

PERFORMANCE ANALYSES

For the period January - March 2023

According to the unaudited stand alone and consolidated Income statement for the period January - March 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 - March 2023 in the amount of 3.180.894 thousand denars have increased for 16%, compared to 2022. The largest portion of 98% in the total revenues belongs to the sales revenues, which compared to 2022 have increased for 16%.

The total consolidated revenues for January - March 2023 in the amount of 4.445.187 thousand denars have increased for 20%, compared to 2022. The largest portion of 98% in the total revenues belongs to the sales revenues, which compared to 2022 have increased for 20%.

Total expenses

The total stand alone expenses for January - March 2023 in the amount of 2.804.720 thousand denars have increased for 16% compared to 2022.

The total consolidated expenses for January - March 2023 in the amount of 3.938.291 thousand denars have increased for 20% compared to 2022.

Dividend

The gross dividends for 2022 approved by shareholders on April 3th 2023 were 701.363 thousand denars or net-dividend of 441 denars for one ordinary share which compared to the paid net-dividend per share for 2021 in amount of 396 denars is an increase of 11,36%.

Investments

In the January – March 2023 period a total of 346.520 thousand denars has been invested in fixed assets which compared to the same period in 2022 is an increase of 59%.

Borrowings

The total consolidated borrowings as at 31.03.2023 are in the amount of 1.510.982 thousand denars.

Employees

In the period January – March 2023 ALKALOID AD Skopje recruited 47 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. The ALKALOID Group has 2.678 employees, of which 2.039 in its Skopje headquarters and 639 in its subsidiaries and representative offices abroad.

Significant Income statement positions

The achieved stand alone and consolidated results for the period January - March 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	835.573	27	809.311	30	103
Foreign market	2.269.142	73	1.887.002	70	120
Total:	3.104.715	100	2.696.313	100	115

Consolidated sales

Market	(In 000 MKD)				
	2023		2022		Ind
	Sales	%	Sales	%	23/22
Domestic market	1.210.372	28	1.180.139	33	103
Southeast Europe	1.249.130	29	1.216.149	34	103
Eastern Europe (CIS, UA, ...)	885.722	20	352.522	10	251
Western Europe (EU and EFTA)	965.159	22	825.420	23	117
Other	36.213	1	49.396	1	73
Total foreign market	3.136.224	72	2.443.487	67	128
Total:	4.346.596	100	3.623.626	100	120

Out of the total consolidated sales, 72% were realized in the foreign markets. The Eastern Europe region and Western Europe region had the highest growth.

Group of products	(In 000 MKD)				
	2023		2022		Ind
	Sales	%	Sales	%	23/22
Antibiotics	1.441.595	33	859.821	24	168
OTC products	776.255	18	713.731	20	109
Cardiovascular products	488.228	11	533.627	15	91
Neurological products	474.335	11	444.907	12	107
Other	327.029	8	267.966	7	122
Total products - Alkaloid	3.507.442	81	2.820.052	78	124
Commodities	398.512	9	390.814	11	102
Services and other revenue	22.131	1	14.791	0	150
Total Pharmaceuticals	3.928.085	90	3.225.657	89	122
Total Chemistry	93.842	2	95.514	3	98
Total Cosmetics	260.169	6	218.704	6	119
Total Botanicals	64.500	1	83.751	2	77
Total:	4.346.596	100	3.623.626	100	120

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	598.921	19	534.547	20	112
Consolidated EBITDA	758.445	17	637.918	18	119

Net profit

	(In 000 MKD)				
	2023		2022		Ind
	Amount	% in Sales	Amount	% in Sales	23/22
Stand alone Net profit	355.523	11	298.147	11	119
Consolidated Net profit	441.583	10	361.453	10	122

Stand alone Net profit for 2023 is 355.523 thousand denars, which compared to last year has increased for 19%.

Consolidated Net profit for 2023 is 441.583 thousand denars, which compared to last year has increased for 22%.

Business plan 2023

The business plan for 2023, adopted by the Management Board of ALKALOID AD Skopje at its December 29th, 2022 meeting, anticipates investment of around 11% of the consolidated revenue in tangible and intangible assets, growth in consolidated sales of 10% compared to 2022, and growth in pre-tax consolidated profit of 7% in comparison to 2022.

The 2023 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 2023 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 energy and economic crisis. To date we have taken a number of measures to offset all negative effects without compromising the company's successful operations.

In line with expectations, what dominated in 2022 and continued in the first quarter of 2023 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 the following period.

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.