

PERFORMANCE ANALYSES For the period January - December 2020

According to the unaudited stand alone and consolidated Income statement for the period January - December 2020, Alkaloid AD Skopje achieved positive financial results.

Accounting policies and evaluation methods

There were no changes in the accounting policies and evaluation methods in the positions of the financial statements of Alkaloid AD Skopje in 2020.

Total revenues

The total stand alone revenues for January - December 2020 in the amount of 9.597.973 thousand denars have increased for 11%, compared to 2019. The largest portion of 96% in the total revenues belongs to the sales revenues, which compared to 2019 have increased for 9%.

The total consolidated revenues for January - December 2020 in the amount of 12.553.883 thousand denars have increased for 11%, compared to 2019. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2019 have increased for 9%.

Total expenses

The total stand alone expenses for January - December 2020 in the amount of 8.349.959 thousand denars have increased for 11% compared to 2019.

The total consolidated expenses for January - December 2020 in the amount of 11.225.484 thousand denars have increased for 10% compared to 2019.

Dividend

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

Investments

The total investments in non-current assets in January - December 2020 are in the amount of 1.571.227 thousand denars, an increase of 44% compared to the same period in 2019.

Borrowings

The total consolidated borrowings as at 31.12.2020 are in the amount of 1.240.207 thousand denars.

Employees

In the period January – December 2020 Alkaloid recruited 210 new employees in the R.N. Macedonia. At the end of December 2020, there were 1,832 employees in Alkaloid in the country and 560 employees in its subsidiaries and representative offices abroad, totaling 2,392 employees. The management board of Alkaloid AD Skopje reached a decision on approval and payment of holiday allowances for its employees in March 2020. The amount paid was MKD 29,687 gross or MKD 26,718 net. In December 2020, having in mind the new hardened work conditions for all employees, during the COVID pandemic in 2020, and as a token of gratitude, the management board of Alkaloid AD Skopje reached a decision on approval and payment of annual bonus for its employees. The amount paid was MKD 25,000 net.

Significant Income statement positions

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

Stand alone sales

Market	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
Domestic market	3.030.385	33	2.778.870	33	109
Foreign market	6.157.875	67	5.649.139	67	109
Total:	9.188.259	100	8.428.009	100	109

Consolidated sales

Market	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
Domestic market	4.268.849	35	3.907.246	35	109
Southeast Europe	4.018.485	33	3.610.619	33	111
Russia and CIS	1.147.211	9	1.049.143	9	109
Western Europe (EU and EFTA)	2.416.683	20	2.242.842	20	108
Other (USA, Turkey etc.)	281.100	2	292.958	3	96
Total foreign market	7.863.479	65	7.195.562	65	109
Total:	12.132.328	100	11.102.808	100	109

Out of the total consolidated sales, 65% were realized in the foreign markets. The highest rise in export markets was seen in Czech Republic, increased by 44% compared to the same period last year. Sales in Albania increased by 42%, Georgia increased by 31%, Hungary increased by 29%, Armenia increased by 20%, Bulgaria increased by 18%, Romania increased by 15%, Serbia increased 14%, Slovenia increased 12%, Russia increased 10% etc. In 2020, for the first time, Alkaloid realized sales of MKD 30.4 million in Canada.

Group of products	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
Antibiotics	1.969.364	16	1.714.577	15	115
OTC products	2.674.369	22	2.443.089	22	109
Cardiovascular products	1.756.304	14	1.659.066	15	106
Neurological products	1.628.399	13	1.466.515	13	111
Other	1.104.404	9	980.586	9	113
Total products - Alkaloid	9.132.840	75	8.263.833	74	111
Commodities	1.339.629	11	1.247.783	11	107
Services and other revenue	55.254	0	43.957	0	126
Total Pharmaceuticals	10.527.723	87	9.555.573	86	110
Total Chemistry	289.025	2	257.639	2	112
Total Cosmetics	926.587	8	878.221	8	106
Total Botanicals	388.993	3	411.375	4	95
Total:	12.132.328	100	11.102.808	100	109

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

	(In 000 MKD)				
	2020		2019		Ind
	Amount	% in Sales	Amount	% in Sales	20/19
Stand alone EBITDA	1.959.849	21	1.774.492	21	110
Consolidated EBITDA	2.077.935	17	1.857.857	17	112

Net profit

	(In 000 MKD)				
	2020		2019		Ind
	Amount	% in Sales	Amount	% in Sales	20/19
Stand alone Net profit	1.142.651	12	1.007.811	12	113
Consolidated Net profit	1.167.485	10	1.015.260	9	115

Stand alone Net profit for 2020 is 1.142.651 thousand denars, which compared to last year has increased for 13%.

Consolidated Net profit for 2020 is 1.167.485 thousand denars, which compared to last year has increased for 15%.

Business plan 2021

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

The business plan for 2021 is based on the expectations, forecasts and opportunities of the current and new markets and products available to the Company at the time of drafting the plan. Circumstances and events in 2021, thus the actual results, may vary from those taken into account in the Business Plan.

Expectations for the upcoming period

In the past period, the company has faced a number of internal and external challenges and emerging risks, generated by the pandemic of COVID 19. We at Alkaloid have taken a number of measures so far to neutralize all the negative effects, without compromising the health of employees and the successful operation of the company. During the second half of 2020, a certain balance of supply levels among our customers was achieved, as well as stabilization of growth of sales revenue. In the upcoming period employees' health remains a top priority as well as maintaining current liquidity and financial stability.