this increase is not that significant.

Out of the total sales revenues, 99.87% revenues are generated on domestic market, while 0.13% is generated on the foreign market. This structure in the first six months of 2015 is on same level comparing to the same period of previous year.

Material expenses amount to HRK 1 billion 122.1 million and are by 11.49% higher comparing to the same period of previous year. Since the operating expenses are growing slower, share of material expenses in the operating expenses is by 0.27% higher comparing to the same period of previous year and amounts to 93.42%.

Employee expenses have not significantly changed comparing to the same period of previous year. Since operating expenses have increased, their share in the operating expenses has decreased by 0.43%.

Finance expenses have decreased compared to the same period of previous year by HRK 1.3 million, which is 12.48%. Their share in the total expenses is 0.19% lower comparing to the same period of previous year and amounts 0.72%. This decrease is the result of decrease in foreign exchange differences and lower interest expenses as a result of lower interest rates in the first six months of 2015 comparing to the same period of previous year.

Gross margin in the first six months of 2014 amounted to 10.04% while in the first six months of 2015 amounts to 9.29% which is decrease of 0.75%. Decrease is a result of larger increase in net cost of goods sold comparing to the increase in net sales revenue.

Gross profit (profit before taxation) amounts to HRK 28.8 million, while in the same period of previous year amounted to HRK 19.1 million, which is increase of HRK 9.7 million. Higher gross profit is result of greater increase of total income (increase of 11.64% comparing to the same period of previous year) in relation to the increase of total expenses (increase of 10.95% comparing to the same period of previous year).

Operative earnings amount to HRK 24.1 million and are by HRK 4.1 million, or 20.75%, higher comparing to the same period of previous year.

Realised net profit amounts to HRK 21.5 million.

Transactions with the related parties in the first six months of 2015 generated total revenue in amount of HRK 14.7 million, while in the same period of previous year total revenue amounted to HRK 14.4 million, which is increase of 1.65%.

Trade goods purchased from the related parties amount to HRK 78.3 million, while in the same period of previous year they amounted to HRK 93.4 million. Decrease is partly result of lower sales prices on List of medicinal products.

Total assets are by 9.58% higher comparing to the beginning of the year which is mostly influenced by increase of short term assets.

Long term assets are at the same level comparing to the beginning of the year. Long term intangible assets are lower comparing to the beginning of the year for HRK 1.7 million, which is mainly a result of amortization and writing off of goodwill related to the sold pharmacy unit. Long term tangible assets have increased comparing to the beginning of the year for HRK 2.4 million. This is the result of new additions and increase in investment in new business centre Osijek. In April 2015 the investment in new business centre Osijek was activated.

Long term financial assets and deferred tax assets are almost at the same level comparing to the beginning of the year.

Short term assets amount to HRK 1 billion 660.6 million and are by HRK 180.8 million, or 12.22%, higher comparing to the beginning of the year. In the structure of short term assets all balances (inventory, receivables and financial assets) have increased.

Inventory has increased by HRK 7.7 million comparing to the beginning of the year which is a result of higher procurement due to the sales increase.

Total short term receivables amount to HRK 1 billion 59.2 million and are higher for HRK 71.2 million, which is 7.20%, comparing to the beginning of the year. Trade receivables and receivables from related parties amount to HRK 1 billion 48.4 million and have increased by 7.51% comparing to the beginning of the year.

Short term financial assets amount to HRK 203.1 million and mostly relates to short term given loans.

In equity there was change in treasury shares and capital reserves due to the granting of treasury shares to the management. At the Regular General Assembly held on 30 June 2015, decision was passed to redistribute amount of HRK 2,038,095.00 from the reserves for treasury shares to legal reserves, which resulted in changes in the balance sheet positions.

Also, decision was passed to pay out the dividend to the shareholders in the amount of HRK 77,271,350.00. Dividend will be paid out from the retained earnings of the Company realised in the period until 31.12.2000.

Long term liabilities are higher comparing to the beginning of the year for HRK 6.3 million which is entirely influenced by increase in liabilities to banks and other financial institutions.

Short term liabilities amount to HRK 1 billion 596.9 million out of which HRK 1 billion 118.4 million relates to trade payables and liabilities to related parties and HRK 380.2 million to indebtedness (HRK 379.6 million to short term loans and HRK 532 thousand to finance lease).

Trade payables and liabilities to related parties are higher for HRK 57.4 million comparing to the beginning of the year.

Total loans liabilities of the Group amount to HRK 402.3 million which is increase of HRK 103.9 million comparing to the beginning of the year. Out of the total loan liabilities, HRK 22.7 million relates to long term loans and HRK 379.6 million to short term loans. . Long term loans have increased due to the long term loan for financing investment in new business centre in Osijek. Due to the lower cash inflow in the period January – May, the Company increased indebtedness for the purposes of settling liabilities to suppliers. All loans are in kuna and there is no exposure to foreign exchange risk at this balance sheet items.

### ***Key events***

Total pharmaceutical market in the first six months of 2015 has increased comparing to the same period of previous year. At the same time, sales of Medika have increased more comparing to the market increase, which resulted in higher market share in 2015.

With the changes at of List of medicinal products sales prices were lowered which resulted in lower sales margin comparing to the same period of the previous year.

In April the new business centre in Osijek started operating and the investment was activated.

In equity there was change in treasury shares and capital reserves due to the granting of treasury shares to the management. At the Regular General Assembly held on 30 June 2015, decision was passed to redistribute amount of HRK 2,038,095.00 from the reserves for treasury shares to legal reserves, which resulted in changes in the balance sheet positions.

Also, decision was passed to pay out the dividend to the shareholders in the amount of HRK 77,271,350.00. Dividend will be paid out from the retained earnings of the Company realised in the period until 31.12.2000.

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

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 Prima Pharme is to expand network of pharmacies on whole territory of Croatia.

### ***Treasury shares***

As at 30.06.2015, Medika holds 1,035 treasury shares.

### ***Subsidiaries and associates***

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

ZU Ljekarne Prima Pharne 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.

### ***Related parties***

The company with major voting rights, Mavota d.o.o. owns 47.38% of the Company and has 49.06% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.22% 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 partly realised on the foreign market. The Company is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to the EUR.

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from the borrowings with variable interest rates. Borrowings with fixed interest rates expose the Company to the fair value interest rate exposure.

The Company does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. However, the Company continuously monitors changes in interest rates. Various scenarios are simulated taking into account refinancing, renewal of existing positions and alternative financing.

Price risk arises from a continuous decrease in the price of HZZO's List of medicinal products and administrative approach in determining prices and margins of medicinal products. To lower this risk, the Company focused on increase of variety of products which are not limited by law in respect of the price of the product.

Majority of the credit risk relates to trade receivables. Credit risk is higher when dealing with pharmacies, which have potential going concern issue. However, 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 directly or indirectly related to the receivables from the State institutions, the collection of these receivables should not be classified as a risk. This increases the need for additional financing, which increases finance expenses.

Jasminko Herceg, dipl.oec.  
*Director*

  


**Medika** d.d.  
ZAGREB, Capraškina

**Appendix 1.**

Reporting period:

1.1.2015.

to

30.6.2015.

**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: 782  
(end of reporting period)

Consolidated statements: YES

NKD code: 4646

Consolidated entities (according to IFRS):

Headquarters:

MB:

ZU Ljekarne Prima Pharme

Split

0694975

ZU Ljekarne Delonga

Okrug Gornji

1605747

ZU Ljekarne Ines Škoko

Zagreb

02708396

ZU Ljekarne Atalić

Osijek

0845124

Bookkeeping service:

Contact person: RADMILOVIĆ DIJANA

(only name of the contact person)

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Name: HERCEG JASMINKO

(authorised person)

**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.

M.P.


**Medika d.d.**

 (signature of authorised person)

**BALANCE SHEET**  
balance as at 30.6.2015.

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	406.526.335	407.754.717
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	187.874.734	186.198.172
1. Research and development	<b>004</b>		
2. Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	113.742.190	114.280.994
3. Goodwill	<b>006</b>	72.226.423	71.502.831
4. Advances for intangible assets	<b>007</b>	43.035	
5. Intangible assets under construction	<b>008</b>	1.863.086	414.347
6. Other intangible assets	<b>009</b>		
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	169.412.366	171.825.127
1. Land	<b>011</b>	15.994.715	18.232.855
2. Buildings	<b>012</b>	104.745.502	128.359.772
3. Equipment and machinery	<b>013</b>	5.404.669	10.178.935
4. Furniture, fittings and vehicles	<b>014</b>	9.017.507	10.479.886
5. Biological assets	<b>015</b>		
6. Advances for tangible assets	<b>016</b>	839.803	144.600
7. Tangible assets under construction	<b>017</b>	32.571.220	3.594.379
8. Other tangible assets	<b>018</b>	838.950	834.700
9. Investment property	<b>019</b>		
<b>III. NON-CURRENT FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	46.542.142	46.955.790
1. Investment in subsidiaries and associates	<b>021</b>	39.441.483	39.513.477
2. Loans to related parties	<b>022</b>		
3. Loans given to minority interest	<b>023</b>		
4. Loans given to participating parties	<b>024</b>		
5. Investment in securities	<b>025</b>		
6. Loans given, deposits and similar	<b>026</b>	7.100.659	7.442.313
7. Other non-current financial assets	<b>027</b>		
8. Investments at equity method	<b>028</b>		
<b>IV. RECEIVABLES (030 to 032)</b>	<b>029</b>	1.529.977	1.529.977
1. Receivables from related parties	<b>030</b>		
2. Receivables for credit sales	<b>031</b>		
3. Other receivables	<b>032</b>	1.529.977	1.529.977
<b>V. DEFERRED TAX ASSET</b>	<b>033</b>	1.167.116	1.245.651
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	1.479.737.976	1.660.551.354
<b>I. INVENTORY (036 To 042)</b>	<b>035</b>	262.314.166	270.002.677
1. Raw material	<b>036</b>	537.117	548.895
2. Work in progress	<b>037</b>		
3. Finished products	<b>038</b>		
4. Trade goods	<b>039</b>	257.051.444	266.347.904
5. Advances for inventories	<b>040</b>	4.725.605	3.105.878
6. Non-current assets available for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	988.048.781	1.059.225.012
1. Receivables from related parties	<b>044</b>	15.442.355	18.045.740
2. Trade receivables	<b>045</b>	959.727.442	1.030.357.777
3. Receivables from participating parties	<b>046</b>		
4. Receivables from employees	<b>047</b>	367.900	290.278
5. Receivables from the state and other institutions	<b>048</b>	10.008.876	4.964.067
6. Other receivables	<b>049</b>	2.502.208	5.567.150
<b>III. CURRENT FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	148.273.952	203.117.536
1. Investment in subsidiaries and associates	<b>051</b>		
2. Loans to related parties	<b>052</b>		
3. Equity investments	<b>053</b>		
4. Loans given to participating parties	<b>054</b>		
5. Investment in securities	<b>055</b>		
6. Loans given, deposits and similar	<b>056</b>	148.273.952	203.117.536
7. Other financial assets	<b>057</b>		
<b>IV. CASH IN BANK AND ON HAND</b>	<b>058</b>	81.101.077	128.206.129
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	2.396.802	1.231.680
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.888.661.113	2.069.537.751
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	161.014.153	168.589.623



<b>EQUITY AND LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	482,569.941	428,482.923
I. SHARE CAPITAL	<b>063</b>	134,967.180	134,967.180
II. CAPITAL RESERVES	<b>064</b>	-9,243.180	-8,652.683
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	<b>065</b>	88,587.743	89,677.247
1. Legal reserves	<b>066</b>	13,953.444	15,991.539
2. Reserves for treasury shares	<b>067</b>	53,324.269	51,286.174
3. Treasury shares	<b>068</b>	10,486.460	9,396.956
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>	206,911.336	190,986.847
1. Retained earnings	<b>073</b>	206,911.336	190,986.847
2. Accumulated loss	<b>074</b>		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	<b>075</b>	61,346.862	21,504.332
1. Profit for the period	<b>076</b>	61,346.862	21,504.332
2. Loss for the period	<b>077</b>		
VII. MAJORITY INTERESTS	<b>078</b>		
<b>B) PROVISIONS (080 To 082)</b>	<b>079</b>	891.108	891.108
1. Provisions for retirement, severance payment and similar	<b>080</b>	891.108	891.108
2. Tax provisions	<b>081</b>		
3. Other provisions	<b>082</b>		
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	36,098.052	42,417.961
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>	20,097.696	26,417.605
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>	16,000.356	16,000.356
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	1,366,916.173	1,596,912.735
1. Liabilities to related parties	<b>094</b>	121,317.815	109,447.098
2. Borrowings and deposits	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	281,723.365	380,152.527
4. Liabilities for advances received	<b>097</b>	1,431.050	723.403
5. Trade payables	<b>098</b>	939,641.174	1,008,959.691
6. Liabilities for securities	<b>099</b>		
7. Liabilities to participating parties	<b>100</b>		
8. Liabilities to employees	<b>101</b>	10,053.469	7,482.199
9. Liabilities for taxes and contributions	<b>102</b>	9,496.028	9,684.575
10. Dividend payables	<b>103</b>	1,034	77,272.384
11. Liabilities for non-current assets available for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	3,252.238	3,190.858
<b>E) DEFERRED INCOME AND ACCRUED EXPENSES</b>	<b>106</b>	2,185.839	833.024
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1,888,661.113	2,069,537.751
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	161,014.153	168,859.623
<b>SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributable to equity holders	<b>109</b>	482,569.941	428,482.923
2. Attributable to minority interest	<b>110</b>	0	270,000

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

**PROFIT AND LOSS**  
for period from 1.1.2015. to 30.6.2015.

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>	1.100.454.872	557.229.037	1.225.268.918	612.548.516
1. Revenues from sale	112	1.092.637.128	553.590.158	1.211.427.767	606.166.853
2. Other operating revenues	113	7.817.744	3.638.879	13.841.151	6.381.663
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	1.080.532.402	544.949.008	1.201.212.590	595.986.972
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	1.006.515.263	510.464.259	1.122.143.482	557.263.193
a) Raw materials	117	6.694.480	3.465.749	6.646.719	3.576.244
b) Cost of goods sold	118	982.959.862	498.014.788	1.098.906.779	545.003.098
c) Other expenses	119	16.860.921	8.983.722	16.589.984	8.683.851
3. Employee expenses (121 to 123)	120	48.636.737	24.405.861	48.888.691	24.472.778
a) Net salaries	121	28.072.014	13.964.461	28.901.375	14.413.137
b) Tax and contributions from salaries	122	13.763.221	6.825.768	12.919.164	6.488.965
c) Contributions on salaries	123	6.801.502	3.615.632	7.068.152	3.570.676
4. Depreciation and amortization	124	6.714.595	2.885.260	5.869.848	3.038.355
5. Other expenses	125	12.776.575	7.193.628	18.492.967	8.182.858
6. Impairment (127+128)	126	5.889.232	0	5.817.602	3.029.788
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	5.889.232		5.817.602	3.029.788
7. Provisions	129				
8. Other operating expenses	130				
<b>III. FINANCE INCOME (132 to 136)</b>	<b>131</b>	9.167.884	7.506.779	13.556.797	8.362.105
1. Interests, foreign exchanges and dividend from related parties	132			605.484	259.377
2. Interests, foreign exchanges and dividend from non-related parties	133	8.690.785	7.226.050	12.951.313	8.102.728
3. Share of profit from associate	134	477.099	280.729		
4. Unrealised gains	135				
5. Other financial income	136				
<b>IV. FINANCE EXPENSES (138 to 141)</b>	<b>137</b>	10.022.641	4.661.938	8.771.803	4.986.237
1. Interests, foreign exchanges and dividend from related parties	138	154.072	79.510	170.251	86.307
2. Interests, foreign exchanges and dividend from non-related parties	139	9.868.569	4.582.428	8.601.552	4.899.930
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>	1.109.622.756	564.735.816	1.238.825.715	620.910.621
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	1.090.555.043	549.610.946	1.209.984.393	600.973.209
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	19.067.713	15.124.870	28.841.322	19.937.412
1. Profit before tax (146-147)	149	19.067.713	15.124.870	28.841.322	19.937.412
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. INCOME TAX</b>	<b>151</b>	4.894.613	3.788.351	7.336.990	4.922.951
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	14.173.100	11.336.519	21.504.332	15.014.461
1. Profit for the period (149-151)	153	14.173.100	11.336.519	21.504.332	15.014.461
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)**

<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>14.173.100</b>	<b>11.336.519</b>	<b>21.504.332</b>	<b>15.014.461</b>
<b>II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>14.173.100</b>	<b>11.336.519</b>	<b>21.504.332</b>	<b>15.014.461</b>

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

**VI. COMPREHENSIVE PROFIT OR LOSS**

1. Attributable to equity holders	169	14.173.100	11.336.519	21.504.332	15.014.461
2. Attributable to minority interest	170				

**STATEMENT OF CASH FLOW - Indirect method**  
for period from 1.1.2015. to 30.6.2015.

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	19.067.713	28.841.322
2. Depreciation and amortisation	002	6.714.595	5.869.848
3. Increase of current liabilities	003	26.627.988	54.295.017
4. Decrease of current receivables	004	84.455.948	
5. Decrease of inventories	005		
6. Other increase of cash flow	006		
<b>I. Total increase of cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>136.866.244</b>	<b>89.006.187</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009		71.176.230
3. Increase of inventories	010	53.694.341	7.688.511
4. Other decrease of cash flow	011	2.924.151	65.679.997
<b>II. Total decrease of cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>56.618.492</b>	<b>144.544.738</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>80.247.752</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>55.538.551</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of tangible and intangible assets	015	142.085	588.863
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	2.724.158	7.216.457
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>2.866.243</b>	<b>7.805.320</b>
1. Purchase of tangible and intangible assets	021	10.962.960	8.148.846
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023		
<b>IV. Total purchases resulting from investing activities (021 to 023)</b>	<b>024</b>	<b>10.962.960</b>	<b>8.148.846</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>8.096.717</b>	<b>343.526</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	69.981.500	178.114.751
3. Other proceeds from financing activities	029		
<b>V. Total proceeds from financing activities (027 to 029)</b>	<b>030</b>	<b>69.981.500</b>	<b>178.114.751</b>
1. Repayments of borrowings	031	161.994.999	74.122.196
2. Dividends paid	032		
3. Repayments of finance lease	033	1.100.936	1.005.426
4. Purchase of treasury shares	034		
5. Other purchases resulting from financing activities	035		
<b>VI. Ukupno novčani izdaci od finansijskih aktivnosti (031 to 035)</b>	<b>036</b>	<b>163.095.935</b>	<b>75.127.622</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>102.987.129</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>93.114.435</b>	<b>0</b>
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	47.105.052
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	20.963.400	0
Cash and cash equivalents at beginning of the period	041	20.963.400	81.101.077
Increase of cash and cash equivalents	042		47.105.052
Decrease of cash and cash equivalents	043	20.963.400	
Cash and cash equivalents at end of the period	044	0	128.206.129

**STATEMENT OF CHANGES IN EQUITY**  
for period from **1.1.2015** to **30.6.2015**

Description 1	AOP mark 2	Previous period 3	Current period 4
1. Share capital	001	134.964.180	134.967.180
2. Capital reserves	002	-9.243.180	-8.652.683
3. Reserves from retained earnings	003	88.587.743	89.677.247
4. Retained earnings or accumulated loss	004	206.911.336	190.986.847
5. Profit or loss for the period	005	61.346.862	21.504.332
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>482.566.941</b>	<b>428.482.923</b>
11. Foreign exchanges from the foreign investments	011		
12. Current and defferd tax (part)	012		
13. Cash flow hedge	013		
14. Cgchanges 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>
17 a. Attributable to equity holders	018		
17 b. Attributable to minority interest	019		

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, 28 July 2015

Pursuant to the article 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**

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

Consolidated and unconsolidated financial statements for the period from 01 January to 30 June 2015 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 period from 01 January to 30 June 2015 gives 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



**Medika** d.d.  
ZAGREB, Capraška