

Alkaloid AD Skopje

Business Plan for 2022 - summary

December 2021



ALKALOID
SKOPJE

About Alkaloid

Alkaloid AD Skopje is a company which more than eight decades, has been operating in the field of manufacturing drugs, cosmetic and chemical products and processing botanical raw materials.

Alkaloid AD is a joint stock company that consists of two profit centers: Pharmaceuticals and Chemicals, Cosmetics and Botanicals; there are two subsidiaries in the country as well as 18 subsidiaries and 2 representative offices abroad (Serbia, Montenegro, Kosovo, Albania, Bosnia and Herzegovina, Croatia, Slovenia, Switzerland, Bulgaria, Turkey, Ukraine, the Russian Federation, USA and UK).

The company has 1,930 employees in the country and 580 employees in subsidiaries and representative offices abroad.



Aspirations and values

"Alkaloid" AD Skopje, in performing its business operations, relies on the highest ethical norms and standards. We are convinced that ethical doing business is a prerequisite for constant personal and business success. Our objective is to ensure consistency and enhancement of business performances by maintaining / reinforcing our positions in the existing markets and reasonably expanding to new ones.

Vision

Alkaloid, as a globally oriented company, strives to accomplish high goals and achievements, which will enable high competitiveness and market positioning. We are constantly open to building new markets and new partnerships, production and placement of superior quality products, applying the latest technologies and business standards.

Mission

We continuously strive for a healthier world, superior quality of products and services, as well as high professionalism and continuous success.

Imperative

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



Business Plan for 2022

Sales

The business plan for 2022 envisages that sales revenues shall exceed EUR 224 million, a 8% increase compared to estimated sales for 2021.

Sales by segments

The breakdown by segments, shows PC Pharmaceuticals will generate 87% of consolidated sales, while 13% will be generated by Chemicals, Cosmetics and Botanicals.

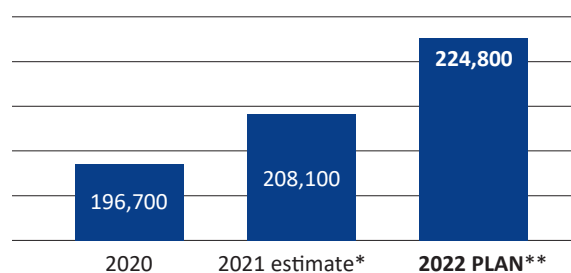
Sales by market

Out of the total planned consolidated sales, 35% shall be realized in the domestic market, while the foreign markets will account for 65%.

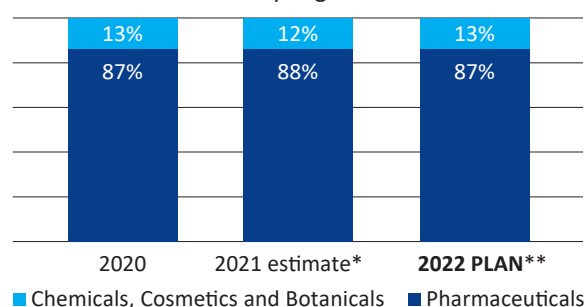
Operating results

Planned consolidated EBITDA indicates a 7% increase over the estimated EBITDA for 2021. Consolidated net profit is planned with at least 7% growth relative to the estimate for 2021.

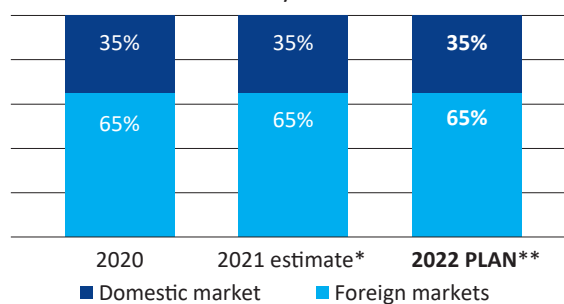
Sales (in thousand EUR)



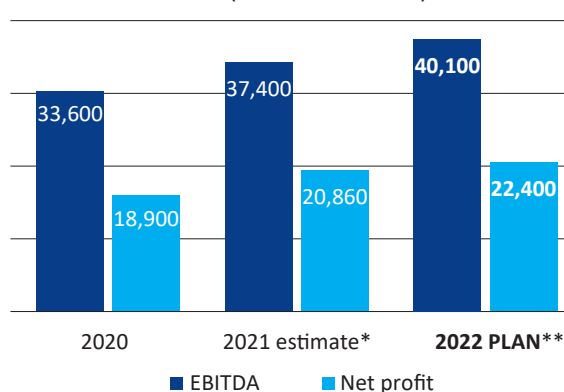
Sales by segments



Sales by market



EBITDA (in thousand EUR)



* Preliminary estimates for 2021 may vary from final results

**The business plan for 2022 is based on the expectations, forecasts and opportunities of the existing and new markets and products available to the Company at the time of drafting the plan. Circumstances and events in 2022, thus the actual results, may vary from those taken into account in the Business Plan.



Investments

Commitment to continuous growth and development, following the trends and the latest achievements in the field of pharmacy are the main reasons why in the past two decades "Alkaloid" AD Skopje has remained on the course of continuous investment, investing over 200 million euros.

A new facility for manufacturing wet wipes, worth close to €4 million, was open in 2021. The Becutan wet wipes, first marketed in 2006, are part of the brand portfolio, made under the original recipe developed by the Alkaloid's pharmacy experts. After producing them abroad for 15 years, we now manufacture the wet wipes at the production facility located at the Lafoma plant in Gjorche Petrov.

In 2021, we also started constructing and equipping a production plant for hemodialysis concentrates with accompanying raw materials and finished products warehouse. This investment project, valued at €1,4 million, is planned to complete in the first semester of 2022.

With the 2022 business plan, we envisage investing about 14% of the consolidated sales revenues in tangible and intangible assets. Next year, we will make several investments extremely important for the company.

ALKALOID ventured into one of its biggest investment undertakings of the past ten years. We will complete a new pharmacy plant for manufacturing of solid forms and plan to build 2.000 m² of clean space, fully compliant with the highest pharmaceutical production standards, EU legislation, and GMP regulations. The planned investment value is €4 million. We plan to purchase new production equipment worth about €6 million to expand our production output. It will multiply our production capacities and create a potential for steady growth of sales and new employments.

The construction of a new 4,000 m² building, which is now in progress, will provide the necessary auxiliary facilities to fully comply with the GMP regulations for the new production facilities. Central wardrobes are the first link in the GMP production chain. The project's planned investment value is €4 million.

Always following the energy trends, ALKALOID makes environmental protection one of the highest priorities in the company's business strategy. To that aim, the company will continue to invest in renewable electricity production for its own needs. ALKALOID has already obtained the Energy Regulatory Commission's license for its own electricity production, planning to build several photovoltaic power plants worth €200,000 in 2022.



Research and development

For decades Alkaloid's R&D is recognised as a research segment that introduces new products, technologies, analytical methods, and services, thus ensuring a rich product portfolio. At the same time, caring about the environment and health and safety at work.

Research and development expenditures have been growing steadily over the years, resulting in higher quality standards that contribute to increasing consumer welfare. The business plan for 2022 envisages a growth of at least 6% in research and development expenditures.

Employees

According to the growth and development plans, in 2022 we expect about 60 new employments in Alkaloid AD Skopje as well as 10 new employments in the companies abroad. We continue to invest in human capital by allocating significant training and other employee benefits, while also creating the prerequisites for further increase in the average net salary per employee.

Shares

The shares of Alkaloid AD Skopje have been listed since 2002 and stand as one of the most traded and most liquid shares on the Macedonian Stock Exchange. The share price of Alkaloid AD Skopje ranged from MKD 13,300.00 to MKD 18,350.00, with an average of MKD 15,830.82 per share. The last trade price on 27.12.2021 was MKD 18,200.00. Market capitalization exceeded MKD 26 billion.

Alkaloid's management will continue its dividend policy. Part of the net profit will be allocated for dividends and personal tax and the rest will be allocated for investments.

The business plan of the company for 2022 was adopted by the Managing Board of Alkaloid AD Skopje at its session held on December 29th 2021.

