

## PERFORMANCE ANALYSES

### For the period January - June 2020

According to the unaudited stand alone and consolidated Income statement for the period January - June 2020, 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 2020.

#### Total revenues

The total stand alone revenues for January - June 2020 in the amount of 4.931.595 thousand denars have increased for 15%, compared to 2019. The largest portion of 96% in the total revenues belongs to the sales revenues, which compared to 2019 have increased for 15%.

The total consolidated revenues for January - June 2020 in the amount of 6.271.835 thousand denars have increased for 11%, compared to 2019. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2019 have increased for 10%.

#### Total expenses

The total stand alone expenses for January - June 2020 in the amount of 4.339.743 thousand denars have increased for 16% compared to 2019.

The total consolidated expenses for January - June 2020 in the amount of 5.661.015 thousand denars have increased for 11% compared to 2019.

#### Dividend

The dividends approved by shareholders on 6 April 2020 were Denar 515.287 thousands or net-dividend of 324 denars for one ordinary share.

#### Investments

The total investments in non-current assets in January - June 2020 are in the amount of 841.059 thousand denars, an increase of 99% compared to the same period in 2019.

#### Borrowings

The total consolidated borrowings as at 30.06.2020 are in the amount of 1.272.519 thousand denars.

#### Employees

There were 111 new employments for the period January - June 2020 in Alkaloid in R.N. Macedonia. At the end of June 2020 there were 1,771 employees in Alkaloid in the country and 529 employees in its subsidiaries and representative offices abroad, totaling 2,300 employees. In March 2020 the management board of Alkaloid AD Skopje reached a decision on approval and payment of holiday allowances for its employees. The amount paid was MKD 29,687 gross or MKD 26,718 net.

**Significant Income statement positions**

The achieved stand alone and consolidated results for the period January - June 2020, the proportions, dynamics and comparison with the previous year are as follows:

**Stand alone sales**

Market	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
Domestic market	1.451.366	31	1.371.763	33	106
Foreign market	3.288.779	69	2.766.533	67	119
<b>Total:</b>	<b>4.740.145</b>	<b>100</b>	<b>4.138.296</b>	<b>100</b>	<b>115</b>

**Consolidated sales**

Market	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
<b>Domestic market</b>	<b>2.048.161</b>	<b>34</b>	<b>1.889.378</b>	<b>34</b>	<b>108</b>
Southeast Europe	2.093.762	35	1.828.731	33	114
Russia and CIS	501.443	8	462.783	8	108
Western Europe (EU and EFTA)	1.284.987	21	1.225.515	22	105
Other (USA, Turkey etc.)	139.163	2	121.563	2	114
<b>Total foreign market</b>	<b>4.019.355</b>	<b>66</b>	<b>3.638.592</b>	<b>66</b>	<b>110</b>
<b>Total:</b>	<b>6.067.516</b>	<b>100</b>	<b>5.527.970</b>	<b>100</b>	<b>110</b>

Out of the total consolidated sales, 66% were realized in the foreign market. The highest rise in export markets was seen in the countries of South-East Europe - increased by 14%. Sales in the USA increased by 16%, Russia and CIS region increased by 8%, and sales in Western Europe (EU and EFTA) increased 5%.

Group of products	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
Antibiotics	909.090	15	838.378	15	108
OTC products	1.376.602	23	1.231.674	22	112
Cardiovascular products	905.382	15	882.308	16	103
Neurological products	809.608	13	722.412	13	112
Other	552.605	9	497.539	9	111
<b>Total products - Alkaloid</b>	<b>4.553.287</b>	<b>75</b>	<b>4.172.311</b>	<b>75</b>	<b>109</b>
Commodities	640.801	11	570.074	10	112
Services and other revenue	34.100	1	22.471	0	152
<b>Total Pharmaceuticals</b>	<b>5.228.188</b>	<b>86</b>	<b>4.764.856</b>	<b>86</b>	<b>110</b>
<b>Total Chemistry</b>	<b>157.943</b>	<b>3</b>	<b>143.853</b>	<b>3</b>	<b>110</b>
<b>Total Cosmetics</b>	<b>479.103</b>	<b>8</b>	<b>444.079</b>	<b>8</b>	<b>108</b>
<b>Total Botanicals</b>	<b>202.282</b>	<b>3</b>	<b>175.182</b>	<b>3</b>	<b>115</b>
<b>Total:</b>	<b>6.067.516</b>	<b>100</b>	<b>5.527.970</b>	<b>100</b>	<b>110</b>

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

	(In 000 MKD)				
	2020		2019		Ind
	Amount	% in Sales	Amount	% in Sales	20/19
Stand alone EBITDA	944.488	20	846.016	20	112
Consolidated EBITDA	978.792	16	865.954	16	113

**Net profit**

	(In 000 MKD)				
	2020		2019		Ind
	Amount	% in Sales	Amount	% in Sales	20/19
Stand alone Net profit	525.025	11	476.944	12	110
Consolidated Net profit	511.911	8	460.762	8	111

Stand alone Net profit for 2020 is 525.025 thousand denars, which compared to last year has increased for 10%.

Consolidated Net profit for 2020 is 511.911 thousand denars, which compared to last year has increased for 11%.

**Business plan 2020**

The business plan for 2020 adopted by the Managing Board of Alkaloid AD Skopje at its session held on December 27th 2019, anticipates investment of around 14% of the consolidated sales in tangible and intangible assets, a growth in consolidated sales of at least 7% compared to 2019, as well as a growth in pre-tax consolidated profit of at least 7% in comparison with 2019.

**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. We at Alkaloid have taken a number of measures so far to neutralize all the negative effects, without compromising the health of employees and the successful operation of the company. During the second quarter a certain balance of supply levels among our customers was achieved, as well as stabilization of growth of sales revenue. In the upcoming period employees' health remains a top priority as well as maintaining current liquidity and financial stability. Considering the measures taken, we expect the results of the company's operations to move by the end of the year within the already set targets for 2020.