



**Medika** d.d.

Zagreb, Capraška 1

**Management Board interim report  
for the temporary unaudited annual  
financial statements for 2016  
Medika d.d. Zagreb**

February 2017

## Management interim report

### *Comment on temporary unaudited unconsolidated financial statements for the fourth quarter of the year 2016*

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of the year 2016, Medika d.d. (the Company) has prepared temporary unaudited financial statements which present approximate balance sheet as at 31 December 2016, approximate profit and loss statement for the fourth quarter of 2016, approximate statement of changes in equity and approximate statement of cash flow.

We point 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 2017.

With the above stated, Management Board does not comment financial statements, but only presents key events for the Company in 2016.

#### **Key events**

Total pharmaceutical market in 2016 has increased compared to the previous year. At the same time, the increase of sales of Medika is higher than the market increase, which resulted in higher market share of the Company 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.

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

Total indebtedness has increased for the liquidity purposes.

In 2016 share capital of subsidiary Put stinica d.o.o. was increased by HRK 100 thousand in cash and HRK 650 thousand in rights. The company changed its name to Primus nekretnine d.o.o.

### ***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 31.12.2016, the Company holds 1,302 treasury shares.

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

The Company has subsidiaries Zdravstvena ustanova Ljekarne Prima Pharme and Primus nekretnine d.o.o. (2015: 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 and ZU Ljekarne Ines Škoko and associate ZU Ljekarne Jagatić in which it holds 49% of ownership. During 2016 ZU Ljekarne Atalić and Ljekarna Mirela Klunić were merged into ZU Ljekarne Prima Pharme.

During 2016 the following pharmacies were bought and merged into ZU Ljekarne Prima Pharme: Ljekarna Smilja Bagat, Ljekarna Mirija Bohunicki and Ljekarna Maja Mučaji. Also, during 2016 ZU Ljekarne Prima Pharme founded and sold ZU Ljekarne Diabpharm.

Company Primus nekretnine d.o.o. was merged into Put stinica d.o.o. and the company Put stinica d.o.o. changed its name to Primus nekretnine d.o.o.

### ***Related parties***

The company with major voting rights, Auctor d.o.o. (2015: Mavota d.o.o.) owns 47.38% of the Company and has 49.52% of shares with voting rights.

Company Mavota d.o.o. was merged into company Adria holding d.o.o. which was merged into Auctor d.o.o.

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 realizes majority of its revenue on domestic market in Croatian kuna. 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. All borrowings are in Croatian kuna so the Company is not exposed to foreign exchange risk from this part.

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 variable interest rates expose the Company to cash flow interest rate risk. 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 collection of receivables risk. This increases the need for additional financing, which increases finance expenses.

Jasminko Herceg, dipl.oec.

Director

**Medika d.d.**  
ZAGREB, Capraška 1



**Appendix 1.**

Reporting period:

1.1.2016.

to

31.12.2016.

**Quarterly financial statements TFI-POD**

Registration number (MB): 03209741

Identification number of  
company (MBS): 080027531Personal identification  
number (OIB): 94818858923Issuer: **MEDIKA d.d.**

Postal code and city: 10000

ZAGREB

Address: **CAPRAŠKA 1**e-mail: [medika.uprava@medika.hr](mailto:medika.uprava@medika.hr)web page: [www.medika.hr](http://www.medika.hr)Code and name of  
municipality/city: 133 ZAGREB

Code and county name: 21 GRAD ZAGREB

Number of employees: 399  
(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](mailto: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.

3 **Medika d.d.**  
ZAGREB, Capraška 1  
(signature of authorised person)

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**BALANCE SHEET**  
balance as at 31.12.2016.

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	251.520.971	249.535.377
I. INTANGIBLE ASSETS (004 to 009)	003	16.464.979	15.734.387
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	4.086.583	3.135.996
3. Goodwill	006	11.929.586	11.929.586
4. Advances for intangible assets	007		
5. Intangible assets under construction	008	448.810	668.805
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	166.797.758	168.598.684
1. Land	011	18.232.855	18.232.855
2. Buildings	012	121.776.192	118.788.851
3. Equipment and machinery	013	11.674.075	11.847.614
4. Furniture, fittings and vehicles	014	12.107.472	9.873.677
5. Biological assets	015		
6. Advances for tangible assets	016		3.497.127
7. Tangible assets under construction	017	2.196.914	5.557.090
8. Other tangible assets	018	810.250	801.470
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	67.529.127	64.756.529
1. Investment in subsidiaries and associates	021	59.249.330	59.999.330
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	4.757.199
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. DEFFERED TAX ASSET	033	729.107	445.777
C) CURRENT ASSETS (035+043+050+058)	034	1.590.894.940	1.804.121.702
I. INVENTORY (036 To 042)	035	233.706.798	245.760.973
1. Raw material	036	143.024	93.445
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	229.309.681	243.241.341
5. Advances for inventories	040	4.254.093	2.426.187
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.120.266.135	1.345.661.668
1. Receivables from related parties	044	194.232.229	209.255.009
2. Trade receivables	045	920.527.020	1.132.787.151
3. Receivables from participating parties	046		
4. Receivables from employees	047	26.245	25.101
5. Receivables from the state and other institutions	048	3.393.594	1.698.717
6. Other receivables	049	2.087.047	1.895.690
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	187.834.250	132.605.132
1. Investment in subsidiaries and associates	051		
2. Loans to related parties	052	160.000	
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	132.605.132
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	49.087.757	80.093.929
D) PREPAID EXPENSES AND ACCRUED INCOME	059	2.691.376	2.014.535
E) TOTAL ASSETS (001+002+034+059)	060	1.845.107.287	2.055.671.614
G) OFF BALANCE SHEET ITEMS	061	131.451.416	137.321.182

<b>EQUITY AND LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	419.161.170	417.264.280
I. SHARE CAPITAL	<b>063</b>	196.261.000	204.715.320
II. CAPITAL RESERVES	<b>064</b>	-8.652.683	-8.312.744
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	<b>065</b>	89.677.247	85.852.773
1. Legal reserves	<b>066</b>	15.991.539	18.465.733
2. Reserves for treasury shares	<b>067</b>	51.286.174	48.811.980
3. Treasury shares	<b>068</b>	9.396.956	13.221.430
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>	96.642.006	84.304.886
1. Retained earnings	<b>073</b>	96.642.006	84.304.886
2. Accumulated loss	<b>074</b>		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	<b>075</b>	45.233.600	50.704.045
1. Profit for the period	<b>076</b>	45.233.600	50.704.045
2. Loss for the period	<b>077</b>		
VII. MAJORITY INTERESTS	<b>078</b>		
<b>B) PROVISIONS (080 To 082)</b>	<b>079</b>	802.829	684.497
1. Provisions for retirement, severance payment and similar	<b>080</b>	802.829	684.497
2. Tax provisions	<b>081</b>		
3. Other provisions	<b>082</b>		
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	19.452.682	12.500.488
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>	19.452.682	12.500.488
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>	1.405.566.921	1.623.884.843
1. Liabilities to related parties	<b>094</b>	114.785.187	132.968.443
2. Borrowings and deposits	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	319.957.233	475.220.354
4. Liabilities for advances received	<b>097</b>	3.137.925	1.220.850
5. Trade payables	<b>098</b>	948.422.908	994.359.267
6. Liabilities for securities	<b>099</b>		
7. Liabilities to participating parties	<b>100</b>		
8. Liabilities to employees	<b>101</b>	6.434.707	7.336.491
9. Liabilities for taxes and contributions	<b>102</b>	9.314.729	9.729.551
10. Dividend payables	<b>103</b>	11.564	
11. Liabilities for non-current assets available for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	3.502.668	3.049.887
<b>E) DEFERRED INCOME AND ACCRUED EXPENSES</b>	<b>106</b>	123.685	1.337.506
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.845.107.287	2.055.671.614
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	131.451.416	137.321.182
<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 1.1.2016. to 31.12.2016.

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>	<b>2.398.872.126</b>	<b>625.488.058</b>	<b>2.553.621.002</b>	<b>626.189.704</b>
1. Revenues from sale	112	2.374.631.967	616.559.253	2.529.514.646	617.338.540
2. Other operating revenues	113	24.240.159	8.928.805	24.106.356	8.851.164
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>2.345.739.475</b>	<b>609.972.282</b>	<b>2.494.388.890</b>	<b>614.150.312</b>
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	2.247.777.562	583.362.608	2.386.066.794	581.928.499
a) Raw materials	117	10.384.358	2.671.500	9.476.529	2.561.134
b) Cost of goods sold	118	2.215.089.235	574.112.694	2.354.622.108	572.792.772
c) Other expenses	119	22.303.969	6.578.414	21.968.157	6.574.593
3. Employee expenses (121 to 123)	120	51.729.602	13.274.111	52.745.009	13.326.184
a) Net salaries	121	30.580.223	7.913.423	31.195.758	7.981.760
b) Tax and contributions from salaries	122	13.862.793	3.523.912	14.156.534	3.474.028
c) Contributions on salaries	123	7.286.586	1.836.776	7.392.717	1.870.396
4. Depreciation and amortization	124	9.847.698	2.544.769	11.288.372	2.707.264
5. Other expenses	125	32.952.419	13.169.613	35.166.919	13.608.805
6. Impairment (127+128)	126	3.186.982	-2.624.031	8.023.700	1.481.464
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	3.186.982	-2.624.031	8.023.700	1.481.464
7. Provisions	129	245.212	245.212	1.098.096	1.098.096
8. Other operating expenses	130				
<b>III. FINANCE INCOME (132 to 136)</b>	<b>131</b>	<b>19.784.419</b>	<b>4.528.173</b>	<b>21.923.991</b>	<b>1.875.612</b>
1. Interests, foreign exchanges and dividend from related parties	132	3.714	3.714	17.827	8.124
2. Interests, foreign exchanges and dividend from non-related parties	133	19.780.705	4.524.459	21.906.164	1.867.488
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>	<b>17.283.684</b>	<b>4.162.330</b>	<b>18.186.233</b>	<b>5.222.538</b>
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	17.283.684	4.162.330	18.186.233	5.222.538
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>	<b>2.418.656.545</b>	<b>630.016.231</b>	<b>2.575.544.993</b>	<b>628.065.316</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>2.363.023.159</b>	<b>614.134.612</b>	<b>2.512.575.123</b>	<b>619.372.850</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	<b>55.633.386</b>	<b>15.881.619</b>	<b>62.969.870</b>	<b>8.692.466</b>
1. Profit before tax (146-147)	149	55.633.386	15.881.619	62.969.870	8.692.466
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. INCOME TAX</b>	<b>151</b>	<b>10.399.786</b>	<b>461.844</b>	<b>12.265.825</b>	<b>161.964</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>45.233.600</b>	<b>15.419.775</b>	<b>50.704.045</b>	<b>8.530.502</b>
1. Profit for the period (149-151)	153	45.233.600	15.419.775	50.704.045	8.530.502
2. Loss for the period (151-148)	154	0	0	0	0



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

<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
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	45.233.600	15.419.775	50.704.045	8.530.502
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	45.233.600	15.419.775	50.704.045	8.530.502

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

<b>VI. COMPREHENSIVE PROFIT OR LOSS</b>					
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 31.12.2016.

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	55.633.386	62.969.870
2. Depreciation and amortisation	002	9.847.698	11.288.372
3. Increase of current liabilities	003	13.150.412	63.054.802
4. Decrease of current receivables	004		
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>78.631.496</b>	<b>137.313.044</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	11.364.938	225.395.533
3. Increase of inventories	010	4.528.658	12.054.174
4. Other decrease of cash flow	011	29.130.513	27.325.913
<b>II. Total decrease of cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>45.024.109</b>	<b>264.775.620</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>33.607.387</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>127.462.576</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of tangible and intangible assets	015	379.527	808.517
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	14.650.199	14.810.212
4. Dividends received	018		
5. Other proceeds from investing activities	019		60.392.354
<b>III. Total proceeds from investing activities (015 to 019)</b>	<b>020</b>	<b>15.029.726</b>	<b>76.011.084</b>
1. Purchase of tangible and intangible assets	021	8.154.753	11.699.797
2. Purchase of equity and debt securities	022		100.000
3. Other purchases resulting from investing activities	023	39.346.000	
<b>IV. Total purchases resulting from investing activities (021 to 023)</b>	<b>024</b>	<b>47.500.753</b>	<b>11.799.797</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>64.211.287</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	<b>32.471.027</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	219.711.751	587.000.000
3. Other proceeds from financing activities	029	1.680.000	1.039.998
<b>V. Total proceeds from financing activities (027 to 029)</b>	<b>030</b>	<b>221.391.751</b>	<b>588.039.998</b>
1. Repayments of borrowings	031	157.964.583	437.660.417
2. Dividends paid	032	77.271.350	49.127.771
3. Repayments of finance lease	033	3.313.697	2.469.816
4. Purchase of treasury shares	034		4.524.533
5. Other purchases resulting from financing activities	035		
<b>VI. Ukupno novčani izdaci od finansijskih aktivnosti (031 to 035)</b>	<b>036</b>	<b>238.549.630</b>	<b>493.782.537</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>94.257.461</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>17.157.879</b>	<b>0</b>
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	31.006.172
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	16.021.519	0
Cash and cash equivalents at beginning of the period	041	65.109.276	49.087.757
Increase of cash and cash equivalents	042		31.006.172
Decrease of cash and cash equivalents	043	16.021.519	
Cash and cash equivalents at end of the period	044	49.087.757	80.093.929

**STATEMENT OF CHANGES IN EQUITY**  
for period from **1.1.2016.** to **31.12.2016.**

Description	AOP mark	Previous period	Current period
1	2	3	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	84.304.886
5. Profit or loss for the period	005	45.233.600	50.704.045
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>419.161.170</b>	<b>417.264.280</b>
11. Foreign exchanges from the foreign investments	011		
12. Current and defferd tax (part)	012		
13. Cash flow hedge	013		
14. Cghanges 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. Pripisano imateljima kapitala matice</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, 28 February 2017

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**

Temporary 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.

Temporary unaudited unconsolidated and consolidated financial statements for the period 01 January to 31 December 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 temporary unaudited financial statements for the period 01 January to 31 December 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.

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

Jasminko Herceg  
*Director*