



**Medika** d.d.

Zagreb, Capraška 1

**Management Board interim report  
for the temporary unaudited annual  
consolidated financial statements for 2019  
Medika d.d. Zagreb  
Group Medika**

February 2020

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## Management interim report

### ***Comment on temporary unaudited consolidated financial statements for the fourth quarter of the year 2019***

In accordance with the prescribed deadlines for submitting financial statements for the fourth quarter of 2019, Medika d.d. has prepared temporary unaudited consolidated financial statements which present approximate consolidated balance sheet as at 31 December 2019, approximate consolidated profit and loss statement for the fourth quarter of 2019, 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 2020.

With the above stated, Management Board does not comment financial statements, but only presents key events for the Company and the Group in 2019.

#### ***Key events***

The total pharmaceutical market in 2019 has increased compared to the previous year. At the same time, sales of Medika d.d. have increased slightly faster compared to the market increase, resulting in a slight increase in market share.

Total indebtedness has increased for HRK 44.0 million compared to the beginning of the year.

At the General Assembly meeting held on 21.05.2019 decisions were passed to pay out the dividend from the retained earnings of the Company to the amount of HRK 19.1 million. The dividend amounted to HRK 700.00 per share.

ZU Ljekarne Prima Pharme in the fourth quarter of 2019 annexed the Ljekarna Marica Jelčić and purchased a licence to perform pharmaceutical activities for a pharmacy in Srebreno. In the same quarter, ZU Ljekarne Prima Pharme sold a licence to perform pharmaceutical activities for a pharmacy in Banova Jaruga and also, sold a licence to perform pharmaceutical activities and real estate in Kumrovec.

### ***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 31.12.2019, 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. In 2019, the Company entered into a contract with the buyer for the transfer of a business interest in the subsidiary Primus nekretnine d.o.o. and it has been reclassified to assets held for sale.

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 42.41% of the Company and has 46.99% of shares with voting rights. In the course of the financial restructuring of Auctor d.o.o., in 2019, ownership of Auctor d.o.o. was transferred to Auctor Holding a.s., resulting in an indirect change of ownership of Medika's shares.

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 private owned pharmacies. However, hospital have longer collection period, but there is no risk of unpayment.

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.

<sup>3</sup> **Medika** d.d.  
ZAGREB, Capraška 1

Jasminko Herceg, dipl.oec.

*President of the Management Board*

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

1.1.2019

to

31.12.2019

Year:

2019.

Quarter:

4.

## 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:

74780000O0R8ZVGJJO27

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

856

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)

**BALANCE SHEET**  
balance as at 31.12.2019.

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
<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>	437.210.641	474.318.194
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	192.909.705	242.338.435
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	124.154.642	171.057.465
3 Goodwill	<b>006</b>	68.212.973	70.970.905
4 Advances for the purchase of intangible assets	<b>007</b>	17.280	17.280
5 Intangible assets in preparation	<b>008</b>	524.810	292.785
6 Other intangible assets	<b>009</b>	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	188.439.603	189.345.955
1 Land	<b>011</b>	25.226.916	30.400.331
2 Buildings	<b>012</b>	123.255.733	123.396.715
3 Plant and equipment	<b>013</b>	16.759.305	19.229.547
4 Tools, working inventory and transportation assets	<b>014</b>	14.563.096	13.065.011
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	201.990	201.027
7 Tangible assets in preparation	<b>017</b>	7.549.173	2.180.004
8 Other tangible assets	<b>018</b>	883.390	873.320
9 Investment property	<b>019</b>	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	44.210.334	39.258.045
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	21.837.638	0
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	22.043.273
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	22.372.696	17.214.772
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	280.120	1.182.434
1 Receivables from undertakings within the group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	0	1.182.434
4 Other receivables	<b>035</b>	280.120	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	11.370.879	2.193.325
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	1.547.368.609	1.865.521.805
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	346.266.405	383.542.209
1 Raw materials and consumables	<b>039</b>	570.043	534.205
2 Work in progress	<b>040</b>	0	0
3 Finished goods	<b>041</b>	0	0
4 Merchandise	<b>042</b>	342.478.811	376.458.823
5 Advances for inventories	<b>043</b>	3.217.551	6.549.181
6 Fixed assets held for sale	<b>044</b>	0	0
7 Biological assets	<b>045</b>	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	1.167.343.582	1.422.905.419

1 Receivables from undertakings within the group	047	0	
2 Receivables from companies linked by virtue of participating interests	048	10.260.643	22.514.675
3 Customer receivables	049	1.145.824.617	1.394.252.777
4 Receivables from employees and members of the undertaking	050	32.060	33.378
5 Receivables from government and other institutions	051	10.053.192	4.494.847
6 Other receivables	052	1.173.070	1.609.742
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>5.165.262</b>	<b>5.653.452</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	5.165.262	5.653.452
9 Other financial assets	062	0	
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>28.593.360</b>	<b>53.420.725</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>5.898.410</b>	<b>10.357.505</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>1.990.477.660</b>	<b>2.350.197.504</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>132.109.570</b>	<b>127.268.833</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>450.925.989</b>	<b>504.628.275</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>153.768.168</b>	<b>168.375.311</b>
1 Retained profit	082	153.768.168	168.375.311
2 Loss brought forward	083	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)</b>	<b>084</b>	<b>33.684.943</b>	<b>72.780.086</b>
1 Profit for the business year	085	33.684.943	72.780.086
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>740.390</b>	<b>571.767</b>
1 Provisions for pensions, termination benefits and similar obligations	089	740.390	571.767
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>22.036.320</b>	<b>53.395.101</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	4.686.053
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	32.162.489
11 Deferred tax liability	106	15.922.690	16.546.559
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>1.514.528.370</b>	<b>1.784.573.146</b>
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	50.807.170
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	269.881.990	318.574.169
7 Liabilities for advance payments	114	4.353.764	4.381.470
8 Liabilities to suppliers	115	1.139.118.214	1.366.347.607
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	11.107.205	12.318.353
11 Taxes, contributions and similar liabilities	118	15.892.754	21.395.939
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	1.495.931	10.748.438
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>2.246.591</b>	<b>7.029.215</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>1.990.477.660</b>	<b>2.350.197.504</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>132.109.570</b>	<b>127.268.833</b>



**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2019. to 31.12.2019.

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>	3.083.300.303	791.159.894	3.647.091.854	958.476.621
1 Income from sales with undertakings within the group	126	0	0	12.310	12.310
2 Income from sales (outside group)	127	3.061.151.836	786.292.413	3.628.077.992	952.424.334
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	22.148.467	4.867.481	19.001.552	6.039.977
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	3.041.294.958	824.383.408	3.554.222.614	942.541.724
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	2.843.440.942	732.020.484	3.385.000.440	893.319.720
a) Costs of raw materials and consumables	134	13.331.711	3.544.441	13.893.740	3.715.259
b) Costs of goods sold	135	2.791.352.184	717.274.302	3.338.881.068	878.659.181
c) Other external costs	136	38.757.047	11.201.741	32.225.632	10.945.280
3 Staff costs (ADP 138 to 140)	137	101.944.634	26.188.721	110.067.297	28.662.866
a) Net salaries and wages	138	62.291.252	16.222.279	68.095.789	17.766.879
b) Tax and contributions from salary costs	139	26.049.501	6.572.035	28.455.249	7.361.861
c) Contributions on salaries	140	13.603.881	3.394.407	13.516.259	3.534.126
4 Depreciation	141	14.840.193	3.816.837	25.009.999	6.354.815
5 Other costs	142	80.003.465	61.291.642	32.985.422	13.752.492
6 Value adjustments (ADP 144+145)	143	0	0	323.597	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	323.597	0
7 Provisions (ADP 147 to 152)	146	1.065.724	1.065.724	835.859	451.831
a) Provisions for pensions, termination benefits and similar obligations	147	147.584	147.584	248.491	248.491
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	539.919	539.919	414.307	30.279
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	378.221	378.221	173.061	173.061
8 Other operating expenses	153	0	0	0	0
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	7.291.948	906.813	4.020.541	1.533.466
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	1.937.528	618.167	1.949.410	355.383
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	5.343.247	276.079	2.071.131	1.178.083
8 Exchange rate differences and other financial income	162	11.173	12.567	0	0
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>	8.145.978	1.818.746	6.872.697	1.891.132
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	8.145.978	1.818.746	6.683.143	1.687.495
4 Exchange rate differences and other expenses	169	0	0	189.554	203.637
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>	3.090.592.251	792.066.707	3.651.112.395	960.010.087
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	3.049.440.936	826.202.154	3.561.095.311	944.432.856
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	41.151.315	-34.135.447	90.017.084	15.577.231
1 Pre-tax profit (ADP 177-178)	180	41.151.315	0	90.017.084	15.577.231

2 Pre-tax loss (ADP 178-177)	181	0	-34.135.447	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>7.466.371</b>	<b>-7.411.918</b>	<b>17.236.998</b>	<b>3.712.402</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>33.684.944</b>	<b>-26.723.529</b>	<b>72.780.086</b>	<b>11.864.829</b>
1 Profit for the period (ADP 179-182)	184	33.684.944	0	72.780.086	11.864.829
2 Loss for the period (ADP 182-179)	185	0	-26.723.529	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	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<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	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
<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>33.684.944</b>	<b>-26.723.529</b>	<b>72.780.086</b>	<b>11.864.829</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	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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>33.684.944</b>	<b>-26.723.529</b>	<b>72.780.086</b>	<b>11.864.829</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	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2019. to 31.12.2019

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	41.151.315	90.017.084
2 Adjustments (ADP 003 to 010):	002	70.122.861	40.206.044
a) Depreciation	003	14.840.193	25.009.999
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-755.622	2.988.678
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	48.955.426	259.628
d) Interest and dividend income	006	-5.342.875	-2.071.131
e) Interest expenses	007	8.246.641	6.683.143
f) Provisions	008	429.222	423.710
g) Exchange rate differences (unrealised)	009	-1.873.823	1.730.519
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	5.623.699	5.181.498
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>111.274.176</b>	<b>130.223.128</b>
3 Changes in the working capital (ADP 013 to 016)	012	-112.531.206	-94.928.739
a) Increase or decrease in short-term liabilities	013	44.137.488	223.972.450
b) Increase or decrease in short-term receivables	014	-109.397.003	-252.108.761
c) Increase or decrease in inventories	015	-44.677.010	-42.457.301
d) Other increase or decrease in working capital	016	-2.594.681	-24.335.127
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-1.257.030</b>	<b>35.294.389</b>
4 Interest paid	018	-8.689.108	-6.038.044
5 Income tax paid	019	-6.962.123	-4.982.263
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-16.908.261</b>	<b>24.274.082</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.125.467	4.091.719
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	14.313.789	2.063.936
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	56.144.723	8.287.625
6 Other cash receipts from investment activities	026	1.553.172	1.743.775
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>73.137.151</b>	<b>16.187.055</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-12.526.382	-24.451.913
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-23.460.000	-2.600.000
4 Acquisition of a subsidiary, net of cash acquired	031	0	-5.637.533
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>-35.986.382</b>	<b>-32.689.446</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>37.150.769</b>	<b>-16.502.391</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	673.000.000	604.700.000
4 Other cash receipts from financing activities	038	70.678	0

<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	673.070.678	604.700.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	<b>040</b>	-773.000.000	-556.000.000
2 Cash payments for dividends	<b>041</b>	-12.030.000	-19.077.800
3 Cash payments for finance lease	<b>042</b>	-3.278.575	-3.599.843
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	<b>043</b>	-21.589.575	0
5 Other cash payments from financing activities	<b>044</b>	0	-9.547.896
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	-809.898.150	-588.225.539
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	-136.827.472	16.474.461
1 Unrealised exchange rate differences in respect of cash and cash equivalents	<b>047</b>	393.345	581.213
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	-116.191.619	24.827.365
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	144.784.979	28.593.360
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	28.593.360	53.420.725



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. - 31.12.2019.

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, 28 February 2020

Pursuant to the articles 462 to 471 of the Capital market Law (Official Gazette 65/18)  
President of the Management Board 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 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 temporary unaudited financial statements for the period 01 January to 31 December 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.

**Medika** d.d.  
ZAGREB, Capraška 1

  
Jasminko Herceg  
*President of the Management Board*