

SEPARATE
ANNUAL REPORT
ALKALOID AD SKOPJE

20
24



ALKALOID
SKOPJE

SEPARATE
ANNUAL REPORT
ALKALOID AD SKOPJE

20
24

FOR THE PERIOD JANUARY - DECEMBER 2024



ALKALOID
SKOPJE

Health above all

CONTENTS

ALKALOID highlights 2024	6
COMPANY ORGANIZATIONAL STRUCTURE	8
CORPORATE GOVERNANCE	10
Shareholders Assembly	12
Supervisory Board	13
Internal audit	17
External audit	18
Management Board	19
Risk management and business continuity	25
Professional ethics	30
Personal data protection	31
Portfolio & Legal IP	32
SHAREHOLDING	35
INTEGRATED MANAGEMENT SYSTEM AND QUALITY	36
Quality	36
Safety and health at work	37
Environment	38
BUSINESS ENVIRONMENT AND FUTURE DEVELOPMENT	40
A world of continuous change	40
Chemicals, cosmetics and botanicals	43
Supply	44
Warehouse Operations	44
Transportation	45
Maintenance	45
INVESTMENTS	46
Foreign investments	50
Innovation	51
HUMAN RESOURCES (HR)	52
SUSTAINABLE DEVELOPMENT	57
SEPARATE FINANCIAL ANNUAL REPORT	59
Key financial indicators	59
Selected financial indicators	59
General information	60
Financial risk management	60
Additions to non-current assets	62
Dividends	62
Borrowings	62
Major transactions	63
Related party transactions	63
Share capital	66
Key management compensations	67
Revenues	67
Expenses	71

ALKALOID highlights 2024

227.7 million EUR

sales revenues and

27.7 million EUR

net-income

10 % growth

of separate sales

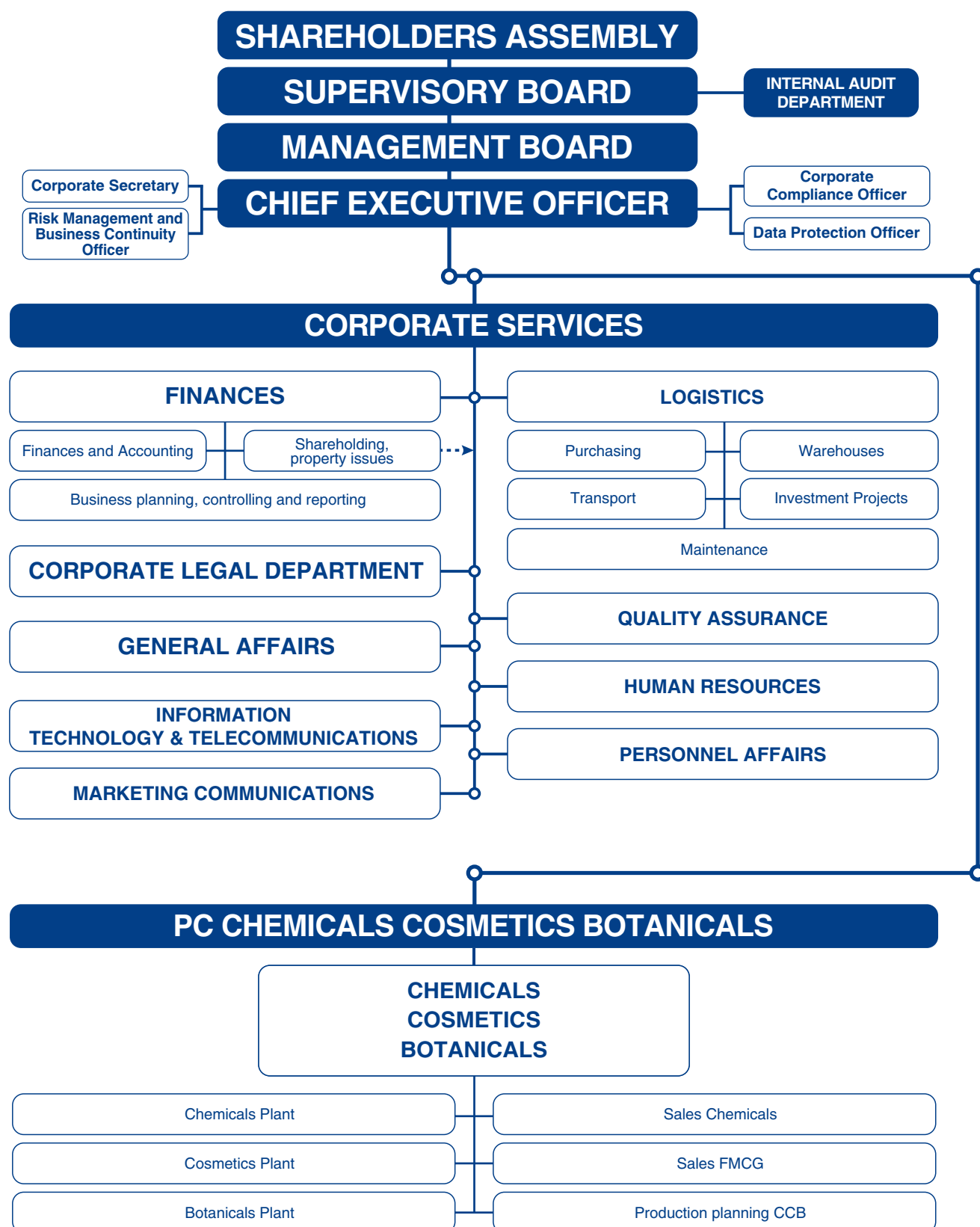
Investments in fixed assets in
amount of
EUR 21.8 million

ALKALOID AD Skopje registered a
**new subsidiary in
Kazakhstan**

New facility for manufacturing
solid pharmaceutical forms,
Tablet Department 2.0
worth **19.4 million EUR**

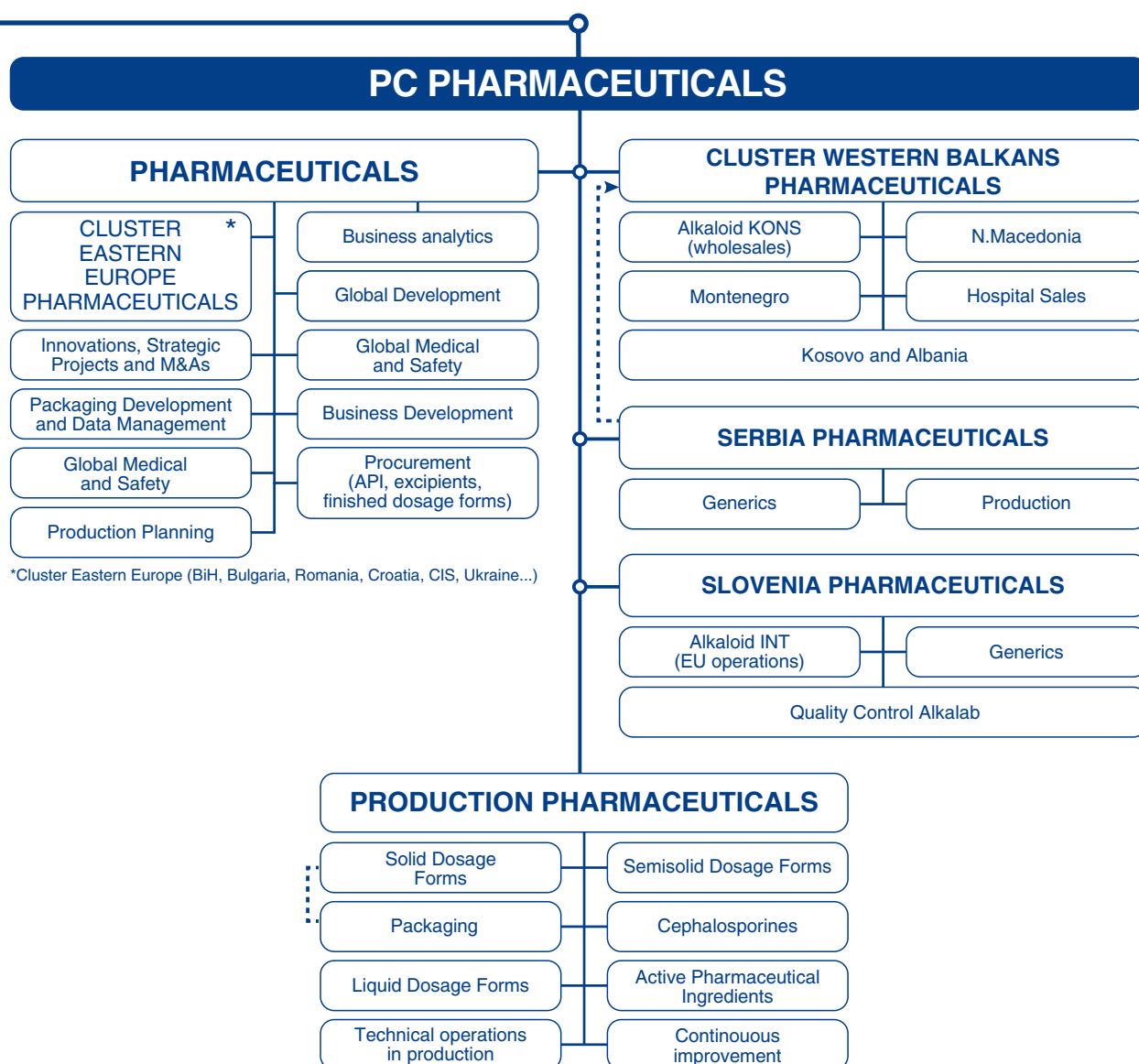
New production line for manufacturing
and packaging wet wipes, worth
1.7 million EUR

**ALKALOID has developed ready-to-use
liquid Omeprazole for the first time in
history** and obtained the first international
value-added medicine (VAM) patent



2024

ORGANIZATIONAL CHART ALKALOID AD SKOPJE



Corporate governance

ALKALOID AD Skopje is a global company that firmly and continuously respects and applies its core values based on the highest ethical norms and standards. Good corporate governance is one of the basic and key values and principles of the operations of ALKALOID AD Skopje.

In 2024, we adopted key policies, including the Policy on the Prohibition of Child Labor and Youth Abuse, the Policy for the Protection and Promotion of Human Rights, the Policy on Modern Slavery, and the Policy on Non-Discrimination and the Promotion of Diversity, Equal Opportunities, and Inclusion. These policies reaffirm our position among modern companies that respect human rights and prioritize the health and well-being of employees, consumers, their families, and society. To reinforce our commitment to transparency, we published all newly adopted policies on our website, ensuring stakeholders are informed about our corporate governance principles.

ALKALOID AD Skopje in 2024 the won the prestigious awards for Most Transparent Listed Joint Stock Company selected by the media, Most Transparent Listed Joint Stock Company selected by market participants, Stock of the Year, based on the public voting poll conducted jointly by the Macedonian Stock Exchange and the Faktor portal, and the Good ESG Practices award, presented by the Macedonian Stock Exchange in collaboration with the American Chamber of Commerce in North Macedonia.

A LKALOID AD Skopje is a company organized according to a two-tier management system consisted by the Management Board and Supervisory Board. The Management Board has the broadest authorizations in managing the company, while the Supervisory Board supervises the managing of the company. The management process in ALKALOID is fully compliant with the laws in the Republic of North Macedonia, as well as with the domestic and international good practices.

We also strengthened our efforts to establish a sustainable supply chain, ensuring that suppliers, partners, and associates adhere to environmental, social, and governance (ESG) standards. We conducted several training sessions on applying the Supplier Code of Conduct to support this.

All the efforts of ALKALOID AD Skopje for the application of the standards for good corporate governance are recognized and valorized, both by the professional and the wider Macedonian public. In order to give public recognition to the most recognizable and most active participants and other entities that are directly or indirectly related to the Macedonian securities market, "Macedonian Stock Exchange" AD Skopje, traditionally, at the end of the calendar year awards annual prizes in several categories. ALKALOID AD Skopje in 2024 the won the prestigious awards for Most Transparent Listed Joint Stock Company selected by the media, Most Transparent Listed Joint Stock

Company selected by market participants, Stock of the Year, based on the public voting poll conducted jointly by the Macedonian Stock Exchange and the Faktor portal, and the Good ESG Practices award, presented by the Macedonian Stock Exchange in collaboration with the American Chamber of Commerce in North Macedonia.

The Supervisory Board of ALKALOID AD Skopje is composed of members of whom 33% are women, and the Management Board is composed of members of whom 20% are women. The composition of both the Supervisory and Management Boards will remain unchanged until the conclusion of the current mandate. We maintain a rigorous process of continuous analysis and research to identify and appoint suitable candidates for these critical roles. Continuous attention is paid, and measures are taken to ensure adequate representation of women in the management bodies. The company will continue its efforts and activities to achieve greater representation of women in the management bodies in the following mandates.

Shareholders Assembly

The Shareholders' Assembly is the highest governance body in ALKALOID AD Skopje. In accordance with the Law on Trade Companies, every shareholder registered in the shareholders' registry from the day of record has the right to participate in the work of the Assembly and the right to vote. At the Shareholders' Assembly the fundamental decisions for the company are made, in accordance with the law, and here the shareholders exercise their rights in the company.

The Management Board convenes an annual Shareholders' Assembly no later than three months after the compilation of the annual accounts, financial statements and other reports on the company's operations in the previous business year, and no later than 6 months from the end of the calendar year or 14 months from the last annual assembly. The Shareholders' Assembly is convened by announcing a public call to the shareholders, the materials for the assembly are published from the day of the announcement of the public call.

In accordance with the financial calendar of ALKALOID AD Skopje for 2025, the annual Shareholders' Assembly will be held in the first week of April 2025. The public call, as well as the materials for the Shareholders' Assembly will be published on the SEI-NET system of the "Macedonian Stock Exchange" and on the official website of ALKALOID AD Skopje in the section "Investors".

Supervisory Board

In accordance with the laws in force in Republic of North Macedonia and the Statute of the company, the Supervisory Board performs supervision on the operations of ALKALOID AD - Skopje, since 1998 when it is first established.

The members of the Supervisory Board meet regularly on annual level, to review the draft decisions of the Management Board that concern the operations of the company for the current year and to state its view whether the same should be accepted or rejected by the Assembly of shareholders of ALKALOID AD – Skopje.

Members of the Supervisory Board:



PROF. D-R MIODRAG MICAJKOV

President of the Supervisory Board

Ph.D. in Law Professor and former Dean of the Faculty of Law “Justinian I” at “Sts. Cyril and Methodius University” in Skopje. President of the Board since 1998.



BOJANCHO KRALEVSKI

Member of the Supervisory Board

B.Sc in Chemical Engineering. Member of the Board since 1998.



LIDIJA SOFREVSKA-ANDONOVA

Member of the Supervisory Board

Master's degree in economics from St. Cyril and Methodius University in Skopje. Member of the Board since 2023.

Under the Company Law and the Statute of ALKALOID AD Skopje, the Supervisory Board has the authority to oversee the management of the Company, carried out by its Management Board, and to inspect and review the Company's books and documents.

ALKALOID's Supervisory Board members do not hold any board position in other companies.

In 2024, the Supervisory Board held its meetings in full composition: President Prof. Dr. Miodrag Micajkov, PhD, and members Lidija Sofrevska-Andonova, independent member, and Bojancho Krlevski. The Supervisory Board held eleven (11) sessions and adopted thirty-seven (37) decisions.

At its meetings, the Supervisory Board reviewed and discussed all important issues in the frame of its authorizations, in accordance with the Statute of ALKALOID AD Skopje and the Law on Trade Companies.

At its meetings, the Supervisory Board reviewed and discussed all significant matters within its authority under the Company Statute and Company Law. Particular attention was given to the examination of the unaudited nonconsolidated and consolidated financial statements for the previous year, as well as the periodic financial statements for the periods 1.1 – 31.3.2024, 1.1 – 30.6.2024, and 1.1 – 30.9.2024. The review covered all financial structures, including the balance sheet, income statement, cash flow statement, and statement of changes in equity.

At the meetings where the unaudited nonconsolidated and consolidated financial statements were reviewed, the President of the Supervisory Board invited the President of the Management Board and Chief Executive Officer, along with the heads of the relevant professional services, to provide detailed explanations of all items in the submitted financial statements, so that the Supervisory Board could make informed decisions.

The President of the Management Board, pursuant to his defined responsibilities, provided additional clarifications on the submitted materials. In line with the principles of good corporate governance, the Board held open discussions regarding the agenda items and other significant matters related to the Company's operations.

Following a direct review of the financial statements and the presentations by the President of the Management Board and Chief Executive Officer and the management of the relevant professional services, the Supervisory Board adopted resolutions approving the Company's unaudited nonconsolidated and consolidated financial statements and unaudited nonconsolidated and consolidated balance sheets.

The Supervisory Board conducted a regular review of the Management Board's management and examined the Company's annual performance report for the previous year (both nonconsolidated and consolidated). The review confirmed that the Company's performance and management were successfully conducted, as reflected in its positive financial results for the year.

The Supervisory Board also evaluated the conclusions and assessments of the Management Board's past year's performance and concluded that its size, composition, and functioning ensure the effectiveness and efficiency of its members.

Furthermore, the Supervisory Board positively assesses its cooperation with the President and members of the Management Board in carrying out their duties as defined by the Company Statute and the Company Law, which has contributed to aligning common objectives and implementing strategic plans for the Company's continued successful development in 2024.

Pursuant to the Company Statute, the Supervisory Board adopted draft versions of the following general acts and submitted them to the Management Board for approval:

- Policy on Non-Discrimination, Promotion of Diversity, Equal Opportunities, and Inclusion
- Policy for the Protection and Promotion of Human Rights
- Policy on Modern Slavery
- Child and Youth Labor Abuse Policy
- Inheritance Policy
- Sustainable Procurement Policy

The Supervisory Board reviewed the Company's books and documentation related to financial activities, asset status, and securities, and following verification, it concluded that the Company's operations in these areas were conducted successfully and in full compliance with regulations.

Pursuant to the provisions of the Company Law, the Code of Corporate Governance of Companies Listed on the Macedonian Stock Exchange, the Statute, and other internal acts of the Company, the Supervisory Board adopted a decision confirming its profile. This decision defines the minimum requirements for its members in terms of knowledge, qualifications, skills, and experience, both individually and collectively, to ensure the effective execution of their duties.

The Supervisory Board also reviewed the Company's business plan for 2025, which includes the sales plan, planned balance sheet by function, cost plan by type, staffing plan, capital expenditure plan, planned balance sheet, and projected cash flow. The Board concluded that the business plan is well-structured, based on realistic expectations, and clearly defines the objectives at all management levels, ensuring the alignment of efforts toward the Company's common goals.

The Business Plan for 2025 is built upon market expectations, projections, and the opportunities presented by existing and emerging markets and products available at the time of its preparation.

The Supervisory Board, under Article 415c of the Law Amending the Company Law, reviewed the semi-annual report of the Company's Internal Audit Service. As an independent organizational unit, the Internal Audit Service presented its activities for the period January – June 2024.

The Supervisory Board passed and assessed the semi-annual report as comprehensive and high-quality, meeting the legal requirements outlined in the Law Amending the Company Law. The report provides an overview of the audits conducted on the Company's operations, an evaluation of the adequacy and effectiveness of internal audit systems, the Service's findings, and proposed corrective actions.

In line with the Annual Internal Audit Plan for 2024, the Internal Audit Service also submitted quarterly reports covering the periods January – March, April – June, and July – September 2024. These reports outline the activities performed by the Service within each quarter. The identified findings focus on enhancing operational efficiency. These findings were discussed with the executives of the relevant organizational units audited, fully acknowledged, and accepted. After reviewing these quarterly reports, the Supervisory Board adopted them.

Pursuant to Article 415b of the Law Amending the Company Law, the Supervisory Board also reviewed and approved the Internal Audit Service's annual work plan for 2025. This plan details the scope of the audits, including descriptions of the planned audit content for specific areas, a schedule of controls for 2025, and the projected duration for their implementation.

In accordance with Article 415-c of the Law on Additions and Amendments to the Law on Trade Companies, the Supervisory Board received the Annual Report of operations for the previous year from the Internal Audit Department of Alkaloid AD Skopje, an independent organizational unit in the Company. The Annual Report presents the activities of the Internal Audit Department during the previous year, that are executed in accordance to the adopted annual plan for operations of the Internal Audit Department.

The Annual Report of the Internal Audit Department is containing the following information:

- Description of rendered activities;
- Findings/Recommendations for rendered individual revisions;
- Consultancy activities;
- Information on the Internal Audit Department

The Supervisory Board opinion is that the Annual Report of the Internal Audit Department is detailed, qualitative and objective, and gives detailed overview of the executed audits, thus passed a decision for approval of the Annual Report and submitted it to the Assembly of Shareholders of ALKALOID AD Skopje.

The work of the Supervisory Board in the course of the year 2024 was within the frame of the competences determined by the Law on Trade Companies, the Corporate Governance Code for companies listed on the Macedonian Stock Exchange and the Statute of Alkaloid AD Skopje.

Internal audit

The Internal Audit department is separate and independent part of the organizational structure of Alkaloid AD Skopje and is organized under/reports directly to the Supervisory Board of Alkaloid AD Skopje. All the internal audit activities are in compliance with The Company Law as well as the Internal audit charter and procedure.

Internal Audit helps Alkaloid AD Skopje to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes. Its primary goal is to increase and protect Alkaloid's value by providing objective(risk-based) and confidential audit, consulting and analytical services.

The Internal Audit department aims to add value to Alkaloid AD Skopje and to be recognized as one of the bearers of the company's corporate culture and values, as well as trusted advisor and partner to stakeholders (Supervisory Board, Board of Directors, Senior management, shareholders).

The department consist of professionals, who are properly trained and certified to perform audit activities and regularly fulfill the requirements for continuous professional development.

All of the activities are performed in accordance with the Internal Audit Strategic and Annual Plans, which are prepared based on the most significant risks, and approved by the Supervisory Board of Alkaloid AD Skopje.

During 2024, the Internal Audit department has written and submitted special detailed reports, quarter audit reports (submitted to the CEO and Supervisory Board) as well as annual and semi-annual reports that are subject to approval by the Management Board and Supervisory Board of Alkaloid AD Skopje.

In line with the 2024 Annual plan, 21 audit and consulting engagements were conducted, in the following areas: manufacturing, sales, loans, corporate governance, personal data protection, key performance indicators, ESG reporting etc. In addition to these areas, engagements for internal audit were carried out in Alkaloid's subsidiaries abroad through direct visits. Identified findings and recommendations from all of the performed activities were presented in special detailed reports.

The head of the Internal Audit department has regular communication with the Supervisory Board and participates in all its meetings where the information's related to the internal audit work is reviewed.

External audit

The independent external auditor is appointed by the Shareholders' Assembly. The company examines in detail all issues related to the external audit, especially the criteria for determining and maintaining the independence and objectivity of the external auditor, the selection procedure and the selection criteria, the work plan, frequency and manner of reporting from external auditor as well as other issues of interest for the engagement and activities of the external auditor.

The certified auditor may not perform other services for the company that may pose a threat to its objectivity and independence while auditing, as well as at least for the previous two years.

If other employees of the auditing company where the certified auditor is employed perform other work for the company and its related parties which is not an audit, the company must provide systems in place to preserve the auditor's independence and objectivity.

The company is obliged to have an audit opinion on the financial statements no later than one month before the Shareholders' assembly. The certified auditor is appointed by the Shareholders' Assembly before the end of the business year for which the audit is performed. The Management Board is obliged to provide the certified auditor with insight into the entire documentation. The certified auditor of financial statements submits an auditors' report in accordance with International Standards on Auditing.

The Management Board submits the report on the performed audit, together with the annual account, the financial statement and the draft-decision for distribution of the profit to the Supervisory Board for their review.

The Supervisory Board is obliged to review the annual accounts, financial statements and the draft decision on profit distribution. At the request of the Supervisory Board, the certified auditor is obliged to attend the meeting of the Supervisory Board.

The Assembly of ALKALOID AD Skopje at its session held on 1.4.2024 appointed the audit firm PricewaterhouseCoopers DOO - Skopje (PWC) as authorized auditor to audit the 2024 annual account and the financial statements of ALKALOID AD Skopje.

Management Board

The Management Board holds the broadest authority in managing the Company, overseeing all management activities related to its operations, and acting on behalf of the Company in all circumstances within its scope of operations.

Under the Company Law and the Company Statute, the Management Board manages the Company and assumes full responsibility for its operations.

**Members of the
Management Board are:**



ZHIVKO MUKAETOV
**President of the Management
Board and Chief Executive Officer
of Alkaloid AD Skopje**

Holds a B.Sc. degree in Mechanical Engineering and a postgraduate degree from the Chartered Institute of Marketing in London, UK. Member of the Management Board since 2004; appointed for President of the Management Board in 2007. Responsible for the overall operations of Alkaloid Group.



VIKTOR STOJCHEVSKI
**Member of the Management
Board and Chief Financial
Officer of the Company**

Holds a B. Sc. Degree in Economics. Member of the Board since January 2013. Responsible for the financial operations of the Company.



OLIVERA PANEVA

Member of the Management Board, responsible for quality assurance and Alkaloid's corporate integrated management system

Doctor of Medicine with postgraduate studies in pharmacovigilance from the University of Hertfordshire in Hatfield, UK. Member of the Board since April 2023. Responsible for quality assurance and Alkaloid's corporate integrated management system.



GJORGJ JOVANOVIĆ

Member of the Management Board and Director of Shareholding Operations and Propriety Issues of the Company.

Holds a B.Sc. degree in Economics. Member of the Board since 2006. Responsible for the operations in the shareholding and property segment.



KIRE ICEV

Member of the Management Board, Director of the General Services Department of Alkaloid AD Skopje

B. Sc. in Mechanical Engineering. Member of the Board since 2007. Responsible for the overall operations of the general services department.

In 2024, the Management Board performed its duties within its designated competencies in compliance with the Company Law and the Company Statute. It made key business policy decisions and managed the Company's operations.

ALKALOID's Management Board members do not hold any board position in other companies.

The Management Board met regularly, holding 31 (thirty-one) meetings and adopting 178 (one hundred seventy-eight) decisions and conclusions in 2024.

The Report on the Board's Performance in 2024 outlines the major decisions passed by the Board, as follows:

- Decision to take inventory and establish committees to take inventory of fixed assets and assets sources and adopt the inventory report.
- Decision to adopt the Company's draft annual account, the draft consolidated annual account, and the Company's draft annual performance report (nonconsolidated and consolidated).
- Decision to approve the previous year's annual accounts of Alkaloid's subsidiaries.

At its monthly meetings, the Management Board examined ALKALOID AD's income statements by cost centre and assessed the performance report of ALKALOID Kons.

Executives from Manufacturing Planning – Pharmaceuticals and the Director of ALKALOID Kons attended these sessions upon invitation by the President of the Management Board.

The Management Board adopted decisions and conclusions assigning specific responsibilities to the profit centre managers at ALKALOID AD and the Director of ALKALOID Kons. These responsibilities aim to encourage maximum engagement in achieving planned objectives, intensify billing, control reserves, and reduce costs.

In compliance with the Company Law, the Management Board examined and discussed the unaudited nonconsolidated and consolidated financial statements for the previous year, as well as the unaudited periodic financial statements for the periods 1.1 – 31.3.2024, 1.1 – 30.6.2024, and 1.1 – 30.9.2024. The Board concluded that the Company achieved positive financial results.

In line with the Code of Corporate Governance, the Management Board assessed the effectiveness and efficiency of its operation during the previous year based on its performance evaluation. It submitted the findings to the Supervisory Board, which determined that the size, composition, and functioning of the Management Board enable its members to operate effectively and efficiently.

Pursuant to the Company Law and the Company Statute, within its competence, the Management Board adopted draft decisions envisaged in the agenda for the Annual Meeting of Shareholders, held on 1.4.2024.

The Board approved amendments to the internal organization, the Rules for Job Systematization, and the Analytical Job Assessment to improve organizational efficiency.

Additionally, the Management Board approved the following:

- Payment of annual leave allowance.
- Payment of a yearly one-time employee loyalty bonus for the previous year.
- Payment of New Year's allowance.
- Increase in financial support for extracurricular activities for employees' children, in line with the Employee Child Benefits Rulebook.

At its meetings in 2024, the Management Board adopted the following general Company acts:

- Policy on Non-Discrimination, Promotion of Diversity, Equal Opportunities, and Inclusion
- Policy on the Protection and Promotion of Human Rights
- Policy on Modern Slavery
- Policy on the Prohibition of Child Labor and Youth Abuse
- Inheritance Policy
- OSH Policy
- Workplace Harassment Protection Regulations
- Energy Policy
- Employee Benefits Rulebook – Extra Day Off for Parents of First Graders
- Employee Benefits Rulebook – Extra Day Off for Birthdays
- Rules of Procedure and Discipline
- Sustainable Procurement Policy
- ESG Strategy for 2025

The Management Board adopted the principles of the 2025 business plan.

The Management Board adopted the 2025 business plan and gave implementation instructions.

The business plan includes a sales plan, planned income statement by function, expense-by-type plan, staffing plan, capital expenditure plan, planned balance sheet, and cash flow projections.

The Management Board assessed the plan as realistic and based on well-founded projections, market opportunities, risk management policy, and efficient resource utilization. The Business Plan for 2025 is built upon market expectations, forecasts, and the opportunities presented by existing and emerging markets and products available at the time of its preparation. Additionally, the Board adopted the 2025 financial calendar.

Under Art. 375(3) and Art. 366(3) of the Company Law, the Management Board appointed managers with special powers and responsibilities for 2025.

The Management Board, within its competences, adopted a decision to establish the limited liability companies ALKALOID PHARMA INTERNATIONAL d.o.o. Zagreb, Alkaloid Kazakhstan Limited Liability Partnership, and ALKALOID ENERGETIKA DOOEL Skopje. ALKALOID AD Skopje is the sole owner of these companies.

The Management Board approved an investment in South Korea's Rophibio Inc. start-up, a Company specializing in the development of biosimilar products, to secure initial rights for marketing biosimilar products on ALKALOID's existing markets.

The Management Board also adopted a decision authorizing ALKALOID PHARMA INTERNATIONAL d.o.o. to purchase shares in Rophibio Inc.

The Management Board also adopted the Trajche Mukae-tov Foundation's financial report for the previous year and approved its Work Program for 2025. The Program defines the amount, method, conditions, and procedures for utilizing the Foundation's funds, which are earmarked for scholarships, donations, and the financing of talented students, researchers, and projects in medicine and pharmacy.

The Management Board adopted the ESG report for the previous year in compliance with the Code of Corporate Governance for Companies Listed on the Macedonian Stock Exchange.

The Board also adopted 2025 work plans for Chess Club Alkaloid, Handball Club ALKALOID HANDBALL Skopje, and Handball Club MULTI ESSENCE Skopje.

The Management Board approved the introduction of Alka-DAS, an electronic document and archive management system, to automate work processes and enhance digital support for office and archival tasks.

Regarding ALKALOID AD Skopje's subsidiaries, the Management Board adopted decisions on the appointment and extension of terms of office for the directors/managers of foreign companies founded or solely owned by ALKALOID AD Skopje.

Under Art. 415c of the Law Amending the Company Law, the Internal Audit Service, an independent organizational unit, submitted its previous year's annual Report to the Management Board. The Report outlines the activities the Internal Audit Service conducted in accordance with its adopted annual work plan.

The Internal Audit Service's Annual Report includes:

- A description of the activities performed;
- Findings and recommendations from individual audits;
- Consulting activities;
- Information about the Internal Audit Service.

Having reviewed the annual Report, the Management Board adopted a decision approving the Report on the previous year's performance of the Internal Audit Service as an independent organizational unit.

Additionally, under Art. 415c of the Law Amending the Company Law, the Management Board reviewed the Internal Audit Service's semi-annual Report, which outlines its activities for the period January–June 2024.

After the review, the Management Board adopted a decision approving the semi-annual Report for 2024, recognizing its high quality, comprehensiveness, and compliance with the provisions of the Law Amending the Company Law. The Report includes a description of the audits conducted, an assessment of the adequacy and efficiency of internal audit systems, and the Service's findings and proposed measures.

Being the founder and sole owner of ALKALOID CONS, ALKALOID AD exercises the powers of the governing bodies of the Company, specifically:

- The Founder's Management Board acting as the Company's Assembly of Partners;
- The Controller responsible for supervising the Company's operations.

In 2024, the Assembly of Partners of ALKALOID CONS held seven (7) sessions and passed nineteen (19) decisions.

Under the Company Law and the Statutes of ALKALOID CONS, it made the following key decisions:

- Decision to take inventory and establish committees to take inventory of fixed assets and assets sources.
- Decision to adopt the Report on the inventory of fixed assets and asset sources.
- Decision to adopt the Company's annual account, annual performance report, and unaudited financial statements.
- Decision on the distribution of profits;
- Decision to adopt the audit report of the Company's financial statements for the previous year, conducted by PricewaterhouseCoopers Audit LLC;
- Decision to pay an annual leave allowance;
- Decisions on the appointment of managers;
- Decision to pay a New Year's allowance.

Being the founder and sole owner of BILNA APTEKA ALKALOID DOOEL Skopje, ALKALOID AD exercises the powers of the governing bodies of the Company, specifically:

- The Founder's Management Board, acting as the Company's assembly of Partners;

The Assembly of Partners of BILNA APTEKA ALKALOID held seven (7) sessions in 2024 and adopted eight (8) decisions.

Under the Company Law and the Statutes of BILNA APTEKA ALKALOID, it made the following key decisions:

- Decision to take inventory and establish inventory committees;
- Decision to adopt the Company's annual account;
- Decision on the distribution of profits;
- Decision on the payment of recourse for annual leave;
- Decision to pay an annual leave allowance;

Additionally, in 2024, the Management Board performed its duties in compliance with the Company Law, the Statute, and other internal Company acts.

Risk management and business continuity

Risk Management

Key Risks for 2024

Risk Management Process

The company has implemented a comprehensive risk management process to identify threats and opportunities in a timely manner. This ensures the protection of company resources, minimization of potential losses, and enhancement of positive operational impacts. Additionally, it strengthens management efficiency, aligns with stakeholder expectations, and upholds the company's high reputation.

The company has established a quality management system in accordance with ISO 9001, ISO 14001, ISO 45001, ISO 50001, and ISO 31000, alongside other standards across various fields. To achieve the highest level of compliance with regulations and standards, the company has developed over 500 policies, procedures, guidelines, and internal documents.

The risk management system is structured in accordance with ISO 9001 and ISO 31000 quality standards, as well as the Company's Integrated Management System Manual. It complies with the Company Law and the Good Corporate Governance guidelines issued by the Macedonian Stock Exchange.

Governing Bodies and Responsibilities

- **Supervisory Board** – Oversees company management and ensures the effectiveness of the risk management system.
- **Internal Audit** – Responsible for reviewing and assessing the risk management system and its effectiveness.
- **Management Board** – Establishes the Risk Management, Crisis Management, and Business Continuity Board (RMCMB-BC Board).
- **Chief Executive Officer and the RMCMB-BC Board** – Ensure the necessary conditions for effective risk management.
- **Risk and Business Continuity Team & Officer** – Oversee the proper implementation and control of risk management processes.
- **Organizational Units** – Have primary responsibility for identifying risks and opportunities in a timely and effective manner and implementing appropriate response measures to fulfill the following obligations:
 - full compliance with regulations and standards
 - ethical achievement of adopted goals
 - employee well-being and protection of company assets
 - environmental protection
 - safeguarding the interests of all stakeholders

To ensure these obligations are met, the company has built a quality management system in accordance with ISO 9001, ISO 14001, ISO 45001, ISO 50001, and ISO 31000, alongside additional standards across various fields. The company has also created over 500 policies, procedures, guidelines, and internal documents to achieve the highest level of compliance with regulatory and industry standards.

Integrated Risk Management System

To comprehensively address all business aspects and ensure full integration between management objectives, compliance, and quality requirements, the company consolidated all risk types into a single system in 2024. This system is structured into three levels:

- I. **Key Risks** – Represent the highest level in the risk hierarchy, encompassing risks that affect the entire group. These risks are defined for core functions, aligning with strategic objectives and compliance requirements, and integrating segment-specific risks. Individual segment risks are allocated to their corresponding key risk category.
- II. **Segment Risks** – Apply to organizational units at any level or location. Each organizational unit must identify risks linked to weaknesses, threats, or opportunities within its specific operational context. Organizational units can identify risks across any area, which are then classified under the appropriate category, subcategory, and key risk.

- III. **Process Risks** – Derived from processes identified within organizational units, these risks can be categorized as operational, quality-related, or specific risks. Each risk is classified by type and linked to corresponding segment risks and key risks.

Key Risks

The key risks for the group, along with the controls and mitigation measures, are presented in the following table:

Key Risks	Controls and Measures	Change
<i>Damage to the Group's Reputation (Strategic Risk)</i>	Code of ethical and professional conduct, internal channel for reporting irregularities (AlkaSpeakUp), development and analysis of possible scenarios, regular communication with employees, customers, consumers, regulators, suppliers and the public, promotion and maintenance of a high company culture	↔
<i>Misalignment with Stakeholder Expectations (Strategic Risk)</i>	Compliance with the MSE CG Code, regular reporting of price-sensitive information, predictable dividend policy, regular annual meetings, risk management and business continuity planning, corporate secretary ensuring compliance.	↔
<i>Breach of Law, Corruption, and Case Law (Compliance Risk)</i>	In-house legal team, internal newsletter informing management and employees about regulatory changes, appointed compliance officers, data protection and corporate secretary, code of interaction with healthcare professionals and ethical promotion, anti-corruption policy, human rights protection and promotion policy.	↔
<i>Employee and Property Safety Breach (Operational Risk)</i>	Analysis of domestic and global geopolitical events, emergency management plan, evacuation plan and testing, workplace risk assessment, employee protection measures, protective equipment, monitoring of injury and incident rates, expansion of site security network, employee and visitor education, modern surveillance techniques, access control, physical security of sites.	↓
<i>Cybercrime and Database Breach (IT Risk)</i>	Preventive protection and secure system recovery, controlled and authorized system access, defect and risk analysis, internal and external IT communication plan, investment in modern cybersecurity tools and techniques, process digitization, system integration, investment in modern networks and communication tools, employee awareness training on cyber threats.	↔
<i>Inability to Attract or Retain Top Talent (HR Risk)</i>	Participation in employment and career fairs, equal opportunity hiring, annual training budget, career development program, employee satisfaction measurement, student scholarships via the Trajche Mukaetov Foundation, dual education and internships, employee skill development, well-being initiatives.	↔

Meaning of symbols for change in Key Risks

- ↑ Increase
- ↓ Decrease
- ↔ No changes

<i>Failure to Develop New Products, Meet Customer Needs, or Address Competition (Strategic Risk)</i>	Sales planning, daily and monthly sales reports, detailed portfolio analysis, product lifecycle and profitability assessment, identification of customer, intermediary, and consumer needs, ethical marketing and customer care, development of new products, expansion of therapeutic groups, market expansion, improved distribution strategies, competitive monitoring and strategy adaptation, employee training and development.	↓
<i>Product and Process Quality Risks, Intellectual Property, Environment, Licenses, Certifications, and Permits (Strategic Risk)</i>	Compliance with regulations and quality standards, mandatory annual and periodic process reviews, IMS and KPI reviews by management, successful external audits and inspections, internal audits/self-inspections, non-compliance management, corrective and improvement actions, batch release procedures, complaint and recall management, adherence to environmental standards, mitigation of climate change risks, supply chain sustainability, water and energy conservation, waste management, patent protection, continuous improvement initiatives.	↔
<i>Availability of raw materials, materials and services and rising prices (Operational Risk)</i>	Needs planning, analysis of economic and geopolitical conditions, sufficient capacity and storage conditions, security supplies, dispersion of supplies, alternative suppliers and raw materials, rapid adaptation of changes, alternative transport routes, management of energy and energy needs, code of ethics for suppliers	↔
<i>Inefficient Production and Equipment Failures (Operational Risk)</i>	Production planning, qualified workforce, capacity analysis, bottleneck elimination, continuous improvement, production preparation and control, efficiency and yield measurement, preventive and corrective equipment maintenance, key spare parts inventory, modernization of production technology, non-compliance monitoring in production, cost of poor-quality measurement.	↓
<i>Economic Disruptions and Access to Capital Markets (Financial Risk)</i>	Budgeting, financial projections, scenario analysis, trend tracking, maintaining necessary liquidity, secured funding access, integrated ERP system, experienced and certified financial professionals, fraud and theft prevention, controlled access to financial data and funds, profitability and financial indicator analysis, strict credit policies, cost control, inventory management of assets and liabilities, risk hedging, financial sector and investor communication, consolidated financial reporting, comprehensive tax analysis and adjustments.	↔
<i>Operational Downtime Due to Internal and External Factors (Operational Risk)</i>	Analysis of global geopolitical events, business continuity strategy and planning, emergency response plan, evacuation plan, safety reserves, business impact analysis (BIA) and continuity plans, alternative manufacturing solutions, mutual cooperation agreements, crisis escalation monitoring, operational impact analysis.	↔

Meaning of symbols for change in Key Risks

- ↑ Increase
- ↓ Decrease
- ↔ No changes

Managing Quality Risks

We continuously perform quality risk management processes across multiple company levels. In 2024, we reviewed 3,963 operational (process) risks across Alkaloid's three profit centers.

Key activities in 2024 included:

- two regular risk reassessments conducted, categorizing risks into operational/process risks, quality risks, and specific risks. The results were presented to management and the Risk Board.
- a two-indicator methodology introduced to improve risk management.
- 377 reports received, including 72 related to quality-specific risks and 305 reports for reconsidering operational risks and identifying new risks.
- out of the 475 medium-priority risks, 165 operational risks downgraded to low-priority, meeting the 5% risk reduction target. An analysis across profit centers confirmed that we also achieved this reduction individually.

Planned improvements for 2025 include organizing risk workshops, increasing the number of mapped processes and identified operational risks per organizational unit, and effectively implementing defined measures and controls to further reduce the priority of operational (process) risks.

Continuity of Operations

The business continuity process and the company's resilience to change provide an annual assessment of the practices and activities implemented to ensure uninterrupted operations.

Throughout 2024, efforts focused on enhancing and refining processes to strengthen the company's resilience. The pandemic reinforced the need to adapt and proactively plan for challenges. In response, we introduced new business impact analyses and continuity plans, assessing critical processes from input to output to maintain operations.

Our ongoing initiatives have increased employee awareness and understanding of the importance of business continuity. This is evident in our identification and assessment of business continuity risks and opportunities, which are now integrated into the company's risk management framework. In 2024, we identified and evaluated 14 key business continuity areas.

Specialized teams of experienced employees began developing business impact analyses and continuity plans for our key strategic products.

We established a business continuity management system in accordance with the ISO 22301 standard. Throughout 2024, we conducted risk assessments and developed strategic plans to provide proactive guidance on measures needed to enhance resilience and prepare for potential disruptions.

Management and employees' commitment to effective risk management and business continuity strengthens the company's competitive advantage and reinforces stakeholder and public trust.

Please read more in the ESG report of
Alkaloid AD Skopje



Professional ethics

All our business activities are grounded in compliance with local and international regulations, internal policies, and the voluntary commitment of management and employees to uphold ethical principles and standards.

Code of Ethical and Professional Conduct

The Code of Ethical and Professional Conduct is a cornerstone in fostering an ethical corporate culture. It reinforces the company's core values and, through the compliance system, empowers employees and management to make ethical decisions in their daily work, contributing to our shared mission and vision of corporate integrity and culture.

In 2024, supported by the Corporate Compliance Officer and the Corporate Compliance Commission, senior management continued to advance this process by training compliance officers and raising employee awareness of ethical conduct.

Anti-Corruption Policy

Our anti-corruption policy sets clear standards for preventing and addressing unauthorized payments, bribery of public officials, and all other forms of corruption. It defines the parameters of our interactions with government institutions and society, reinforcing the company's commitment to integrity, transparency, and ethical business practices. Implementing this policy further strengthens our corporate integrity and reputation, ensuring that honesty, fairness, and personal accountability guide the actions of all employees, managers, and external associates.

Code of Interaction with Healthcare Professionals and Ethical Promotion

The Code of Interaction with Healthcare Professionals and Ethical Promotion governs the promotion, communication, and interactions with healthcare professionals, healthcare organizations, and the broader healthcare community. It establishes clear standards for these engagements, making it a critical aspect of the company's ethical framework. Our company is firmly committed to the continuous education of medical representatives. We ensure compliance with all relevant industry codes and applicable legal regulations through structured training programs, reinforcing integrity and professionalism in every interaction.

Personal data protection

We continuously enhance our personal data protection strategy, maintaining high security and compliance with best practices and legislation. In 2024, we implemented additional awareness-raising measures to strengthen information security and personal data protection, particularly focusing on network locations where data is stored and processed.

Our commitment to continuous improvement is reflected in regular audits of existing information systems, risk assessments, and optimizing security measures. Throughout the year, employees participated in training sessions designed to raise awareness about the importance of data protection and adherence to internal security policies. These educational activities reinforce our dedication to compliance with the European General Data Protection Regulation (GDPR) and other relevant privacy laws.

To strengthen security further, we introduced a structured decision-making procedure for selecting personal data processors. This procedure streamlines due diligence efforts, ensuring consistent and effective control over third parties handling data on our behalf. By implementing this measure, we enhance risk management and collaborate exclusively with partners who meet legal and regulatory standards.

The Corporate Data Protection Officer, in close coordination with the international data protection team, continued working with colleagues across company sectors to improve data privacy processes. As a result, third parties received updated privacy notices, further aligning data protection practices across various company operations.

With these initiatives, we remain steadfast in upholding the highest personal data protection standards, ensuring a secure and stable digital environment for our employees, partners, and customers.



Portfolio & Legal IP

Global Medical & Safety

Pharmaceuticals

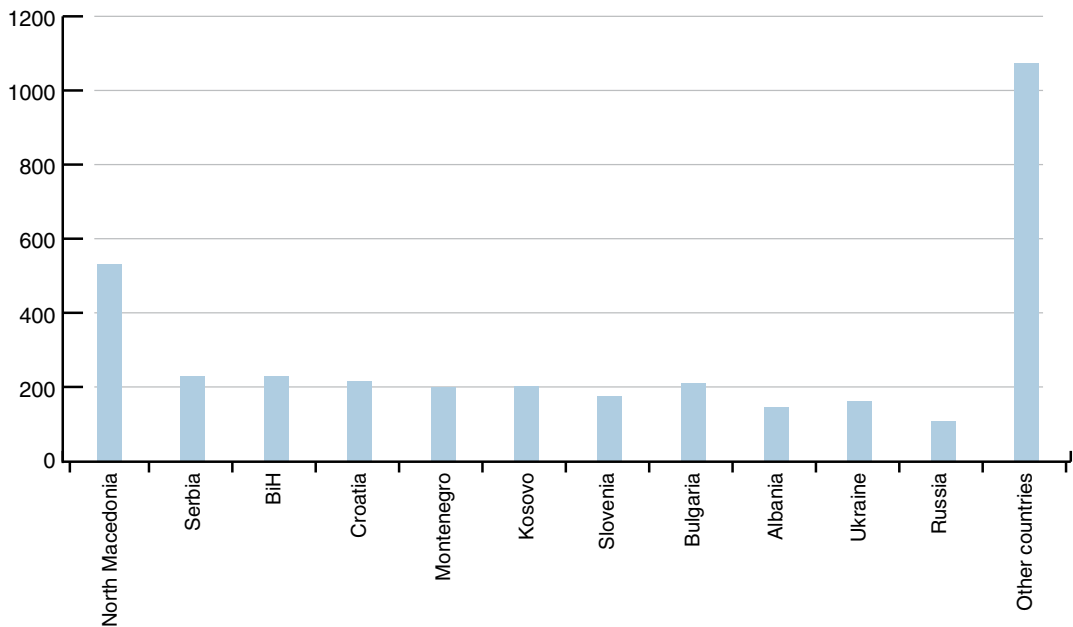
Intellectual property (IP) rights are important and valuable business asset. In the age of constant changes and innovations, IP represents central element that ensures security, stimulates innovation, promotes progress and expansion of the business.

Strong IP rights help consumers make an educated and safe choice about the safety, reliability, and effectiveness of their purchases. On the other hand, enforced IP rights ensure products are authentic, and of the high-quality that consumers recognize and expect. In brief, IP rights foster the confidence and ease of mind that consumers demand and markets rely on.

Knowing this, we are dedicated in to building strong and recognizable brands, through which we can guarantee the standard and quality of our products that consumers can easily identify. This way we are safeguarding the reputation of the company and protecting the sustainability of our growth and development.

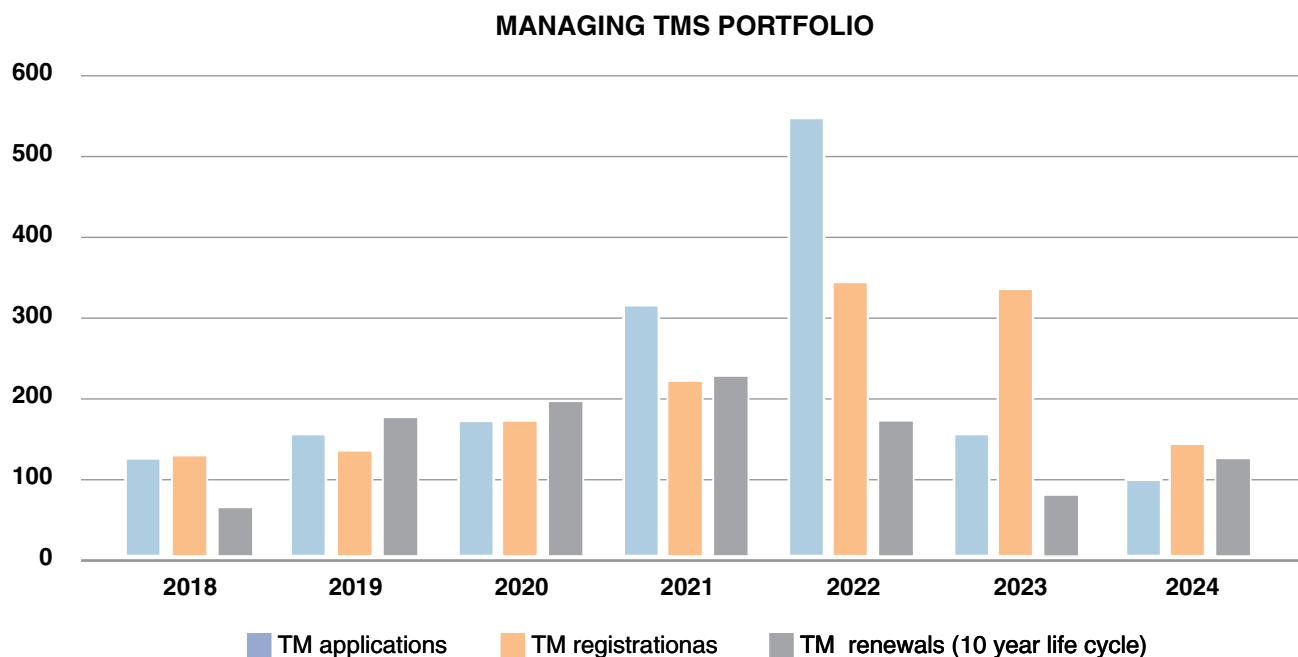
ALKALOID's impressive trademark portfolio counts around 3,600 trademarks registered or filed in more than 100 countries, covering more than 10 classes of goods and services. Our strategy is to protect trademarks for all products and/or services of interest, in the countries where they are commercialized.

PORTFOLIO OVERVIEW BY COUNTRY



Following the initiated protection in honor of the 50th anniversary of the protection of the company logo, in 2024 we acquired the protection of the company logo as a trademark in United Arab Emirates, Mexico, Chile and South Korea.

In the previous years we can notice a constant portfolio growth, with increased activities for clearance searches and risk assessment for new names, preparations of new trademark fillings in different jurisdictions and continually maintaining and protecting the existing IP rights:



In 2024 for the first time, we registered trademarks in the territories of Japan and China, which expands the portfolio of ALKALOID trademarks in several new territories.

Last year, we initiated protection of almost 20 new trademarks on the territory of Kazakhstan, thereby significantly expanding ALKALOID's trademark portfolio in this country on the Asian continent.

To strengthen the EUTM protection strategy, in 2024 we initiated protection of 2 new trademarks before the European Union Intellectual Property Office (a centralized office whose protection covers the territories of all member states of the European Union).

Following the initiated protection in honor of the 45th anniversary of the Becutan brand, in 2024 we acquired protection of one of our well-known brands in almost 10 new countries, including the United Kingdom, Australia, New Zealand, Egypt, as well as in the European Union. The goal of this expansion is to obtain a globally recognized brand that will guarantee the safety and quality of products on several continents.



Our, “umbrella brand’s have a significant place in our portfolio and we take a very thoughtful approach in their maintenance and protection, as well as planning the future markets and

products they would cover (in the table part of the bigger brands):

Umbrella brand	No. of countries	No. of trademarks
ALKALOID – Company brand	108	330
BECUTAN	50	459
BECUTAN KIDS VITS	35	59
CAFFETIN	26	156
GATTART & Gastro Guard	38	58
BlokMAX	15	43
Multi Essence	35	32
SATTWA	9	31
GOOD NATURE	11	58
Medical	1	6
GLOSS	2	63
Young Derm	8	16
BLACK UP	8	30



Keeping up with ALKALOID’s support of Macedonian sport through founding the handball clubs ALKALOID and MULTI ESSENCE, ALKALOID has valid protection of the logos proudly worn by these teams.

As part of our commitment to intellectual property rights compliance and the responsible use of intellectual creations, last year the Portfolio & Legal IP department strengthened its copyright licensing strategy.

This initiative aligns with our broader corporate responsibility goals and reflects our commitment to ethical business practices.

Managing the trademarks, industrial designs and copyrights portfolio is our priority, so our main focus is to ensure that we have the best people, the best tools and the best strategy for managing, maintaining and protecting our portfolio. This includes educating people, staying up to date with the latest legal technology and AI, exploring the best strategy, etc.

As a primary software solution, the Portfolio & Legal IP department uses the software for managing IP – Patricia, a product of Patrix IP helpware and constantly upgrades it in

order to improve all processes and activities related to IP. We continue using the CompuMark platform, as a software tool for detailed TM data, to determine the potential risk of existing brands and trademarks, as well as to quickly determine the degree of risk for new trademark applications, enabling faster launch of new products.

We are well aware that the value of a brand portfolio includes consumer trust and loyalty, brand image and reputation. Therefore, we continue implementing the brand protection strategy through the TM Watch - continuous tracking of potential infringement, which enables timely actions to be taken to protect our brands, thereby increasing their value. We continue on focusing to keep up with the market trends and developing our IP strategy to best align with the business growth.

Shareholding

The shares of ALKALOID Skopje are listed on the official market of the Macedonian Stock Exchange since 2002.

MARKET SEGMENT:	STOCK EXCHANGE LISTING - ORDINARY SHARES
ISIN	MKALKA101011
Securities Code	ALK

The nominal capital of Alkaloid AD Skopje amounts to 1,431,353 shares with a par value of EUR 25.56 per share, or a total sum of EUR 36,585,382.68. As at 31.12.2023, Alkaloid had more than 5,945 shareholders holding ordinary shares. All shares are freely transferable. All individuals registered in the Shareholders Registry, which is in compliance with the existing legislation and is kept with the Central Depository for Securities of the Republic of North Macedonia – are considered shareholders. All shareholders enjoy equal status and have the right to vote at the Company's Shareholding Assembly with one vote per each ordinary share, and they also have the right to a dividend.

99.7 % (1,428,125) of the shares are ordinary shares of which 59 shares are reserved for former proprietors, while 0.23 % 3,228 are preference shares also reserved for former proprietors and proprietors who need to prove their ownership right for estate now belonging to ALKALOID AD Skopje.

Ordinary shares give owners the right to:

1. vote in the Shareholders Assembly;
2. payment of part of the profit (dividend);
3. payment of a part of the rest of the liquidation, ie the bankruptcy estate of the company.

According to the records of the Macedonian Stock Exchange, the shares of Alkaloid in the course of 2024 were amongst the most traded and most liquid ones. There were 4,454 transactions made 63,393 shares were traded worth a total of 1.4 billion denars.

ALKALOID AD Skopje, as one of the leading companies on the Macedonian Stock Exchange, in the regular stock exchange operations participated with 19.19 % of the total turnover recorded on the first official market of the Stock Exchange in 2024. The share price of Alkaloid AD Skopje ranged from MKD 18,151.00 to MKD 29,000.00 with an average of MKD 22,376.45 which is 25.8 % up compared to the average in 2023.

Dividend

Since 1995, when the company was restructured, Alkaloid AD Skopje has regularly paid dividends to its shareholders on an annual basis.

Net dividend paid per share in the last four years:

2020	2021	2022	2023
360.00 denars +11.1 %	396.00 denars +10.0 %	441.00 denars +11.4 %	486.00 denars +10.2 %

Integrated management system and quality

Quality

ALKALOID AD Skopje has comprehensively designed and correctly implemented Integrated Management System (IMS) that incorporates the requirements of cGxP, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 13485:2016, ISO 22716:2007, FSSC 22000, HACCP, and HALAL.

The primary objective of our IMS is to ensure the continuous manufacturing of products of the highest quality, safety, and efficacy, meeting the demands of our consumers, relevant legislative requirements, and the requirements of the implemented international standards and guidelines.

Driven by responsibility and dedication to achieving this objective and facilitated by effective leadership and cultivating a quality culture, senior management fosters active participation and proper conduct among all staff members at every company level with final goal to facilitate innovation and continual improvement the IMS.

Our quality strategy is focused on compliance with the principles of good manufacturing principles (cGxP) and regulations which define the quality of our products across the pharmaceuticals, chemicals, cosmetics, and botanicals industries. Guided by the process approach of the PDCA cycle (plan-do-check-act), we continuously strive to improve our products, processes, and services, as well as the IMS itself, ultimately enhancing customer satisfaction.

Management conducts annual reviews of the IMS, utilizing key performance indicators (KPIs), quality meetings, and internal checks/self-inspections to identify opportunities for continuous improvement of products, processes, and the system.

The effectiveness and compliance of the IMS are confirmed through external inspections conducted by regulatory institutions and audits by certification bodies, notification body, and our partners.

In 2024, ALKALOID AD Skopje underwent 25 audits/inspections:

- Successfully completed 5 inspections by MALMED – for new premises and equipment in Production of solid dosage forms 2, for renewal of the Manufacturing Authorization with additional warehouse location/premises for storage of medicinal products BARD 2, for renewal of the Manufacturing Authorization for production of Ketokonazol shampoo in Production of Cosmetics, for reconstruction of the production premises in Production of Liquids and for the renewal of the GMP Certificate for all pharmaceutical dosage forms on the production site Blvd. Aleksandar Makedonski 12.
- Successfully completed 10 audits by Certification Bodies - 3 audits by Quality Austria, 2 audits by the Notification Body DEKRA, SGS (GFCO), Contol Union Certification (C.U.C.), Pro-Cert, Kosher, Ortodox Union Certification.
- Successfully completed GMP audit by Alkaloid INT for new premises and equipment in Production of solid dosage forms 2.
- Successfully completed GMP GMP audit by Alkaloid INT and Alkaloid d.o.o Belgrade for all production premises for all pharmaceutical dosage formi in PC Pharmaceuticals.
- For the first time in 2024 successfully completed ethical trade audit SMETA (Sedex Members Ethical Trade Audit) by BUREAU VERITAS.

Successfully completed 8 audits by partners: Reckitt, Stada, Zentiva, Perigo, Glenmark, Milpharm, Trinity Pharma, New Garden Pharma.

The subsidiary Alkaloid d.o.o. Sarajevo also obtained its first ISO 9001:2015 Certificate for Quality Management.

The Quality Assurance corporate function operated regularly in 2023, adhering to corporate QA policies, providing continuous training, and conducting internal checks of the quality systems in ALKALOID's affiliates. These efforts aimed to further harmonize the integrated management system and quality assurance processes. In the period 17-19.10.2024 an event QUALITY DAYS was organized for the first time in Ohrid for the employees from Quality assurance, Quality Control, as well as Quality persons from all the affiliates. The event was preceded by 3-day refreshment training for the quality assurance processes, while during the Quality Days throughout informal socializing, entertainment and presentations the cooperation, communication and good relations within the team were strengthened and promoted.

Safety and health at work

ALKALOID continuously invests in improving working conditions, adhering to global best practices, and maintaining a strong focus on the safety and health of its employees, contractors, and visitors. We believe that creating a safe and healthy work environment is a key prerequisite for the satisfaction and success of our team, directly contributing to the achievement of the company's strategic goals.

The occupational health and safety (OHS) management system is integral to our organizational culture. Its implementation is based on the active commitment, collaboration, and participation of all employees, regardless of their position within the company. This approach enables us to continuously enhance the quality of the working environment.

Our activities to create healthy and safe workplaces include the following elements:

- using modern and safe equipment;
- regularly assessing risks and informing employees of potential workplace hazards;
- conducting training to improve employee competencies;
- developing and promoting a culture of safety in daily tasks;
- inspecting and maintaining equipment and workplace conditions;
- regularly sharing OHS-related information;
- implementing continuous improvements based on the results of inspections and incident analyses.

Compliance with Legislation

Our OHS management system is fully aligned with national legislation. We regularly monitor the system's performance and the degree to which the set objectives are achieved and present these results in the ESG Report, Section IV: Social Issues.

With its integrated and sustainable approach, ALKALOID remains committed to its mission: to be a leader in creating a safe working environment that contributes to the well-being of all stakeholders.



Environment

ALKALOID's strategy is rooted in the application and continuous improvement of environmental management practices, teamwork, and the dedicated efforts of all employees. We aim to build a sustainable environmental management system that creates long-term value for the company and promotes a healthier environment for everyone.

We encourage our employees to continuously expand their knowledge and approach environmental responsibility with high awareness.

We keep the public informed about our environmental initiatives through press releases, seminars, and participation in relevant associations. Additionally, we actively contribute to the development of environmental legislation.

Sustained environmental progress also depends on strong relationships with our social environment, particularly with our closest neighbors, as our actions directly affect their surroundings and quality of life.

In line with our strategic commitment to sustainable development, firm ESG conduct, and following international standards and best practices, we organized an ESG workshop for our employees. The primary goal was to raise awareness of ESG topics within the company and its subsidiaries.

For over two decades, our environmental management system has promoted sustainability and ensured compliance by implementing industry standards across all our manufacturing sites. In 2025, we will take the next step and certify our established energy management system in line with the ISO 50001:2018 standard.

In 2024, we developed a project to identify, evaluate, and define ESG risk mitigation measures, introducing improvements to the risk management process. This initiative enhances our understanding of company-wide risks and strengthens business processes through the identification, management, and reporting of ESG risks.

At the start of 2024, we received EcoVadis' prestigious COMMITTED sustainability badge, earning 80/100 points in the environmental category—a testament to our company's serious commitment to sustainability in all areas of operation.

Climate change

Climate change and its impact on people and ecosystems remain among the most significant challenges of our time. We are committed to minimizing our carbon footprint and actively contributing to the fight against climate change.

We are continuously strengthening our capacity to address climate change. In 2024, we conducted 10 trainings on various topics to enhance employee awareness and support the achievement of our climate goals.

Renewable Electricity Sources

In 2024, we raised our renewable electricity ambition, setting a goal to achieve 100% renewable electricity by 2030.

In 2024 we established a separate company, ALKALOID Energy LLC, to expand renewable energy production at new sites. This initiative reinforces our commitment to increasing renewable energy's share and advancing toward energy independence.

Waste and the Circular Economy

We proactively prevent waste generation and develop solutions at every stage of our operations. We aim to reduce waste, promote reuse and recycling, and ensure the responsible management of non-reusable materials. Our environmental management system requires us to implement initiatives and programs that minimize hazardous and non-hazardous waste while assessing the use of packaging materials.

In 2024, we were actively engaged in the following waste reduction projects:

- Packaging Waste Management Campaign
- Reducing single-use plastics
- Sustainable Packaging Projects
- New trends in packaging

Water Footprint

Our Environmental and Energy Management Systems define our water conservation and management approach across all operations.

We demonstrate our ongoing commitment to action and transparency through the numerous projects we implement to reduce water consumption.

Nature and biodiversity

Nature conservation and biodiversity are essential for sustaining life on Earth. Following a science-based approach, we assess the impact of our operations on biodiversity and natural ecosystems, focusing on priority raw materials. We continue to evaluate risks and impacts to develop policies and guidelines that minimize adverse effects and promote the sustainable use of natural resources.



Business environment and future development

Pharmaceuticals

A world of continuous change

Like the year before, 2024 was marked by uncertainty and challenges. Once again, the world faced two active conflicts—Ukraine and Palestine—along with elections and political shifts in the United States and economic stagnation or minimal growth in Germany, France, and the United Kingdom. Despite these turbulent conditions, we demonstrated resilience against external factors. But what enabled us to sustain double-digit sales growth of 15,1% year over year?

1. We grew in nearly all our B2C markets through organic expansion. Our growth outpaced the overall generic market in many cases, allowing us to confidently state that we have generally beat the markets.
2. Our antibiotics business continued to expand, supported by Alkaloid's agility in addressing gaps left by competitors. We have grown to be the largest producer with the highest turnover in oral cefixime formulations in Europe.
3. We continue to establish new businesses to build marketing capacity to promote and sell our products. In 2024, we entered Kazakhstan, opening a subsidiary in Almaty and assembling a team—our first expansion into a new territory in over a decade and our first presence in Central Asia. Meanwhile, our Romanian business, launched in 2023, grew by about 20%.
4. We are expanding our portfolio in our R&D Institute. We also venture into new B2B activities and strategic investments. In 2024, we acquired a minority stake in a Korean biosimilars company to gain access to its biosimilar portfolio developed in Korea.
5. We continue to invest in people and knowledge, attracting top talent not only from Macedonia and the region but also beyond. These professionals bring valuable experience that strengthens our company—not just in marketing and sales but across all segments of operations.

Our global development

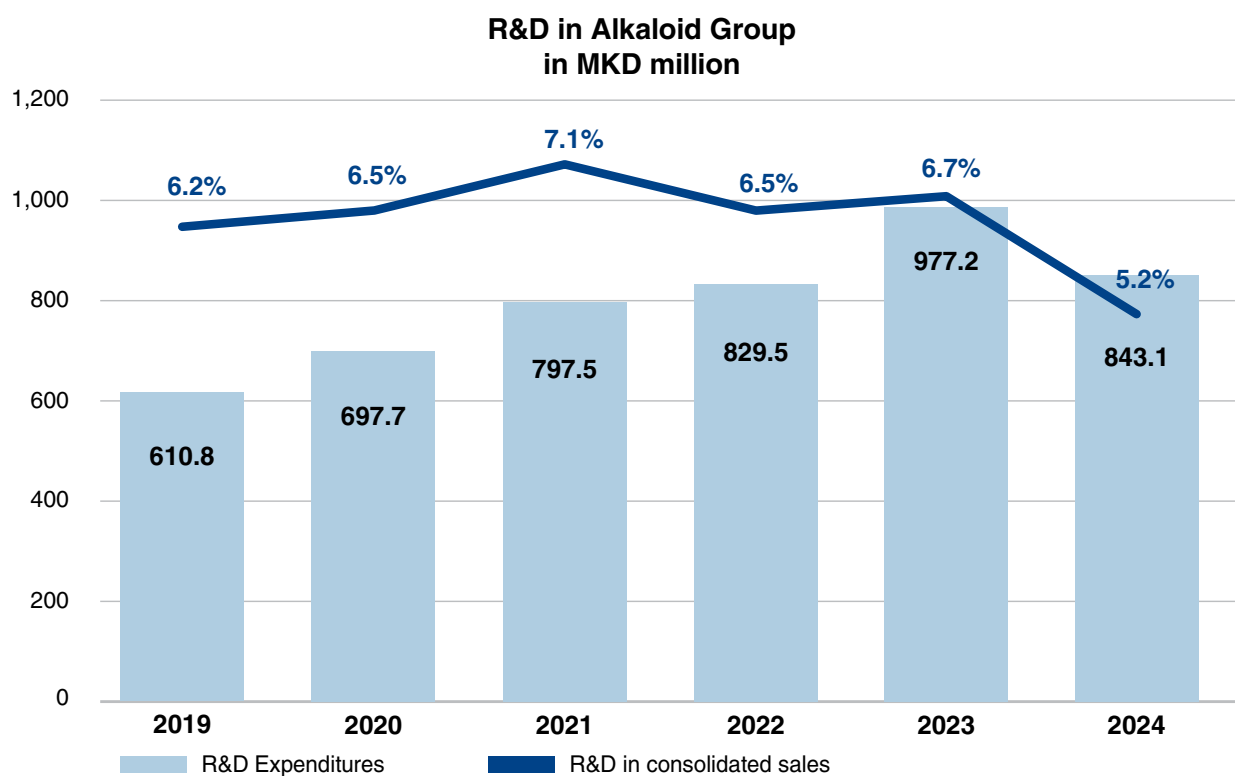
The development of a generic pharmaceutical product, including registration and market launch, typically takes 3,5 to 5 years. We remain committed to the principles of Quality by Design (QbD) and increasing the number of new in-house products. We continue to invest in process improvements, including the intensive use of ASAP stability software, Tablitz software—which leverages AI for tablet tooling design—and the introduction of dry granulation, a more cost-effective and energy-efficient technological process.

We are focused on growing our generic product portfolio developed by our R&D department, which has closely followed the company's overall expansion over the past five years. As a reminder, our five-year target for generic R&D production (2023–2027) aims to double the output of the previous five-year period (2017–2022). These expectations are realistic, and for now, we are on the right track to achieving them.

Following the launch of our first value-added product, liquid omeprazole, in the UK, the Netherlands, and Ireland, we anticipate expanding into several more countries next year. Meanwhile, we are already developing a second value-added product and continuing to invest in new dosage forms, such as double-layer tablets and orodispersible tablets. Although we face a shortage in acquiring qualified professionals, we as global development actively invest in our staff, (mainly locally hired) in development of their technical skills, soft skills and long-term career perspective.

As part of our company's expansion in the B2B segment, we are pleased to report that in 2024, we obtained our first marketing authorizations for generic medicines in four new territories: Vietnam, Iceland, Norway, and Sweden.

Our investment in R&D



Chemicals, cosmetics and botanicals

In 2024, we navigated a complex economic landscape marked by persistent inflationary pressures, rising costs of raw materials, packaging, and labor. These inflationary trends posed challenges across all segments, requiring strategic cost management and operational efficiencies to maintain profitability. Despite these challenges, the CCB demonstrated resilience, achieving solid growth across its key business segments—Chemicals, Cosmetics, and Botanicals.

Sales Performance – value growth of 5% vs 2023

- **Chemicals:**
Macedonia: **-7%** vs 2023
Export: **+32%**
Total: +7%
- **Cosmetics:**
Macedonia: **+6%** vs 2023
Export: **+4%**
Total: +5%
- **Botanicals:**
Macedonia: **+7%** vs 2023
Export: **+5%**
Total: +6%

Chemicals

The Chemicals division maintained stable performance despite global headwinds in the chemical industry. Long-term partnerships with renowned international companies provided a buffer against market volatility, ensuring steady sales. Strategic procurement, operational efficiency improvements, and a focus on specialized chemical solutions helped mitigate adverse external factors. Alkaloid's strong regional presence and established reputation contributed to the division's continued stability.

Cosmetics

The Cosmetics division emerged as the primary driver of growth, benefiting from solid demand in both domestic and export markets. The Personal Care and Baby Cosmetics categories, particularly the **Becutan** brand, recorded notable sales increases. Innovation in formulations, enhanced distribution channels, and targeted marketing efforts contributed

to sustained consumer trust and brand loyalty. Regional exports played a crucial role in the division's success, reinforcing Alkaloid's position as a leader in the category on several regional markets.

Botanicals

The Botanicals segment also saw positive momentum, supported by the increasing global demand for natural and organic products. The company's tea business expanded, with organic tea exports to the U.S. market leading the growth. This success was driven by strengthened distributor relationships and growing consumer preference for high-quality, sustainably sourced botanical products.

Strategic Initiatives and Impact

To enhance competitiveness and profitability, Alkaloid implemented a **product portfolio optimization strategy** and streamlined production processes. These efforts resulted in **substantial cost reductions and operational efficiencies**, reinforcing our commitment to sustainable growth and long-term value creation.

All **core brands** achieved positive momentum, with **Becutan**- our flagship **Baby Personal Care** brand - leading growth in the Cosmetics segment. This success underscores Alkaloid's ability to innovate and respond to evolving market demands while maintaining a strong brand reputation.

Conclusion

Overall, 2024 was a year of adaptability and growth for Alkaloid's Chemicals, Botanicals, and Cosmetics divisions. By leveraging its brand strength, strategic partnerships, and commitment to quality, Alkaloid reinforced its market position and set the stage for continued growth in the years ahead.

Supply

Stable energy prices, shorter material delivery periods, and stable supply prices characterized 2024. This positive trend continued for most of the year.

We continuously monitored and analyzed the current situation and operational risks related to delivery and price movements. We adopted measures suited to market conditions to lower material costs, shorten delivery times, and eliminate potential risks.

As in the past, the new business challenges had no impact on our manufacturing process, thanks to the preventive actions taken, the experience of our employees, and the rapid adaptation to changing global market conditions.

During the third quarter, certain indications of rising material prices emerged, driven by inflation and labor shortages. This trend is expected to continue into 2025.

Notable is the Department's ongoing commitment to improving key performance indicators, increasing inclusivity in the company's ESG strategy, seeking alternative suppliers, and better controlling material inventories.

In 2024, we carried out approximately 16,700 operations in the four plant units and their warehouses to receive and process all types and groups of materials—just under 900 million input units in total.

Warehouse Operations

In 2024, warehouse operations focused on expanding storage capacity for finished products intended for export, marked by the opening of the BARD2 Warehouse with a capacity of 11,000 pallets.

We successfully relocated 6,500 pallets and fully reorganised and optimised our storage for exported products. These efforts ensure seamless and timely deliveries, meeting customer requirements with maximum efficiency. This commitment is reflected in our key performance indicators - 2,931 export deliveries in 2024, with only six customer complaints recorded, achieving a 99.8% delivery accuracy rate.

We actively participate in projects like MES and LIMS, working closely with the Pharmaceuticals Manufacturing and Pharmaceuticals Quality Control departments to fully digitize and integrate processes and ensure maximum system efficiency and support.

We continue challenging and refining warehouse operations, collaborating with relevant departments to streamline processes and maximize results. We made significant efforts to optimize handling excise goods, silver, and flammable materials.

These activities serve as a critical step in preparing the system for the digitization of warehouse operations. This will begin with the BARD2 Warehouse for the Export of Pharmaceutical Products before being rolled out in stages across all our warehouses in both profit centres.

Our commitment remains unwavering—to flawless inventory management, providing modern and safe working conditions, and continuously optimizing capacities and processes through advanced techniques and equipment.

Transportation

As in the previous year, we faced numerous challenges in 2024, including rising transport costs, extended delivery times, delayed shipments, military crises, blockades, and changes in transport routes. These obstacles required significant investment and a dedicated effort to minimize risks. Despite these challenges, we successfully mitigated major negative impacts on operational activities through teamwork and strong collaboration with external partners.

In 2024, 13,481 vehicles of various transport types were engaged, 61.5% of which were company-owned. Of the total number, only 1.8% were underutilized in terms of volume and capacity. Across all transport operations - both company-owned and outsourced - 99% of vehicles were loaded on time, while 96.7% were unloaded or delivered on schedule.

Maintenance

Throughout the year 2024, our company carried out significant activities through our Service Department. In addition to regular activities for preventive and ongoing maintenance of production equipment, production support equipment, infrastructure, and ensuring the quality of measuring equipment, the Service Department actively participated in the finalization and commissioning of new equipment and investment projects.

In collaboration with renowned companies such as Gebüder Lödige, GEA Pharma Systems, Fette Compacting, Alexanderwerk, and DeLama, we successfully finalized and commissioned new systems for homogenization, wet and dry granulation, tableting, and automatic washing of pharmaceutical material storage containers. These projects significantly improved our production capacity and efficiency.

As part of the company's commitment to safety, environmental protection, and energy resource preservation, a series of specific activities were realized at all company sites.

Investments

The commitment to continuously grow, develop, and stay abreast with the latest advancements in pharmacy has driven ALKALOID to maintain a steady course of investment over the past two decades.

In 2024, we remained dedicated to strategic investments and continued to complete the ongoing investment cycle. Large-scale projects are not bound by the calendar year but follow their own implementation pace, often spanning multiple years.

The following is a concise summary of the past year's investments, categorized by topic.

Improvement of technological processes, increase of manufacturing capacities, new manufacturing plants and laboratories

In line with the current capital investment plan (CAPEX 2017–2037), the company has launched several new pharmaceutical facilities since 2017, including a plant for the production of semi-solid pharmaceutical forms (ointments, creams, and gels), a medicine packaging facility, a weighing room for raw materials, and a warehouse for raw material storage. One of the most significant investment activities has been constructing a new plant for manufacturing solid pharmaceutical forms.

With the expansion of **Building B, which hosts manufacturing and packaging of solid pharmaceutical forms**, internal space design, and equipping new production units, we successfully completed a major capital investment cycle – the new facility for manufacturing solid pharmaceutical forms, known as “Tablet Department 2.0,” along with its accompanying technical infrastructure. This investment brought significant product diversification and created conditions for a several-fold increase in solid-form manufacturing capacity.

In 2024, the **Solid Forms Manufacturing Unit**, part of the Pharmaceuticals Manufacturing Department, started operations in a new technological unit comprising wet and dry granulation equipment, homogenization equipment, tableting equipment, film coating equipment, an automatic container washing machine, storage rooms, and additional handling equipment.

At the beginning of the year, we opened the new **A3 Building, dedicated to central cloakrooms for the Pharmaceuticals Manufacturing** department. This facility provides over 900 cloakroom spaces for the department employees, spanning a basement, ground floor, and four floors, with technical floors above each level. It includes all necessary ancillary spaces, fully aligned with the requirements of the expanding manufacturing capacity. The facility is functionally connected to the manufacturing departments across different floors of two adjacent manufacturing buildings, ensuring controlled movement of employees to prevent contamination, a fundamental standard in pharmaceutical production. The new facility spans over 4,100 m², with an investment of €3.8 million in construction and equipment.

The new technical and technological infrastructure, “Tablet Department 2.0,” designed to more than double the production volume and enhance the flexibility of solid pharmaceutical form manufacturing, spans 6,200 square meters, encompassing both production and technical facilities. ALKALOID invested a total of EUR 19.4 million in this endeavor.

Our past and tradition are the foundation upon which we stand as we step into the future. Last year, we invested €60,000 to establish and equip the museum, a tribute to the company’s heritage and history. This space serves as a testament to our journey - where we started, where we stand today, and where we aim to go.

Additionally, at the Gjorche Petrov site, the Investments department upgraded the **Cosmetics Manufacturing Facility** at the same site to meet GMP requirements and obtain the ISO 22716 Certificate for GMP in the cosmetics industry. This achievement underscores the company’s dedication to ensuring the quality and safety of our cosmetic products and wet wipes.

In 2024, we purchased and installed a second production line, doubling our wet wipes manufacturing capacity. To accommodate this expansion, we adapted the premises and modified and upgraded the lotion transfer production lines. The total investment for these improvements was €310,000.

In addition to these major projects, 2024 witnessed numerous small-scale interventions to create new manufacturing and work spaces and enhance existing working conditions.

Investments in Employee Satisfaction- Upholding the “People Above All” Principle

Prioritizing human capital and employee satisfaction is paramount in our company. This commitment has led to several investments in this area.

Alongside the growing number of employees, we continuously make efforts to improve working conditions in manufacturing and across other departments. This includes renovating and modernising office spaces, work areas, and meeting rooms.

These initiatives underscore our ongoing dedication to ensuring safe and fulfilling working conditions, genuinely embodying our “*People Above All*” motto in every aspect of our operations.

Environment, Energy, and Energy Efficiency

Our investment focus increasingly aligns with the goals of the ESG strategy.

The company’s highest priorities are environmental protection and public awareness raising. In 2024, we paid particular attention to investing in **water resource management**.

At the Avtokomanda and Gjorche Petrov sites, we started installing instruments for continuous wastewater monitoring, which will support future measures and improvements. Given the project’s scope, the diversity of manufacturing processes, and the size of the sites, this initiative will continue in the coming years.

To optimize drinking water usage, we are advancing the use of well water for technological purposes. At two facilities at the Gjorche Petrov site, we installed systems for the continuous pre-treatment of well water, which we further use for technical purposes. In compliance with the permit for well water use, this approach utilizes the resource and conserves city water by returning the treated water to the soil.

In line with our commitment to reducing our carbon footprint as part of our ESG strategy and sustainable development efforts, 2024 marked the launch of a major new project: the construction of a photovoltaic plant in Gevgelija with a projected annual electricity production capacity of approximately 11,000 megawatt-hours. To facilitate this initiative, we established a new subsidiary, ALKALOID ENERGETIKA DOOOEL Skopje, dedicated to producing electricity exclusively for internal use. Over the past year, we made intensive efforts to secure prerequisites, carry out preparatory activities, complete urban planning documentation, and prepare project plans. These capacities will enable 75–85% of the electricity used in the company's manufacturing facilities to come from its own renewable sources.

In 2024, we launched a new photovoltaic plant with an installed capacity of 93.525 kW. The investment, valued at €50,000, includes the installation of 215 photovoltaic panels on the roof of Building B at the Botanicals site. This project aims to achieve annual electricity savings of approximately 110 MWh and reduce greenhouse gas emissions by 69 tons of CO₂.

Investing in new manufacturing facilities, modernizing equipment, developing quality projects, and focusing on environmental care and energy efficiency remains at the forefront of our future strategy.

Staying abreast of industry trends, we continue to produce affordable, high-quality, efficient, and safe products bearing the ALKALOID trademark as a symbol of quality and reliability. This approach is deeply embedded in our corporate policy. **Since 2017, we have followed a meticulously designed twenty-year investment plan executed annually with unwavering enthusiasm and commitment.**

Foreign investments

In 2024, ALKALOID AD Skopje registered a new company in Croatia, named ALKALOID PHARMA INTERNATIONAL DOO Zagreb. As 68% of the company's production goes for exports, being present in the EU markets and expanding to new ones is exceptionally important. Thus, the newly opened legal entity is the eighth established in an EU member country.

The company also established a new capital-related company in Kazakhstan, under the name Alkaloid Kazakhstan LLC, marking the company's first subsidiary in Asia. This new entity presents a tremendous opportunity to capitalize on the immense potential of selling pharmaceutical products in this market, valued at nearly 2 billion euros annually. With a population of 19.6 million, Kazakhstan has the strongest economy in Central Asia. Alkaloid's portfolio in Kazakhstan will initially consist of antibiotics and nutritional supplements for pregnant women. The company's future plans involve broadening its product assortment and presence into other countries within this region of interest. The Kazakhstan subsidiary, based in the city of Almaty, marks Alkaloid's 26th capital-related company.

As an international generic pharmaceutical company, ALKALOID AD Skopje aims to be present in all segments of the industry and provide healthcare systems and patients with access to a wide range of medications at affordable prices. In addition to offering generic medicines, ALKALOID AD Skopje has set a strategic objective to introduce biosimilar drugs to the market. To capitalize on this growing business segment in the pharmaceutical industry, ALKALOID AD has decided to invest in the South Korean company Rophibio by acquiring a minority stake, which was facilitated by the recapitalization of its newly established subsidiary, ALKALOID Pharma International in Croatia. This investment in South Korea amounting to 1 million USD will provide ALKALOID AD with an ownership share in the company and the right of first refusal when licensing products in its operating regions. Considering the market potential and the expertise of the Rophibio team, ALKALOID AD has decided to invest in this research and development company, which is currently in the advanced stages of developing biosimilar drugs.

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 the Macedonian, the UK, Ireland, the Netherlands, Portugal, Hungary, Romania, Slovenia, Croatia, Bulgaria, and Kosovo markets. Registration processes are underway for the other European countries and European Union markets, with the anticipation of obtaining marketing authorizations and subsequent product launch.

Human resources (HR)

As every year, in 2024, our commitment to developing and retaining employees has been key to achieving the company's strategic goals. This year, at Alkaloid Skopje and Alkaloid Kons, we welcomed 253 new members to our family.

In line with our core values, we introduced new policies in 2024 to ensure equal treatment for all employees. Promoting and consistently adhering to these policies, we create an inclusive and equitable workplace where every employee feels valued.

Employee Training and Development

In 2024, we conducted numerous internal and external training programs to enhance employee knowledge, skills, and competencies. Each employee completed an average of 172.39 hours of training, with an average training cost of 8,573.64 denars per employee. We continue to train new employees under our mentoring and development programs, regularly updated to align with company needs.

Young Talents Program - Internships 2024

In 2024, 12 interns successfully began their careers with the company. We also employed eight students from the second-generation dual class. Additionally, 626 students participated in development activities, gaining practical experience for smoother integration into the workforce.

We have effectively executed the Young Talents Program for several years, encompassing internships and partial dual education initiatives. For 2024, 52 interns were selected, including 9 with secondary vocational education and 43 with higher education. Since the program's inception, 310 trainees have participated, with an overall employability rate of 39%.

In 2024, the Alkaloid Internship Program collaborated with the following institutions:

- Faculty of Pharmacy, UKIM
- Institute of Chemistry, PMF, UKIM
- Institute of Biology, PMF, UKIM
- Faculty of Technology and Metallurgy, UKIM
- Faculty of Medicine, UKIM
- Faculty of Electrical Engineering & Information Technologies, UKIM - KSIAR
- Faculty of Medical Sciences, GDU – Pharmacy
- Medical Secondary School “Dr. Panche Karagjozov”
- Secondary School “Marie Curie Skłodowska”
- Secondary School “Vlado Tasevski”

Partial dual education

The 2024/2025 school year introduced the 4th generation of students, totaling 99 partial-dual education students. The total employment rate since the 2021 launch of the partial-dual education project stands at 54.5%.

In September 2024, the program expanded to include “Marie Curie Skłodowska” Chemistry High School, with 28 students in the new class.

This initiative reinforces our commitment to fostering young talent through carefully planned and structured training that equips them for successful careers.

Development Activities in Collaboration with Educational Institutions

As part of the 2024 Young Talent Program, we signed an annex to the memorandum of cooperation with the Faculty of Pharmacy Skopje at UCIM, reinforcing a successful long-term partnership marked by numerous completed projects. Full-time pharmacy students participated in development activities integrated into their curriculum through this annex. These activities, linked to predefined subjects, included laboratory exercises, visits to production facilities, and lectures by our leading specialists. In 2024, a total of 626 students took part in development activities we organized, including:

- 204 students – Hands-on exercises in the Training Laboratory
- 247 students – Plant and laboratory visits, with practical exposure to daily operations
- 175 students – Theoretical lectures enriched with practical exercises and case studies

Sport, Health & Well-being Recruitment and Selection

Six hundred twenty-one of our employees participated in the Skopje Marathon. Five hundred forty-two runners ran the 5K race, 77 ran the half marathon, and two ran the full marathon.

Employee Care

As a socially responsible company, we continue to implement projects and initiatives that promote the well-being and care of our employees. Alongside the Welcome to Newcomers Project, we have extended the Employee Child Benefits Program, which provides monthly financial support of 1,150 denars per child for education, sports, recreation, science, and cultural activities. In 2024, we expanded our benefits package by introducing a day off for parents of first graders. The positive feedback from employees and the growing number of beneficiaries highlight the success of these initiatives. These projects reaffirm our dedication to employees and future generations, supporting their growth, education, and development.

During the first quarter, in March 2024, the company provided employees with a net annual leave recourse of MKD 40,500 and extended voluntary private health insurance.

Recruitment and selection were entirely digitized through recruitment software, streamlining the entire process - from annual personnel planning to fulfilling hiring needs. We also actively utilized a new online application system that is available on the company's corporate website.

We emphasized attracting top talent through diverse recruitment strategies and strengthening the Alkaloid brand by actively engaging in career events and collaborating with educational institutions. Notably, for the second consecutive year, we received the Most Desirable Macedonian Employer award, based on a survey conducted by Vrabotuvanje.com.mk. This recognition reaffirms our role in society, attracting and retaining talent, including efforts to curb the outflow of the workforce abroad.

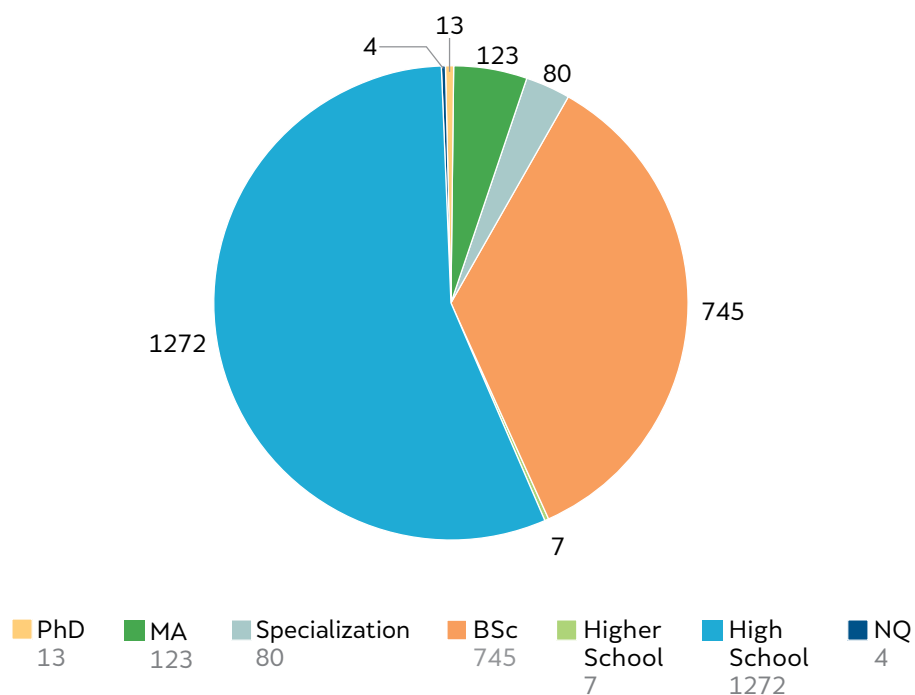
At the end of 2024, we had the following number of employees:

Employee Status on 31.12.2024

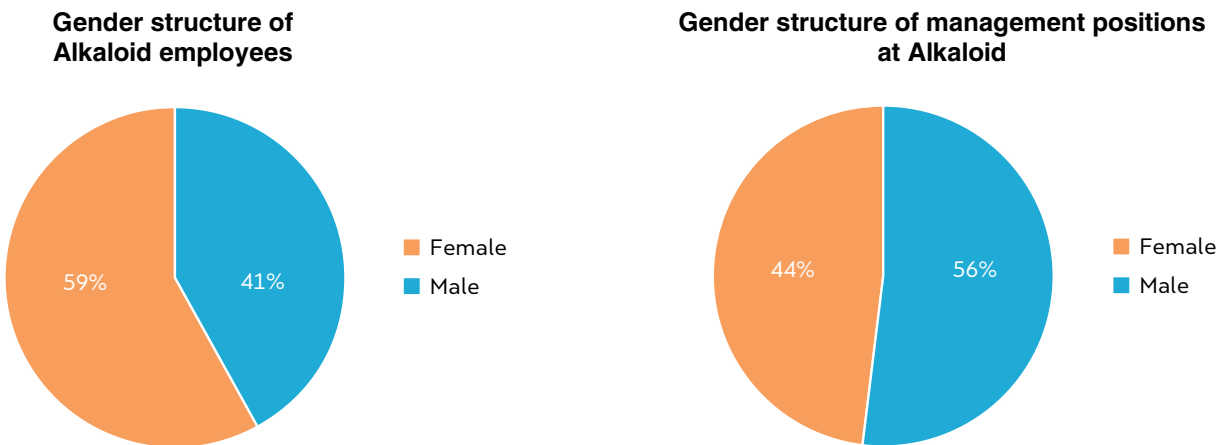
Segment	Number of employees
Pharmaceuticals	1,281
Chemicals	68
Cosmetics	122
Botanicals	50
Sales – Chemicals, Cosmetics, Botanicals	26
CCB Administration	2
CCB Production Planning	6
Corporate Services	689
TOTAL ALKALOID AD Skopje	2,244

We continuously invest in enhancing employee qualifications, recognizing that a skilled and educated workforce is essential for achieving the company's strategic goals and vision.

Employee Qualification Structure



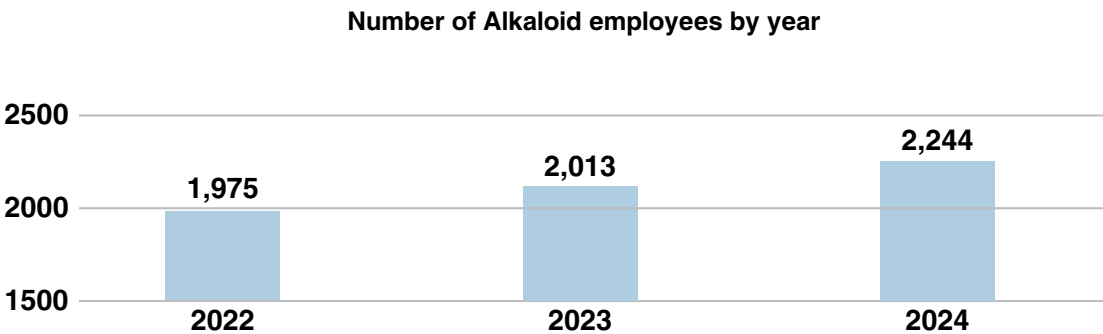
The gender structure at Alkaloid is as follows:



The average age of our employees

The average age of our employees	38
----------------------------------	----

The number of employees has been steadily increasing:



A total of 55 employees left the company at their request. The churn rate is:

Employee Churn (%)	2.5 %
--------------------	-------

Please read more in the ESG report of Alkaloid AD Skopje



Sustainable Development

Environmental Social Governance - ESG

As a global company, Alkaloid continually strives to follow and implement global trends that enhance good corporate governance. It is a pioneer in promoting and applying global standards for good corporate governance in the Republic of North Macedonia.

In today's business environment, sustainability and social responsibility are crucial components of corporate operations. As a leading company with decades of tradition and a strong reputation, Alkaloid recognizes the significance of ESG (Environmental, Social, Governance) principles for its business and the communities in which it operates.

In 2024, Alkaloid continued enhancing its ESG-related processes, addressing challenges in implementing ESG principles for non-financial reporting.

ESG provides a framework for assessing and improving a company's impact on the environment, society, and governance. For Alkaloid, this involves integrating practices that reduce its environmental footprint, promoting social values by supporting the local community, and ensuring transparent, ethical governance.

Implementing the ESG strategy strengthens Alkaloid's reputation and represents a long-term investment in sustainable growth. Alkaloid demonstrates how a company can create value and positively influence society by protecting the environment, improving employee conditions, and practicing responsible management.

In this context, Alkaloid's leadership and vision extend beyond traditional business models, making sustainability a central focus of its operations.

In 2024, the company continued tackling significant challenges in promoting its process. It adopted and implemented a new Supplier Code of Conduct, conducted its first ethics audit with high ratings, and introduced several new policies to enhance employee conditions, all in compliance with SMETA standards.

To strengthen its capacity for implementing ESG standards, Alkaloid held its first corporate ESG workshop. Representatives from all subsidiaries attended the workshop, which focused on preparing a consolidated ESG report.

Transparency and sustainability are critical for long-term success in modern corporate governance. The European Union, through the Corporate Sustainability Reporting Directive (CSRD), has established a robust, mandatory reporting system to ensure uniform and reliable information about companies' impacts on the environment, society, and governance.

The European Sustainability Reporting Standards (ESRS), within the CSRD framework, offer clear guidelines for companies to align their reports with detailed requirements. These standards guide companies in collecting, analyzing, and presenting ESG performance data, ensuring transparency and market comparability.

Alkaloid's ongoing implementation of ESRS and CSRD will enhance its reporting and support the integration of sustainability into strategic decisions. This initiative is a key step toward achieving the goals of the European Green Deal and fostering a more sustainable economy.

Alkaloid embraces its responsibility to create a sustainable future. By applying ESG principles, launching new initiatives, and making strategic investments, Alkaloid aims to retain its employees, attract new talent, improve operational efficiency, and strengthen stakeholder trust.

Please read more in the ESG report of
Alkaloid AD Skopje



Separate financial annual report

KEY FINANCIAL INDICATORS

	Amount 2024	Amount 2023	In 000 MKD Index 24/23
Total revenues	13,972,976	12,765,496	109
Sales	13,433,299	12,261,902	110
Gross profit	5,287,822	4,639,748	114
Earnings before financial cost, taxes and depreciation (EBITDA)	2,886,531	2,572,486	112
Earnings before financial cost, taxes and depreciation (EBITDA margin) (in %)	21.5%	21.0	102
Operating profit	1,921,125	1,684,062	114
Profit before income tax	1,872,306	1,651,839	113
Net profit	1,702,570	1,520,547	112
Total assets	19,740,924	18,351,222	108
Capital	14,453,683	13,510,179	107
Net cash flow	-3,265	55,602	-
Additions to non-current assets	1,342,620	1,700,395	79
Number of employees	2,244	2,103	107
Sales per employee	5,986	5,831	103
Current ratio	2.10	2.02	104
Long term debt	8.2%	7.2%	114
ROE – return on equity	12.18	11.25	108
EPS – earnings per share (in denars)	1,211.4	1,081.9	112
Total number of shares	1,431,353	1,431,353	100
1 EUR/1 MKD (average)	61.5319	61.5570	100

SELECTED FINANCIAL INDICATORS

	Amount 2024	Amount 2023	(In 000 EUR) Index 24/23
Total revenues	227,085	207,377	110
Sales	218,314	199,196	110
EBITDA	46,911	41,790	112
EBIT - earnings before interest and taxes	31,222	27,358	114
Net profit	27,670	24,701	112
EPS - earnings per share	19.69	17.57	112

1. General information

Alkaloid AD Skopje, the parent Company is a joint stock company, established and with head office in the Republic of North Macedonia. The registered address of the Company is: Aleksandar Makedonski 12 1000 Skopje.

Major business activity: Alkaloid AD Skopje produces and sells wide range of pharmaceutical, chemical and cosmetic products, as well as goods from herbal origin. According to the Trade Registry, Alkaloid AD Skopje can perform wholesale operations and foreign trading with food and non food products.

The main scope is production of pharmaceutical products.

The shares of Alkaloid AD Skopje have been listed on the Macedonian Stock Exchange, since 2002.

The annual report on the performance of Alkaloid AD Skopje has been prepared in accordance with the Law on Trade Company ("Official Gazette of the Republic of N. Macedonia" no. 28/2004, 84/2005, 25/2007, 87/2008, 42/2010, 48/2010, 24/2011, 166/2012, 70/2013, 119/2013, 120/2013, 187/2013, 38/2014, 41/2014, 138/2014, 88/2015, 192/2015, 6/2016, 30/2016, 61/2016, 64/2018, 120/2018 and the "Official Gazette of the Republic of N. Macedonia no. 290/2020 and 215/2021) and with the Rulebook for accounting ("Official Gazette of the Republic of N. Macedonia" no. 159/09, 164/10 and 107/11). The report is prepared in accordance with the concept of purchase price, excluding the land property, construction buildings and available-for-sale financial assets, which are presented by their market value.

The presentation of the financial statements in accordance with the Law on Trade Company and the Rulebook for Accounting requires management to make best estimates and reasonable assumptions that affect the amounts presented in the financial statements. These estimations and assumptions are based on reasonable information available, as of the date of preparation of the financial statements. However, actual results may vary from these estimates.

2. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The financial risk management is preformed by the Company's financial department, based on Decisions from Management Board.

Market risk

a) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

To manage the foreign exchange risk the Company provides enough cash in foreign currencies held in banks in order to maintain its future commercial transactions.

b) Price risk

The Company is exposed to equity securities price risk because of available-for-sale investments held by the Company. The Company is not exposed to commodity price risk.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that wholesale sales of products are made to customers with an appropriate credit history. Trade receivables consist of large number of balances. The Company has policies that limit the amount of credit exposure.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Interest risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flow are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from borrowings. The Company has no specific policy, but in direct negotiation with lenders attempts to reduce interest rate risk. Interest rates of long-term borrowings are significantly lower than short term. Interest rates on short term borrowings are decreased in respect of previous year.

Fair value estimation

The fair value of available-for-sale financial assets traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the last traded price.

The fair value of financial instruments that are not traded in an active market is determined by makes assumptions that are based on public information for recent arm's length transactions or reference to other instruments that are substantially the same.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The Company's estimates are based on experience and other factors, including expectations of future events that are believed to be probable in the present circumstances.

3. Additions to non-current assets

Additions to non-current assets include additions to property, plant and equipment and Intangibles.

Additions to non-current assets - segment reporting as at 31.12.2024:

Segments	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Pharmaceuticals	1,145,956	85	1,550,921	91	74
Chemistry, Cosmetics and Botanicals	196,664	15	149,474	9	132
Total:	1,342,620	100	1,700,395	100	79

4. Dividends

The Company does not recognize the dividend payable before it is approved on the Annual General Meeting.

The dividends approved by shareholders on April 1, 2024 amounted to Denar 772,931 thousands for the year ended December 31, 2023. The dividend and the tax related to the dividend are disclosed as decrease of retained earnings. The net dividend paid per share for 2023 is MKD 486.00 (2022: MKD 441.00), which represents an increase of 10.2 %.

5. Borrowings

Borrowings	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Current	1,189,700	62	972,627	58	122
Non-current	738,565	38	690,834	42	107
Total:	1,928,265	100	1,663,461	100	116

The maturity of the borrowings is as follows:

Maturity	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Up to 1 year	1,189,700	62	972,627	58	122
Between 1 to 3 years	738,565	38	690,834	42	107
Total:	1,928,265	100	1,663,461	100	116

6. Major transactions

According to the Law on Trade Company, Alkaloid AD Skopje has no major transactions in 2024.

7. Related party transactions

The Company has no ultimate parent. The shares are widely held.

Alkaloid AD Skopje has investments in twenty-five subsidiaries, two sports associations and one foundation in N. Macedonia and abroad. Sales and purchases of goods and services between related parties are based on regular market terms and prices.

Investments in subsidiaries and associates

Subsidiary	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Alkaloid DOO Beograd, Serbia	173,256	28	173,256	32	100
Alkaloid DOO Zagreb, Croatia	15,439	3	15,439	3	100
Alkaloid INT DOO Ljubljana, Slovenia	866	-	866	-	100
Alkaloid DOO Sarajevo, Bosnia and Herzegovina	39	-	39	-	100
Alkaloid EOOD Sofia, Bulgaria	2,748	-	2,748	-	100
ALK&KOS Shpk Prishtina, Kosovo	307	-	307	-	100
Alkaloidfarm SA Fribourg, Switzerland	5,429	1	5,429	1	100
Alkaloid USA LLC Columbus, Ohio US	3,873	1	3,873	1	100
Alkaloid Kons DOOEL Skopje, N.Macedonia	161,154	25	161,154	29	100
Alkaloid DOO Podgorica, Montenegro	-	-	-	-	-
Fund "Trajce Mukaetov" Skopje, N.Macedonia	3,000	-	3,000	1	100
Alkaloid RUS OOO, Moscow, Russia	119,359	19	119,359	22	100
Alkaloid FARM DOO Ljubljana, Slovenia	461	-	461	-	100
Alkaloid Veledrogerija DOO Beograd, Serbia	7,720	2	7,720	2	100
Alkaloid ILAC TLS Istanbul, Turkiye	2,616	-	2,616	-	100
Alkaloid Bilna apteka DOOEL Skopje, N.Macedonia	308	-	308	-	100
ALKA-LAB DOO Ljubljana, Slovenia	43,081	7	43,081	8	100
Alkaloid Shpk Tirana, Albania	308	-	308	-	100
Alkaloid Kiev CO. LTD., Ukraine	2,157	-	2,157	-	100
Alkaloid LGL DOO, Zagreb	2,157	-	2,157	-	100
Alkaloid UK LIMITED	-	-	-	-	-
HC Alkaloid Handball Skopje	1,542	-	1,542	-	100
HC Multi Essence Skopje	1,542	-	1,542	-	100
Alkaloid Buchurest SRL Romania	6,150	1	6,150	1	100
Alkaloid SEE DOO Beograd, Serbia	1,231	-	1,231	-	100
Alkaloid Pharma International, Croatia	70,729	11	-	-	-
Alkaloid Kazakhstan LLP, Kazakhstan	5,959	1	-	-	-
Alkaloid Energetika DOOEL, N, Macedonia	6,150	1	-	-	-
Total:	637,581	100	554,743	100	115

All subsidiaries are 100% owned by the Company, except investment in Alkaloid USA with the equity share of 49%. Although the investment of Alkaloid AD Skopje in Alkaloid USA LLC Columbus, Ohio USA is 49%, the Company exercises control.

In 2024, ALKALOID registered new subsidiary companies in Croatia and Kazakhstan, Alkaloid Pharm International Zagreb and Alkaloid Kazakhstan LLP. The companies are 100% owned by ALKALOID AD Skopje.

In 2024, ALKALOID registered a new subsidiary company in the Republic of N. Macedonia, ALKALOID ENERGETIKA DOOEL. The company is fully owned by ALKALOID AD Skopje.

In 2023 a new subsidiary was established in Serbia with a name Alkaloid SEE DOO Beograd. In 2022 a new subsidiary was established in Romania with a name Alkaloid Bucharest SRL. The subsidiaries are 100% owned by the Company.

The Company has representative offices in Russia and Ukraine. The operational results of the representation offices are included in the financial statements of the Company.

Sales of goods and services

Subsidiary	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Alkaloid DOO Beograd, Serbia	297,883	4	250,009	4	119
Alkaloid INT DOO Ljubljana, Slovenia	2,121,800	32	1,808,261	31	117
Alkaloid DOO Sarajevo, Bosnia and Herzegovina	275,751	4	-	-	-
ALK&KOS Shpk Prishtina, Kosovo	262,747	4	300,216	5	88
Alkaloidfarm SA Fribourg, Switzerland	3	-	-	-	-
Alkaloid Kons DOOEL Skopje, N.Macedonia	178,275	3	163,653	3	109
Alkaloid RUS OOO, Moscow, Russia	2,091,907	32	1,983,059	34	105
Alkaloid Veleddrogerija DOO Beograd, Serbia	1,285,626	20	1,324,897	23	97
Alkaloid Bilna apteka DOOEL Skopje, N.Macedonia	5,575	-	6,156	-	91
Total:	6,519,567	100	5,836,251	100	112

Purchases of goods and services

Subsidiary	(In 000 MKD)				
	2024 Amount	%	2023 Amount	%	Ind. 24/23
Alkaloid DOO Beograd, Serbia	22,251	3	20,139	2	110
Alkaloid DOO Zagreb, Croatia	12,355	2	11,895	1	104
Alkaloid INT DOO Ljubljana, Slovenia	14,777	2	13,426	2	110
Alkaloid DOO Sarajevo, Bosnia and Herzegovina	151,045	19	180,884	22	84
Alkaloid EOOD Sofia, Bulgaria	880	-	1,148	-	77
ALK&KOS Shpk Prishtina, Kosovo	6,252	1	5,318	1	118
Alkaloidfarm SA Fribourg, Switzerland	149,664	19	223,688	27	67
Alkaloid Kons DOOEL Skopje, N.Macedonia	487	-	438	-	111
Alkaloid DOO Podgorica, Montenegro	57,798	7	51,735	6	112
Fund "Trajce Mukaetov" Skopje, N.Macedonia	12,892	2	10,287	1	125
Alkaloid FARM DOO Ljubljana, Slovenia	-	-	1,199	-	-
Alkaloid Veledrogerija DOO Beograd, Serbia	310	-	-	-	-
Alkaloid ILAC TLS Istanbul, Turkiye	9,421	1	6,750	1	140
Alkaloid Bilna apteka DOOEL Skopje, N.Macedonia	4,044	1	3,353	-	121
ALKA-LAB DOO Ljubljana, Slovenia	3,276	-	7,005	1	47
Alkaloid Shpk Tirana, Albania	30,115	4	20,837	3	145
Alkaloid Kiev CO. LTD., Ukraine	204,551	26	172,422	21	119
Alkaloid LGL DOO, Zagreb	13,217	2	9,970	1	133
HC Alkaloid Handball Skopje	56,350	7	85,800	10	66
HC Multi Essence Skopje	10,650	1	9,950	1	107
Alkaloid SEE DOO Beograd, Serbia	18,651	2	1,174	-	1,589
Alkaloid Pharma International, Croatia	3,468	-	-	-	-
Alkaloid Kazakhstan LLP, Kazakhstan	12,974	2	-	-	-
Total:	795,428	100	837,418	100	95

Accounts receivables

Subsidiary	(In 000 MKD)				
	2024 Amount	%	2023 Amount	%	Ind. 24/23
Alkaloid DOO Beograd, Serbia	162,260	6	159,922	8	101
Alkaloid INT DOO Ljubljana, Slovenia	967,222	36	654,048	32	148
Alkaloid DOO Sarajevo, Bosnia and Herzegovina	194,796	7	-	-	-
ALK&KOS Shpk Prishtina, Kosovo	91,967	3	85,446	4	108
Alkaloidfarm SA Fribourg, Switzerland	3	-	-	-	-
Alkaloid Kons DOOEL Skopje, N.Macedonia	1,224	-	-	-	-
Alkaloid RUS OOO, Moscow, Russia	556,506	21	489,908	24	114
Alkaloid Veledrogerija DOO Beograd, Serbia	732,176	27	660,232	32	111
Alkaloid Bilna apteka DOOEL Skopje, N.Macedonia	2,070	-	2,078	-	100
Total:	2,708,224	100	2,051,634	100	132

Accounts payables

Subsidiary	(In 000 MKD)				
	2024 Amount	%	2023 Amount	%	Ind. 24/23
Alkaloid DOO Beograd, Serbia	-	-	1,144	-	-
Alkaloid DOO Zagreb, Croatia	6,930	3	2,381	1	291
Alkaloid INT DOO Ljubljana, Slovenia	48,387	19	26,939	11	180
Alkaloid DOO Sarajevo, Bosnia and Herzegovina	15,858	6	27,442	11	58
Alkaloid EOOD Sofia, Bulgaria	322	-	257	-	125
ALK&KOS Shpk Prishtina, Kosovo	1,352	1	1,420	1	95
Alkaloidfarm SA Fribourg, Switzerland	101,482	40	111,285	47	91
Alkaloid Kons DOOEL Skopje, N.Macedonia	137	-	605	-	23
Alkaloid DOO Podgorica, Montenegro	13,505	5	12,810	5	105
Alkaloid RUS OOO, Moscow, Russia	-	-	8,996	4	-
Alkaloid FARM DOO Ljubljana, Slovenia	645	-	645	-	100
Alkaloid Bilna apteka DOOEL Skopje, N.Macedonia	1,428	1	1,130	-	126
ALKA-LAB DOO Ljubljana, Slovenia	5,588	2	2,314	1	241
Alkaloid Shpk Tirana, Albania	2,100	1	307	-	684
Alkaloid Kiev CO. LTD., Ukraine	51,435	20	39,395	16	131
Alkaloid LGL DOO, Zagreb	1,753	1	1,156	-	152
Alkaloid SEE DOO Beograd, Serbia	183	-	559	-	33
Alkaloid Pharma International, Croatia	3,466	1	-	-	-
Alkaloid Kazakhstan LLP, Kazakhstan	465	-	-	-	-
Total:	255,036	100	238,785	100	107

Prepayments and short-term loans

Subsidiary	(In 000 MKD)				
	2024 Amount	%	2023 Amount	%	Ind. 24/23
Alkaloid Shpk Tirana, Albania	1,845	100	1,323	100	139
Total:	1,845	100	1,323	100	139

8. Share capital

	Ordinary shares	Treasury shares	Total
At 1 January 2023	2,220,127	-109,285	2,110,842
Purchase of treasury shares	-	-	-
At 31 December 2023	2,220,127	-109,285	2,110,842
Purchase of treasury shares	-	-	-
At 31 December 2024	2,220,127	-109,285	2,110,842

The total authorized number of ordinary shares is 1,431,353 are fully paid. As of 31.12.2024 the number of voting shares with a par value of EUR 25.56 per share. All issued shares is 1,405,509 shares.

Earning per share

	(In MKD)		
	2024 Amount	2023 Amount	Ind. 24/23
Profit attributable to shareholders (in denars)	1,702,570,214	1,520,546,813	112
Number of shares	1,405,509	1,405,509	102
Basic earning per share (in denars):	1,211.35	1,081.85	110

9. Key management compensations

The management team of Alkaloid consists of 146 individuals including members of the Management Board. In the reporting year, the total allowances for gross salaries and awards, annual leave allowance, New Year's bonus, management insurance, severance pay, jubilee awards, and private health insurance for the management team amounted to a total

of MKD 682.9 million. This amount comprises MKD 563.9 million fixed compensation and MKD 119 million variable compensation.

In 2024, the amount of MKD 4,847 thousand (2023: 4,799 thousand) were paid to the Supervisory Board members.

10. Revenues

Total sales of goods and services

Market	(In 000 MKD)				
	2024 Amount	%	2023 Amount	%	Ind. 24/23
Domestic market	3,618,713	27	3,370,337	27	107
Foreign market	9,814,586	73	8,891,565	73	110
Total:	13,433,299	100	12,261,902	100	110

The total sales revenues for 2024 are 13,433,299 thousand denars which indicates 10% growth compared to the sales revenues from 2023 (12,261,902 thousand denars). The growth in total sales revenues is a result from the increase

of sales revenues on foreign market sales for 10% and the increase on domestic market for 7%. The largest portion of total sales revenues, 73% is generated on foreign markets.

Total sales - segment reporting

Segment	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Pharmaceuticals	11,646,582	87	10,566,351	86	110
Chemistry, Cosmetics and Botanicals	1,786,717	13	1,695,551	14	105
Total:	13,433,299	100	12,261,902	100	110

The largest portion in total sales revenues, amounting 11,646,582 thousand is generated on the Pharmacy segment with 87%, which compared to last years' 10,566,351 thousand denars is an increase of 10%.

Domestic market sales - segment reporting

Segment	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Pharmaceuticals	2,754,032	76	2,529,563	75	109
Chemistry, Cosmetics and Botanicals	864,681	24	840,774	25	103
Total:	3,618,713	100	3,370,337	100	107

Total sales revenues on domestic market are 3,618,713 thousand denars, which compared to last years' 3,370,337 have increased for 7%. The largest portion in total sales revenues is generated in the Pharmaceuticals segment, amounting 2,754,032 thousand denars or 76%.

Foreign market sales - segment reporting

Segment	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Pharmaceuticals	8,892,550	91	8,036,789	90	111
Chemistry, Cosmetics and Botanicals	922,036	9	854,776	10	108
Total:	9,814,586	100	8,891,565	100	110

Total sales revenues on foreign market are 8,892,550 thousand denars, which compared to last years' 8,036,789 have increased for 11%. The largest portion in total sales revenues is generated in the Pharmaceuticals segment, amounting 8,892,550 thousand denars or 91%.

Sales by region

Region/Country	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
North Macedonia	3,618,713	27	3,370,337	27	107
South Eastern Europe	4,191,233	31	3,906,542	32	107
Russia and CIS (CIS, UA, ...)	2,819,200	21	2,516,470	21	112
Western Europe (EU and EFTA)	2,655,101	20	2,302,667	19	115
Other countries	149,052	1	165,886	1	90
Total:	13,433,299	100	12,261,902	100	110

The largest portion of 31% of the total sales in foreign markets is generated in the South Eastern Europe region.

Total revenues

Revenues	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
1. Revenues from sales of goods and services	13,433,299	96	12,261,902	96	110
- Domestic market	3,618,713	26	3,370,337	27	107
Sales of goods	2,471,038	18	2,435,737	19	101
Sales of commodities	1,069,091	8	863,777	7	124
Other sales revenues	78,584	1	70,823	1	111
- Foreign market	9,814,586	70	8,891,565	69	110
Sales of goods	8,264,584	59	7,727,031	60	107
Sales of commodities	1,376,938	10	1,038,428	8	133
Other sales revenues	173,064	1	126,106	1	137
2. Other operating income	539,677	4	503,594	4	107
Collected written off receivables	2	-	143	-	1
Income from previous years	1,026	-	4,615	-	22
Dividends income	135,505	1	181,809	1	75
Interest income	422	-	2,213	-	19
Foreign exchange transaction gains	165,029	1	192,144	2	86
Other income	237,693	2	122,670	1	194
3. Finance income	-	-	-	-	-
Foreign exchange transaction gains on borrowings	-	-	-	-	-
Interest income on borrowings	-	-	-	-	-
Total:	13,972,976	100	12,765,496	100	109

Total revenues for 2024 amounting 13,972,976 thousand denars have increased for 9%, compared to last years' 12,765,496 thousand denars. The largest portion of 96% in the total revenues belongs to the sales revenues, which compared to last year have increased for 10%.

Other operating income has a portion of 4% in total revenues. Compared to last year other operating income has increased for 7%.

Finance income only includes income on borrowings. The portion of finance income in total revenue is insignificant.

Sales by category

Sales revenues	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Sales of goods	10,735,622	80	10,162,768	83	106
Sales of commodities	2,446,029	18	1,902,205	15	129
Other sales revenues	251,648	2	196,929	2	128
Total:	13,433,299	100	12,261,902	100	110

11. Expenses

Total expenses by nature

Expenses	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
1. Changes in the inventories	-134,976	-1	-143,165	-1	94
2. Raw and other materials	4,185,805	35	4,251,076	38	98
Raw materials	3,915,892	33	3,963,311	36	99
Energy	254,914	2	274,618	2	93
Spare parts	13,113	-	10,758	-	122
Written off small items	1,886	-	2,389	-	79
3. Cost of commodities	1,508,096	12	1,207,163	11	125
4. Services	608,949	5	565,760	5	108
Transport	195,661	2	176,858	2	111
Maintenance	130,903	1	120,506	1	109
Rent	66,184	1	42,150	-	157
Utilities	216,201	2	226,246	2	96
5. Depreciation and amortization	965,406	8	888,424	8	109
6. Provision for impaired trade receivables	-	-	-	-	-
7. Employee benefits	2,769,643	23	2,448,538	22	113
Gross salaries	2,354,418	19	2,066,818	19	114
Food allowances	72,616	1	73,511	1	99
Holiday allowances	188,746	2	158,141	1	119
Termination benefits	10,345	-	5,667	-	183
Short-term benefits	140,000	1	130,000	1	108
Retirement benefits	1,373	-	12,318	-	11
Other expenses	2,145	-	2,083	-	103
8. Other operating expenses	2,148,928	18	1,809,379	16	119
Cost of business trips	54,443	-	48,077	-	113
Advertising and marketing	1,033,345	9	915,434	8	113
Insurance	141,477	1	108,989	1	130
Taxes and contributions	48,542	-	69,523	1	70
Bank charges and memberships	26,307	-	21,012	-	125
Interest	37	-	36	-	-
Exchange differences from receivables and payables	316,909	3	277,279	2	114
Expenses from previous years	7,500	-	19,995	-	38
Other expenses	520,368	4	403,294	4	129
9. Finance costs (borrowings)	48,819	-	32,223	-	152
Foreign exchange transaction losses on borrowings	-	-	-	-	-
Interest expense on borrowings	48,819	-	32,223	-	152
Total:	12,100,670	100	11,113,657	100	109

The total expenses for 2024 amounting 12,100,670 thousand denars have increased 9% compared to last years' 11,113,657 thousand denars.

The largest portion in the total expenses belongs to Raw and other materials, 35%. Employee benefits have a portion of 23%, Other operating expenses have a portion of 18%. Finance costs include only expenses on borrowings. The portion of finance costs in total expenses is insignificant.

Income statement - expenses by nature

Income statement	(In 000 MKD)				
	2024		2023		Ind.
	Amount	%	Amount	%	24/23
Total revenues	13,972,976	100	12,765,496	100	109
Domestic market	3,618,713	26	3,370,337	26	107
Foreign market	9,814,586	70	8,891,565	70	110
Other operating income	539,677	4	503,594	4	107
Finance income	-	-	-	-	-
Total expenses	12,100,670	-87	-11,113,657	-87	109
Inventories	134,976	1	143,165	1	94
Raw materials	-4,185,805	-30	-4,251,076	-33	98
Cost of commodities	-1,508,096	-11	-1,207,163	-9	125
Services expenses	-608,949	-4	-565,760	-4	108
Gross salaries	-2,354,418	-17	-2,066,818	-16	114
Depreciation and amortization	-965,406	-7	-888,424	-7	109
Provision for impaired trade receivables	-	-	-	-	-
Other operating expenses	-2,564,153	-18	-2,245,358	-18	114
Finance cost	-48,819	-	-32,223	-	152
Profit before income tax	1,872,306	13	1,651,839	13	113
Income tax	-169,736	-1	-131,292	-1	129
Profit for the year	1,702,570	12	1,520,547	12	112

Profit before income tax for 2024 is 1,872,306 thousand denars, which compared to last years' 1,651,839 thousand denars has increased for 13%. The portion of profit before income tax in the total revenue in 2024 is 13%.

The calculated Income tax for 2024 is 169,736 thousand denars, which compared to last years' 131,292 thousand denars has increased for 29%.

Profit for the year 2024 is 1,702,570 thousand denars, which compared to last years' 1,520,547 thousand denars has increased for 12%. The portion of net income in the total revenue in 2024 is 12%.

Income statement - expenses by function

(In 000 MKD)					
Income statement	2024		2023		Ind. 24/23
	Amount	%	Amount	%	
Sales	13,433,299	96	12,261,902	96	110
Cost of sales	-8,145,477	-58	-7,622,154	-60	107
Gross profit	5,287,822	38	4,639,748	36	114
Research and development expenses	-227,849	-2	-189,147	-1	120
Selling and marketing expenses	-2,439,832	-17	-2,068,924	-16	118
Administrative expenses	-833,062	-6	-805,911	-6	103
Other income	578,932	4	503,594	4	115
Other expenses	-405,632	-3	-395,298	-3	103
Operating profit	1,921,125	14	1,684,062	13	114
Net foreign exchange transaction (losses) / gains	-	-	-	-	-
Net interest	-48,819	-	-32,223	-	152
Profit before income tax	1,872,306	13	1,651,839	13	113
Income tax	-169,736	-1	-131,292	-1	129
Profit for the year	1,702,570	12	1,520,547	12	112

The income statement by function model presents the expenses as: Production costs, Research and development expenses, Selling and marketing expenses and Administrative expenses. The finance costs are presented in net values.

The largest portion in total revenues 58% belongs to Cost of sales, which compared to previous year have increased for 7%.

Selling and marketing expenses have a portion of 17% in total revenues. Compared to last year Selling and marketing expenses have increased for 18%.

Administrative expenses have a portion in total revenues of 6% and have increased for 3% compared to last year.

Balance sheet

(In 000 MKD)					
Balance sheet	2024 Amount	%	2023 Amount	%	Ind. 24/23
Assets					
Non-current assets					
Property, plant and equipment	8,027,606	41	7,881,992	43	102
Intangibles	2,288,452	12	2,145,556	12	107
Investment property	203,876	1	-	-	-
Available-for-sale financial assets	637,581	3	554,743	3	115
Investments in subsidiaries	17,069	-	9,231	-	185
Other non-current assets	73,277	-	78,909	-	93
Total non-currents assets:	11,247,861	57	10,670,431	58	105
Current assets					
Inventories	4,274,412	22	4,135,399	23	103
Trade receivables	3,755,713	19	2,965,897	16	127
Other receivables	348,524	2	461,816	3	75
Cash and cash equivalents	114,414	1	117,679	1	97
Total current assets:	8,493,063	43	7,680,791	42	111
Total assets:	19,740,924	100	18,351,222	100	108
Equity and liabilities					
Equity					
Share capital	2,220,127	11	2,220,127	12	100
Share premiums	-109,285	-1	-109,285	-1	100
Legal reserves	596,146	3	596,146	3	100
Other reserves	2,064,022	10	2,135,482	12	97
Retained earnings	9,682,673	49	8,667,709	47	112
Total equity:	14,453,683	73	13,510,179	74	107
Liabilities					
Current liabilities					
Trade and other payables	3,237,843	16	3,096,008	17	105
Current borrowings	1,189,700	6	972,627	5	122
Income taxes	60,216	-	24,231	-	249
Total current liabilities:	4,487,759	23	4,092,866	22	110
Non-current liabilities					
Non-current borrowings	738,565	4	690,834	4	107
Deferred tax liabilities	-	-	-	-	-
Non-current provisions	60,917	-	57,343	-	106
Total non-current liabilities:	799,482	4	748,177	4	107
Total liabilities:	5,287,241	27	4,841,043	26	109
Total equity and liabilities:	19,740,924	100	18,351,222	100	108

Statement of compliance with the Corporate Governance Code

We, the undersigned members of the Management Board ALKALOID AD Skopje, hereby state that in its operations ALKALOID AD Skopje adheres to the Corporate Governance Code for joint stock companies listed on the Macedonian Stock Exchange AD Skopje, published on the Stock Exchange's website at www.mse.mk.

ALKALOID AD Skopje adheres to the principles and best practices of corporate governance prescribed by the Code according to the 'comply or explain' approach by submitting questionnaires, the form and content of which are prescribed with the Code.

By this Statement we hereby confirm that the questionnaires are published on SEI-NET and the website of ALKALOID AD Skopje, and the answers contained therein are correct and true and accurately show the application of the principles and best practices of corporate governance by ALKALOID AD Skopje as prescribed by the Corporate Governance Code.

Date: 27.02.2025

Management Board of ALKALOID AD Skopje

Zhivko Mukaetov
President of the Management Board

Viktor Stojchevski
Member of the Management Board

Olivera Paneva
Member of the Management Board

Gjorgji Jovanov
Member of the Management Board

Kire Icev
Member of the Management Board

address:
ALKALOID AD Skopje, Blvd. Aleksandar Makedonski 12,
1000 Skopje, Republic of North Macedonia

contact:
www.alkaloid.com.mk; alkaloid@alkaloid.com.mk
phone: +389 2 3104 000; fax: +389 2 3104 014

EDB: 4030946257762
EMBS: 4053575



ALKALOID AD Skopje

blvd. „A. Makedonski“ 12, 1000 Skopje
Republic of North Macedonia

www.alkaloid.com.mk



2024 REPORT

ESG

ENVIRONMENT
SOCIAL
GOVERNANCE



ALKALOID
SKOPJE

Health above all



2024

REPORT

ESG

ENVIRONMENT

SOCIAL

GOVERNANCE



ALKALOID
SKOPJE

Content of the **ESG** report

I. INTRODUCTION

Address of the CEO/President of the Management Board of ALKALOID AD Skopje	6
Who We Are	8
Economic indicators	14
About the ESG Report	18
ESG at ALKALOID	20
ALKALOID's ESG strategy	26
Awards, Recognitions and Certificates	30

II. OUR RESULTS IN 2024 34

Most Significant ESG Moments in 2024	36
Short-Term Goals for 2024 and the Activities Implemented to Achieve Them	38
Achieved Results in 2024 - ESG indicators	43
Social Responsibility in Our Company	47



III. ENVIRONMENT	82
IV. SOCIAL	114
V. GOVERNANCE	134
VI. INFORMATION ON SUBSIDIARIES AND REPRESENTATIVE OFFICES	148
VII. OTHER INFORMATION ABOUT THE REPORT	168
VIII. APPENDICES TO THE REPORT	174





Address by the CEO and President of the Management Board of Alkaloid AD Skopje

Dear shareholders, associates, and stakeholders of Alkaloid AD Skopje,

Our ESG report is an established annual publication through which we transparently communicate how we manage environmental protection, social responsibility, and corporate governance using a clear and concise approach. These principles form the foundation of a sustainable and responsible business practice—a commitment we have upheld for decades.

The report provides qualitative insights into our key initiatives—covering environmental protection, contribution to the communities in which we live and work, and corporate governance—and quantitative metrics that assess risks, opportunities, and progress toward our ESG strategy's key objectives. In our ESG reporting, we adhere to the principles and standards set by several European directives:

- The Corporate Sustainability Reporting Directive (CSRD)
- The Corporate Sustainability Due Diligence Directive (CSDDD)
- The Carbon Border Adjustment Mechanism (CBAM)
- The EU Taxonomy Regulation
- The Regulation on the Ecodesign of Sustainable Products (EU 2024/1781)

While these regulations do not yet directly apply to us as a Macedonian legal entity, our global presence in over 50 countries compels us to align with all relevant EU regulations. In preparing this report, we have once again used the Global Reporting Initiative Standards (GRI) for their global recognition, comprehensiveness, and flexibility.

Environmental protection is a top priority in our business strategy. The company has developed and successfully implemented a comprehensive, integrated management system (IMS) that meets the requirements of good manufacturing practice and internationally recognized standards. This system ensures that our products adhere to the highest quality, safety, and efficacy levels, in line with consumer expectations, legal requirements, and applied international standards and guidelines. Our long-term environmental goals include reducing carbon dioxide emissions, increasing waste recycling, expanding the use of recycled packaging, implementing a supplier approval process based on environmental criteria (GRI 308 for new suppliers), and enhancing overall energy management.

In Alkaloid's thriving capital goods exchange, human capital remains our most valuable asset. Through transparent and ethical conduct, we reaffirm our commitment to sustainable development, guided by one of our core values: People Are Above All. As of December 31, 2024, the Alkaloid Group employs 3.042 people, 2.244 of whom are within Alkaloid Skopje. Women comprise 59% of our workforce and 44% of management, while men constitute 41% of employees and 56% of management. We uphold a policy of equal opportunity and fair treatment, fostering an environment where all employees can realize their potential and contribute to the company's success.

The 2024 ESG report was prepared by Alkaloid's ESG board and approved by top management. It covers the period from January 1 to December 31, 2024, and will be published transparently across all public communication channels. The report also includes key ESG performance indicators for Alkaloid's subsidiaries.

Zhivko Mukaetov
CEO and President of the Management Board
of Alkaloid AD Skopje

Who We Are

The human body often inspires awe. At ALKALOID, we see it as a priceless gift of nature—one we are committed to protecting and preserving. With unwavering passion, we create the highest quality products. We continuously invest in our vision of a healthier life for each individual, believing that **HEALTH COMES ABOVE ALL**.

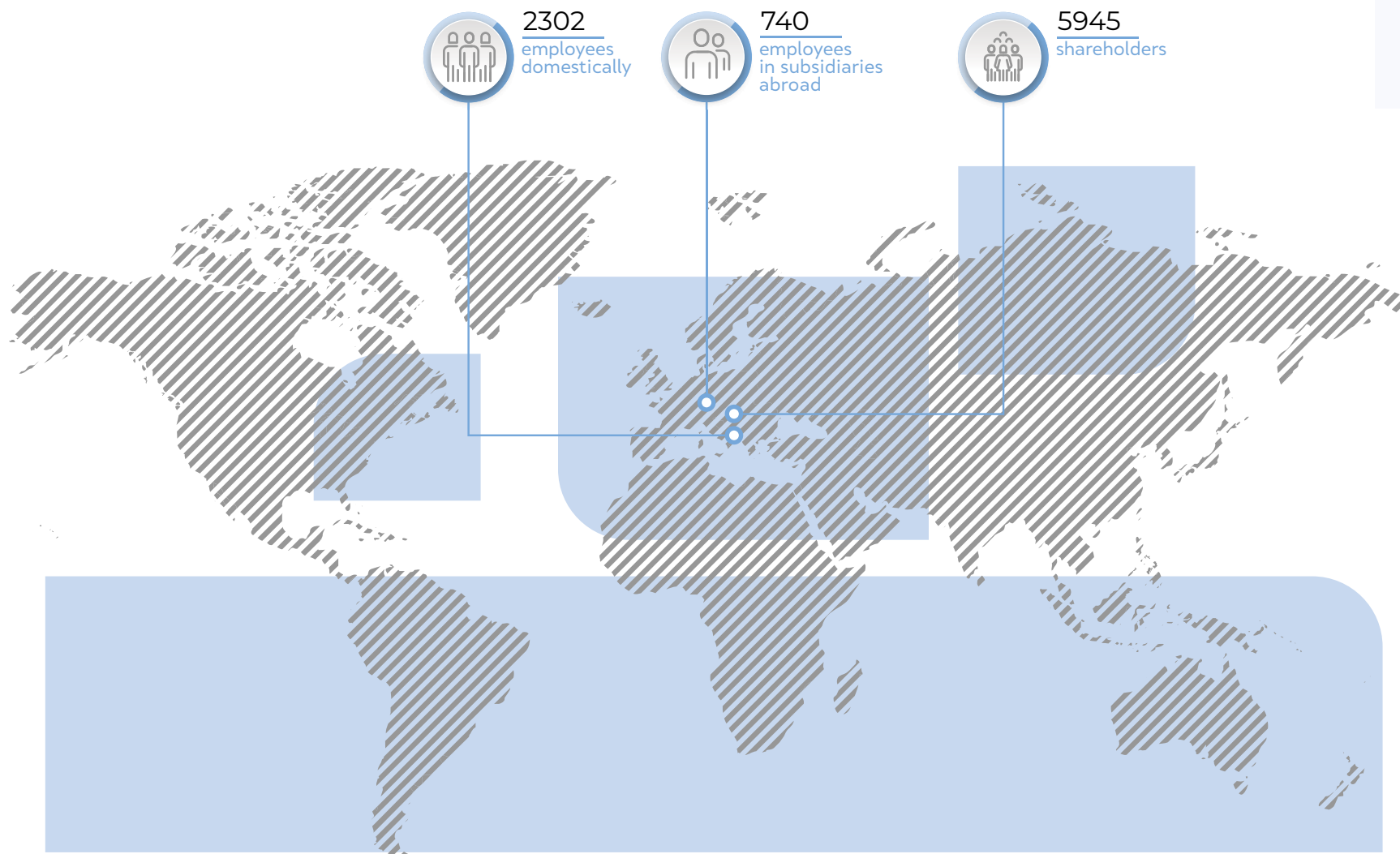
ALKALOID has been producing pharmaceuticals, cosmetics, and chemicals and processing herbal raw materials for nearly nine decades.

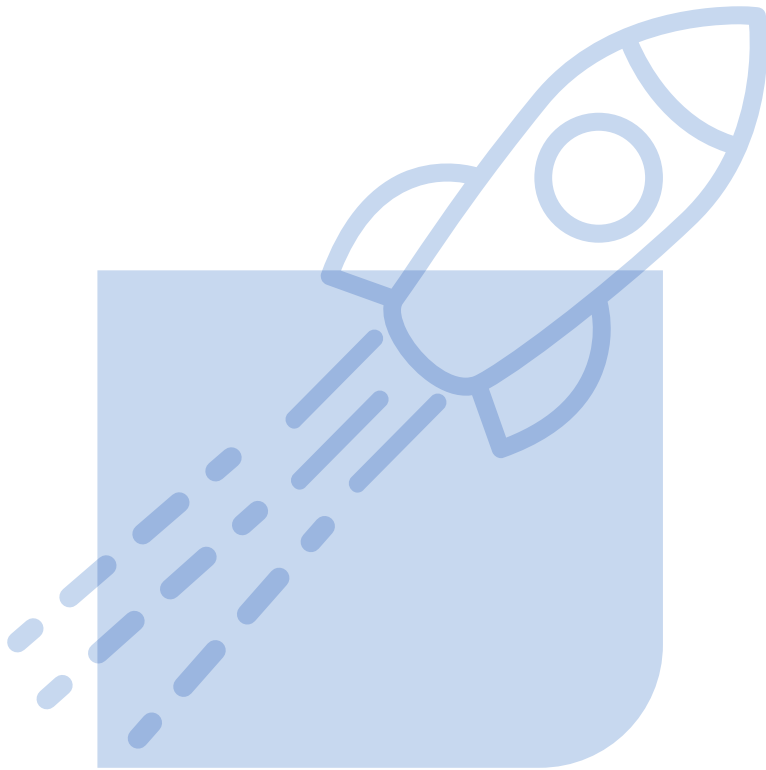
ALKALOID is a joint-stock company operating through two profit centers: Pharmaceuticals and Chemicals, Cosmetics, and Botanicals. 5.945 individual and corporate shareholders own shares in the company.

Today, ALKALOID employs 3.042 people, of which 2.302 in North Macedonia and 740 abroad across 26 subsidiaries and two representative offices. The company operates in Serbia, Montenegro, Kosovo, Albania, Bosnia and Herzegovina, Croatia, Slovenia, Switzerland, Bulgaria, Turkey, Ukraine, Russia, the United States, the United Kingdom, and Romania. We export 68% of our products to more than 50 countries worldwide.

Over the past 15 years, ALKALOID has invested more than €230 million in manufacturing facilities, laboratories, research and development, cutting-edge technology, continuous employee education, and next-generation software. These investments ensure the manufacturing of high-quality products that meet the strictest GMP standards, as confirmed by leading certification bodies.

The company's top priority remains caring for its employees, shareholders, the environment, business partners, the healthcare system, and people's health above all.





Our Mission

Our MISSION is to strive for a healthier world, superior product and service quality, professionalism, and continuous success. Protecting the interests of all stakeholders is imperative. Our core commitment is to care for human health, quality of life, the healthcare system, and the environment. We are dedicated to continuously improving people's health, reflected in our motto: HEALTH ABOVE ALL.



Our Vision

Our VISION is for ALKALOID, a globally oriented company, to pursue ambitious goals that ensure strong competitiveness and market position. We remain open to expanding into new markets and forging new partnerships while producing and delivering top-quality products using the latest technologies and business standards.



Our Values

At ALKALOID, we uphold the highest ethical standards in all business operations. We believe ethical conduct is essential for both personal and corporate success. Our core values are:

- People above all
- Integrity and Honesty
- Achieving the Best Results Together
- Values-Based Leadership

Company Operations



Pharmaceuticals

People build high to see farther.
People build together to stay closer.
People build strong to feel safer.
We build so people can enjoy better health because...

HEALTH COMES ABOVE ALL!

Cosmetics

With nearly 90 years of experience and tradition, ALKALOID-Cosmetics offers a diverse range of high-quality products. The portfolio includes skincare for all skin types, including baby care and hair care products, a perfume collection for men and women, and household cosmetics.





Botanicals

The Botanicals division produces a range of teas under the GOOD NATURE brand, GRINI spices, dried vegetables, Zachinal food seasoning, iodized salt, and other products.

Chemicals

The Chemicals division develops and manufactures pure chemicals and organic and inorganic reagents, available in pro analysi, reagent grade, purum, and pharmacopoeial qualities, for laboratory and industrial use and general consumption. The division also produces agricultural products, medical supplies, and cleaning and disinfection agents.



ECONOMIC INDICATORS

Total revenues

Total separate revenues in 2024 amounted to 13.972.976 thousand denars, reflecting a 9% increase year-on-year. The majority—96%—of total revenues came from the sale of products and services, which grew by 10% year-on-year.

Total consolidated revenues in 2024 reached 19.505.329 thousand denars, marking a 15% increase YoY. Sales of products and services accounted for 97% of total revenues, rising 15% from 2023.

Sales Revenue

As reported in the separate income statement, sales revenue in 2024 amounted to 13.433.299 thousand denars, representing a 10% increase YoY. Total consolidated sales reached 19.005.696 thousand denars, reflecting a 15% YoY.

Total Expenditures

Total separate expenditures in 2024 amounted to 12.100.670 thousand denars, reflecting a YoY increase of 9%.

Total consolidated expenditures in 2024 reached 17.566.477 thousand denars, marking a YoY increase of 16%.

Employees

In 2024, employee costs amounted to 2.769.643 thousand denars, representing 23% of total expenses. They reached 4.336.223 thousand denars at the group level, accounting for 25% of total expenses. These costs include gross salaries, food allowances, annual leave compensation, severance pay, redundancy compensation, and other related expenses. YoY, employee costs increased by 14%.

Dividend

On 1 April 2024, the Annual Meeting of Shareholders approved a gross dividend of 772.931 thousand denars for 2023, equivalent to 486 denars net per share. Compared to the 441 denars net per share in 2022, this represents an increase of 10,2%.

Investments

Total consolidated investments in fixed assets in 2024 amounted to 1.435.215 thousand denars.

Taxes and Other Duties to the State

In 2024, ALKALOID paid 1.627.768 thousand denars to the state in taxes and other duties.

Operating results

The separate earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to 2.886.531 thousand denars, reflecting an increase of approximately 12%. The separate net profit reached 1.702.570 thousand denars, also marking a 12% increase.

The consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) totalled 3.000.938 thousand denars, recording a 9% increase, while the consolidated net profit, amounting to 1.684.020 thousand denars, grew by 7%.

For more information, see the Annual Report.

Pension liabilities

The Company must provide employee benefits, categorized as defined benefits and defined contributions. These obligations are defined as follows:

- Defined Employee Benefits refer to the obligation to pay benefits upon retirement, typically based on factors such as age, length of service, and compensation.
- Defined Employee Contributions refer to the obligation to contribute to public and private pension funds. The Group has no obligation to make additional payments if these funds lack sufficient resources to cover pension payments.

The liability for employee benefits, as reported in the Statement of Financial Position, is presented at the present value of future cash outflows. The amount of defined benefits is calculated annually by an independent actuary using the projected unit credit method. The present value of defined benefits is determined by discounting estimated future cash outflows and applying the interest rate on highly liquid corporate bonds denominated in the relevant currency with a maturity period approximately equal to that of the defined benefits.

The Company is legally obligated to contribute to public and private pension funds. Once pension insurance contributions are paid, the Company has no further liability in this regard. Contributions are recorded as employee benefits in the income statement when they become due. Prepaid contributions are recognized as receivables only if a future refund or a reduction in liability is assured.

The severance payments recorded in the Company's separate reports for 2024 are 60.917 thousand denars, while in the consolidated reports, they amount to 64.046 thousand denars.

For more information, see the Annual Report.

Government support and tax relief

Government support is not recognized until there is reasonable assurance that the Company will comply with the attached conditions and that the support will be received. Government support is recognized in profit or loss on a systematic basis over the periods in which the Company incurs the related expenses that the support intends to offset.

Government support provided for acquiring, constructing, or purchasing non-current assets is recognized as deferred income in the balance sheet. It is allocated to profit or loss on a systematic and rational basis over the useful life of the acquired asset.

Government support received as compensation for incurred costs or as immediate financial aid to the Company - without any obligation for future expenditures - is recognized in profit or loss for the period in which it is received, recorded as a receivable.

In 2024, the Company received state support in accordance with the Law on Financial Support of Investments, amounting to 116.089 thousand denars.

Under the applicable tax laws, the Company benefited from tax relief and exemptions totaling 82.170 thousand denars in 2024.

About the ESG Report

ALKALOID AD demonstrates its commitment to transparency with the new 2024 ESG report keeping stakeholders informed about our actions on key ESG topics and our progress in implementing our ESG strategy through measurable indicators.

We value transparency and accountability as a company focused on long-term sustainable development. Our ESG report helps us track progress and anticipate challenges. Our mission is to positively impact the community, the environment, and the business sector.

As a socially responsible company, we use ESG reporting to provide stakeholders with a detailed and accurate view of how we manage risks and care about these key aspects of our operations.

Our ESG report presents qualitative insights on environmental initiatives, social contributions, and quantitative data that measure performance in managing risks, seizing opportunities, and achieving key ESG strategy goals.

The 2024 ESG report was prepared by the ESG board and approved by senior management. It covers company operations from January to December 2024 and will be fully and transparently published across all public communication channels.

This report also includes ESG performance data for ALKALOID's subsidiaries, tracking the progress and effectiveness of the ESG strategy through comparative data from previous years. These insights provide context for the company's ongoing success, highlighting trends, initiative outcomes, and areas for improvement.

As in the previous reports, we have followed GRI standards and selected them for their global recognition, broad adoption, comprehensiveness, and flexibility. We remain committed to full compliance with non-financial reporting regulations and align with global ESG frameworks and standards, including ESRS, IFRS, and SASB.

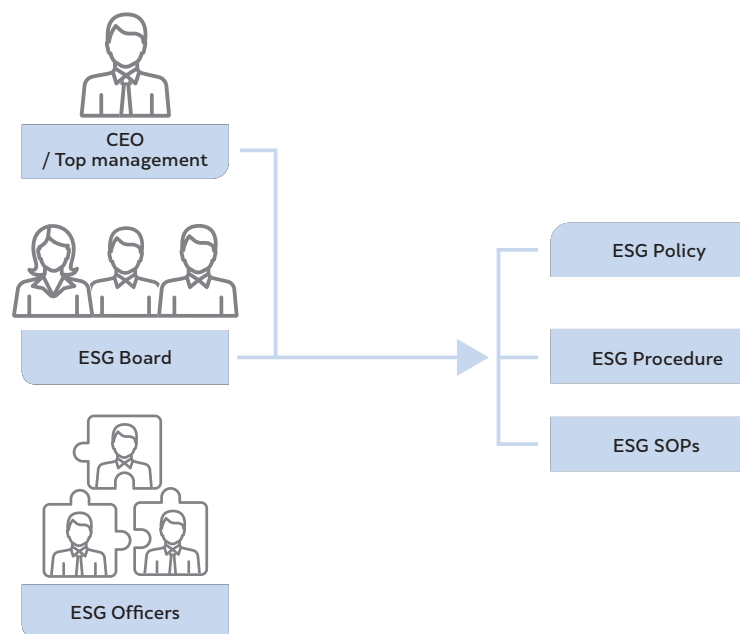
This report includes a GRI reference table to enhance readability and allow readers to locate relevant information easily.



ESG in ALKALOID and its Subsidiaries

ESG Board of ALKALOID AD Skopje

Structure of ESG in ALKALOID AD and its Subsidiaries



ALKALOID's ESG Board includes members from various departments who contribute their expertise and experience in ESG governance and reporting.

The board reports directly to top management, submitting regular updates to the CEO and top management. When necessary, it also reports to the Supervisory and Management Boards, affected stakeholders, and external auditors upon request.

The ESG Board meets monthly and oversees the implementation of the ESG strategy. Its responsibilities include setting long-term and short-term ESG goals, maintaining a systematic approach to measuring key ESG indicators, defining the ESG report, and ensuring effective communication of ESG data with stakeholders.

In 2024, the ESG Board actively monitored strategy implementation, promoted a stronger ESG culture among employees and stakeholders, supported ESG development in subsidiaries, responded promptly to business partner and institutional requests and enhanced ESG reporting with additional key indicators to track goal achievement.

ESG officers

Starting this year, ALKALOID introduced the role of ESG Officers, who are responsible for promoting, supporting, and reporting on ESG activities in the subsidiaries. These officers play a key role in implementing ESG practices at the group level and are responsible for:

1. Collecting data and regularly reporting ESG indicator results for the ESG report
2. Sharing corporate ESG campaigns and engaging local employees in ESG initiatives
3. Communicating with the ESG Board
4. Gathering ESG ideas from subsidiary employees

Environmental and Social Policy

Our ESG policy reflects our commitment to continuously improving all ESG aspects, forming the foundation of ethical conduct and professional success. It fully aligns with our mission and vision, reinforcing our commitment to protecting stakeholder interests and complementing the core values outlined in our Code of Ethics and Professional Conduct.

ESG Reporting Procedure

Our ESG reporting procedure defines our concept and strategy for managing and reporting environmental, social, and governance issues. It outlines all steps required to obtain timely, accurate, and relevant data about managing ESG risks.

ESG Indicators

We track the company's progress toward its ESG goals using ESG indicators and data systematically integrated into key processes related to this aspect of the company's operations.

Stakeholder Communication

Building trust with stakeholders is essential for building long-term, reliable relationships. We actively work to enhance transparency and engagement through various initiatives demonstrating our commitment to sustainable development. The Stakeholder Relations Policy identifies key stakeholders and establishes principles and frameworks for maintaining productive relationships.

Our stakeholders

- Internal stakeholders: employees, executives, shareholders
- External stakeholders: suppliers, healthcare representatives, customers, creditors, banks, financial institutions, media, regulatory bodies, government authorities, educational institutions, local communities, and non-governmental organizations



The most important ESG topics for ALKALOID AD

Materiality/Significance

Assessing the materiality/significance of ESG topics is a key process in defining our ESG strategy, activities, and related indicators. We analyze all ESG aspects using a combined methodology that engages internal and external stakeholders, ensuring a comprehensive and balanced approach to identifying priority issues. We have identified 21 key ESG topics where we believe our company can have the most significant impact and influence our operations. These topics are interconnected and not addressed in isolation, ensuring a holistic and integrated approach to achieving long-term goals.



Importance to Stakeholders	Very High		Increase recyclable waste	Reduce carbon footprint Reduce water footprint Support healthcare systems
	High	Increase the use of recycled packaging Increase the use of recyclable packaging	Integrate all ESG risks into existing risk management processes Support culture and sports Organizing regular humanitarian events	Support education Increase internal production of renewable energy A highly professional and ethical approach to operations Employee training Comply with standards
	Medium		Build a strong culture of risk management and business continuity Gender equality	Care for health and safety at work Employee benefits Promote transparency in operations Respect for core corporate values Equal opportunities for career development
		Medium	High	Very High
Importance to ALKALOID AD Skopje				

ALKALOID's ESG strategy

Achieving the long-term ESG strategy is our strategic priority. It guides how we manage and address environmental and social responsibilities while creating added value for the company. The ESG strategy and goals are based on the materiality assessment of ESG topics and the United Nations Sustainable Development Goals (SDGs). We have identified priority areas where we can drive positive change and contribute to a better future through our actions. The UN SDGs represent a global vision for a sustainable future in which we all play a role.

The UN Global Compact transforms these goals into drivers for sustainable business, generating economic and social benefits for the environment and people worldwide. By integrating SDGs into our operations, we contribute to a sustainable future and ensure ethical and sustainable growth for our employees, investors, and communities.

United Nations Sustainable Development Goals (SDG)



Implementation and development of the ESG framework within the ALKALOID Group.

ALKALOID's core ESG objective

Adherence to high environmental, social, and governance (ESG) standards in line with international best practices, along with ongoing monitoring and compliance with emerging EU regulations.

ENVIRONMENT

Care for the environment
ENVIRONMENT

SOCIAL

Supporting the community in which we work and live
People Above All!

CORPORATE

Transparent, ethical operations and efficient risk management

Long-term goals



- Reduce carbon footprint emissions
- Increase quantity of recycled waste
- Increase recycled packaging use
- Identify sources with significant impact on global warming - Climate Hot Spots
- Establish a new supplier approval process according to environmental criteria and GRI 308
- Improve energy management

- Our primary goal is to give back to the community in which we live and work
- Recognise ALKALOID as a safe place to work

- Care for the health, safety and well-being of employees, people who interact with the company, and everyone in the immediate vicinity of ALKALOID's activities

- Continuously improve company transparency
- Ensure and maintain full corporate compliance with internal policies on ethical conduct and company values, as well as complete adherence to environmental standards
- Maintain good corporate governance
- Foster a strong risk management culture and ensure business continuity by fully integrating ESG-related risks into corporate strategy and operations.
- Increase awareness among Alkaloid's suppliers and business partners on the importance of sustainable development (ESG principles) in their daily operations and processes

AWARDS, RECOGNITIONS AND CERTIFICATES

Macedonian Stock Exchange Awards:



"Most Transparent Listed Joint Stock Company in 2024" – Media Choice Award



"Most Transparent Listed Joint Stock Company in 2024" – Selected by Market Participants



"Stock of the Year 2024" – Voted by the general public in a joint poll by the Macedonian Stock Exchange and the portal Factor



"Good ESG Practices in 2024" – Awarded by the Macedonian Stock Exchange in collaboration with the American Chamber of Commerce in North Macedonia



"2023 Business Leader Award" – First place in the Pharmaceuticals & Preparations Manufacturing category, based on revenue, profit, and number of employees, presented by Business Leader



Awarded "First Place for the Best Company" for its realistic and professional contribution to development through investment and the implementation of best practices in ensuring safe and healthy workplaces for employees, and "First Place for the Company with the Most Investments in Occupational Safety and Health," by the Occupational Safety Association of the Municipality of Bitola, the Occupational Safety Association "28 April" Skopje, and the Association of Safety Engineers TUTELA Skopje.



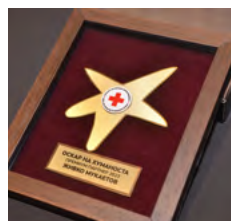
"Company with the Best Implemented Occupational Safety and Health System 2024" – Awarded by North Macedonia's Occupational Safety and Health Council



Special Recognition by the Institute of Transfusion Medicine for Promoting Blood Donation – Awarded to Mr. Zhivko Mukaetov, ALKALOID's President of the Management Board and CEO



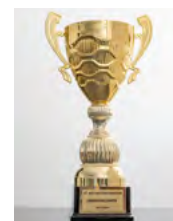
"Most Desirable Employer of 2023 - Absolute Winner" Awarded by "Vrabotuvanje.com"



"Oscar of Humanity 2023 – in the Premium Partner category" Awarded by the Red Cross of the City of Skopje to Mr. Zhivko Mukaetov, ALKALOID's President of the Management Board and CEO, in recognition of his ongoing support for the organization's humanitarian mission, which has been serving the country for eight decades.



"2023 Patent of the Year Award" – For a pharmaceutical formulation containing benzimidazole, awarded by the State Industrial Property Office of the Republic of North Macedonia



Largest Team Trophy – 20th WIZZ AIR Skopje Marathon 2024



Plaque for Demonstrated Social Responsibility 2024 – Awarded by the Municipality of Gazi Baba – Skopje



"Special Achievement in Corporate Social Responsibility Award" – Presented by Ability Net

Eco Vadis Platform

The EcoVadis platform applies a methodology that precisely evaluates a company's sustainability performance, comprehensively analyzing its environmental, social, and ethical impacts across internal processes and the broader value chain.

In 2024, we obtained EcoVadis' COMMITTED sustainability badge. The EcoVadis Sustainability Scorecard provides an independent assessment of sustainability management performance by evaluating implemented policies, objectives, metrics, and results.

The logo for EcoVadis, featuring the word "ecovadis" in a lowercase, sans-serif font. The "v" is stylized with a green leaf-like shape integrated into its upper right stroke.

SMETA Audit and SEDEX Platform

In today's global marketplace, ensuring ethical business practices and corporate social responsibility is essential for companies, suppliers, and consumers. One of the most recognized tools for evaluating and verifying ethical standards is SMETA—Sedex Members Ethical Trade Audit. SMETA is a globally recognized audit methodology that assesses compliance with labor rights, occupational health and safety standards, environmental management, and business ethics. The audit is based on international labor standards, local laws, and the Ethical Trading Initiative (ETI) Core Code. Its primary goal is to provide standardized and comprehensive auditing that fosters transparency, accountability, and continuous improvement across supply chain practices.

We actively participate in the SEDEX platform and conduct self-assessments through the SAQ questionnaire. In 2024, we successfully completed a SMETA audit conducted by BUREAU VERITAS CPS – EMEA, which concluded with a positive outcome.





II. OUR RESULTS IN 2024



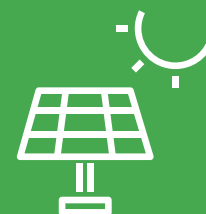
2024 ESG Highlights at ALKALOID AD Skopje



85% of total waste generated was handed over for recycling.



77,6 megalitres of underutilized groundwater compared to 2023



Over **2 GWh** of electricity produced from renewable energy sources

61% of total electricity consumption and **25%** of total energy consumption comes from renewable sources



11% of electricity and over **4%** of total energy used comes from self-generated renewable sources





246 new hires



20 new hires through the Young Talent Program

760 children participate in the Employee Child Benefits project



626 trainees



172 average training hours per employee



2 Recognition for Contribution to Employee Safety and Health

Patented the world's first **Omeprazole** in liquid form



374 Managers trained in "Responsibilities and Powers in Implementing the Occupational Safety and Health System"



Alkanet an intranet platform for internal communication

ESG Workshop
"Preparation of a Consolidated ESG Report of the ALKALOID Group – Practices, Solutions, Guidelines"

ESG



Supplier **code** of conduct

Sustainable Procurement **Policy**



2024 Progress against our short-term goals

✓ Completed → Ongoing




Short-Term Objective	Status	Implemented activities
1. Comply with EU ESG regulations, including the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)	✓	A GAP analysis was conducted between the GRI standards and ESRS and shared with ESG Board members.
2. Conduct the Ethical Trade Audit (SMETA)	✓	A SMETA audit was conducted by Bureau Veritas CPS - EMEA, yielding a positive result.
3. Maintain active status on sustainability platforms (as required by stakeholders)	✓	ALKALOID remains an active member of the EcoVadis and Sedex platforms, fulfilling stakeholder (buyer) requirements.
4. Analyse global ESG initiatives for potential inclusion	✓	A comprehensive analysis of global ESG initiatives was completed and presented to senior management.

























Environment

Completed
 Ongoing
 Postponed

Care for the Environment		
Short-term goals	Status	Implemented activities
Set carbon footprint reduction measures for 2024, targeting a 1% reduction compared to 2023.		Installation of photovoltaics.
		An action to reforest a site of choice and management decision, with seedlings that have absorption power, a green patch, a garden and more.
		Employee Campaign (ESG Month): - Create climate jobs (recommendations to reduce the carbon footprint of jobs, save resources, energy, and circular economy). - Provide incentives to employees of a different nature in terms of using alternative means of transportation - Provide benefits (discounts, instalments) to employees in terms of purchasing bicycles and electric scooters."
		Obtaining an AdBlue trade mark license for the product AUS 32 used in diesel vehicles to reduce nitrogen oxide (NOx) emissions
Reduce waste by 2% with active participation from profit centre managers, implementing their own waste reduction solutions.		Campaign for employees: Proper handling of used and expired medicines (household medicines), plastic packaging of cosmetic products.
		Citizen Campaign: - Initiative to Reduce the Impact of Packaging Waste (Recycling Week) - 14.10.2024 - Human Health, Caring for Nature - Campaign of ALKALOID and Pakomak 05.09.2024 - World Earth Day: Participation in the First Conference on Green Technologies, Sustainable Materials and Technologies for the Circular Economy - Dedicated to Environmental Protection - Climate Change - 07.05.2024 - Saving Water and Water Footprint - 20.04.2024"
		Management of Waste from ALKALOID products.
		Waste Selection and Recycling" - an educational campaign for the youngest (kindergartens, primary schools) on the way of waste management in cooperation with Pakomak.
		Vending machines for waste recycling in collaboration with Pakomak.
		Reduce single-use plastic.
		Identified packaging materials that have been used with the highest mass in the last three years.
Increase the use of sustainable packaging materials.		The necessary measures to achieve full recyclability of these materials have been identified.
		Defined activities/project proposal for the inclusion of recycled material in the packaging of certain products.
		The operational processes that have the most significant (largest) impact on global warming are identified and the significant impacts are calculated.
Identify operational processes with the greatest impact on global warming.		The process has been mapped and continues to be implemented under the Supplier Action Plan in 2025.
Implement a supplier approval process in accordance with GRI 308.		Activities continue into 2025, the effect of the actions taken will be calculable in 2025.
Replace plastic drinking water bottles (0,33l, 0,5l, and 1,5l), reducing plastic packaging by 50% compared to 2023.		
Energy Efficiency - Achieve an annual reduction of at least 1% in specific energy consumption per weight of product, revenue, profit, and inflation-adjusted revenue and profit.		Projects have been implemented to reduce specific energy consumption.
Energy Efficiency - Achieve an annual reduction of at least 1% in specific consumption per weight of product, revenue, profit, and inflation-adjusted revenue and profit.		Projects have been implemented and are underway to achieve this goal.
Water Efficiency - Achieve an annual reduction of at least 1% in specific water consumption per unit of product, revenue, profit, and inflation-adjusted revenue and profit.		Through the implementation of activities throughout the year, the target has been achieved.
Energy Emission Efficiency - Reduce specific emissions per unit of product, revenue, profit, and inflation-adjusted revenue and profit by at least 1% annually.		The goal is achieved through implemented projects and activities.
Energy Traceability - Improve energy and water tracking by increasing the number (or type and resolution) of monitored measurement sites, with a minimum total of 100 new measurement points or parameters, and at least one per OE.		Implemented in Q3 (1.11.2024) 7 metering points for water with a total of 14 parameters and 1 metering point for electricity with a total of 20 parameters.
Energy Management System - Ensure the preparation or inclusion of at least one document per OE within the EnMS framework (SOPs, Annexes, Policies, Procedures, Strategies, URS, CC, etc.).		Completed in November and December 2024 with the implementation of ISO 50001.

Social

















 Completed
  Ongoing
  Postponed

Supporting the community in which we work and live		
Short-term goals	Status	Implemented activities
Raise awareness among the general and/or professional public about topics of social responsibility or topics in the field of company activity through informative and educational content.		"Health Above All" – Mobile Application (designed to provide the general public with easy access and the ability to organize duties and tasks for users in need of assistance).
		"Mom, You're Not Alone" – Digital Platform (aimed at the general public, developed in collaboration with experts to offer professional advice and guidance).
Sports and Sports Activities		Promotion of Handball and support for HC Alkaloid and HC Multiessence.
		Promotion and Support of Chess, including activities of the Alkaloid Chess Club, chess school, and related initiatives.
Organize regular humanitarian and donor events and activities		Blood Donation Campaigns
		Joint Humanitarian Activities in cooperation with the Red Cross.
Organize awareness-raising activities among our employees and the general public to protect the environment		Two Campaigns with the environment department in collaboration with Pakomak.
Constantly encourage employees and increase the number of employees involved in our corporate social responsibility initiatives		Informing Employees in CSR and ESG – Regular reporting and announcements on project implementation and activities of interest.
		Encouraging employee participation by providing guidance on engagement opportunities and motivating employees to increase involvement.
People Above All – Promote and Maintain ALKALOID's Corporate Image as a Company That Cares About Its Employees and the Work Environment		"A Working Day at Alkaloid" – Video Content
		Caring for Our Retirees Project
		Intranet – Internal Communication Platform for improving communication, sharing useful information, and enhancing employee knowledge.
		Picnic for employees and their families.
People Above All		
Maintain employee turnover below 4% per annum		Implementation of Action Plans derived from employee satisfaction surveys.
		Launch of a New Employee Welfare Program
		Continuation of the Employee Child Benefits Program
Implement and develop existing projects to attract new staff		Annual Hiring Plan Implementation
		Young Talent Development Projects (internships, dual education, academic experience in real business environments).
		Employer Branding Initiatives (Work at ALKALOID AD, participation in career fairs).
		Referral Program – Maintain and promote the employee recommendation program.
Provide training and education to employees in accordance with the Career and Development Plans and Annual Training Plans for 2024		Annual implementation of Career Development and Training Plans
		Annual Feedback Sessions to develop individual career growth plans.
Provide a package of health benefits (supplemental health insurance) that exceeds national standards in this area for all employees, as well as additional benefits for their family members		Provide Supplemental Health Insurance
Set up a new job systematization		Implementation of a New Job Systematization System

Short-term goals	Status	Implemented activities
Building and maintaining an inclusive, positive, and respectful work environment for all / equal opportunity and equal treatment for all employees.	✓	Promotion of the New Policy on Non-Discrimination, Diversity, Equal Opportunity, and Inclusion Promotion and Dissemination of Core Company Values
Reduce of injury rates for ALKALOID AD employees in 2024 by 10% compared to 2023 (LTIFR and LTISR)	✓	Fostering a Safety Culture Target: Implement a minimum of six thematic OSH campaigns in 2024.
	✓	Raising Safety Awareness Target: Special events for World OSH Day (28 April) and European OSH Week (October).
	✓	Manager Training on OSH Awareness Target: 40 managers.
	✓	Training on OSH Awareness for Managers, Supervisors, and Shift Leaders Target: 150-200 participants.
Zero rate of injury and occupational illness for employees of external contractors.	✓	Training for External Contractors on Hazardous Activities Target: at least 50 contractor employees.
	✓	OSH Training for ALKALOID Employees Working with External Contractors Target: at least 30 employees trained
Increase in number of reported near-miss accidents at work, 10% increase in reports compared to 2023	✓	Incentivizing Near-Miss Reporting by increased # of reported KM/MP incidents Target: Increase resolved KM/MP cases by at least 10% compared to 2023.
Train Employees on Specific OSH topics and Fire and Explosion Protection and Safety and Rescue Measures	✓	Training in Legal Regulations Target: Average OSH training test success rate above 85%.
	✓	First Aid Training Target: Train and retrain at least 100 employees in 2024.
	✓	First Aid Training Target: Develop and implement new indoor first-aid guidelines
	✓	Disaster and Incident Preparedness Training Target: Full employee evacuation drills per evacuation regulations.
	✓	Fire and Explosion Protection Practical Training Target: Minimum 100 employees, including all new hires in 2024.
Conduct an Audit of Workplace Risk Assessment in line with the new job systematization 2024	➡	Risk Assessment Audit Implementation – Conducted in parallel with the new job systematization.
Enhance security and protection staff's competence on authority, application of coercive measures, and implementation of organizational and technical measures for personal data protection.	✓	Training on Procedures for the Application of Means of Coercion Target: Achieve an average training test success rate above 85%.
	✓	Training on Organizational and Technical Measures for Personal Data Protection Target: Achieve an average training test success rate above 85%.
Increase the competence of private security workers who provide services to ALKALOID, on authority, application of coercive measures, and implementation of organizational and technical measures for personal data protection.	✓	Training on Procedures for the Application of Means of Coercion Target: Achieve an average training test success rate above 85%.
	✓	Training on Organizational and Technical Measures for Personal Data Protection Target: Achieve an average training test success rate above 85%.

Governance

 Completed  Ongoing

Transparent, ethical operations and efficient risk management		
Short-term goals	Status	Implemented activities
Regular Communication with Key Stakeholders – Ensure annual reporting of relevant ESG information in line with leading disclosure standards.		The ESG report for 2023 was prepared and published in 2024.
Raise Employee Awareness on: ESG themes, goals, and strategy; culture of quality; role of each employee in achieving company objectives.		In June 2024, the company celebrated ESG Month. In October 2024, the ESG workshop "Preparation of a Consolidated ESG Report of the ALKALOID Group" was held.
Maintain Ethical, Legal, and Pharmaceutical Compliance		Conducted training on newly adopted policies and provided a refresher on the Code of Ethics and Professional Conduct.
Strengthen the Capacity of the Corporate Compliance Commission		Issued a Legal Bulletin.
Enable access to AlkaSpeakUp on Subsidiary Websites		Conducted training for members of the Corporate Compliance Committee.
Protect of Personal Data		Developed websites for some subsidiaries and adapted a technical solution for platform integration.
		Implemented IT security measures for encrypting personal data in certain datasets.
		Adopted a decision-making procedure in the selection of data processors.
		Adopted internal acts for personal data protection in Romania and Serbia.
Strengthen the Capacity of Management and Supervisory Boards		Personal Data Protection training became mandatory in the new employee orientation process.
Implement Awareness Campaigns to educate employees and managers on the importance of governance and compliance rules.		In October 2024, an ESG workshop entitled "Preparation of a Consolidated ESG Report of the ALKALOID Group" was held. OSH training for management was conducted. The Supervisory Board submitted proposals for acts for adoption by the Board of Directors.
Commit to Gender Representation in Governing Bodies		Training on newly adopted policies was conducted, along with a refresher on the content of the Code of Ethics and Business Conduct.
Embed all ESG risks into existing operational and strategic risk databases.		Organized Leadership Days.
Ensure the widest possible distribution and signing of the "Supplier Code of Conduct" among active suppliers of ALKALOID, achieving 100% distribution to the selected supplier category by 2024.		Collaborated with the Risk Officer to identify and integrate ESG risks into the existing risk management model.
		Prepared promotional materials and trained suppliers on sustainable development (ESG concept) and the Code of Conduct for Suppliers.
		Distributed the Code of Conduct for Suppliers to the selected supplier category.

Summary of Key ESG Indicators of ALKALOID AD Skopje

For further details on these and other ESG indicators, refer to the full ESG report and its annexes.

Indicators	2022	2023	2024	Unit of measure	GRI / other ESG indicators
Total waste generated	815,62	775,20	828,45	t	GRI: 306-3-a
Hazardous waste	115,73	118,73	70,72	t	GRI: 306-3-a
Non-hazardous waste	699,89	656,47	757,83	t	GRI: 306-3-a
Recycled waste + incinerated waste	697,39	670,33	696,18	t	GRI: 306-4-a
Recycled waste	584,45	549,54	627,24	t	GRI: 306-4-a
Landfilled waste	118,32	104,87	132,27	t	GRI: 306-5-a
Household waste	4.550,00	8.640,00	9.120,00	m3	GRI: 306-5-a
Surface water	0,00	0	0	ML	GRI: 303-3
Ground water	143,99	154,77	77,19	ML	GRI: 303-3
Water obtained from third party	190,92	189,37	222,44	ML	GRI: 303-3
Surface water + Ground water + Water obtained from third party	334,90	344,14	299,63	ML	GRI: 303-3
Electricity	13.778,00	12.801,55	14.557,13	MWh	GRI-302-1
Oil	196.250,00	126.490,00	63.988,00	L	GRI-302-1
Natural gas	2.235.058,00	2.046.652,00	2.159.299,00	Nm3	GRI-302-1
Emissions from stationary sources - Scope 1	5.161,37	4.362,17	4.525,26	t CO2 eq	GRI-305-1
Emissions from mobile sources - Scope 1	395,88	437,61	285,17	t CO2 eq	GRI-305-1
Emissions from cooling equipment - Scope 1	26,54	57,46	73,05	t CO2 eq	GRI-305-1
Emissions from purchased electricity - Scope 2	9.811,20	3.693,10	4.087,42	t CO2 eq	GRI-305-2
Business travel emissions - Scope 3	61,40	112,98	77,03	t CO2 eq	GRI-305-3
Emissions from employee transportation (organized transport) to the workplace - Scope 3	14,96	14,17	14,17	t CO2 eq	GRI-305-3
Emissions from "Upstream" transport*	/	1.628,26	1.771,21	t CO2 eq	GRI-305-3
Emissions from waste - Scope 3	/	1.360,34	1.429,91	t CO2 eq	GRI-305-3
Emissions from treatment of waste from finished products - Scope 3	/	122,32	7,17	t CO2 eq	GRI-305-3
Emissions from procurement of capital goods - Scope 3	/	/	5959,74	t CO2 eq	GRI-305-3
Emissions from procured fuels and energy sources - Scope 3	/	/	1370,22	t CO2 eq	GRI-305-3

* Transportation of our products and materials, carried out by a third-party company, paid for by ALKALOID.

Summary of Key ESG Indicators of ALKALOID AD Skopje

For further details on these and other ESG indicators, refer to the full ESG report and its annexes.

Indicators	2022	2023	2024	Unit of measure	GRI/ other ESG indicators
Total number of company employees	2.617	2.843	3.042	Number of employees	other ESG indicators
Total number of company employees in Macedonia	1.975	2.155	2.302	Number of employees	other ESG indicators
Share of female employees	59%	58%	59%	Percentage of employees	GRI-405-1
Share of women in management positions	46%	46%	44%	Percentage of employees	GRI-405-1
Rate of new hires	9,37%	10,94%	10,96%	Percentage of employees	GRI-401-1
Turnover Rate	2,72%	3,05%	2,53%	Percentage of employees	GRI-401-1
Average number of training hours per employee per year	121	119,36	172,39	Hours	GRI-404-1
Percentage of employee satisfaction	71,74%	71,94%	/	Percentage of satisfaction	other ESG indicators
Total revised workplace risk assessments	26	122	29	Number of audited workplace risk assessments	GRI-403-2
Total reported near-miss accidents	17	31	38	Number of reported near-miss accidents	GRI-403-2
Concluded agreements with health care institutions for occupational medicine	4	4	4	Number of contracts with occupational medicine health care institutions	GRI-403-3
Total preventive health examinations of employees carried out	1991	1698	2020	Number of preventive health examinations of employees carried out	GRI-403-3
Total employee legally required trainings carried out	775	2405	789	Number of legally required trainings carried out	GRI-403-5
Total specific OSH trainings carried out	300	202	620	Number of specific OSH trainings carried out	GRI-403-5
Total first aid trainings carried out	45	167	150	Number of first aid trainings carried out	GRI-403-5
Total trainings for fire and explosion protection and evacuation carried out	610	1073	739	Number of trainings carried out for fire and explosion protection and evacuation	GRI-403-5
Number of Deaths	0	0	0	Number and rate of deaths	GRI-403-9
Number of Serious Injuries	0	0	0	Number and rate of serious injuries	GRI-403-9

Indicators	2022	2023	2024	Unit of measure	GRI/ other ESG indicators
Number of Registered injuries	44	33	29	Number of registered injuries	GRI-403-9
Frequency rate of Registered Injuries	11,36	8,07	6,7	Rate of registered injuries per 1.000.000	GRI-403-9
Severity rate of injuries	21,44	14,3	11,27	Rate of severity of injuries	other ESG indicators
Rate of injuries / 1.000 employees	19,66	13,01	10,84	Number of injuries per 1.000 employees	other ESG indicators
Total working hours	3.871.199	4.090.490	4.329.441	Number of working hours	GRI-403-9
Main cause of work-related injuries	Slipping, tripping, falling and unsafe handling	Slipping, tripping, falling and unsafe handling	Slipping, tripping, falling and unsafe handling	Cause of work-related injuries	GRI-403-9
Registered injuries to supplier employees	0	1	0	Number of injuries/number of serious injuries to supplier employees	GRI-403-9
Frequency rate injuries to supplier employees	0	5	0	Rate of registered injuries per 1.000.000	GRI-403-9
Registered occupational diseases of ALKALOID employees	0	0	0	Number of registered employees with occupational diseases	GRI-403-10
Registered occupational diseases of supplier employees	0	0	0	Number of registered employees with occupational diseases	GRI-403-10
Purchases from local suppliers	/	30%	29%	Share of local suppliers in company's total purchases	GRI 204-1



Social Responsibility at ALKALOID

- Social and environmental impact is one of ALKALOID's core strategic priorities.
- We remain fully committed to our efforts for sustainable development, ensuring a positive and significant impact on our community and the planet.
- Recognizing our environmental responsibility, we actively implement targeted projects and initiatives that address local needs and challenges. Through these efforts, we contribute to positive change in areas ranging from health and education to environmental protection.
- Maintaining transparency and ethical conduct builds trust and strong relationships with all stakeholders. We continuously reaffirm our commitment to sustainable development by supporting social projects and creating value that enhances the lives of all process participants.

We continuously reaffirm our commitment to sustainable development by supporting social projects and creating value that enhances the lives of all process participants.



ALKALOID AD Skopje Achieves Historic Milestone in Reflux Esophagitis and GERD Treatment – Patents the World's First Liquid Omeprazole

In recent years, we have focused on redesigning existing generic pharmaceutical products to better serve patient groups with unmet needs by developing value-added drugs. We made strategic investments in modernizing our product portfolio, culminating in creating our first patented value-added medicine—the world's first liquid formulation of Omeprazole. This breakthrough is primarily intended for the treatment of reflux esophagitis and gastroesophageal reflux disease (GERD) in young children who cannot swallow tablets, as well as in adult patients with swallowing difficulties (dysphagia, feeding tube patients, and geriatric patients).

Reflux diseases are among the most common gastrointestinal conditions. They are characterized by stomach acid reflux into the esophagus, leading to discomfort and potential complications. Proton pump inhibitors (PPIs), including Omeprazole, are the most commonly prescribed treatment, traditionally available in gastro-resistant tablets, capsules, and powder formulations.

ALKALOID has developed a ready-to-use liquid Omeprazole formulation for the first time in history.

Our innovative product features a dual-chamber packaging system that automatically mixes two separate solutions upon opening, creating a ready-to-use liquid formulation. The product has a pleasant lemon and menthol flavor and contains no sugar, parabens, sorbitol, or artificial dyes. To meet the specific manufacturing requirements of this breakthrough formulation, we invested in a specialized, purpose-built manufacturing system that ensures an efficient production process and a reliable global drug supply chain.

The company received its first international patent for a Value-Added Medicine (VAM) for liquid Omeprazole. Initial marketing approvals have already been granted for Macedonia, the UK, and several European Union markets.



Additionally, the State Industrial Property Office of Macedonia recognized this innovative formulation as "Patent of the Year for 2023" as part of World Intellectual Property Day (April 26). The International Patent Application for Liquid Omeprazole was filed on April 17, 2020, covering multiple regions and countries, including the European Union, the United States, Canada, China, the Eurasian Economic Union and others. On August 3, 2023, the European Patent Office (EPO) approved the patent application, which has since been validated in 39 European countries, including Macedonia.

This breakthrough reaffirms our commitment to pharmaceutical innovation, distinguishing us in the market and enhancing treatment options for specific patient groups. Our development laboratories continue to work on additional innovative formulations.

WORLD'S FIRST
READY-TO-USE LIQUID
OMEPRAZOLE



Unique and premium product by Alkaloid

Patented formulation and packaging





ALKALOID
BICOPJE
Health above all

DONATIONS AND SPONSORSHIPS

With a 12.5 million denars donation of liquid Omeprazole, ALKALOID AD Skopje supports the treatment of around 200 pediatric patients at the University Clinic for Pediatric Diseases and the "Kozle" Children's University Clinic for Respiratory Diseases.

As a longstanding supporter of Macedonian healthcare and pharmacy, we donated part of our innovative liquid Omeprazole production in 2024, valued at 12.520.800 denars, to these clinics. This donation ensures easier access to essential treatment for children in need. Based on the assessments of these two institutions, the provided therapy will benefit approximately 200 pediatric patients over a year.

Guided by our core priority—people and health above all—which defines our mission to promote a healthier life for every individual, this donation focused on the youngest patients, represents our commitment to easing the treatment process and enhancing their quality of life.

Ready-to-use liquid Omeprazole is designed to treat reflux esophagitis and gastroesophageal reflux disease (GERD) in young children who cannot swallow tablets and in adults with swallowing difficulties (dysphagia), including patients with gastric feeding tubes and geriatric patients.

The innovation behind this product lies in its dual-chamber packaging, which automatically mixes two separate solutions upon opening, creating a ready-to-use liquid formulation. It has a pleasant lemon and menthol flavor and contains no sugar, sorbitol, parabens, or dyes.

For decades, our company has been a trusted partner to our society, always stepping in where help is most needed. Caring for the youngest members of our community remains a key priority in our corporate social responsibility initiatives.





10TH HUMANITARIAN PICNIC FOR ALKALOID EMPLOYEES

About 2 Million Denars Donated to SOS Children's Village

Our commitment to social responsibility continues to expand each year. Social responsibility has been one of the core foundations of our company's growth and development for nearly nine decades. This mission comes to life annually through a charitable event held under the auspices of the Trajche Mukaetov Foundation, gathering employees, their families, and close friends.

In 2024, we celebrated the 10th anniversary of this collective act of solidarity at a picnic that has become a true celebration of humanity for all our employees. Purpose-designed T-shirts featuring the motif of individual energy inspired by color theory served as symbolic entry passes to the event. The ALKALOID family and friends raised and donated about 2 million denars to the SOS Children's Village organization through this initiative.





Driven by a single, positive purpose-to support children and young people without parental care-we came together to offer unconditional support through compassionate action and presence. In doing so, we set an example of motivation and positive change within our community and society as a whole. Our employees demonstrated exceptional dedication, further enriching the impact and significance of this humanitarian effort.

ALKALOID's partnership with SOS Children's Village Macedonia began in 2022 when one of the houses in the Chento neighborhood was named "Bekutan House." The company covered its daily operational costs, easing financial burdens related to childcare, education, and professional counseling because every child deserves a happier, more carefree childhood. In 2023, as part of the 45th anniversary celebration of the Bekutan brand, we allocated a percentage of sales from the Bekutan children's collection to SOS Children's Village, raising and donating more than 2 million denars.

Held at the Best Western Hotel Bellevue Skopje complex the picnic brought together employees, their loved ones, and friends for a day of laughter, connection, and entertainment. Guests enjoyed interactive activities and live music, with mini-concerts by the band DNK and singer Djoko Taneski, whose hits were sung in unison. It was a day of fun for everyone.

When our pursuit of better health and quality of life extends beyond a corporate vision to become a personal mission, finding the balance between work and enjoyment comes naturally. This blend of work and family life, enriched by positive values, has transformed our collective responsibility into a cherished tradition.

Beyond its humanitarian significance, the picnic is one of the most critical events reaffirming our commitment to putting people above all. Organizing such activities is part of our strategy to strengthen our corporate identity as a company that prioritizes employee well-being and supports their families. It also reflects our ongoing efforts to enhance workplace conditions and overall well-being. We believe a healthy and inspiring work environment is the foundation of success. These shared experiences foster mutual trust, teamwork, and a sense of belonging within the large ALKALOID family.



HUMANITARIAN ACTIVITIES

TOGETHER WE CAN ACCOMPLISH MORE – Humanitarian Activities of ALKALOID AD Skopje and the Red Cross of the City of Skopje

For nearly nine decades, we have upheld and expanded our humanitarian mission through initiatives that reflect our company's and employees' awareness and responsibility in providing collective support and assistance.

As part of our long-term partnership with the Red Cross of Macedonia – Red Cross of the City of Skopje, humanity, determination, and a willingness to help remain at the heart of our humanitarian efforts. In the spirit of solidarity, we regularly collaborate on joint projects to support vulnerable groups in need.

As in previous years, we carried out several joint activities with the Red Cross of the City of Skopje, the social enterprise "Kopche," and the Institute of Transfusion Medicine, focusing on humanitarian aid, social responsibility, and health initiatives, including blood donation campaigns.

Continuing our decades-long tradition of blood donation, this year witnessed an even larger turnout under the motto "Donate Blood, Save a Life." In two blood drives, 405 ALKALOID employees voluntarily donated blood.

In cooperation with the social enterprise Kopche, we organized another successful Clothing Donation campaign. Employees generously contributed nearly 2 tons of high-quality clothing at designated collection points across company sites.

To support socially disadvantaged citizens, we launched a humanitarian food donation campaign. Our employees selflessly donated nearly 1 ton of non-perishable food, providing relief to those living in social risk conditions.



Through these initiatives, we reaffirm our commitment to making a meaningful and lasting impact on the community. As key ambassadors of these humanitarian efforts, our employees continue to embody the spirit of collective responsibility, a core value of our corporate culture. Their dedication to fostering awareness, responsible action, and solidarity will remain a driving force in shaping a more compassionate and socially conscious society.



SUPPORTING THE GENERAL PUBLIC WITH INFORMATIVE AND EDUCATIONAL CONTENT

"Mom, You're Not Alone" – A Digital Platform

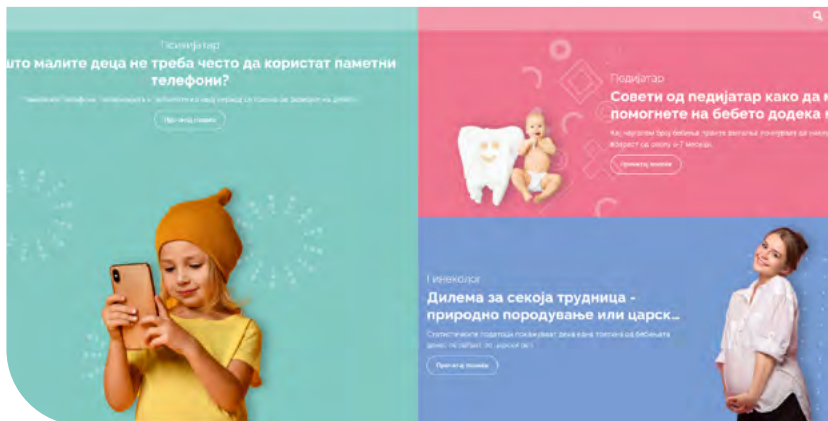
The joy of motherhood begins with the awareness of a new life - the baby's first heartbeats growing within. Motherhood brings moments of pure happiness, love, and deep emotions, as well as daily challenges.

Pregnancy and childbirth are times of rapid change and transformation, often triggering a range of emotions—from joy and excitement to fear and anxiety. Hormonal fluctuations, lack of sleep, new responsibilities, and rising expectations are all part of the motherhood journey.

Every mother adapts to this new role in her own way, and during this period, unconditional support is essential. That's why we created "Mom, You Are Not Alone" - a Becutan brand initiative to foster a positive parenting experience.

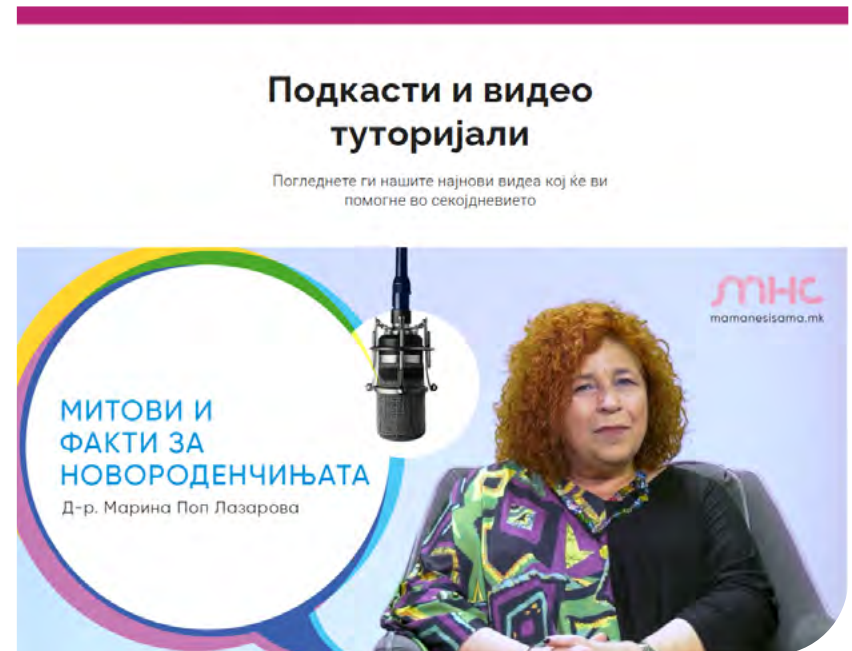
Through this platform, we offer guidance and support for the challenges of pregnancy, postpartum recovery, and healthy child growth and development. Collaborating with renowned doctors and experts, we have developed educational content covering various parenting topics. So far, we have provided over 100 expert articles and more than 15 video resources, offering valuable insights for current and future parents.

The "Mom, You Are Not Alone" platform includes a chatbot feature to make it even easier for parents to find the answers they need.



Подкасти и видео туторијали

Погледнете ги нашите најнови видеа кој ќе ви помогне во секојдневието



**МИТОВИ И
ФАКТИ ЗА
НОВОРОДЕНЧИЊАТА**

Д-р. Марина Поп Лазарова

MNC
mamanesisama.mk



"Parenthood Then and Now" – BECUTAN's First Regional Conference

The Becutan brand organized the first regional conference on parenting, where experts and public figures unanimously emphasized that parenting is a unique life role that demands great responsibility, unconditional love, deep care, immense courage, and countless compromises. The event gathered nearly 200 attendees from Macedonia and the region.

Recognizing the challenges of modern parenting, Becutan was proud to host this extraordinary event, shifting the focus from nurture alone to the broader concept of caring for every child from birth.

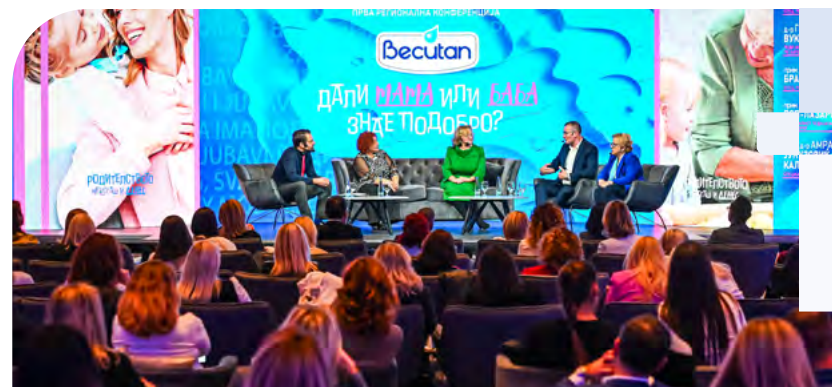
The conference tackled sensitive topics and key challenges parents face today, particularly the illusion of perfection often perpetuated by social media. Discussions explored questions such as: Is there a perfect balance in parental love, and does it have limits? How has parenting evolved over the decades? Are there absolute right or wrong answers to the dilemmas parents face? These and other pressing issues were debated openly and insightfully by public figures and experts from Macedonia and across the region, specializing in various fields related to child development.

The conference achieved its core objective - to convey a clear message that there is no single perfect parenting model. Parenthood is a special journey that involves lots of love, responsibility, care, courage, compromises, and the right to make mistakes.

Discussions were structured into three panel sessions: The first panel, "Does Mom or Grandma Know Better?" featured leading experts who examined how childcare and health practices have evolved. They explored how pediatric recommendations continue to adapt to new scientific insights and modern trends and the potential risks of misinformation from unverified social media sources. Panelists included Dr. Natko Beck, specialist radiologist and host of the "Dr. Beck" show on HRT (Croatia); Dr. Marina Pop-Lazarova, specialist neonatologist (Macedonia); Dr. Irena Bralich, specialist pediatrician (Croatia); Dr. Goran Vukomanovich, specialist pediatrician (Serbia); and Dr. Amra Juzunovic-Kaljich, specialist pediatrician (Bosnia and Herzegovina).



The second panel, "Both Love and Boundaries!" explored the delicate balance between emotional attachment and setting limits in parenting. Panelists explored how often parents question their decisions, wonder if they are making the right choices, strive to be the best version of themselves for their child, and feel pressured by society's growing idealization of parenting. The conversation also examined the fine line—if one exists—between good parenting, overwhelming parental love, and the influence of external factors such as peers and social media. Participants included Mirna Medakovich-Stepinac, Croatian actress and UNICEF ambassador; Ruzhica Maksimovska, editor of the magazine "Portret" (Macedonia); Dr. Natko Beck, specialist radiologist; Lejla Filipovich, host and model (Croatia); Sanja Kuzhet, host (Serbia); and Jelena Holcer, pedagogue and author of the "School for Parents" program (Serbia).



The final panel, "Dad is a Hero!" focused on the father's role in a child's development. The discussion offered honest perspectives on fathers' emotional transformation and addressed the traditional societal view that prioritizes the mother's role. The panel featured Zharko Dimitrioski, host and panel moderator (Macedonia); Sashko Kocев, actor (Macedonia); Petar Benchina, actor (Serbia); and Tarik Filipovich, actor and host (Croatia).

Good Nature ECO – Digital Campaign

Consumers are increasingly choosing brands and that prioritize environmental protection. Within our botanicals segment, when it comes to teas, it's not only the raw materials that impact health but also the components that come into contact with water during tea preparation, such as the tea bags and the string. In this regard, our brand Good Nature aligns with global competitors, offering added value to consumers—not only in terms of product composition but also in sustainability, the ecological aspects of packaging, and the health benefits that depend on the components of a single tea bag.

Based on this, in 2024, we launched a digital campaign to educate consumers and raise awareness about the ECO aspect of teas—an area far beyond just the tea itself. For example, the tea bag plays a critical role in sustainability, not just as a potential environmental pollutant but as a factor affecting consumer health as well. It highlights the importance of producing tea bags without adhesives, metal, or plastic.

Our teas and packaging are crafted with a deep commitment to environmental responsibility, incorporating biodegradable, micro-plastic-free materials that reflect our dedication to nature conservation. Our packaging includes:

- Tea bags made from 100% unbleached, FSC-certified paper
- Tea boxes and envelopes made of 100% recyclable cardboard
- Tea labels tied with 100% cotton cord
- Water-based printing inks

We believe that environmental responsibility and awareness are essential for building a sustainable future for us and future generations. Good Nature is more than just a brand—it represents our commitment to sustainability and our mission to preserve what matters most: nature and a greener future for our planet.



SUPPORT FOR THE PROFESSIONAL PUBLIC

"1st Cefixime Global Meeting" in Istanbul, Supported by ALKALOID

As a company committed to advancing pharmacy and medicine, we actively support professional and scientific events that drive progress both domestically and internationally. In line with this mission, we hosted the 1st Cefixime Global Meeting, held from 14 to 16 March in Istanbul, Turkey.

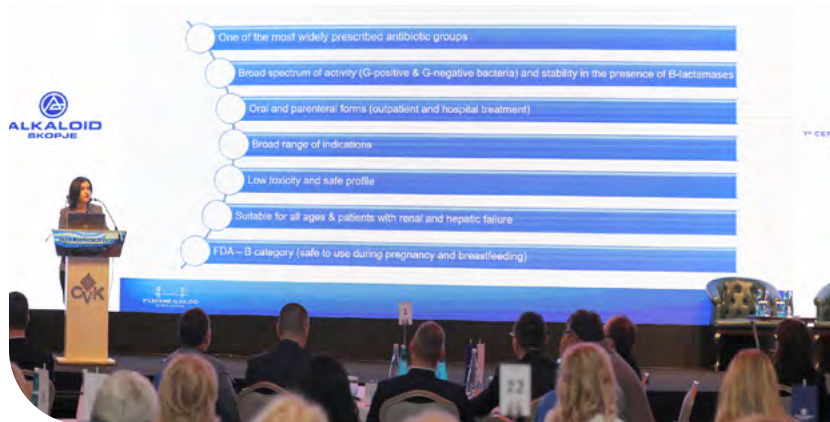
This landmark event united ALKALOID's representatives, international company entities, and leading healthcare experts from 12 countries. The conference, the first of its kind, focused on enhancing everyday practices in the rational use of antibiotics, ultimately aiming to improve patient care worldwide.

In his opening address, Zhivko Mukaetov, CEO and MB President of ALKALOID, highlighted the company's corporate achievements and underscored the importance of such global scientific gatherings, which contribute to the continuous evolution of pharmaceutical knowledge.



Aside from being the most commonly prescribed oral third-generation cephalosporin, Alkaloid's Cefixime is ranked second as per production volume in Europe. A cornerstone of our pharmacy segment, It has been a staple in clinical practice since 1995 and is now available in over 20 markets worldwide. Recognizing its strategic importance, the company plans to expand manufacturing capacity for this key antibiotic.

The conference featured a comprehensive scientific program attended by over 200 participants, including distinguished lecturers from nine countries. The Head of Global Medical Affairs and Drug Safety at ALKALOID, Dr. Snezhana Petrovska, opened the thematic segment and presented the success story of Cefixime over the years. A panel session focused on experiences in the Macedonian healthcare system was moderated by Prof. Dr. Dejan Dokich and featured discussions by Dr. Aleksandar Sajkovski and Prof. Dr. Sotir Stavridis.



Global experts in pharmacy and medicine attending the event agreed that the company's longstanding success in professional and scientific research cooperation stems primarily from the quality of its products and its deep appreciation for the human factor, valuing all stakeholders within its operational framework.



Committed to fostering continuing education and knowledge-sharing within the professional community, we believe that the 1st Cefixime Global Meeting, supported by ALKALOID, will significantly contribute to the rational use of antibiotics and help curb the growing antimicrobial resistance worldwide.



Becutan Sensitive at the Neonatal Resuscitation Workshop Organized by ALKALOID and the Association of Neonatologists of Macedonia

In collaboration with the Association of Neonatologists of Macedonia, ALKALOID organized an interactive educational Workshop on Neonatal Resuscitation at the Educational Center in Dojran. Dr. Emilija Dimitrovska from ALKALOID's R&D and Registration Team - Cosmetics conducted a lecture on the Becutan Sensitive collection as part of the event.

The workshop brought together 50 neonatologists and pediatricians from maternity hospitals across the country, including the Clinic for Pediatric Diseases, Skopje, University Clinic for Gynecology and Obstetrics, Skopje, Special Hospital for Gynecology and Obstetrics "Mother Teresa," Chair – Skopje, Private Clinical Hospital "Acibadem Sistina," Private General Hospital "Remedica," General Hospital Kumanovo, Clinical Hospital Tetovo, Clinical Hospital Bitola, General Hospital Ohrid, General Hospital Strumica, General Hospital Gostivar, and Clinical Hospital Shtip.

The event featured theoretical sessions and practical exercises, fostering knowledge-sharing and hands-on experience. Presenters covered essential topics, including Challenges in Neonatology – Implementation of Unified Protocols; Newborn Hearing Screening – Techniques, Results, and Challenges; Neonatal Screenings; Fundamentals of Neonatal Resuscitation and Preparation; Initial Steps for Newborn Care; Positive Pressure Ventilation (PPV); NeoPaf – Basic Principles; Alternative Airways – Intubation and Laryngeal Masks; Neonatal Chest Compressions; Medications; and Post-Resuscitation Care and Stabilization of Preterm Babies. The hands-on segment included practical training on chest compressions, intubation, medication administration, and umbilical catheterization.

For over four and a half decades, the Becutan brand has actively supported professional events for ongoing education and skill development for medical professionals working with children. Through these initiatives, we continue facilitating knowledge exchange and professional growth in pediatric and neonatal care.



"Becutan with Maternity Hospitals" – An Educational Gathering with Nurses

As part of the "Becutan with Maternity Hospitals" project, ALKALOID organized a professional educational gathering for nurses in Ohrid to facilitate the exchange of practical experiences and provide education on proper baby skin care.

The event brought together 56 nurses from leading maternity hospitals, including the University Clinic for Gynecology and Obstetrics Skopje, the Special Hospital of Gynecology and Obstetrics "Mother Teresa" Chair – Skopje, Private Clinical Hospital "Acibadem Sistina," Private General Hospital "Remedica," General Hospital Kumanovo, and Private Clinical Hospital Tetovo.

The educational sessions were led by Assoc. Dr. Natasha Najdanovska-Aluloska and Assoc. Dr. Snezhana Palchevska-Kotsevska. Their lecture, "Newborn Skin: What is Normal and How to Care for It," introduced the Becutan Sensitive line and highlighted the excellent results of a clinical study conducted in Macedonia, further confirmed by a relevant laboratory in the EU.





SUPPORTING EDUCATION, SPORTS AND CULTURE

The Trajche Mukaetov Foundation Awarded 40 New Scholarships for the 2024/2025 Academic Year

For the 17th consecutive year, the Trajche Mukaetov Foundation has awarded 40 scholarships to students from the Faculty of Pharmacy and the Faculty of Medicine at Ss. Cyril and Methodius University in Skopje. The selection process for the 2024/2025 academic year, conducted following the public competition, was approved by the Foundation's Management Board following a preliminary list proposed by scholarship allocation committees composed of representatives from the Foundation, both faculties and student representatives.

For the new academic year, the Foundation grants 40 new scholarships—20 to pharmacy students and 20 to medical students at Ss. Cyril and Methodius University. This year, the Foundation also awarded a one-time cash prize of €1200 to the top first-generation graduates from both faculties. The recipients of this award are Frosina Dimoska from the Faculty of Pharmacy (with an average GPA of 9.72) and Anastasija Petlichkovska from the Faculty of Medicine (with an average GPA of 9.92). Both awardees are former scholarship recipients of the Trajche Mukaetov Foundation.



Over the past 17 years, the Trajche Mukaetov Foundation has awarded scholarships to 699 pharmacy and medicine students at Ss. Cyril and Methodius University in Skopje, investing nearly 141 million denars in scholarships and one-time cash prizes for top graduates.



ALKALOID Wins the Trophy for the Largest Sports Team at the Skopje Wizz Air Marathon for the Second Year in A Row

We are proud to announce that, for the second year in a row, our team has won the trophy for the most numerous team at the Skopje Wizz Air Marathon 2024, with a record-breaking 621 employees participating.

Committed to promoting sports culture and a healthy lifestyle, we once again participated in the marathon, an event that embodies the same values we uphold - dedication, pushing the limits, and working together to achieve our goals.

Our team competed across multiple categories, with 542 runners in the 5K race, 77 in the half marathon, and 2 in the full marathon. The results were as follows: In the 5K race, the women's team ranked 9th, while the men's team ranked 148th. The women's team finished 100th in the half marathon, and the men's team ranked 256th.

Congratulations to all participants on their outstanding results, and gratitude for making this experience unforgettable. Driven by team spirit and a passion for recreation, our employees reaffirmed their commitment to health and sportsmanship, successfully sharing our company's core belief with the broader public that health comes above all.



A Year of Trophies for HC Alkaloid!

HC Alkaloid has closed the most successful year since its establishment, securing two major trophies—the Macedonian Cup and the Macedonian Super Cup—with victories over HC Vardar 1961 and HC Pelister, the biggest rivals on the domestic stage. These achievements result from systematic team development, fostering collective strength, and building a solid foundation for the future of handball. In 2023, the team finished the season in third place in the domestic championship, while in the Super League, HC Alkaloid ended the year as the top-ranked team, securing 15 wins in 16 matches this year.

On the European stage, within the EHF European Cup, HC Alkaloid had a flawless record, winning all four matches and successfully advancing past the first two rounds. In the first two-legged tie, they eliminated the Lithuanian runners-up Klaipeda Dragunas with two victories, followed by another two wins against the Austrian club West Wien. The team will spend the winter in Europe, preparing for the round of 16 in February, where they will face Italian club SSV Brixen. HC Alkaloid's played all four matches in Skopje, where the management demonstrated exceptional hosting capabilities, elevating the organizational standards in front of the public and the EHF.

The clubs under HC Alkaloid's umbrella also celebrated their most successful year. The club dominated youth competitions, winning all youth titles. HC Multi Essence emerged as the best





CC Alkaloid Crowned Vice-Champion at the 2024 European Chess Club Cup!

CC Alkaloid spectacularly concluded 2024, finishing second in the European Chess Club Cup, the world's most prestigious team chess competition, often considered the equivalent of the Champions League. The team made its return to international competitions in 2023, ending fifth at the World Chess Championship for Over-50s, before making a triumphant comeback in 2024 with a renewed international squad, going undefeated in seven rounds and drawing twice, once against the new European champions.

The season began on a high note, with IM Toni Lazov and WIM Gabriela Koskoska winning national individual championships, followed by team victories. The men's team won first place at the Team State Championship for the 11th consecutive year, adding to their 26 national championship titles, while the women's team shared first place but was ranked second after tiebreak criteria were applied.

The newly formed youth chess club, CC Multi Essence, quickly qualified for the Second League and, in its debut season, secured promotion to the elite division, finishing second. CC Alkaloid's dominance extended beyond club competitions. IM Toni Lazov, playing second board for the Macedonian national team at the Chess Olympics in Budapest, achieved a historic milestone, winning silver for his board performance. This success follows in the footsteps of grandmasters Trajko Nedev, Dragoljub Jachimovich, and WFM Vesna Sekulovska, who previously earned similar honors for the club.

A particular highlight was the achievement of 16-year-old Stefan Melnik, who placed 6th–10th at the IBSA World Individual Chess Championship for the Visually Impaired and Blind. Before the season ended, Skopje hosted the European Rapid Chess Championship, where IM Dejan Stojanovski (18th place in rapid chess) and IM Filip Panchevski (26th place in rapid chess) delivered outstanding performances, emerging as the top-ranked Macedonian players in their respective categories.

IMPROVING WORKING CONDITIONS AND THE IMPORTANCE OF EMPLOYEE SATISFACTION

Alkanet – an intranet platform designed to enhance internal communication and facilitate sharing valuable information and knowledge among employees

The intranet is a network for internal communication and interaction within the company. With the intranet as a platform, our employees have the opportunity to quickly and efficiently access the necessary information, announcements, and data about the company and its current operations. Alkanet provides easy access to frequently asked questions, sample requests, self-service resources, multimedia content, material sharing, and quick links to tools and data used within the company. The platform enhances efficiency and knowledge transfer across teams by streamlining communication and fostering cross-sector collaboration.

Designed for ease of use and intuitive navigation, Alkanet is tailored to meet company-specific needs. It integrates quick links, modules, and tools essential for daily operations, including Microsoft Teams and Office, connectivity to existing systems (DMS, SAP, AlkaCanteen), multimedia sharing (documents, videos, photos), advanced employee search, and Knowledge Management & Sharing. The platform supports mentoring programs, professional insights, and collaborative knowledge-based resources.

Training on "Responsibilities and Powers in Implementing the Occupational Safety and Health Management System"

As part of our ongoing commitment to improving the work environment and protecting employees, we organized specialized training on Responsibilities and Powers in implementing the Occupational Safety and Health System. The training targeted top and middle management, equipping them with the necessary skills to effectively implement safety standards in daily operations.

This initiative marks a significant step in developing and implementing our ESG strategy, reinforcing our efforts to promote a safety culture, improve working conditions, and enhance employee well-being. Through education and continuous support, we reaffirm our commitment to responsibly managing occupational safety and health as an integral part of our broader sustainability initiatives.



"Thank You for Our Today!" - Honoring Our Retired Employees

With hard work, dedication, and professionalism, our retired employees have played an integral role in shaping our nearly 90-year history, paving the way for its growth into a global pharmaceutical company.

They are an inseparable part of our company's story, and their contributions are more than just past milestones—they are an inspiration for the present and a vision for the future. In line with our "People Above All" philosophy, we express our deepest gratitude and reaffirm their importance to the ALKALOID family. Their achievements are not just numbers or dates; they are living examples of the values we uphold and pass on to future generations.

Through the "Thank You for Our Today!" project, we invite our retired employees to reconnect each year by updating their retiree database records. As a gesture of respect and appreciation, we personally deliver branded gift packages to their homes ahead of the New Year's holidays.

They remain an essential part of our heritage, and their wisdom, experience, and values continue to be pillars of our success.

RAISING AWARENESS AMONG OUR EMPLOYEES AND THE GENERAL PUBLIC ABOUT ENVIRONMENTAL PROTECTION

"Recycle" – A Campaign for Employees

As part of our commitment to sustainability and environmental responsibility, and in line with our ESG goals, we have launched a campaign to manage packaging waste properly. Our employees actively participate by sorting plastic bottles, PET bottles, and cans they use daily.

Packaging waste presents a significant environmental challenge, but we believe that by leveraging existing systems and tools, we can make a positive impact. The campaign is conducted in collaboration with PAKOMAK, which has placed recycling vending machines in supermarkets nationwide. These machines allow customers to collect green points, which can be redeemed for discounts.

Within the company, we also encourage employee participation by rewarding the most active environmentalists.

By working together and taking small but meaningful steps, we reduce waste and create a more sustainable future. Every employee's participation is a crucial part of our sustainability strategy.

"Waste Selection and Recycling" – An Educational Campaign for Children

Following our principle of continuous contribution to society and environmental preservation, on 31 October and 7 November, 2024, the Quality Assurance – Environment team, in partnership with PAKOMAK, organized training sessions on waste selection and recycling for students from the "Kiro Gligorov" and "Goce Delchev" primary schools in Skopje.

These activities are part of our awareness campaign to educate future generations about the importance of proper waste management. The main objective is to ensure waste is recycled and repurposed, reducing its environmental impact and minimizing improper disposal.

Through concrete, impactful projects and our ongoing commitment, we strive to drive positive change, contribute to society's well-being, and preserve nature.



ALKALOID held ESG Workshop: "Preparation of a Consolidated ESG Report of the ALKALOID Group – Practices, Solutions, Guidelines"

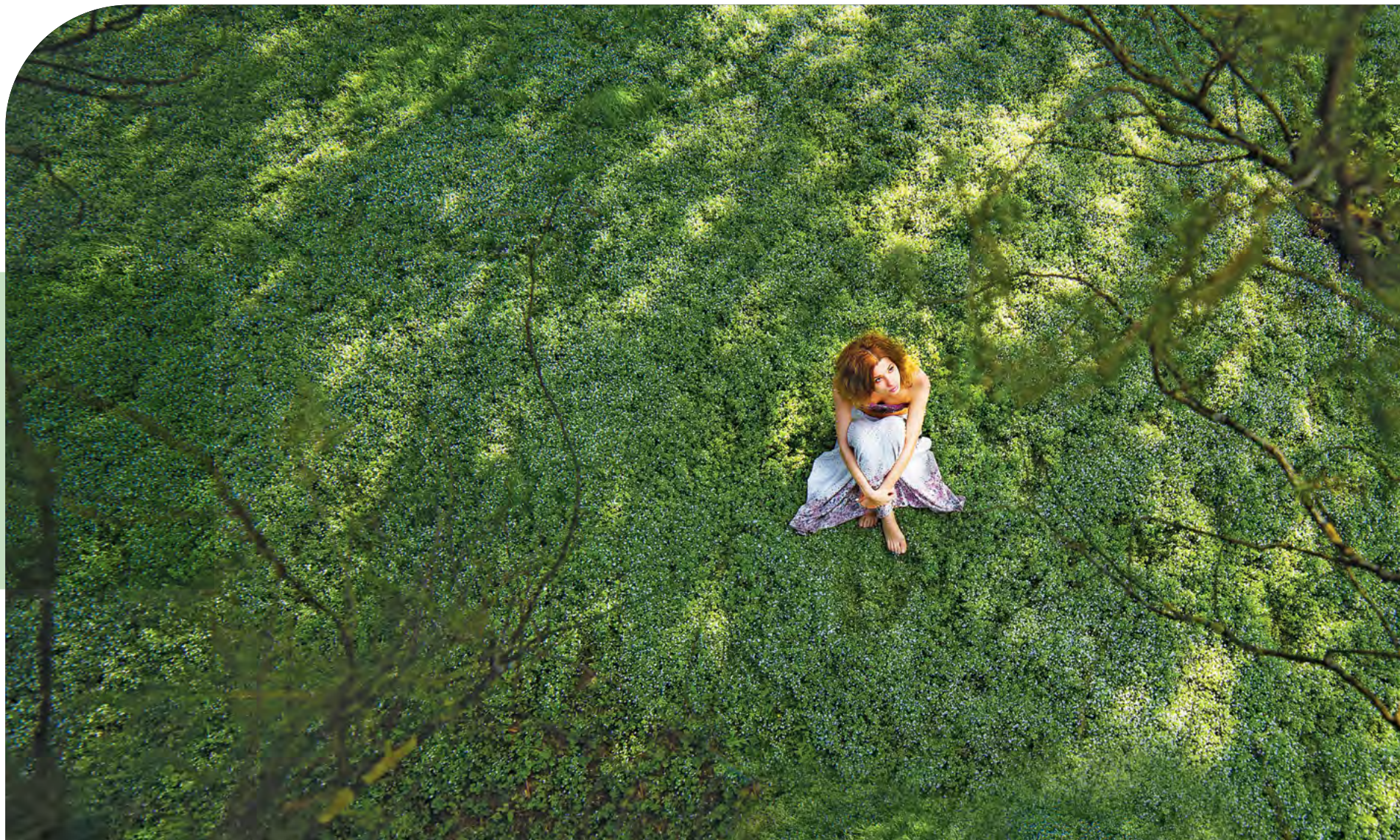
As part of our strategic commitment to sustainable development and strong environmental, social, and corporate governance (ESG), we organized an ESG workshop aligned with international standards last October. The main objective was to raise awareness of ESG topics within the company and its subsidiaries.

The workshop, "Preparation of a Consolidated ESG Report of the ALKALOID Group—Practices, Solutions, Guidelines," covered ESG fundamentals, the latest EU regulations and international standards, and practical insights into ESG reporting. Participants discussed opportunities and challenges in consolidating ESG data for report preparation. In addition to the ESG board and company management, ESG officers from our subsidiaries attended, emphasizing their critical role in the reporting process.

The workshop focused on the key aspects of producing a consolidated, non-financial ESG report, aiming to enhance efficiency by exchanging best practices, practical solutions, and guidelines. Particular attention was given to the role of ESG officers, who serve as essential links in data collection and consolidation to meet ESG goals and indicators within the subsidiaries.

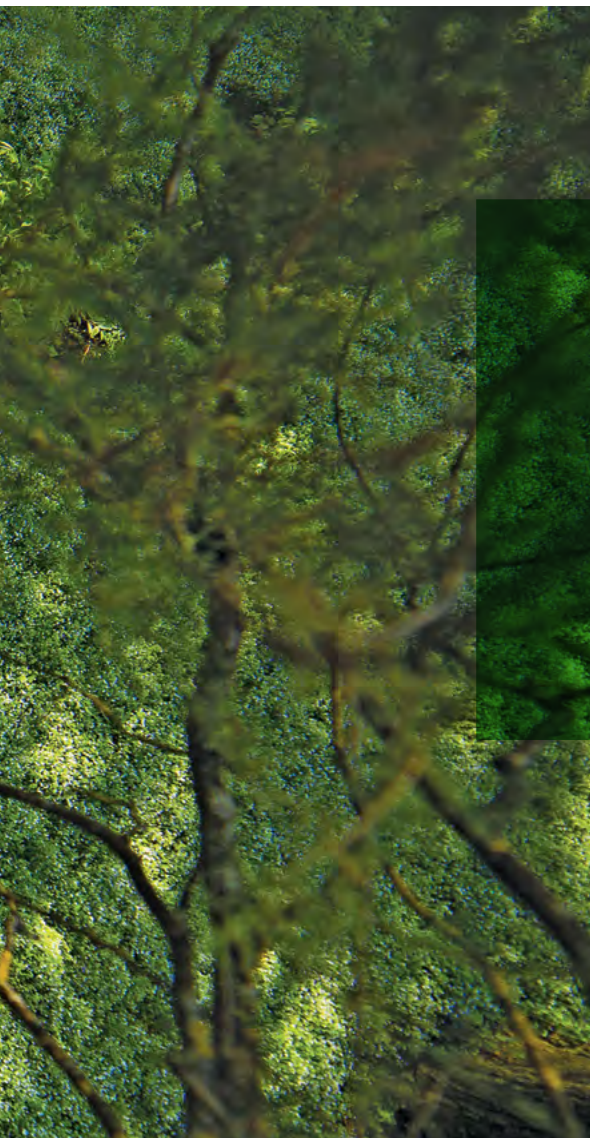
Aware of our impact on society and our role as a leader in innovation and change, we remain committed to transparent and ethical reporting on the progress of our ESG strategy. Our dedication to the environment, community, and people remains the foundation of our responsible actions.







III. ENVIRONMENT



III. ENVIRONMENT

Human health and the climate are deeply connected. Extreme weather driven by climate change affects health, food security, air quality, and the spread of infectious diseases. In every aspect, climate change remains humanity's greatest threat.

Recognizing this link, ALKALOID, as firmly committed to sustainability, takes action to reduce greenhouse gas emissions through net-zero strategies and mitigate the health impacts of climate change.

The Environment is Everyone's Responsibility!

Every employee has a role in protecting the environment. We encourage our personnel to stay informed and act with high awareness and responsibility towards the planet. Through regular communication campaigns, we have significantly improved employee engagement by promoting the following:

- Creating climate jobs – recommendations to reduce carbon footprints, conserve resources and energy, and support a circular economy. This campaign encourages employees to consider their environmental impact and adopt simple, sustainable habits.
- Incentives for sustainable transportation - various initiatives to promote alternative transport options.
- Proper disposal of used and expired medications - guidelines for handling household medicines and other products at the end of their life cycle.



- Recycling initiatives – waste collection through vending machines in cooperation with the Producer Responsibility Organisation - PAKOMAK, along with a quarterly and annual award for the company's top environmental advocate.

We keep the public informed about our environmental initiatives through press releases, seminars, and collaboration with industry associations, including the North Macedonia's Chamber of Commerce, the American Chamber of Commerce in North Macedonia, the Institute for Standardization of North Macedonia, the Association of European Energy Managers (EUREM-MK), and the Energy Efficiency UNIDO Partnership Association, among others. We also actively participate during the preparation of environmental legislation.

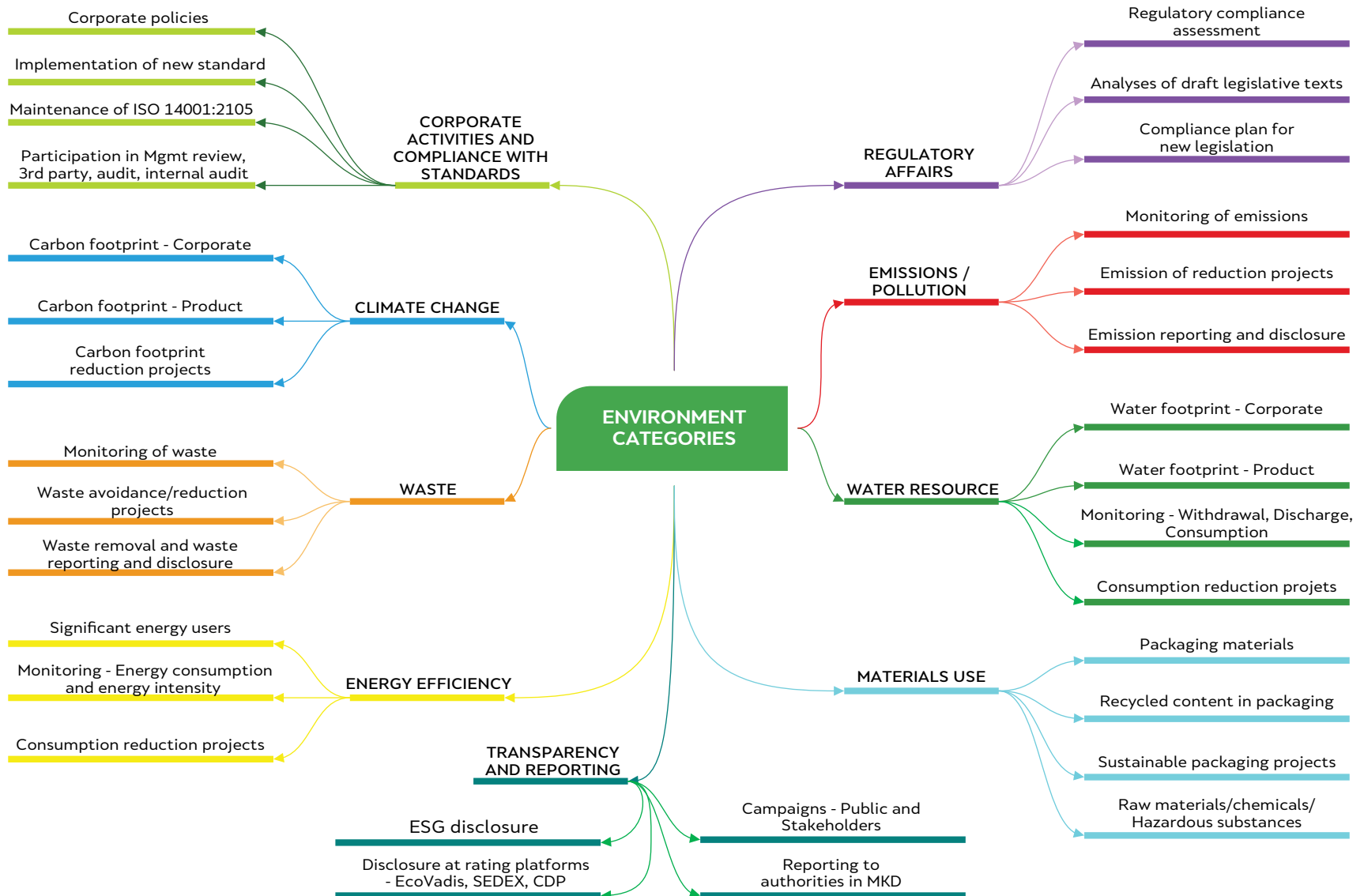
Sustainable environmental progress depends on strong relationships with the communities, especially our closest neighbours, whose quality of life is directly affected by our actions. To raise public awareness of environmental protection, we run communication campaigns that promote:

- Reducing packaging waste (Recycling Week)
- Health for people, care for nature
- World Earth Day – Participation in the First Conference on Green Technologies, Sustainable Materials, and Technologies for the Circular Economy
- Commitment to environmental protection and climate action
- Water conservation and reduction of water footprint
- Proper disposal of household pharmaceutical waste
- Waste management education for children

Energy Management System in Compliance with ISO 50001:2018

The Energy Management System Implementation Team has implemented the ISO 50001:2018 requirements and will begin certification in the first quarter of 2025.







MANAGING OUR ENVIRONMENTAL IMPACT

Reducing environmental impact is a key priority in our strategy, directly contributing to ecosystem functionality and the health of all planet inhabitants. For over two decades, our environmental management system has promoted sustainability and compliance, ensuring that all manufacturing sites meet the highest standards. In 2025, we will begin certifying our Energy Management System in accordance with ISO 50001 requirements.

In 2024, we developed a project to identify, evaluate, and define ESG risk mitigation measures, introducing improvements to the risk management process. This initiative enhances our understanding of company-wide risks and strengthens business processes through the identification, management, and reporting of ESG risks. Key focus areas include climate change, energy and water consumption, carbon footprint, waste management, and plastic use.

At the start of 2024, we received the prestigious COMMITTED sustainability badge by EcoVadis, earning 80/100 points in the environmental category—a testament to our company's serious commitment to sustainability in all areas of operation. Following EcoVadis' recommendations, our next goal is to achieve a higher-ranked badge on the platform.



Environmental Aspects and Impacts (EMP)

We have established a system for identifying and evaluating the environmental aspects of all operational processes. These aspects are monitored and assessed at defined intervals under the environmental legislation.

Statutory obligations regarding environmental emissions, parameters, and monitoring frequency are outlined in:

- “A” Integrated Environmental Permit for PC Pharmaceuticals at the Avtokomanda site (UP1-11/3 No. 466/2021)
- “A” Integrated Environmental Permit for PC Pharmaceuticals at the Gjorche Petrov site (UP1-11/3 No. 704/2021)
- “A” Integrated Environmental Permit for PC CCB, Chemistry Program at the Gjorche Petrov site (UP1-11/3 No. 705/2021); Amendment “A” (UP1-11/3 No. 2548/2022)
- Environmental Elaborate for PC CCB, Cosmetics Program at the Gjorche Petrov site (No. 08-3931/1)
- Environmental Elaborate for PC CCB, Botanicals Program at the Aerodrom site (No. 08-4743/2)/2.



AIR EMISSIONS

Air emissions measurements, as outlined in the referenced documents, are as follows:

1. PC Pharmaceuticals at the Avtokomanda site – ten measuring points for quarterly sampling and air quality monitoring.

- A1, A2, and A8 – Boiler room discharges emitting NO₂, SO₂, CO, and particulate matter (PM) into the atmosphere through waste gases.

- A3, A4, A5, A6, A7, A9, and A10 – Discharges from the dedusting system at the Pharmaceuticals Manufacturing Plant; expected emissions of pharmaceutical dust (PM) into the atmosphere through waste gases.

2. PC Pharmaceuticals at the Gjorche Petrov site (manufacturing of cephalosporins and pharmaceutical raw materials) – five measuring points for quarterly sampling and air quality monitoring:

- A1, A2, and A3 – Discharges from the dedusting system at the cephalosporin manufacturing plant; expected emissions of pharmaceutical dust (PM) into the atmosphere through waste gases.

- A4 and A5 – Discharges from the local ventilation system at the pharmaceutical raw material manufacturing plant; expected emissions of volatile organic compounds (VOCs) into the air through waste gases.



3. PC CCB, Chemicals program, at the Gjorche Petrov site - eleven measuring points for quarterly sampling and air quality monitoring:

- A1, A2, and A3 - Boiler room discharges emitting CO, NO₂, SO₂, and PM into the atmosphere through waste gases.
- A4 - Discharges from the hood above the reactor involved in the oxidation/reduction process for obtaining silver salts in the inorganic syntheses plant; expected dust, NO₂, SO₂, NH₂ and VOC emissions into the atmosphere through waste gases.

There are seven secondary (smaller) discharges of waste gases and polluting substances into the air, designated as follows:

- A5 to A11 – discharges from the hoods above the reactors, evaporators, crystallizers, and dryers (processes of neutralization, dissolution, and evaporation of inorganic chemicals) in the inorganic syntheses plant; expected emissions of dust, NO₂, SO₂, NH₂, and VOC are emitted through waste gases.

4. PC CCB, Botanicals program – four measuring points for quarterly sampling and air quality monitoring:

- A1 and A2 - Boiler room discharges; expected emissions of polluting substances such as CO, NO₂, SO₂, and PM into the atmosphere through waste gases.
- There are two measuring points: discharges from the dedusting system and expected emissions of particulate matter (PM) into the atmosphere through waste gases.

5. PC CCB, Cosmetics Program – No emissions into the air have been identified.

Annex 1: Air, water, and noise emissions monitoring



CLIMATE CHANGE

Climate change and its impact on people and ecosystems remain among the most significant challenges of our time. We are committed to minimizing our carbon footprint and actively contributing to the fight against global warming. Our ESG strategy reflects a long-term commitment to climate action, with goals and projects designed to drive sustainable change. We support decarbonization good practices through targeted initiatives focused on energy and process efficiency, investment in in-house energy generation, and sourcing electricity from renewable sources. In 2024, our manufacturing operations further advanced decarbonization efforts, aiming to meet targets throughout our manufacturing facilities, focusing on energy savings and cost reduction.

In 2024 the production of own electricity from renewable sources by ALKALOID amounts to more than 2 GWh. 61% of the total electricity consumption in 2024 originates from renewable sources. The total investment in energy and water efficiency projects is more than 2,8 million EUR.



GREENHOUSE GAS EMISSIONS

(Reporting based on GRI 305)

The principles of the GRI 305 – Emissions standard refer to the emissions of substances from a specific source into the atmosphere, which are established to measure and monitor basic company processes.

GRI 305 covers emissions of greenhouse gases (GHG), ozone-depleting substances (ODS), nitrogen (NOx), and sulphur oxides (SOx), among other significant air pollutants.

The calculations in this report include greenhouse gas (GHG) emissions such as CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃, expressed as CO₂ equivalent (CO₂eq).

Greenhouse gas emissions, under GRI standards, are categorized as follows:

- Direct (Scope 1) Greenhouse Gas Emissions

Scope 1 calculations include emissions from stationary sources (boiler rooms), mobile sources (company vehicles and forklifts), and cooling agents.

- Indirect (Scope 2) Greenhouse Gas Emissions from purchased electricity.

Scope 2 calculations include emissions from purchased electricity.

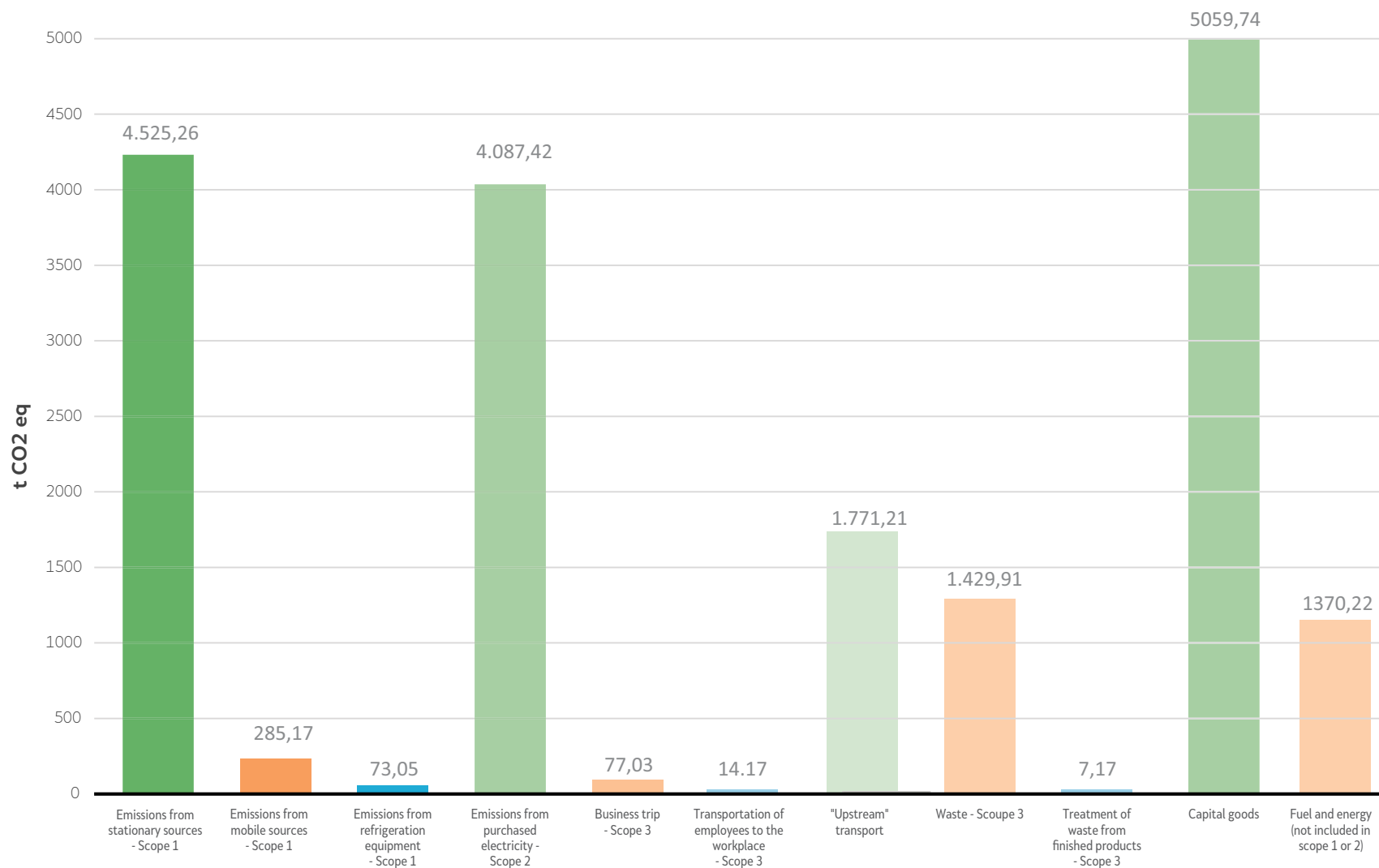
- Other indirect (Scope 3) greenhouse gas emissions originating from the value chain.

Scope 3 measurements include emissions from the following categories:

- Category 2 – Emissions from the supply of capital goods
- Category 3 – Emissions from extraction, production, and transport of energy
- Category 4 – Third-party transport services
- Category 5 – Emissions from waste generated in operations
- Category 6 – Business travel
- Category 7 – Emissions from employee commuting
- Category 12 – Emissions from waste treatment resulting from sold products



GREENHOUSE GAS EMISSIONS - 2024



Building Capacity for Climate Change

To develop our capabilities and achieve our climate goals, in 2024, we have conducted employee awareness trainings with the following topics and areas:

- Requirements of the Environmental Management System
- Environmental ESG Risks
- Waste Management
- Environmental Goals Management
- Legal and Other Environmental Requirements
- Green Technologies Conference
- Energy Management System
- Energy-Efficient Air Conditioning Solutions
- Solutions for Efficient Water and Wastewater Treatment
- Opportunities to Improve Energy Efficiency with Products for Compressed Air Systems
- Solutions to improve efficiency with the help of industrial robots
- Improvements through Surveillance Systems
- Energy and resource testing tools to optimize and improve business processes.





ENERGY EFFICIENCY AND RENEWABLE ENERGY SOURCES

In 2024, we raised our renewable electricity ambition, setting a goal to achieve 100% renewable electricity by 2030.

In 2024 ALKALOID produced more than 2 GWh of own electricity from renewable sources, and 61% of the total electricity consumption originate from renewable sources.

We established a separate company, ALKALOID Energy LLC, in 2024 to expand renewable energy production at new sites. This initiative reinforces our commitment to increasing renewable energy's share and advancing toward energy independence.

We view energy efficiency as a key pillar of our business strategy and environmental responsibility. In 2024, the continued integration of energy-conscious practices into every process, project, product, and facility led to significant investments and operational improvements.

We are committed to reducing energy intensity and continuously enhancing energy performance by providing information and resources to support energy efficiency goals, ensuring compliance with all legal and regulatory energy and energy efficiency requirements, and implementing design and process improvements across plants, facilities, equipment, systems, and operations.



INVESTMENTS AND SAVINGS FROM ENERGY EFFICIENCY AND RENEWABLE ENERGY MEASURES

In 2024, investments of EUR 79,600 were made in measures that will save 610 MWh of electricity annually. With the total investments realized since 2018 of EUR 2,813,614, annual savings of 9,803 MWh of energy and 317,170 m³ of water are achieved.

Start Date (Дата)	Project-Measure No.	EE Measure (ЕЕМерка)	Savings							Spending		Investments
			Monetary (EUR/year)	Energy (MWh/year)	Water (m³/y)	% of total Energy	% of total Water	t CO2e	Et- CO2e+Wt- CO2e	Total Energy (MWh/year)	Total Water (m³/y)	Monetary (EUR/year)
2018	20	Total	72.166	2.219	0	5,40%	0,00%	666	666	41.103	469.874	81.458
	6	Realized	46.378	1.359	0	3,31%	0,00%	408	408			2.458
2019	37	Total	536.602	23.240	194.900	55,47%	45,49%	6.972	39.520	41.895	428.485	2.533.567
	12	Realized	308.708	3.720	100.000	8,88%	23,34%	1.116	17.816			573.135
2020	34	Total	362.259	1.131	36.152	2,54%	10,70%	339	6.377	44.492	337.801	381.926
	10	Realized	7.913	99	3.650	0,22%	1,08%	30	639			1.149.111
2021	15	Total	289.589	4.185	92.043	8,56%	28,65%	1.255	16.626	48.871	321.246	474.767
	13	Realized	134.150	1.515	108.520	3,10%	33,78%	454	18.577			112.028
2022	15	Total	400.000	1.700	5.000	4,25%	1,49%	510	1.345	39.967	336.419	6.825.000
	14	Realized	354.950	2.100	5.000	5,25%	1,49%	630	1.465			725.000
2023	7	Total	178.000	1.700	100.000	4,43%	28,82%	510	17.210	38.360	346.927	722.282
	4	Realized	84.000	400	100.000	1,04%	28,82%	120	16.820			172.282
2024	4	Total	35.300	610	0	1,51%	0,00%	183	183	40.336	302.271	79.600
	4	Realized	35.300	610	0	1,51%	0,00%	183	183			79.600
Total	132	Total	1.873.916	34.785	428.094	86,24%	141,63%	10.435	81.927	40.336	302.271	11.098.601
	63	Realized	971.399	9.803	317.170	24,30%	104,93%	2.941	55.908			2.813.614



Energy

(Reporting based on GRI 302)

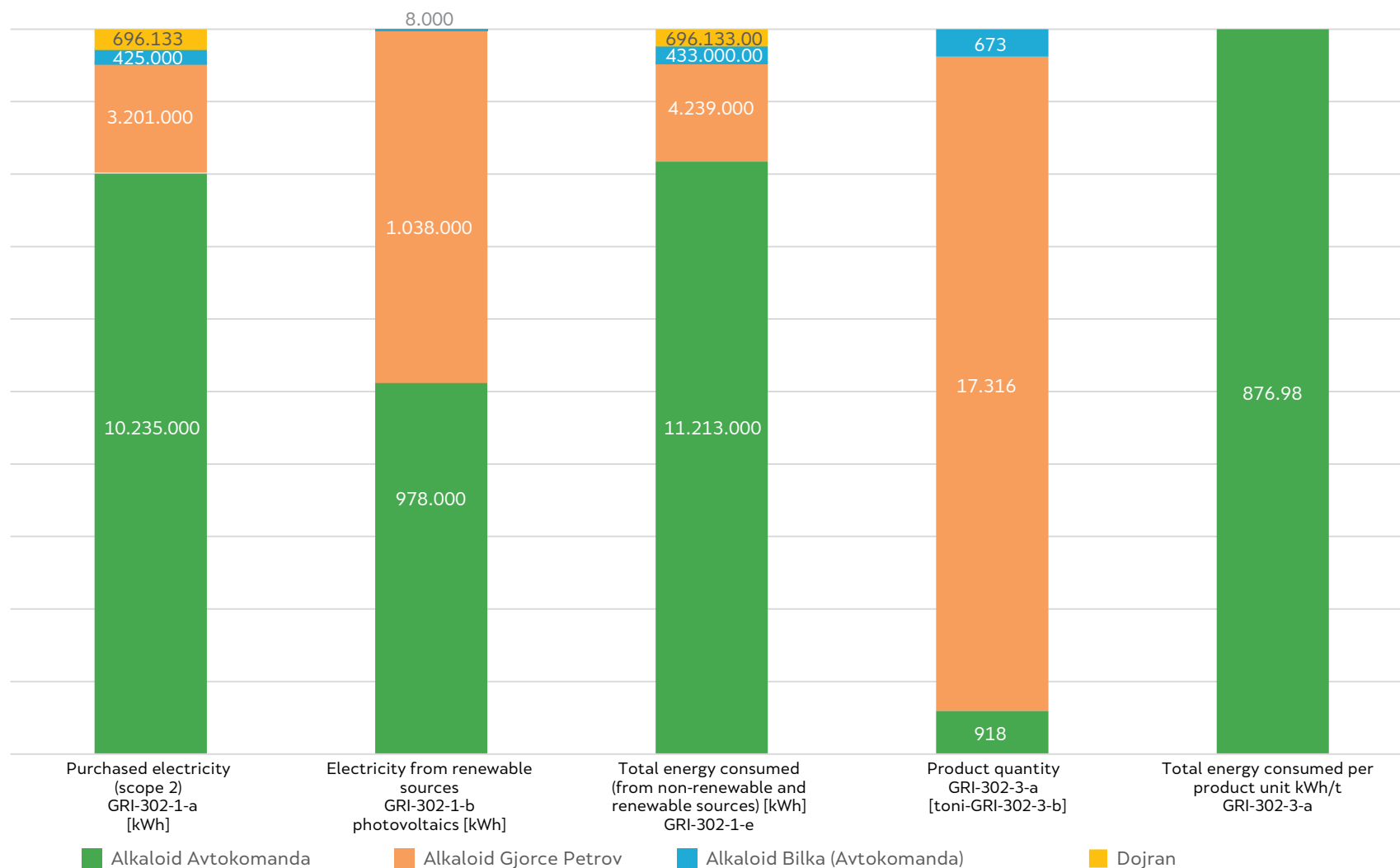
The GRI 302 – Energy standard principles are designed to calculate and track information and data concerning how a company manages the impacts associated with energy use.

- GRI 302-1 – Energy consumption within the company
- GRI 302-3 – Energy intensity
- GRI 302-4 – Reducing energy consumption

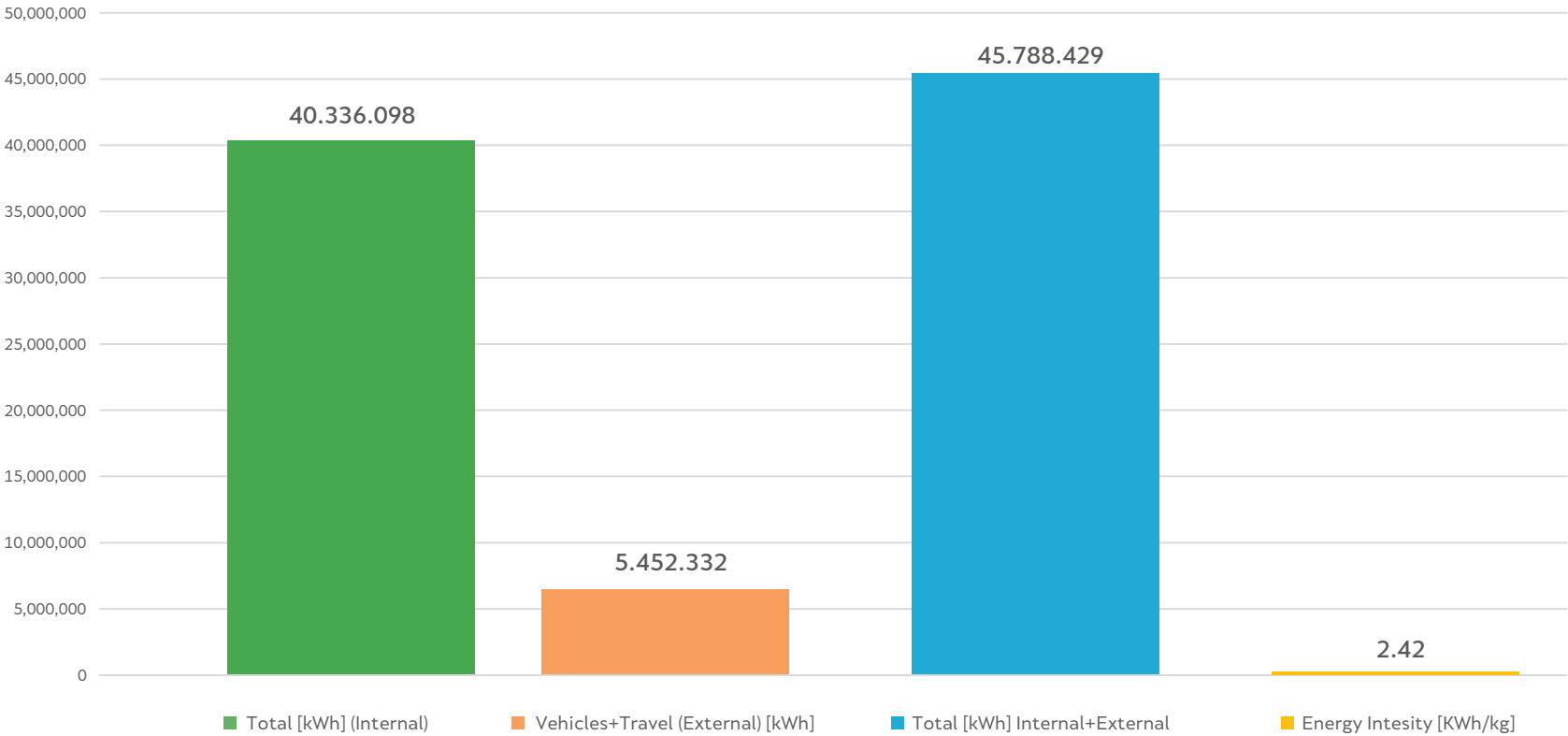
Due to the need for different presentation compared to the previous year, differences in comparative data are possible.



ENERGY CONSUMPTION FROM NON-RENEWABLE AND RENEWABLE SOURCES 2024

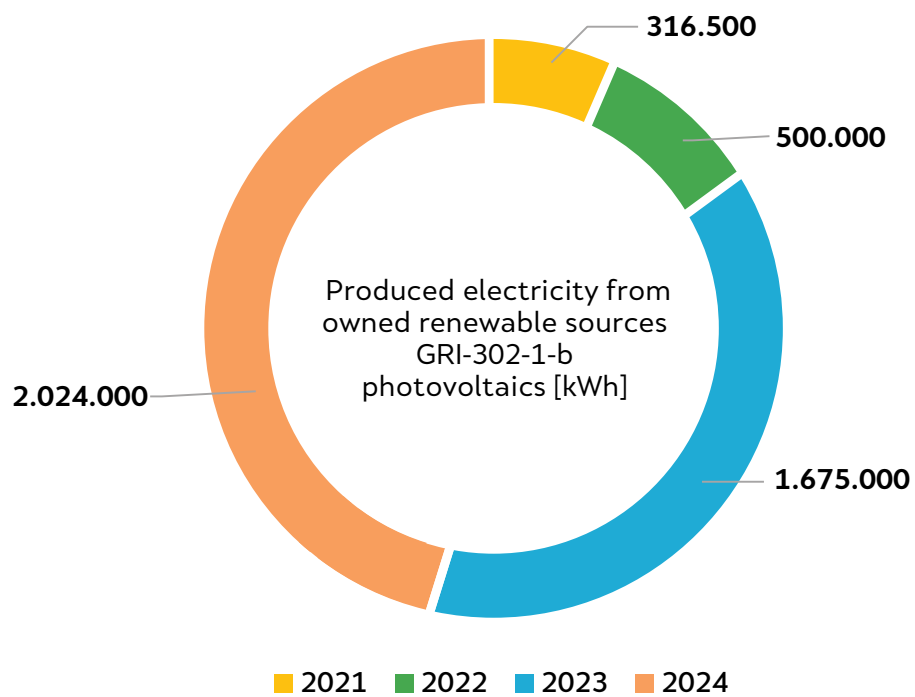


Total Fuel and Energy Efficiency 2024

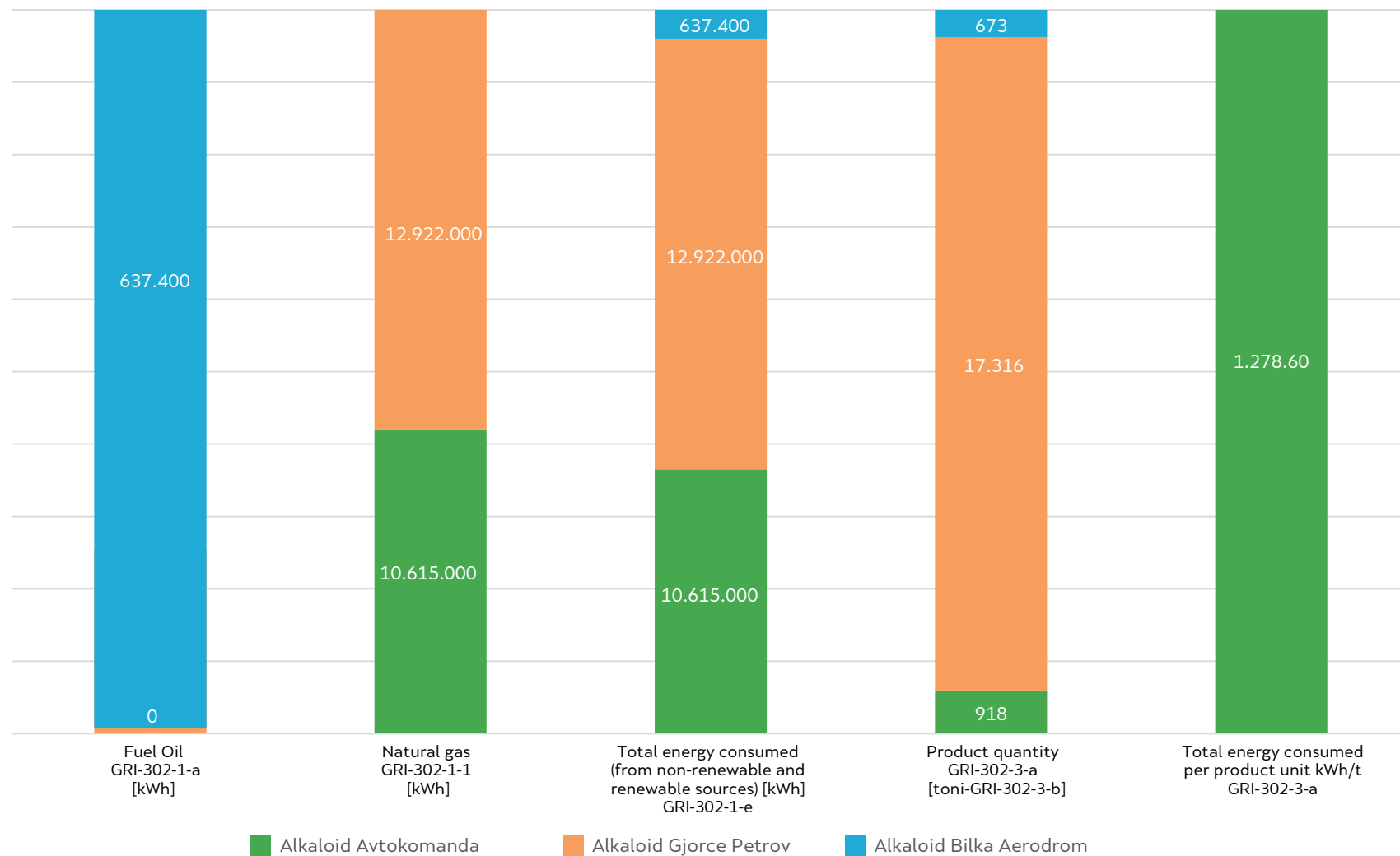




Produced electricity from owned renewable sources GRI-302-1-b photovoltaics [kWh]



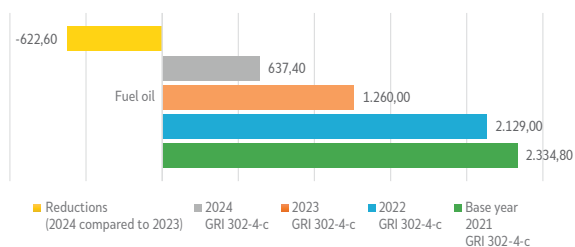
ENERGY CONSUMPTION FOR HEATING 2024



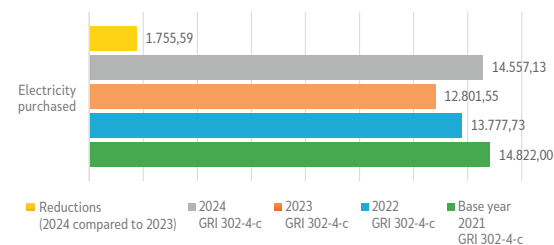


AMOUNT OF ENERGY CONSUMPTION REDUCTIONS GRI 302-4

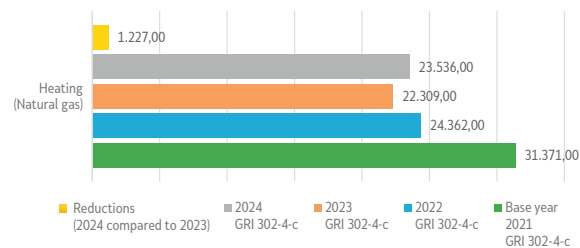
Amount of fuel oil consumption & reductions
GRI 302-4-a [MWh]



Trend of purchased electricity consumption
GRI 302-4-a [MWh]

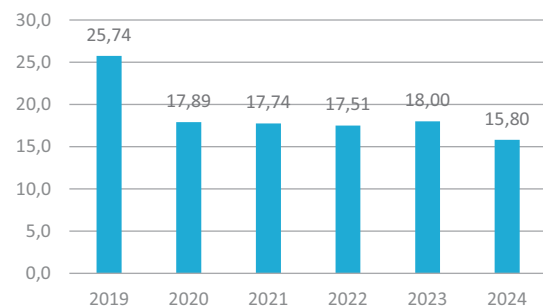


Trend of natural gas consumption for heating
GRI 302-4-a [MWh]

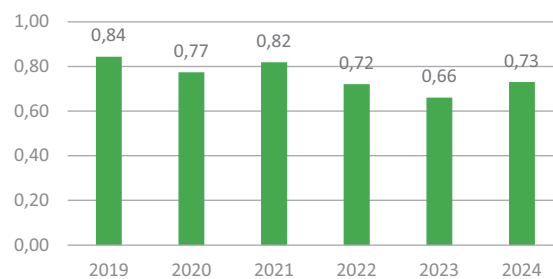


ENERGY INTENSITY

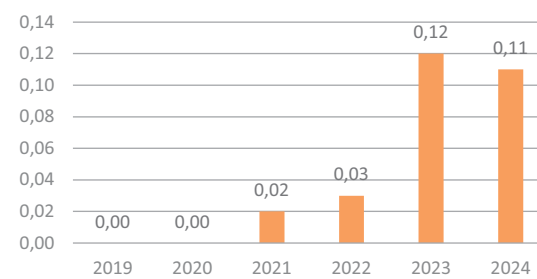
Water resource intensity [m3/t]



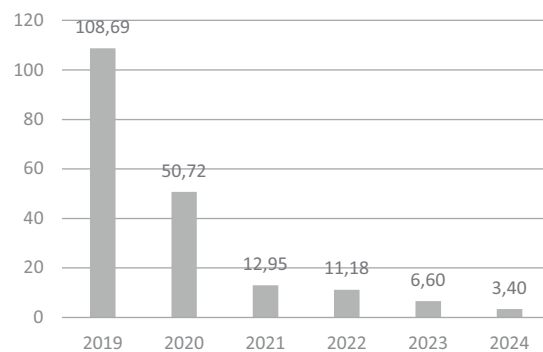
Electricity intensity (purchased) [MWh/t]



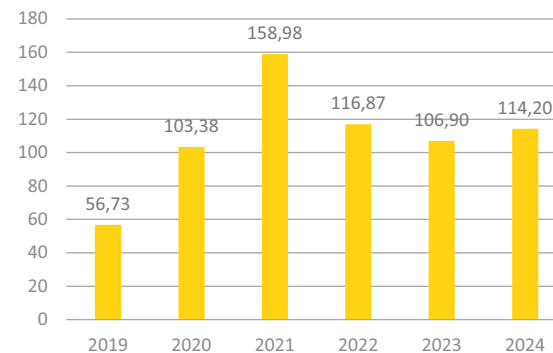
Electricity intensity (direct renewable) [MWh/t]

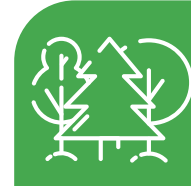


Liquid fuel intensity [l/t]



Natural gas intensity [Nm3/t]





WASTE AND CIRCULAR ECONOMY

We actively prevent waste generation and develop solutions at every stage of our operations. Our goal is to reduce waste, promote reuse and recycling, and ensure the responsible management of materials that cannot be reused. Our environmental management system requires us to implement initiatives and programs that minimize hazardous and non-hazardous waste while assessing the use of packaging materials.

Regarding the recycling of waste generated in own operations, in 2024 we increased the percentage of recycled waste by 4.82% compared to 2023.

Packaging Waste Management Campaign

We work continuously with all employees involved in waste management and sorting, aiming to reduce waste at the point of generation.

Reducing Single-Use Plastics

We have installed water filter devices and promoted the use of reusable bottles. Employees receive eco-tips on how small changes can reduce environmental impact.

Recycling Awareness Campaign

We encourage employees to recycle plastic bottles and cans through a company-wide initiative in cooperation with the producer responsibility organisation – PAKOMAK.

Sustainable Packaging Projects

We regularly track the mass of all packaging materials used in production and conduct annual comparative analyses. Our goal is to increase the use of recycled content in high-volume packaging components, reduce reliance on virgin materials, and permanently support national and regional recycling systems.

New trends in packaging

We are preparing to fully comply with the new EU Packaging and Packaging Waste Regulation. We have launched projects to reduce packaging mass for selected cosmetics products and eliminate non-recyclable materials. Additionally, we are working to integrate recycled materials into plastic packaging.



We are dedicated to:

- avoid and reduce waste;
- reuse and recycle waste;
- carry out waste management practices that protect the environment and the community;
- incorporate best practices for risk management and OHS in waste management;
- foster an organizational culture that promotes best practices for waste management and resource recovery;
- engage stakeholders and encourage waste management behaviours;
- develop and maintain a reporting mode that promotes data integrity and allows for transparent communication and continuous improvement.



WASTE

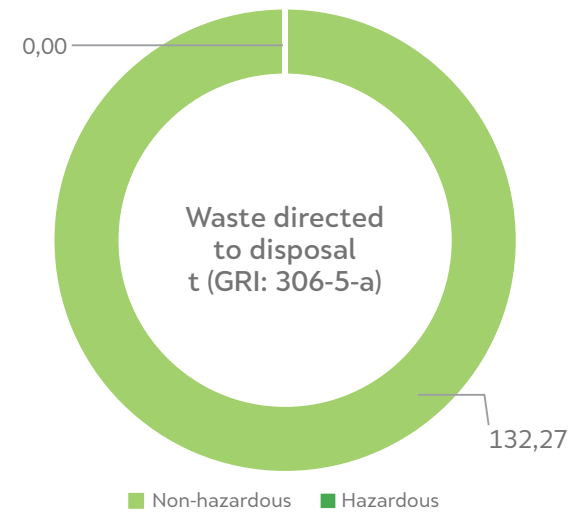
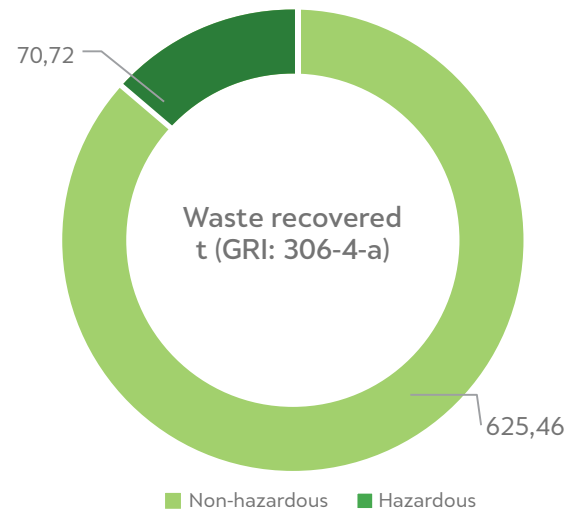
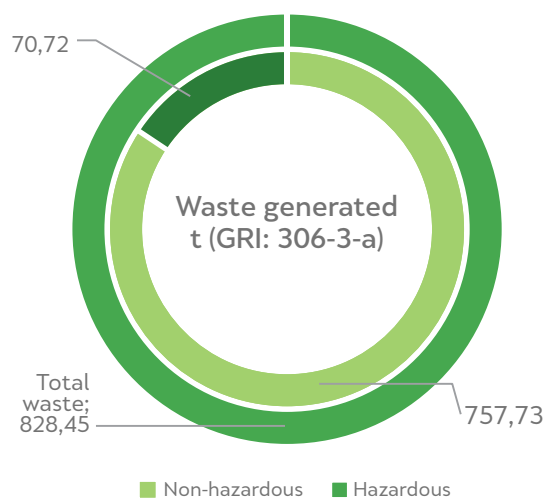
(Reporting based on GRI 306)

- GRI 306-3 – Waste generated
- GRI 306-4 – Waste diverted from disposal
- GRI 306-5 –Waste directed to disposal

Annex 2: calculation of waste generated by site Annex 2: calculation of generated waste



Total generated waste [t] in ALKALOID AD Skopje for 2024





WATER FOOTPRINT

Our Environmental and Energy Management Systems define our water conservation and management approach across all operations.

At our sites, in 2024, we reduced total water use by 12.2% compared to 2023. Our commitment to transparency and action is reflected in the numerous projects undertaken to reduce water consumption.

Through continuous monitoring, water reviews, and targeted reduction measures, we have halved potential water consumption over the past five years. With further planned initiatives, we expect to achieve even more significant reductions and move toward complete water independence.

With the newly installed groundwater recycling system at the API facility we achieved recycling of 95.54% of total groundwater use. By integrating this system with other water uses at the Gyorche Petrov site, we reduced the total groundwater use by 47.23% at this site.



WASTEWATER EMISSIONS

Measurements of wastewater emissions are specified as follows:

1. PC Pharmaceuticals at the Avtokomanda site - three measuring points for monthly wastewater sampling and quality monitoring:

- C1 and C3: Emission points from Pharmaceuticals Manufacturing,
- C2: Emission point from Quality Control.

2. PC Pharmaceuticals at the Gjorche Petrov site, cephalosporins, and active pharmaceutical ingredients manufacturing - two measuring points for monthly wastewater sampling and quality monitoring:

- C1: Emission point from the cephalosporins manufacturing plant,
- C2: Emission point from the API manufacturing plant.

3. PC CCB, Chemicals program at the Gjorche Petrov site - one measuring point for monthly wastewater sampling and quality monitoring:

- C1: Emission point from the Chemicals Manufacturing program.

4. At PC CCB, Cosmetics program – wastewater is monitored at the emission point from the Chemicals Manufacturing program.

5. At PC CCB, Botanicals program – one measuring point for annual wastewater sampling and quality monitoring:

- C1: Emission point from the manufacturing at the Botanicals program.

* Measurements presented in Annex 1: air and water emissions and noise level monitoring



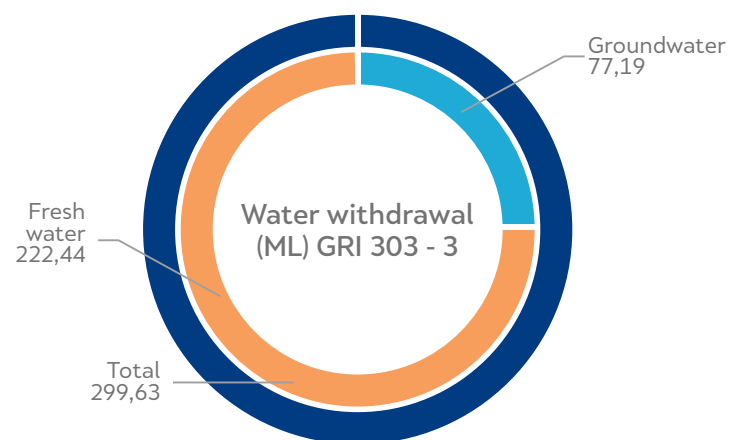
WATER AND EFFLUENTS

(Reporting based on GRI 303)

The principles of the GRI 303 – Water and effluents standard are applied to measure and monitor water use and emissions in the aquatic environment that may affect water quality.

Measurement indicators according to the GRI standards for water and effluents

- GRI 303-3 – Water use



Water consumption for 2024 in ALKALOID AD Skopje



Nature and Biodiversity

Nature conservation and biodiversity are essential for sustaining life on Earth. Following a science-based approach, we assess the impact of our operations on biodiversity and natural ecosystems, focusing on priority raw materials. We continue to evaluate risks and impacts to develop policies and guidelines that minimize adverse effects and promote the sustainable use of natural resources.







IV. SOCIAL

IV. SOCIAL

We dedicate significant energy and resources to fostering a work environment that prioritizes employee well-being and development while supporting socially impactful projects. Driven by our core value that people are above all, we cultivate an atmosphere that upholds these principles, encouraging both individual growth and the prosperity of the communities in which we operate.

By promoting our Code of Ethics and Professional Conduct, we reaffirm our commitment to our core values: people are above all, integrity and honesty, values-based leadership, and achieving the best results together.

Employees and the Recruitment and Selection Process

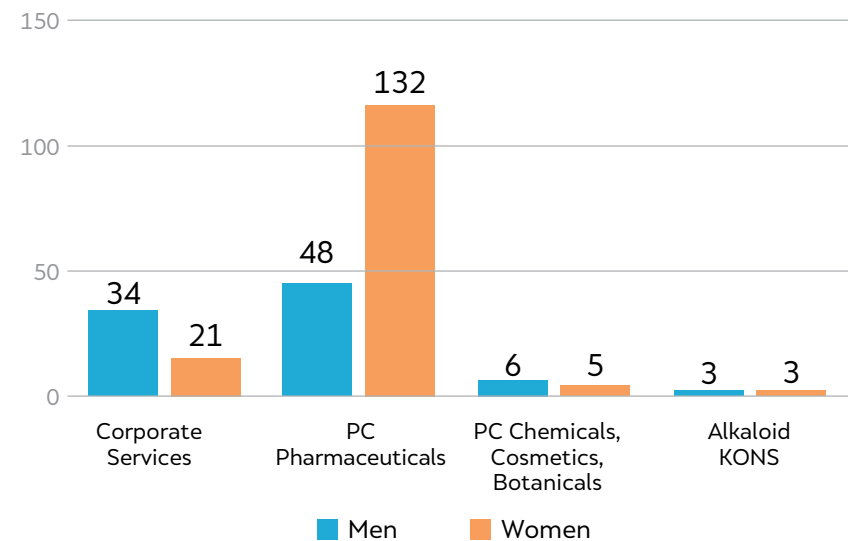
In the spirit of continuous growth and development, the ALKALOID family constantly expands, bringing in professional and dedicated staff. With their expertise and innovation, our employees play a key role in driving new successes and setting higher standards. Currently, the company employs 2302 people in North Macedonia and 740 across our subsidiaries and representative offices abroad. In 2024, we expanded our workforce by 246 new hires in ALKALOID AD 6 new hires in Alkaloid KONS. Additionally, some employees advanced through internal selection processes, filling positions through internal job postings, which support career growth and development within the company.



We actively engage with potential employees throughout the year by participating in job fairs and fostering ongoing collaboration with secondary schools and higher education institutions. We aim to invest in knowledge and development from the earliest stages of education, building a strong foundation for future professionals and the company's long-term success.

We also continue the successful "One Workday at ALKALOID" campaign, offering a transparent view of our daily work challenges and strengthening connections with the community in which we live and operate.

New employees by PC/OU/men/women

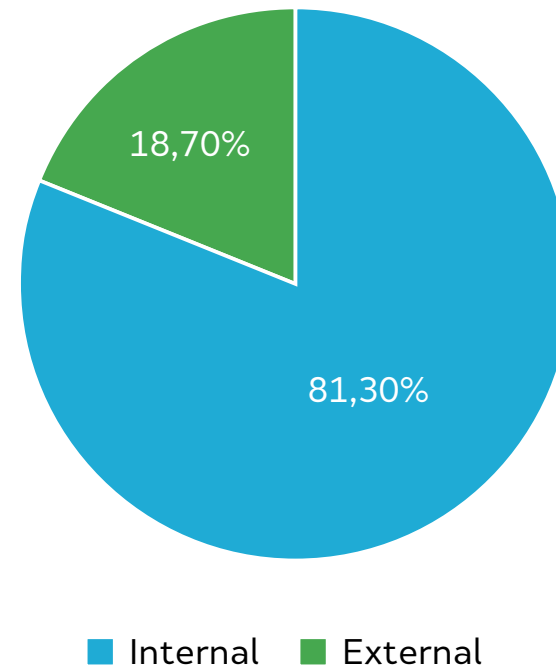


Employee Training and Development

At ALKALOID, we foster a culture of continuous learning and professional growth, ensuring our employees enhance their knowledge, skills, and competencies. Our mission is to provide ongoing career development for every team member while staying ahead of industry trends and innovations. We believe that investing in our people is essential to long-term success and leadership.

To achieve this, we conduct a variety of internal and external training programs each year. In 2024, the average number of training hours per employee was 172,39.

Hours of Internal and External Training





Talent and Performance Management Systems

We aim to foster a work environment where employees feel valued and respected for their hard work and dedication. We align professional development with performance, ensuring employees receive guidance and rewards reflecting their achievements.

We encourage open dialogue and communication across all levels, allowing employees to give and receive feedback on their performance. In 2024, 1419 employees participated in the evaluation process.

Currently, 63,24% of our employees are included in the performance management system, with the goal of achieving full participation in the near future.

Employee well-being

Guided by our core values and a commitment to employee well-being, we offer a range of benefits through the Employee Child Benefits program and supplemental health insurance. In 2024, we expanded the benefits program by introducing a day off for parents with first graders. We remain dedicated to enhancing and expanding our employee benefits package.

Through the Employee Child Benefits program, we provide financial support for children's education in foreign languages, computer skills, science, culture, sports, and dance activities.

By the end of 2024, we had 760 full applications.

Aligned with our core motto, Health Above All, we also offer private health insurance to all employees, with favorable options for extending coverage to their families.



Young Talent Program

Since 2018, we have successfully implemented the Young Talent Program, which includes the Internship Program. Since 2021, we expanded it with the Partial Dual Education Program.

As part of the Internship Program, we signed an annex to the Memorandum of Cooperation with the Faculty of Pharmacy Skopje at UCIM. Under this agreement, students in the Master in Pharmacy program can conduct practical exercises in our training laboratory, participate in visits to manufacturing facilities, and engage in hands-on industry activities. These initiatives will help students gain valuable real-world experience in the pharmaceutical industry.

This year, we welcomed the seventh class of interns. Since the program's inception, 310 interns from various educational institutions have gained hands-on experience with our processes and activities. In 2024, we employed 12 interns, bringing the total number of hires from the program to 121. The overall employment rate since the launch of the Internship Program stands at 39%.

As of September 2024, our Partial Dual Education Program expanded with the addition of another school. Alongside the secondary medical school "Dr. Panche Karagjozov," the secondary chemistry school "Maria Curie Skłodowska" has joined the initiative. For the 2024/2025 school year, the number of participating students reached a record high 28 reflecting this educational model's growing interest and success.



Among the two graduating classes that have completed their dual education at ALKALOID, out of the total of 44 students who finished their training, 24 students have secured employment. The overall employment rate from the Partial Dual Education Program stands at 54,5%.

We remain committed to investing in the education and development of young professionals. Through this model, we aim to nurture talent and contribute to creating talented future professionals. By supporting their education and growth, we set a positive example and shape a future that benefits our company and the broader society in which we actively operate.



Fair treatment for all employees

We uphold a strict non-discrimination policy in our daily communication and in the selection of associates, partners, job candidates, clients, and employees. Aligned with our core values, we promote diversity with respect and empathy, regardless of origin, nationality, ethnicity, religion, age, language, faith, gender, social status, sexual orientation, values, or interests.

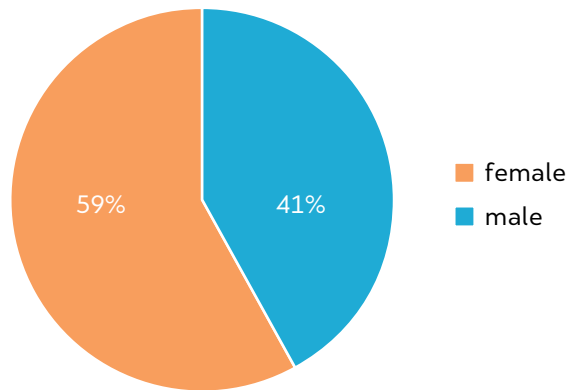
In 2024, we introduced several new policies reinforcing our commitment to equal employee treatment. To ensure awareness and implementation, we organized training sessions to familiarize employees with our values and responsibilities. We remain dedicated to fostering an inclusive and equitable work environment where every employee feels valued and supported.

- Modern Slavery Policy
- Child Labour and Young People Policy
- Policy on The Prohibition of Child and Youth Labour
- Policy on Non-Discrimination, Diversity, Equal Opportunity, and Inclusion
- Policy on The Protection and Promotion of Human Rights
- Rulebook on Protection Against Harassment in The Workplace

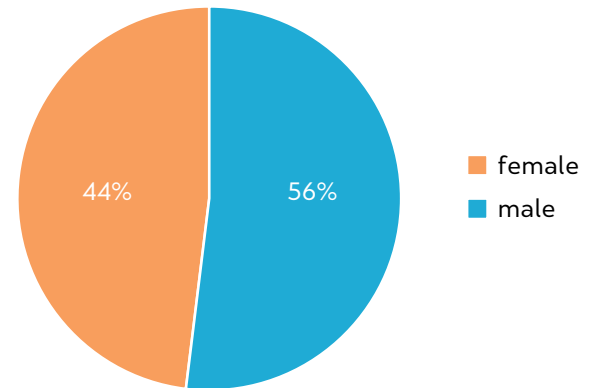
Due to the need for different presentation methods compared to the previous year, discrepancies may arise in the comparative data.



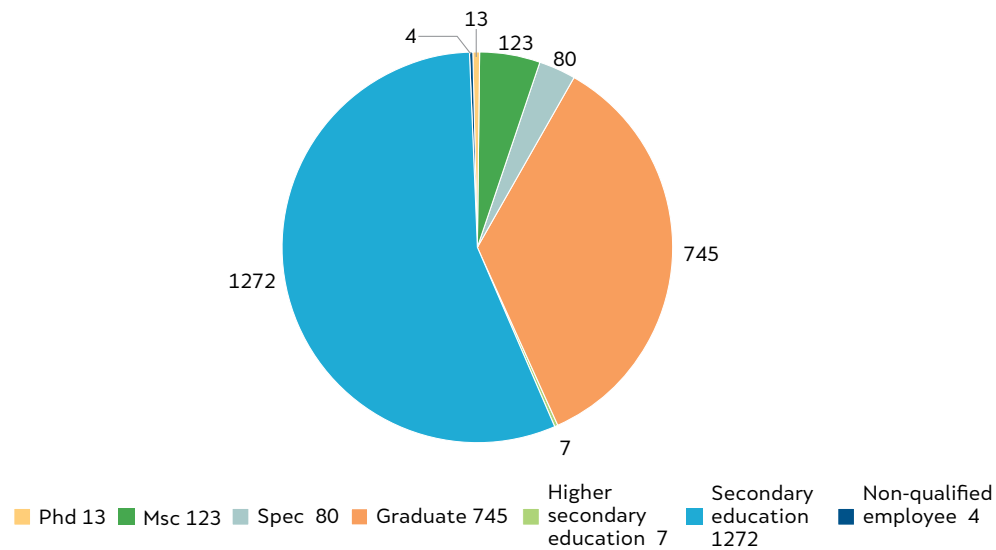
Gender structure in ALKALOID AD Skopje



Gender structure of head positions in ALKALOID AD Skopje



Qualification structure of employees in ALKALOID AD



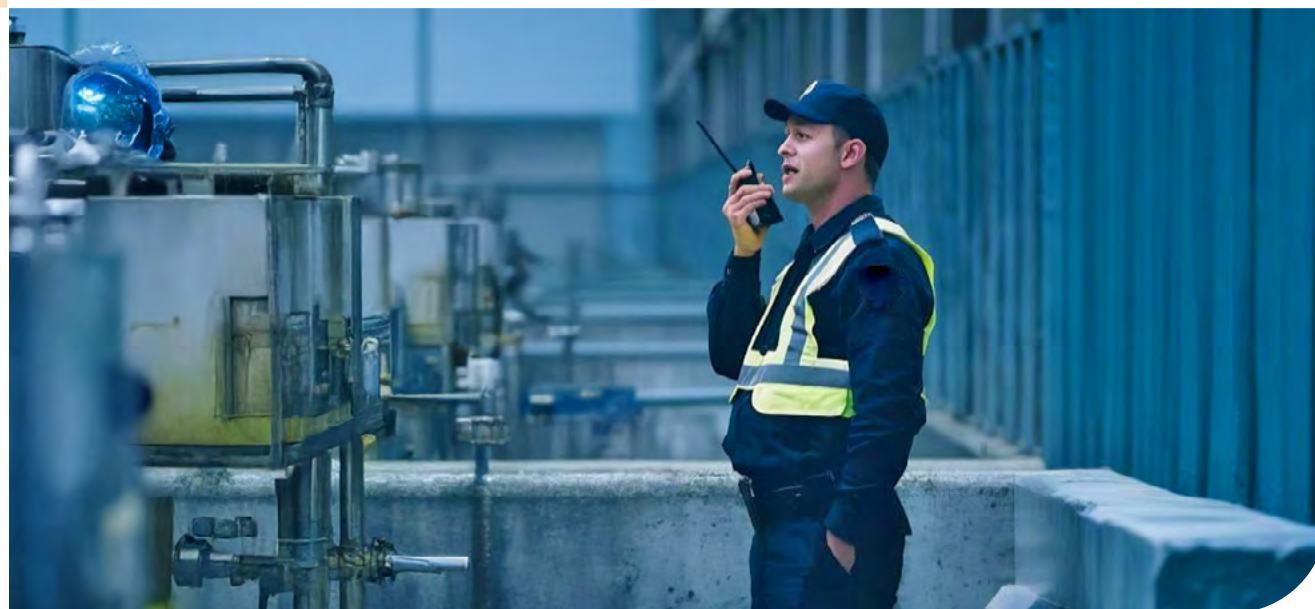
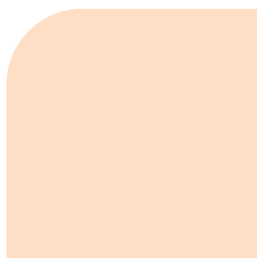
Security Personnel Familiar with Human Rights Protection Policies

(Reporting based on GRI 410-1)

The Security and Protection Department follows fundamental principles, ethical standards, and rules of conduct derived from the Constitution, relevant laws, regulations, and internal company policies. Additionally, it adheres to the universally accepted principles outlined in the Code of Conduct and Professional Ethics of CoESS (Confederation of European Security Services) and the Code of Professional Ethics for private security providers of the Chamber for Private Security of the Republic of North Macedonia.

All companies and individuals engaged in private security must, in the exercise of their duties, fully respect human rights and fundamental freedoms, refrain from any form of discrimination, use coercive measures only in extreme situations, and ensure the privacy of all individuals.

Areas	Indicators	
Align internal regulations with amendments to laws, bylaws, and relevant standards.	100 %	
Conduct trainings, workshops, and exercises on the use of force and coercive measures, communication skills, human rights and freedoms, and personal data protection.	Number of employees	Percentage of trained workers
	55	100 %
Align internal regulations with amendments to laws, bylaws, and relevant standards.	0 Complaints	



Occupational Safety and Health

Occupational Safety and Health (OSH) Management System (Reporting based on GRI 403 – 1)

Applying OSH principles is one of the key elements in managing all processes at ALKALOID. We are committed to continuously aligning and improving our practices with the latest global safety and health standards, ensuring the protection of our employees and those of our partners. The active involvement of employee representatives, combined with close collaboration between the professional team from the OSH Department and management, enables us to effectively prevent, reduce, and eliminate workplace risks.

Constant investment in improving working conditions remains fundamental to the company's overall progress. In 2024, we adopted a new OSH Policy, reinforcing our commitment to building an efficient OSH management system. As a result of these efforts, we received the 2024 National Award for Best Implemented OSH System in the Large Enterprise category, the Award for Most Investment in the Safety and Health of Its Employees, and First Place for Best Implemented OSH Practices in the Large Enterprise category.



Hazard Identification, Risk Assessment, and Incident Investigation (Reporting based on GRI 403- 2)

The OSH system enables a proactive approach to identifying hazards and assessing risks to the safety and health of employees before work begins, as well as when changing existing or introducing new processes. The focus of this approach is on implementing measures that ensure full workplace health and safety. Management's commitment, the expertise of responsible personnel, and a comprehensive range of internal control mechanisms ensure the consistent and effective application of all protective measures. Established reporting processes for accidents and incidents allow for timely investigation, root cause analysis, and swift corrective action, preventing recurrence and enhancing workplace safety.

Indicators for Identifying Work-Related Hazards and Risks	2023	2024
Total Updated Risk Assessments	122	29
Total reported near-miss accidents	31	38



Occupational Medicine Statement (Reporting based on GRI 403 – 3)

The company remains committed to safeguarding and enhancing employee health. We allocate substantial resources to improving the working environment and ensuring the well-being of our workforce. Our strategy for preserving employee health includes regular medical checks and continuous health monitoring by expert specialists, with strict adherence to privacy protocols and confidentiality of medical data.

Preventive Health Checks	2023	2024
Contracts signed with occupational health facilities	4	4
Total preventive health checks of employees	1698	2020
Recommendations issued for follow-up examinations or other necessary actions	25	12



Employee Participation, Information, and Consultation (Reporting based on GRI 403 – 4)

Employees actively contribute to creating policies and decisions related to workplace safety and health. Regular meetings and consultations with elected employee representatives ensure their insights and suggestions support continuous working conditions and process improvement. The OSH Board further enhances this process by organizing and maintaining regular meetings with relevant stakeholders, offering recommendations and oversight on all aspects of the OSH management system.

OSH Trainings (Reporting based on GRI 403 – 5)

Beyond mandatory training required by national legislation, the company strives to enhance knowledge and awareness continuously and emphasize the importance of safety across all processes. Employees expand their expertise through specialized OSH trainings, methodologies and tools aimed at improving workplace safety. These trainings are conducted by the company's dedicated safety professionals and by recognized domestic and international experts.

OSH Trainings	2023	2024
Number of completed trainings in compliance with mandatory regulations	2405	789
Number of completed specialized OSH trainings	202	620
Number of completed first aid trainings	167	150
Number of completed fire, explosion protection, and evacuation trainings	1073	739



Promoting and Advancing Employee Health Care
(Reporting based on GRI 403 – 6)

The health and wellbeing of our employees form the foundation of our business philosophy. We recognize that the company's success is directly linked to our workforce's quality of life, physical health, and psychological well-being.

We provide voluntary private health insurance to ensure the best possible care, granting employees quick and easy access to high-quality medical services. The company fully covers all insurance-related costs.

As part of our corporate culture, we also promote an active lifestyle by offering opportunities for sports and recreational activities. In collaboration with partners, we provide free access to sports facilities and gyms, enabling employees to engage in physical activity after working hours. We encourage participation in events such as the Skopje Marathon and chess tournaments and promote cycling as an alternative means of commuting. By fostering these habits, we aim to enhance overall well-being and create additional opportunities for quality relaxation and stress relief.



Prevention and Mitigation of Safety Impacts Directly Related to Business Relationships (Reporting based on GRI 403 – 7)

Preventing and mitigating safety risks associated with business relationships is essential to maintaining the company's stability and security. Establishing clear safety standards and requirements for all business partners is fundamental to ensuring compliance and minimizing potential hazards. This process begins with a thorough risk assessment and identification at the outset of each collaboration.

Strict selection criteria for suppliers and partners and regular safety audits significantly reduce potential threats. Contractual agreements outlining safety obligations and compliance requirements provide additional protection for all parties involved. Employee and partner training programs further strengthen the company's ability to identify and prevent safety threats.

A proactive approach to monitoring safety trends and emerging technologies is crucial in mitigating risks. Preventive measures such as safeguarding data confidentiality and protecting intellectual property are key to maintaining safety. Additionally, the company has established effective mechanisms for rapid response to safety incidents that may arise within business relationships.

Fostering a culture of safety and transparency strengthens trust among stakeholders and minimizes the likelihood of safety breaches. Through these efforts, we ensure a resilient and safe business environment.



Employees Covered by the OSH Management System (Reporting based on GRI 403 – 8)

The OSH management system applies to all employees across every department and organizational level and employees of other companies performing work within our facilities. This comprehensive approach ensures that everyone, from entry-level staff to top management, is protected by the system's safety measures and protocols. We aim to cultivate a workplace culture where employee well-being is a top priority, and everyone actively contributes to maintaining a healthy and safe working environment. We reinforce our commitment to OSH for all through continuous training, awareness programs, and strict adherence to OSH protocols.

Work-related injuries (Reporting based on GRI 403 – 9)

Work-related injuries of company employees	2023	2024
Number and rate of deaths	0	0
Number of severe injuries	0	0
Rate of severe injuries	0	0
Number of registered injuries	33	29
Rate/frequency of registered injuries per 1.000.000 hours	8,07	6,7
Injury severity rate per 100.000 hours worked	14,3	11,27
Injury rate per 1.000 employees	13,01	10,84
Total number of hours worked	4.090.490	4.329.441
Leading causes of workplace incidents	Slipping, tripping, falling and unsafe handling	
Work-Related Injuries to Non-Employees Under Company Control	2023	2024
Number and rate of deaths	0	0
Number of registered / severe injuries	0	0
Frequency rate of injuries of supplier employees	0	0



Work-related ill health Statement (Reporting based on GRI 403 – 10)

Work-Related ill health	2023	2024
Registered cases of Work-related ill health	0	0
Number and rate of deaths due to Work-related ill health	0	0
Work-Related ill health Among Non-Employees Under Company Control	2023	2024
Registered cases of Work-related ill health	0	0
Number and rate of deaths due to Work-related ill health	0	0







V. GOVERNANCE



Corporate Governance

In 2024, we continued to uphold the principles of good corporate governance, as outlined in its Statute and internal acts, while applying best corporate practices across all company processes.

The Annual Meeting of Shareholders held on 01.04.2024, followed the company Statute and internal acts, with all necessary actions taken to amend the Statute.

The company's interdisciplinary group continued to consistently complete the Macedonian Stock Exchange questionnaires to report compliance with the Code of Corporate Governance.

Aligned with our strategic commitment to sustainable development, we organized an ESG workshop in October 2024. Management and subsidiary employees attended the workshop to enhance awareness of ESG topics within the company and its subsidiaries.

Upon Supervisory Board proposal, the company adopted key policies in 2024, including the Policy on the Prohibition of Child and Youth Labour, the Policy on the Protection and Promotion of Human Rights, the Modern Slavery Policy, and the Policy on Non-Discrimination and the Promotion of Diversity, Equal Opportunities, and Inclusion. These policies reinforce our position as a modern company that upholds human rights and prioritizes the health and well-being of employees, consumers, their families, and society. To ensure effective implementation, we conducted training sessions for management and employees.



The company's governing bodies remained actively engaged in fulfilling their responsibilities as outlined in the Statute and their respective Rules of Procedure. In 2024, they were actively participating in monitoring and overseeing ESG strategy, managing ESG risks, conducting assessments, and reporting on ESG-related processes.

We also reinforced our commitment to building a sustainable supply chain. Our current and future suppliers, partners, and associates will be required to adhere to environmental, social, and corporate governance standards. To support this initiative, at the end of 2024, we organized training sessions on applying the Supplier Code of Conduct.

All newly adopted normative acts have been published on our website to ensure stakeholders are regularly, promptly, and fully informed about our efforts to advance corporate governance principles.



Corporate Compliance

Integrity and honesty are fundamental to our business success. Our company is committed to full compliance with local and international regulations, internal policies, and ethical standards, with both management and employees demonstrating a strong voluntary commitment to these principles.

In 2024, the Corporate Compliance Officer participated in a USAID-led project in collaboration with North Macedonia's Chamber of Commerce. This initiative provided trainings for small and medium-sized enterprises nationwide, supporting them in independently implementing business integrity systems.

As part of this effort, trainings were organized in Prilep and Bitola, engaging local companies and sharing our practices and experiences. Through these initiatives, we continue to contribute to raising awareness within the business community about the importance of corporate integrity and ethical professional conduct.



Code of Ethics and Professional Conduct

We uphold the highest ethical standards in our business operations. The Code of Ethics and Professional Conduct is a cornerstone in fostering an ethical corporate culture. By promoting key ethical principles and supporting a strong compliance system, the Code empowers employees and executives to make independent, ethical decisions in their daily work, reinforcing our shared mission and vision of corporate integrity. In 2024, the company, led by the top management and supported by the Corporate Compliance Officer, continued to strengthen this process through training programs for competent persons and initiatives to raise employee awareness of ethical conduct.

The AlkaSpeakUp platform is a company web-tool and communication channel where employees and external associates can report unlawful or unethical behavior by employees or company executives. Reporting parties are encouraged to report actions violating the Code of Ethics and Professional Conduct principles. The Corporate Compliance Commission reviews and addresses reports, ensuring that all cases are handled fairly and in accordance with established rules and principles.



more info



Overview of Procedures for Violations of the Code of Ethical and Professional Conduct

In 2024, the Corporate Compliance Officer and the Corporate Compliance Commission received three reports that met the criteria for review.

The Corporate Compliance Commission issued one finding in 2024 as part of an ongoing infringement proceeding under the Code of Ethical and Professional Conduct.

Anti-Corruption Policy

Our company is fully committed to upholding the highest standards of legal and ethical conduct. The Anti-Corruption Policy provides a detailed framework for specific principles outlined in the Code of Ethics and Professional Conduct and the Code of Interaction with Healthcare Professionals and Ethical Promotion. This policy governs all aspects of preventing and addressing unauthorized payments, bribery of public officials and officeholders, and any other forms of corruption. It also defines the fundamental parameters of our interactions with government institutions and society. By implementing this policy, we further reinforce the company's commitment to integrity and reputation, founded on honesty, fairness, and personal accountability. These principles apply to all employees, executives, and any individuals associated with the company in any capacity.



Code of Interaction with Healthcare Professionals and Ethical Promotion

This Code establishes clear standards for interactions with the healthcare community and it holds exceptional significance for the company's ethical framework. It governs the promotion, communication, and engagement with healthcare professionals, organizations, and the broader healthcare community. Our company is firmly committed to the continuous education of medical professionals. We ensure compliance with all relevant industry codes and applicable legislation through training programs, reinforcing integrity and professionalism in every interaction.



Personal Data Protection

We continuously maintain and enhance our personal data protection strategy, ensuring a high level of security and compliance with best practices and relevant legislation. In 2024, we implemented additional awareness-raising measures to strengthen information security and personal data protection, particularly focusing on network locations where personal data is stored and processed.

Our commitment to continuous improvement is reflected in regular audits of existing information systems, risk assessments, and optimizing security measures. Throughout the year, employees participated in training sessions designed to raise awareness about the importance of data protection and adherence to internal security policies. These educational activities reinforce our dedication to compliance with the European General Data Protection Regulation (GDPR) and other relevant privacy regulations.

To strengthen security further, we introduced and implemented a structured decision-making procedure for selecting and due diligence of personal data processors. This procedure streamlines due diligence efforts, ensuring consistent and effective control over third parties handling data on our behalf. By implementing this measure, we enhance risk management and collaborate exclusively with partners who meet legal and regulatory standards.

The Corporate Data Protection Officer, in close collaboration with the international data protection team, continued working with colleagues across company sectors to improve data privacy processes. As a result, third parties received updated privacy notices, further aligning data protection practices across various company operations.

With these initiatives, we remain dedicated to upholding the highest personal data protection standards, ensuring a secure and stable digital environment for our employees, partners, and customers.

Tax

The Alkaloid Group, as a multinational company, apply the laws and regulations in the countries where we do business and pay the taxes and duties under the applicable regulations. Since we have a business and employment presence in many countries, we pay taxes including corporate income tax, indirect taxes (VAT), as well as taxes and social contributions associated with our employees.

The basic principles that the Alkaloid Group follows in the field of taxation are to: pay taxes and file tax returns with the tax authorities on time in compliance with laws and regulations; avoid risky tax decisions; monitor changes in tax legislation; provide continuously training to employees involved in the field of taxation; build and maintain transparent and collaborative relationships with tax authorities. Integrity, honesty and trust are core values and principles outlined in the Alkaloid's Code of Ethics and Professional Conduct, which we also apply in the tax field.

Alkaloid Group follows the principles of international taxation incorporated in the respective bilateral double tax treaties based on the OECD Model Tax Convention on Income and on Capital. On such way avoiding double taxation and securing appropriate tax base in each jurisdiction.

For all intra-group transactions Alkaloid Group applies the OECD Transfer Pricing Guidelines and any country-specific legislation, applying arm's length principle. Our transfer pricing policy is documented and supported by economic analysis and reports. The transfer pricing documentation, which includes master file and local files, is reviewed and updated annually.

The Alkaloid Group has established internal accounting controls which also include internal tax controls at every level of operation and within all subsidiaries to manage financial and tax reporting risks.

The Tax Department at Alkaloid, supervised by Chief Financial Officer, has responsibility for tax matters and implements policies and procedures that are signed off by Alkaloid's Board of Directors including the Code of Conduct, the Stakeholder Relations Policy, the Company Statute, the ESG Policy alongside our core values – The Integrated Management System Policy of Alkaloid (corporate policies / procedures.)

Income taxes are described in detail in our consolidated financial statements. The tax information disclosed in our financial statements is subject to independent audit.

ESG Risks for 2024

Risk Management

The company has implemented a comprehensive risk management process to identify threats and opportunities in a timely manner. This process protects company resources, minimizes potential losses, enhances operational effectiveness, improves management processes, meets stakeholder expectations, and maintains a strong reputation.

Further details on risk management are available in the Group's Annual Report.

Identifying ESG Risks

The heads of relevant organizational units identify ESG risks and are responsible for implementing ESG requirements using the same procedure and methodology as for other risks within the Group.

ESG Board members discuss how to treat these risks. The Board regularly reviews these risks, monitors their development, and evaluates the measures taken to mitigate their impact on the Group's operations.



In 2024, the company identified 31 ESG risks, categorized as follows:

ESG- Category	Number of Risks	% of Total
ESG Reporting – Environment	7	23 %
Impact of Climate Change	2	6 %
Environmental Pollution	1	3 %
Waste Management	1	3 %
Carbon Footprint	2	6 %
Water Management	1	3 %
ESG Reporting – Governance	10	32 %
Regulatory Compliance	2	6 %
Board Independence and Diversity	2	6 %
Risk Management and Compliance Programs	1	3 %
Transparency and Disclosure	2	6 %
Board Remuneration and Incentives	1	3 %
Data Management and Cybersecurity	2	6 %
ESG Reporting – Social	14	45 %
Work Practices, Performance Measurement and Employee Development	3	10 %
Population Migration and Skilled Workforce Shortages	1	3 %
Access to Medicines	1	3 %
Ethical Marketing, Sales and Clinical Trials Practices	4	13 %
Employee Safety Awareness	1	3 %
Patient Privacy and Data Security	2	6 %
Community Engagement and Social Impact	2	6 %
Total	31	100 %

More than 84% of ESG risks are classified as low-risk, thanks to strong policies, processes, and controls that ensure compliance with ESG standards within the Group.



Most of the ESG risks (45%) fall within the social category, followed by corporate governance (32%) and environmental concerns (23%).

ESG Risks by Primary Risk Category

ESG- Category	Number of Risks	% of Total
ESG Reporting – Environment	7	23 %
Compliance	6	19 %
Financial	1	3 %
ESG Reporting – Governance	10	32 %
Compliance	10	32 %
ESG Reporting – Social	14	45 %
Employees	2	6 %
Compliance	12	39 %
Total	31	100 %

Approximately 91% of ESG risks fall under compliance, while 6% relate to workforce issues and 3% to financial costs.



SUSTAINABLE PROCUREMENT AND SUSTAINABLE SUPPLY CHAIN

Social responsibility, sustainability, and sustainable development are among our top priorities and are deeply embedded in our business strategy and corporate culture.

Our supply chain operates on the highest ethical standards and principles of fair business conduct, upheld by the integrity and honesty of our employees in their daily operations.

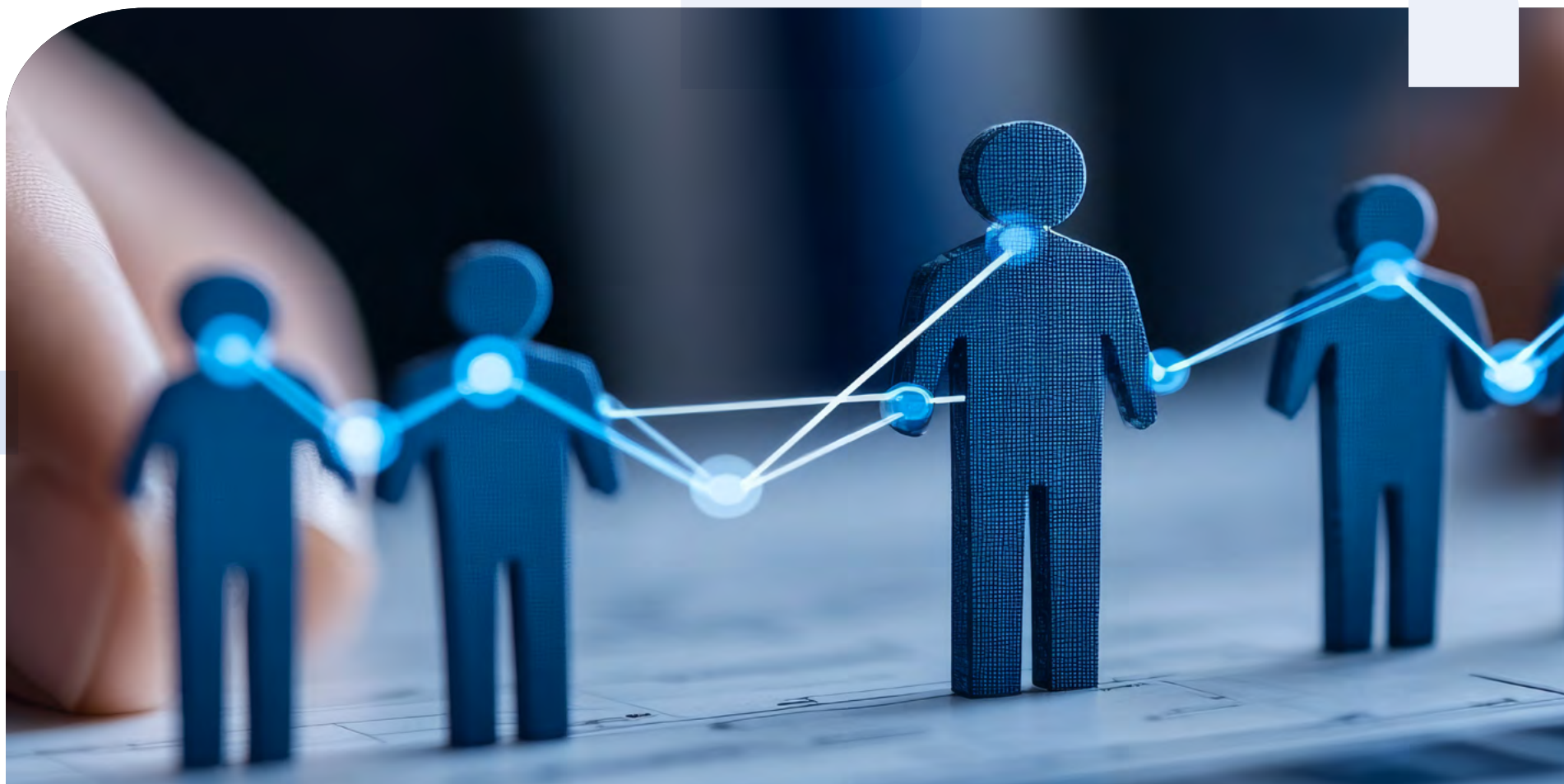
In 2024, the company adopted two key corporate documents, **the Supplier Code of Conduct and the Sustainable Procurement Policy**, which are aligned with our ESG strategy and Integrated Management System Policy. These documents are crucial in ensuring the sustainable procurement of materials and services. Through them, we have reinforced our procurement and supply chain management practices, aligning them with our commitments to environmental stewardship, social responsibility, economic sustainability, occupational safety and health, and employee well-being.

By implementing sustainable practices, we minimize negative impacts on the environment, the workplace, and society while fostering long-term, positive relationships with our suppliers. At the same time, we support social equality and contribute to the economic well-being of all stakeholders.



more info







VI. INFORMATION ON SUBSIDIARIES AND REPRESENTATIVE OFFICES

VI INFORMATION ON SUBSIDIARIES AND REPRESENTATIVE OFFICES

We will continue consolidating its ESG report throughout 2024. To support this effort, we organized a workshop in Skopje titled "Preparation of the Consolidated ESG Report of the ALKALOID Group—Practices, Solutions, and Guidelines," bringing together all appointed ESG officers from our subsidiaries. We established direct communication channels and defined standardized forms for collecting relevant ESG data from these companies for 2024.

Given the varying sizes, operational volumes, and workforce of ALKALOID's subsidiaries and representative offices worldwide, gathering and processing all necessary ESG data presents a significant challenge. However, we are pleased to continue publishing all relevant ESG data available from these entities in our ESG report.

Summary of Key ESG Indicators for ALKALOID and Its Subsidiaries in 2024.

Indicators	Alkaloid AD Skopje - Unconsolidated results	Subsidiaries *	Group Consolidated Results**	Unit of Measure	GRI/ other ESG indicators
Total waste generated	828,45	169,97	998,42	t	GRI: 306-3-a
Hazardous waste	70,72	17,05	87,77	t	GRI: 306-3-a
Non-hazardous waste	757,83	154,08	911,91	t	GRI: 306-3-a
Recycled waste + incinerated	696,18	138,80	834,98	t	GRI: 306-4-a
Recycled waste	627,24	118,67	745,91	t	GRI: 306-4-a
Landfilled waste	132,27	16,97	149,24	t	GRI: 306-5-a
Household waste	2.371,20	74,78	2.445,98	t	GRI: 306-5-a
Surface water	0,00	0,00	0,00	ML	GRI: 303-3
Groundwater	77,19	0,00	77,19	ML	GRI: 303-3
Water obtained from third parties	222,44	3,05	225,49	ML	GRI: 303-3
Water loss from third parties	144,59	0,97	146,57	ML	GRI: 303-3
Surface water + Groundwater + Water obtained from third parties	299,63	3,05	302,68	ML	GRI: 303-3
Total purchased electricity	14.557,12	3.996,70	18.553,82	MWh	GRI-302-1
Purchased electricity from renewable sources	8.151,99	202,07	8.354,07	MWh	GRI-302-1
Produced electricity from renewable sources	2.024,00	0	2.024,00	MWh	GRI-302-1
Total liquid fuel	63.988,00	204.878,82	268.866,82	L	GRI-302-1
Purchased fuel from renewable sources	0,00	0,00	0,00	L	
Natural gas	2.159.299	2784,3	2.162.083	Nm3	GRI-302-1
Bio or renewable natural gas	0,00	0,00	0,00	Nm3	GRI-302-1
Emissions from stationary sources – Scope 1	4.525,26	4,35	4.529,61	t CO2 eq	GRI-305-1
Emissions from mobile sources – Scope 1	285,17	1.070,37	1.355,54	t CO2 eq	GRI-305-1
Emissions from cooling equipment – Scope 1	73,05	0	73,05	t CO2 eq	GRI-305-1
Emissions from purchased electricity – Scope 2	4.087,42	0,34285	4.087,76	t CO2 eq	GRI-305-2
Emissions from leased assets (leased electricity) – Scope 3	5959,74	1049,26	7.009,00	t CO2 eq	GRI-305-3
Emissions from business travel – Scope 3	77,03	162,75	239,78	t CO2 eq	GRI-305-3
Emissions from employee travel to and from work – Scope 3	14,17	95,048	109,218	t CO2 eq	GRI-305-3
"Upstream" transport	1.771,21	108,987	1.880,20	t CO2 eq	GRI-305-3
Emissions from procurement of capital goods - Scope 3	/	/	5959,74	t CO2 eq	GRI-305-3
Emissions from procured fuels and energy sources - Scope 3	/	/	1370,22	t CO2 eq	GRI-305-3

* The data in the column: Subsidiaries refers to the material/significant subsidiaries.

** The data in the column: Group - consolidated results refers to ALKALOID AD Skopje and the material/significant subsidiaries.

Summary of Key ESG Indicators for ALKALOID and Its Subsidiaries in 2024

Indicators	Alkaloid AD Skopje - Unconsolidated results	Subsidiaries *	Group Consolidated Results**	Unit of Measure	GRI/ other ESG indicators
Total number of company employees***	2.244	798	3.042	number of employees	other ESG indicators
Rate of new hires	10,96%	19,82%	13,19%	percentage of employees	GRI-401-1
Turnover Rate	2,53%	12,05%	4,76%	percentage of employees	GRI-401-1
Average number of training hours per employee per year	172,39	28,87	100,63	hours	GRI-404-1
Total audited workplace risk assessments	29	63	92	number of audited workplace risk assessments	GRI-403-2
Total reported near-miss accidents	38	0	0	number of reported near-miss accidents	GRI-403-2
Concluded agreements with health care institutions for occupational medicine	4	8	12W	Number of contracts with occupational medicine health care institutions	GRI-403-3
Total preventive health examinations of employees carried out	2.020	233	2.253	Number of preventive health examinations of employees carried out	GRI-403-3
Total employee legally required trainings carried out	789	54	843	Number of legally required trainings carried out	GRI-403-5
Total first aid trainings carried out	150	4	154	Number of first aid trainings carried out	GRI-403-5
Total trainings for fire and explosion protection and evacuation carried out	739	58	797	Number of trainings carried out for fire and explosion protection and evacuation	GRI-403-5
Number of Deaths	0	0	0	Number and rate of deaths	GRI-403-9
Number of Serious Injuries	0	0	0	Number and rate of serious injuries	GRI-403-9
Number of Registered injuries	29	3	32	Number of registered injuries	GRI-403-9
Frequency rate of Registered Injuries	6,7	3,16	6,06	Rate of registered injuries per 1.000.000	GRI-403-9
Severity rate of injuries	11,27	4,42	10,04	Number and rate of deaths	other ESG indicators
Rate of injuries / 1.000 employees	10,84	3,9	9,29	Number and rate of serious injuries	other ESG indicators
Total working hours	4.329.441	949.050	5.278.491	Number of registered injuries	GRI-403-9
Main cause of work-related injuries	Slipping, tripping, falling and unsafe handling	/	Slipping, tripping, falling and unsafe handling	Rate of registered injuries per 1.000.000	GRI-403-9
Registered injuries to supplier employees	0	0	0	Number of injuries/number of serious injuries to supplier employees	GRI-403-9
Frequency rate injuries to supplier employees	0	0	0	Rate of registered injuries per 1.000.000	GRI-403-9
Registered occupational diseases of ALKALOID employees	0	0	0	Number of registered employees with occupational diseases	GRI-403-10
Registered occupational diseases of supplier employees	0	0	0	Number of registered employees with occupational diseases	GRI-403-10

* The data in the column: Subsidiaries refers to the material/significant subsidiaries.

** The data in the column: Group - consolidated results refers to ALKALOID AD Skopje and the material/significant subsidiaries.

*** Total employees in subsidiaries 798, in material subsidiaries 757, in non-material subsidiaries 30 and 11 in representative offices.

Summary of Key ESG Indicators for ALKALOID and Its Subsidiaries in 2024

GRI 204-1 Proportion of spending on local suppliers

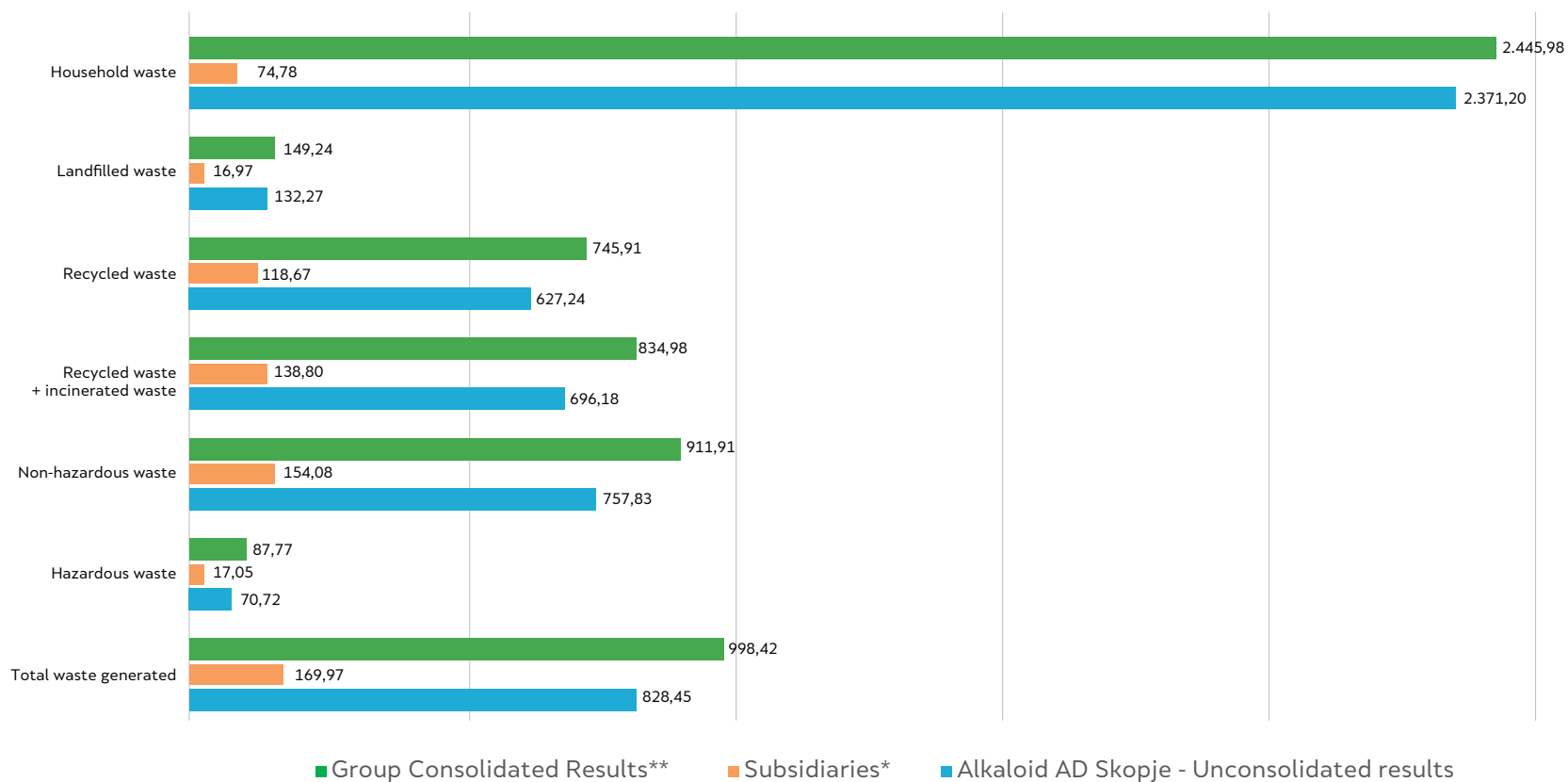
Subsidiaries	Share of local suppliers in company's total purchases
ALKALOID CONS DOOEL	20,00%
ALKALOID DOO Sarajevo, Bosnia and Herzegovina	11,00%
ALKALOID EOOD Sofia	46,00%
ALKALOID DOO Zagreb	98,00%
ALK & KOS Pharmaceuticals Shpk Pristina	57,00%
ALKALOID DOO Podgorica	42,50%
ALKALOID Bucharest S.R.L.	95,00%
ALKALOID DOO Belgrade	36,00%
ALKALOID Wholesale DOO Belgrade	47,00%
ALKA-LAB DOO Ljubljana	92,00%
ALKALOID FARM DOO Ljubljana	98,00%
ALKALOID INT DOO Ljubljana	9,00%
ALKALOID Shpk Tirana	98,00%

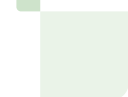
Data refers to material/significant subsidiaries.

ENVIRONMENT

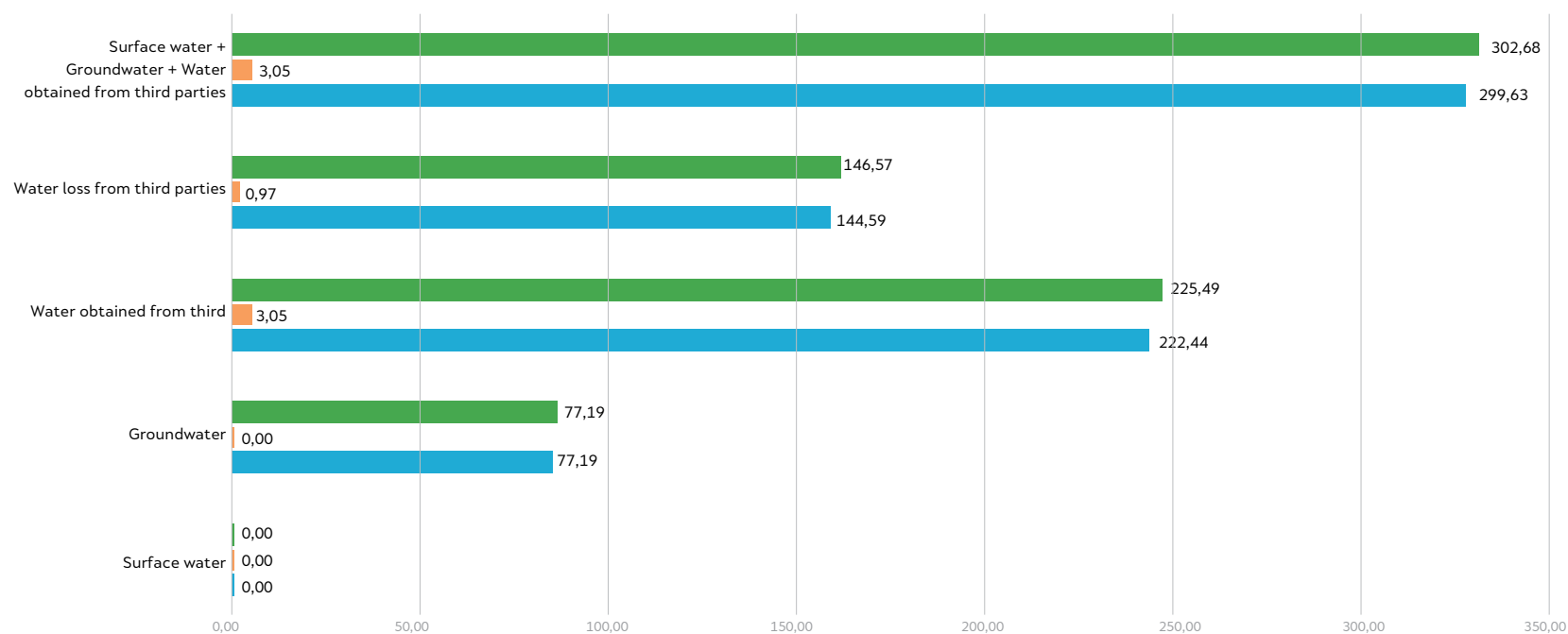
We present the ESG measurement indicators from the environment segment for Subsidiaries and Representative Offices, where applicable.

Waste generated [t] - Group Consolidated Results





Water consumption [ML] - Group Consolidated Results



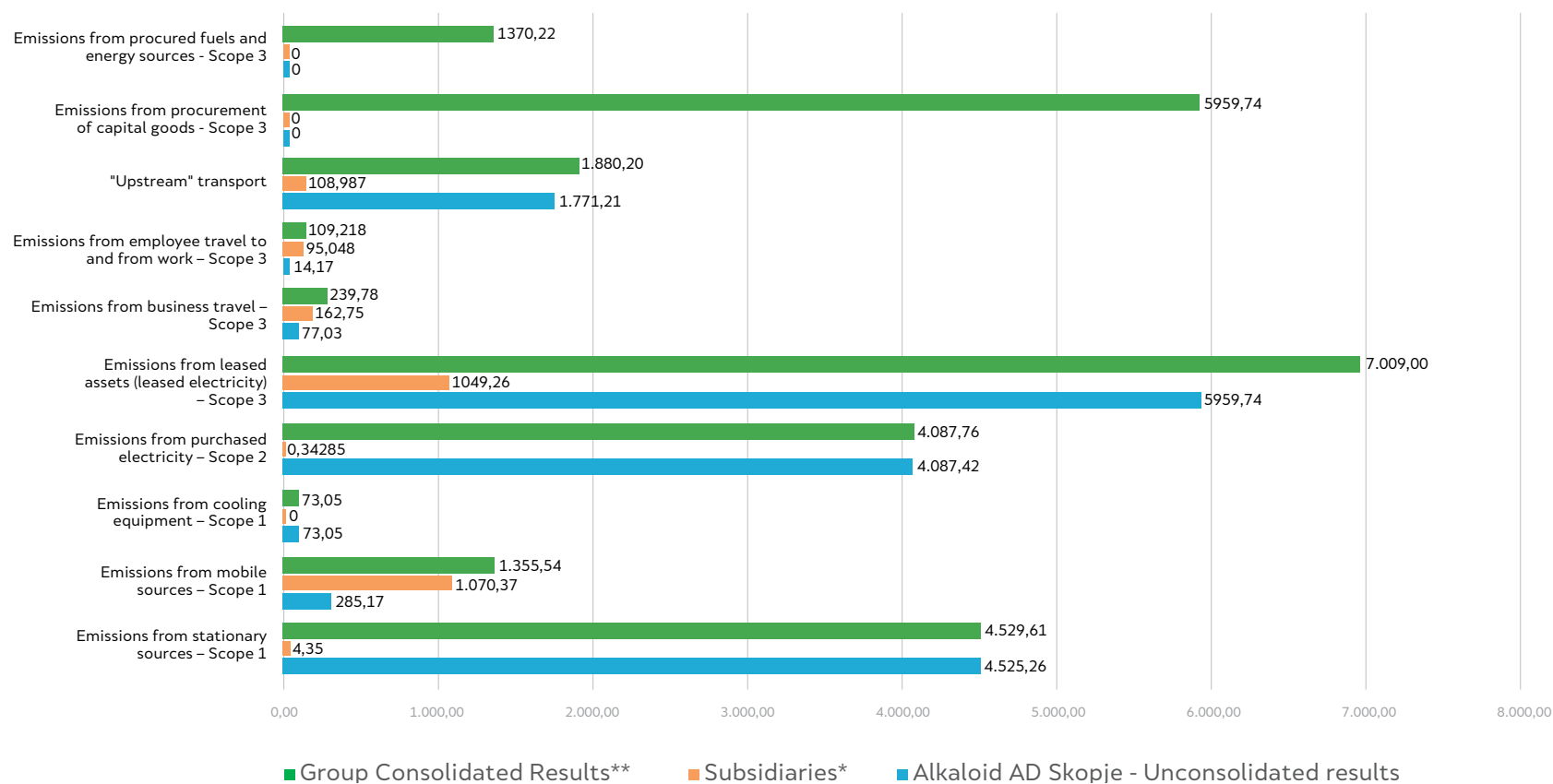
■ Group Consolidated Results**

■ Subsidiaries*

■ Alkaloid AD Skopje - Unconsolidated results

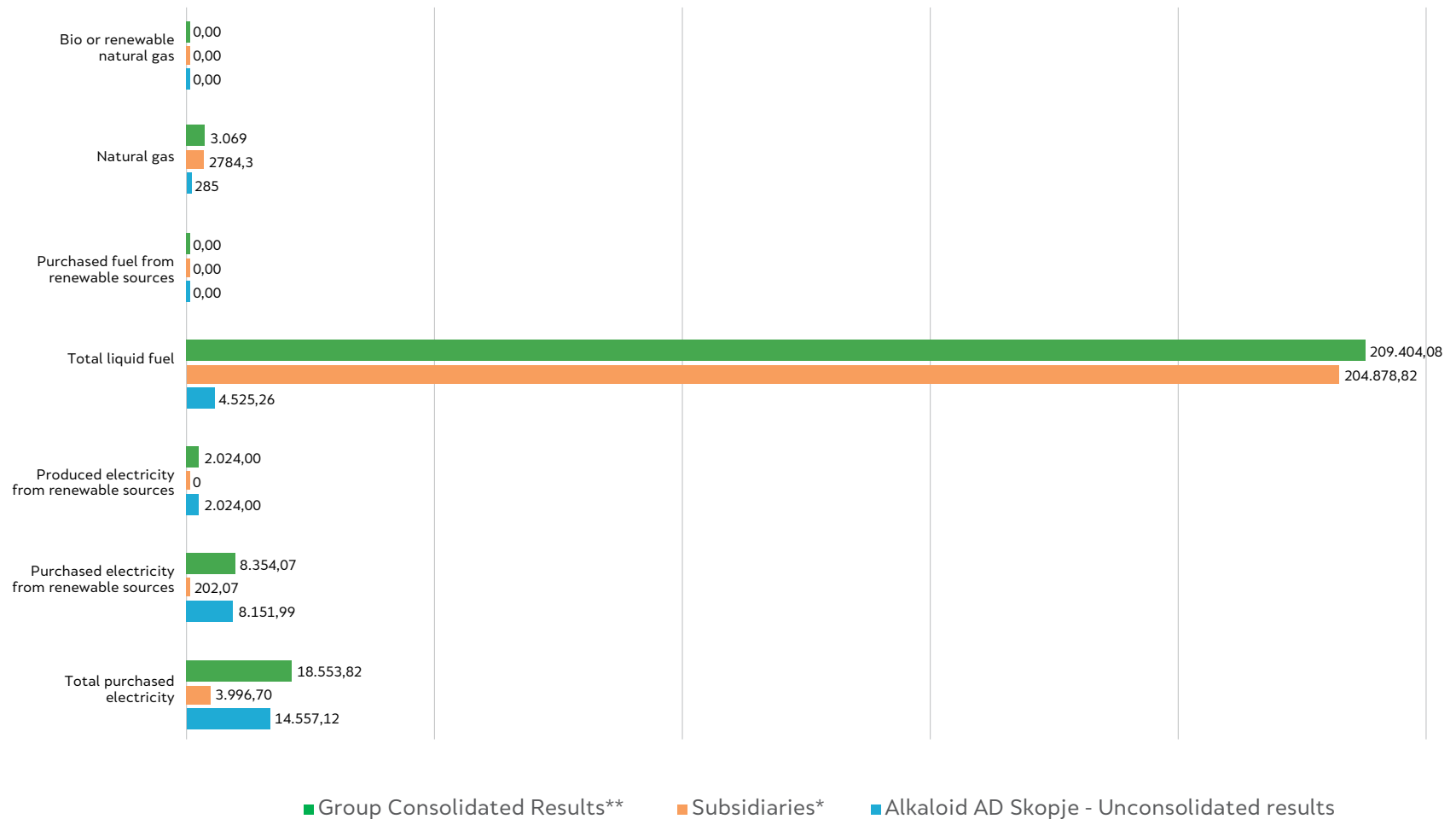


Greenhouse gas emissions [t CO2 eq] - Group Consolidated Results





Energy consumption - Group Consolidated Results





SOCIAL

We hereby present the ESG indicators from the Human Resources segment for the subsidiaries, where applicable.



Measurement Indicators According to GRI Standard 401 – Employment GRI 401-1 New hires and Employee turnover							
Total number of employees	New hires by category					Total new hires	Total % of new hires
	Men	Women	Under 30	30-50	Over 50		
757	26	124	39	102	9	150	19,82%
Total	17,33%	82,67%	26,00%	68,00%	6,00%		
Average number of employees	Turnover rate by category					Total departures Total	Total turnover
	Men	Women	Under 30	30-50	Over 50		
730	24	64	16	66	6	88	12,05%
Total	27,27%	72,73%	18,18%	75,00%	6,82%		

The data refers to the material/significant subsidiaries.



Measurement indicators according to GRI 404 - Training and Education			
404-1 - Average hours of training per year per employee	Number of employees	Hours of training	Average hours of training
Total number	757	21946	28,99
Data on female employees	534	15885	29,75
Data on male employees	223	6061	27,18
Data on employees aged under 30	80	3119,5	38,99
Data on employees aged 30-50	573	15504	27,06
Data on employees aged over 50	104	3322,5	31,95
404-3 -Percentage of employees receiving regular performance and career development reviews	Number of employees	Number of employees receiving regular performance and career development reviews	% of TMS (Talent management system)
Total number	757	578	76,35%
Data on female employees	534	398	74,53%
Data on male employees	223	180	80,72%
Data on employees aged under 30	80	62	77,50%
Data on employees aged 30-50	573	449	78,36%
Data on employees aged over 50	104	67	64,42%

The data refers to the material/significant subsidiaries.



Measurement indicators according to the GRI 405-1 Diversity of Governance Bodies and Employees requirements					
Total number of employees	Number of employees by category				
	Men	Women	Under 30	30-50	Over 50
757	223	534	80	573	104
Total	29,46%	70,54%	10,57%	75,69%	13,74%

The data refers to the material/significant subsidiaries.



CORPORATE SOCIAL RESPONSIBILITY IN ALKALOID

At ALKALOID, we embed responsible social behavior in our daily operations across all subsidiaries and representative offices. Through the exchange of experiences and ideas, the application of best practices, the implementation of joint projects, and the continuous promotion of ethical conduct, we strive to make a positive impact on society, the community, and the environment. We work diligently to foster a culture of accountability among all employees, aligning our efforts with ESG goals by executing various initiatives and projects tailored to community needs and local specificities.

Supporting individuals and organizations through various forms of assistance remains a core aspect of our long-term commitment to social responsibility. Our partnerships with professional associations, civic organizations, and institutions are implemented through donations and sponsorships, providing support in multiple areas of social life. Last year, we implemented several key projects, including aid for flooded areas in Bosnia and Herzegovina, donations of medicines and Becutan children's cosmetics to five health centers in Konjic, Jablanica, Kiseljak, Fojnica, and Kreshevo, as well as medicine donations to the Department of Toxicology at Mother Teresa Hospital in Tirana, Albania. Additionally, we contributed to numerous medical assistance initiatives supporting

the treatment of patients in need. Our involvement also extended to the International Women's Club project in Montenegro, aimed at assisting children with developmental disabilities and promoting their social integration. This initiative focused on raising awareness, reducing stigma, and providing access to specialized programs, therapies, and educational resources.

The privilege of being able to help those in need is invaluable. Driven by our core value of putting people above all and our strong sense of collective support, our employees actively participate in various humanitarian and donation efforts. Their commitment reflects a profound sense of empathy and humanitarian spirit, from clothing and food drives to disaster relief initiatives and blood donation campaigns.

To raise awareness of the life-saving importance of blood donation, and in recognition of World Blood Donation Day on 14 June, we organized blood donation campaigns in which our employees voluntarily participated. We carried out these initiatives in Serbia, in cooperation with the Institute for Blood Transfusion of Serbia, in Bosnia and Herzegovina, in collaboration with the Institute for Transfusion Medicine of the Federation of Bosnia and Herzegovina, and Croatia.



In Slovenia, employees joined the humanitarian project Charity March to St. Augustine - Primozh, organized by Modre Novice magazine. This initiative raised funds for the Association of Friends of Youth of Slovenia, which supports families affected by the storm in the municipalities of Kamnik, Domzhale, Mengesh, Trzhin, and Komenda.

As a company that actively collaborates with experts, we are committed to sharing knowledge and contributing to public health advancement through various educational projects, conferences, and workshops for the general and professional public.

Across multiple representative offices, we had awareness raising initiatives on critical health and social issues. In Bosnia and Herzegovina, we launched a campaign highlighting the importance of regular self-examinations and recommended screenings for early detection and more effective treatment of malignant diseases in men, inspired by the Movember movement. In Montenegro, we supported the development of The Bullying Handbook – Advice for Children and Parents, an initiative involving psychologists, educators, parents, children, NGOs, and state authorities. This project aims to establish clear guidelines for identifying and preventing bullying, promote open communication, and provide access to professional support resources.

We have conducted multiple campaigns to raise public awareness of important health and social issues. In Serbia and Croatia, we launched the Purple Day campaign to raise awareness about epilepsy, support individuals living with the condition, and educate the public. We carried out this initiative in collaboration with the Association of Epilepsy Patients. As part of the campaign, ALKALOID supported developing a specialized epilepsy monitoring app in partnership with the Croatian Epilepsy Association and the Croatian League Against Epilepsy. In Serbia, to mark the International Day Against Drug Abuse and Illicit Drug Trafficking on 26 June, we initiated a campaign to increase awareness about addiction and encourage those struggling with substance abuse to seek help. We conducted these awareness efforts through expert television appearances, interviews in daily newspapers and magazines, and support for organizing workshops for both professional and general audiences.

Fostering collaboration and supporting the professional community remain key priorities for our company. To strengthen ties with professional associations, healthcare institutions, and medical professionals, we provide ongoing professional assistance by participating in, organizing, and supporting conferences, seminars, symposia, and congresses.





We also invest in sports, culture, and education through various partnerships and sponsorships. Some of our sports initiatives include sponsoring events, clubs, associations, and athletes. It includes support for Slovenian alpine skier Ilka Shtuhec (Shportno drushtvo i-ski), sponsorship of the Dangerous basketball team at the tournament in Montenegro, support for the training camp of the Cobra Kai karate club in Montenegro, and assistance for the Water Foxes sports fishing club in Montenegro to participate in the World Fishing Championships. Additionally, we sponsored the athletic club Zhumberak to support its members and the running school. We also donated TC Medveshchak to assist tennis players from the club in Croatia.

We actively support participation in marathons across multiple countries to highlight the importance of physical activity and healthy lifestyle habits while fostering a strong sports culture, team spirit, and motivation among our employees. On 11 May 2024, we participated in the 5th Sarajevo Marathon, which gathered around 2,000 runners from 44 countries. In addition to sponsoring the 42 km marathon and the 21 km half-marathon, we also sponsored the 5 km race under the name Alkaloid 5K Running. Furthermore, our employees in Serbia participated in the Serbia Business Run, the country's most prominent business sports event.

In the same sporting spirit, but with an added focus on environmental awareness, ALKALOID Serbia participated in the Run for the Forest race—one of Serbia's most significant reforestation projects. As part of the initiative, our company donated and planted 50 trees in Frushka Gora National Park, contributing to reforestation efforts.



With similar sustainability goals, the employees of ALKALOID LGL d.o.o. in Croatia implemented an initiative called Sorting Waste to raise awareness about proper waste management. This project included educational sessions and practical guidance on waste separation, with the installation of specially marked bins for paper, bio-waste, plastic, metal, and mixed waste.

Our employees are our top priority and one of our greatest assets. It is reflected in our continuous commitment to their satisfaction, well-being, health, and working conditions. To support them, we organize a variety of sports and recreational programs, team-building activities, and community picnics for employees and their families. We also offer numerous benefits, including access to healthy food in offices through a partnership with the Gajbica website and workplace fitness programs such as yoga and Pilates in Slovenia. Additionally, we provide financial support for employees' children to participate in sports and extracurricular activities, mental health consultations with psychologists, and a MultiSport card in Croatia, which grants access to a wide range of fitness and recreational sports facilities.



Through these initiatives, we reaffirm our commitment to responsible corporate behavior. We continuously invest in our community, employees, and sustainable development to contribute to a healthier and more inclusive society.





Governance

ALKALOID has successfully transferred good corporate governance practices to its subsidiaries in Macedonia, the region, and beyond by incorporating key policies into their systems and establishing oversight mechanisms for their implementation. The process of integrating these practices depends on the company size, organizational structure, internal framework, and local legislation of each country in which these subsidiaries operate.

Beyond internal policies, which are crucial for corporate compliance, in 2024 began the process of integration of the Policy on the Prohibition of Child and Youth Labor, the Policy on the Protection and Promotion of Human Rights, the Modern Slavery Policy, the Policy on Non-Discrimination and the Promotion of Diversity, Equal Opportunity and Inclusion, and Supplier Code of Conduct. These policies were enacted and/or implemented in 2024. Initial training sessions were conducted for the newly adopted policies, and this process will continue into 2025.

Some of ALKALOID's organizational units operate as corporate structures, meaning they systematically and procedurally align with their counterparts in the subsidiaries responsible for the same business processes.

In 2024, compliance efforts continued across several key areas, including adherence to the Code of Ethical and Professional Conduct, the Code of Interaction with Healthcare Professionals and Ethical Promotion, the Anti-Corruption Policy, the Stakeholder Relations Policy, and the Conflict of Interest Prevention and Management Policy. Additionally, the company remains committed to ensuring full compliance with the EU General Data Protection Regulation (GDPR) and other corporate policies initiated and developed by ALKALOID. These corporate policies are implemented in each subsidiary based on an appropriate timeline tailored to their operational parameters.







VII. OTHER INFORMATION ABOUT THE REPORT

VII. OTHER INFORMATION ABOUT THE REPORT

GRI Standard	Standard Description	Reference
201-1	Direct economic value generated and distributed	Economic indicators - page 14-15
201-3	Defined benefit plan obligations and other retirement plans	Economic indicators - page 16
201-4	Financial assistance received from government	Economic indicators - page 17
204-1	Proportion of spending on local suppliers	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 45 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 153
207-1	Approach to tax	Tax - page 143
207-2	Tax governance, control, and risk management	Tax - page 143
207-3	Stakeholder engagement and management of concerns related to tax	Tax - page 143
302-1	Energy consumption within the organization	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Energy - pages 98,99,101 and 102 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 151
302-3	Energy intensity	Energy - pages 98,99 and 102
302-4	Reduction of energy consumption	Energy - page 98 and 103
303-3	Water withdrawal	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Water and effluents - page 112 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 151
305-1	Direct (Scope 1) GHG emissions	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 151
305-2	Energy indirect (Scope 2) GHG emissions	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 151
305-3	Other indirect (Scope 3) GHG emissions	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 151
306-3	Waste generated	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Waste - pages 108 and 109 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 151 TOTAL GENERATED WASTE - pages 195, 196, 197, 198 and 199
306-4	Waste diverted from disposal	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Waste - pages 108 and 109 Overview of the most significant ESG indicators of ALKALOID AD Skopje and subsidiaries for 2024 - page 151 TOTAL GENERATED WASTE - page 195, 196, 197, 198 and 199
306-5	Waste directed to disposal	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 43 Waste - page 108 and 109 Overview of the most significant ESG indicators of ALKALOID AD Skopje and subsidiaries for 2024 - page 151 TOTAL GENERATED WASTE - page 195, 196, 197, 198 and 199

GRI Standard	Standard Description	Reference
401-1	New employee hires and employee turnover	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 44 Overview of the most significant ESG indicators of ALKALOID AD Skopje and subsidiaries for 2024 - page 152 Social - page 159 Annex 3 - page 201
403-1	Occupational health and safety management system	Safety and health at work - page 126
403-2	Hazard identification, risk assessment, and incident investigation	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 44 Identification of hazards, risk assessment and investigation of incidents - page 127 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the companies for 2024 - page 152
403-3	Occupational health services	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 44 Occupational health statement - page 128 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the companies for 2024 - page 152
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee participation, information and consultation - page 129
403-5	Worker training on occupational health and safety	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 44 Occupational safety and health training - page 129 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 152
403-6	Promotion of worker health	Promoting and improving employee health care - page 130
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Prevention and mitigation of safety impacts directly related to business relationships - page 131
403-8	Workers covered by an occupational health and safety management system	Employees covered by the occupational safety and health management system - page 132
403-9	Work-related injuries	Overview of the most significant ESG indicators of ALKALOID AD Skopje - pages 44 and 45 Injuries at work - page 132 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 152
403-10	Work-related ill health	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 45 Work-related ill health statement - page 133 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 152
404-1	Average hours of training per year per employee	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 44 Overview of the most significant ESG indicators of ALKALOID AD Skopje and the subsidiaries for 2024 - page 152 Social - page 160 Annex 3 - page 202
404-3	Percentage of employees receiving regular performance and career development reviews	Social - page 160 Annex 3 - page 202
405-1	Diversity of governance bodies and employees	Overview of the most significant ESG indicators of ALKALOID AD Skopje - page 44 Social - page 161 Annex 3 - page 203
410-1	Security practices	Security Personnel Familiar with Human Rights Protection Policies - page 124

LIST OF CORPORATE DOCUMENTS RELATED TO THE ESG CONCEPT

- ▶ Environmental and social issues policy (ESG policy)

ENVIRONMENT PROTECTION

- ▶ Waste management policy
- ▶ Carbon footprint policy
- ▶ Water footprint policy

CORPORATE GOVERNANCE

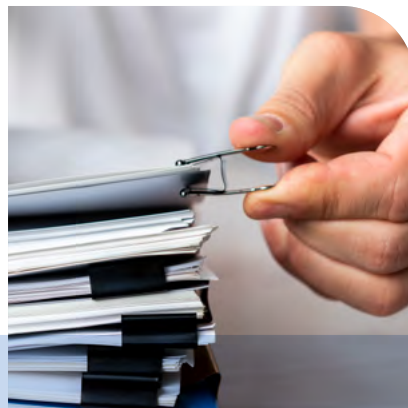
- ▶ Stakeholder Relations policy
- ▶ Policy for preventing and managing conflicts of interest of Alkaloid AD Skopje

CORPORATE COMPLIANCE

- ▶ Code of conduct
- ▶ Code of interaction with healthcare professionals and ethical promotion
- ▶ Anti-corruption policy of ALKALOID AD Skopje
- ▶ Policy on the prohibition of child and youth labour

- ▶ Policy on the protection and promotion of human rights
- ▶ Modern slavery policy
- ▶ Policy on non-discrimination and promoting diversity, equal opportunities and inclusion
- ▶ Rulebook on protection against harassment in the workplace
- ▶ Occupational safety and health policy
- ▶ Supplier code of conduct
- ▶ Sustainable Procurement policy





VIII. APPENDICES TO REPORT

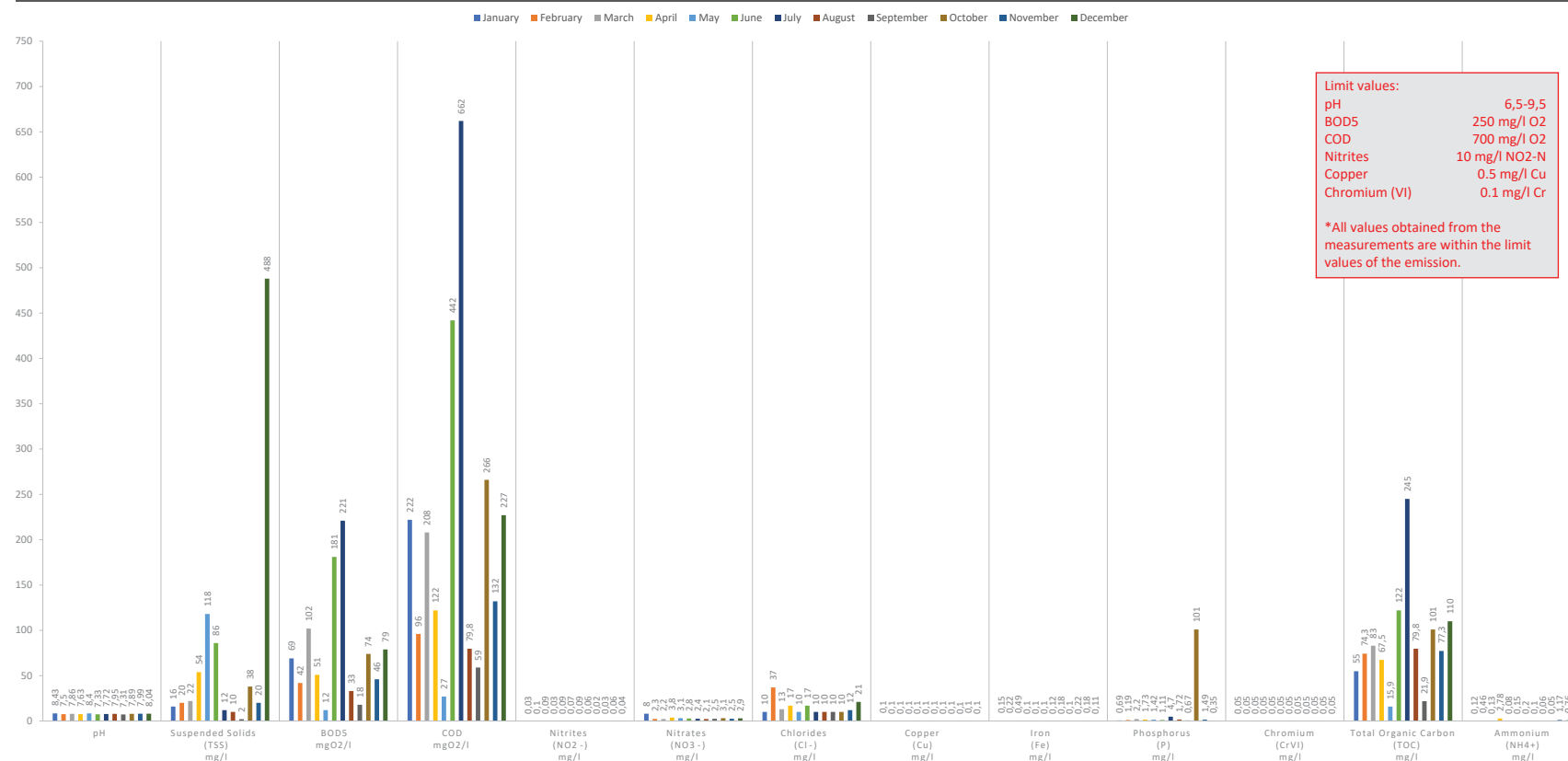


ANNEX 1: MONITORING OF AIR, WATER AND NOISE EMISSIONS



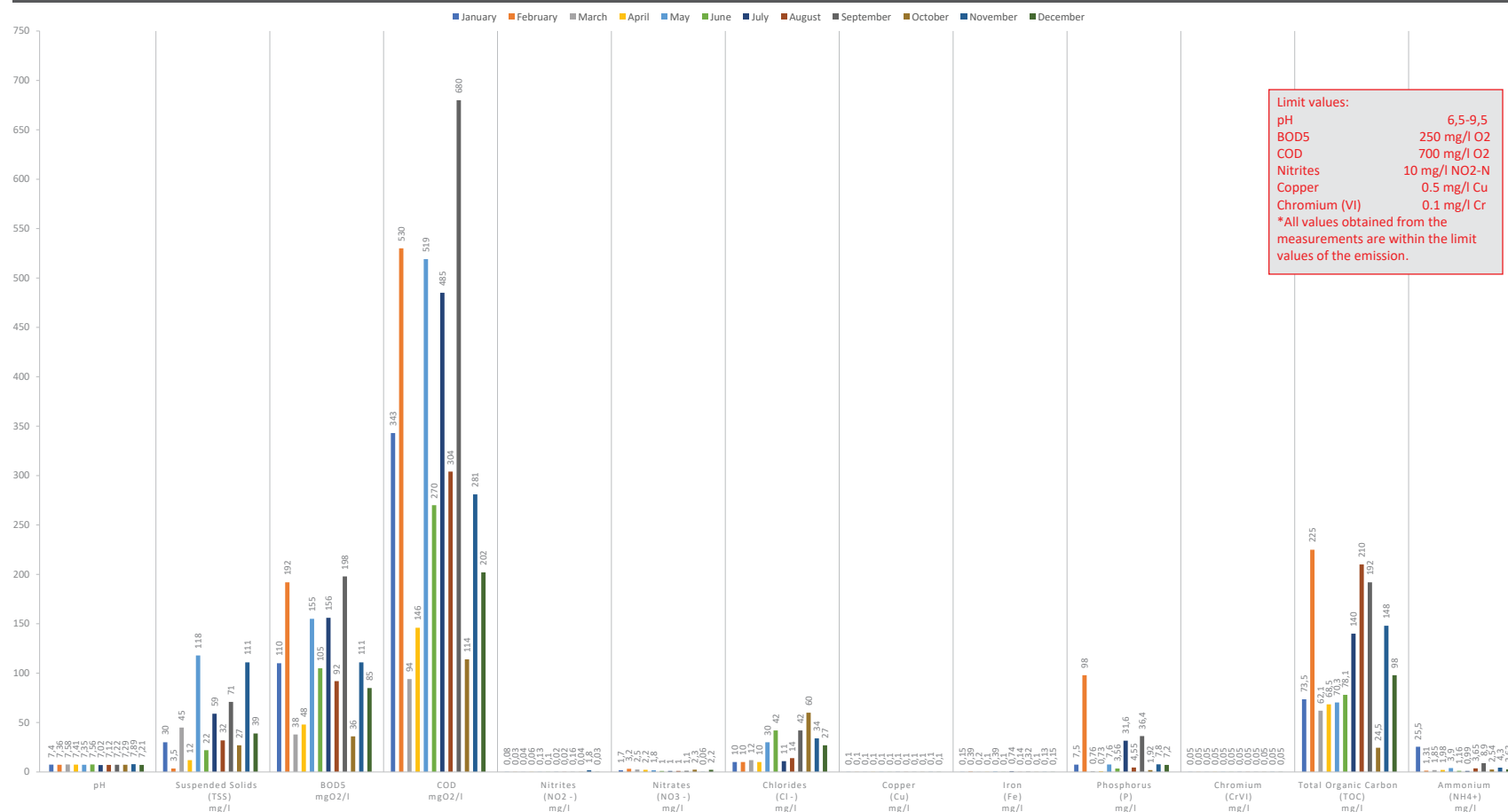
WATER EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MONTHLY ANALYSES OF WASTE WATER PC PHARMACEUTICALS AVTOKOMANDA, MEASURING POINT C1 - WEST FOR YEAR 2024



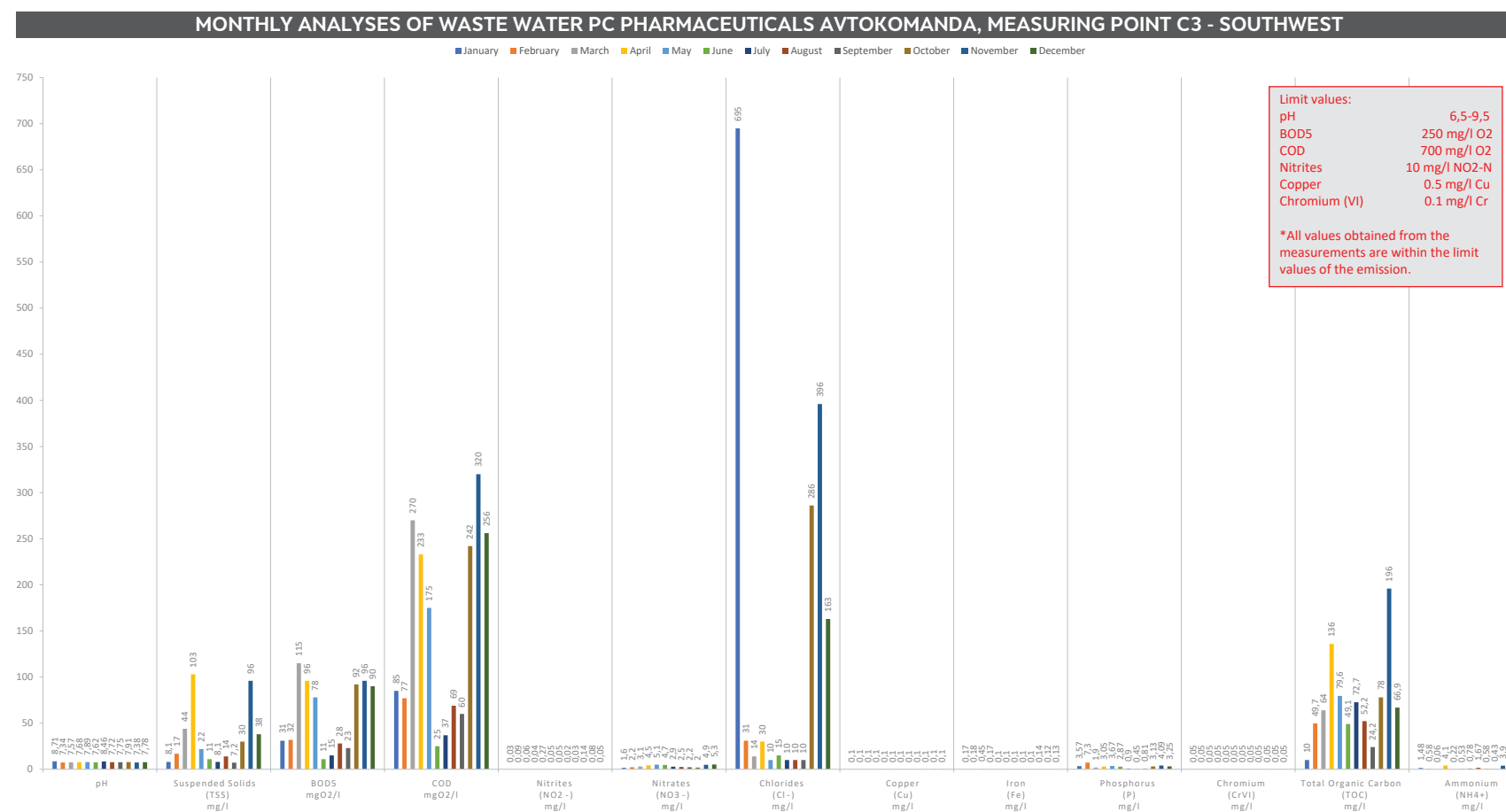
WATER EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MONTHLY ANALYSES OF WASTE WATER PC PHARMACEUTICALS AVTOKOMANDA, MEASURING POINT C2 - SOUTHEAST FOR YEAR 2024



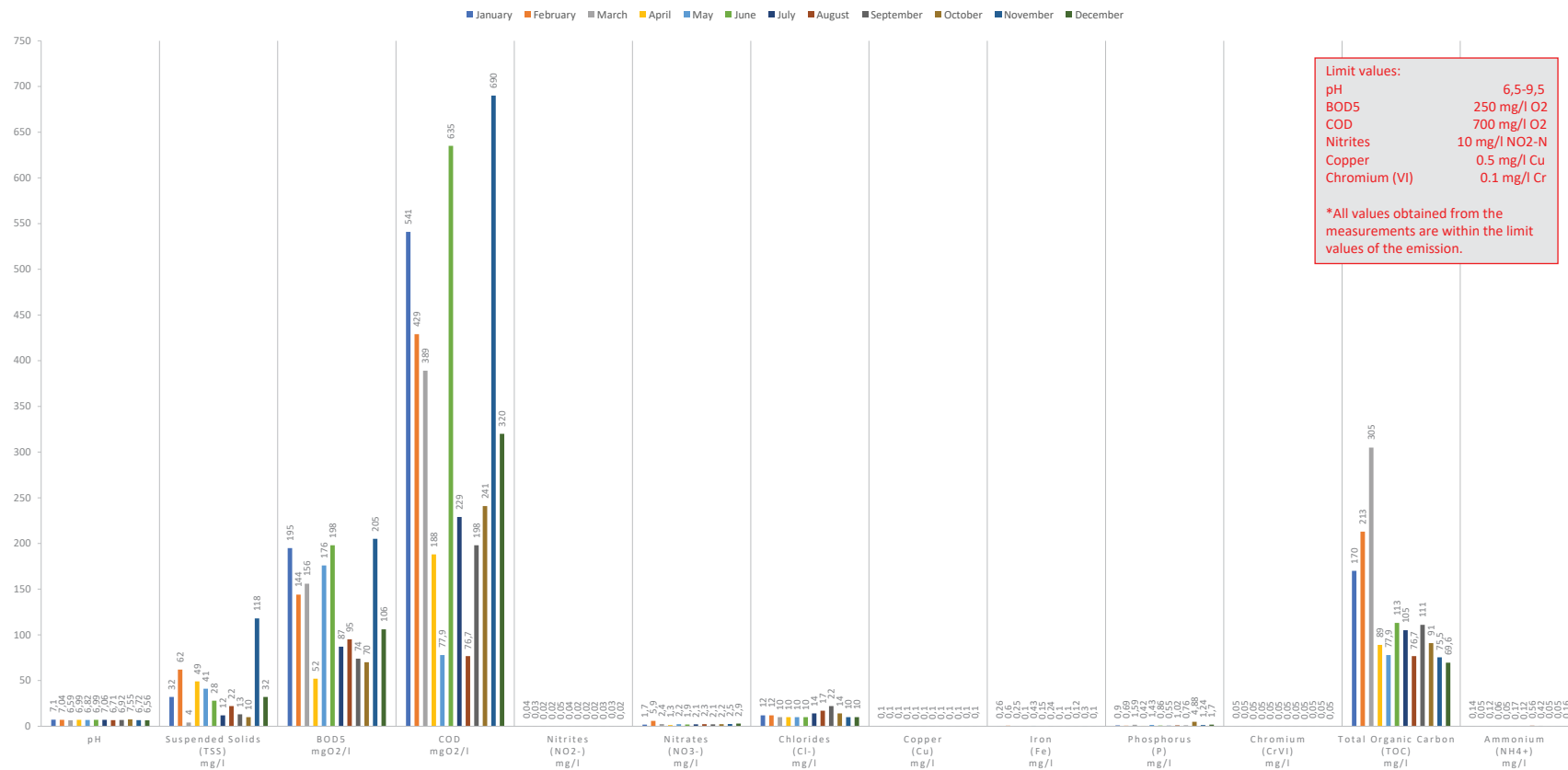


WATER EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024



WATER EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

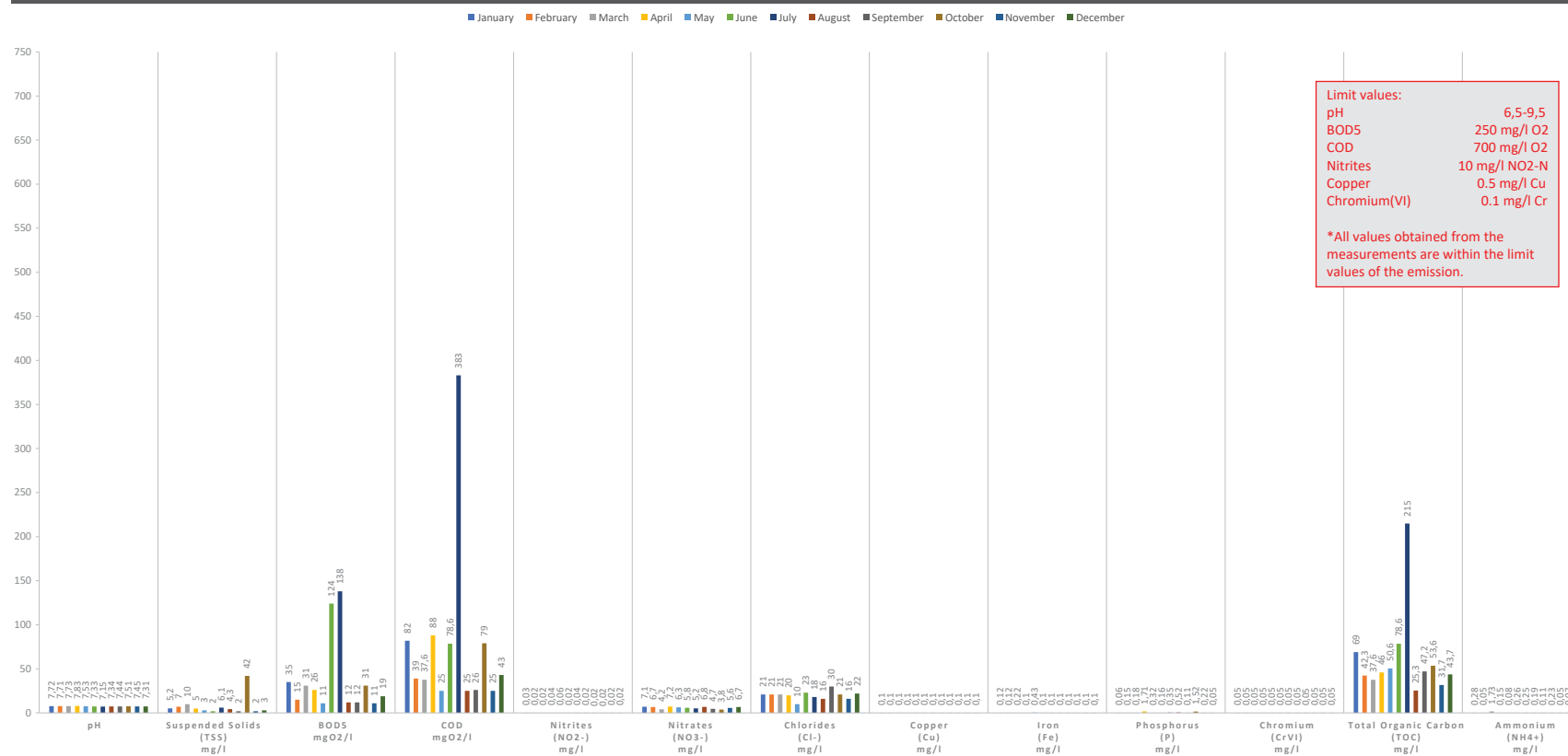
MONTHLY ANALYSES OF WASTE WATER PC PHARMACEUTICALS GJORCHE PETROV, MEASURING POINT C1 - CEPHALOSPORINS





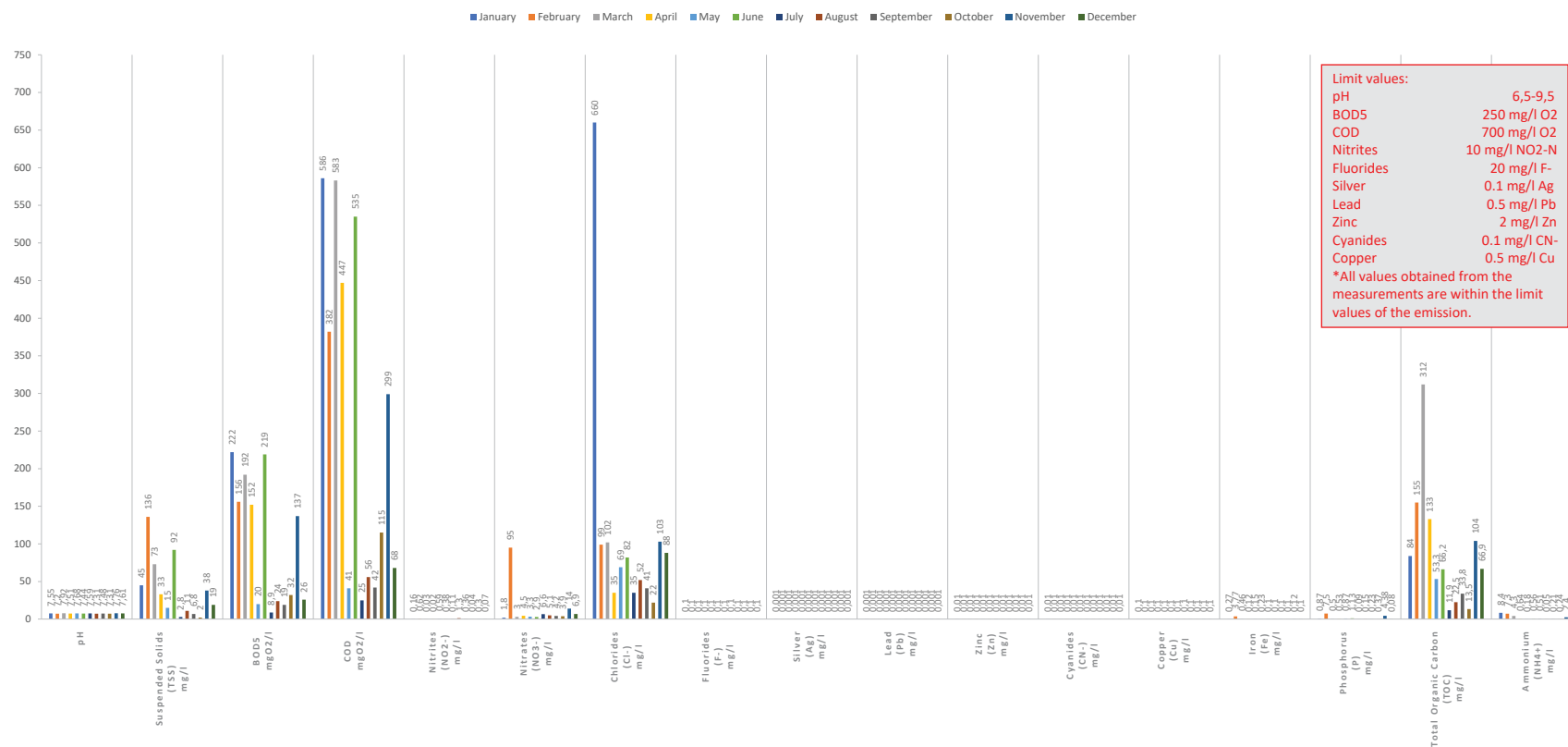
WATER EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MONTHLY ANALYSES OF WASTE WATER PC PHARMACEUTICALS GJORCHE PETROV, MEASURING POINT C2 - ACTIVE PHARMACEUTICAL INGREDIENTS (API) FOR YEAR 2024



WATER EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MONTHLY ANALYSES OF WASTE WATER PC CHEMISTRY COSMETICS BOTANICALS, PROGRAM CHEMISTRY & COSMETICS GJORCHE PETROV, MEASURING POINT PARSHALL FLUME FOR YEAR 2024



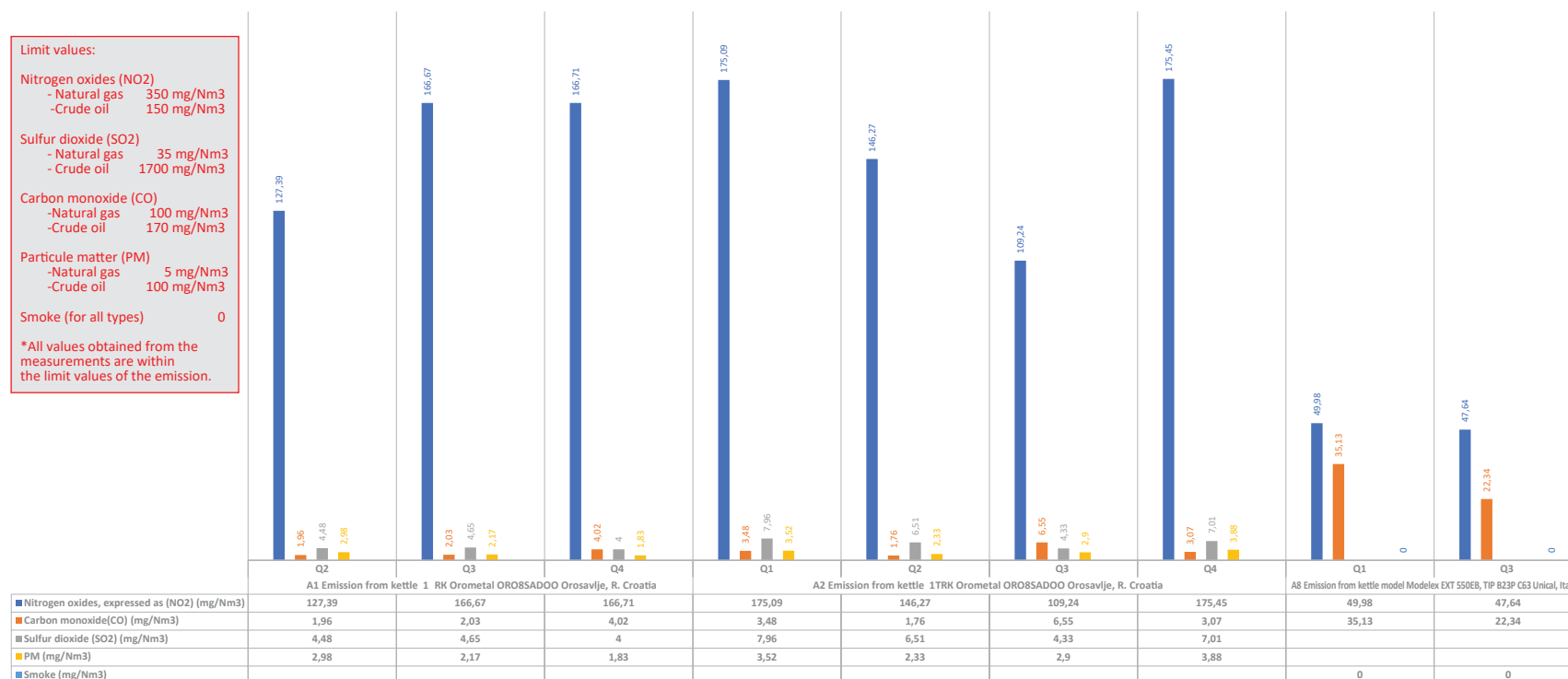
Note: There are no emissions measurements for A1 in Q1, as the boiler was not operating due to technical inspection.



AIR EMISSIONS MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MEASURED EMISSIONS IN AIR FROM THE KATTLE UNIT PC PHARMACEUTICALS IN AVTOKOMANDA FOR YEAR 2024

■ Nitrogen oxides, expressed as (NO₂) (mg/Nm³) ■ Carbon monoxide(CO) (mg/Nm³) ■ Sulfur dioxide (SO₂) (mg/Nm³) ■ PM (mg/Nm³) ■ Smoke (mg/Nm³)



AIR EMISSIONS MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MEASURED EMISSIONS IN AIR FROM THE DUST FILTER UNITS PC PHARMACEUTICAL IN AVTOKOMANDA FOR YEAR 2024

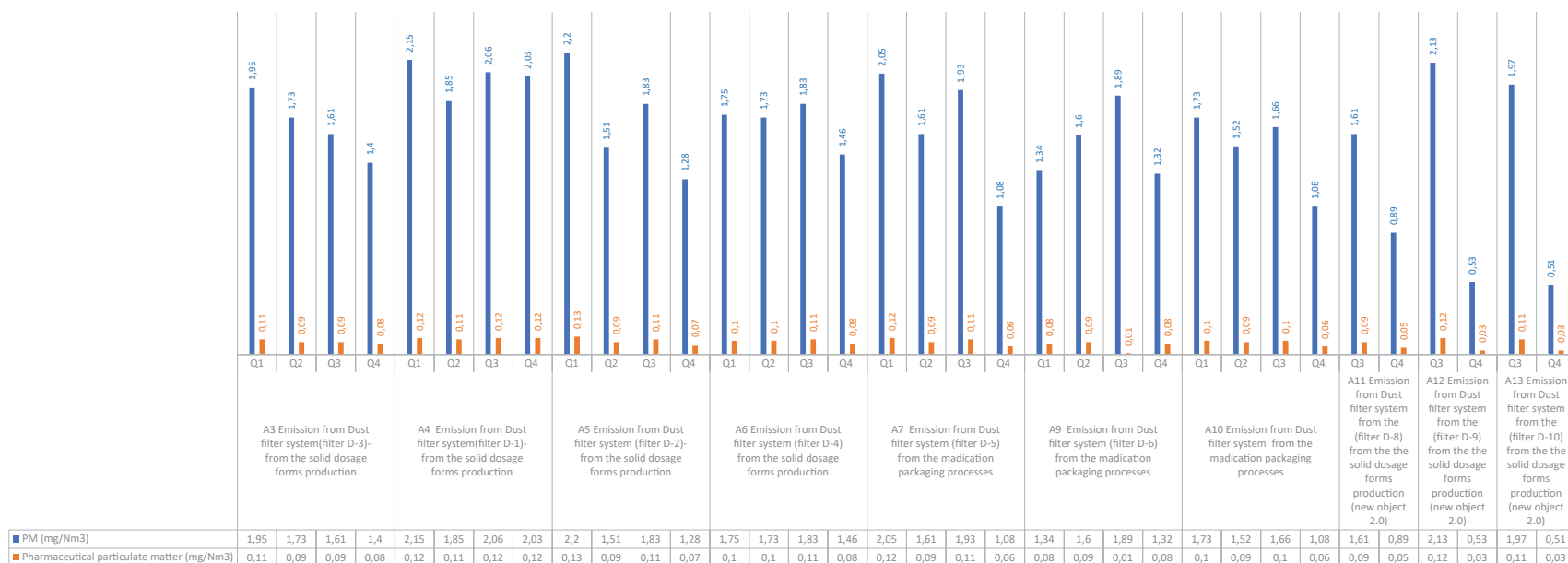
Limit values:

Particulate matter (PM)
 - 50 mg/m³ for mass flow >0.5 kg/h
 - 150 mg/m³ for mass flow <0.5 kg/h

Pharmaceutical particulate matter
 - 0.15 mg/m³ for mass flow 1 g/h (BAT)

*All values obtained from the measurements are within the limit values of the emission.

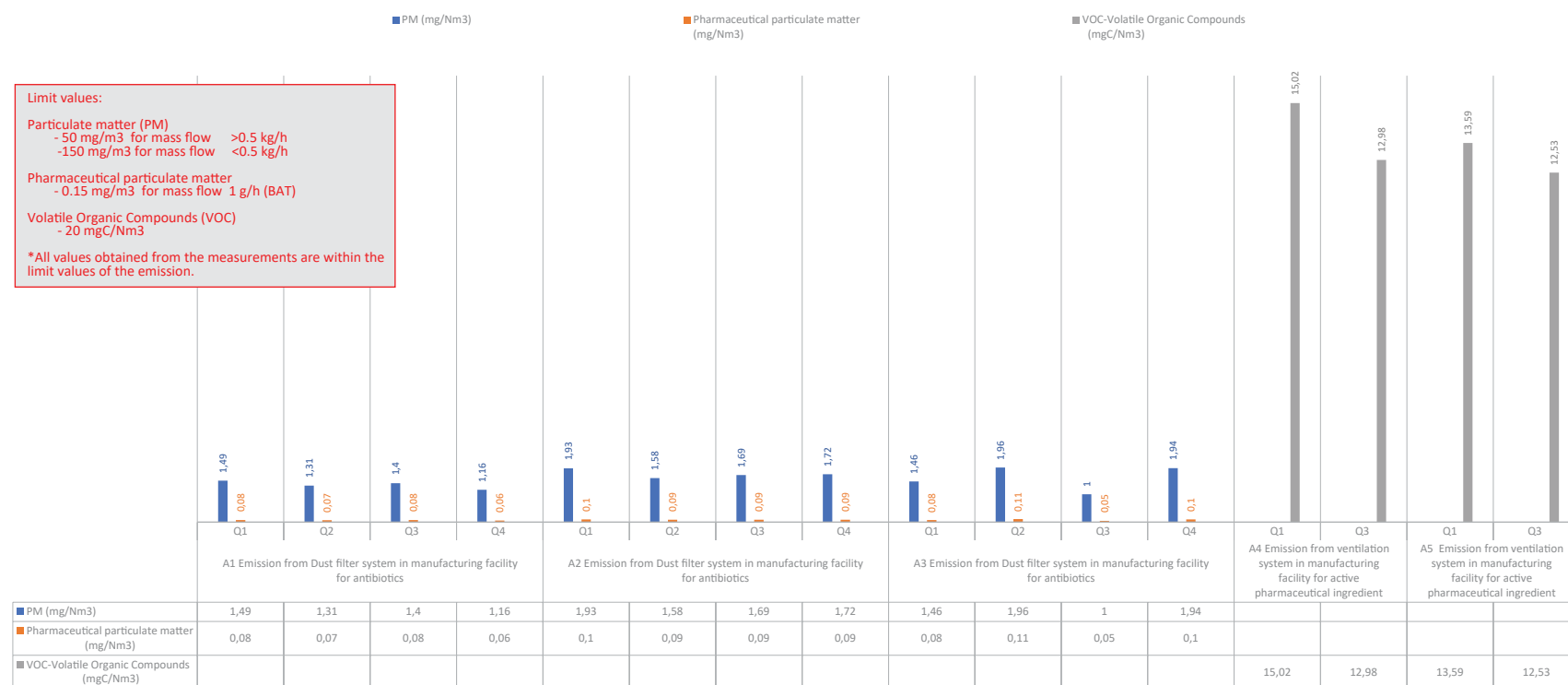
■ PM (mg/Nm³) ■ Pharmaceutical particulate matter (mg/Nm³)





AIR EMISSIONS MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MEASURED EMISSIONS IN AIR PC PHARMACEUTICAL, GJORCE PETROV FOR YEAR 2024

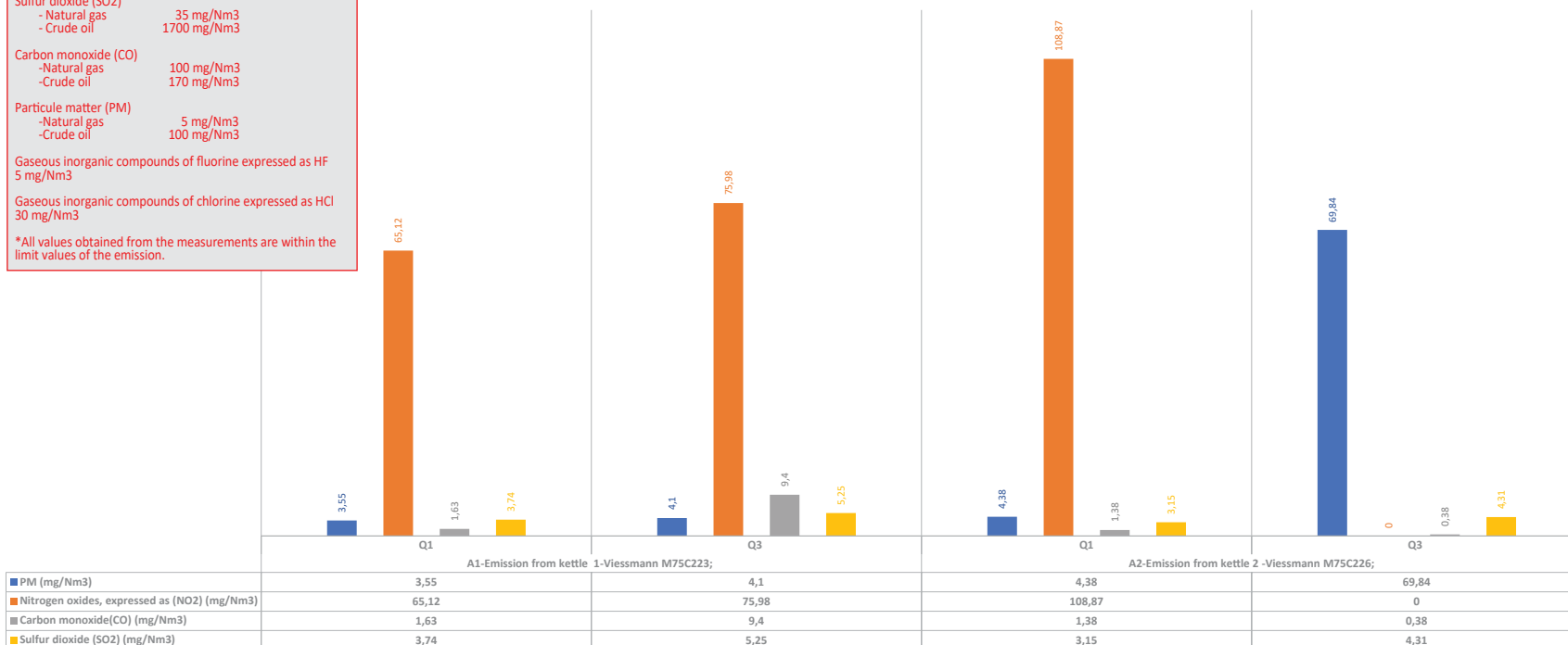


AIR EMISSIONS MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MEASURED EMISSIONS IN AIR FROM THE BOILER UNIT AT PC PHARMACEUTICAL AND PC CCB, PROGRAM CHEMISTRY AND PROGRAM COSMETICS, GJORCE PETROV FOR YEAR 2024

■ PM (mg/Nm3) ■ Nitrogen oxides, expressed as (NO2) (mg/Nm3) ■ Carbon monoxide(CO) (mg/Nm3) ■ Sulfur dioxide (SO2) (mg/Nm3)

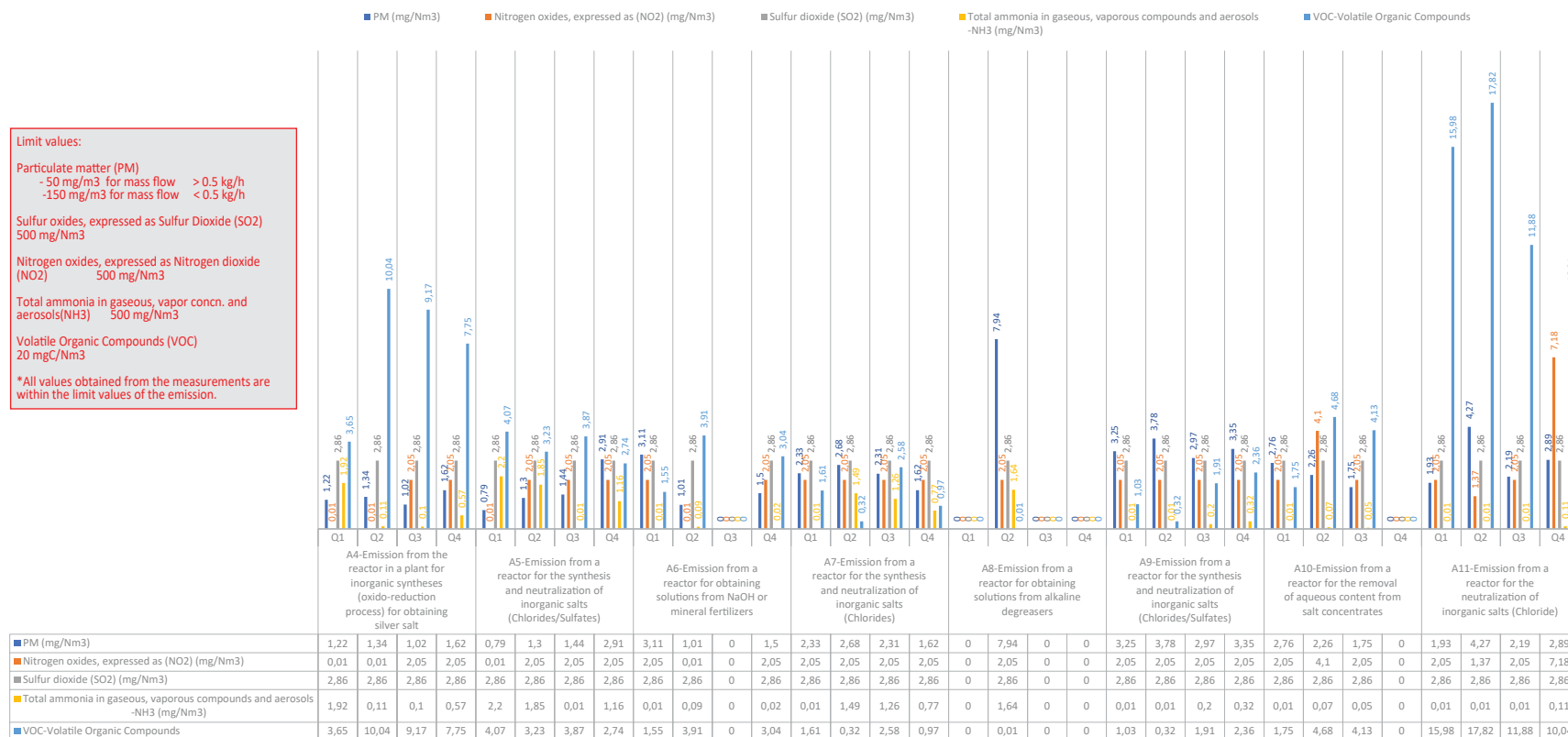
Limit values:
 NO2 (natural gas, crude oil) 350 mg/Nm3
 Sulfur dioxide (SO2)
 - Natural gas 35 mg/Nm3
 - Crude oil 1700 mg/Nm3
 Carbon monoxide (CO)
 - Natural gas 100 mg/Nm3
 - Crude oil 170 mg/Nm3
 Particulate matter (PM)
 - Natural gas 5 mg/Nm3
 - Crude oil 100 mg/Nm3
 Gaseous inorganic compounds of fluorine expressed as HF 5 mg/Nm3
 Gaseous inorganic compounds of chlorine expressed as HCl 30 mg/Nm3
 *All values obtained from the measurements are within the limit values of the emission.





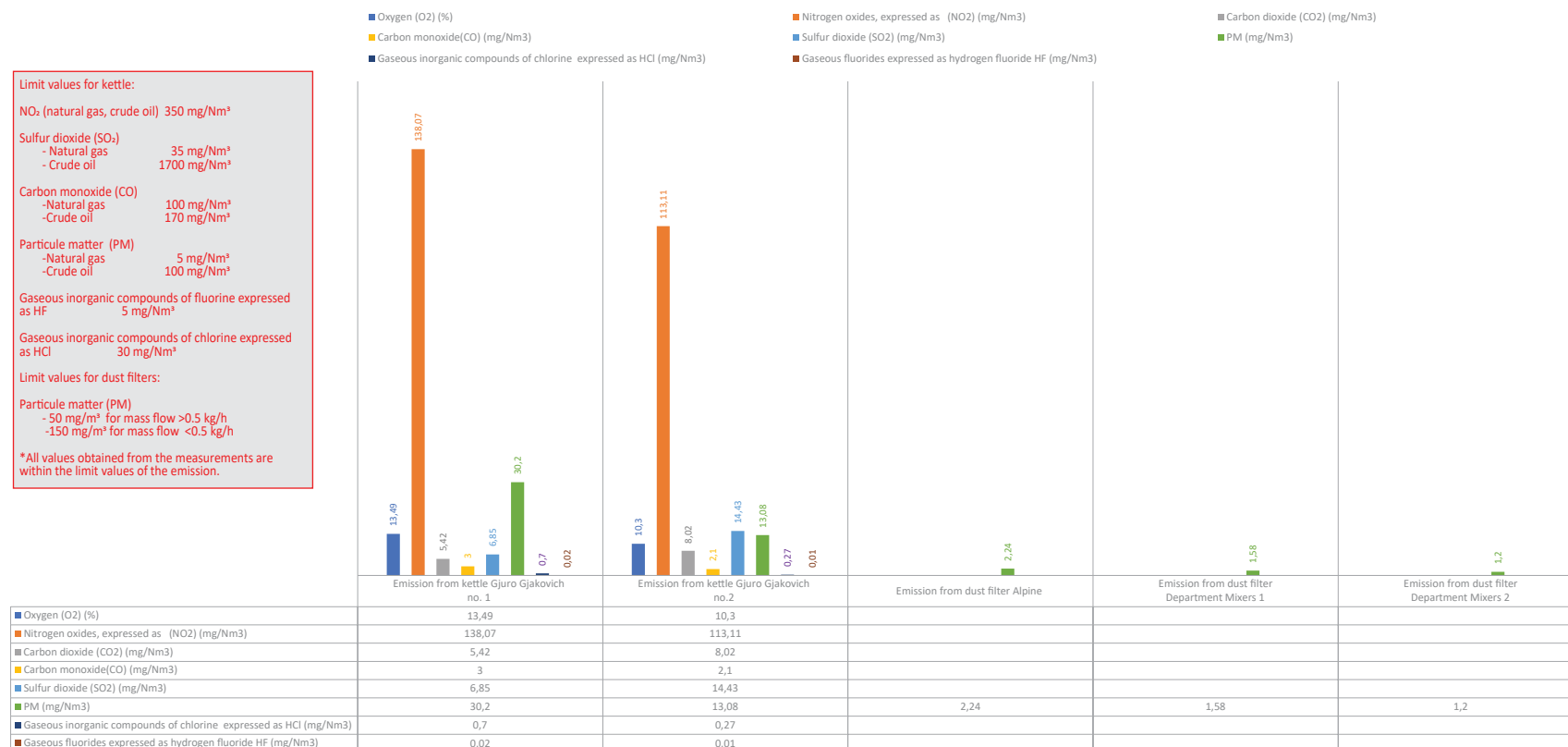
AIR EMISSIONS MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MEASURED EMISSIONS IN AIR PC CCB, PROGRAM CHEMISTRY, GJORCE PETROV FOR YEAR 2024



AIR EMISSIONS MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

MEASURED EMISSIONS IN AIR PC CCB, PROGRAM BOTANICALS, AERODROM FOR YEAR 2024

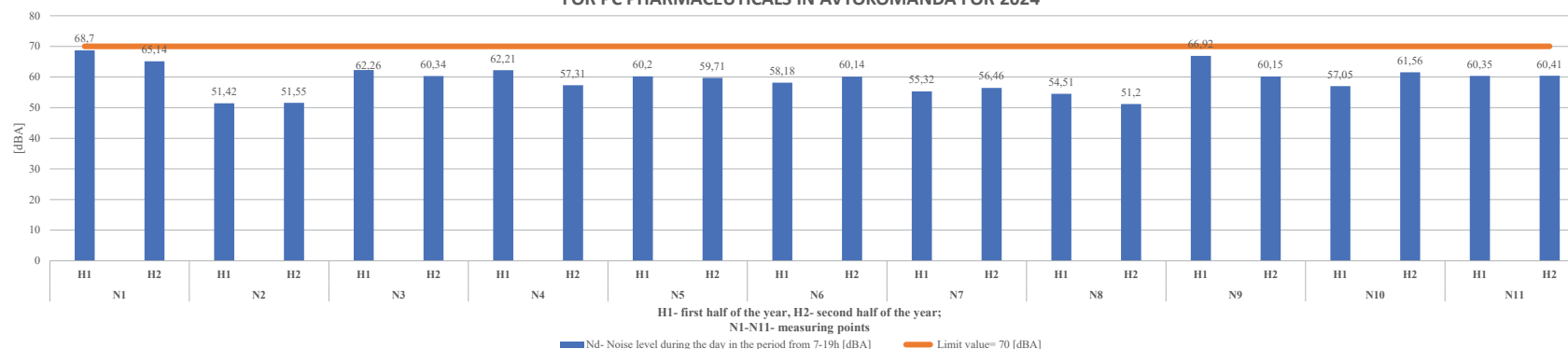




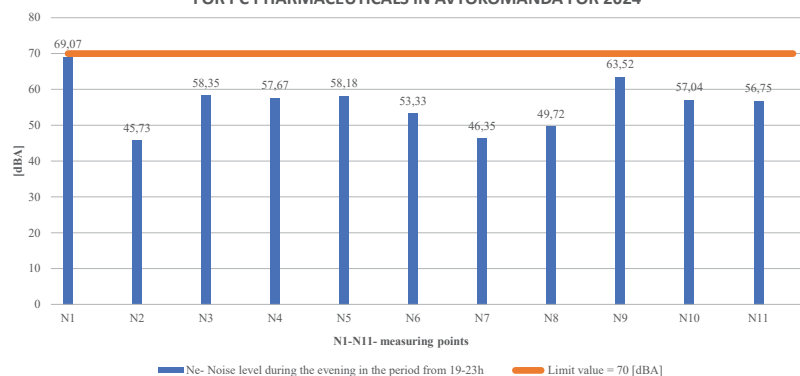
NOISE EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

NOISE EMISSION MONITORING PC PHARMACEUTICALS IN AVTOKOMANDA FOR 2024

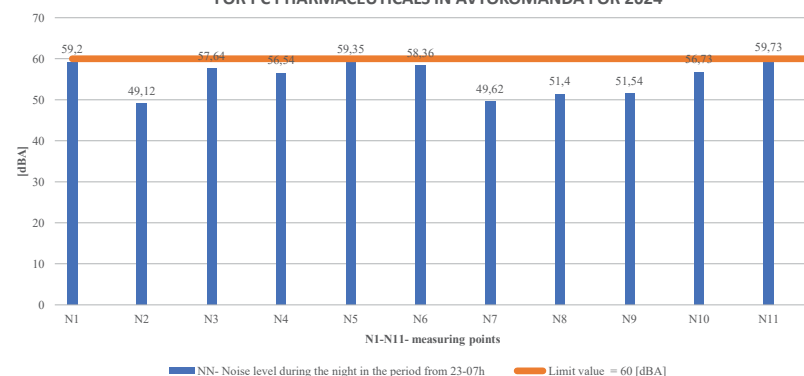
**N_D - NOISE LEVEL DURING THE DAY, IN PERIOD FROM 7-19h
FOR PC PHARMACEUTICALS IN AVTOKOMANDA FOR 2024**



**N_E - NOISE LEVEL DURING THE EVENING, IN PERIOD FROM 19-23h
FOR PC PHARMACEUTICALS IN AVTOKOMANDA FOR 2024**



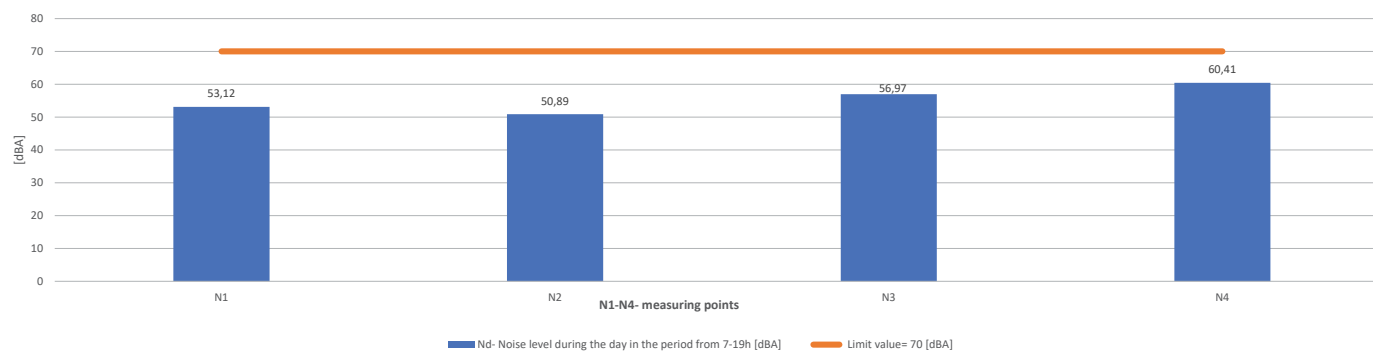
**NN - NOISE LEVEL DURING THE NIGHT, IN PERIOD FROM 23-07h
FOR PC PHARMACEUTICALS IN AVTOKOMANDA FOR 2024**



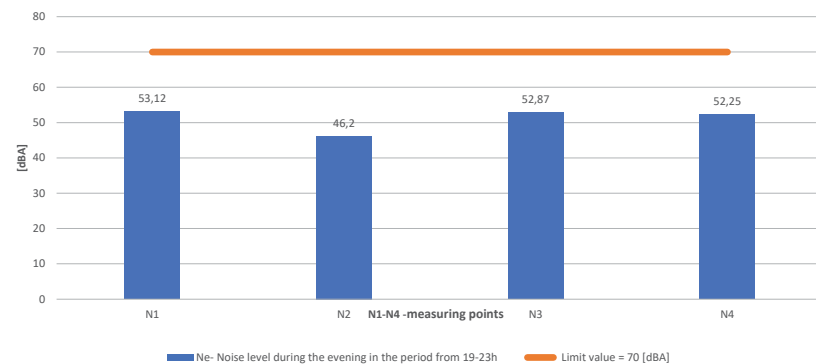
NOISE EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

NOISE EMISSION MONITORING PC PHARMACEUTICALS IN GJORCE PETROV FOR 2024

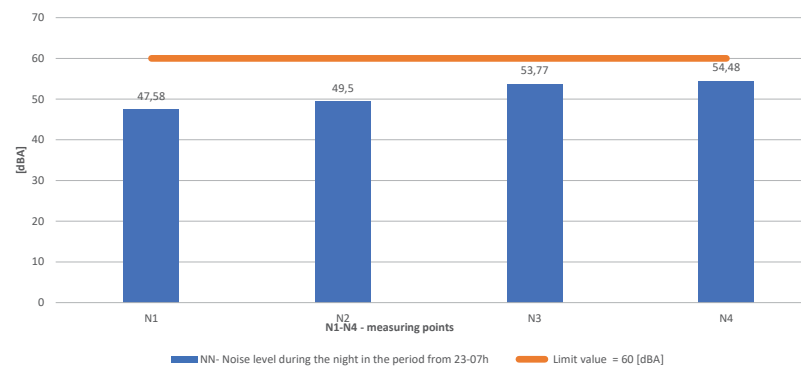
**N_D - NOISE LEVEL DURING THE DAY, IN PERIOD FROM 7-19h
FOR PC PHARMACEUTICALS IN GJORCE PETROV FOR 2024**



**N_E - NOISE LEVEL DURING THE EVENING, IN PERIOD FROM 19-23h
FOR PC PHARMACEUTICALS IN GJORCE PETROV FOR 2024**



**N_N - NOISE LEVEL DURING THE NIGHT, IN PERIOD FROM 23-07h
FOR PC PHARMACEUTICALS IN GJORCE PETROV FOR 2024**

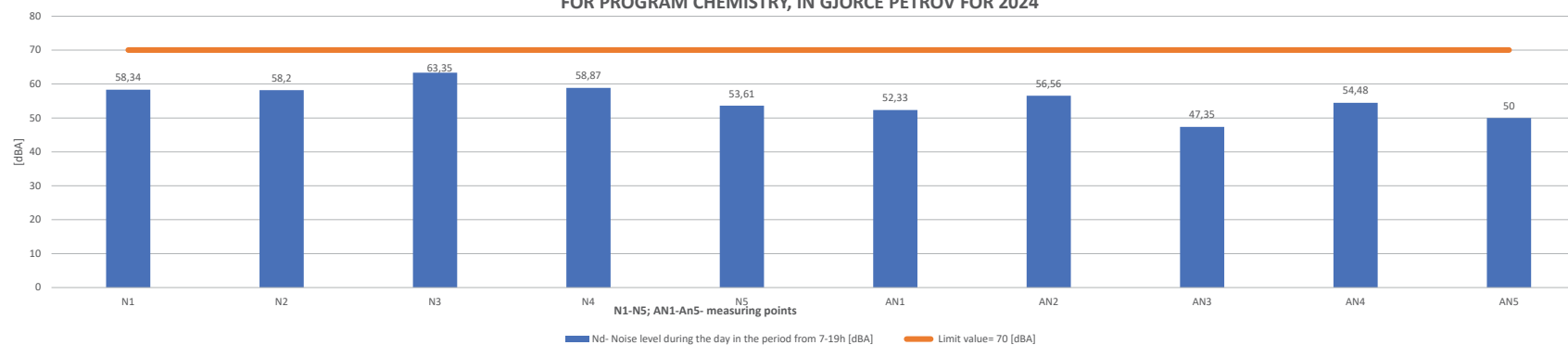




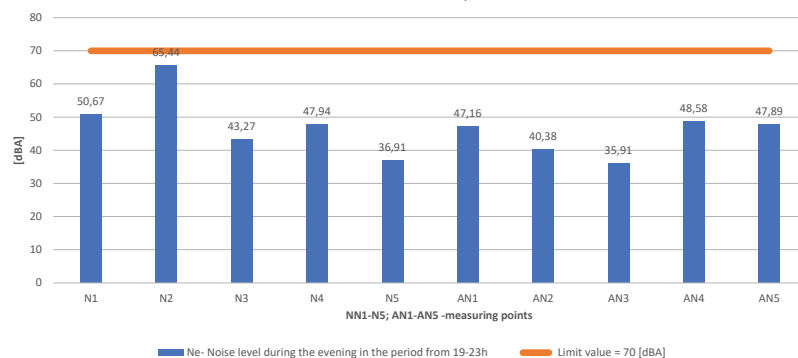
NOISE EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

NOISE EMISSION MONITORING PC CCB, PROGRAM CHEMISTRY FOR 2024

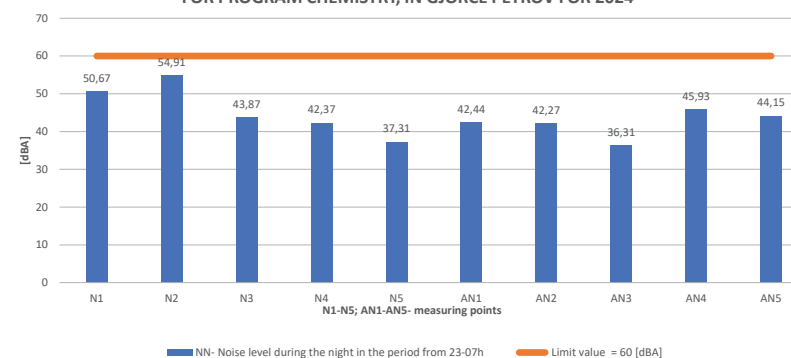
**N_D - NOISE LEVEL DURING THE DAY, IN PERIOD FROM 7-19h
FOR PROGRAM CHEMISTRY, IN GJORCE PETROV FOR 2024**



**N_E - NOISE LEVEL DURING THE EVENING, IN PERIOD FROM
19-23h FOR PROGRAM CHEMISTRY, IN GJORCE PETROV FOR 2024**



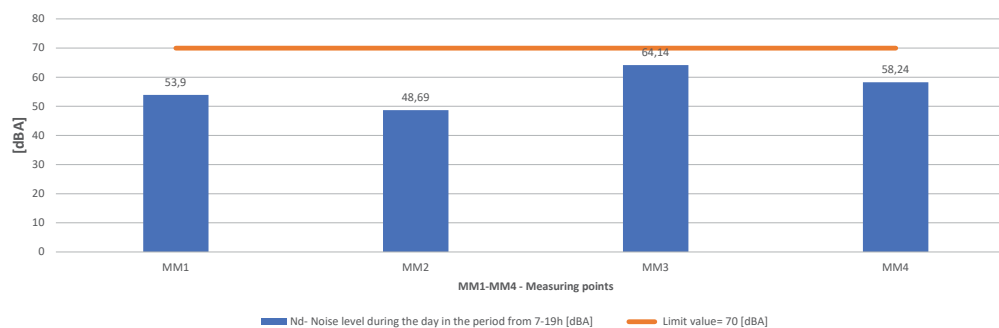
**N_N - NOISE LEVEL DURING THE NIGHT, IN PERIOD FROM 23-07h
FOR PROGRAM CHEMISTRY, IN GJORCE PETROV FOR 2024**



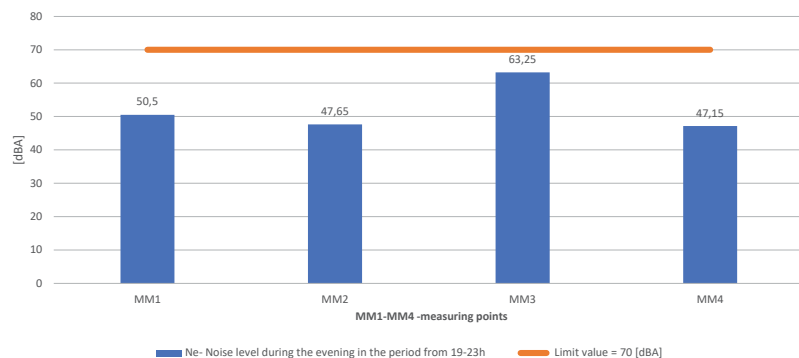
NOISE EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

NOISE EMISSION MONITORING PC CCB, PROGRAM COSMETICS FOR 2024

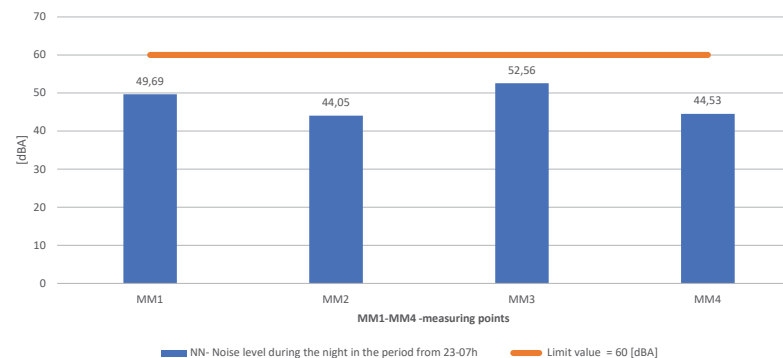
N_D - NOISE LEVEL DURING THE DAY, IN PERIOD FROM 7-19h FOR PROGRAM COSMETICS IN GJORCE PETROV FOR 2024



N_E - NOISE LEVEL DURING THE EVENING, IN PERIOD FROM 19-23h FOR PROGRAM COSMETICS IN GJORCE PETROV FOR 2024



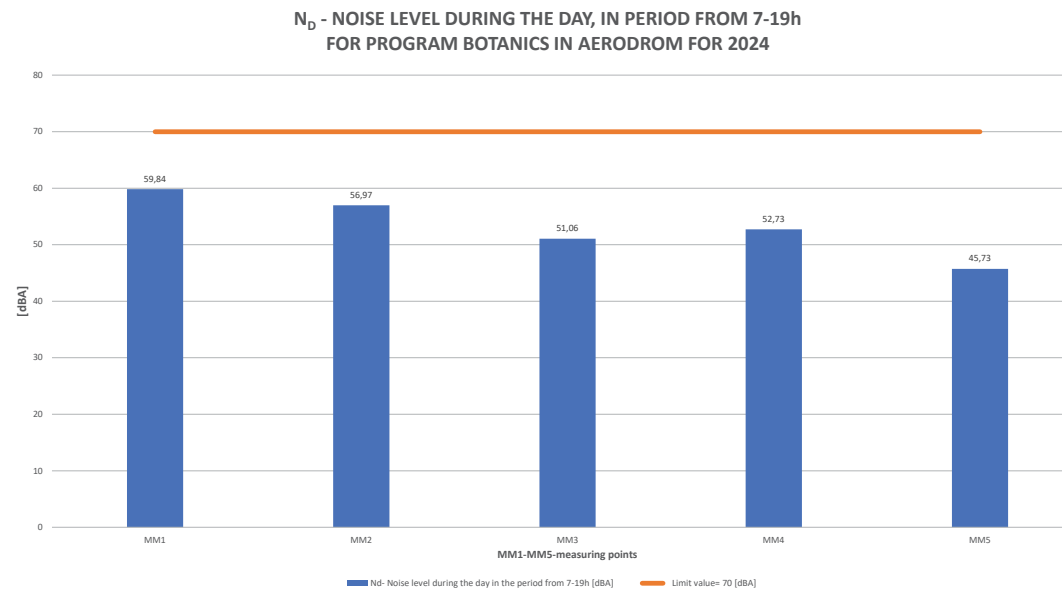
N_N - NOISE LEVEL DURING THE NIGHT, IN PERIOD FROM 23-07h FOR PROGRAM COSMETICS IN GJORCE PETROV FOR 2024





NOISE EMISSION MONITORING FOR ALL PROFIT CENTERS OF ALKALOID AD SKOPJE FOR 2024

NOISE EMISSION MONITORING PC CCB, PROGRAM BOTANICALS FOR 2024

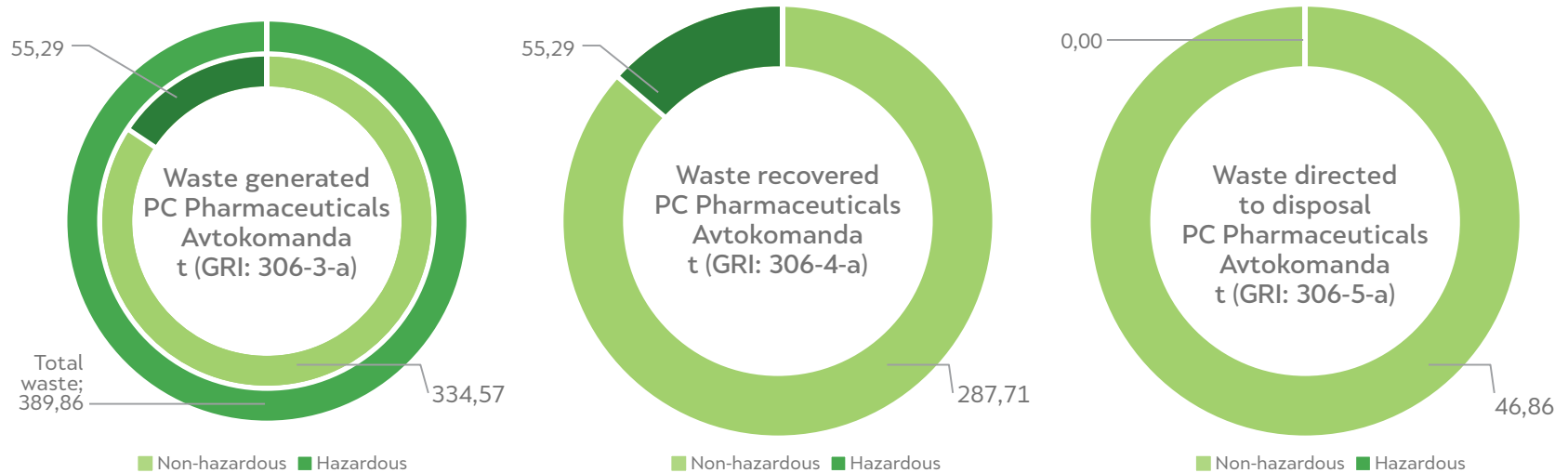




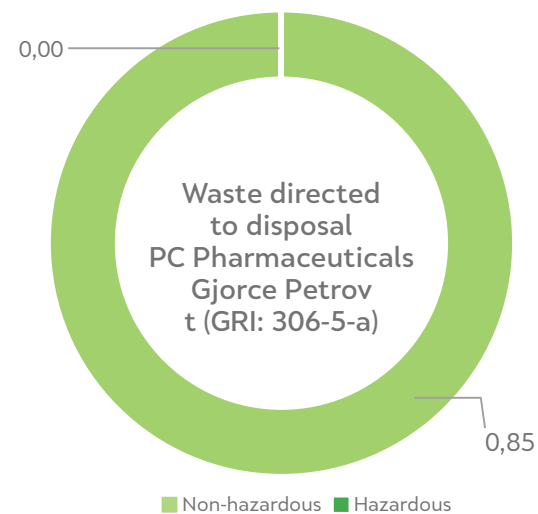
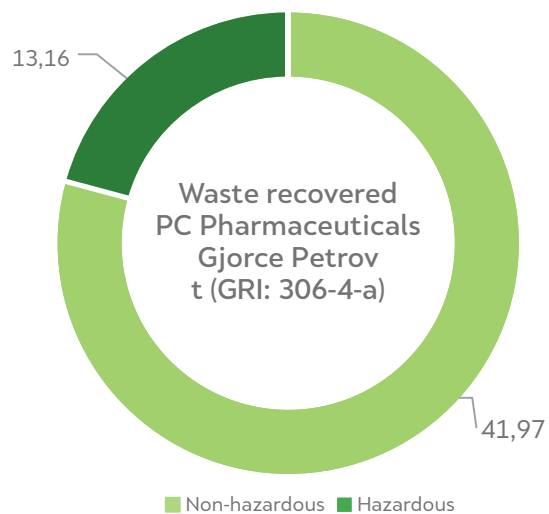
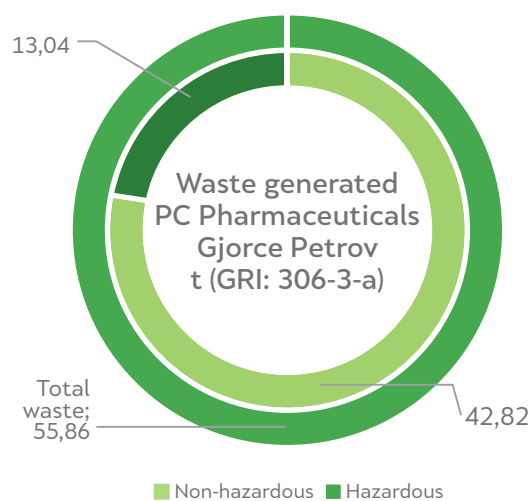
ANNEX 2: WASTE GENERATED BY SITE



TOTAL GENERATED WASTE PHARMACY AVTOKOMANDA 2024

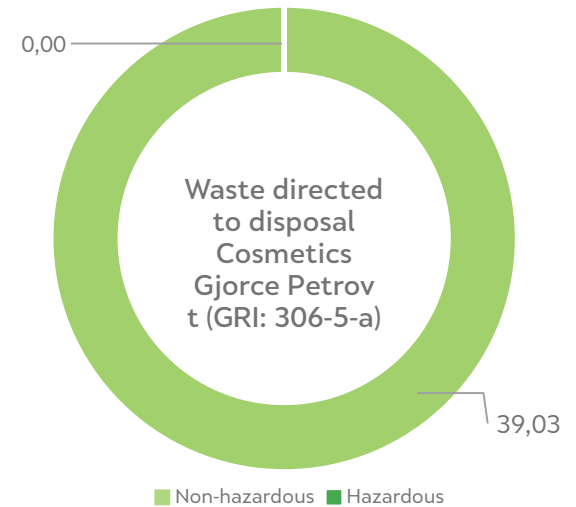
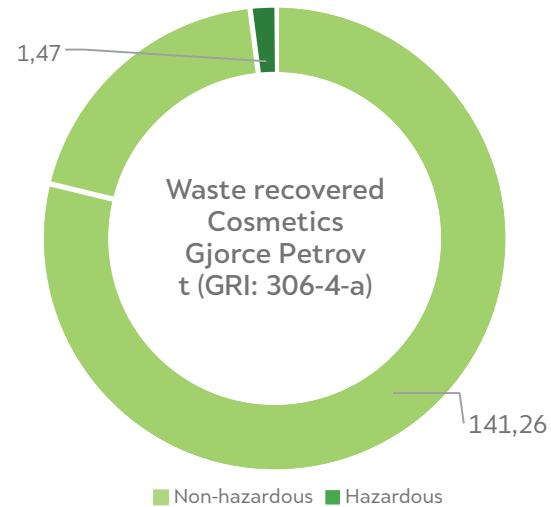
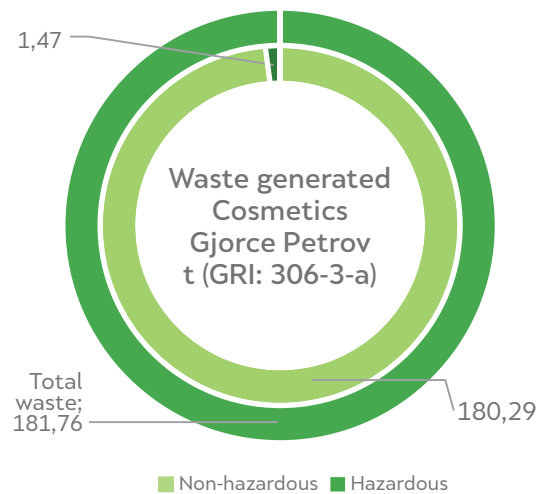


TOTAL GENERATED WASTE PHARMACY GJORCE PETROV 2024

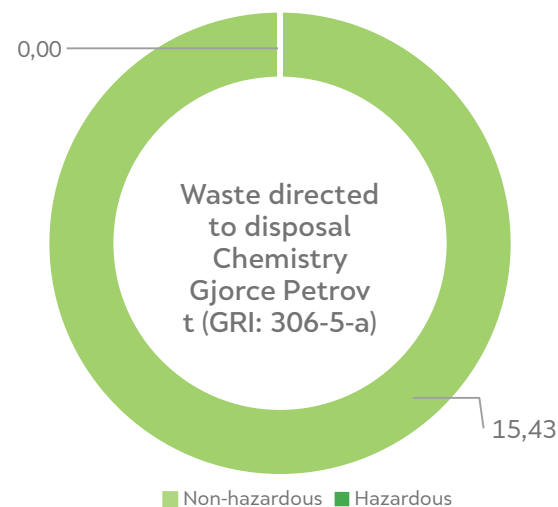
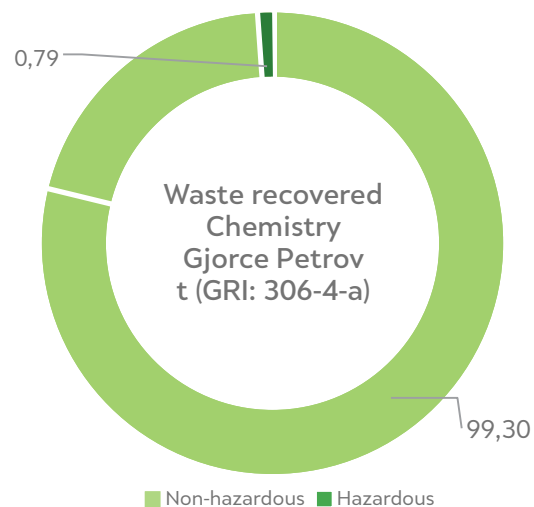
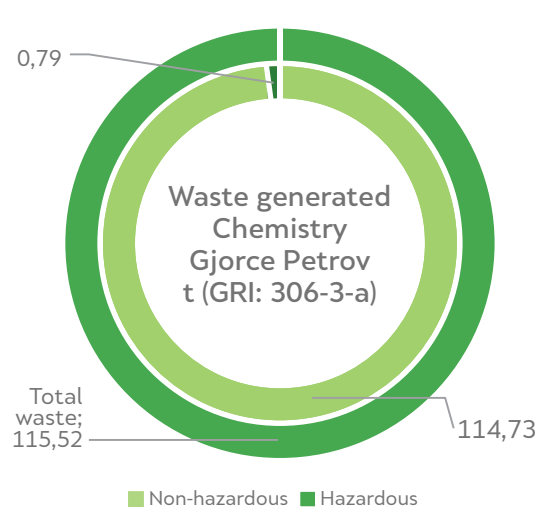




TOTAL GENERATED WASTE COSMETIC GJORCE PETROV 2024

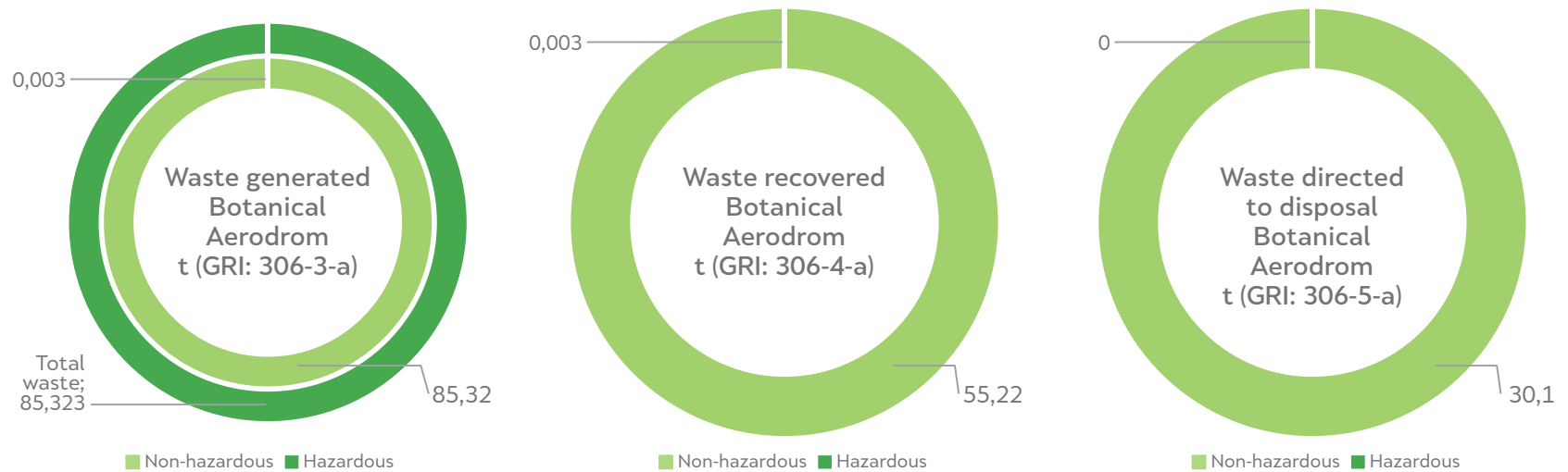


TOTAL GENERATED WASTE CHEMISTRY GJORCE PETROV 2024





TOTAL GENERATED WASTE BOTANICAL AERODROM 2024





ANNEX 3: MONITORING GRI INDICATORS 401, 404, 405



Measurement Indicators According to GRI Standard 401 – Employment. (AD) 401-1 - New hires and employee turnover							
Total number of employees	New hires by category					Total new hires	Total % of new hires
	Men	Women	Under 30	30-50	Over 50		
2244	88	158	77	163	6	246	10,96%
Total	35,77%	64,23%	31,30%	66,26%	2,44%		
Average number of employees	Turnover rate by category					Total departures Total	Total turnover
	Men	Women	Under 30	30-50	Over 50		
2176	27	28	22	33	0	55	2,53%
Total	49,09%	50,91%	40%	60%	0%		



Measurement indicators according to GRI 404 - Training and Education			
404-1 - Average hours of training per year per employee	Number of employees	Hours of training	Average hours of training
Total number	2280	393041,69	172,39
Data on female employees	1338	251017,58	187,61
Data on male employees	942	142024,11	150,77
Data on employees aged under 30	439	152012,87	346,27
Data on employees aged 30-50	1553	219407,4	141,28
Data on employees aged over 50	288	21621,42	75,07
404-3 -Percentage of employees receiving regular performance and career development reviews	Number of employees	Number of employees receiving regular performance and career development reviews	% of TMS
Total number	2244	1419	63,24
Data on female employees	1319	833	63,15
Data on male employees	925	586	63,35
Data on employees aged under 30	425	267	62,82
Data on employees aged 30-50	1548	982	63,44
Data on employees aged over 50	271	170	62,73

Hours of training including the number of APV employees



Measurement indicators according to the GRI 405-1 - Diversity of Governance Bodies and Employees requirements					
Total number of employees	Number of employees by category				
	Men	Women	Under 30	30-50	Over 50
8	6	2	0	1	7
Total	75,00%	25,00%	0,00%	12,50%	87,50%
Total number of employees (AD)	Number of employees by category				
	Men	Women	Under 30	30-50	Over 50
2244	925	1319	425	1548	271
Total	41,22%	58,78%	18,94%	68,98%	12,08%





ALKALOID
SKOPJE

Health above all

www.alkaloid.com.mk