



ALKALOID AD Skopje

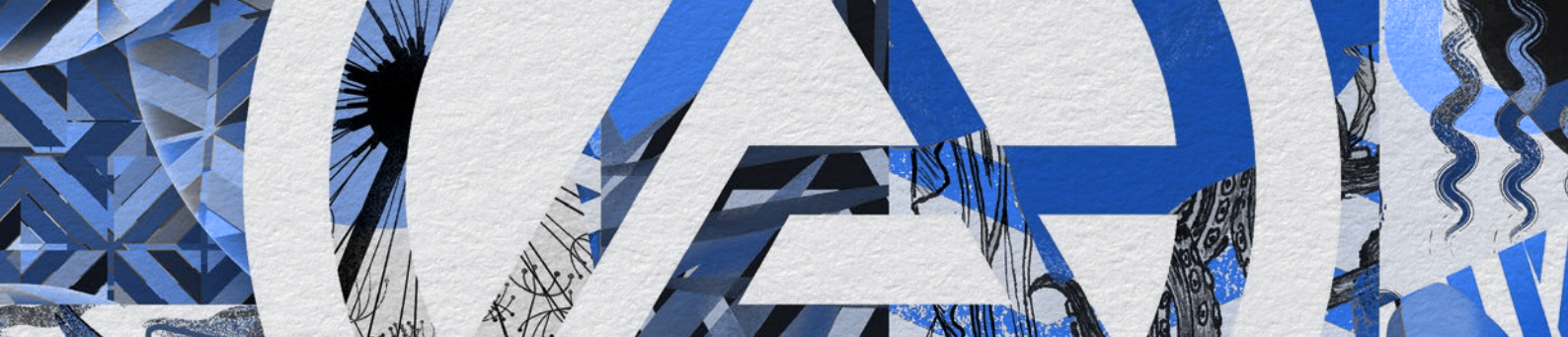
2025 BUSINESS PLAN

- SUMMARY

December 2024



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 AD is a joint stock company composed of two profit centres – *Pharmaceuticals* and *Chemicals, Cosmetics and Botanicals*, with five subsidiaries in the country and 22 subsidiaries and 2 representative offices abroad (Serbia, Montenegro, Kosovo, Albania, Bosnia and Herzegovina, Croatia, Slovenia, Switzerland, Bulgaria, Turkey, Ukraine, the Russian Federation, Kazakhstan, the USA, the UK and Romania).

The company employs 2,300 people in the country and 730 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

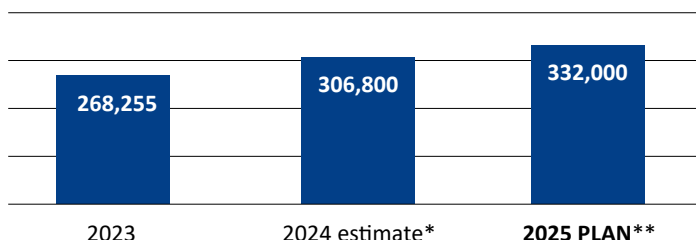
Our imperative is to protect the interests of our employees, customers, shareholders, business partners, and other stakeholders. Our principal commitment is **HEALTH ABOVE ALL**.

2025 Business Plan

Sales Revenue

The 2025 Business Plan envisages consolidated sales revenue of over €332 million, an 8% increase compared to the 2024 estimates.

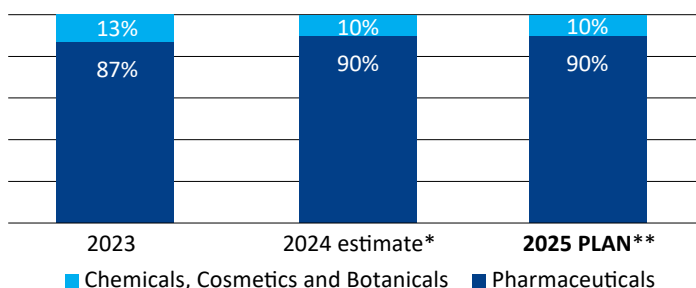
Sales (in thousand EUR)



Sales by Segment

PC Pharmaceuticals is expected to generate 90% and PC Chemicals, Cosmetics, and Botanicals 10% of the consolidated sales.

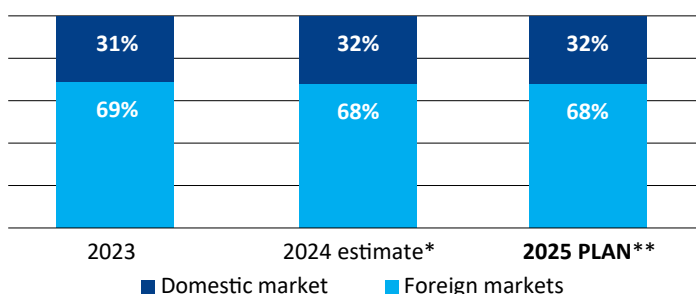
Sales by segments



Sales by Market

32% of the total consolidated sales are expected in the domestic market and 68% abroad.

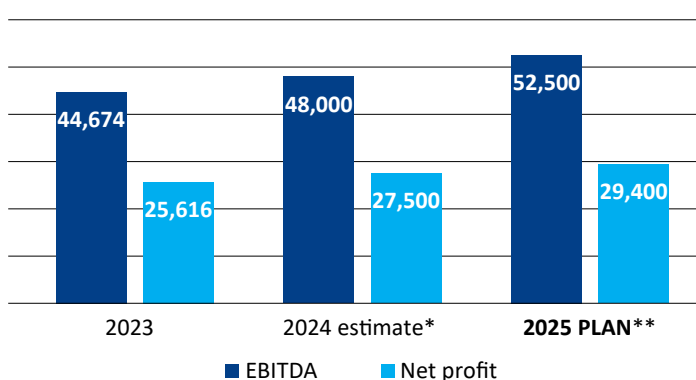
Sales by market



Planned Results

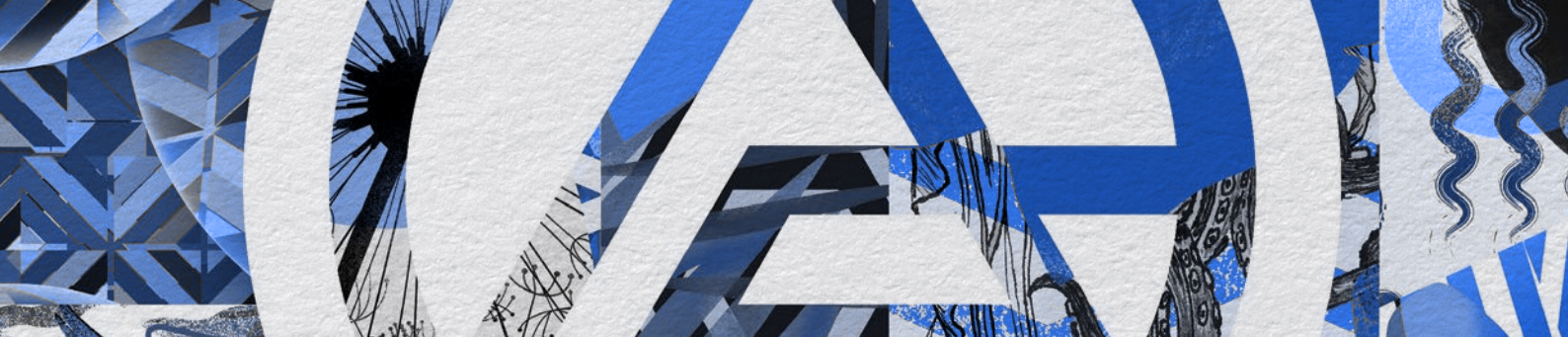
The consolidated EBITDA is expected to increase by 9% year over year. Consolidated net profits are expected to grow at least 7% year over year.

EBITDA (in thousand EUR)



* Preliminary 2024 estimates may vary from final results

**The 2025 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 2025, 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 €250 million invested in the past two decades due to its commitment to constant growth and development, while following the latest trends and achievements in the pharmaceuticals industry.

ALKALOID AD Skopje registered a new subsidiary company in 2024, *ALKALOID ENERGETIKA DOOEL Skopje*, which will focus on electrical energy production. In line with *ALKALOID AD Skopje's* ESG strategy and its commitment to reducing its carbon footprint while advancing sustainable development, this initiative plays a crucial role in achieving these objectives. The project envisions the construction of a photovoltaic power plant in Gevgelija, with an annual electrical energy production capacity of approximately 11,000 megawatt-hours. This will allow 75 to 85% of the electricity used for *ALKALOID AD Skopje's* manufacturing facilities to be sourced from its own renewable energy.

In accordance with its long-term development strategy, i.e. 20-year investment development plan, the company constructed a completely new manufacturing plant for semi-solid pharmaceutical forms, a new medicine packaging plant, a new warehouse for raw materials, and its most significant investment - a new solid forms' manufacturing plant (pharmaceutical preparations) in the course of the past several years. Furthermore, in order to adequately increase the capacities of Pharmaceuticals Quality Control, the plan for 2025 foresees the design and construction of a new microbiological laboratory covering a surface area of 600 m².

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.

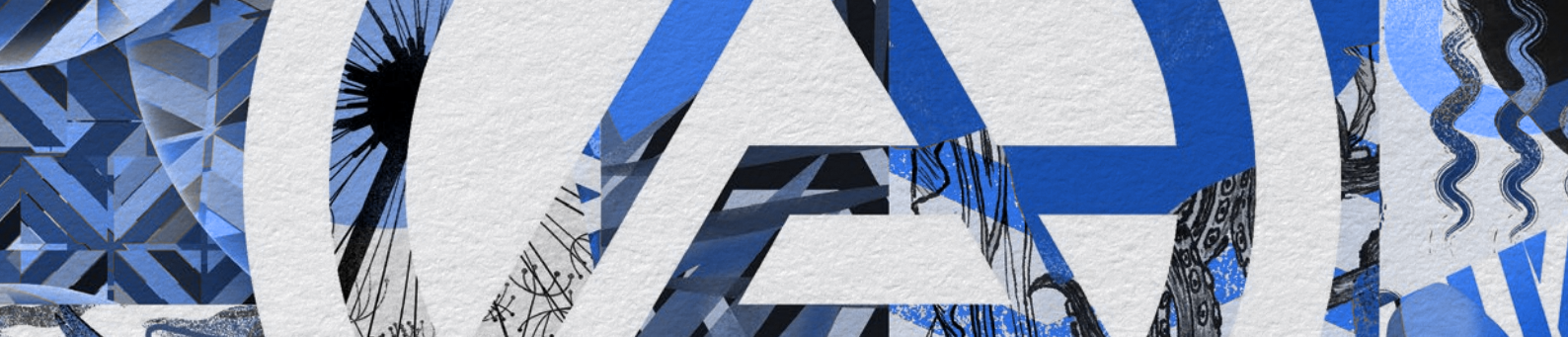
In the 2025 Business Plan, we envisage investing about 8% of the consolidated sales revenue in tangible and intangible assets.

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 remains committed to environmental sustainability and occupational safety and health.

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

The 2025 Business Plan foresees at least a 10 % 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 operation 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 stakeholders with a singular objective of building a better, healthier, and more sustainable world.

Employees

The 2025 growth and development plans foresee about 100 new employments in ALKALOID AD Skopje and 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 AD Skopje 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. In 2024, the share price ranged from MKD 18,151.00 to MKD 29,000.00, with an average of MKD 21,715.11 per share. The price closed at MKD 28,299.00 on 27.12.2024. In December 2024, market capitalisation was MKD 40 billion.

Dividend policy

The company's management will continue its dividend policy based on the results achieved. 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 2025 Business Plan at its meeting held on 27 December 2024.