

## PERFORMANCE ANALYSES

### For the period January - March 2024

According to the unaudited stand alone and consolidated Income statement for the period January - March 2024, 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 2024.

#### Total revenues

The total stand alone revenues for January - March 2024 in the amount of 3.532.301 thousand denars have increased for 11%, compared to 2023. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2023 have increased for 10%.

The total consolidated revenues for January - March 2024 in the amount of 4.996.650 thousand denars have increased for 12%, compared to 2023. The largest portion of 99% in the total revenues belongs to the sales revenues, which compared to 2023 have increased for 13%.

#### Total expenses

The total stand alone expenses for January - March 2024 in the amount of 3.119.599 thousand denars have increased for 11% compared to 2023.

The total consolidated expenses for January - March 2024 in the amount of 4.448.361 thousand denars have increased for 13% compared to 2023.

#### Dividend

The gross dividend approved by shareholders on April 1st 2024 were 772.931 thousand denars. In accordance with the dividend calendar the gross dividend in amount of 540 denars i.e. the net-dividend 486 for one ordinary share will be paid in May 2024. The dividend per share for 2023 is 10.2% higher than the dividend paid per share for 2022.

#### Investments

Committed to continuous modernization and expanding manufacturing capacities, volume, and product range, Alkaloid AD Skopje has recently completed its most substantial investment venture in the past two decades. This project involved the establishment of an advanced facility for manufacturing solid pharmaceutical forms, known as "Tablet Department 2.0," along with its accompanying technical infrastructure. The new technical and technological infrastructure, designed to more than double the production volume and enhance the flexibility of solid pharmaceutical form manufacturing, spans 6200 square meters, encompassing both production and technical facilities. Alkaloid invested a total of 19.4 million euros in this endeavor. In the January – March 2024 period a total of 298.251 thousand denars has been invested in fixed assets.

## Innovation

In recent years, Alkaloid has embarked on a process of redesigning existing generic pharmaceutical products for new indications. The goal was to develop drugs with added value that address the treatment and fulfill the needs of individual or specific patient groups. Strategic investments aimed at modernizing the product portfolio resulted in the successful development of Alkaloid's first patented value-added drug. This drug is primarily designed to treat reflux esophagitis and gastroesophageal reflux disease (GERD). Proton pump inhibitors, including Omeprazole, are the preferred medications for treating reflux esophagitis and GERD. These medications are typically available in the form of gastro-resistant tablets and capsules, as well as powder for dissolution. In a groundbreaking discovery, Alkaloid has developed ready-to-use liquid Omeprazole for the first time in history.

Alkaloid obtained the first international value-added medicine (VAM) patent for the Omeprazole peroral solution. The first marketing authorizations for this groundbreaking medication have been granted for both the Macedonian and UK markets. Registration processes are underway for European countries and European Union markets, with the anticipation of obtaining marketing authorizations and subsequent product launch.

## Borrowings

The total consolidated borrowings as at 31.03.2024 are in the amount of 1.759.998 thousand denars.

## Employees

In the period January – March 2024 ALKALOID AD Skopje recruited 90 new employees in the R.N. Macedonia. In March 2024 the Management Board of ALKALOID AD Skopje decided to approve and pay holiday allowance to its employees in amount of MKD 40.500 net. The ALKALOID Group has 2.910 employees, of which 2.215 in the country and 695 in its subsidiaries and representative offices abroad.

## Significant Income statement positions

The achieved stand alone and consolidated results for the period January - March 2024, the proportions, dynamics and comparison with the previous year are as follows:

### Stand alone sales

Market	(In 000 MKD)				
	2024		2023		Ind
	Sales	%	Sales	%	24/23
Domestic market	891.410	26	835.573	27	107
Foreign market	2.528.332	74	2.269.142	73	111
<b>Total:</b>	<b>3.419.742</b>	<b>100</b>	<b>3.104.715</b>	<b>100</b>	<b>110</b>

**Significant Income statement positions (continued)**
**Consolidated sales**

Market	(In 000 MKD)				
	2024		2023		Ind
	Sales	%	Sales	%	24/23
<b>Domestic market</b>	<b>1.345.469</b>	<b>27</b>	<b>1.210.372</b>	<b>28</b>	<b>111</b>
Southeast Europe	1.273.138	26	1.249.130	29	102
Eastern Europe (CIS, UA, ...)	1.107.027	22	885.722	20	125
Western Europe (EU and EFTA)	1.164.489	24	965.159	22	121
Other	35.137	1	36.213	1	97
<b>Total foreign market</b>	<b>3.579.791</b>	<b>73</b>	<b>3.136.224</b>	<b>72</b>	<b>114</b>
<b>Total:</b>	<b>4.925.260</b>	<b>100</b>	<b>4.346.596</b>	<b>100</b>	<b>113</b>

Out of the total consolidated sales, 73% were realized in the foreign markets. The Eastern Europe region (25% increase) and Western Europe region (21% increase) had the highest growth.

Group of products	(In 000 MKD)				
	2024		2023		Ind
	Sales	%	Sales	%	24/23
Antibiotics	1.549.239	31	1.441.595	33	107
OTC products	927.462	19	776.255	18	119
Cardiovascular products	581.425	12	488.228	11	119
Neurological products	543.077	11	474.335	11	114
Other	364.730	7	327.029	8	112
<b>Total products - Alkaloid</b>	<b>3.965.933</b>	<b>81</b>	<b>3.507.442</b>	<b>81</b>	<b>113</b>
Commodities	476.200	10	398.512	9	119
Services and other revenue	43.296	1	22.131	1	196
<b>Total Pharmaceuticals</b>	<b>4.485.429</b>	<b>91</b>	<b>3.928.085</b>	<b>90</b>	<b>114</b>
<b>Total Chemistry</b>	<b>96.785</b>	<b>2</b>	<b>93.842</b>	<b>2</b>	<b>103</b>
<b>Total Cosmetics</b>	<b>273.429</b>	<b>6</b>	<b>260.169</b>	<b>6</b>	<b>105</b>
<b>Total Botanicals</b>	<b>69.617</b>	<b>1</b>	<b>64.500</b>	<b>1</b>	<b>108</b>
<b>Total:</b>	<b>4.925.260</b>	<b>100</b>	<b>4.346.596</b>	<b>100</b>	<b>113</b>

**Earning before interest, taxes, depreciation and amortization (EBITDA)**

	(In 000 MKD)				
	2024		2023		Ind
	Amount	% in Sales	Amount	% in Sales	24/23
Stand alone EBITDA	659.501	19	598.921	19	110
Consolidated EBITDA	804.401	16	758.445	17	106

**Significant Income statement positions (continued)**
**Net profit**

	(In 000 MKD)				
	2024		2023		Ind 24/23
	Amount	% in Sales	Amount	% in Sales	
Stand alone Net profit	390.911	11	355.523	11	110
Consolidated Net profit	479.529	10	441.583	10	109

Stand alone Net profit for 2024 is 390.911 thousand denars, which compared to last year has increased for 10%.

Consolidated Net profit for 2024 is 479.529 thousand denars, which compared to last year has increased for 9%.

**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.