

**INTERIM REPORT
for I-III 2017
Group Medika**

April 2017

Management interim report

Comment on the business results for the first quarter of 2017

Medika Group („the Group“) has realised total revenue in the first three months of 2017 in amount of HRK 695.0 million which is by 2.36% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 679.7 million for the first three months of 2017 are by 2.70% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 97.79% while in the same period of previous year it was 97.46%.

Other operating revenues which amount to HRK 6.4 million are higher by 18.21% comparing to the same period of previous year. Share of other operating revenues in total revenue was only 0.80 % in the first three months of 2016, and in the first three months of 2017 is 0.93%.

Out of the total sales revenues, 99.98% revenues are generated on domestic market, while 0.02% is generated on the foreign market. This structure in the first three months of 2017 has not significantly changed comparing to the same period of previous year.

Material expenses amount to HRK 629.8 million and are 2.36% higher comparing to the same period of previous year. Since the operating expenses are growing in higher percentage, share of material expenses in the operating expenses is lower by 0.38% comparing to the same period of previous year and amounts to 93.50%.

Employee expenses are higher by 1.19% comparing to the same period of previous year. Their share in the total expenses amounts to 3.78% while in the same period of previous year it amounted to 3.84%. Increase in employee expenses is influenced by higher number of employees.

Impairment of current assets amounts to HRK 6.1 million and is higher compared to the same period of previous year mostly due to the increase in accounts receivable since the beginning of the year and slow collection of accounts receivable from hospitals.

Finance income has decreased compared to the same period of the previous year for HRK 2.9 million, which is 24.19%. This decrease in result of lower average amount of given loans to the business partners in the first quarter of 2017 compared to the same period of the previous year.

Finance expenses have decreased compared to the same period of previous year by HRK 1.6 million, which is 29.69%. Their share in the total expenses is by 0.25% lower compared to the same period of previous year and amounts to 0.55%. This decrease is the result of decrease of foreign exchange expenses in amount of HRK 1.0 million and decrease of interest expenses in amount of HRK 566 thousand as a result of lower interest rates comparing to the same period of previous year.

Gross margin in the first three months of 2016 amounted to 8.70%, while in the first three months of 2017 amounts to 9.03%, which is increase by 0.33%. 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 17.7 million, while in the same period of previous year amounted to HRK 18.3 million, which is decrease of HRK 572 thousand, or 3.14%. Lower gross profit is result of greater increase of total expenses (increase of 2.51% comparing to the same period of previous) in relation to the increase of total revenue (increase of 2.36% comparing to the same period of previous year).

Operative earnings amount to HRK 12.5 million and are by HRK 698 thousand, which is 5.92% lower comparing to the same period of previous year.

Realised net profit amounts to HRK 13.9 million.

Transactions with the related parties in the first three months of 2017 generated total net revenues in amount of HRK 8.7 million, which is by 14.28% higher of generated revenue in the same period of previous year when it amounted to HRK 7.6 million.

Trade goods purchased from the related parties amount to HRK 56.4 million which is almost at the same level as in the same period of previous year when trade goods purchased from the related parties amounted to HRK 56.1 million.

Total assets amount to HRK 2 billion 146.2 million and have not significantly changed compared to the beginning of the year.

Long term assets have not significantly changed compared to the beginning of the year. Long term intangible assets have increased by HRK 959 thousand compared to the beginning of the year mostly as a result of entry of Ljekarna Ana Pantelić in the Group. Tangible assets are almost at the same level compared to the beginning of the year. Looking at the structure of the long term tangible assets, advanced payments for assets under construction have decreased and at the same time assets under construction have increased.

Long term financial assets mostly relates to the investment in related parties and in smaller part to the given loans. Long term financial assets amount to HRK 25.3 million and are by HRK 1.1 million lower compared to the beginning of the year since the associate paid out part of the share in profit, hence the value of the investment is lower.

Deferred tax assets have not significantly changed comparing to the beginning of the year.

Short term assets amount to HRK 1 billion 736.3 million and are by HRK 6.3 million, or just 0.36%, lower comparing to the beginning of the year. In the structure of short term assets financial assets and cash in bank and on hand have decreased, receivables have increased, while inventory is at the same level compared to the beginning of the year.

Inventory amounts to HRK 279.2 million and has not significantly changed comparing to the beginning of the year.

Total short term receivables amount to HRK 1 billion 302.2 million and are higher for HRK 53.8 million, which is 4.31%, comparing to the beginning of the year. Trade receivables and receivables from participating parties amount to HRK 1 billion 293.7 million and have increased by 4.46% comparing to the beginning of the year.

Short term financial assets amount to HRK 102.3 million and relate to short term given loans. Comparing to the beginning of the year they have decreased for HRK 30.3 million due to the repayment of the given loans.

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

Long term liabilities amount to HRK 23.8 million and have decreased by HRK 8.3 million which is mainly due to the converting of the long term loan to the short term loan. Out of the total amount of long term liabilities HRK 3.7 million relates to long term loans, HRK 4.2 million relates to finance lease liabilities and HRK 15.9 million relate to deferred tax liability.

Short term liabilities amount to HRK 1 billion 648.5 million out of which the largest part in amount of HRK 1 billion 162.3 million relates to trade payables and liabilities to related parties and HRK 462.0 million to indebtedness (HRK 460.0 million to short term loans and HRK 2.0 million to finance lease).

Trade payables and liabilities to related parties are higher for HRK 23.3 million comparing to the beginning of the year, which is 2.04%, which is lower than the increase of trade receivables and related parties.

Total loans liabilities of Medika amounts to HRK 463.7 million which is decrease of HRK 42.5 million comparing to the beginning of the year. 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 three months of 2017 has increased comparing to the same period of previous year. At the same time, sales of Medika have increased slightly slower comparing to the market increase, which has not significantly influenced market share.

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

Total indebtedness has decreased for HRK 42.5 million compared to the beginning of the year.

Medika Group acquired Ljekarna Ana Pantelić.

Expected future development of the Group

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 31.03.2017, the Company holds 1,202 treasury shares.

Subsidiaries and associates

The Company has subsidiaries Zdravstvena ustanova Ljekarne Prima Pharme and Primus nekretnine 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, Ljekarna Ana Pantelić and associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

Related parties

The company with major voting rights, Auctor d.o.o. owns 47.38% of the Company and has 49.34% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.37% 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 Group's purchase of goods is partly realised on the foreign market. The Group is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to the EUR. All loans are kuna-denominated; hence, there is no exposure to foreign exchange risk. With part of the foreign suppliers the payment currency is agreed in Croatian kuna. It is the tendency in the future to agree payments in Croatian kuna with as many existing foreign suppliers as possible so as to minimise the risk arising from transactions with foreign suppliers.

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

The Group'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 Group to the fair value interest rate risk exposure.

The Group does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. However, the Group 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 Group 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 and receivables for given loans. 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.

Out of the total amount of short term receivables, HRK 143.2 million relates to the receivables from one business partner and its related companies. Business partner has in the first quarter of 2017 undergone in liquidity problems. Out of the total amount, HRK 100.0 million relates to the given loan that is secured by pledge on the shares, and the remaining on the receivables for the sold goods. Since the process of the restructuring of the business partner and its related parties has just begun, the final outcome is unpredictable and the collectability of the receivables cannot be predicted.

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.
ZAGREB, Capraška 1

Appendix 1.

Reporting period:

1.1.2017.

to

31.3.2017.

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: 790
(end of reporting period)

Consolidated statements: YES

NKD code: 4646

Consolidated entities (according to IFRS):

Headquarters:

MB:

ZU Ljekarne Prima Pharme

Zagreb

0694975

ZU Ljekarne Delonga

Okrug Gornji

1605747

ZU Ljekarne Ines Škoko

Zagreb

02708396

Ljekarna Pantelić

Rijeka

80004962

Bookkeeping service:

Contact person: RADMILOVIĆ DIJANA
(only name of the contact person)

Telephone number: 012412551

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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.

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

BALANCE SHEET
balance as at 31.3.2017.

Issuer: MEDIKA d.d.

Description 1	AOP mark 2	Previous period 3	Current period 4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	408.839.901	408.702.738
I. INTANGIBLE ASSETS (004 to 009)	003	188.121.405	189.080.572
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	119.575.339	119.319.400
3. Goodwill	006	67.663.564	68.981.802
4. Advances for intangible assets	007	213.698	
5. Intangible assets under construction	008	668.804	779.370
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	191.785.703	191.866.638
1. Land	011	25.226.916	25.226.916
2. Buildings	012	132.352.841	131.170.031
3. Equipment and machinery	013	13.092.366	13.091.458
4. Furniture, fittings and vehicles	014	11.237.693	11.240.760
5. Biological assets	015		
6. Advances for tangible assets	016	3.497.127	74.336
7. Tangible assets under construction	017	5.557.090	10.243.592
8. Other tangible assets	018	821.670	819.545
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	26.390.065	25.315.077
1. Investment in subsidiaries and associates	021		
2. Loans to related parties	022		
3. Equity investments	023	21.318.086	20.171.964
4. Loans given to participating parties	024		
5. Investment in securities	025		
6. Loans given, deposits and similar	026	5.071.979	5.143.113
7. Other non-current financial assets	027		
8. Investments at equity method	028		
IV. RECEIVABLES (030 to 032)	029	1.018.735	878.042
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032	1.018.735	878.042
V. DEFERRED TAX ASSET	033	1.523.993	1.562.409
C) CURRENT ASSETS (035+043+050+058)	034	1.742.543.057	1.736.290.383
I. INVENTORY (036 To 042)	035	277.022.681	279.206.399
1. Raw material	036	493.692	578.108
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	274.089.365	277.186.622
5. Advances for inventories	040	2.439.624	1.441.669
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.248.405.954	1.302.182.937
1. Receivables from related parties	044		
2. Trade receivables	045	1.222.404.747	1.277.253.711
3. Receivables from participating parties	046	16.095.511	16.495.544
4. Receivables from employees	047	121.201	19.842
5. Receivables from the state and other institutions	048	1.537.180	1.020.566
6. Other receivables	049	8.247.315	7.393.274
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	132.605.132	102.283.157
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	132.605.132	102.283.157
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	84.509.290	52.617.890
D) PREPAID EXPENSES AND ACCRUED INCOME	059	2.080.559	1.228.400
E) TOTAL ASSETS (001+002+034+059)	060	2.153.463.517	2.146.221.521
G) OFF BALANCE SHEET ITEMS	061	137.321.182	146.889.018

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	455.027.473	470.557.227
I. SHARE CAPITAL	063	204.715.320	204.715.320
II. CAPITAL RESERVES	064	-8.312.744	-7.657.921
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	85.852.773	86.817.950
1. Legal reserves	066	18.465.733	18.465.733
2. Reserves for treasury shares	067	48.811.980	48.811.980
3. Treasury shares	068	13.221.430	12.256.253
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	117.255.820	172.772.123
1. Retained earnings	073	117.255.820	172.772.123
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	55.516.304	13.909.755
1. Profit for the period	076	55.516.304	13.909.755
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	951.636	951.636
1. Provisions for retirement, severance payment and similar	080	951.636	951.636
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	32.086.546	23.785.800
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	16.163.856	7.863.110
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	15.922.690	15.922.690
D) CURRENT LIABILITIES (094 to 105)	093	1.663.967.808	1.648.533.360
1. Liabilities to related parties	094	132.968.443	141.100.931
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	497.052.038	462.019.166
4. Liabilities for advances received	097	1.442.225	337.053
5. Trade payables	098	1.006.069.951	1.021.207.805
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	10.653.682	8.554.652
9. Liabilities for taxes and contributions	102	12.657.670	12.829.647
10. Dividend payables	103		
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	3.123.799	2.484.106
E) DEFERRED INCOME AND ACCRUED EXPENSES	106	1.430.054	2.393.498
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	2.153.463.517	2.146.221.521
G) OFF BALANCE SHEET ITEMS	108	137.321.182	146.889.018
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders	109	455.027.473	470.557.227
2. Attributable to minority interest	110		

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

PROFIT AND LOSS
for the period from 1.1.2017. do 31.3.2017.

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	667.243.075	667.243.075	686.106.638	686.106.638
1. Revenues from sale	112	661.795.805	661.795.805	679.667.331	679.667.331
2. Other operating revenues	113	5.447.270	5.447.270	6.439.307	6.439.307
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	655.454.043	655.454.043	673.619.373	673.619.373
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	615.325.542	615.325.542	629.828.821	629.828.821
a) Raw materials	117	3.031.052	3.031.052	3.032.670	3.032.670
b) Cost of goods sold	118	604.228.588	604.228.588	618.320.967	618.320.967
c) Other expenses	119	8.065.902	8.065.902	8.475.184	8.475.184
3. Employee expenses (121 to 123)	120	25.183.005	25.183.005	25.483.636	25.483.636
a) Net salaries	121	14.924.836	14.924.836	15.399.709	15.399.709
b) Tax and contributions from salaries	122	6.730.973	6.730.973	6.493.496	6.493.496
c) Contributions on salaries	123	3.527.196	3.527.196	3.590.431	3.590.431
4. Depreciation and amortization	124	3.568.477	3.568.477	3.383.653	3.383.653
5. Other expenses	125	8.221.098	8.221.098	8.846.668	8.846.668
6. Impairment (127+128)	126	3.155.921	3.155.921	6.076.595	6.076.595
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	3.155.921	3.155.921	6.076.595	6.076.595
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCE INCOME (132 to 136)	131	11.788.546	11.788.546	8.936.343	8.936.343
1. Interests, foreign exchanges and dividend from related parties	132				
2. Interests, foreign exchanges and dividend from non-related parties	133	11.537.752	11.537.752	8.485.547	8.485.547
3. Share of profit from associate	134	250.794	250.794	450.796	450.796
4. Unrealised gains	135				
5. Other financial income	136				
IV. FINANCE EXPENSES (138 to 141)	137	5.326.438	5.326.438	3.744.891	3.744.891
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	5.326.438	5.326.438	3.744.891	3.744.891
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	679.031.621	679.031.621	695.042.981	695.042.981
X. TOTAL EXPENSES (114+137+143 + 145)	147	660.780.481	660.780.481	677.364.264	677.364.264
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	18.251.140	18.251.140	17.678.717	17.678.717
1. Profit before tax (146-147)	149	18.251.140	18.251.140	17.678.717	17.678.717
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX	151	4.160.010	4.160.010	3.768.962	3.768.962
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	14.091.130	14.091.130	13.909.755	13.909.755
1. Profit for the period (149-151)	153	14.091.130	14.091.130	13.909.755	13.909.755
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	14.091.130	14.091.130	13.909.755	13.909.755
2. Attributable to minority interest	156				
OTHER COMPREHENSIVE INCOME REPORT (for IFRS reporting)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	14.091.130	14.091.130	13.909.755	13.909.755
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (158 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	14.091.130	14.091.130	13.909.755	13.909.755
APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)					
VI. COMPREHENSIVE PROFIT OR LOSS					
1. Attributable to equity holders	169	14.091.130	14.091.130	13.909.755	13.909.755
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOW - Indirect method
for the period from 1.1.2017. to 31.3.2017.

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	18.251.141	17.678.717
2. Depreciation and amortisation	002	3.568.477	3.383.653
3. Increase of current liabilities	003	46.229.557	19.598.423
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other increase of cash flow	006		30.321.975
I. Total increase of cash flow from operating activities (001 to 006)	007	68.049.175	70.982.768
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	111.956.609	53.776.982
3. Increase of inventories	010	12.360.015	2.183.719
4. Other decrease of cash flow	011	27.263.429	2.322.264
II. Total decrease of cash flow from operating activities (008 to 011)	012	151.580.053	58.282.965
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	12.699.803
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	83.530.878	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	733.916	47.432
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	4.165.549	1.942.331
4. Dividends received	018		
5. Other proceeds from investing activities	019		1.074.988
III. Total proceeds from investing activities (015 to 019)	020	4.899.465	3.064.751
1. Purchase of tangible and intangible assets	021	8.519.276	4.423.757
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	8.519.276	4.423.757
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	3.619.811	1.359.006
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	217.000.000	
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	217.000.000	0
1. Repayments of borrowings	031	172.664.435	42.516.254
2. Dividends paid	032		
3. Repayments of finance lease	033	617.047	715.944
4. Purchase of treasury shares	034		
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)	036	173.281.482	43.232.198
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	43.718.518	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	0	43.232.198
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	43.432.171	31.891.401
Cash and cash equivalents at beginning of the period	041	54.902.549	84.509.280
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	43.431.171	31.891.401
Cash and cash equivalents at end of the period	044	11.471.378	52.617.889

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2017. to 31.3.2017.

Description	AOP mark	Previous period	Current period
1	2	3	4
1. Share capital	001	204.718.320	204.718.320
2. Capital reserves	002	-8.312.744	-7.657.921
3. Reserves from retained earnings	003	85.852.773	86.817.950
4. Retained earnings or accumulated loss	004	117.255.820	172.772.123
5. Profit or loss for the period	005	55.516.304	13.909.755
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	455.030.473	470.560.227
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, 25 April 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

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 31 March 2017 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 31 March 2017 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.
Z A G R E B, Capraška 1