

**INTERIM REPORT
for I-IX 2018
Group Medika**

October 2018

Management interim report

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

Medika Group („the Group“) has realised total revenue in the first nine months of 2018 in amount of HRK 2 billion 306.8 million which is by 9.01% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 2 billion 275.2 million for the first nine months of 2018 are by 8.90% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 98.63% while in the same period of previous year it was 98.73%.

Other operating revenues which amount to HRK 19.5 million are higher by HRK 1.4 million comparing to the same period of previous year. Share of other operating revenues in total revenue was only 0.86 % in the first nine months of 2017, and in the first nine months of 2018 is 0.85%.

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 nine months of 2018 has not changed comparing to the same period of previous year.

Material expenses amount to HRK 2 billion 103.7 million and are 9.72% 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 0.69% comparing to the same period of previous year and amounts to 94.61%.

Employee expenses amount to HRK 75.8 million and have not significantly changed compared to the same period of previous year. Their share in the total expenses amounts to 3.41% while in the same period of previous year it amounted to 3.70%.

Impairment of current assets amounts to HRK 3.9 million and is lower compared to the same period of previous year, which is mostly influenced by debt repair for the hospitals at the end of the 2017.

Finance income has increased compared to the same period of the previous year for HRK 3.3 million, that is 37.63%. In the structure of the financial income, interest income is higher for HRK 2.2 million, and positive foreign exchange differences are higher compared to the same period of the previous year for HRK 973 thousand. Increase in finance income is influenced by default interest income by the court settlement in March 2018.

Finance expenses have decreased compared to the same period of previous year by HRK 53.8 million, which is 86.97%. Their share in the total expenses is by 2.58% lower compared to the same period of previous year and amounts to 0.36%. Decrease in finance expenses is mostly influenced by 50.0 million value adjustment of loan granted recorded in 2017. Also, in the structure of financial income, interest expenses are lower by HRK 3.3 million as a result of lower interest rates and lower indebtedness comparing to the same period of previous year, and negative foreign exchange expenses are lower by HRK 537 thousand.

Gross margin in the first nine months of 2017 amounted to 9.90%, while in the first nine months of 2018 amounts to 9.18%, which is decrease by 0.71%. Decrease is a result of lower increase in net sales revenue comparing to the increase in net cost of goods sold.

Gross profit (profit before taxation) amounts to HRK 75.3 million, while in the same period of previous year amounted to HRK 12.9 million, which is increase of HRK 62.4million. Higher gross profit is result of greater increase of total revenue (increase of 9.01% comparing to the same period of previous year mostly due to the increase in sales revenue) in relation to the increase of total expenses (increase of 6.10% comparing to the same period of previous year).

Operative earnings amount to HRK 71.2 million and are by HRK 5.2 million, which is 7.91% higher comparing to the same period of previous year.

Realised net profit amounts to HRK 60.4 million.

Transactions with the related parties in the first nine months of 2018 generated total net revenues in amount of HRK 28.5 million, which is by 8.15% higher of generated revenue in the same period of previous year when it amounted to HRK 26.4 million.

Trade goods purchased from the related parties amount to HRK 145.0 million, while in the same period of the previous year amounted to HRK 158.9 million, which is decrease of HRK 13.9 million, that is 8.73%.

Total assets amount to HRK 2 billion 152.3 million which is hogher by HRK 107.5 million, that is 5.25% comparing to the beginning of the year.

Long term assets have increased by HRK 7.2 million, that is 1.67%, compared to the beginning of the year. Long term intangible assets have increased by HRK 2.6 million compared to the beginning of the year mostly as a result of acquisition of pharmacy in Bibinje. Tangible assets have decreased by HRK 5.4 million compared to the beginning of the year.

Long term financial assets mostly relate to the investment in related parties and partly to the given loans. Long term financial assets amount to HRK 41.4 million and are by HRK 9.9 million higher compared to the beginning of the year mostly due to the increase in given loans to business partners.

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

Short term assets amount to HRK 1 billion 715.3 million which is higher by HRK 99.9 million, that is 6.18% compared to the beginning of the year. In the structure of short term assets receivables and inventory have increased, while financial assets and cash in bank and on hand have decreased compared to the beginning of the year.

Inventory amounts to HRK 333.8 million and has increased by HRK 26.6 million comparing to the beginning of the year, which is 8.66%, and is in accordance with the growth of sales revenue.

Total short term receivables amount to HRK 1 billion 237.0 million and are higher for HRK 126.4 million, which is 11.38%, comparing to the beginning of the year. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 231.5 million and have increased by 12.72% comparing to the beginning of the year.

Short term financial assets amount to HRK 51.2million and relate to short term given loans. Comparing to the beginning of the year they have decreased for HRK 1.6 million as a result of payments of given loans.

Cash in bank and on hand amounts to HRK 93.3 million and is lower by HRK 51.5 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.

In capital and reserves there is a change in treasury shares, which increase by HRK 21.6 million, since Medika acquired 1,500 treasury shares on regulated market.

Long term liabilities amount to HRK 22.7 million, out of which HRK 6.8 million relate to finance lease liabilities and HRK 15.9 million to deferred tax liabilities.

Short term liabilities amount to HRK 1 billion 648.7 million out of which the biggest part in amount of HRK 1 billion 235.8 million relates to trade payables and liabilities to related parties and HRK 382.1 million to indebtedness (HRK 381.3 million to short term loans and HRK 845 thousand to finance lease).

Trade payables and liabilities to related parties are higher for HRK 65.4 million comparing to the beginning of the year, which is 5.59%.

Total loans liabilities of Medika Group amounts to HRK 381.3 million which is increase of HRK 15.0 million comparing to the beginning of the year. As at 30.09.2018 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 nine 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.

In capital and reserves there is a change in treasury shares since Medika acquired 1,500 treasury shares on regulated market.

During third quarter 2018. Medika sold receivables from incremental loan (roll-up loan) from Agrokor in the amount of HRK 35.5 million which are completely collected.

Total indebtedness has increased for HRK 15.0 million compared to the beginning of the year.

ZU Ljekarne Prima Pharme acquired pharmacy in Bibinje.

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 the whole territory of Croatia.

Treasury shares

As at 30.09.2018, the Company holds 2,940 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

The company with major voting rights, Auctor d.o.o. owns 34.13% of the Company and has 37.81% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 28.05% 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 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.

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

A blue ink stamp of the Medika d.d. logo. It includes a handwritten signature in blue ink that overlaps the logo. The logo text reads "3 Medika d.d." in a bold font, with "ZAGREB, Capraška 1" in a smaller font below it.

Appendix 1.

Reporting period:

01.01.2018.

to

30.09.2018.

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: 805
(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

Zagreb

1605747

ZU Ljekarne Ines Škoko

Zagreb

02708396

Primus Nekretnine d.o.o.

Zagreb

4439856

Bookkeeping service:

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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)

h.c.

BALANCE SHEET
balance as at 30.09.2018.

Issuer: <u>MEDIKA d.d.</u>			
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	428.629.723	435.803.011
I. INTANGIBLE ASSETS (004 to 009)	003	189.795.652	192.413.971
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	120.922.555	123.920.861
3. Goodwill	006	68.212.973	68.212.973
4. Advances for intangible assets	007	163.350	17.280
5. Intangible assets under construction	008	496.774	262.857
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	190.142.280	184.776.847
1. Land	011	25.226.916	25.226.916
2. Buildings	012	127.922.484	124.536.557
3. Equipment and machinery	013	12.153.061	15.218.184
4. Furniture, fittings and vehicles	014	14.703.992	12.543.810
5. Biological assets	015		
6. Advances for tangible assets	016	145.854	64.157
7. Tangible assets under construction	017	9.177.283	6.380.908
8. Other tangible assets	018	812.690	806.315
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	31.562.923	41.439.424
1. Investment in subsidiaries and associates	021		
2. Loans to related parties	022		
3. Equity investments	023	21.452.944	21.219.467
4. Loans given to participating parties	024		
5. Investment in securities	025		
6. Loans given, deposits and similar	026	10.109.979	20.219.957
7. Other non-current financial assets	027		
8. Investments at equity method	028		
IV. RECEIVABLES (030 to 032)	029	1.022.618	1.022.618
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032	1.022.618	1.022.618
V. DEFERRED TAX ASSET	033	16.106.250	16.150.151
C) CURRENT ASSETS (035+043+050+058)	034	1.615.425.845	1.715.338.046
I. INVENTORY (036 To 042)	035	307.213.094	333.832.969
1. Raw material	036	501.637	486.472
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	302.956.948	331.391.608
5. Advances for inventories	040	3.754.509	1.954.889
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.110.614.710	1.237.028.378
1. Receivables from related parties	044		
2. Trade receivables	045	1.079.444.732	1.220.949.294
3. Receivables from participating parties	046	13.062.528	10.512.983
4. Receivables from employees	047	27.429	26.646
5. Receivables from the state and other institutions	048	4.973.583	2.645.869
6. Other receivables	049	13.106.438	2.893.586
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	52.813.062	51.221.293
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	52.813.062	51.221.293
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	144.784.979	93.255.406
D) PREPAID EXPENSES AND ACCRUED INCOME	059	780.889	1.147.575
E) TOTAL ASSETS (001+002+034+059)	060	2.044.836.457	2.152.288.632
G) OFF BALANCE SHEET ITEMS	061	121.247.906	22.092.181

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	438.830.620	477.649.519
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	61.886.379
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	37.187.824
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	110.259.023	153.768.168
1. Retained earnings	073	110.259.023	153.768.168
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	43.509.144	60.408.473
1. Profit for the period	076	43.509.144	60.408.473
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	803.653	803.653
1. Provisions for retirement, severance payment and similar	080	803.653	803.653
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	21.707.950	22.681.474
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	5.785.260	6.758.784
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	1.579.398.372	1.648.663.460
1. Liabilities to related parties	094	118.412.210	93.550.510
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	369.479.334	382.144.607
4. Liabilities for advances received	097	2.414.447	20.454
5. Trade payables	098	1.052.045.823	1.142.286.683
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	10.602.471	8.427.963
9. Liabilities for taxes and contributions	102	12.037.394	21.065.820
10. Dividend payables	103	12.030.000	
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	2.376.693	1.167.423
E) DEFERRED INCOME AND ACCRUED EXPENSES	106	4.095.862	2.490.526
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	2.044.836.457	2.152.288.632
G) OFF BALANCE SHEET ITEMS	108	121.247.906	22.092.181
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders	109	438.830.620	477.649.519
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 01.01.2018. to 30.09.2018.

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	2.107.355.516	707.431.751	2.294.733.269	792.459.470
1. Revenues from sale	112	2.089.217.515	703.615.995	2.275.232.300	783.306.911
2. Other operating revenues	113	18.138.001	3.815.756	19.500.969	9.152.559
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	2.041.329.798	683.937.932	2.223.484.210	763.006.410
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	1.917.294.589	643.037.917	2.103.741.432	723.577.666
a) Raw materials	117	8.445.148	2.708.947	9.787.270	3.035.395
b) Cost of goods sold	118	1.882.481.208	631.655.676	2.066.300.187	711.817.382
c) Other expenses	119	26.368.233	8.673.294	27.653.975	8.724.889
3. Employee expenses (121 to 123)	120	75.525.534	25.098.171	75.755.912	25.625.177
a) Net salaries	121	45.759.330	15.216.597	46.068.973	15.589.958
b) Tax and contributions from salaries	122	19.202.343	6.398.351	19.477.466	6.609.997
c) Contributions on salaries	123	10.563.861	3.483.223	10.209.473	3.425.222
4. Depreciation and amortization	124	10.211.261	3.417.856	11.023.356	3.738.670
5. Other expenses	125	31.547.623	11.817.204	29.029.815	10.750.638
6. Impairment (127+128)	126	6.750.791	566.784	3.933.695	-685.741
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	6.750.791	566.784	3.933.695	-685.741
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCE INCOME (132 to 136)	131	8.792.346	-3.124.258	12.101.128	-1.759.383
1. Interests, foreign exchanges and dividend from related parties	132				
2. Interests, foreign exchanges and dividend from non-related parties	133	7.578.734	-3.487.592	10.781.771	-2.138.396
3. Share of profit from associate	134	1.213.612	363.334	1.319.357	379.013
4. Unrealised gains	135				
5. Other financial income	136				
IV. FINANCE EXPENSES (138 to 141)	137	61.904.366	54.765.463	8.063.425	2.568.900
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	11.904.366	4.765.463	8.056.731	2.562.206
3. Unrealised losses	140				
4. Other finance expenses	141	50.000.000	50.000.000	6.694	6.694
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	2.116.147.862	704.307.493	2.306.834.397	790.700.087
X. TOTAL EXPENSES (114+137+143 + 145)	147	2.103.234.164	738.703.395	2.231.547.635	765.575.310
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	12.913.698	-34.395.902	75.286.762	25.124.777
1. Profit before tax (146-147)	149	12.913.698	0	75.286.762	25.124.777
2. Loss before tax (147-146)	150	0	34.395.902	0	0
XII. INCOME TAX	151	2.767.376	-6.755.220	14.878.289	4.910.691
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	10.146.322	-27.640.682	60.408.473	20.214.086
1. Profit for the period (149-151)	153	10.146.322	0	60.408.473	20.214.086
2. Loss for the period (151-148)	154	0	27.640.682	0	0

SUPPLEMENT TO PROFIT AND LOSS (for consolidated financial statements)
XIV. PROFIT OR LOSS FOR THE PERIOD

1. Attributable to equity holders	155	10.146.322	-27.640.682	60.408.473	20.214.086
2. Attributable to minority interest	156				

OTHER COMPREHENSIVE INCOME REPORT (for IFRS reporting)

I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	10.146.322	-27.640.682	60.408.473	20.214.086
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	10.146.322	-27.640.682	60.408.473	20.214.086

APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)
VI. COMPREHENSIVE PROFIT OR LOSS

1. Attributable to equity holders	169	10.146.322	-27.640.682	60.408.473	20.214.086
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOW - Indirect method
for the period from 01.01.2018. to 30.09.2018.

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	12.913.698	75.286.762
2. Depreciation and amortisation	002	10.211.261	11.023.356
3. Increase of current liabilities	003	55.618.703	68.629.813
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other increase of cash flow	006	77.226.539	
I. Total increase of cash flow from operating activities (001 to 006)	007	155.970.201	154.939.931
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	84.468.729	126.413.668
3. Increase of inventories	010	12.905.365	26.619.874
4. Other decrease of cash flow	011	545.132	27.146.233
II. Total decrease of cash flow from operating activities (008 to 011)	012	97.919.226	180.179.775
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	58.050.975	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	25.239.844
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	2.206.254	1.413.523
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	2.836.306	11.779.085
4. Dividends received	018		
5. Other proceeds from investing activities	019		
III. Total proceeds from investing activities (015 to 019)	020	5.042.560	13.192.608
1. Purchase of tangible and intangible assets	021	8.403.710	8.556.439
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023	3.159.501	9.876.501
IV. Total purchases resulting from investing activities (021 to 023)	024	11.563.211	18.432.940
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	6.520.651	5.240.332
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028	5.000.000	477.000.000
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	5.000.000	477.000.000
1. Repayments of borrowings	031	95.126.302	462.000.000
2. Dividends paid	032		12.030.000
3. Repayments of finance lease	033	2.166.073	2.429.822
4. Purchase of treasury shares	034		21.589.575
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)	036	97.292.375	498.049.397
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	92.292.375	21.049.397
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	40.762.051	51.529.573
Cash and cash equivalents at beginning of the period	041	84.509.290	144.784.979
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	40.762.051	51.529.573
Cash and cash equivalents at end of the period	044	43.747.239	93.255.406

STATEMENT OF CHANGES IN EQUITY
for the period from 01.01.2018. to 30.09.2018.

Description 1	AOP mark 2	Previous period 3	Current period 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	61.886.379
4. Retained earnings or accumulated loss	004	110.259.023	153.768.168
5. Profit or loss for the period	005	43.509.144	60.408.473
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	438.830.620	477.649.519
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. Attributable to equity holders	018	438.830.620	477.649.519
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, 30 October 2018

Pursuant to the articles 462 to 468 of the Capital market Law, Official Gazette 65/18, 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 from 01 January to 30 September 2018 present fair and objective view of assets and liabilities, financial position, profit and loss of the Company and the Group.

The interim management report for the unaudited financial statements for the period 01 January to 30 September 2018 presents objective 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