



Medika d.d.

Zagreb, Capraška 1

**INTERIM REPORT
for I-IX 2016
Medika d.d. Zagreb**

October 2016

Management interim report

Comment on the business results for the first nine months of 2016

Medika d.d. („Company“) has realised total revenue in the first nine months of 2016 in amount of HRK 1 billion 947.5 million which is by 8.88% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 1 billion 912.2 million for the first nine months of 2016 are by 8.77% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 98.19% while in the same period of previous year it was 98.29%.

Other operating revenues which amount to HRK 15.3 million have not changed significantly comparing to the same period of previous year. Share of other operating revenues in total revenue was only 0.86 % in the first nine months of 2015, and in the first nine months of 2016 is only 0.78%.

Out of the total sales revenues, 99.93% revenues are generated on domestic market, while 0.07% is generated on the foreign market. This structure in the first nine months of 2016 has not significantly changed comparing to the same period of previous year.

Material expenses amount to HRK 1 billion 804.1 million and are 8.39% higher comparing to the same period of previous year. Since the operating expenses are growing in lower percentage, share of material expenses in the operating expenses is higher by 0.06% comparing to the same period of previous year and amounts to 95.95%.

Employee expenses are higher by 2.51% comparing to the same period of previous year. Their share in the total expenses amounts to 2.10% while in the same period of previous year it amounted to 2.22%. Increase in employee expenses is influenced by higher number of employees.

Finance expenses have decreased compared to the same period of previous year by HRK 158 thousand, which is 1.20%. Their share in the total expenses is by 0.07% lower compared to the same period of previous year and amounts to 0.68%. This decrease is the result of decrease of foreign exchange expenses in amount of HRK 1.6 million and increase of interest expenses in amount of HRK 1.4 million as a result of higher average indebtedness in the first nine months of 2016 comparing to the same period of previous year.

Gross margin in the first nine months of 2015 amounted to 6.66%, while in the first nine months of 2016 amounts to 6.82%, which is increase by 0.16%. Increase is a result of larger increase in net sales revenue comparing to the increase in net cost of goods sold.

Gross profit (profit before taxation) amounts to HRK 54.3 million, while in the same period of previous year amounted to HRK 39.8 million, which is increase of HRK 14.5 million, or 36.54%. Higher gross profit is result of greater increase of total income (increase of 8.88% comparing to the same period of previous year) in relation to the increase of total expenses (increase of 8.25% comparing to the same period of previous year).

Operative earnings amount to HRK 47.2 million and are by HRK 9.6 million, which is 25.46% higher comparing to the same period of previous year.

Realised net profit amounts to HRK 42.2 million.

Transactions with the related parties in the first nine months of 2016 generated total net revenues in amount of HRK 206.2 million, which is 2.64% more of generated revenue in the same period of previous year when it amounted to HRK 200.9 million. Increase is a result of increase in number of pharmacy units in Prima Pharmer Group.

Trade goods purchased from the related parties amount to HRK 171.9 million, while in the same period of previous year they amounted to HRK 129.5 million. Increase is result of increase in sales.

Total assets are by 12.59% higher comparing to the beginning of the year which is mostly influenced by increase of short term assets.

Long term assets increased by HRK 3.1 million comparing to the beginning of the year. Long term intangible assets are lower comparing to the beginning of the year for HRK 881 thousand. Since there were no significant additions in 2016, decrease is a result of amortization. Long term tangible assets have increased comparing to the beginning of the year for HRK 2.9 million. Looking at the structure of the long term tangible assets, assets under construction and advanced payments for assets under construction have increased (warehouse modifications).

Long term financial assets amount to HRK 68.6 million and mostly relates to the investment in related parties.

Deferred tax assets are at the same level comparing to the beginning of the year.

Short term assets amount to HRK 1 billion 818.6 million and are by HRK 227.8 million, or 14.32%, higher comparing to the beginning of the year. In the structure of short term assets inventory, receivables and cash in bank and on hand have increased, while financial assets have decreased comparing to the beginning of the year.

Inventory has increased by HRK 13.3 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 334.0 million and are higher for HRK 213.8 million, which is 19.08%, comparing to the beginning of the year. Trade receivables and receivables from related parties amount to HRK 1 billion 330.6 million and have increased by 19.36% comparing to the beginning of the year.

Short term financial assets amount to HRK 179.1 million and relate to short term given loans. Comparing to the beginning of the year they have decreased for HRK 8.8 million due to the repayment of the given loans.

At the Regular General Assembly held on 30 June 2016, a decision was passed to increase share capital by HRK 8.5 million by increase of a nominal share value. Nominal share value increased from HRK 6,500.00 by HRK 280.00 and is now amounted to HRK 6,780.00.

In equity, there was change in treasury shares and capital reserves due to the granting of treasury shares to the management and acquiring treasury shares. At the Regular General Assembly held on 30 June 2016, decision was passed to convert reserves for treasury shares in amount of HRK 2.5 million into legal reserves which resulted in changes in amounts of reserves for treasury shares and legal reserves.

At the Regular General Assembly held on 30 June 2016, decision was passed to pay out the dividend to the shareholders in the amount of HRK 49.1 million and for this amount retained earnings have decreased.

Short term liabilities amount to HRK 1 billion 648.1 million out of which HRK 1 billion 160.2 million relates to trade payables and liabilities to related parties and HRK 468.5 million to indebtedness (HRK 467.8 million to short term loans and HRK 613 thousand to finance lease).

Trade payables and liabilities to related parties are higher for HRK 97.0 million comparing to the beginning of the year, which is 9.12%. This increase of trade payables and liabilities to related parties is lower than increase of trade receivables and related parties since the part of liabilities is paid out of a loan received.

Total loans liabilities of Medika amounts to HRK 481.7 million which is increase of HRK 150.4 million comparing to the beginning of the year. Out of the total loans liabilities as at 30.09.2016, HRK 13.9 million relates to long term loans and HRK 467.8 million to short term loans. Short term indebtedness of Medika has increased for the liquidity purposes. All loans are in HRK and there is no exposure to foreign exchange risk at this balance sheet items.

Key events

Total pharmaceutical market in the first nine months of 2016 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 2016.

At the Regular General Assembly held on 30 June 2016, a decision was passed to increase share capital by HRK 8.5 million by increase of a nominal share value. Nominal share value increased from HRK 6,500.00 by HRK 280.00 and is now amounted to HRK 6,780.00. Also, decision was passed to convert reserves for treasury shares in amount of HRK 2.5 million into legal reserves which resulted in changes in amounts of reserves for treasury shares and legal reserves. According to the decision passed, dividend was paid to the shareholders in the amount of HRK 49.1 million. For this amount retained earnings have decreased and dividend payables have increased.

In equity, there was change in treasury shares and capital reserves due to the granting of treasury shares to the management.

Total indebtedness has increased for the liquidity purposes.

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.

Treasury shares

As at 30.09.2016, the Company holds 1,302 treasury shares.

Subsidiaries and associates

The Company has subsidiaries Zdravstvena ustanova Ljekarne Prima Pharme and Put stinica d.o.o. Both subsidiaries are fully owned by the Company.

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

As at 30.09.2016, Put stinica d.o.o. has 100% of ownership in subsidiary Primus nekretnine d.o.o.

Related parties

The company with major voting rights, Auctor d.o.o. owns 47.38% of the Company and has 49.52% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.46% 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.

The Company has part of assets which are interest-bearing so the Company's income and operating cash flows are dependent of changes in market interest rates.

The Company's interest rate risk arises from short term and long term given loans and borrowings with variable interest rates. Borrowings with fixed interest rates expose the Company to the fair value interest rate risk 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


3 Medika d.d.
Z A G R E B, Capraška 1 

Appendix 1.

Reporting period:

1.1.2016.

to

30.9.2016.

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: 402
(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

Fax: 012371441

e-mail: medika.uprava@medika.hr

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.
ZAGREB, Capraška

(signature of authorised person)

BALANCE SHEET
balance as at 30.9.2016.

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	251.520.971	254.627.081
I. INTANGIBLE ASSETS (004 to 009)	003	16.464.979	15.584.000
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	4.086.583	3.186.706
3. Goodwill	006	11.929.586	11.929.586
4. Advances for intangible assets	007		
5. Intangible assets under construction	008	448.810	467.708
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	166.797.758	169.714.430
1. Land	011	18.232.855	18.232.855
2. Buildings	012	121.776.192	119.419.197
3. Equipment and machinery	013	11.674.075	11.720.489
4. Furniture, fittings and vehicles	014	12.107.472	9.370.977
5. Biological assets	015		
6. Advances for tangible assets	016		3.473.197
7. Tangible assets under construction	017	2.196.914	6.693.840
8. Other tangible assets	018	810.250	803.875
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	67.529.127	68.599.544
1. Investment in subsidiaries and associates	021	59.249.330	59.249.330
2. Loans to related parties	022		
3. Equity investments	023		
4. Loans given to participating parties	024		
5. Investment in securities	025		
6. Loans given, deposits and similar	026	8.279.797	9.350.214
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	729.107	729.107
C) CURRENT ASSETS (035+043+050+058)	034	1.590.894.940	1.818.645.716
I. INVENTORY (036 To 042)	035	233.706.798	247.009.646
1. Raw material	036	143.024	118.290
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	229.309.681	245.483.394
5. Advances for inventories	040	4.254.093	1.407.962
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.120.266.135	1.334.029.614
1. Receivables from related parties	044	194.232.229	222.907.246
2. Trade receivables	045	920.527.020	1.107.694.187
3. Receivables from participating parties	046		
4. Receivables from employees	047	26.245	25.807
5. Receivables from the state and other institutions	048	3.393.594	791.818
6. Other receivables	049	2.087.047	2.610.556
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	187.834.250	179.053.437
1. Investment in subsidiaries and associates	051		
2. Loans to related parties	052	160.000	650.000
3. Equity investments	053		
4. Loans given to participating parties	054		
5. Investment in securities	055		
6. Loans given, deposits and similar	056	187.674.250	178.403.437
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	49.087.757	58.553.019
D) PREPAID EXPENSES AND ACCRUED INCOME	059	2.691.376	4.071.111
E) TOTAL ASSETS (001+002+034+059)	060	1.845.107.287	2.077.343.908
G) OFF BALANCE SHEET ITEMS	061	131.451.416	148.382.364

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	419,161,170	408,733,779
I. SHARE CAPITAL	063	196,261,000	204,715,320
II. CAPITAL RESERVES	064	-8,652,683	-8,312,744
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	89,677,247	85,852,773
1. Legal reserves	066	15,991,539	18,465,733
2. Reserves for treasury shares	067	51,286,174	48,811,980
3. Treasury shares	068	9,396,956	13,221,430
4. Statutory reserves	069		
5. Other reserves	070	31,796,490	31,796,490
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	96,642,006	84,304,887
1. Retained earnings	073	96,642,006	84,304,887
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	45,233,600	42,173,543
1. Profit for the period	076	45,233,600	42,173,543
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	802,829	802,829
1. Provisions for retirement, severance payment and similar	080	802,829	802,829
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	19,452,682	19,358,801
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	19,452,682	19,358,801
4. Liabilities for advances received	087		
5. Trade payables	088		
6. Liabilities for securities	089		
7. Liabilities to participating parties	090		
8. Other non-current liabilities	091		
9. Deferred tax liability	092		
D) CURRENT LIABILITIES (094 to 105)	093	1,405,566,921	1,648,124,161
1. Liabilities to related parties	094	114,785,187	135,987,362
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	319,957,233	468,456,711
4. Liabilities for advances received	097	3,137,925	414,979
5. Trade payables	098	948,422,908	1,024,214,557
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	6,434,707	4,720,481
9. Liabilities for taxes and contributions	102	9,314,729	12,429,671
10. Dividend payables	103	11,564	
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	3,502,668	1,900,400
E) DEFERRED INCOME AND ACCRUED EXPENSES	106	123,685	324,338
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1,845,107,287	2,077,343,908
G) OFF BALANCE SHEET ITEMS	108	131,451,416	148,382,364
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders	109		
2. Attributable to minority interest	110		

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

PROFIT AND LOSS
for period from 1.1.2016. to 30.9.2016.

Issuer: MEDIKA d.d.

Description	AOP mark	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	1.773.384.068	590.519.157	1.927.431.298	644.023.615
1. Revenues from sale	112	1.758.072.714	586.838.389	1.912.176.106	641.151.400
2. Other operating revenues	113	15.311.354	3.680.768	15.255.192	2.872.215
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.735.767.193	575.204.227	1.880.238.578	624.259.716
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	1.664.414.954	554.935.862	1.804.138.295	603.154.838
a) Raw materials	117	7.712.858	2.516.595	6.915.395	2.457.959
b) Cost of goods sold	118	1.640.976.541	546.814.348	1.781.829.336	595.630.671
c) Other expenses	119	15.725.555	5.604.919	15.393.564	5.066.208
3. Employee expenses (121 to 123)	120	38.455.491	12.782.551	39.418.825	13.056.660
a) Net salaries	121	22.666.800	7.545.036	23.213.998	7.716.657
b) Tax and contributions from salaries	122	10.338.881	3.477.711	10.682.506	3.510.443
c) Contributions on salaries	123	5.449.810	1.759.804	5.522.321	1.829.560
4. Depreciation and amortization	124	7.302.929	2.512.304	8.581.108	2.829.334
5. Other expenses	125	19.782.806	4.973.510	21.558.114	4.968.351
6. Impairment (127+128)	126	5.811.013	0	6.542.236	250.533
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	5.811.013	0	6.542.236	250.533
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCE INCOME (132 to 136)	131	15.256.246	2.388.557	20.048.379	3.531.163
1. Interests, foreign exchanges and dividend from related parties	132			9.703	4.934
2. Interests, foreign exchanges and dividend from non-related parties	133	15.256.246	2.388.557	20.038.676	3.526.229
3. Share of profit from associate	134				
4. Unrealised gains	135				
5. Other financial income	136				
IV. FINANCE EXPENSES (138 to 141)	137	13.121.354	5.052.997	12.963.695	3.792.442
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	13.121.354	5.052.997	12.963.695	3.792.442
3. Unrealised losses	140				
4. Other finance expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATE	142				
VI. SHARE OF LOSS FROM ASSOCIATE	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	1.788.640.314	582.907.714	1.947.479.677	647.554.778
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.748.888.547	580.257.224	1.893.202.273	628.052.158
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	39.751.767	12.650.490	54.277.404	19.502.620
1. Profit before tax (146-147)	149	39.751.767	12.650.490	54.277.404	19.502.620
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX	151	9.937.942	3.162.623	12.103.861	4.349.084
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	29.813.825	9.487.867	42.173.543	15.153.536
1. Profit for the period (149-151)	153	29.813.825	9.487.867	42.173.543	15.153.536
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	29.813.825	9.487.867	42.173.543	15.153.536
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	29.813.825	9.487.867	42.173.543	15.153.536

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 1.1.2016. to 30.9.2016.

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	39.751.767	54.277.404
2. Depreciation and amortisation	002	7.302.929	8.581.108
3. Increase of current liabilities	003	54.928.262	94.057.762
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other increase of cash flow	006		
I. Total increase of cash flow from operating activities (001 to 006)	007	101.982.958	156.916.274
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	56.171.352	213.763.479
3. Increase of inventories	010	8.109.534	13.302.848
4. Other decrease of cash flow	011	63.969.725	20.161.653
II. Total decrease of cash flow from operating activities (008 to 011)	012	128.250.611	247.227.980
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	26.267.653	90.311.706
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	553.481	722.611
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	10.838.515	11.520.682
4. Dividends received	018		
5. Other proceeds from investing activities	019		
III. Total proceeds from investing activities (015 to 019)	020	11.391.996	12.243.293
1. Purchase of tangible and intangible assets	021	9.373.395	7.330.951
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023		
IV. Total purchases resulting from investing activities (021 to 023)	024	9.373.395	7.330.951
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	2.018.601	4.912.342
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	0	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	178.114.751	567.000.000
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	178.114.751	567.000.000
1. Repayments of borrowings	031	98.420.833	416.631.250
2. Dividends paid	032	76.736.110	49.127.771
3. Repayments of finance lease	033	1.341.638	1.851.820
4. Purchase of treasury shares	034		4.524.533
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od finansijskih aktivnosti (031 to 035)	036	176.498.581	472.135.374
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	1.616.170	94.864.626
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	0	0
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	9.465.262
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	22.632.882	0
Cash and cash equivalents at beginning of the period	041	65.109.276	49.087.757
Increase of cash and cash equivalents	042		9.465.262
Decrease of cash and cash equivalents	043	22.632.882	0
Cash and cash equivalents at end of the period	044	42.476.394	58.553.019

STATEMENT OF CHANGES IN EQUITY
for period from 1.1.2016. to 30.9.2016.

Description 1	AOP mark 2	Previous period 3	Current period 4
1. Share capital	001	196.261.000	204.715.320
2. Capital reserves	002	-8.652.683	-8.312.744
3. Reserves from retained earnings	003	89.677.247	85.852.773
4. Retained earnings or accumulated loss	004	96.642.006	84.304.887
5. Profit or loss for the period	005	45.233.600	42.173.543
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		
10. Total capital and reserves (AOP 001 to 009)	010	419.161.170	408.733.779
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		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Pripisano imateljima kapitala matice	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, 27 October 2016

Pursuant to the articles 401 to 410 of the Capital market Law (Official Gazette 88/08, 146/08, 74/09, 54/13, 159/13, 18/15 and 110/15) Director Jasminko Herceg provides

STATEMENT OF LIABILITY FOR PREPARING FINANCIAL STATEMENTS OF ISSUER

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

Unaudited unconsolidated and consolidated financial statements for the period 01 January to 30 September 2016 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 unaudited financial statements for the period 01 January to 30 September 2016 presents true and fair presentation of development and results of the operations and position of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.

Jasminko Herceg
Director

Medika d.d.
ZAGREB Capraška