

ALKALOID AD Skopje

2024 BUSINESS PLAN

- SUMMARY

December 2023



Health above all

About **ALKALOID**

ALKALOID AD Skopje manufactures drugs, cosmetics, and chemical products and processes botanical raw materials. It has been in operation for more than eight and a half decades.

ALKALOID is a joint stock company composed of two profit centres – *Pharmaceuticals* and *Chemicals, Cosmetics and Botanicals*, with two subsidiaries in the country and 20 subsidiaries and two representative offices abroad (Serbia, Montenegro, Kosovo, Albania, Bosnia and Herzegovina, Croatia, Slovenia, Switzerland, Bulgaria, Turkey, Ukraine, the Russian Federation, USA, UK and Romania).

The company employs 2,146 people in the country and 683 in the subsidiaries and representative offices abroad.



Aspirations and Values

ALKALOID relies on the highest ethical norms and standards in its operations. We believe that doing business ethically is a prerequisite for steady personal and business success. Our objective is to ensure consistency and improve business performance by maintaining and reinforcing our positions in the existing markets and steadily expanding to new ones.

Vision

As a globally oriented company, *ALKALOID* strives to accomplish high goals and achievements, which will provide greater competitiveness and market positioning. We are constantly open to new markets and partnerships, manufacturing and selling superior quality products while applying the latest technologies and business standards.

Mission

We continuously strive for a healthier world, superior product and service quality, professionalism, and continuous success.

Imperative

Our imperative is to protect the interests of our employees, customers, shareholders, business partners, and other stakeholders. Our principal commitment is **HEALTH ABOVE ALL**.

2024 Business Plan

Sales Revenue

The 2024 Business Plan envisages consolidated sales revenue of over €295 million, a 12% increase compared to the 2023 estimates.

Sales by Segment

PC Pharmaceuticals is expected to generate 89% and PC Chemicals, Cosmetics, and Botanicals 11% of the consolidated sales.

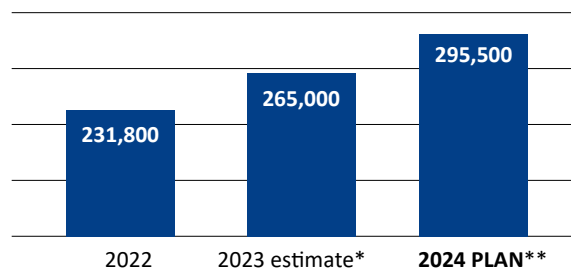
Sales by Market

31% of the total consolidated sales are expected in the domestic market and 69% abroad.

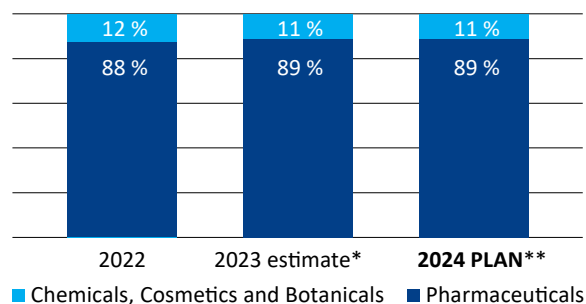
Planned Results

The consolidated EBITDA is expected to increase by 11% year over year. Consolidated net profits are expected to grow at least 7% year over year.

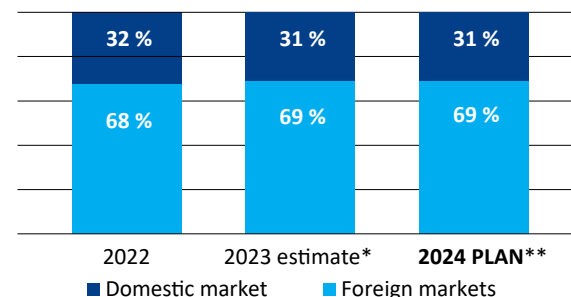
Sales (in thousand EUR)



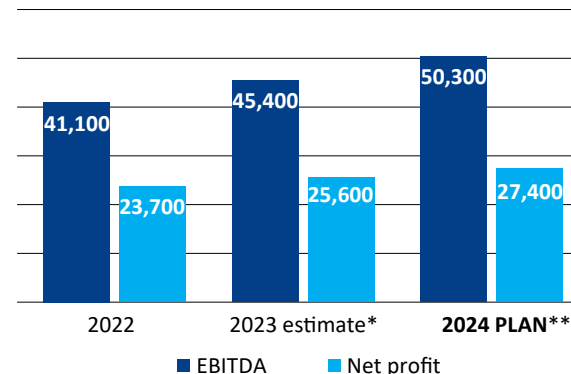
Sales by segments



Sales by market



EBITDA (in thousand EUR)



* Preliminary 2023 estimates may vary from final results

**The 2024 Business Plan relies on the expectations, forecasts and opportunities from the existing and new markets and products available to the company at the time of drafting the plan. Circumstances and events in 2024, thus the actual results, may vary from those of the Business Plan.

Investments

ALKALOID AD Skopje has stayed on the course of continuous investment, with over €200 million invested in the past two decades due to its commitment to constant growth and development, while following the latest trends and achievements in pharmacy.

Aligned with a long-term development concept (a 20-year investment development plan), the company constructed a completely new manufacturing plant for semi-solid pharmaceutical forms, a new medicine packaging plant and a new warehouse for raw materials. The most significant investment activity, a new solid forms' manufacturing plant (pharmaceutical preparations), is in its final stage. The total investment in these new manufacturing facilities amounts well above 30 million euro.

There have been consistent investments in new manufacturing machinery and cutting-edge technological production lines, whereby we created conditions for a several-fold increase in manufacturing capacities. All investments in the pharmaceutical manufacturing facilities are in line with the latest GMP (good manufacturing practice) recommendations for pharmaceutical product manufacturing.

In the 2024 Business Plan, we envisage investing about 10% of the consolidated sales revenue in tangible and intangible assets.

RESEARCH AND DEVELOPMENT

For several decades the *ALKALOID'S R&D Department* has been recognised for introducing new products, technologies, analytical methods, and services, ensuring a rich product portfolio. At the same time, it cares about the environment and occupational health and safety.

The R&D expenses have been growing steadily over the years, resulting in higher quality standards and better consumer wellbeing.

The 2024 Business Plan foresees at least a 15% growth in R&D expenses, i.e. allocation of more resources to this segment in order to further modernize the generic portfolio and supplement it with patented value-added products.

Environmental, Social and Governance (ESG)

For the past two years, we have prioritized and strategically focused on implementing Environmental, Social, and Governance (ESG) standards for integration and reporting within the company. We have introduced numerous internal policies to organize the functioning of all sectors in alignment with ESG principles.

Responsibility towards the environment and the community is firmly ingrained in the daily lives of every Alkaloid employee across all the countries where we have established operations. In the future, the ESG segment will broaden and intensify, extending to all Alkaloid shareholders with a singular objective of building a better, healthier, and more sustainable world.

Employees

The 2024 growth and development plans foresee about 100 new employments in Skopje and 70 in the companies abroad. We continue to invest in human capital, investing significantly in employee training and other benefits, while creating prerequisites for further increase of our employees' average net salaries.

Shares

ALKALOID shares have been listed on the official market of the *Macedonian Stock Exchange* since 2002. They are one of the most traded and liquid shares on the market. The share price ranged from MKD 17,199.00 to MKD 18,500.00, with an average of MKD 17,752.44 per share. The price closed at MKD 18,150.00 on 25.12.2023. In December 2023, market capitalisation was MKD 26 billion.

Dividend policy

The company management will continue its dividend policy. Part of the net profit will be paid out as dividends and personal income tax, and the rest will go to investments.

The Management Board of *ALKALOID AD Skopje* adopted the company's 2024 Business Plan at its meeting held on 27 December 2023.