

**Management Board interim report  
for the temporary unaudited annual  
consolidated financial statements for 2017  
Medika d.d. Zagreb  
Group Medika**

**February 2018**

## Management interim report

### ***Comment on temporary unaudited consolidated financial statements for the fourth quarter of the year 2017***

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of 2017, Medika d.d. has prepared temporary unaudited consolidated financial statements which present approximate consolidated balance sheet as at 31 December 2017, approximate consolidated profit and loss statement for the fourth quarter of 2017, approximate consolidated statement of changes in equity and approximate consolidated statement of cash flow.

We point out that these consolidated financial statements are temporary and as such are not approved by the Supervisory Board. Furthermore, consolidated 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 2018.

With the above stated, Management Board does not comment financial statements, but only presents key events for the Company and the Group in 2017.

#### ***Key events***

Total pharmaceutical market in 2017 has increased comparing to the previous year. At the same time, sales of Medika d.d. have increased slightly slower comparing to the market increase, which has not significantly influenced market share.

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

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

The Company paid out the dividend in amount of HRK 2,000.00 per share based on the decision passed at the General Assembly held as at 19.12.2017.

Total indebtedness has decreased for HRK 139.9 million compared to the beginning of the year.

Value adjustment of financial assets was made in amount of HRK 50.0 million.

During 2017 Ljekarna Ana Pantelić was acquired and was merged into ZU Ljekarne Prima Pharme.

### ***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 ZU Ljekarne Prima Pharme is to expand network of pharmacies on the whole territory of Croatia.

### ***Treasury shares***

As at 31.12.2017, the Company holds 1,440 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 and associate ZU Ljekarne Jagatić in which it holds 49% of ownership. During 2017 Ljekarna Ana Pantelić was acquired and was merged into ZU Ljekarne Prima Pharme.

### ***Related parties***

The company with major voting rights, Auctor d.o.o. owns 47.38% of the Company and has 49.75% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.59% 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 realizes majority of its revenue on domestic market in Croatian kuna. 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 borrowings are in Croatian kuna.

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 variable interest rates expose the Group to cash flow interest rate risk. 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. 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

 3 **Medika** d.d.  
ZAGREB Capraška

**Appendix 1.**

Reporting period:

1.1.2017.

to

31.12.2017.

**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: 780  
(end of reporting period)

Consolidated statements: YES

NKD code: 4646

Tvrte subjekata konsolidacije (prema MSFI):

Sjedište:

MB:

ZU Ljekarne Prima Pharme

Zagreb

0694975

ZU Ljekarne Delonga

Okrug Gornji

1605747

ZU Ljekarne Ines Škoko

Zagreb

02708396

Primus nekretnine d.o.o.

Zagreb

4439856

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.

<sup>3</sup> Medika d.d.  
ZAGREB, Capraška 1  
(signature of authorised person)

h.o.

**BALANCE SHEET**  
balance as at 31.12.2017.

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	408.839.901	428.629.723
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	188.121.405	189.795.652
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	119.575.339	120.922.555
3. Goodwill	006	67.663.564	68.212.973
4. Advances for intangible assets	007	213.698	163.350
5. Intangible assets under construction	008	668.804	496.774
6. Other intangible assets	009		
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	191.785.703	190.142.280
1. Land	011	25.226.916	25.226.916
2. Buildings	012	132.352.841	127.922.484
3. Equipment and machinery	013	13.092.366	12.153.061
4. Furniture, fittings and vehicles	014	11.237.693	14.703.992
5. Biological assets	015		
6. Advances for tangible assets	016	3.497.127	145.854
7. Tangible assets under construction	017	5.557.090	9.177.283
8. Other tangible assets	018	821.670	812.690
9. Investment property	019		
<b>III. NON-CURRENT FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	26.390.065	31.562.923
1. Investment in subsidiaries and associates	021		
2. Loans to related parties	022		
3. Equity investments	023	21.318.086	21.452.944
4. Loans given to participating parties	024		
5. Investment in securities	025		
6. Loans given, deposits and similar	026	5.071.979	10.109.979
7. Other non-current financial assets	027		
8. Investments at equity method	028		
<b>IV. RECEIVABLES (030 to 032)</b>	<b>029</b>	1.018.735	1.022.618
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032	1.018.735	1.022.618
<b>V. DEFERRED TAX ASSET</b>	<b>033</b>	1.523.993	16.106.250
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	1.742.543.057	1.615.425.845
<b>I. INVENTORY (036 To 042)</b>	<b>035</b>	277.022.681	307.213.094
1. Raw material	036	493.692	501.637
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	274.089.365	302.956.948
5. Advances for inventories	040	2.439.624	3.754.509
6. Non-current assets available for sale	041		
7. Biological assets	042		
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	1.248.405.954	1.110.614.710
1. Receivables from related parties	044		
2. Trade receivables	045	1.222.404.747	1.079.444.732
3. Receivables from participating parties	046	16.095.511	13.062.528
4. Receivables from employees	047	121.201	27.429
5. Receivables from the state and other institutions	048	1.537.180	4.973.583
6. Other receivables	049	8.247.315	13.106.438
<b>III. CURRENT FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	132.605.132	52.813.062
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	52.813.062
7. Other financial assets	057		
<b>IV. CASH IN BANK AND ON HAND</b>	<b>058</b>	84.509.290	144.784.979
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	2.080.559	780.889
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	2.153.463.517	2.044.836.457
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	137.321.182	121.247.906

<b>EQUITY AND LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	455,027,473	438,830,620
<b>I. SHARE CAPITAL</b>	<b>063</b>	204,715,320	209,244,420
<b>II. CAPITAL RESERVES</b>	<b>064</b>	-8,312,744	-7,657,921
<b>III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)</b>	<b>065</b>	85,852,773	83,475,954
1. Legal reserves	<b>066</b>	18,465,733	18,548,510
2. Reserves for treasury shares	<b>067</b>	48,811,980	48,811,980
3. Treasury shares	<b>068</b>	13,221,430	15,598,249
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	31,796,490	31,713,713
<b>IV. REVALUATION RESERVES</b>	<b>071</b>		
<b>V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)</b>	<b>072</b>	117,255,820	110,259,023
1. Retained earnings	<b>073</b>	117,255,820	110,259,023
2. Accumulated loss	<b>074</b>		
<b>VI. PROFIT OR LOSS FOR THE PERIOD (076-077)</b>	<b>075</b>	55,516,304	43,509,144
1. Profit for the period	<b>076</b>	55,516,304	43,509,144
2. Loss for the period	<b>077</b>		
<b>VII. MAJORITY INTERESTS</b>	<b>078</b>		
<b>B) PROVISIONS (080 To 082)</b>	<b>079</b>	951,636	803,653
1. Provisions for retirement, severance payment and similar	<b>080</b>	951,636	803,653
2. Tax provisions	<b>081</b>		
3. Other provisions	<b>082</b>		
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	32,086,546	21,707,950
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>	16,163,856	5,785,260
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>	15,922,690	15,922,690
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	1,663,967,808	1,579,398,372
1. Liabilities to related parties	<b>094</b>	132,968,443	118,412,210
2. Borrowings and deposits	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	497,052,038	369,479,334
4. Liabilities for advances received	<b>097</b>	1,442,225	2,414,447
5. Trade payables	<b>098</b>	1,006,069,951	1,052,045,823
6. Liabilities for securities	<b>099</b>		
7. Liabilities to participating parties	<b>100</b>		
8. Liabilities to employees	<b>101</b>	10,653,682	10,602,471
9. Liabilities for taxes and contributions	<b>102</b>	12,657,670	12,037,394
10. Dividend payables	<b>103</b>		12,030,000
11. Liabilities for non-current assets available for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	3,123,799	2,376,693
<b>E) DEFERRED INCOME AND ACCRUED EXPENSES</b>	<b>106</b>	1,430,054	4,095,862
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	2,153,463,517	2,044,836,457
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	137,321,182	121,247,908
<b>SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributable to equity holders	<b>109</b>	455,027,473	438,830,620
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 1.1.2017. to 31.12.2017.

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>	2.664.370.176	656.988.491	2.840.308.797	732.953.281
1. Revenues from sale	112	2.636.766.908	646.272.252	2.811.851.027	722.633.512
2. Other operating revenues	113	27.603.268	10.716.239	28.457.770	10.319.769
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	2.601.110.119	646.037.541	2.754.504.093	713.174.295
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	2.431.803.636	595.043.669	2.582.259.198	664.964.609
a) Raw materials	117	12.430.555	3.363.784	11.863.747	3.418.599
b) Cost of goods sold	118	2.382.625.773	580.895.412	2.530.724.830	648.243.622
c) Other expenses	119	36.747.308	10.784.473	39.670.621	13.302.388
3. Employee expenses (121 to 123)	120	101.204.370	25.614.212	101.135.145	25.609.611
a) Net salaries	121	60.171.937	15.409.411	61.384.232	15.624.902
b) Tax and contributions from salaries	122	26.803.849	6.588.538	25.658.368	6.456.025
c) Contributions on salaries	123	14.228.584	3.616.263	14.092.545	3.528.684
4. Depreciation and amortization	124	13.860.058	3.345.550	13.617.987	3.406.726
5. Other expenses	125	41.810.774	16.145.881	51.827.248	20.279.625
6. Impairment (127+128)	126	11.254.989	4.711.937	5.535.133	-1.215.658
a) of non-current assets (financial assets excluded)	127	3.129.759	3.129.759	704.994	704.994
b) of current assets (financial assets excluded)	128	8.125.230	1.582.178	4.830.139	-1.920.652
7. Provisions	129	1.176.292	1.176.292	129.382	129.382
8. Other operating expenses	130				
<b>III. FINANCE INCOME (132 to 136)</b>	<b>131</b>	23.274.036	2.224.263	19.362.233	10.569.887
1. Interests, foreign exchanges and dividend from related parties	132			1.789.423	575.811
2. Interests, foreign exchanges and dividend from non-related parties	133	21.938.016	1.720.822	17.512.249	9.933.515
3. Share of profit from associate	134	1.235.600	403.021	339	339
4. Unrealised gains	135	46.128	46.128	60.222	60.222
5. Other financial income	136	54.292	54.292		
<b>IV. FINANCE EXPENSES (138 to 141)</b>	<b>137</b>	19.020.656	5.422.371	67.329.371	5.425.005
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	19.020.656	5.422.371	17.329.371	5.425.005
3. Unrealised losses	140				
4. Other finance expenses	141			50.000.000	0
<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>	2.687.644.212	659.212.754	2.859.671.030	743.523.168
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	2.620.130.775	651.459.912	2.821.833.464	718.599.300
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	67.513.437	7.752.842	37.837.566	24.923.868
1. Profit before tax (146-147)	149	67.513.437	7.752.842	37.837.566	24.923.868
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. INCOME TAX</b>	<b>151</b>	11.997.133	-1.323.404	-5.671.578	-8.438.954
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	55.516.304	9.076.246	43.509.144	33.362.822
1. Profit for the period (149-151)	153	55.516.304	9.076.246	43.509.144	33.362.822
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	55.516.304	9.076.246	43.509.144	33.362.822
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>55.516.304</b>	<b>9.076.246</b>	<b>43.509.144</b>	<b>33.362.822</b>
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<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>
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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>				
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<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>
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<b>V. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>55.516.304</b>	<b>9.076.246</b>	<b>43.509.144</b>	<b>33.362.822</b>
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**APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)**

**VI. COMPREHENSIVE PROFIT OR LOSS**

1. Attributable to equity holders	169	55.516.304	9.076.246	43.509.144	33.362.822
2. Attributable to minority interest	170				

**STATEMENT OF CASH FLOW - Indirect method**  
for the period from 1.1.2017. to 31.12.2017.

Description 1	AOP mark 2	Previous period 3	Current period 4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	67.513.437	37.837.566
2. Depreciation and amortisation	002	13.860.058	13.617.987
3. Increase of current liabilities	003	62.428.007	43.003.268
4. Decrease of current receivables	004		137.791.245
5. Decrease of inventories	005		
6. Other increase of cash flow	006		79.792.069
<b>I. Total increase of cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>143.801.502</b>	<b>312.042.135</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	239.103.333	
3. Increase of inventories	010	10.730.430	30.190.414
4. Other decrease of cash flow	011	9.383.115	21.943.012
<b>II. Total decrease of cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>259.216.878</b>	<b>52.133.426</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>259.908.709</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>115.415.376</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of tangible and intangible assets	015	955.542	4.826.048
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	14.864.114	11.637.924
4. Dividends received	018		
5. Other proceeds from investing activities	019	58.491.717	
<b>III. Total proceeds from investing activities (015 to 019)</b>	<b>020</b>	<b>74.311.373</b>	<b>16.463.972</b>
1. Purchase of tangible and intangible assets	021	19.914.154	14.964.612
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023		5.172.858
<b>IV. Total purchases resulting from investing activities (021 to 023)</b>	<b>024</b>	<b>19.914.154</b>	<b>20.137.470</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>54.397.219</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	<b>0</b>	<b>3.673.498</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	592.495.052	64.700.000
3. Other proceeds from financing activities	029	1.039.998	
<b>V. Total proceeds from financing activities (027 to 029)</b>	<b>030</b>	<b>587.000.000</b>	<b>64.700.000</b>
1. Repayments of borrowings	031	440.252.982	204.603.385
2. Dividends paid	032	49.127.771	49.954.000
3. Repayments of finance lease	033	2.469.816	2.760.141
4. Purchase of treasury shares	034	4.524.533	3.341.996
5. Other purchases resulting from financing activities	035		
<b>VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)</b>	<b>036</b>	<b>496.375.102</b>	<b>260.659.522</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>90.624.898</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>0</b>	<b>195.959.522</b>
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	<b>039</b>	<b>29.606.741</b>	<b>60.275.689</b>
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	<b>040</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at beginning of the period	<b>041</b>	<b>54.902.549</b>	<b>84.509.290</b>
Increase of cash and cash equivalents	<b>042</b>	<b>29.606.741</b>	<b>60.275.689</b>
Decrease of cash and cash equivalents	<b>043</b>		
Cash and cash equivalents at end of the period	<b>044</b>	<b>84.509.290</b>	<b>144.784.979</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 1.1.2017. to 31.12.2017.

Description	AOP mark	Previous period	Current period
1	2	3	4
1. Share capital	001	204.715.320	209.244.420
2. Capital reserves	002	-8.312.744	-7.657.921
3. Reserves from retained earnings	003	85.852.773	83.475.954
4. Retained earnings or accumulated loss	004	117.255.820	110.259.023
5. Profit or loss for the period	005	55.516.304	43.509.144
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>438.830.620</b>
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		
<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. Attributable to equity holders</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, 21 February 2018

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**

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 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 temporary unaudited financial statements for the period 01 January to 31 December 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

