



Medika d.d.
Zagreb, Capraška 1

**INTERIM REPORT
for I-VI 2018
Medika d.d. Zagreb**

July 2018

Management interim report

Comment on the business results for the first six months of 2018

Medika d.d. („Company“) has realised total revenue in the first six months of 2018 in amount of HRK 1 billion 466.0 million which is by 7.91% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 1 billion 443.9 million for the first six months of 2018 are by 7.89% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 98.50% while in the same period of previous year it was 98.51%.

Other operating revenues which amount to HRK 9.1 million are lower by 0.33% comparing to the same period of previous year. Share of other operating revenues in total revenue was 0.87% in the first six months of 2017, and in the first six months of 2018 is 0.67%.

Out of the total sales revenues, 99.97% revenues are generated on domestic market, while 0.03% is generated on the foreign market. This structure in the first six months of 2018 has not changed comparing to the same period of previous year.

Material expenses amount to HRK 1 billion 364.8 million and are 8.58% 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 0.30% comparing to the same period of previous year and amounts to 96.20%.

Employee expenses are higher by 3.06% comparing to the same period of previous year. Their share in the total expenses amounts to 1.94% while in the same period of previous year it amounted to 2.04%. Increase in employee expenses is influenced by higher number of employees.

Impairment of current assets amounts to HRK 4.6 million and is lower compared to the same period of previous year. Impairment of accounts receivables is lower compared to the same period of the previous year because at the end of the 2017 there was debt repair from the hospitals.

Finance income has increased compared to the same period of the previous year for HRK 1.9 million, which is 16.81%. In the structure of the financial positive foreign exchange differences are lower compared to the same period of the previous year for HRK 253 thousand, while interest income is higher for HRK 2.1 million. Increase in finance income is influenced by the court settlement, default interest income was recorded in the amount of HRK 3.8 million.

Finance expenses have decreased compared to the same period of previous year by HRK 1.5 million, which is 22.07%. Their share in the total expenses is by 0.15% lower compared to the same period of previous year and amounts to 0.38%. In the structure of financial income foreign exchange expenses are higher by HRK 511 thousand, while interest expenses are lower by HRK 2.0 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 2017 amounted to 7.19%, while in the first six months of 2018 amounts to 6.69%, which is decrease of 0.50%. Decrease is a result of smaller increase in net sales revenue comparing to the increase in net cost of goods sold.

Gross profit (profit before taxation) amounts to HRK 41.8 million, while in the same period of previous year amounted to HRK 40.9 million, which is increase of HRK 837 thousand, or 2.05%. Higher gross profit is result of greater absolute increase of total revenue in relation to the absolute increase of total expenses.

Operative earnings amount to HRK 34.2 million and are by HRK 2.5 million, which is 6.90% lower comparing to the same period of previous year.

Realised net profit amounts to HRK 33.4 million.

Transactions with the related parties in the first six months of 2018 generated total net revenues in amount of HRK 150.2 million, which is 3.20% more of generated revenue in the same period of previous year when it amounted to HRK 145.5 million. Increase is a result of increase sales in Prima Pharma Group.

Trade goods purchased from the related parties amount to HRK 99.2 million, while in the same period of previous year amounted to HRK 108.8 million, which is decrease of HRK 9.6 million, which is 8.83%.

Total assets amount to HRK 2 billion 903 thousand.

Long term assets increased by HRK 5.1 million comparing to the beginning of the year. Long term intangible assets increased by HRK 414 thousand comparing to the beginning of the year, while long term tangible assets are lower for HRK 3.6 million, that is 2.16%.

Long term financial assets mostly relate to the investment in related parties and in smaller part to the given loans. Long term financial assets amount to HRK 118.1 million and are by HRK 8.3 million higher compared to the beginning of the year due to the increase in given loans to business partners.

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

Short term assets amount to HRK 1 billion 683.1 million and are higher for HRK 38.3 million, which is 2.33%. In the structure of short term assets financial assets, receivables and inventory have increased, while cash in bank and on hand has decreased compared to the beginning of the year.

Inventory amounts to HRK 293.2 million and has increased by HRK 17.2 million comparing to the beginning of the year, which is 6.22%.

Total short term receivables amount to HRK 1 billion 273.5 million and are higher for HRK 95.7 million, which is 8.13%, comparing to the beginning of the year. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 265.9 million and have increased by 8.92% comparing to the beginning of the year.

Amount of HRK 35.4 million of receivables from customers from Agrokor Group was converted into incremental loan (roll-up loan) by which receivables in the same amount were closed and the receivables for incremental loan were recorded in the amount of HRK 35.4 million within short term financial assets.

Short term financial assets amount to HRK 87.8 million and relate to short term given loans. Comparing to the beginning of the year they have increased for HRK 35.1 million. This increase is result of recording incremental loan (roll-up loan) from Agrokor.

Cash in bank and on hand amounts to HRK 28.6 million and is lower by HRK 109.6 million compared to the beginning of the year. At the end of 2017 part of the funds from the debt repair of hospitals was received which increased this balance sheet item. Received funds were used for decreasing indebtedness in 2018 and for decreasing trade payables.

In equity, there was no change compared to the beginning of the year.

Long term liabilities amount to HRK 5.7 million and relate to finance lease liabilities.

Short term liabilities amount to HRK 1 billion 568.5 million out of which the biggest part in amount of HRK 1 billion 234.0 million relates to trade payables and liabilities to related parties and HRK 312.9 million to indebtedness (HRK 311.3 million to short term loans and HRK 1.6 million to finance lease).

Trade payables and liabilities to related parties are higher for HRK 70.7 million comparing to the beginning of the year, which is 6.08%.

Total loans liabilities of Medika amounts to HRK 311.3 million which is decrease of HRK 45.0 million comparing to the beginning of the year. As at 30.06.2018 Medika does not have any long term loans. All loans are short term loans and 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 2018 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.

Amount of HRK 35.4 million of receivables from customers from Agrokor Group was converted into incremental loan (roll-up loan) by which receivables in the same amount were closed and the receivables for incremental loan were recorded in the amount of HRK 35.4million within short term financial assets.

Total indebtedness has decreased for HRK 45.0 million compared to the beginning of the year.

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 Company.

Treasury shares

As at 30.06.2018, 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.

Related parties

Auctor d.o.o. owns 34.13% of the Company and has 35.84% 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 d.o.o. has significant influence on the current operations of the Company.

Financial risks and exposure to price risk, credit risk, liquidity and cash flow risk

Within financial risks, foreign exchange risk is significant. The Company's purchase of goods is partly realised on the foreign market. The Company is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to the EUR. 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 Company has part of assets which are interest-bearing so the Company's income and operating cash flows are dependent of changes in market interest rates.

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

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 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 98.4 million relates to the receivables from companies within Agrokor Group. Out of the total amount, HRK 50.0 million relates to the given loan (gross amount of the loan amounts to HRK 100.0 million and the impairment HRK 50.0 million), HRK 35.4 million to receivables for incremental loan (roll-up loan) and the remaining on the receivables for the sold goods to the veterinary customers within Agrokor Group. Relating to the remaining amount of the loan given to Agrokor, in amount HRK 50.0 million, regardless of the settlement, the one is not valid yet and the decision of the High Commercial Court is awaiting.

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 that 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:

1.1.2018.

to

30.6.2018

Quarterly financial statements TFI-PODRegistration 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: **421**
(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**Telefax: **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.

Medika d.d.
ZAGREB Capraška 1
M.P.
(signature of authorised person)

BALANCE SHEET
balance as at 30.06.2018.

Issuer: MEDIKA d.d.			
Description	AOP mark	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	311.426.456	316.546.587
I. INTANGIBLE ASSETS (004 to 009)	003	19.199.753	19.614.099
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	6.610.043	7.207.628
3. Goodwill	006	11.929.586	11.929.586
4. Advances for intangible assets	007	163.350	
5. Intangible assets under construction	008	496.774	476.885
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	167.087.049	163.485.491
1. Land	011	18.232.855	18.232.855
2. Buildings	012	114.799.093	112.627.537
3. Equipment and machinery	013	11.719.588	12.098.106
4. Furniture, fittings and vehicles	014	12.267.312	10.243.150
5. Biological assets	015		
6. Advances for tangible assets	016	145.854	50.338
7. Tangible assets under construction	017	9.129.377	9.444.785
8. Other tangible assets	018	792.970	788.720
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	109.814.616	118.121.959
1. Investment in subsidiaries and associates	021	99.999.330	100.199.330
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	9.815.286	17.922.629
7. Other non-current financial assets	027		
8. Investments at equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033	15.325.038	15.325.038
C) CURRENT ASSETS (035+043+050+058)	034	1.644.771.761	1.683.114.133
I. INVENTORY (036 To 042)	035	275.997.886	293.156.982
1. Raw material	036	96.453	110.754
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	272.178.706	291.138.606
5. Advances for inventories	040	3.722.727	1.907.622
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.177.811.235	1.273.539.974
1. Receivables from related parties	044	136.200.111	129.816.918
2. Trade receivables	045	1.012.931.948	1.120.858.931
3. Receivables from participating parties	046	13.062.528	15.179.394
4. Receivables from employees	047	26.979	18.860
5. Receivables from the state and other institutions	048	6.197.895	4.177.559
6. Other receivables	049	9.391.774	3.488.312
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	52.759.803	87.825.640
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	52.759.803	87.825.640
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	138.202.837	28.591.537
D) PREPAID EXPENSES AND ACCRUED INCOME	059	613.265	1.241.833
E) TOTAL ASSETS (001+002+034+059)	060	1.956.811.482	2.000.902.553
G) OFF BALANCE SHEET ITEMS	061	121.247.906	19.653.388

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	390.633.291	424.050.911
I. SHARE CAPITAL	063	209.244.420	209.244.420
II. CAPITAL RESERVES	064	-7.657.921	-7.657.921
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	83.475.954	83.475.954
1. Legal reserves	066	18.548.510	18.548.510
2. Reserves for treasury shares	067	48.811.980	48.811.980
3. Treasury shares	068	15.598.249	15.598.249
4. Statutory reserves	069		
5. Other reserves	070	31.713.713	31.713.713
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	72.495.831	105.570.838
1. Retained earnings	073	72.495.831	105.570.838
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	33.075.007	33.417.620
1. Profit for the period	076	33.075.007	33.417.620
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	642.547	642.547
1. Provisions for retirement, severance oayment and similar	080	642.547	642.547
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	5.785.260	5.681.955
1. Liabilites to related parties	084		
2. Borrowings and deposits	085		
3. Liabilites to banks and other financial institutions	086	5.785.260	5.681.955
4. Liabilites for advances received	087		
5. Trade payables	088		
6. Liabilitis for securities	089		
7. Liabilities to participating parties	090		
8. Other non-current liabilites	091		
9. Deferred tax liability	092		
D) CURRENT LIABILITIES (094 to 105)	093	1.555.753.395	1.568.457.043
1. Liabilities to related parties	094	118.412.210	104.183.015
2. Borrowings and deposits	095		
3. Liabilites to banks and other financial institutions	096	359.479.333	312.851.120
4. Liabilites for advances received	097	2.414.190	13.467
5. Trade payables	098	1.044.912.968	1.129.854.729
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	7.361.664	5.350.309
9. Liabilites for taxes and contributions	102	8.792.170	14.760.968
10. Dividend payables	103	12.030.000	
11. Liabilites for non-current assets available for sale	104		
12. Other current liabilites	105	2.350.860	1.443.435
E) DEFFERED INCOME AND ACCRUED EXPENSES	106	3.996.989	2.070.097
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.956.811.482	2.000.902.553
G) OFF BALANCE SHEET ITEMS	108	121.247.906	19.653.388
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders	109		
2. Attributable to minority interest	110		

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

PROFIT AND LOSS
for period from 1.1.2018. to 30.06.2018

Issuer: MEDIKA d.d.

Description	AOP mark	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111				
1. Revenues from sale	111	1.347.435.394	685.350.946	1.453.052.825	724.731.701
2. Other operating revenues	112	1.338.289.088	682.028.756	1.443.936.619	718.979.982
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	113				
1. Change in value of work in progress and finished goods	113	9.146.306	3.322.190	9.116.206	5.751.719
2. Material expenses (117 to 119)	114	1.310.663.731	659.465.281	1.418.818.507	703.345.332
2.1. Raw materials	115				
2.2. Cost of goods sold	116	1.256.978.568	635.525.427	1.364.838.471	678.273.612
2.3. Other expenses	117	4.439.607	2.152.981	5.546.888	2.957.400
3. Employee expenses (121 to 123)	118	1.242.101.172	627.747.196	1.347.392.195	669.878.823
3.1. Net salaries	119	10.437.789	5.625.250	11.899.388	5.437.389
3.2. Tax and contributions from salaries	120	26.714.188	13.445.119	27.530.438	13.996.724
3.3. Contributions on salaries	121	16.174.075	8.130.415	16.661.383	8.458.251
4. Depreciation and amortization	122	6.816.418	3.444.291	7.070.259	3.609.984
5. Other expenses	123	3.723.695	1.870.413	3.798.796	1.928.489
6. Impairment (127+128)	124	5.512.086	2.773.041	5.927.818	2.966.747
6.1. of non-current assets (financial assets excluded)	125	15.276.767	7.614.852	15.902.350	7.834.844
6.2. of current assets (financial assets excluded)	126	6.182.122	106.842	4.619.430	273.405
7. Provisions	127				
8. Other operating expenses	128	6.182.122	106.842	4.619.430	273.405
III. FINANCE INCOME (132 to 136)	129				
1. Interests, foreign exchanges and dividend from related parties	130				
2. Interests, foreign exchanges and dividend from non-related parties	131	11.043.511	2.564.410	12.899.469	3.874.303
3. Share of profit from associate	132				
4. Unrealised gains	133	11.043.511	2.564.410	12.899.469	3.874.303
5. Other financial income	134				
IV. FINANCE EXPENSES (138 to 141)	135				
1. Interests, foreign exchanges and dividend from related parties	136				
2. Interests, foreign exchanges and dividend from non-related parties	137	6.880.442	3.276.741	5.361.762	2.556.216
3. Unrealised losses	138				
4. Other finance expenses	139	6.880.442	3.276.741	5.361.762	2.556.216
V. SHARE OF PROFIT FROM ASSOCIATE	140				
VI. SHARE OF LOSS FROM ASSOCIATE	141				
VII. EXTRAORDINARY - OTHER INCOME	142				
VIII. EXTRAORDINARY - OTHER EXPENSES	143				
IX. TOTAL INCOME (111+131+142 + 144)	144				
X. TOTAL EXPENSES (114+137+143 + 145)	145	1.358.478.905	687.915.356	1.465.952.294	728.606.004
XI. PROFIT OR LOSS BEFORE TAX (146-147)	146	1.317.544.173	662.742.022	1.424.180.269	705.901.548
1. Profit before tax (146-147)	147	40.934.732	25.173.334	41.772.025	22.704.456
2. Loss before tax (147-146)	148	40.934.732	25.173.334	41.772.025	22.704.456
XII. INCOME TAX	149	0	0	0	0
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	150	8.186.946	5.034.667	8.354.405	4.540.891
1. Profit for the period (149-151)	151	32.747.786	20.138.667	33.417.620	18.163.565
2. Loss for the period (151-148)	152	32.747.786	20.138.667	33.417.620	18.163.565
	153	0	0	0	0
	154	0	0	0	0

SUPPLEMENT TO PROFIT AND LOSS (for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to equity holders	155				
2. Attributable to minority interest	156				
OTHER COMPREHENSIVE INCOME REPORT (for IFRS reporting)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	32.747.786	20.138.667	33.417.620	18.163.565
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	32.747.786	20.138.667	33.417.620	18.163.565
APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)					
VI. COMPREHENSIVE PROFIT OR LOSS					
1. Attributable to equity holders	169				
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOW - Indirect method
for the period from 1.1.2018. to 30.06.2018

Issuer: MEDIKA d.d.

Description 1	AOP mark 2	Previous period 3	Current period 4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	40.934.732	41.772.025
2. Depreciation and amortisation	002	5.512.086	5.927.818
3. Increase of current liabilities	003	82.189.444	59.331.861
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other increase of cash flow	006	26.777.031	
I. Total increase of cash flow from operating activities (001 to 006)	007	155.413.293	107.031.704
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	58.167.479	95.728.739
3. Increase of inventories	010	9.236.933	17.159.096
4. Other decrease of cash flow	011	11.013.696	45.436.046
II. Total decrease of cash flow from operating activities (008 to 011)	012	78.418.108	158.323.881
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	76.995.185	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	51.292.177
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	373.712	1.082.923
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	2.631.376	10.549.560
4. Dividends received	018		
5. Other proceeds from investing activities	019		
III. Total proceeds from investing activities (015 to 019)	020	3.005.088	11.632.483
1. Purchase of tangible and intangible assets	021	2.860.832	3.018.959
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023	41.487.296	8.307.344
IV. Total purchases resulting from investing activities (021 to 023)	024	44.348.128	11.326.303
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	306.180
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	41.343.040	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028		266.000.000
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	0	266.000.000
1. Repayments of borrowings	031	73.602.083	311.000.000
2. Dividends paid	032		12.030.000
3. Repayments of finance lease	033	1.434.871	1.595.303
4. Purchase of treasury shares	034		
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od finansijskih aktivnosti (031 to 035)	036	75.036.954	324.625.303
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	75.036.954	58.625.303
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	39.384.809	109.611.300
Cash and cash equivalents at beginning of the period	041	80.093.929	138.202.837
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	39.384.809	109.611.300
Cash and cash equivalents at end of the period	044	40.709.120	28.591.537

STATEMENT OF CHANGES IN EQUITY
for the period from **1.1.2018.** to **30.06.2018.**

Description	AOP mark	Previous period	Current period
1	2	3	4
1. Share capital	001	209.244.420	209.244.420
2. Capital reserves	002	-7.657.921	-7.657.921
3. Reserves from retained earnings	003	83.475.954	83.475.954
4. Retained earnings or accumulated loss	004	72.495.831	105.570.838
5. Profit or loss for the period	005	33.075.007	33.417.620
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	390.633.291	424.050.911
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		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
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, 24 July 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, 123/16 and 131/17) 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 July 2018 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 July 2018 presents true and fair presentation of development and results of the operations and position of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.

Jasminko Herceg
Director



Medika d.d.
ZAGREB, Capraška 1