

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

Management interim report

Comment on temporary unaudited unconsolidated 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 the year 2019, Medika d.d. (the Company) has prepared temporary unaudited financial statements which present approximate balance sheet as at 31 December 2019, approximate profit and loss statement for the fourth quarter of 2019, approximate statement of changes in equity and approximate statement of cash flow.

We point out that these financial statements are temporary and as such are not approved by the Supervisory Board. Furthermore, 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 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.

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 firm.

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 Company realizes majority of its revenue on domestic market in Croatian kuna. 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 borrowings are in Croatian kuna so the Company is not exposed to foreign exchange risk from this part.

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 variable interest rates expose the Company to cash flow interest rate risk. Borrowings with fixed interest rates expose the Company to the fair value interest rate risk exposure.

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. 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.


Medika d.d.
71000 Šibenik, Croatia
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

479

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(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:

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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	317.692.987	288.422.687
I INTANGIBLE ASSETS (ADP 004 to 009)	003	19.496.133	22.972.993
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	7.024.457	10.989.522
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	36.605
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	165.258.285	166.630.654
1 Land	011	18.232.855	23.406.270
2 Buildings	012	110.572.939	111.971.327
3 Plant and equipment	013	16.314.714	18.703.205
4 Tools, working inventory and transportation assets	014	11.564.722	9.565.406
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	197.540	201.027
7 Tangible assets in preparation	017	7.511.845	1.929.098
8 Other tangible assets	018	863.670	854.321
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	122.350.066	96.993.976
1 Investments in holdings (shares) of undertakings within the group	021	100.199.330	80.000.000
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	22.150.736	16.993.976
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	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
V DEFERRED TAX ASSETS	036	10.588.503	1.825.064
C) CURRENT ASSETS (ADP 038+046+053+063)	037	1.567.716.372	1.889.592.528
I INVENTORIES (ADP 039 to 045)	038	314.412.953	369.560.059
1 Raw materials and consumables	039	103.278	114.200
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	311.129.834	342.755.666
5 Advances for inventories	043	3.179.841	6.490.863
6 Fixed assets held for sale	044	0	20.199.330
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	1.229.137.210	1.468.107.468

1 Receivables from undertakings within the group	047	107.645.698	100.767.189
2 Receivables from companies linked by virtue of participating interests	048	10.260.643	22.514.675
3 Customer receivables	049	1.099.970.914	1.338.855.146
4 Receivables from employees and members of the undertaking	050	32.047	33.018
5 Receivables from government and other institutions	051	10.817.280	4.345.068
6 Other receivables	052	410.628	1.592.372
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	5.110.980	5.617.170
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	5.617.170
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	19.055.229	46.307.831
D) PREPAID EXPENSES AND ACCRUED INCOME	064	5.599.855	10.304.597
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.891.009.214	2.188.319.812
OFF-BALANCE SHEET ITEMS	066	132.109.570	127.268.833
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	389.076.138	427.042.955
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	105.570.838	106.525.460
1 Retained profit	082	105.570.838	106.525.460
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	20.032.422	57.044.617
1 Profit for the business year	085	20.032.422	57.044.617
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	596.402	439.780
1 Provisions for pensions, termination benefits and similar obligations	089	596.402	439.780
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	6.113.630	6.745.743
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	2.059.690
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	1.493.124.665	1.747.297.715
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	259.875.462	303.874.169
7 Liabilities for advance payments	114	4.352.553	4.377.787
8 Liabilities to suppliers	115	1.134.503.532	1.359.216.085
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	7.854.930	8.799.205
11 Taxes, contributions and similar liabilities	118	12.897.081	17.424.603
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	2.798.696
E) ACCRUALS AND DEFERRED INCOME	122	2.098.379	6.793.619
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.891.009.214	2.188.319.812
G) OFF-BALANCE SHEET ITEMS	124	132.109.570	127.268.833

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
I OPERATING INCOME (ADP 126 to 130)	125	2.976.113.186	760.617.733	3.530.383.698	923.954.944
1 Income from sales with undertakings within the group	126	256.670.131	62.069.399	281.776.603	69.297.907
2 Income from sales (outside group)	127	2.699.913.494	694.453.405	3.232.197.580	849.134.685
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	432.732	108.567	538.958	129.822
5 Other operating income (outside the group)	130	19.096.829	3.986.362	15.870.557	5.392.530
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	2.948.740.896	796.845.657	3.456.428.563	914.772.714
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	2.805.551.884	719.679.529	3.350.105.602	880.482.910
a) Costs of raw materials and consumables	134	10.825.745	2.806.886	11.323.065	2.992.732
b) Costs of goods sold	135	2.770.719.351	709.782.471	3.313.217.675	868.347.543
c) Other external costs	136	24.006.788	7.090.172	25.564.862	9.142.635
3 Staff costs (ADP 138 to 140)	137	56.314.283	14.461.002	61.740.214	15.912.127
a) Net salaries and wages	138	34.124.896	8.817.029	37.614.529	9.715.588
b) Tax and contributions from salary costs	139	14.435.773	3.666.702	16.084.596	4.117.398
c) Contributions on salaries	140	7.753.614	1.977.271	8.041.089	2.079.141
4 Depreciation	141	12.066.868	3.091.923	14.409.150	3.658.264
5 Other costs	142	74.351.373	59.156.715	29.062.810	14.316.213
6 Value adjustments (ADP 144+145)	143	0	0	323.559	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	323.559	0
7 Provisions (ADP 147 to 152)	146	456.488	456.488	787.228	403.200
a) Provisions for pensions, termination benefits and similar obligations	147	71.684	71.684	230.139	230.139
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	6.583	6.583	384.028	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	378.221	378.221	173.061	173.061
8 Other operating expenses	153	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	5.306.875	267.601	2.062.636	1.176.456
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	5.306.875	267.601	2.062.636	1.176.456
8 Exchange rate differences and other financial income	162	0	0	0	0
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	7.910.208	1.770.105	5.642.721	1.447.564
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	7.910.208	1.770.105	5.590.279	1.400.577
4 Exchange rate differences and other expenses	169	0	0	52.442	46.987
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	2.981.420.061	760.885.334	3.532.446.334	925.131.400
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	2.956.651.104	798.615.762	3.462.071.284	916.220.278
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	24.768.957	-37.730.428	70.375.050	8.911.122
1 Pre-tax profit (ADP 177-178)	180	24.768.957	0	70.375.050	8.911.122

2 Pre-tax loss (ADP 178-177)	181	0	-37.730.428	0	0
XII INCOME TAX	182	4.736.535	-7.763.342	13.330.433	2.266.926
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	20.032.422	-29.967.086	57.044.617	6.644.196
1 Profit for the period (ADP 179-182)	184	20.032.422	0	57.044.617	6.644.196
2 Loss for the period (ADP 182-179)	185	0	-29.967.086	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	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
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
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	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
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
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	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	20.032.422	-29.967.086	57.044.617	6.644.196
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	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
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
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	20.032.422	-29.967.086	57.044.617	6.644.196
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	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
Cash flow from operating activities			
1 Pre-tax profit	001	24.768.957	70.375.050
2 Adjustments (ADP 003 to 010):	002	66.625.324	25.121.228
a) Depreciation	003	12.066.868	14.409.150
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-711.747	-308.489
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	48.999.104	324.322
d) Interest and dividend income	006	-5.306.875	-2.062.636
e) Interest expenses	007	8.010.697	5.590.279
f) Provisions	008	-70.789	402.174
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	5.511.889	5.035.909
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	91.394.281	95.496.278
3 Changes in the working capital (ADP 013 to 016)	012	-102.765.733	-77.841.137
a) Increase or decrease in short-term liabilities	013	46.378.759	215.802.010
b) Increase or decrease in short-term receivables	014	-99.456.998	-252.571.307
c) Increase or decrease in inventories	015	-43.926.956	-39.983.685
d) Other increase or decrease in working capital	016	-5.760.538	-1.088.155
II Cash from operations (ADP 011+012)	017	-11.371.452	17.655.141
4 Interest paid	018	-8.435.930	-5.738.247
5 Income tax paid	019	-3.870.039	-1.655.032
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-23.677.421	10.261.862
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.063.429	551.434
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	14.277.404	2.055.477
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	56.093.954	8.287.625
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	71.434.787	10.894.536
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-6.789.971	-11.755.782
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	0
5 Other cash payments from investment activities	032	-200.000	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-30.449.971	-14.355.782
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	40.984.816	-3.461.246
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	673.000.000	600.000.000
4 Other cash receipts from financing activities	038	49.802	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	673.049.802	600.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-773.000.000	-556.000.000
2 Cash payments for dividends	041	-12.030.000	-19.077.800

3 Cash payments for finance lease	042	-3.278.575	-3.599.843
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-21.589.575	0
5 Other cash payments from financing activities	044	0	-1.451.584
VI Total cash payments from financing activities (ADP 040 to 044)	045	-809.898.150	-580.129.227
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-136.848.348	19.870.773
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	393.345	581.213
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-119.147.608	27.252.602
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	138.202.837	19.055.229
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	19.055.229	46.307.831

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2019 to 31.12.2019

Period	in HRK												
	ADP 2019	ADP 2018	ADP 2017	ADP 2016	ADP 2015	ADP 2014	ADP 2013	ADP 2012	ADP 2011	ADP 2010	ADP 2009	ADP 2008	ADP 2007
1 Balance on the first day of the previous business year	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420
2 Changes in accounting policies													
3 Correction of errors													
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420	309,244,420
5 Profit/loss of the period													
6 Exchange rate differences from translation of foreign operations													
7 Changes in translation reserves of foreign subsidiaries and companies													
8 Profit or loss arising from subsequent measurement of financial assets available for sale													
9 Profit or loss arising from effective cash flow hedges													
10 Profit or loss arising from effective cash flow hedges													
11 Share in other comprehensive income/loss of subsidiaries in foreign operations													
12 Share in other comprehensive income/loss of subsidiaries in foreign operations													
13 Other changes in equity attributable to owners													
14 Tax on transactions recognized in equity													
15 Increase/decrease in initial (subscribed) capital (other than from revaluation of profit and other than arising from the pre-issuance settlement procedure)													
16 Increase in initial (subscribed) capital arising from the revaluation of profit													
17 Increase in initial (subscribed) capital arising from the pre-issuance settlement procedure													
18 Revaluation of treasury shareholdings													
19 Payment of share in profit/loss													
20 Other distribution to owners													
21 Transferred to reserves according to the annual financial statements													
22 Transferred to reserves according to the annual financial statements													
23 Balance on the last day of the previous business year reporting period (ADP 21 to 22)	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420	209,244,420
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APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)

OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 04 to 14)

COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05 to 24)

TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 20)

Current period

27 Balance on the first day of the current business year

28 Changes in accounting policies

29 Correction of errors

30 Balance on the first day of the current business year (restated) (ADP 27 to 29)

31 Profit/loss of the period

32 Exchange rate differences from translation of foreign operations

33 Changes in translation reserves of foreign subsidiaries and companies

34 Profit or loss arising from subsequent measurement of financial assets available for sale

35 Profit or loss arising from effective cash flow hedges

36 Profit or loss arising from effective cash flow hedges

37 Share in other comprehensive income/loss of subsidiaries in foreign operations

38 Share in other comprehensive income/loss of subsidiaries in foreign operations

39 Other changes in equity attributable to owners

40 Tax on transactions recognized in equity

41 Increase/decrease in initial (subscribed) capital (other than from revaluation of profit and other than arising from the pre-issuance settlement procedure)

42 Increase in initial (subscribed) capital arising from the revaluation of profit

43 Increase in initial (subscribed) capital arising from the pre-issuance settlement procedure

44 Revaluation of treasury shareholdings

45 Payment of share in profit/loss

46 Other distribution to owners

47 Transferred to reserves according to the annual financial statements

48 Transferred to reserves according to the annual financial statements

49 Balance on the last day of the current business year reporting period (ADP 31 to 48)

APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)

OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 31 to 40)

COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31 to 50)

TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 46)

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.
Capraška 1


Jasminko Herceg
President of the Management Board