



Medika d.d.

Zagreb, Capraška 1

**INTERIM REPORT
for I-III 2019
Group Medika**

April 2019

Management interim report

Comment on the business results for the first quarter of 2019

Medika Group („the Group“) has realised total revenue in the first three months of 2019 in amount of HRK 883.3 million which is by 15.87% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 876.7 million for the first three months of 2019 are by 17.09% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 99.26% while in the same period of previous year it was 98.23%.

Other operating revenues which amount to HRK 4.2 million are higher by HRK 281 thousand comparing to the same period of previous year. Share of other operating revenues in total revenue was only 0.52 % in the first three months of 2018, and in the first three months of 2019 is 0.48%.

Out of the total sales revenues, 99.87% revenues are generated on domestic market, while 0.13% is generated on the foreign market. This structure in the first three months of 2019 has not changed comparing to the same period of previous year.

Material expenses amount to HRK 814.3 million and are 17.42% higher comparing to the same period of previous year, which is in accordance with the growth of sales revenue. Since the operating expenses are growing in lower percentage, share of material expenses in the operating expenses is higher by 0.83 percentage point comparing to the same period of previous year and amounts to 95.17%.

Employee expenses are higher by 3.98% comparing to the same period of previous year. Their share in the total expenses amounts to 3.02% while in the same period of previous year it amounted to 3.38%. Increase in employee expenses is influenced by higher number of employees and higher salaries of employees in accordance with the new systematization of the Company.

Finance income has decreased compared to the same period of the previous year for HRK 7.3 million, which is 75.93%. In the structure of the finance income, positive foreign exchange differences are lower compared to the same period of the previous year for HRK 3.5 million, while interest income is lower for HRK 3.8 million. In the interest income structure, default interest income is lower, because in the first quarter of 2018, based on the court settlement, default interest income was recorded in the amount of HRK 3.8 million.

Finance expenses have increased compared to the same period of previous year by HRK 2.5 million, which is 77.41%. Their share in the total expenses is by 0.23 percentage point higher compared to the same period of previous year and amounts to 0.67%. In the structure of financial expenses, foreign exchange expenses are higher by HRK 3.1 million, while interest expenses are lower by HRK 599 thousand as a result of lower interest rates and lower indebtedness comparing to the same period of previous year.

The negative trend of foreign exchange differences (decrease of positive foreign exchange differences and the increase of foreign exchange expenses) is mostly due as result of the increase in foreign trade liabilities.

Gross margin in the first three months of 2018 amounted to 9.15%, while in the first three months of 2019 amounts to 8.24%, which is decrease by 0.91 percentage point. Decrease is a result of larger increase in cost of goods sold comparing to the increase in sales revenue

Gross profit (profit before taxation) amounts to HRK 21.8 million, while in the same period of previous year amounted to HRK 23.9 million, which is decrease of HRK 2.1 million, or 8.74%. Higher gross profit is result of greater increase of total expenses (increase of 16.67% comparing to the same period of previous year mostly due to the increase in operating expenses) in relation to the increase of total revenues (increase of 15.87% comparing to the same period of previous year)

Operative earnings amount to HRK 25.3 million and are by HRK 7.7 million, which is 43.60% higher comparing to the same period of previous year. Higher operative earnings are result of greater increase of operating income (increase of 17.04% comparing to the same period of previous year) in relation to the increase of operating expenses (increase of 16.40% comparing to the same period of previous year).

Realised net profit amounts to HRK 18.0 million.

Transactions with the related parties in the first three months of 2019 generated total net revenues in amount of HRK 11.4 million, which is by 18.15% higher of generated revenue in the same period of previous year when it amounted to HRK 9.6 million.

Trade goods purchased from the related parties amount to HRK 46.2 million, while in the same period of the previous year amounted to HRK 48.6 million, which is decrease of HRK 2.4 million, that is 4.90%.

Total assets amount to HRK 2 billion 214.3 million which is by 11.39% higher comparing to the beginning of the year.

Long term assets increased by HRK 40.0 million comparing to the beginning of the year. Long term tangible assets are at the same level compared to the beginning of the year. At the same time, long term intangible assets are higher for HRK 38.7 million, that is 20.04% which is mostly a result of recognition of the value of the assets with right to use based on operating lease agreements (in accordance with IFRS 16 Leases effective from 1 January 2019).

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 38.5 million and are by HRK 595 thousand higher compared to the beginning of the.

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

Short term assets amount to HRK 1 billion 736.6 million which is 11.96% higher compared to the beginning of the year. In the structure of short term assets cash in bank and on hand, receivables and inventory have increased, while financial assets have decreased compared to the beginning of the year.

Inventory amounts to HRK 357.0 million and has increased by HRK 10.8 million comparing to the beginning of the year, which is 3.11%.

Total short term receivables amount to HRK 1 billion 323.2 million and are higher for HRK 152.1 million, which is 12.99%, comparing to the beginning of the year. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 316.1 million and have increased by 13.22% comparing to the beginning of the year as a result of increase of sales revenues.

Short term financial assets amount to HRK 3.9 million and relate to short term given loans. Comparing to the beginning of the year they have decreased for HRK 1.3 million as a result of loan repayment.

Cash in bank and on hand amounts to HRK 52.5 million and is higher by HRK 23.9 million compared to the beginning of the year.

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

Long term liabilities amount to HRK 54.4 million, out of which HRK 6.1 million relate to finance lease liabilities, HRK 15.9 million to deferred tax liabilities and HRK 32.4 million to liabilities based on operating lease agreement in amount (in accordance with IFRS 16 Leases effective from 1 January 2019).

Short term liabilities amount to HRK 1 billion 687.6 million out of which the biggest part in amount of HRK 1 billion 316.4 million relates to trade payables and liabilities to related parties and HRK 338.0 million to indebtedness (HRK 335.3 million to short term loans and HRK 2.7 million to finance lease).

Trade payables and liabilities to related parties are higher for HRK 104.6 million comparing to the beginning of the year, which is 8.63%.

Total loans liabilities of Medika Group amounts to HRK 335.3 million which is increase of HRK 69.0 million comparing to the beginning of the year. As at 31.03.2019 Group 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 three months of 2019 has increased comparing to the same period of previous year. At the same time, sales of Medika have increased slightly faster comparing to the market increase, which has influenced in smaller increase in market share.

Total indebtedness has increased for HRK 69.0 million compared to the beginning of the year, for the liquidity purposes.

Expected future development of the Group

The Company will continue with its core business: distribution of medicinal products and medical devices will strongly develop operations with products that make the core business of the firm.

Development strategy of Prima Pharme is to expand network of pharmacies on whole territory of Croatia.

Treasury shares

As at 31.03.2019, 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

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.

Auctor d.o.o. owns 24.98% of the Company and has 27.67% of shares with voting rights.

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


3 **Medika** d.d.
ZAGREB, Capraška 1

Annex 1

ISSUER'S GENERAL DATA

Reporting period: 1.1.2019 to 31.03.2019

Year: 2019

Quarter: 1.

Quarterly financial statements

Registration number (MB): 03209741 Issuer's home Member State code: HR

Entity's registration number (MBS): 080027531

Personal identification number (OIB): 94818858923

LEI: 7478000000R8ZVGJJO27

Institution code: 1339

Name of the issuer: MEDIKA d.d.

Postcode and town: 10000

ZAGREB

Street and house number: CAPRAŠKA 1

E-mail address: medika.uprava@medika.hr

Web address: www.medika.hr

Number of employees (end of the reporting): 821

Consolidated report: KD (KN-not consolidated/KD-consolidated)

Audited: RN (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

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 firm: (Yes/No)

(name of the bookkeeping firm)

Contact person: DIJANA RADMILOVIĆ
(only name and surname of the contact person)

Telephone: 01/2412 551

E-mail address: medika.uprava@medika.hr

Audit firm:
(name of the audit firm)

Certified auditor:
(name and surname)

3 Medika d.d.
ZAGREB Capraška 1

h.c.

BALANCE SHEET
balance as at 31.03.2019.

in HRK

Submitter: MEDIKA d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	430.871.554	470.864.188
I INTANGIBLE ASSETS (ADP 004 to 009)	003	192.909.705	231.563.822
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	124.154.642	162.938.797
3 Goodwill	006	68.212.973	68.212.973
4 Advances for the purchase of intangible assets	007	17.280	282.780
5 Intangible assets in preparation	008	524.810	129.272
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	188.439.603	189.091.951
1 Land	011	25.226.916	30.400.331
2 Buildings	012	123.255.733	122.996.641
3 Plant and equipment	013	16.759.305	17.135.927
4 Tools, working inventory and transportation assets	014	14.563.096	13.764.198
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	201.990	1.608.983
7 Tangible assets in preparation	017	7.549.173	2.304.606
8 Other tangible assets	018	883.390	881.265
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	37.871.248	38.466.122
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	21.837.638	22.413.522
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	16.033.610	16.052.600
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030		
IV RECEIVABLES (ADP 032 to 035)	031	280.119	280.119
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	280.119	280.119
V DEFERRED TAX ASSETS	036	11.370.879	11.462.174
C) CURRENT ASSETS (ADP 038+046+053+063)	037	1.551.081.314	1.736.633.181
I INVENTORIES (ADP 039 to 045)	038	346.266.405	357.025.257
1 Raw materials and consumables	039	570.043	544.223
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	342.478.811	350.716.475
5 Advances for inventories	043	3.217.551	5.764.559
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1.171.056.287	1.323.190.515

1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	10.260.643	12.045.384
3 Customer receivables	049	1.152.163.703	1.304.023.550
4 Receivables from employees and members of the undertaking	050	32.060	25.547
5 Receivables from government and other institutions	051	7.426.811	5.972.275
6 Other receivables	052	1.173.070	1.123.759
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	5.165.262	3.890.936
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	5.165.262	3.890.936
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	28.593.360	52.526.473
D) PREPAID EXPENSES AND ACCRUED INCOME	064	5.898.410	6.816.311
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.987.851.278	2.214.313.680
OFF-BALANCE SHEET ITEMS	066	132.109.570	127.254.882
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 080)	067	450.925.989	468.913.899
I INITIAL (SUBSCRIBED) CAPITAL	068	209.244.420	209.244.420
II CAPITAL RESERVES	069	-7.657.921	-7.657.921
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	61.886.379	61.886.379
1 Legal reserves	071	18.548.510	18.548.510
2 Reserves for treasury shares	072	48.811.980	48.811.980
3 Treasury shares and holdings (deductible item)	073	-37.187.824	-37.187.824
4 Statutory reserves	074	0	0
5 Other reserves	075	31.713.713	31.713.713
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	153.768.167	187.453.111
1 Retained profit	082	153.768.167	187.453.111
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	33.684.944	17.987.910
1 Profit for the business year	085	33.684.944	17.987.910
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	740.390	740.390
1 Provisions for pensions, termination benefits and similar obligations	089	740.390	740.390
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	22.036.320	54.415.362
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0

3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	6.113.630	6.119.795
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	32.372.877
11 Deferred tax liability	106	15.922.690	15.922.690
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	1.511.901.989	1.687.643.813
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	72.678.512	70.909.454
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	269.875.462	337.983.103
7 Liabilities for advance payments	114	4.353.764	26.201
8 Liabilities to suppliers	115	1.139.118.214	1.245.491.828
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	11.107.205	11.173.185
11 Taxes, contributions and similar liabilities	118	13.266.373	14.768.348
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	1.502.459	7.291.694
E) ACCRUALS AND DEFERRED INCOME	122	2.246.592	2.600.216
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.987.851.280	2.214.313.680
G) OFF-BALANCE SHEET ITEMS	124	132.109.570	127.254.882

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019. to 31.03.2019.

in HRK

Submitter: MEDIKA d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	752.732.719	752.732.719	880.964.959	880.964.959
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	748.772.426	748.772.426	876.723.676	876.723.676
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	3.960.293	3.960.293	4.241.283	4.241.283
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	735.099.570	735.099.570	855.643.540	855.643.540
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	693.479.274	693.479.274	814.314.196	814.314.196
a) Costs of raw materials and consumables	134	3.259.800	3.259.800	3.473.012	3.473.012
b) Costs of goods sold	135	680.276.503	680.276.503	804.481.562	804.481.562
c) Other external costs	136	9.942.971	9.942.971	6.359.622	6.359.622
3 Staff costs (ADP 138 to 140)	137	24.846.278	24.846.278	25.835.218	25.835.218
a) Net salaries and wages	138	15.117.950	15.117.950	16.026.441	16.026.441
b) Tax and contributions from salary costs	139	6.347.048	6.347.048	6.636.102	6.636.102
c) Contributions on salaries	140	3.381.280	3.381.280	3.172.675	3.172.675
4 Depreciation	141	3.627.454	3.627.454	6.126.099	6.126.099
5 Other costs	142	8.800.536	8.800.536	8.270.443	8.270.443
6 Value adjustments (ADP 144+145)	143	4.346.028	4.346.028	1.097.584	1.097.584
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	4.346.028	4.346.028	1.097.584	1.097.584
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	9.535.331	9.535.331	2.295.601	2.295.601
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	499.081	499.081	575.884	575.884
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	4.021.906	4.021.906	259.792	259.792
8 Exchange rate differences and other financial income	162	5.014.344	5.014.344	1.459.925	1.459.925
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	3.277.684	3.277.684	5.814.830	5.814.830
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	2.217.379	2.217.379	1.618.418	1.618.418
4 Exchange rate differences and other expenses	169	1.060.305	1.060.305	4.196.412	4.196.412
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	762.268.050	762.268.050	883.260.560	883.260.560
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	738.377.254	738.377.254	861.458.370	861.458.370
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	23.890.796	23.890.796	21.802.190	21.802.190
1 Pre-tax profit (ADP 177-178)	180	23.890.796	23.890.796	21.802.190	21.802.190

2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	4.859.279	4.859.279	3.814.280	3.814.280
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	19.031.517	19.031.517	17.987.910	17.987.910
1 Profit for the period (ADP 179-182)	184	19.031.517	19.031.517	17.987.910	17.987.910
2 Loss for the period (ADP 182-179)	185	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187				
2 Pre-tax loss on discontinued operations	188				
XV INCOME TAX OF DISCONTINUED OPERATIONS	189				
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193				
2 Pre-tax loss (ADP 192)	194				
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200				
2 Attributable to minority (non-controlling) interest	201				
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	19.031.517	19.031.517	17.987.910	17.987.910
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204				
2 Changes in revaluation reserves of fixed tangible and intangible assets	205				
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206				
4 Profit or loss arising from effective cash flow hedging	207				
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208				
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209				
7 Actuarial gains/losses on the defined benefit obligation	210				
8 Other changes in equity unrelated to owners	211				
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212				
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	19.031.517	19.031.517	17.987.910	17.987.910
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	0	0	0	0
1 Attributable to owners of the parent	216				
2 Attributable to minority (non-controlling) interest	217				

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 31.03.2019.

in HRK

Submitter: MEDIKA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	23.890.797	21.802.190
2 Adjustments (ADP 003 to 010):	002	-1.820.063	7.797.353
a) Depreciation	003	3.627.454	6.126.099
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-4.021.905	-259.792
e) Interest expenses	007	2.217.379	1.618.418
f) Provisions	008		
g) Exchange rate differences (unrealised)	009	-3.642.991	312.628
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	22.070.734	29.599.543
3 Changes in the working capital (ADP 013 to 016)	012	-34.968.763	-66.303.501
a) Increase or decrease in short-term liabilities	013	46.264.715	107.634.183
b) Increase or decrease in short-term receivables	014	-37.159.077	-152.134.228
c) Increase or decrease in inventories	015	-10.673.469	-10.758.852
d) Other increase or decrease in working capital	016	-33.400.932	-11.044.604
II Cash from operations (ADP 011+012)	017	-12.898.029	-36.703.958
4 Interest paid	018	-2.472.786	-1.728.223
5 Income tax paid	019	-2.202.046	-1.609.787
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-17.572.861	-40.041.968
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	550.263	413.487
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	9.225.323	263.512
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	1.261.361
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	9.775.586	1.938.360
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-3.858.534	-6.089.300
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-6.008.306	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-9.866.840	-6.089.300
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-91.254	-4.150.940
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	151.000.000	130.000.000
4 Other cash receipts from financing activities	038	0	0

V Total cash receipts from financing activities (ADP 035 to 038)	039	151.000.000	130.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-191.000.000	-61.000.000
2 Cash payments for dividends	041	-12.030.000	
3 Cash payments for finance lease	042	-804.526	-902.124
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-203.834.526	-61.902.124
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-52.834.526	68.097.876
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	38.428	28.145
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-70.460.213	23.933.113
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	144.784.979	28.593.360
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	74.324.766	52.526.473

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2019 to 31.3.2019

m HRK

PREVIOUS PERIOD	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
1 Balance on the first day of the previous business year	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (AOP 01 to 03)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Profit/loss of the period	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Exchange rate differences from translation of foreign operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Shares in other comprehensive income/loss of companies linked by virtue of participating interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reworking profit and other than arising from the pre-emptive settlement procedure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinstatement of profit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-emptive settlement procedure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Increase in initial (subscribed) capital arising from the pre-emptive settlement procedure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Increase/decrease of minority shareholdings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Increase/decrease of shares in subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions to owners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Increase in reserves arising from the pre-emptive settlement procedure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (04 to 23)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 Balance on the last day of the previous business year reporting period (04 to 23) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (AOP 06 to 14)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (AOP 05-25)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28 TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (AOP 15 to 22)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29 Balance on the last day of the previous business year reporting period (04 to 28)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,244,420	-7,657,921	18,548,510	48,811,980	15,588,248	31,712,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48 Balance on the last day of the previous business year reporting period (04 to 28) (to be filled in by shareholders that share US financial statements in accordance with the IFRS)	209,																										

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: MEDIKA D.D.

Personal identification number (OIB): 94818858923

Reporting period: 01.01.2019. - 31.03.2019.

Notes to financial statements for quarterly periods include:

- a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the quarterly reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes
- d) a description of the financial performance in the case of the issuer whose business is seasonal.

Zagreb, 30 April 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

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 31 March 2019 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 unaudited financial statements for the period 01 January to 31 March 2019 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