



**Medika** d.d.

Zagreb, Capraška 1

**INTERIM REPORT  
for I-III 2019  
Medika d.d. Zagreb**

**April 2019**

## Management interim report

### *Comment on the business results for the first quarter of 2019*

Medika d.d. („Company“) has realised total revenue in the first three months of 2019 in amount of HRK 859.2 million which is by 16.53% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 854.0 million for the first three months of 2019 are by 17.80% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 99.39% while in the same period of previous year it was 98.32%.

Other operating revenues which amount to HRK 3.5 million are higher by 4.15% comparing to the same period of previous year. Share of other operating revenues in total revenue was 0.46% in the first three months of 2018, and in the first three months of 2019 is 0.41%.

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 810.2 million and are 18.01% 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 0.86 percentage point comparing to the same period of previous year and amounts to 96.87%.

Employee expenses are higher by 7.29% comparing to the same period of previous year. Their share in the total expenses amounts to 1.74% while in the same period of previous year amounted to 1.89%. 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 80.98%. 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 2.3 million, which is 72.52%. Their share in the total expenses is by 0.21 percentage point higher compared to the same period of previous year and amounts to 0.66%. In the structure of financial expenses, foreign exchange expenses are higher by HRK 3.1 million, while interest expenses are lower by HRK 805 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 6.54%, while in the first three months of 2019 amounts to 6.01%, which is decrease by 0.53 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 17.3 million, while in the same period of previous year amounted to HRK 19.1 million, which is decrease of HRK 1.8 million, or 9.37%. Lower gross profit is result of greater increase of total expenses (increase of 17.21% 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 16.53% comparing to the same period of previous year).

Operative earnings amount to HRK 21.1 million and are by HRK 7.9 million, which is 59.23% higher comparing to the same period of previous year. Higher operative earnings are result of greater increase of operating income (increase of 17.73% comparing to the same period of previous year) in relation to the increase of operating expenses (increase of 16.96% comparing to the same period of previous year).

Realised net profit amounts to HRK 14.2 million.

Transactions with the related parties in the first three months of 2019 generated total net revenues in amount of HRK 81.9 million, which is 7.42% more of generated revenue in the same period of previous year when it amounted to HRK 76.2 million. Increase is a result of increase sales in Prima Pharma Group, namely members of Prima Pharme Group were purchasing more goods compared to the same period of the previous year.

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

Total assets amount to HRK 2 billion 74.4 million which is by 9.85% higher comparing to the beginning of the year.

Long term assets increased by HRK 3.1 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 2.8 million, that is 14.25% 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 116.0 million and are at the same level comparing to the beginning of the year.

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

Short term assets amount to HRK 1 billion 753.1 million which is 11.56% 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 has decreased compared to the beginning of the year.

Inventory amounts to HRK 320.6 million and has increased by HRK 6.2 million comparing to the beginning of the year, which is 1.98%.

Total short term receivables amount to HRK 1 billion 381.7 million and are higher for HRK 148.8 million, which is 12.07%, comparing to the beginning of the year. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 374.9 million and have increased by 12.31% comparing to the beginning of the year as a result of increase of sales revenues.

Short term financial assets amount to HRK 3.8 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 46.9 million and is higher by HRK 27.9 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 8.1 million, out of which HRK 6.1 million relate to finance lease liabilities and HRK 2.0 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 660.2 million out of which the biggest part in amount of HRK 1 billion 310.6 million relates to trade payables and liabilities to related parties and HRK 328.0 million to indebtedness (HRK 325.3 million to short term loans and HRK 2.7 million to finance lease).

Trade payables and liabilities to related parties are higher for HRK 103.4 million comparing to the beginning of the year, which is 8.56%.

Total loans liabilities of Medika amounts to HRK 325.3 million which is increase of HRK 69.0 million comparing to the beginning of the year. As at 31.03.2019 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 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 Company***

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

### ***Treasury shares***

As at 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 Company's purchase of goods is partly realised on the foreign market. The Company is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to the EUR. All loans are kuna-denominated; hence, there is no exposure to foreign exchange risk. With part of the foreign suppliers the payment currency is agreed in Croatian kuna. It is the tendency in the future to agree payments in Croatian kuna with as many existing foreign suppliers as possible so as to minimise the risk arising from transactions with foreign suppliers.

The Company has part of assets which are interest-bearing so the Company's income and operating cash flows are dependent of changes in market interest rates.

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

The Company does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. However, the Company continuously monitors changes in interest rates. Various scenarios are simulated taking into account refinancing, renewal of existing positions and alternative financing.

Price risk arises from a continuous decrease in the price of HZZO's List of medicinal products and administrative approach in determining prices and margins of medicinal products. To lower this risk, the Company focused on increase of variety of products which are not limited by law in respect of the price of the product.

Majority of the credit risk relates to trade receivables and receivables for given loans. Credit risk is higher when dealing with pharmacies, which have potential going concern issue. However, hospitals which have longer collection period do not have a going concern issue and collection issue.

The most significant risk within market risks is a long collection period of receivables, especially HZZO and HZZO related receivables. Therefore, a significant amount of working capital is not available that has an influence on cash flows and timely settlement of Medika liabilities.

As these receivables are directly or indirectly related to the receivables from the State institutions, the collection of these receivables should not be classified as a risk. This increases the need for additional financing, which increases finance expenses.

Jasminko Herceg, dipl.oec.  
*Director*

**Medika d.d.**  
ZAGREB, Capraška 1

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:  to   
 Year:   
 Quarter:

## Quarterly financial statements

Registration number (MB):  Issuer's home Member State code:   
 Entity's registration number (MBS):   
 Personal identification number (OIB):  LEI:   
 Institution code:

Name of the issuer: Postcode and town:  Street and house number: E-mail address: Web address: Number of employees (end of the reporting): Consolidated report:  (KN-not consolidated/KD-consolidated)Audited:  (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS): \_\_\_\_\_ Registered office: \_\_\_\_\_ MB: \_\_\_\_\_

Bookkeeping firm:  (Yes/No)  (name of the bookkeeping firm)Contact person:   
(only name and surname of the contact person)Telephone: E-mail address: Audit firm:   
(name of the audit firm)Certified auditor:   
(name and surname)

**Medika** d.d.  
ZAGREB, Capraška

*J. Č.*

**BALANCE SHEET**  
balance as at 31.03.2019.

in HRK

Submitter: <b>MEDIKA d.d.</b>			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	311.353.901	314.495.053
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	19.496.133	22.274.507
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	7.024.457	10.204.541
3 Goodwill	006	11.929.586	11.929.586
4 Advances for the purchase of intangible assets	007	17.280	17.280
5 Intangible assets in preparation	008	524.810	123.100
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	165.258.285	165.621.063
1 Land	011	18.232.855	23.406.270
2 Buildings	012	110.572.939	110.423.996
3 Plant and equipment	013	16.314.714	16.584.386
4 Tools, working inventory and transportation assets	014	11.564.722	10.483.210
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	197.540	1.608.983
7 Tangible assets in preparation	017	7.511.845	2.252.673
8 Other tangible assets	018	863.670	861.545
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	116.010.980	116.010.980
1 Investments in holdings (shares) of undertakings within the group	021	100.199.330	100.199.330
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	0	0
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	15.811.650	15.811.650
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
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	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	10.588.503	10.588.503
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	1.571.429.077	1.753.089.967
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	314.412.953	320.644.500
1 Raw materials and consumables	039	103.278	81.109
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	311.129.834	314.804.302
5 Advances for inventories	043	3.179.841	5.759.089
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	1.232.849.915	1.381.684.714
1 Receivables from undertakings within the group	047	107.645.698	104.881.721
2 Receivables from companies linked by virtue of participating interests	048	10.260.643	12.045.384



3 Customer receivables	049	1.106.310.000	1.257.968.269
4 Receivables from employees and members of the undertaking	050	32.047	25.547
5 Receivables from government and other institutions	051	8.190.899	6.178.129
6 Other receivables	052	410.628	585.664
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>5.110.980</b>	<b>3.849.619</b>
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	5.110.980	3.849.619
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>19.055.229</b>	<b>46.911.134</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>5.599.855</b>	<b>6.772.215</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>1.888.382.833</b>	<b>2.074.357.235</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>132.109.570</b>	<b>127.254.882</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>389.076.138</b>	<b>403.246.130</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	<b>209.244.420</b>	<b>209.244.420</b>
<b>II CAPITAL RESERVES</b>	<b>069</b>	<b>-7.657.921</b>	<b>-7.657.921</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>61.886.379</b>	<b>61.886.379</b>
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
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES (ADP 078 to 080)</b>	<b>077</b>	<b>0</b>	<b>0</b>
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
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)</b>	<b>081</b>	<b>105.570.838</b>	<b>125.603.260</b>
1 Retained profit	082	105.570.838	125.603.260
2 Loss brought forward	083	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)</b>	<b>084</b>	<b>20.032.422</b>	<b>14.169.992</b>
1 Profit for the business year	085	20.032.422	14.169.992
2 Loss for the business year	086	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>087</b>	<b>0</b>	<b>0</b>
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>596.402</b>	<b>596.402</b>
1 Provisions for pensions, termination benefits and similar obligations	089	596.402	596.402
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
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>6.113.630</b>	<b>8.142.818</b>
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	2.023.023
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	1.490.498.284	1.660.239.372
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	259.875.462	327.983.103
7 Liabilities for advance payments	114	4.352.553	20.746
8 Liabilities to suppliers	115	1.134.503.532	1.239.663.884
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	7.854.930	7.903.266
11 Taxes, contributions and similar liabilities	118	10.270.700	12.257.606
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	962.595	1.501.313
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	2.098.379	2.132.513
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	1.888.382.833	2.074.357.235
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	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
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	728.321.124	728.321.124	857.480.325	857.480.325
1 Income from sales with undertakings within the group	126	66.472.473	66.472.473	70.436.096	70.436.096
2 Income from sales (outside group)	127	658.484.164	658.484.164	783.539.996	783.539.996
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	107.700	107.700	150.077	150.077
5 Other operating income (outside the group)	130	3.256.787	3.256.787	3.354.156	3.354.156
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	715.066.044	715.066.044	836.373.844	836.373.844
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	686.564.859	686.564.859	810.191.158	810.191.158
a) Costs of raw materials and consumables	134	2.589.488	2.589.488	2.775.423	2.775.423
b) Costs of goods sold	135	677.513.372	677.513.372	802.610.239	802.610.239
c) Other external costs	136	6.461.999	6.461.999	4.805.496	4.805.496
3 Staff costs (ADP 138 to 140)	137	13.533.713	13.533.713	14.519.941	14.519.941
a) Net salaries and wages	138	8.203.132	8.203.132	8.870.567	8.870.567
b) Tax and contributions from salary costs	139	3.460.275	3.460.275	3.762.437	3.762.437
c) Contributions on salaries	140	1.870.306	1.870.306	1.886.937	1.886.937
4 Depreciation	141	2.961.071	2.961.071	3.571.425	3.571.425
5 Other costs	142	7.658.076	7.658.076	6.996.113	6.996.113
6 Value adjustments (ADP 144+145)	143	4.348.325	4.348.325	1.095.207	1.095.207
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	4.348.325	4.348.325	1.095.207	1.095.207
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
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	9.025.166	9.025.166	1.716.355	1.716.355
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	0	0	0	0
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	4.010.830	4.010.830	256.652	256.652
8 Exchange rate differences and other financial income	162	5.014.336	5.014.336	1.459.703	1.459.703
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	3.212.677	3.212.677	5.542.359	5.542.359
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	2.153.124	2.153.124	1.347.727	1.347.727
4 Exchange rate differences and other expenses	169	1.059.553	1.059.553	4.194.632	4.194.632
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
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	0	0	0	0
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	0	0	0	0
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	737.346.290	737.346.290	859.196.680	859.196.680
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	718.278.721	718.278.721	841.916.203	841.916.203
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	19.067.569	19.067.569	17.280.477	17.280.477
1 Pre-tax profit (ADP 177-178)	180	19.067.569	19.067.569	17.280.477	17.280.477

2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>3,813.514</b>	<b>3,813.514</b>	<b>3,110.486</b>	<b>3,110.486</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>15,254.055</b>	<b>15,254.055</b>	<b>14,169.991</b>	<b>14,169.991</b>
1 Profit for the period (ADP 179-182)	184	15,254.055	15,254.055	14,169.991	14,169.991
2 Loss for the period (ADP 182-179)	185	0	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	187				
2 Pre-tax loss on discontinued operations	188				
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>				
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>				
1 Pre-tax profit (ADP 192)	193				
2 Pre-tax loss (ADP 192)	194				
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>				
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	200				
2 Attributable to minority (non-controlling) interest	201				
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>15,254.055</b>	<b>15,254.055</b>	<b>14,169.991</b>	<b>14,169.991</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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				
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>				
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	<b>15,254.055</b>	<b>15,254.055</b>	<b>14,169.991</b>	<b>14,169.991</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	19.067.569	17.280.477
2 Adjustments (ADP 003 to 010):	002	-2.539.626	4.975.128
a) Depreciation	003	2.961.071	3.571.425
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	-4.010.830	-256.652
e) Interest expenses	007	2.153.124	1.347.727
f) Provisions	008	0	0
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
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>16.527.943</b>	<b>22.255.605</b>
3 Changes in the working capital (ADP 013 to 016)	012	-27.587.435	-56.359.381
a) Increase or decrease in short-term liabilities	013	45.451.085	101.633.448
b) Increase or decrease in short-term receivables	014	-32.588.189	-148.834.798
c) Increase or decrease in inventories	015	-7.635.924	-6.231.547
d) Other increase or decrease in working capital	016	-32.814.407	-2.926.484
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-11.059.492</b>	<b>-34.103.776</b>
4 Interest paid	018	-2.220.536	-1.691.973
5 Income tax paid	019	-1.935.019	-1.103.355
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-15.215.047</b>	<b>-36.899.104</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	501.923	413.187
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	9.214.248	260.375
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	741.367	1.261.361
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>10.457.538</b>	<b>1.934.923</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-773.635	-5.305.935
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-7.460.000	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-8.233.635</b>	<b>-5.305.935</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>2.223.903</b>	<b>-3.371.012</b>
<b>Cash flow from financing activities</b>			
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
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>151.000.000</b>	<b>130.000.000</b>
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	0

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
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-203.834.526</b>	<b>-61.902.124</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-52.834.526</b>	<b>68.097.876</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	38.428	28.145
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-65.787.242</b>	<b>27.855.905</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>138.202.837</b>	<b>19.055.229</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>72.415.595</b>	<b>46.911.134</b>







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.-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