

## **PERFORMANCE ANALYSES**

### **For the period January - December 2019**

According to the unaudited stand alone and consolidated Income statement for the period January - December 2019, Alkaloid AD Skopje achieved positive financial results.

#### **Accounting policies and evaluation methods**

Alkaloid AD Skopje has made a voluntary change in the accounting policies and evaluation methods in the positions of the financial statements in 2019. The financial information has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to property, plant and equipment.

Property, plant and equipment are initially recorded at cost. Land is subsequently measured at fair value, based on the appraisal performed by external independent appraisers. Other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition.

#### **Total revenues**

The total stand alone revenues for January - December 2019 in the amount of 8.675.497 thousand denars have increased for 10%, compared to 2018. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2018 have increased for 12%.

The total consolidated revenues for January - December 2019 in the amount of 10.348.719 thousand denars have increased for 13%, compared to 2018. The largest portion of 98% in the total revenues belongs to the sales revenues, which compared to 2018 have increased for 13%.

#### **Total expenses**

The total stand alone expenses for January - December 2019 in the amount of 7.546.709 thousand denars have increased for 8% compared to 2018.

The total consolidated expenses for January - December 2019 in the amount of 10.160.408 thousand denars have increased for 11% compared to 2018.

#### **Dividend**

The dividends approved by shareholders on 8 April 2019 were Denar 458.033 thousands or gross 320 denars for one ordinary share. Net dividend for 2018 is 272 denars for one ordinary share.

#### **Investments**

The total investments in non-current assets in January - December 2019 are in the amount of 1.091.632 thousand denars.

#### **Borrowings**

The total consolidated borrowings as at 31.12.2019 are in the amount of 779.468 thousand denars.

#### **New employments**

There were 218 new employments for the period January - December 2019 in Alkaloid in Republic of North Macedonia.

**Significant Income statement positions**

The achieved stand alone and consolidated results for the period January - December 2019, the proportions, dynamics and comparison with the previous year are as follows:

**Stand alone sales**

Market	(In 000 MKD)				
	2019		2018		Ind
	Sales	%	Sales	%	19/18
Domestic market	2.778.870	33	2.756.152	37	101
Foreign market	5.649.139	67	4.749.962	63	119
<b>Total:</b>	<b>8.428.009</b>	<b>100</b>	<b>7.506.114</b>	<b>100</b>	<b>112</b>

**Consolidated sales**

Market	(In 000 MKD)				
	2019		2018		Ind
	Sales	%	Sales	%	19/18
<b>Domestic market</b>	<b>3.907.246</b>	<b>35</b>	<b>3.624.093</b>	<b>37</b>	<b>108</b>
Southeast Europe	3.610.619	33	3.384.574	35	107
Russia and CIS	1.049.143	10	616.387	6	170
Western Europe (EU and EFTA)	2.242.842	20	2.015.106	21	111
Other (USA, Turkey etc.)	292.958	3	143.126	1	205
<b>Total foreign market</b>	<b>7.195.562</b>	<b>65</b>	<b>6.159.193</b>	<b>63</b>	<b>117</b>
<b>Total:</b>	<b>11.102.808</b>	<b>100</b>	<b>9.783.286</b>	<b>100</b>	<b>113</b>

Out of the total consolidated sales, 65% were realized in the foreign market. The highest rise in export markets was seen in the following countries: USA – 115%, Russia - 91%, Germany - 57%, Great Britain - 56%, Romania – 42%, Ukraine – 35%, Bulgaria - 16%, Kosovo – 16%, Monte Negro – 9%, Serbia – 7%, Slovenia – 7%, Croatia – 5%, etc.

Group of products	(In 000 MKD)				
	2019		2018		Ind
	Sales	%	Sales	%	19/18
Antibiotics	1.714.577	15	1.411.236	14	121
OTC products	2.443.089	22	2.109.469	22	116
Cardiovascular products	1.659.066	15	1.609.540	16	103
Neurological products	1.466.515	13	1.294.730	13	113
Other	980.586	9	913.435	9	107
<b>Total products - Alkaloid</b>	<b>8.263.833</b>	<b>74</b>	<b>7.338.410</b>	<b>75</b>	<b>113</b>
Commodities	1.247.783	11	967.840	10	129
Sevices and other revenue	43.957	-	52.372	1	84
<b>Total Pharmaceuticals</b>	<b>9.555.573</b>	<b>86</b>	<b>8.358.622</b>	<b>85</b>	<b>114</b>
<b>Total Chemistry</b>	<b>257.639</b>	<b>2</b>	<b>234.042</b>	<b>2</b>	<b>110</b>
<b>Total Cosmetics</b>	<b>878.221</b>	<b>8</b>	<b>898.878</b>	<b>9</b>	<b>98</b>
<b>Total Botanicals</b>	<b>411.375</b>	<b>4</b>	<b>291.744</b>	<b>3</b>	<b>141</b>
<b>Total:</b>	<b>11.102.808</b>	<b>100</b>	<b>9.783.286</b>	<b>100</b>	<b>113</b>

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

	(In 000 MKD)				
	2019		2018		Ind
	Amount	% in Sales	Amount	% in Sales	19/18
Stand alone EBITDA	1.774.492	21	1.478.890	20	120
Consolidated EBITDA	1.857.857	17	1.555.517	16	119

**Net profit**

	(In 000 MKD)				
	2019		2018		Ind
	Amount	% in Sales	Amount	% in Sales	19/18
Stand alone Net profit	1.007.811	12	848.199	11	119
Consolidated Net profit	1.015.260	9	862.411	9	118

Stand alone Net profit for 2019 is 1.007.811 thousand denars, which compared to last year has increased for 19%.

Consolidated Net profit for 2019 is 1.015.260 thousand denars, which compared to last year has increased for 18%.