

PERFORMANCE ANALYSES

For the period January - December 2023

According to the unaudited stand alone and consolidated Income statement for the period January - December 2023, Alkaloid AD Skopje achieved positive financial results.

Accounting policies and evaluation methods

There were no changes in the accounting policies and evaluation methods in the positions of the financial statements of Alkaloid AD Skopje in 2023.

Total revenues

The total stand alone revenues for January - December 2023 in the amount of 12.765.496 thousand denars have increased for 10%, compared to 2022. The largest portion of 96% in the total revenues belongs to the sales revenues, which compared to 2022 have increased for 16%.

The total consolidated revenues for January - December 2023 in the amount of 16.957.698 thousand denars have increased for 10%, compared to 2022. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2022 have increased for 16%.

Total expenses

The total stand alone expenses for January - December 2023 in the amount of 11.113.657 thousand denars have increased for 11% compared to 2022.

The total consolidated expenses for January - December 2023 in the amount of 15.172.038 thousand denars have increased for 11% compared to 2022.

Dividend

The gross dividend approved by shareholders on April 3th 2023 were 701.363 thousand denars. In accordance with the dividend calendar in May 2023 the gross dividend in amount of 490 denars has been paid i.e. the net-dividend 441 for one ordinary share. The dividend paid per share for 2022 is 11.36% higher than the dividend paid per share for 2021.

Investments

In the January – December 2023 period a total of MKD 1.741.562 has been invested in fixed assets which compared to 2022 is an increase of 18%. This increase in investments is due to ALKALOID's biggest investment project in the last 20 years – the new production department for the production of solid forms 2 – which increases the capacities for the production of solid forms by more than double.

Borrowings

The total consolidated borrowings as at 31.12.2023 are in the amount of 1.869.711 thousand denars.

Employees

In the period January – December 2023 ALKALOID AD Skopje recruited 232 new employees in the R.N. Macedonia. In March 2023 the Management Board of ALKALOID AD Skopje decided to approve and pay holiday allowance to its employees in amount of MKD 36.500 net. In December 2023 the Management Board of ALKALOID AD Skopje approved and paid New Year's allowance to its employees in amount of MKD 34,000 net. The ALKALOID Group has 2.843 employees, of which 2.155 in the country and 688 in its subsidiaries and representative offices abroad.

Significant Income statement positions

The achieved stand alone and consolidated results for the period January - December 2023, the proportions, dynamics and comparison with the previous year are as follows:

Stand alone sales

Market	(In 000 MKD)				
	2023		2022		Ind
	Sales	%	Sales	%	23/22
Domestic market	3.370.337	27	3.142.726	30	107
Foreign market	8.891.565	73	7.395.504	70	120
Total:	12.261.902	100	10.538.230	100	116

Consolidated sales

Market	(In 000 MKD)				
	2023		2022		Ind
	Sales	%	Sales	%	23/22
Domestic market	5.193.459	31	4.594.347	32	113
Southeast Europe	4.703.367	29	4.331.373	30	109
Eastern Europe (CIS, UA...)	2.788.460	17	2.268.295	16	123
Western Europe (EU and EFTA)	3.661.806	22	2.926.375	20	125
Other	165.886	1	168.661	1	98
Total foreign market	11.319.519	69	9.694.704	68	117
Total:	16.512.978	100	14.289.051	100	116

Out of the total consolidated sales, 69% were realized in the foreign markets. The Western Europe region had the highest growth of 25%, followed by Eastern Europe with an increase of 23%.

Group of products	(In 000 MKD)				
	2023		2022		Ind
	Sales	%	Sales	%	23/22
Antibiotics	4.402.718	27	3.335.386	23	132
OTC products	3.145.052	19	2.634.376	18	119
Cardiovascular products	1.911.154	12	1.877.025	13	102
Neurological products	2.059.232	12	1.871.427	13	110
Other	1.275.176	8	1.288.030	9	99
Total products - Alkaloid	12.793.332	77	11.006.244	77	116
Commodities	1.939.171	12	1.538.831	11	126
Services and other revenue	84.239	1	59.090	0	143
Total Pharmaceuticals	14.816.742	90	12.604.165	88	118
Total Chemistry	314.771	2	362.627	3	87
Total Cosmetics	1.127.403	7	1.020.711	7	110
Total Botanicals	254.062	2	301.548	2	84
Total:	16.512.978	100	14.289.051	100	116

Significant Income statement positions (continued)
Earning before interest, taxes, depreciation and amortization (EBITDA)

	(In 000 MKD)				
	2023		2022		Ind
	Amount	% in Sales	Amount	% in Sales	23/22
Stand alone EBITDA	2.572.486	21	2.381.036	23	108
Consolidated EBITDA	2.750.021	17	2.537.702	18	108

Net profit

	(In 000 MKD)				
	2023		2022		Ind
	Amount	% in Sales	Amount	% in Sales	23/22
Stand alone Net profit	1.520.547	12	1.411.543	13	108
Consolidated Net profit	1.576.864	10	1.463.421	10	108

Stand alone Net profit for 2023 is 1.520.547 thousand denars, which compared to last year has increased for 8%.

Consolidated Net profit for 2023 is 1.576.864 thousand denars, which compared to last year has increased for 8%.

Business plan 2024

The business plan for 2024, adopted by the Management Board of ALKALOID AD Skopje at its December 27th, 2023 meeting, anticipates investment of around 10% of the consolidated revenue in tangible and intangible assets, growth in consolidated sales of 10% compared to actual sales in 2023, and growth in pre-tax consolidated profit of 7% in comparison to 2023.

The 2024 business plan is based on the expectations, forecasts and opportunities on the existing and new markets and products available to the Company at the time of drafting the plan. Circumstances and events in 2024 may vary from those taken into account in the Business Plan and so may actual results.

Expectations for the upcoming period

It is highly likely that the trend of operating within challenging economic conditions, which has prevailed in recent years, will persist into 2024. Key challenges such as inflation and increasing interest rates are anticipated to maintain their current levels or even experience slight declines. Additionally, global security crises further complicate the economic landscape, introducing uncertainties that may impact energy prices, disrupt supply chains, and affect the availability of certain materials.

Despite these challenges, we are poised to sustain our growth trajectory in 2024. Building upon our ongoing investments in new manufacturing facilities, equipment, and research and development endeavours, we aim to fortify our competitive portfolio and capitalize on market expansion opportunities. In pursuit of these objectives, we will continue to recruit talent domestically and internationally, while steadfastly investing in enhancing the knowledge and skills of our workforce.