

PERFORMANCE ANALYSES

For the period January - September 2020

According to the unaudited stand alone and consolidated Income statement for the period January - September 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 - September 2020 in the amount of 7.187.131 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 - September 2020 in the amount of 9.226.036 thousand denars have increased for 10%, compared to 2019. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2019 have increased for 8%.

Total expenses

The total stand alone expenses for January - September 2020 in the amount of 6.245.330 thousand denars have increased for 11% compared to 2019.

The total consolidated expenses for January - September 2020 in the amount of 8.235.882 thousand denars have increased for 9% 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 - September 2020 are in the amount of 1.178.727 thousand denars, an increase of 96% compared to the same period in 2019.

Borrowings

The total consolidated borrowings as at 30.09.2020 are in the amount of 1.296.701 thousand denars.

Employees

There were 175 new employments for the period January - September 2020 in Alkaloid in R.N. Macedonia. At the end of September 2020 there were 1.822 employees in Alkaloid in the country and 536 employees in its subsidiaries and representative offices abroad, totaling 2.358 employees. In March 2020 the management board of Alkaloid AD Skopje reached a decision on approval and payment of holiday allowances for its employees. The amount paid was MKD 29.687 gross or MKD 26.718 net.

Significant Income statement positions

The achieved stand alone and consolidated results for the period January - September 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	2.215.221	32	2.067.009	33	107
Foreign market	4.684.979	68	4.238.468	67	111
Total:	6.900.200	100	6.305.477	100	109

Consolidated sales

Market	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
Domestic market	3.139.042	35	2.867.199	35	109
Southeast Europe	2.987.944	33	2.705.441	33	110
Russia and CIS	714.263	8	739.606	9	97
Western Europe (EU and EFTA)	1.839.272	21	1.744.260	21	105
Other (USA, Turkey etc.)	248.579	3	209.587	3	119
Total foreign market	5.790.058	65	5.398.894	65	107
Total:	8.929.100	100	8.266.093	100	108

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 43% compared to the same period last year. Sales in Albania increased by 36%, Romania increased by 30%, Georgia increased by 15%, Armenia increased by 15%, the USA increased by 14%, Slovenia increased 12%, Serbia increased 12% etc.

Group of products	(In 000 MKD)				
	2020		2019		Ind
	Sales	%	Sales	%	20/19
Antibiotics	1.203.756	13	1.213.770	15	99
OTC products	2.007.122	22	1.832.705	22	110
Cardiovascular products	1.344.451	15	1.278.094	15	105
Neurological products	1.232.491	14	1.100.020	13	112
Other	822.765	9	740.514	9	111
Total products - Alkaloid	6.610.585	74	6.165.103	75	107
Commodities	981.521	11	875.277	11	112
Sevices and other revenue	41.782	0	34.792	0	120
Total Pharmaceuticals	7.633.888	85	7.075.172	86	108
Total Chemistry	229.210	3	206.045	2	111
Total Cosmetics	738.566	8	693.913	8	106
Total Botanicals	327.436	4	290.963	4	113
Total:	8.929.100	100	8.266.093	100	108

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	1.474.095	21	1.308.827	21	113
Consolidated EBITDA	1.547.990	17	1.337.474	16	116

Net profit

	(In 000 MKD)				
	2020		2019		Ind
	Amount	% in Sales	Amount	% in Sales	20/19
Stand alone Net profit	846.141	12	764.836	12	111
Consolidated Net profit	847.483	9	738.605	9	115

Stand alone Net profit for 2020 is 846.141 thousand denars, which compared to last year has increased for 11%.

Consolidated Net profit for 2020 is 847.483 thousand denars, which compared to last year has increased for 15%.

Business plan 2020

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

Expectations for the upcoming period

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