

Alkaloid AD Skopje

Business Plan for 2023 - summary

December 2022



ALKALOID
SKOPJE

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 19 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 2,015 people in the country and 602 in the subsidiaries and representative offices abroad.



Aspirations and Values

In its operation, **ALKALOID** relies on the highest ethical norms and standards. 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 reasonably expanding to new ones.

Vision

As a globally oriented company, **ALKALOID** strives to accomplish high goals and achievements, enabling high competitiveness and market positioning. We are constantly open to new markets and partnerships and manufacture and sell superior quality products, 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**.



Business Plan for 2023

Sales Revenue

The business plan for 2023 envisages consolidated sales revenue of over €256 million, a 10% increase compared to the 2022 estimates.

Sales by Segment

PC Pharmaceuticals is expected to generate 88% and *PC Chemicals, Cosmetics, and Botanicals* 12% of the consolidated sales.

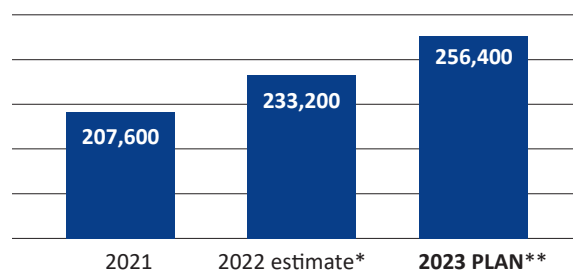
Sales by Market

33% of the total consolidated sales are expected in the domestic market and 67% abroad.

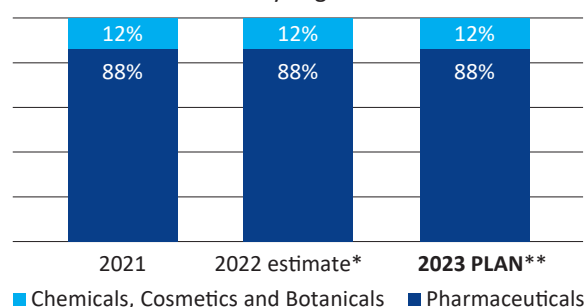
Operating Results

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.

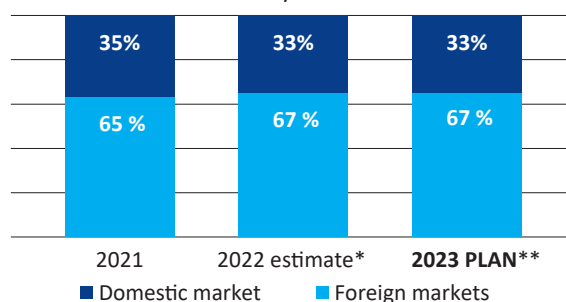
Sales (in thousand EUR)



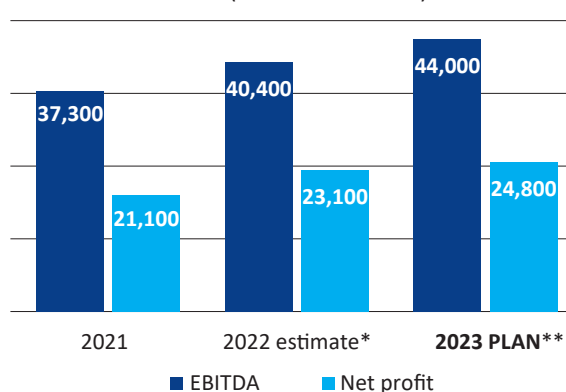
Sales by segments



Sales by market



EBITDA (in thousand EUR)



* Preliminary 2022 estimates may vary from final results

**The 2023 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 2023, 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, because of its commitment to constant growth and development, following the latest trends and achievements in pharmacy.

ALKALOID invested in new capacities in all company segments in 2022. It continuously invests in equipment and new technologies to support and enhance its manufacturing programs.

The company particularly emphasises energy efficiency and alternative energy sources in the new investments. This year it launched photovoltaic power generators with 1.2 megawatts of installed capacity. Together with the ones installed previously, the total capacity reaches 1.6 megawatts – a total investment of €700,000.

The company opened a new warehouse for pharmaceutical raw materials and primary packaging as part of the twenty-year investment and development plan for PC Pharmacy. The investment is worth €1.3 million.

The new manufacturing plant for haemodialysis concentrates, including a raw materials, packaging and finished products warehouse, complies with the strict good manufacturing practice standards, medical device manufacturing regulations, and quality assurance directives – an investment worth €1.8 million.

A new quality control, R&D, and registration laboratories, a €720,000 investment, were launched at the cosmetics manufacturing plant in Gjorce Petrov.

In the 2023 business plan, we envisage investing about 11% of the consolidated sales revenue in tangible and intangible assets. Next year, we will make several investments that are extremely important for the company.



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 health and safety at work.

The R&D expenses have been growing steadily over the years, resulting in higher quality standards and better consumer welfare. The 2023 business plan foresees at least a 10% growth in R&D expenses

Employees

The 2023 growth and development plans foresee about 50 new employments in Skopje and 30 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 the average net salaries of our employees.

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 15,556.00 to MKD 19,400.00, with an average of MKD 17,307.66 per share. The price closed at MKD 17,100.00 on 27.12.2022. In December 2022, market capitalisation was MKD 24.5 billion.

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 for investments.

The Managing Board of *ALKALOID AD Skopje* adopted the company's 2023 business plan at its meeting on 29 December 2022.

