

PERFORMANCE ANALYSES For the period January - September 2022

According to the unaudited stand alone and consolidated Income statement for the period January - September 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 - September 2022 in the amount of 8.991.708 thousand denars have increased for 20%, compared to 2021. The largest portion of 91% in the total revenues belongs to the sales revenues, which compared to 2021 have increased for 14%.

The total consolidated revenues for January - September 2022 in the amount of 11.785.900 thousand denars have increased for 22%, compared to 2021. The largest portion of 93% in the total revenues belongs to the sales revenues, which compared to 2021 have increased for 16%.

Total expenses

The total stand alone expenses for January - September 2022 in the amount of 7.705.998 thousand denars have increased for 20% compared to 2021.

The total consolidated expenses for January - September 2022 in the amount of 10.466.107 thousand denars have increased for 22% 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 – September 2022 period a total of MKD 841.997 thousand denars has been invested in fixed assets.

Borrowings

The total consolidated borrowings as at 30.09.2022 are in the amount of 1.709.578 thousand denars.

Employees

In the period January – September 2022 ALKALOID AD Skopje recruited 161 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 2.617 employees, of which 2.015 in its Skopje headquarters and 602 in its subsidiaries and representative offices abroad.

Significant Income statement positions

The achieved stand alone and consolidated results for the period January - September 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	2.364.371	29	2.383.658	33	99
Foreign market	5.797.328	71	4.782.233	67	121
Total:	8.161.699	100	7.165.891	100	114

Consolidated sales

Market	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
Domestic market	3.448.975	31	3.339.917	35	103
Southeast Europe	3.350.899	30	3.138.205	33	107
Eastern Europe (CIS, UA...)	1.792.118	16	1.067.210	11	168
Western Europe (EU and EFTA)	2.256.050	21	1.821.927	19	124
Other	140.872	1	82.029	1	172
Total foreign market	7.539.939	69	6.109.371	65	123
Total:	10.988.914	100	9.449.288	100	116

Out of the total consolidated sales, 69% were realized in the foreign markets. The Eastern Europe region had the highest growth of 68%, followed by Western Europe with an increase of 24%.

Group of products	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
Antibiotics	2.623.715	24	1.785.129	19	147
OTC products	1.952.925	18	1.926.797	20	101
Cardiovascular products	1.491.484	14	1.349.295	14	111
Neurological products	1.440.724	13	1.277.504	14	113
Other	975.663	9	828.172	9	118
Total products - Alkaloid	8.484.511	77	7.166.897	76	118
Commodities	1.135.065	10	1.030.634	11	110
Services and other revenue	47.444	0	56.617	1	84
Total Pharmaceuticals	9.667.020	88	8.254.148	87	117
Total Chemistry	300.751	3	258.577	3	116
Total Cosmetics	803.644	7	764.547	8	105
Total Botanicals	217.499	2	172.016	2	126
Total:	10.988.914	100	9.449.288	100	116

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	1.917.510	23	1.687.035	24	114
Consolidated EBITDA	1.980.880	18	1.766.595	19	112

Net profit

	(In 000 MKD)				
	2022		2021		Ind
	Amount	% in Sales	Amount	% in Sales	22/21
Stand alone Net profit	1.160.140	14	978.480	14	119
Consolidated Net profit	1.140.264	10	989.202	10	115

Stand alone Net profit for 2022 is 1.160.140 thousand denars, which compared to last year has increased for 19%.

Consolidated Net profit for 2022 is 1.140.264 thousand denars, which compared to last year has increased for 15%.

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, as well as by the energy and economic crisis. 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 dominates 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 the following period. 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.