

PERFORMANCE ANALYSES For the January - September 2021 period

According to the unaudited stand alone and consolidated Income statement for the January - September 2021 period, 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 2021.

Total revenues

The total stand alone revenues for January - September 2021 in the amount of 7.480.984 thousand denars have increased for 4%, compared to 2020. The largest portion of 96% in the total revenues belongs to the sales revenues, which compared to 2020 have increased for 4%.

The total consolidated revenues for January - September 2021 in the amount of 9.686.021 thousand denars have increased for 5%, compared to 2020. The largest portion of 98% in the total revenues belongs to the sales revenues, which compared to 2020 have increased for 6%.

Total expenses

The total stand alone expenses for January - September 2021 in the amount of 6.397.068 thousand denars have increased for 2% compared to 2020.

The total consolidated expenses for January - September 2021 in the amount of 8.552.131 thousand denars have increased for 4% compared to 2020.

Dividend

The dividends approved by shareholders on 5 April 2021 were Denar 572.541 thousands or net-dividend of 360 denars for one ordinary share.

Investments

In the January – September 2021 period a total of MKD 850,639,878 has been invested in fixed assets.

Borrowings

The total consolidated borrowings as at 30.09.2021 are in the amount of 1.643.865 thousand denars.

Employees

In the January – September 2021 period, Alkaloid hired 178 new employees domestically. In March 2021 the management board of Alkaloid AD Skopje decided to approve and pay holiday allowance to its employees equal to 100% of the quarterly average net salary in the country. The holiday allowance was MKD 31,167 gross or MKD 28,050 net. The Alkaloid Group has 2,511 employees, of which 1,933 in its Skopje headquarters and 578 in its subsidiaries and representative offices abroad.

Significant Income statement positions

The achieved stand alone and consolidated results for the January - September 2021 period, the proportions, dynamics and comparison with the previous year are as follows:

Stand alone sales

Market	(In 000 MKD)				
	2021		2020		Ind
	Sales	%	Sales	%	21/20
Domestic market	2.383.658	33	2.215.221	32	108
Foreign market	4.782.233	67	4.684.979	68	102
Total:	7.165.891	100	6.900.200	100	104

Consolidated sales

Market	(In 000 MKD)				
	2021		2020		Ind
	Sales	%	Sales	%	21/20
Domestic market	3.339.917	35	3.139.042	35	106
Southeast Europe	3.138.205	33	2.987.944	33	105
Russia and CIS	1.067.210	11	714.263	8	149
Western Europe (EU and EFTA)	1.821.927	19	1.839.272	21	99
Other (USA, Turkey etc.)	82.029	1	248.579	3	33
Total foreign market	6.109.371	65	5.790.058	65	106
Total:	9.449.288	100	8.929.100	100	106

Out of the total consolidated sales, 65% were realized in the foreign market. The German market had the highest growth of 123%, followed by Poland with an increase of 92%, then Russia 52%, Ukraine 47%, Hungary 42%, Bulgaria 26%, Czech Republic 25%, etc. In the Pharmaceuticals segment Alkaloid had sales in Austria, Portugal and Cyprus for the first time. In the Cosmetics segment, the Becutan collection had its first significant sale in Saudi Arabia too.

Group of products	(In 000 MKD)				
	2021		2020		Ind
	Sales	%	Sales	%	21/20
Antibiotics	1.785.129	19	1.203.756	13	148
OTC products	1.926.797	20	2.007.122	22	96
Cardiovascular products	1.349.295	14	1.344.451	15	100
Neurological products	1.277.504	14	1.232.491	14	104
Other	828.172	9	822.765	9	101
Total products - Alkaloid	7.166.897	76	6.610.585	74	108
Commodities	1.030.634	11	981.521	11	105
Sevices and other revenue	56.617	1	41.782	0	136
Total Pharmaceuticals	8.254.148	87	7.633.888	85	108
Total Chemistry	258.577	3	229.210	3	113
Total Cosmetics	764.547	8	738.566	8	104
Total Botanicals	172.016	2	327.436	4	53
Total:	9.449.288	100	8.929.100	100	106

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

	(In 000 MKD)				
	2021		2020		Ind
	Amount	% in Sales	Amount	% in Sales	21/20
Stand alone EBITDA	1.687.034	24	1.474.095	21	114
Consolidated EBITDA	1.766.595	19	1.547.990	17	114

Net profit

	(In 000 MKD)				
	2021		2020		Ind
	Amount	% in Sales	Amount	% in Sales	21/20
Stand alone Net profit	978.480	14	846.141	12	116
Consolidated Net profit	989.202	10	847.483	9	117

Stand alone Net profit for 2021 is 978.480 thousand denars, which compared to last year has increased for 16%.

Consolidated Net profit for 2021 is 989.202 thousand denars, which compared to last year has increased for 17%.

Business plan 2021

The business plan for 2021, adopted by the Managing Board of Alkaloid AD Skopje at its December 29th, 2020 meeting, anticipates investment of around 12% of the consolidated revenue in tangible and intangible assets, growth in consolidated sales of 7% compared to 2020, and growth in pre-tax consolidated profit of 7% in comparison to 2020.

The 2021 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 2021 may vary from those taken into account in the Business Plan and so may actual results.

Expectations for the upcoming period

The company faced a number of internal and external challenges and emerging risks caused by the COVID pandemic. To date we have taken a number of measures to offset all negative effects without compromising employee health and company's successful operation. Employee health, maintaining current liquidity, financial stability and achievement of planned goals remain top priorities for the future.