

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

**July 2017**

## Management interim report

### ***Comment on the business results for the first six months of 2017***

Medika Group („the Group“) has realised total revenue in the first six months of 2017 in amount of HRK 1 billion 411.8 million which is by 4.46% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 1 billion 385.6 million for the first six months of 2017 are by 4.91% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 98.14% while in the same period of previous year it was 97.72%.

Other operating revenues which amount to HRK 14.3 million are higher by 5.93% comparing to the same period of previous year. Share of other operating revenues in total revenue was only 1.00 % in the first six months of 2016, and in the first six months of 2017 is 1.01%.

Out of the total sales revenues, 99.95% revenues are generated on domestic market, while 0.05% is generated on the foreign market. This structure in the first six months of 2017 has not significantly changed comparing to the same period of previous year.

Material expenses amount to HRK 1 billion 274.3 million and are 4.37% 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 0.25% comparing to the same period of previous year and amounts to 93.88%.

Employee expenses are at the same level comparing to the same period of previous year. Their share in the total expenses amounts to 3.72% while in the same period of previous year it amounted to 3.87%.

Finance income has decreased compared to the same period of the previous year for HRK 5.3 million, which is 30.87%. This decrease in result of lower average amount of given loans to the business partners compared to the same period of the previous year.

Finance expenses have decreased compared to the same period of previous year by HRK 2.4 million, which is 25.15%. Their share in the total expenses is by 0.20% lower compared to the same period of previous year and amounts to 0.52%. In the structure of finance expenses, foreign exchange expenses are lower for HRK 1.3 million, while the interest expenses are lower for HRK 1.1 million as a result of lower interest rates and lower indebtedness comparing to the same period of previous year.

Gross margin in the first six months of 2016 amounted to 9.33%, while in the first six months of 2017 amounts to 9.73%, which is increase by 0.40%. 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 47.3 million, while in the same period of previous year amounted to HRK 38.0 million, which is increase of HRK 9.3 million, or 24.51%. Higher gross profit is result of greater increase of total revenue (increase of 4.46% comparing to the same period of previous) in relation to the increase of total expenses (increase of 3.88% comparing to the same period of previous year).

Operative earnings amount to HRK 42.5 million and are by HRK 12.2 million, which is 40.38% higher comparing to the same period of previous year.

Realised net profit amounts to HRK 37.8 million.

Transactions with the related parties in the first six months of 2017 generated total net revenues in amount of HRK 17.8 million, which is by 13.35% higher of generated revenue in the same period of previous year when it amounted to HRK 15.7 million.

Trade goods purchased from the related parties amount to HRK 108.8 million which is for 4.39% lower compared to the same period of previous year when trade goods purchased from the related parties amounted to HRK 113.8 million.

Total assets amount to HRK 2 billion 188.0 million and are by HRK 34.6 million, which is 1.61%, higher 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 decreased by HRK 1.1 million compared to the beginning of the year mostly as a result of sale of one pharmacy unit in Split and amortization. Tangible assets are almost at the same level compared to the beginning of the year.

Long term financial assets mostly relates to the investment in related parties and in smaller part to the given loans and amount to HRK 27.2 million. In the structure of long term assets investment in associate is lower by HRK 747 thousand since the associate paid out part of the share in profit, while the amount of long term given loans is higher due to approved new loans to the business partners.

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

Short term assets amount to HRK 1 billion 779.0 million and are by HRK 36.4 million, or just 2.09%, lower comparing to the beginning of the year. In the structure of short term assets financial assets and cash have decreased, while inventory and receivables have increased compared to the beginning of the year.

Inventory amounts to HRK 290.0 million and have increased by HRK 12.9 million, which is 4.67% comparing to the beginning of the year, as a result of increased procurement due to the sales increase.

Total short term receivables amount to HRK 1 billion 339.9 million and are higher for HRK 91.5 million, which is 7.33%, comparing to the beginning of the year. Trade receivables and receivables from participating parties amount to HRK 1 billion 330.8 million and have increased by 7.45% comparing to the beginning of the year.

Short term financial assets amount to HRK 105.9 million and relate to short term given loans. Comparing to the beginning of the year they have decreased for HRK 26.7 million due to the repayment of the part 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.

Based on the decision passed at the General Assembly held 18.05.2017 amount of HRK 83 thousand was reallocated from Other reserves to Statutory reserves.

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 667.5 million out of which the largest part in amount of HRK 1 billion 220.0 million relates to trade payables and liabilities to related parties and HRK 419.3 million to indebtedness (HRK 418.0 million to short term loans and HRK 1.3 million to finance lease).

Trade payables and liabilities to related parties are higher for HRK 81.0 million comparing to the beginning of the year, which is 7.11%, which is lower than the increase of trade receivables and related parties.

Total loans liabilities of Medika amounts to HRK 421.7 million which is decrease of HRK 84.5 million comparing to the beginning of the year. All loans are denominated in HRK so there is no exposure to foreign exchange risk at this balance sheet items.

### ***Key events***

Total pharmaceutical market in the first six 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.

At General Assembly meeting held as at 18.05.2017 decisions were passed that influenced equity.

Total indebtedness has decreased for HRK 84.5 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 30.06.2017, 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 142.1 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 is in progress, 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*



**Appendix 1.**

Reporting period:

1.1.2017.

to

30.6.2017.

**Quarterly financial statements TFI-POD**

Registration number (MB): 03209741

Identification number of  
company (MBS): 080027531Personal 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: 772  
(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 Ana Pantelić

Rijeka

80004962

Bookkeeping service:

Contact person: RADMILOVIĆ DIJANA

(only name of the contact person)

Telephone number: 012412551

Telefaks: 012371441

e-mail: medika.uprava@medika.hr

Name: HERCEG JASMINKO

(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 30.6.2017.

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	408.839.901	408.075.502
I. INTANGIBLE ASSETS (004 to 009)	003	188.121.405	187.012.225
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	119.575.339	117.254.729
3. Goodwill	006	67.663.564	68.917.967
4. Advances for intangible assets	007	213.698	163.350
5. Intangible assets under construction	008	668.804	676.179
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	191.785.703	191.388.144
1. Land	011	25.226.916	25.226.916
2. Buildings	012	132.352.841	130.032.771
3. Equipment and machinery	013	13.092.366	12.707.559
4. Furniture, fittings and vehicles	014	11.237.693	10.680.935
5. Biological assets	015		
6. Advances for tangible assets	016	3.497.127	479.904
7. Tangible assets under construction	017	5.557.090	11.442.639
8. Other tangible assets	018	821.670	817.420
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	26.390.065	27.206.175
1. Investment in subsidiaries and associates	021		
2. Loans to related parties	022		
3. Equity investments	023	21.318.086	20.571.446
4. Loans given to participating parties	024		
5. Investment in securities	025		
6. Loans given, deposits and similar	026	5.071.979	6.634.729
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	1.590.916
C) CURRENT ASSETS (035+043+050+058)	034	1.742.543.057	1.778.958.533
I. INVENTORY (036 To 042)	035	277.022.681	289.960.703
1. Raw material	036	493.692	559.060
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	274.089.365	286.575.698
5. Advances for inventories	040	2.439.624	2.825.945
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.248.405.954	1.339.920.791
1. Receivables from related parties	044		
2. Trade receivables	045	1.222.404.747	1.313.249.609
3. Receivables from participating parties	046	16.095.511	17.509.836
4. Receivables from employees	047	121.201	27.966
5. Receivables from the state and other institutions	048	1.537.180	1.056.224
6. Other receivables	049	8.247.315	8.077.156
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	132.605.132	105.872.364
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	105.872.364
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	84.509.290	43.204.675
D) PREPAID EXPENSES AND ACCRUED INCOME	059	2.080.559	999.022
E) TOTAL ASSETS (001+002+034+059)	060	2.153.463.517	2.188.033.057
G) OFF BALANCE SHEET ITEMS	061	137.321.182	144.428.711



<b>EQUITY AND LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>455.027.473</b>	<b>494.434.477</b>
I. SHARE CAPITAL	063	204.715.320	204.715.320
II. CAPITAL RESERVES	064	-8.312.744	-7.657.920
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	85.852.773	86.817.950
1. Legal reserves	066	18.465.733	18.548.510
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	31.713.713
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	37.787.004
1. Profit for the period	076	55.516.304	37.787.004
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
<b>B) PROVISIONS (080 To 082)</b>	<b>079</b>	<b>951.636</b>	<b>951.636</b>
1. Provisions for retirement, severance payment and similar	080	951.636	951.636
2. Tax provisions	081		
3. Other provisions	082		
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	<b>32.086.546</b>	<b>23.767.880</b>
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	16.163.856	7.845.190
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
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	<b>1.663.967.808</b>	<b>1.667.533.741</b>
1. Liabilities to related parties	094	132.968.443	139.534.080
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	497.052.038	419.299.509
4. Liabilities for advances received	097	1.442.225	162.833
5. Trade payables	098	1.006.069.951	1.080.502.096
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	10.653.682	8.003.415
9. Liabilities for taxes and contributions	102	12.657.670	17.473.411
10. Dividend payables	103		
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	3.123.799	2.558.597
<b>E) DEFERRED INCOME AND ACCRUED EXPENSES</b>	<b>106</b>	<b>1.430.054</b>	<b>1.345.323</b>
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>2.153.463.517</b>	<b>2.188.033.057</b>
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	<b>137.321.182</b>	<b>144.428.711</b>
<b>SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributable to equity holders	109	455.027.473	494.434.477
2. Attributable to minority interest	110		

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

**PROFIT AND LOSS**  
for period from 1.1.2017. to 30.6.2017.

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>	1.334.317.599	667.074.524	1.399.923.765	713.817.127
1. Revenues from sale	112	1.320.786.840	659.001.035	1.385.601.520	705.934.189
2. Other operating revenues	113	13.520.759	8.073.489	14.322.245	7.882.938
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	1.304.019.451	648.565.408	1.357.391.866	683.772.493
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	1.220.948.674	605.623.132	1.274.256.672	644.427.851
a) Raw materials	117	6.033.373	3.002.321	5.736.201	2.703.531
b) Cost of goods sold	118	1.197.561.756	593.333.168	1.250.825.532	632.504.565
c) Other expenses	119	17.353.545	9.287.643	17.694.939	9.219.755
3. Employee expenses (121 to 123)	120	50.497.374	25.314.369	50.427.363	24.943.727
a) Net salaries	121	29.883.831	14.958.995	30.542.733	15.143.024
b) Tax and contributions from salaries	122	13.534.440	6.803.467	12.803.992	6.310.496
c) Contributions on salaries	123	7.079.103	3.551.907	7.080.638	3.490.207
4. Depreciation and amortization	124	7.063.613	3.495.136	6.793.405	3.409.752
5. Other expenses	125	18.388.946	10.167.850	19.730.419	10.883.751
6. Impairment (127+128)	126	6.291.729	3.135.808	6.184.007	107.412
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	6.291.729	3.135.808	6.184.007	107.412
7. Provisions	129	829.113	829.113		
8. Other operating expenses	130				
<b>III. FINANCE INCOME (132 to 136)</b>	<b>131</b>	17.237.489	5.448.943	11.916.604	2.980.261
1. Interests, foreign exchanges and dividend from related parties	132	555.494	304.700	850.278	850.278
2. Interests, foreign exchanges and dividend from non-related parties	133	16.681.995	5.144.243	11.066.326	2.580.779
3. Share of profit from associate	134				-450.796
4. Unrealised gains	135				
5. Other financial income	136				
<b>IV. FINANCE EXPENSES (138 to 141)</b>	<b>137</b>	9.537.565	4.211.127	7.138.903	3.394.012
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	9.537.565	4.211.127	7.138.903	3.394.012
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>	1.351.555.088	672.523.467	1.411.840.369	716.797.388
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	1.313.557.016	652.776.535	1.364.530.769	687.166.505
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	37.998.072	19.746.932	47.309.600	29.630.883
1. Profit before tax (146-147)	149	37.998.072	19.746.932	47.309.600	29.630.883
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. INCOME TAX</b>	<b>151</b>	8.521.936	4.361.926	9.522.596	5.753.634
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	29.476.136	15.385.006	37.787.004	23.877.249
1. Profit for the period (149-151)	153	29.476.136	15.385.006	37.787.004	23.877.249
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	29.476.136	15.385.006	37.787.004	23.877.249
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>29.476.136</b>	<b>15.385.006</b>	<b>37.787.004</b>	<b>23.877.249</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>29.476.136</b>	<b>15.385.006</b>	<b>37.787.004</b>	<b>23.877.249</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	29.476.136	15.385.006	37.787.004	23.877.249
2. Attributable to minority interest	170				

**STATEMENT OF CASH FLOW - Indirect method**  
for the period from 1.1.2017. do 30.6.2017.

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	37.998.072	47.309.600
2. Depreciation and amortisation	002	7.063.613	6.793.405
3. Increase of current liabilities	003	103.083.030	81.318.461
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other increase of cash flow	006		26.732.768
<b>I. Total increase of cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>148.144.715</b>	<b>162.154.234</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	161.501.449	91.514.837
3. Increase of inventories	010	12.942.896	12.938.022
4. Other decrease of cash flow	011	38.181.259	11.800.099
<b>II. Total decrease of cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>212.625.604</b>	<b>116.252.958</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>45.901.276</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>64.480.889</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of tangible and intangible assets	015	856.757	2.195.581
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	8.347.864	2.654.102
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>9.204.621</b>	<b>4.849.683</b>
1. Purchase of tangible and intangible assets	021	9.615.251	5.286.667
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023		816.111
<b>IV. Total purchases resulting from investing activities (021 to 023)</b>	<b>024</b>	<b>9.615.251</b>	<b>6.102.778</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>410.630</b>	<b>1.253.095</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	442.000.000	
3. Other proceeds from financing activities	029		
<b>V. Total proceeds from financing activities (027 to 029)</b>	<b>030</b>	<b>442.000.000</b>	<b>0</b>
1. Repayments of borrowings	031	391.208.185	84.517.925
2. Dividends paid	032		
3. Repayments of finance lease	033	1.229.549	1.434.871
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>396.962.267</b>	<b>85.952.796</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>45.037.733</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>0</b>	<b>85.952.796</b>
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	19.853.786	41.304.615
Cash and cash equivalents at beginning of the period	041	54.902.549	84.509.290
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	19.853.786	41.304.615
Cash and cash equivalents at end of the period	044	35.048.763	43.204.675

**STATEMENT OF CHANGES IN EQUITY**  
for the period from **1.1.2017.** to **30.6.2017.**

Description	AOP mark	Previous period	Current period
1	2	3	4
1. Share capital	001	204.715.320	204.715.320
2. Capital reserves	002	-8.312.744	-7.657.920
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	37.787.004
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>455.027.473</b>	<b>494.434.477</b>
11. Foreign exchanges from the foreign investments	011		
12. Current and defered 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 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, 110/15 and 123/16) 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 June 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 30 June 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

