

**PERFORMANCE ANALYSES  
For the period January - June 2022**

According to the unaudited stand alone and consolidated Income statement for the period January - June 2022, 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 2022.

**Total revenues**

The total stand alone revenues for January - June 2022 in the amount of 5.704.753 thousand denars have increased for 13%, compared to 2021. The largest portion of 93% in the total revenues belongs to the sales revenues, which compared to 2021 have increased for 10%.

The total consolidated revenues for January - June 2022 in the amount of 7.501.994 thousand denars have increased for 16%, compared to 2021. The largest portion of 95% in the total revenues belongs to the sales revenues, which compared to 2021 have increased for 14%.

**Total expenses**

The total stand alone expenses for January - June 2022 in the amount of 4.955.336 thousand denars have increased for 12% compared to 2021.

The total consolidated expenses for January - June 2022 in the amount of 6.748.401 thousand denars have increased for 17% compared to 2021.

**Dividend**

The gross dividends approved by shareholders on April 4th 2022 were 629.795 thousand denars or net-dividend of 396 denars for one ordinary share which compared to the paid net-dividend per share for 2020 in amount of 360 denars is an increase of 10%.

**Investments**

In the January – June 2022 period a total of MKD 490.008 thousand denars has been invested in fixed assets.

**Borrowings**

The total consolidated borrowings as at 30.06.2022 are in the amount of 1.557.040 thousand denars.

**Employees**

In the period January – June 2022 ALKALOID AD Skopje recruited 127 new employees in the R.N. Macedonia. In March 2022 the Management Board of ALKALOID AD Skopje decided to approve and pay holiday allowance to its employees in amount of MKD 30.000 net. The ALKALOID Group has 2.609 employees, of which 2.011 in its Skopje headquarters and 598 in its subsidiaries and representative offices abroad.

**Significant Income statement positions**

The achieved stand alone and consolidated results for the period January - June 2022, the proportions, dynamics and comparison with the previous year are as follows:

**Stand alone sales**

Market	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
Domestic market	1.549.109	29	1.585.093	33	98
Foreign market	3.734.783	71	3.203.667	67	117
<b>Total:</b>	<b>5.283.892</b>	<b>100</b>	<b>4.788.760</b>	<b>100</b>	<b>110</b>

**Consolidated sales**

Market	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
<b>Domestic market</b>	<b>2.257.146</b>	<b>32</b>	<b>2.196.876</b>	<b>35</b>	<b>103</b>
Southeast Europe	2.258.737	32	2.152.426	34	105
Eastern Europe (CIS, UA...)	1.024.854	14	643.343	10	159
Western Europe (EU and EFTA)	1.507.302	21	1.220.065	19	124
Other	83.870	1	59.702	1	140
<b>Total foreign market</b>	<b>4.874.763</b>	<b>68</b>	<b>4.075.536</b>	<b>65</b>	<b>120</b>
<b>Total:</b>	<b>7.131.909</b>	<b>100</b>	<b>6.272.412</b>	<b>100</b>	<b>114</b>

Out of the total consolidated sales, 68% were realized in the foreign markets. The Eastern Europe region had the highest growth of 59%, followed by Western Europe with an increase of 24%.

Group of products	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
Antibiotics	1.629.693	23	1.103.592	18	148
OTC products	1.309.669	18	1.283.701	20	102
Cardiovascular products	1.010.921	14	922.709	15	110
Neurological products	934.313	13	875.748	14	107
Other	629.103	9	603.880	10	104
<b>Total products - Alkaloid</b>	<b>5.513.699</b>	<b>77</b>	<b>4.789.630</b>	<b>76</b>	<b>115</b>
Commodities	732.852	10	668.251	11	110
Services and other revenue	29.950	0	35.215	1	85
<b>Total Pharmaceuticals</b>	<b>6.276.501</b>	<b>88</b>	<b>5.493.096</b>	<b>88</b>	<b>114</b>
<b>Total Chemistry</b>	<b>206.282</b>	<b>3</b>	<b>178.719</b>	<b>3</b>	<b>115</b>
<b>Total Cosmetics</b>	<b>505.846</b>	<b>7</b>	<b>480.126</b>	<b>8</b>	<b>105</b>
<b>Total Botanicals</b>	<b>143.280</b>	<b>2</b>	<b>120.471</b>	<b>2</b>	<b>119</b>
<b>Total:</b>	<b>7.131.909</b>	<b>100</b>	<b>6.272.412</b>	<b>100</b>	<b>114</b>

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

	(In 000 MKD)				
	2022		2021		Ind
	Amount	% in Sales	Amount	% in Sales	22/21
Stand alone EBITDA	1.168.169	22	1.065.700	22	110
Consolidated EBITDA	1.192.089	17	1.110.263	18	107

**Net profit**

	(In 000 MKD)				
	2022		2021		Ind
	Amount	% in Sales	Amount	% in Sales	22/21
Stand alone Net profit	683.064	13	588.962	12	116
Consolidated Net profit	649.427	9	583.524	9	111

Stand alone Net profit for 2022 is 683.064 thousand denars, which compared to last year has increased for 16%.

Consolidated Net profit for 2022 is 649.427 thousand denars, which compared to last year has increased for 11%.

**Business plan 2022**

The business plan for 2022, adopted by the Management Board of ALKALOID AD Skopje at its December 29th, 2021 meeting, anticipates investment of around 14% of the consolidated revenue in tangible and intangible assets, growth in consolidated sales of 8% compared to 2021, and growth in pre-tax consolidated profit of 7% in comparison to 2021.

The 2022 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 2022 may vary from those taken into account in the Business Plan and so may actual results.

**Expectations for the upcoming period**

In the past period, the company has faced a number of internal and external challenges and emerging risks, generated by the pandemic of COVID 19. To date we have taken a number of measures to offset all negative effects without compromising employee health and company's successful operation.

In line with expectations, during 2021, the health crisis turned into an economic one causing new operational challenges. What has already started as a trend in 2021 and will dominate in 2022 is the noticeable rise of prices of many raw materials, fuel and energy, as well as the increase of transport prices globally, especially the significant extension of delivery deadlines. All this has previously started to affect the inflation rate, which will be an even more pronounced trend in 2022. Following the indications of the conflict between Russia and Ukraine starting on 24 February 2022, the Company has taken necessary measures to protect its investors, customers, and employees, and tries to provide safety conditions.

The biggest challenges and a top priority in the upcoming period remain employees' health as well as maintaining current liquidity and financial stability and achieving planned goals.