



Medika d.d.

Zagreb, Capraška 1

**Management Board interim report
for the temporary unaudited annual
consolidated financial statements for 2018**

Medika d.d. Zagreb

Group Medika

February 2019

Management interim report

Comment on temporary unaudited consolidated financial statements for the fourth quarter of the year 2018

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of 2018, Medika d.d. has prepared temporary unaudited consolidated financial statements which present approximate consolidated balance sheet as at 31 December 2018, approximate consolidated profit and loss statement for the fourth quarter of 2018, 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 2019.

With the above stated, Management Board does not comment financial statements, but only presents key events for the Company and the Group in 2018.

Key events

Total pharmaceutical market in 2018 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.

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

Total indebtedness has decreased for HRK 100.0 million compared to the beginning of the year.

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

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

Treasury shares

As at 31.12.2018, 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 32.86% of the Company and has 36.40% 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 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

Medika d.d.
ZAGREB, Osipraška 1

Appendix 1.

Reporting period:

01.01.2018.

to

31.12.2018.

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: 821
(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:

Contact person: RADMILOVIĆ DIJANA

(only name of the contact person)

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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.

M.P.

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

BALANCE SHEET
balance as at 31.12.2018.

| 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 | 428.629.723 | 430.871.556 |
| I. INTANGIBLE ASSETS (004 to 009) | 003 | 189.795.652 | 192.909.706 |
| 1. Research and development | 004 | | |
| 2. Concessions, patents, licences, trademarks, software and other rights | 005 | 120.922.555 | 124.154.642 |
| 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 | 524.811 |
| 6. Other intangible assets | 009 | | |
| II. TANGIBLE ASSETS (011 to 019) | 010 | 190.142.280 | 188.439.603 |
| 1. Land | 011 | 25.226.916 | 25.226.916 |
| 2. Buildings | 012 | 127.922.484 | 123.255.733 |
| 3. Equipment and machinery | 013 | 12.153.061 | 16.759.305 |
| 4. Furniture, fittings and vehicles | 014 | 14.703.992 | 14.563.096 |
| 5. Biological assets | 015 | | |
| 6. Advances for tangible assets | 016 | 145.854 | 201.990 |
| 7. Tangible assets under construction | 017 | 9.177.283 | 7.549.173 |
| 8. Other tangible assets | 018 | 812.690 | 883.390 |
| 9. Investment property | 019 | | |
| III. NON-CURRENT FINANCIAL ASSETS (021 to 028) | 020 | 31.562.923 | 37.871.248 |
| 1. Investment in subsidiaries and associates | 021 | | |
| 2. Loans to related parties | 022 | | |
| 3. Equity investments | 023 | 21.452.944 | 21.837.638 |
| 4. Loans given to participating parties | 024 | | |
| 5. Investment in securities | 025 | | |
| 6. Loans given, deposits and similar | 026 | 10.109.979 | 16.033.610 |
| 7. Other non-current financial assets | 027 | | |
| 8. Investments at equity method | 028 | | |
| IV. RECEIVABLES (030 to 032) | 029 | 1.022.618 | 280.119 |
| 1. Receivables from related parties | 030 | | |
| 2. Receivables for credit sales | 031 | | |
| 3. Other receivables | 032 | 1.022.618 | 280.119 |
| V. DEFERRED TAX ASSET | 033 | 16.106.250 | 11.370.880 |
| C) CURRENT ASSETS (035+043+050+058) | 034 | 1.615.425.845 | 1.551.081.314 |
| I. INVENTORY (036 To 042) | 035 | 307.213.094 | 346.266.405 |
| 1. Raw material | 036 | 501.637 | 570.043 |
| 2. Work in progress | 037 | | |
| 3. Finished products | 038 | | |
| 4. Trade goods | 039 | 302.956.948 | 342.478.811 |
| 5. Advances for inventories | 040 | 3.754.509 | 3.217.551 |
| 6. Non-current assets available for sale | 041 | | |
| 7. Biological assets | 042 | | |
| II. RECEIVABLES (044 to 049) | 043 | 1.110.614.710 | 1.171.056.287 |
| 1. Receivables from related parties | 044 | | |
| 2. Trade receivables | 045 | 1.079.444.732 | 1.152.163.703 |
| 3. Receivables from participating parties | 046 | 13.062.528 | 10.260.643 |
| 4. Receivables from employees | 047 | 27.429 | 32.060 |
| 5. Receivables from the state and other institutions | 048 | 4.973.583 | 7.426.811 |
| 6. Other receivables | 049 | 13.106.438 | 1.173.070 |
| III. CURRENT FINANCIAL ASSETS (051 to 057) | 050 | 52.813.062 | 5.165.262 |
| 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 | 5.165.262 |
| 7. Other financial assets | 057 | | |
| IV. CASH IN BANK AND ON HAND | 058 | 144.784.979 | 28.593.360 |
| D) PREPAID EXPENSES AND ACCRUED INCOME | 059 | 780.889 | 5.898.410 |
| E) TOTAL ASSETS (001+002+034+059) | 060 | 2.044.836.457 | 1.987.851.280 |
| G) OFF BALANCE SHEET ITEMS | 061 | 121.247.906 | 132.109.570 |

| EQUITY AND LIABILITIES | | | |
|--|------------|---------------|---------------|
| A) CAPITAL AND RESERVES (063+064+065+071+072+075+078) | 062 | 438.830.620 | 450.925.989 |
| 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 | 153.768.167 |
| 1. Retained earnings | 073 | 110.259.023 | 153.768.167 |
| 2. Accumulated loss | 074 | | |
| VI. PROFIT OR LOSS FOR THE PERIOD (076-077) | 075 | 43.509.144 | 33.684.944 |
| 1. Profit for the period | 076 | 43.509.144 | 33.684.944 |
| 2. Loss for the period | 077 | | |
| VII. MAJORITY INTERESTS | 078 | | |
| B) PROVISIONS (080 To 082) | 079 | 803.653 | 740.390 |
| 1. Provisions for retirement, severance oayment and similar | 080 | 803.653 | 740.390 |
| 2. Tax provisions | 081 | | |
| 3. Other provisions | 082 | | |
| C) NON-CURRENT LIABILITIES (084 to 092) | 083 | 21.707.950 | 22.036.320 |
| 1. Liabilites to related parties | 084 | | |
| 2. Borrowings and deposits | 085 | | |
| 3. Liabilites to banks and other financial institutions | 086 | 5.785.260 | 6.113.630 |
| 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 | 15.922.690 | 15.922.690 |
| D) CURRENT LIABILITIES (094 to 105) | 093 | 1.579.398.372 | 1.511.901.989 |
| 1. Liabilities to related parties | 094 | 118.412.210 | 72.678.512 |
| 2. Borrowings and deposits | 095 | | |
| 3. Liabilites to banks and other financial institutions | 096 | 369.479.334 | 269.875.462 |
| 4. Liabilites for advances received | 097 | 2.414.447 | 4.353.764 |
| 5. Trade payables | 098 | 1.052.045.823 | 1.139.118.214 |
| 6. Liabilities for securities | 099 | | |
| 7. Liabilities to participating parties | 100 | | |
| 8. Liabilities to employees | 101 | 10.602.471 | 11.107.205 |
| 9. Liabilites for taxes and contributions | 102 | 12.037.394 | 13.266.373 |
| 10. Dividend payables | 103 | 12.030.000 | |
| 11. Liabilites for non-current assets available for sale | 104 | | |
| 12. Other current liabilites | 105 | 2.376.693 | 1.502.459 |
| E) DEFERRED INCOME AND ACCRUED EXPENSES | 106 | 4.095.862 | 2.246.592 |
| F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106) | 107 | 2.044.836.457 | 1.987.851.280 |
| G) OFF BALANCE SHEET ITEMS | 108 | 121.247.906 | 132.109.570 |
| SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements) | | | |
| A) CAPITAL AND RESERVES | | | |
| 1. Attributable to equity holders | 109 | 438.830.620 | 450.925.989 |
| 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 31.12.2018.

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 | 2.840.308.797 | 732.953.281 | 3.085.209.672 | 790.476.403 |
| 1. Revenues from sale | 112 | 2.811.851.027 | 722.633.512 | 3.061.683.942 | 786.451.642 |
| 2. Other operating revenues | 113 | 28.457.770 | 10.319.769 | 23.525.730 | 4.024.761 |
| II. OPERATING EXPENSES (115+116+120+124+125+126+129+130) | 114 | 2.751.779.047 | 710.449.249 | 2.992.211.254 | 768.727.044 |
| 1. Change in value of work in progress and finished goods | 115 | | | | |
| 2. Material expenses (117 to 119) | 116 | 2.582.259.198 | 664.964.609 | 2.832.957.584 | 729.216.152 |
| a) Raw materials | 117 | 11.863.747 | 3.418.599 | 13.331.711 | 3.544.441 |
| b) Cost of goods sold | 118 | 2.530.724.830 | 648.243.622 | 2.780.749.020 | 714.448.833 |
| c) Other expenses | 119 | 39.670.621 | 13.302.388 | 38.876.853 | 11.222.878 |
| 3. Employee expenses (121 to 123) | 120 | 101.135.145 | 25.609.611 | 101.944.634 | 26.188.722 |
| a) Net salaries | 121 | 61.384.232 | 15.624.902 | 62.291.252 | 16.222.279 |
| b) Tax and contributions from salaries | 122 | 25.658.368 | 6.456.025 | 26.049.501 | 6.572.035 |
| c) Contributions on salaries | 123 | 14.092.545 | 3.528.684 | 13.603.881 | 3.394.408 |
| 4. Depreciation and amortization | 124 | 13.617.987 | 3.406.726 | 14.840.193 | 3.816.837 |
| 5. Other expenses | 125 | 49.102.202 | 17.554.579 | 37.421.411 | 8.391.596 |
| 6. Impairment (127+128) | 126 | 5.535.133 | -1.215.658 | 3.981.709 | 657.249 |
| a) of non-current assets (financial assets excluded) | 127 | 704.994 | 704.994 | | |
| b) of current assets (financial assets excluded) | 128 | 4.830.139 | -1.920.652 | 3.981.709 | 657.249 |
| 7. Provisions | 129 | 129.382 | 129.382 | 1.065.723 | 456.488 |
| 8. Other operating expenses | 130 | | | | |
| III. FINANCE INCOME (132 to 136) | 131 | 19.362.233 | 10.569.887 | 14.020.100 | 1.918.972 |
| 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 | 17.512.249 | 9.933.515 | 12.008.853 | 1.227.082 |
| 3. Share of profit from associate | 134 | 339 | 339 | 1.937.528 | 618.171 |
| 4. Unrealised gains | 135 | | | | |
| 5. Other financial income | 136 | 60.222 | 60.222 | 73.719 | 73.719 |
| IV. FINANCE EXPENSES (138 to 141) | 137 | 70.054.417 | 8.150.051 | 65.867.203 | 57.803.778 |
| 1. Interests, foreign exchanges and dividend from related parties | 138 | | | | |
| 2. Interests, foreign exchanges and dividend from non-related parties | 139 | 20.054.417 | 8.150.051 | 15.860.509 | 7.803.778 |
| 3. Unrealised losses | 140 | | | | |
| 4. Other finance expenses | 141 | 50.000.000 | | 50.006.694 | 50.000.000 |
| 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 | 2.859.671.030 | 743.523.168 | 3.099.229.772 | 792.395.375 |
| X. TOTAL EXPENSES (114+137+143 + 145) | 147 | 2.821.833.464 | 718.599.300 | 3.058.078.457 | 826.530.822 |
| XI. PROFIT OR LOSS BEFORE TAX (146-147) | 148 | 37.837.566 | 24.923.868 | 41.151.315 | -34.135.447 |
| 1. Profit before tax (146-147) | 149 | 37.837.566 | 24.923.868 | 41.151.315 | 0 |
| 2. Loss before tax (147-146) | 150 | 0 | 0 | 0 | 34.135.447 |
| XII. INCOME TAX | 151 | -5.671.578 | -8.438.954 | 7.466.371 | -7.411.918 |
| XIII. PROFIT OR LOSS FOR THE PERIOD (148-151) | 152 | 43.509.144 | 33.362.822 | 33.684.944 | -26.723.529 |
| 1. Profit for the period (149-151) | 153 | 43.509.144 | 33.362.822 | 33.684.944 | 0 |
| 2. Loss for the period (151-148) | 154 | 0 | 0 | 0 | 26.723.529 |

SUPPLEMENT TO PROFIT AND LOSS (for consolidated financial statements)

XIV. PROFIT OR LOSS FOR THE PERIOD

| | | | | | |
|--------------------------------------|-----|------------|------------|------------|-------------|
| 1. Attributable to equity holders | 155 | 43.509.144 | 33.362.822 | 33.684.944 | -26.723.529 |
| 2. Attributable to minority interest | 156 | | | | |

OTHER COMPREHENSIVE INCOME REPORT (for IFRS reporting)

| | | | | | |
|---|-----|------------|------------|------------|-------------|
| I. PROFIT OR LOSS FOR THE PERIOD (= 152) | 157 | 43.509.144 | 33.362.822 | 33.684.944 | -26.723.529 |
| 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 | 43.509.144 | 33.362.822 | 33.684.944 | -26.723.529 |

APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)

VI. COMPREHENSIVE PROFIT OR LOSS

| | | | | | |
|--------------------------------------|-----|------------|------------|------------|-------------|
| 1. Attributable to equity holders | 169 | 43.509.144 | 33.362.822 | 33.684.944 | -26.723.529 |
| 2. Attributable to minority interest | 170 | | | | |

STATEMENT OF CASH FLOW - Indirect method
for the period from 01.01.2018. to 31.12.2018.

Issuer: MEDIKA d.d.

| Description | AOP mark | Previous period | Current period |
|---|-------------|--------------------|--------------------|
| 1 | 2 | 3 | 4 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 001 | 37.837.566 | 41.151.315 |
| 2. Depreciation and amortisation | 002 | 13.617.987 | 14.840.193 |
| 3. Increase of current liabilities | 003 | 43.003.268 | 44.137.488 |
| 4. Decrease of current receivables | 004 | 137.791.245 | |
| 5. Decrease of inventories | 005 | | |
| 6. Other increase of cash flow | 006 | 59.035.058 | 27.393.227 |
| I. Total increase of cash flow from operating activities (001 to 006) | 007 | 291.285.124 | 127.522.223 |
| 1. Decrease of current liabilities | 008 | | |
| 2. Increase of current receivables | 009 | | 60.441.577 |
| 3. Increase of inventories | 010 | 30.190.414 | 39.053.311 |
| 4. Other decrease of cash flow | 011 | | |
| II. Total decrease of cash flow from operating activities (008 to 011) | 012 | 30.190.414 | 99.494.888 |
| A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012) | 013 | 261.094.710 | 28.027.335 |
| A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007) | 014 | 0 | 0 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| 1. Proceeds from sale of tangible and intangible assets | 015 | 4.572.178 | 1.418.467 |
| 2. Proceeds from sale of equity and debt securities | 016 | | |
| 3. Interest received | 017 | 2.280.511 | 13.883.767 |
| 4. Dividends received | 018 | | |
| 5. Other proceeds from investing activities | 019 | | |
| III. Total proceeds from investing activities (015 to 019) | 020 | 6.852.689 | 15.302.234 |
| 1. Purchase of tangible and intangible assets | 021 | 11.507.718 | 16.310.682 |
| 2. Purchase of equity and debt securities | 022 | | |
| 3. Other purchases resulting from investing activities | 023 | 5.172.858 | 6.308.325 |
| IV. Total purchases resulting from investing activities (021 to 023) | 024 | 16.680.576 | 22.619.007 |
| 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 | 9.827.887 | 7.316.773 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| 1. Proceeds from issuance of equity and debt securities | 027 | | |
| 2. Proceeds from borrowings | 028 | 64.700.000 | 673.000.000 |
| 3. Other proceeds from financing activities | 029 | 1.620.000 | |
| V. Total proceeds from financing activities (027 to 029) | 030 | 66.320.000 | 673.000.000 |
| 1. Repayments of borrowings | 031 | 204.603.385 | 773.000.000 |
| 2. Dividends paid | 032 | 45.954.000 | 12.030.000 |
| 3. Repayments of finance lease | 033 | 3.411.753 | 3.282.606 |
| 4. Purchase of treasury shares | 034 | 3.341.996 | 21.589.575 |
| 5. Other purchases resulting from financing activities | 035 | | |
| VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035) | 036 | 257.311.134 | 809.902.181 |
| 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 | 190.991.134 | 136.902.181 |
| Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038) | 039 | 60.275.689 | 0 |
| Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037) | 040 | 0 | 116.191.619 |
| Cash and cash equivalents at beginning of the period | 041 | 84.509.290 | 144.784.979 |
| Increase of cash and cash equivalents | 042 | 60.275.689 | |
| Decrease of cash and cash equivalents | 043 | | 116.191.619 |
| Cash and cash equivalents at end of the period | 044 | 144.784.979 | 28.593.360 |

STATEMENT OF CHANGES IN EQUITY
for the period from 01.01.2018. to 31.12.2018.

| 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 | 61.886.379 |
| 4. Retained earnings or accumulated loss | 004 | 110.259.023 | 153.768.167 |
| 5. Profit or loss for the period | 005 | 43.509.144 | 33.684.944 |
| 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 | 450.925.989 |
| 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, 27 February 2019

Pursuant to the articles 462 to 471 of the Capital market Law (Official Gazette 65/18) 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 2018 present true and fair view of assets and liabilities, financial position, profit or loss of the Company and the Group.

The interim management report for the temporary unaudited financial statements for the period 01 January to 31 December 2018 presents 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