

PERFORMANCE ANALYSES

For the period January - March 2022

According to the unaudited stand alone and consolidated Income statement for the period January - March 2022, 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 2022.

Total revenues

The total stand alone revenues for January - March 2022 in the amount of 2.744.820 thousand denars have increased for 8%, compared to 2021. The largest portion of 98% in the total revenues belongs to the sales revenues, which compared to 2021 have increased for 12%.

The total consolidated revenues for January - March 2022 in the amount of 3.695.704 thousand denars have increased for 10%, compared to 2021. The largest portion of 98% in the total revenues belongs to the sales revenues, which compared to 2021 have increased for 11%.

Total expenses

The total stand alone expenses for January - March 2022 in the amount of 2.418.854 thousand denars have increased for 8% compared to 2021.

The total consolidated expenses for January - March 2022 in the amount of 3.276.374 thousand denars have increased for 10% compared to 2021.

Dividend

The gross dividends approved by shareholders on April 4th 2022 were 629.795 thousand denars or net-dividend of 396 denars for one ordinary share which compared to the paid net-dividend per share for 2021 in amount of 360 denars is an increase of 10%.

Investments

In the January – March 2022 period a total of MKD 218,577 thousand denars has been invested in fixed assets which compared to the same period in 2021 is an increase of 22%.

Borrowings

The total consolidated borrowings as at 31.03.2022 are in the amount of 1.216.548 thousand denars.

Employees

In the period January – March 2022 ALKALOID AD Skopje recruited 99 new employees in the R.N. Macedonia. In March 2022 the Management Board of ALKALOID AD Skopje decided to approve and pay holiday allowance to its employees in amount of MKD 30,000 net. The ALKALOID Group has 2,619 employees, of which 2,015 in its Skopje headquarters and 604 in its subsidiaries and representative offices abroad.

Significant Income statement positions

The achieved stand alone and consolidated results for the period January - March 2022, the proportions, dynamics and comparison with the previous year are as follows:

Stand alone sales

Market	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
Domestic market	809.311	30	801.375	33	101
Foreign market	1.887.002	70	1.604.760	67	118
Total:	2.696.313	100	2.406.135	100	112

Consolidated sales

Market	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
Domestic market	1.180.139	33	1.084.379	33	109
Southeast Europe	1.216.149	34	1.119.797	34	109
Russia and CIS	352.522	9	330.075	10	107
Western Europe (EU and EFTA)	825.420	23	710.953	22	116
Other	49.396	1	28.022	1	176
Total foreign market	2.443.487	67	2.188.847	67	112
Total:	3.623.626	100	3.273.226	100	111

Out of the total consolidated sales, 67% were realized in the foreign markets. The German market had the highest growth of 146%, followed by Poland with an increase of 114%, then Romania 102%, Bulgaria 69%, USA 51%, Albania 24%, Montenegro 15%, Kosovo 11%, Bosnia and Hercegovina 8%, Serbia 7% etc.

Group of products	(In 000 MKD)				
	2022		2021		Ind
	Sales	%	Sales	%	22/21
Antibiotics	859.821	24	624.529	19	138
OTC products	713.731	20	689.726	21	103
Cardiovascular products	533.627	15	474.643	15	112
Neurological products	444.907	12	461.062	14	96
Other	267.966	7	306.408	9	87
Total products - Alkaloid	2.820.052	78	2.556.368	78	110
Commodities	390.814	11	325.001	10	120
Services and other revenue	14.791	0	13.737	0	108
Total Pharmaceuticals	3.225.657	89	2.895.106	88	111
Total Chemistry	95.514	3	90.372	3	106
Total Cosmetics	218.704	6	219.177	7	100
Total Botanicals	83.751	2	68.571	2	122
Total:	3.623.626	100	3.273.226	100	111

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

	(In 000 MKD)				
	2022		2021		Ind
	Amount	% in Sales	Amount	% in Sales	22/21
Stand alone EBITDA	534.547	20	514.699	21	104
Consolidated EBITDA	637.918	18	606.551	19	105

Net profit

	(In 000 MKD)				
	2022		2021		Ind
	Amount	% in Sales	Amount	% in Sales	22/21
Stand alone Net profit	298.147	11	283.499	12	105
Consolidated Net profit	361.453	10	346.686	11	104

Stand alone Net profit for 2022 is 298.147 thousand denars, which compared to last year has increased for 5%.

Consolidated Net profit for 2022 is 361.453 thousand denars, which compared to last year has increased for 4%.

Business plan 2022

The business plan for 2022, adopted by the Management Board of ALKALOID AD Skopje at its December 29th, 2021 meeting, anticipates investment of around 14% of the consolidated revenue in tangible and intangible assets, growth in consolidated sales of 8% compared to 2021, and growth in pre-tax consolidated profit of 7% in comparison to 2021.

The 2022 business plan is based on the expectations, forecasts and opportunities on the existing and new markets and products available to the Company at the time of drafting the plan. Circumstances and events in 2022 may vary from those taken into account in the Business Plan and so may actual results.

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. To date we have taken a number of measures to offset all negative effects without compromising employee health and company's successful operation.

In line with expectations, during 2021, the health crisis turned into an economic one causing new operational challenges. What has already started as a trend in 2021 and will dominate in 2022 is the noticeable rise of prices of many raw materials, fuel and energy, as well as the increase of transport prices globally, especially the significant extension of delivery deadlines. All this has previously started to affect the inflation rate, which will be an even more pronounced trend in 2022. Following the indications of the conflict between Russia and Ukraine starting on 24 February 2022, the Company has taken necessary measures to protect its investors, customers, and employees, by ensuring safety conditions.

The biggest challenges and a top priority in the upcoming period remain employees' health as well as maintaining current liquidity and financial stability and achieving planned goals.