



ALKALOID
SKOPJE



ANNUAL REPORT 2020



ALKALOID
SKOPJE

Key Financial Indicators	4
Highlights 2020	5
Organizational Chart	7
Corporate Information	8
- Report on the Work of the Supervisory Board	10
- Report on the Work of the Management Board	14
- Address from the CEO/MB President	20
- Foundation Trajche Mukaetov	22
- Alkaloid donated sum of Eur 1.2 mil. in 2020	22
- Shareholding	25
- Human Resource Management	26
- ALKALOID KONS DOOEL Skopje.....	34
- Environmental Protection	36
- Alkaloid AD Skopje registered a new subsidiary in Great Britain	39
- Alkaloid converted its SAP ERP into SAP S/4HANA	40
- Alkaloid invested Eur 4 mil. in proper production of Becutan wet wipes	41
- President Pendarovski visited Alkaloid	42
- US Ambassador Kate Marie Byrnes visited Alkaloid	43
- The chamber of commerce with special acknowledgement for Alkaloid ..	44
PC Pharmaceuticals	46
- Marketing and Sales	48
- Latest Releases	50
- Complete list of pharmaceutical products registered in Macedonia	54
PC Chemistry, Cosmetics and Botanicals	74
- Marketing and Sales	76
Consolidated Financial Report	80
- Independent auditors' report	84
Contacts/Subsidiaries	124

KEY FINANCIAL INDICATORS

			(In 000 MKD)
	Amount	Amount	Index
	2020	2019	20/19
Total Revenues	12,553,883	11,347,834	110.63
Sales	12,132,328	11,102,808	109.27
Gross Profit	5,433,835	5,128,663	105.95
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2,337,551	2,023,050	115.55
Operating Profit	1,366,012	1,215,948	112.34
Profit Before Tax	1,326,140	1,183,830	112.02
Net Profit	1,165,226	1,010,779	115.28
Total Assets	15,442,774	14,054,157	109.88
Equity	10,902,055	10,282,081	106.03
Net Cash Flow	(22,340)	(76,463)	-
Investments in Assets (PPE&IA)	1,791,760	1,416,603	126.48
Number of Employees	2,392	2,227	107.41
Sales per Employee	5,072	4,986	101.73
Current Ratio	1.93	2.04	94.67
Long-term Debt	5.7%	3.0%	188.88
ROE Return on Equity	11.00	10.50	104.77
EPS Basic Earnings per Share (In MKD)	828.6	714.3	116.01
DPS Net Dividend per Share (In MKD)	360.00	324.00	111.11
Total Number of Shares	1,431,353	1,431,353	100.00
1 EUR/1 MKD (Average)	61.6742	61.5053	100.27

FINANCIAL HIGHLIGHTS

			(In 000 EUR)
	Amount	Amount	Index
	2020	2019	20/19
Total Revenues	203,552	184,502	110.33
Sales	196,716	180,518	108.97
EBITDA	37,902	32,892	115.23
EBIT Earning Before Interest and Taxes	22,149	19,770	112.03
Net Profit	18,893	16,434	114.96
EPS Earnings per Share (In EUR)	13.44	11.61	115.69



2020

HIGHLIGHTS

2020 will be remembered as year of the COVID-19 pandemics that influenced human kind on all levels including the business processes

In March 2020, Alkaloid was the first company to donate EUR 200.000 at the special account of the Macedonian Ministry of Health intended for handling the Covid-19 crisis

In order to ease the impacts of the Covid-19 pandemics, in March 2020 Alkaloid also reduced the prices of 158 of its products that were considered a general necessity

On various grounds in the course of 2020, Alkaloid and the Foundation Trajche Mukaetov, donated a total sum of EUR 1,2 MIL. to healthcare institutions, numerous organizations and individuals

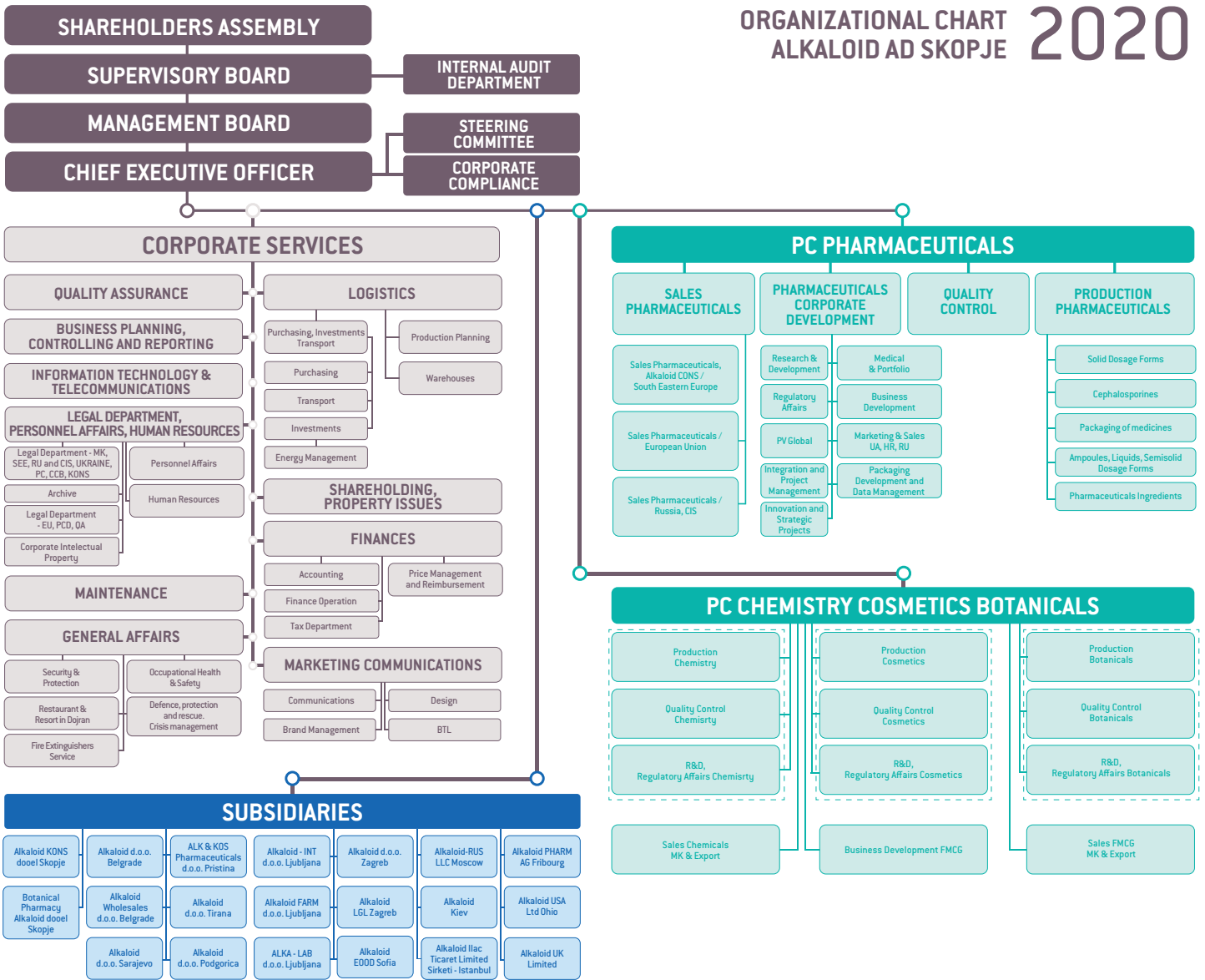
Alkaloid registered a new subsidiary in Great Britain, ALKALOID UK LIMITED

Under extraordinary circumstances, Alkaloid completed the conversion of SAP ERP 6.0 into SAP 4/HANA

Alkaloid launched a new production plant for wet wipes, an investment worth EUR 4M

Trajche Mukaetov Foundation granted 39 new scholarships to students of pharmacy and medicine at the University Sts. Cyril and Methodius

ORGANIZATIONAL CHART ALKALOID AD SKOPJE 2020







CORPORATE INFORMATION

REPORT ON THE WORK OF THE SUPERVISORY BOARD OF ALKALOID AD SKOPJE

In 2020, the Supervisory Board of Alkaloid AD Skopje operated as follows:



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.



Prof. D-r Ilija Dzhonov

Member of the Supervisory Board

MD, Dr. Sci. med.

Professor and former Dean of the Faculty of Medicine at "Sts. Cyril and Methodius University" in Skopje. Member of the Board since 1998.



Bojancho Krlevski

Member of the Supervisory Board

B.Sc. in Chemical Engineering.

Employed at Alkaloid AD Skopje. Member of the Board since 1998.

In accordance with the Law on Trade Companies and the Statute of ALKALOID AD Skopje, the Supervisory Board is authorized to supervise the management of the Company performed by the Management Board as well as to analyze and assess the documents of the Company. The authorizations of the Supervisory Board are set forth in the Law on Trade Companies and the Statute of Alkaloid AD Skopje.

In the course of year 2020, the Supervisory Board held 8 (eight) sessions and passed 20 (twenty) Decisions.

During its formal sessions, the Supervisory Board reviewed and discussed all important issues that fell within the scope of its competences, including the unaudited standalone financial reports and unaudited consolidated financial reports for the previous year, as well as those for the period 1 January to 31 March 2020; 1 January to 30 June 2020; 1 January to 30 September 2020 in all structures: Balance sheet of the Company, Income statement, Cash flow, Trade receivables and Borrowings.

On the formal sessions, upon invitation sent by the Supervisory Board, the Chief Executive Officer and President of the Management Board attended, along with other competent management representatives in order to elaborate all positions from the submitted unaudited standalone financial statements and unaudited consolidated financial statements thus enabling the Supervisory board to take its decisions accordingly.

Thereafter, upon the rendered assessment and elaborations given by the CEO and MB President of Alkaloid AD Skopje and the management representatives from the respective expert services, the Supervisory Board asserted to approve the unaudited standalone financial statements and unaudited consolidated financial statements as well as the unaudited unconsolidated and unaudited consolidated Balance sheet of the Company.

The Supervisory Board carried out a regular assessment of the management of the Company i.e. the work of the Management Board and reviewed the Annual Report on the operations of the company for the period from January to December 2020. The Supervisory Board thus assessed that the operations of the Company and its management were carried out successfully in the course of the fiscal year 2020, as indicated in the presented positive financial results of the Company.

The Supervisory Board positively assessed the cooperation with the President and the Members of the Management Board whose sole purpose was to build mutual attitudes aimed at realization of the set plans for successful development of the Company for 2020.

The Supervisory Board reviewed the documents of the Company regarding its financial operation and status of assets and securities pertaining to the year 2020, and upon inspection, asserted that the results of the Company in this respect are also positive and in compliance with the existing legislation.

The Supervisory Board also reviewed the business plan of the company pertaining to the year 2021 in all its aspects thus assessed that it was qualitatively well compiled, based on realistic expectations and clearly defines the targets on all levels of management of the company thus providing integration of all efforts in the achievement of the common goals of the company.

In accordance with Article 415-v of the Law on Additions and Amendments to the Law on Trade Companies, the Supervisory Board reviewed the semi-annual report of the Internal Audit Department containing the activities of this independent organizational unit in the course of the period from January to June 2020. The Supervisory Board asserted the referenced semi-annual report thus assessing that the same is adequate, efficiently compiled and elaborated in accordance with the Law on Additions and Amendments to the Law on Trade Companies.

Pursuant to the annual plan for internal audit for year 2020 of the Internal Audit Department, the Supervisory Board reviewed and adopted the Quarterly reports for the period January-March, April-June, July-September and October-December 2020. The findings were discussed with the directors of the organizational units; they were subject to testing and subsequently fully approved.

The Internal Audit Department had compiled an annual operations plan for internal audit activities scheduled for year 2021. The Supervisory Board reviewed the plan and approved it.

In accordance with Article 415-v of the Law on Additions and Amendments to the Law on Trade Companies, the Supervisory Board reviewed and passed a decision for approval of the annual report of the Internal Audit Department for the year 2020. The annual report contained the subject of audit with a description of the undertaken activities by sector according to the audit schedule including anticipated duration for conducting the inspections. The annual report of the Internal Audit Department encompassed the following:

- Description of performed activities
- Findings/Recommendations of rendered individual audits
- Consulting activities
- Information on the Internal Audit Department

The Supervisory Board assessed this report as sustainable, of high quality and objective, giving overall presentation of the rendered audits thus approved the aforementioned report and enclosed it to the Shareholders' Assembly.

Pursuant to Article 480, Section 2 of the Law on Trade Companies, the Supervisory Board reviewed the Statutory Standalone Financial Reports, Statutory Consolidated Financial Reports for the year ended 31 December 2020 and the Independent Auditors' Report along with the opinions issued by the independent auditor Deloitte LTD Skopje.

The audit was performed in accordance with the International Auditing Standards and the Law on Audits in the Republic of North Macedonia. According to the opinion of the independent auditor, the financial reports of Alkaloid AD Skopje for the year ended 31 December 2020 are well prepared in all material aspects, in accordance with the valid accounting regulations in the Republic of North Macedonia.

The Supervisory Board reviewed the records and documentation of the Company and its subsidiaries, which were related to its financial operations, and consequently asserted that in this area the Company performed its operations successfully and in full compliance with the existing legal regulations.

Following the review of the Statutory Standalone Financial Reports, Statutory Consolidated Financial Reports, the Independent Auditors' Report issued by the independent auditor Deloitte LTD, the Proposal Annual Statement of Accounts of the Company, Annual Performance Report for the period January – December 2020 and the Decision-proposal for allocation and distribution of the profit according to the annual statement of accounts of the Company for 2020, the Supervisory Board proposed to the Shareholders' Assembly to pass a decision for approval of the following:

- Statutory Standalone Financial Reports, Statutory Consolidated Financial Reports and the Independent Auditors' Report issued by the independent auditor Deloitte for the year ended as at 31 December 2020;
- Annual Statement of Accounts (Balance Sheet) of the Company for year 2020;
- Annual Performance Report for the period January – December 2020 (Standalone and Consolidated);
- Decision-proposal for allocation and distribution of the profit according to the annual statement of accounts of the Company for year 2020.

The Supervisory Board also reviewed other proposals submitted by the Management Board of the Company such as: Decision-proposal for determining dates for payment of dividends for year 2020 (dividend calendar); Decision-proposal for acquisition of proper shares with buyout and Decision-proposal for selling proper shares.

After reviewing the decision-proposals, the Supervisory Board proposed to the Shareholders' Assembly of Alkaloid AD Skopje to pass decision for approval of the above referenced.

All operations of the Supervisory Board in the course of the year 2020 were in the frame of the competences set forth in the Law of Trade Companies and the Statute of Alkaloid AD Skopje.

Prof. D-r Miodrag Micajkov
President of the Supervisory Board

Prof. D-r Ilija Dzhonov
Member of the Supervisory Board

Bojancho Krlevski
Member of the Supervisory Board

REPORT ON THE WORK OF THE MANAGEMENT BOARD OF ALKALOID AD SKOPJE



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.



Milkica Gligorova

**Member of the Management Board,
Director of the Production segment of PC Pharmaceuticals of Alkaloid AD Skopje**

Holds a B. Sc. Degree in Pharmacy, Specialist in Pharmaceutical Technology
Member of the Board since 2004. Responsible for the overall production operations in PC Pharmaceuticals.

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.



Gjorgi Jovanov

**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.



The Management Board has ample authorizations in the management of the Company, i.e. the implementation of the ongoing activities of the Company. It acts on behalf of the Company and within the scope of the subject matter at hand. In compliance with the Law on Trade Companies and the Statute of the Company, the Management Board manages the company's overall operations at its own responsibility.

Within the reporting period, the Management Board performed its activities within the framework of its competences and in compliance with the Law on Trade Companies and the Statute of the Company; passing decisions concerning the business policy and managing the overall operations of the Company.

Besides the challenging conditions during the Covid-19 pandemics, the Management Board held its sessions on regular basis and in the course of 2020, completed 43 [fourty-three] sessions on which 156 [one-hundred-and-fifty-six] important decisions/conclusions were passed including:

- Decision for making an inventory listings and establishment of commissions for making inventory listings of the fixed assets and the sources of assets, as well as adopting the compiled report on inventory listings of Alkaloid AD Skopje;
- Decision on submitting Annual Statement of Accounts (Balance sheet) and the Draft Annual Report on the operations of the Company (Standalone and Consolidated);
- Decisions to approve the Balance sheets of the companies founded by ALKALOID AD Skopje for the previous year.

Interim its meetings, the Management Board was conducting monthly reviews of the Income Statements of ALKALOID AD Skopje done by cost centre and the Report on the current operations of ALKALOID KONS DOOEL Skopje.

Upon MB President's invitation, the sessions (via teleconferencing due to Covid-19 protocols), were attended by executives from the Department of Logistics and ALKALOID KONS DOOEL Skopje.

The Management Board passed decisions/conclusion concerning specific tasks for the managers of the profit centers of Alkaloid AD Skopje and the manager of ALKALOID KONS DOOEL Skopje directed

towards engagement of maximum efforts for fulfillment of the set objectives, intensification of settlement of outstanding debts, control of stocks as well as reduction of costs.

Pursuant to the Law on Trade Companies, the Management Board reviewed and discussed the unaudited standalone unconsolidated and unaudited consolidated Financial Reports for the previous year, as well as those pertaining to the quarterly periods: 1 January to 31 March 2020; 1 January to 30 June 2020, 1 January to 30 September 2020 thus assessed that the Company effectuated positive financial results.

Pursuant to the Law on Trade Companies and the Statute of Alkaloid AD Skopje, the Management Board, within the frames of its competences passed decision-proposals in accordance with the proposed agenda for the Annual Shareholders' Assembly held on 6 April 2020.

The Management Board passed the Code of Ethical and Business Conduct, which represents a key element in the process of building of ethical corporate culture and ensures sustainable development of the Company. The Management Board also passed a Decision for forming Commission on Corporate Compliance (CCC) and election of an Officer for Corporate Compliance (OCC). The OCC shall act as contact person for all employees, shareholders of the company, business partners and clients, and shall be in charge for issues and activities connected with the Code of Ethical and Business contact, as well as person in charge for handling eventual infringements of the Code.

Taking into consideration the improved and more functional organization of the Company, the Management Board passed decisions for changes and amendments in the Internal Organization, the Guidelines for Systematization of Posta and Analytic Assessment of Posts.

In the course of 2020, the Management Board interim its sessions, passed the following general acts of the company:

- Guidelines for corporate internal application for unethical, illegal or intolerant behavior;
- Code for interaction with healthcare workers and ethical promotion;

- Anticorruption policy of Alkaloid AD Skopje;
- New guidelines for working discipline at Alkaloid AD Skopje;
- Guidelines for representatives of the employees for work health and safety;
- New guidelines for the manner of using company vehicles on behalf of the company organizational units.

The Management Board together with the Trade Union of Alkaloid AD Skopje agreed on the collective agreement and the new guidelines on employees' conduct thus assessing that the validity of the same should be prolonged for a period of 2 (two) years. Therein, the Management Board also passed the following:

- Decision for payment of vacation leave regress;
- Decision for payment of one-off linear financial compensation to the employees.

The Management Board passed a decision for approval of the basis of the Business Plan for the company for 2021 and give directions for its implementation. The Management Board assessed that the Business plan is based on realistic expectations and compiled thoroughly encompassing the capacities and risk management policies on the existing and potentially new markets, thus gave directions for its implementation. The Management Board assessed that the circumstances and events may vary unpredictably in the course of 2021, thereby affecting the plans.

The Management Board also passed the Financial Calendar of Alkaloid AD Skopje for year 2021.

Pursuant to Article 375, Section 3 and Article 366, Section 3 of the Law on Trade companies, the Management Board passed a decision for assigning operation managers with special authorizations and responsibilities at the company during 2021.

The Management Board passed Decisions for approval of the financial report of the Foundation "Trajche Mukaetov" - Skopje for year 2020 and approved the work program of

this Foundation for the year 2021. The Program states the amount, method, terms and procedures for utilizing the Foundation's funds aimed at providing scholarships and donations and financing talented students, researchers and scientific projects in the fields of medicine and pharmacy.

Regarding the operations of the companies abroad founded by ALKALOID AD Skopje, the Management Board took a number of important decisions:

- Decisions for continuation of the mandates of the directors at the subsidiaries abroad founded by ALKALOID AD Skopje: ALKA-LAB DOO Ljubljana, ALKALOID INT DOO Ljubljana, ALKALOID FARM DOO Ljubljana, ALKALOID FARM Fribourg, Limited liability Company ALKALOID KIEV, Representative Office of ALKALOID in Kiev, Ukraine, ALKALOID DOO Tirana and Ilac Ticared Limited Sirketi Istanbul, Turkey.
- Decision for increasing the founding investment at ALKALOID FARM Fribourg.

In accordance with Article 415-v of the Law on Additions and Amendments to the Law on Trade Companies, the Management Board received the Semi-Annual and Annual Report of operations for the year 2020 from the Internal Audit Department of Alkaloid AD, an independent organizational unit in the company, containing the following information:

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

The Management Board thus passed a decision for approval of the work for year 2020 of the independent organizational unit, the Internal Audit Department.

ALKALOID AD Skopje, as a founder and the sole cofounder of ALKALOID KONS DOOEL Skopje carries out the responsibilities of the following corporate bodies:

- Management Board of the founder, as an Assembly of Company's Cofounders;
- Controller, as a supervisory body of the Company.
- In the course of year 2020, the Management Board of ALKALOID AD Skopje, in the capacity of Assembly of Cofounders of ALKALOID KONS DOOEL Skopje, held 10 (ten) meetings and passed 17 (seventeen) Decisions among which were the following:
 - Decision for inventory listing and sources of inventory of ALKALOID KONS DOOEL Skopje;
 - Decision for approval of the compiled report on inventory listings and sources of inventory listing of ALKALOID KONS DOOEL Skopje;
 - Decision for approval of the balance sheet, the annual report of the company and the unaudited standalone financial reports of the company;
 - Decision for allocation of profit;
 - Decision for approval of the Audit Report and the Financial Reports for the year ended 31 December 2020 and the Independent Auditors' Report along with the opinions issued by the independent auditor Deloitte LTD Skopje;
 - Decision for appointing management of the company;
 - Decision for payment of vacation leave regress;
 - Decision for payment of one-off linear financial compensation to the employees

ALKALOID AD Skopje, as a founder and the sole cofounder of ALKALOID HERBAL PHARMACY LTD Skopje carries out the

responsibilities in the Management Board of the founder, as an Assembly of Company's Cofounders. In the course of 2020, the Assembly held 6 (six) meetings and passed 6 (six) Decisions among which were the following:

- Decision for inventory listing and commissions for inventory listing;
- Decision for approval of the Annual report of the company; etc.
- Decision for allocation of profit;
- Decision for appointing management of the company;
- Decision for payment of vacation leave regress;
- Decision for payment of one-off linear financial compensation to the employees

The work of the Management Board in the course of the year 2020 was within the frame of the competences determined by the Law on Trade Companies and the Statute of Alkaloid AD Skopje.

President of the Management Board
Zhivko Mukaetov

Members of the Management Board
Milkica Gligorova
Gjorgji Jovanov
Viktor Stojchevski
Kire Icev

CORPORATE INFORMATION

ADDRESS OF THE CEO/MB PRESIDENT OF ALKALOID AD SKOPJE

Reflecting upon all the crises the company went through interim its 84 years of existence, this one seems to be the most intimidating one. Isolation amidst civilization, fear from the unknown, struggle to preserve the utmost gift: our health and the health of our dearest ones.

Just as all the people and businesses around the world, Covid-19 pandemics completely transformed our company overall operations on all levels. While struggling to overcome logistic challenges and impediments, our top priority was (and still is) to maintain intact production processes and protect our most valuable asset, the human resources.

In a situation when all world economies are striving to mitigate the effects of a new economic crisis, few are the companies which are able to overcome these challenges and help their economies in such hard times. Acknowledging the adversities of the past year, Alkaloid intensified its corporate social responsibility activities. The company along with its subsidiaries abroad, as well as the Foundation Trajche Mukaetov in the course of 2020 donated an amount of approximately EUR 1.2 millions. Out of these, EUR 1.075.000 were donated to Macedonian entities and EUR 125.000 abroad. In the list of recipients of the donated funds, there are healthcare institutions, numerous organizations, associations and individuals.

RESULTS

Despite all objective and subjective challenges, the company managed to generate positive financial results in its operations employing extraordinary efforts and precautions in its everyday operations. We achieved total consolidated sales of MKD 12.132.328.349, which represents a growth of 9% compared to 2019. Our consolidated net profit amounted to MKD 1.167.484.742, growing 15%. Sales amounting to 35% were effectuated in the domestic market, whereas 65% were export sales, out of which 33% intended for the SEE markets, 20% for the Western European markets, 10% for Russia and CIS and 2% were for the remaining markets.

87% of the total placements were effectuated by the pharmaceuticals segment, 8% in the Cosmetics, 3% in Botanicals and 2% belonged to the Chemicals segment.



STOCK EXCHANGE OPERATIONS

According to the records of the Macedonian Stock Exchange, the shares of Alkaloid in the course of 2019 were once again amongst the most traded and the most liquid ones. Alkaloid AD Skopje, as one of the leading companies on the Macedonian Stock Exchange, in the regular stock exchange operations participated with traded MKD 1.132.853.535, which is 18.68% of the total turnover recorded on the first official market of the Stock Exchange in 2020. The share price of Alkaloid AD Skopje ranged from MKD 8,354 to MKD 13,499, with an average of MKD 12,174.86, which represents a growth of 28.05% of the average price of the share compared to 2019.

In 2020, the Macedonian Stock Exchange marked its 25 years jubilee, which was of exceptional importance for Alkaloid too, as the company's shares are on the Macedonian capital market since the first day of its establishment. In the course of its 25 years of existence, this institution ensured efficient, transparent and safe functioning of the stock exchange operations in our state, including the shareholders' capital of Alkaloid and the trend of transparency in the communications, duly observing the quotation criteria, remained firmly installed in our cooperation practices. Alkaloid is especially proud to hold a place among the top traded companies of the Macedonian Stock Exchange and we are especially honored to be among the ten blue chip companies of this institution.

INVESTMENTS

In line with the company policy for continuous investments, we remained firmly on the track during 2020 too. Investments in production facilities, research and development, new technologies, know how, qualified personnel and entry into new markets will remain high on our agenda. Some of the major investment projects during the year included construction and equipping of new production facilities for Becutan wet wipes at the production site in municipality of Gjorche Petrov; completion of the project for gasification of this production locality; purchase and installment of a new, third in a row production line for our herbal teas; purchase and installment of a new line for packaging of pharmaceutical products at our production site in Belgrade, Serbia and successful completion of the conversion of our SAP ERP 6.0 system into SAP 4/HANA.

NEW VENTURES

The global economy is still counting the effects of the Covid-19 impact and the forecasts for 2021 are in the shade of the immunity to the virus and the expected effects of the vaccination.

In these critical circumstances we all should have the courage and virtue to persevere, demonstrate teamwork, discipline, solidarity, commitment and high level of empathy. The forthcoming year of our 85th jubilee will be full of uncertainties and challenges, but even in circumstances like these, we must fulfill the market demands and expectations, and as always, we must deliver superior quality of our products and services!

FONDATION TRAJCHE MUKAETOV AWARDED 39 NEW SCHOLARSHIPS FOR THE ACADEMIC 2020/21

For the thirteenth year in a row, the Foundation Trajche Mukaetov awarded scholarships to students at the Faculty of Pharmacy and Medicine at the University Sts. Cyril and Methodius from Skopje.

For the academic 2020/21, new 39 scholarships have been awarded, out of which 19 were intended for students of the Faculty of Pharmacy and 20 for students of the Faculty of Medicine at the University Sts. Cyril and Methodius from Skopje. The scholarship, amounting to 6.500 Denars, is granted for a period of 12 months. Pursuant to the announced public call for submitting scholarship applications, the selection of scholarship holders for the current academic year was made by the Management Board of the Foundation, as per the preliminary list proposed by the respective committees

for granting scholarships. The Board for granting scholarships is composed of representatives of the Foundation, the two faculties, as well as of representatives of the students.

According to the program policies for supporting young and ambitious talents, starting from the academic 2009/2010, "Trajche Mukaetov" Foundation also grants one-off premiums to the valedictorians from the faculties of Medicine and Pharmacy at "Sts Cyril and Methodius" University in the amount of EUR 1.200, paid in Macedonian Denars countervalue. For 2020/21, the one-off premiums were awarded to: Tamara Ivanoska from the Faculty of Pharmacy (with a GPA of 9.85, scholarship holder of the Foundation) and Eva Palchevska from the Faculty of Medicine (with a GPA of 9.91).



CORPORATE INFORMATION

"I am really glad that the Foundation Trajche Mukaetov and the company Alkaloid, even in such specific conditions of functioning of the educational process during the Covid-19 pandemic, continue to support talented students in pharmacy and medicine. I personally hope that the benefits from the Foundation for the future pharmacists and doctors of medicine will motivate the students to deliver better results and note even higher future achievements in the field of Macedonian healthcare and pharmacy" - said Mr. Zhivko Mukaetov, President of the Foundation and CEO/MB President of Alkaloid AD Skopje.

Starting from the academic year 2007/2008, the Foundation granted 539 scholarships to students of pharmacy and medicine, including the new 39 students from the academic



year 2020/2021. Out of the total number of scholarship holders, 207 students of pharmacy and 195 students of medicine have already graduated. As of year 2009; 87 scholarship holders (80 pharmacy and 7 medicine graduated students) have started their careers at Alkaloid AD Skopje in the departments of the Pharmaceuticals segment.

The Foundation Trajche Mukaetov was established in 2007 with a decision of the Management Board of Alkaloid AD Skopje. It is aimed at supporting and funding talented students of medicine and pharmacy, as well as providing financial support for projects in these two fields. Up to date, the Foundation invested an amount of MKD 99.947.500 in its activities for supporting students and valedictorians.

ALKALOID DONATED SUM OF EUR 1.2 MIL. IN 2020

Alkaloid's products are part of the everyday life of millions of people in the countries where the company has established business operations. Each product carrying Alkaloid's logo is a synonym for quality, tradition and hard work put by thousands of employees and generations of 'Alkaloid's people', who have built the company's values. The positive image of the company is largely a reflection of the organizational culture, in which the care for the employees has been on the top of the list of priorities.

In circumstances when the world economies are struggling to mitigate the effects of the loss suffered and the forecasts for 2021 are overshadowed by the virus' immunity and the expected effects of the vaccine, not many companies are able to help their systems in such hard times. But, aid in crisis is essential, particularly if the crisis bears the 'health' prefix. For this reason, in the course of 2020, Alkaloid's corporate social responsibility activities have been intensified.

On various grounds, Alkaloid AD Skopje, through its headquarters in Skopje, the "Trajche Mukaetov Foundation"



and its subsidiaries, donated nearly EUR 1.2 million, of which EUR 1,075,000 have been donated in North Macedonia and approximately EUR 125,000 abroad.

As far as the purpose of the donations is concerned, EUR 325,000 have been donated as medical products, medical supplies and equipment; over EUR 210,000 were donations in the form of sanitizers and disinfectants, while EUR 638,000 were finances granted on various grounds, of which EUR 141,236 have been effectuated through 'Trajche Mukaetov' Foundation. The lists of recipients of donations include healthcare institutions, associations and a large number of individuals.

Care for the employees, the community, consumers, shareholders and stakeholders of the company are firmly founded in the corporate policy of Alkaloid AD Skopje and such commitments shall continue in the future, as well. Year 2021 is full of uncertainties, but Alkaloid is determined to remain committed to fill the market expectations and deliver superb quality of our products and services.

SHAREHOLDING

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. 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. 99.77% (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.

STRUCTURE OF THE SHAREHOLDERS IN ALKALOID AD SKOPJE

Legal entities and private individuals / Ordinary shares	1,428,125	99.77%
Former proprietors / Preference shares	3,228	0.23%

According to the records of the Macedonian Stock Exchange, the shares of Alkaloid in the course of 2020 were amongst the most traded and most liquid ones. There were 3,895 transactions made, 97,111 shares were traded (which is 6.8% of the total share capital of Alkaloid AD Skopje), worth a total of EUR 18,369,289.

ALKALOID AD Skopje, as one of the leading companies on the Macedonian Stock Exchange, in the regular stock exchange operations participated with 18.7% of the total turnover recorded on the first official market of the Stock Exchange in 2020. The share price of Alkaloid AD Skopje ranged from MKD 8,354 to MKD 13,499, with an average of MKD 12,174.86 which is 28% up compared to the average in 2019.

At the end of 2020, Alkaloid had more than 5,100 shareholders holding ordinary shares. The substantial number of shareholders is a sufficient indicator of the interest in the Company and its successful operations.



DIVIDEND

Since 1995, when the company was restructured, Alkaloid AD Skopje has regularly paid dividends to its shareholders on an annual basis. The net dividend per share for the year 2020 amounted to MKD 360.00.

Net dividend per share (In MK Denars)

2020	2019	2018
360.00	324.00	272.00

Human Resource Management in 2020

The department for Human Resource Management faced many challenges in the course of the pandemic year, while compensating among the ambitious plan for new employments and the conditions on the national labor market in the sense of discrepancy in the actual demands of the company vs the labor market's offers, utilizing the online tools in the course of its processes.

In accordance with our mission and strategic determination to provide for modern employment environment, in the course of 2020, we noted 266 new employments at the company headquarters.

Albeit all impediments, we continued with the internship program implemented in cooperation with various educational institution in our country and the program for prequalification of young staff in cooperation with the project "Education for Employment", which is part of the project E4E of the Swiss inter-cooperation "Helvetas" under the patronage of the Embassy of Switzerland in Skopje.

In the course of 2020, we also initiated the program for in-house ads providing each employee in the company to apply for a post in a different segment if deemed eligible thus promoting the possibilities for stimulating the development opportunities for our employees.

Employments at Alkaloid Group in 2020 counted as follows:

Employments at Alkaloid Group in 2020	
Total Alkaloid AD	1787
Pharmaceuticals	987
Chemistry	70
Cosmetics	75
Botanicals	65
Corporate Services	599
ALKALOID KONS DOOEL Skopje	41
Alkaloid Herbal Pharmacy Ltd. Skopje	4
Subsidiaries abroad	591
Total:	2392

CORPORATE INFORMATION

Qualification structure of the employees at Alkaloid AD Skopje in 2020	
PhD.	10
MA or Specialists	163
University Degree	638
Higher Degree	7
High School Degree	902
Qualified Worker	54
Semi-qualified Worker	12
Non-qualified Worker	1
Total:	1787

New employments in 2020	
ALKALOID AD	265
ALKALOID KONS DOOEL Skopje	1
Total:	266

For the newly employed colleagues, we organized various trainings in accordance with the mentorship and development programs and the current requirements of the business processes.

In the course of 2020, we realized numerous internal and external trainings for our employees aimed at promotion of their knowledge, skills and competences. In average, each employee spent 161 hours of training.

Talent Management System (TMS)

Within the scope of the TMS, in the course of 2020, total of 94 employees took part in the program, allocated as follows:

PC / OU	No. of employees in the TMS
PC Pharmaceuticals	9
PC Chemistry, Cosmetics and Botanicals	35
Corporate Services	50
Total:	94

As result of the rendered assessments, 75 employees received bonuses and 885 employees were promoted.

Total number of promotions at Alkaloid AD in 2020	885
---	-----

In the course of 2020, 18 employees left the company on their own demand and based on retirements.

Employee outflow	1,04%
------------------	-------

Internship Programs 2020

The internship program for 2020 was implemented in cooperation with the following educational institutions:

- Faculty of Pharmacy (17 interns)
- Institute for Chemistry at the Faculty of Natural Sciences (5 interns)
- Faculty of Technology and Metallurgy (8 interns)
- Faculty of Medicine (4 interns)

All from the University Sts. Cyril and Methodius.

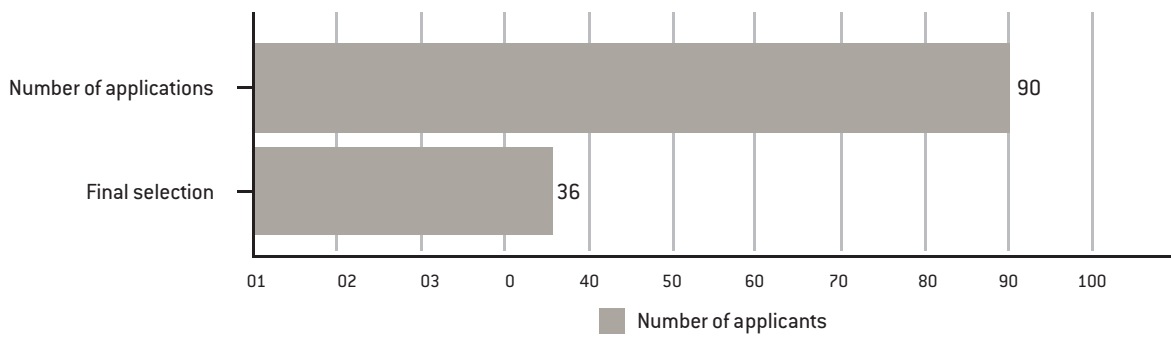
In the course of 2020, Alkaloid AD Skopje also signed a memorandum for cooperation with the Faculty of Medical Sciences at the University of Shtip (2 interns in 2020).

The internship program consisted of the following phases:

- Preparation of the calls for participation in accordance with the requirements of the company and creation of training plans;
- Presentation of the internship program at the educational institution, its communication via ads, selection of the best candidates and their introduction into the program;
- Evaluation phase encompassing presentation and evaluation of students' projects and their competences and granting certificates for completion of the program;
- Satisfaction surveys by the students and the mentors and 'shadow mentorship' day for the interns conducted by employees of the Human Resource Department of Alkaloid AD.

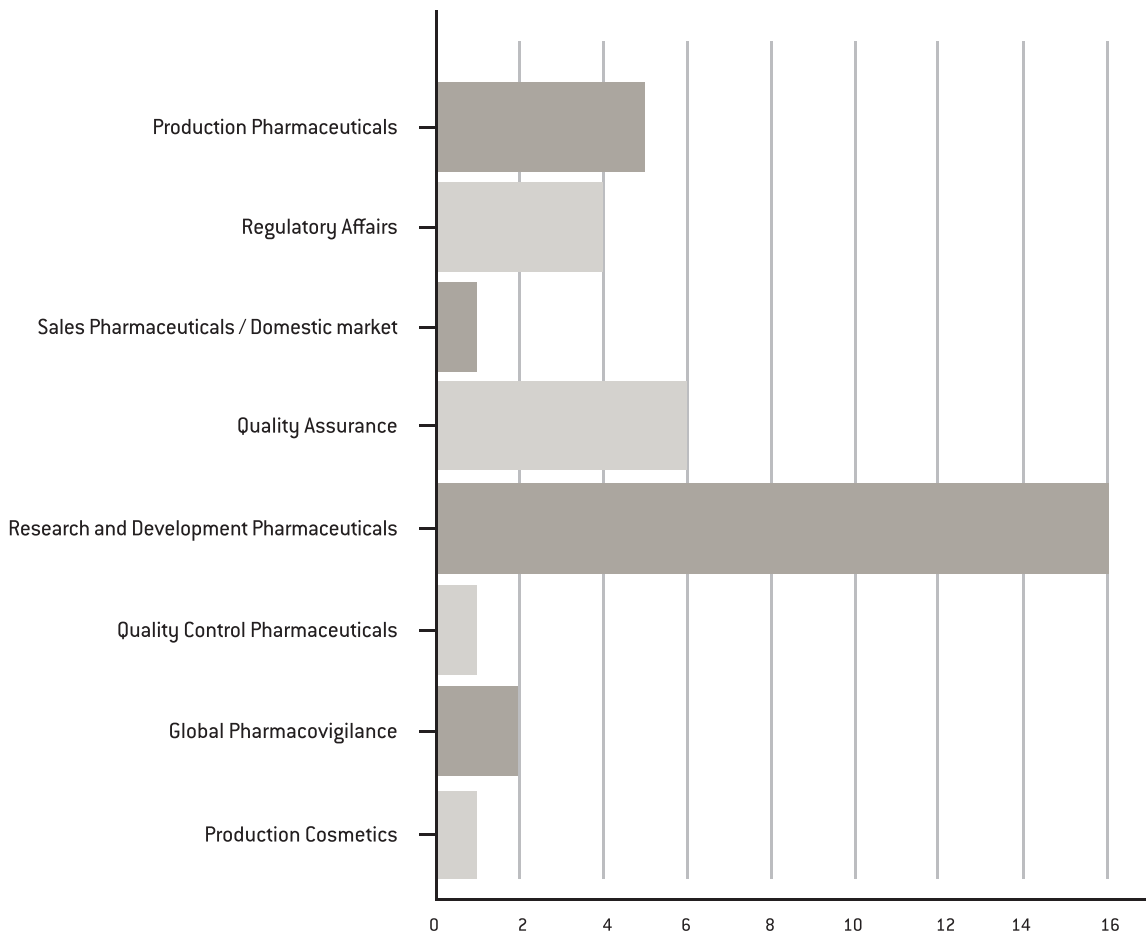


Number of applications and final selection



The total of 36 selected internships for 2020 were deployed in the following sectors presented below:

Number of interns per department



One of the interns underwent combined internship at the departments of Global Pharmacovigilance and Clinical Trials.

Fourteen of the 36 selected interns for 2020, who were part of the program for young talents remained to work for the company.



CARE FOR THE EMPLOYEES – ALKALOID’S TOP PRIORITY ESPECIALLY IN TIMES OF CRISIS

In context of the specific conditions for functioning in the course of the pandemic 2020, Alkaloid’s care for the employees remained among the top priorities of the company.

As Covid-19 pandemics completely transformed the company overall operations on all levels, Alkaloid managed to adapt most of its internal functioning procedures. The opening of an internal Covid-19 hotline, led by two doctors employed at the company and an external expert epidemiologist was the first step in the process of shielding the company’s health and safety. We trained our sales personnel to be able to cope with the production segment operations, we organized parallel teams in all administration sectors who are still working on weekly remote rotation systems, we switched the production plans from perfumes and shampoos to disinfectants, antiseptics and sanitizers, we introduced 6 privately paid bus lines for our employees who were using public transportation and lot more similar internal measures.

In the course of the pandemics, most of our communications were moved on various digital platforms, including communication within the company, communication with medical/pharmaceutical experts and communication with the consumers and the public in general. For internal and external communication, whenever physical presence is not an option, we use Webex. For our medical marketing teams, Alkaloid frequently organized online gatherings with medical experts, which were widely accepted and attained.

In light with enhancing the communication with consumers, Alkaloid started focusing more on digital communication and segmenting the communication channels through brands and/or popular topics instead of using a robust communication portfolio.

In line with the Statute of Alkaloid AD and the collective agreements thereof, based on motivation, transparency and timeliness, considering the challenges of the global pandemics and the difficulties of operating imposed by handling the health crisis, the Company paid one-off linear financial compensation to the employees amounting to around EUR 400 in local currencies.

ALKALOID AT SKOPJE WIZZ AIR MARATHON

Fifth year in a row, united under the competitive spirit and endeavors for healthier life, the employees of Alkaloid participated at the "Skopje Wizz Air Marathon 2020" held in pandemic conditions. Due to the extraordinary conditions as well as the omission of the 5km races and the relay marathon, the team "Health Above All" counted 45 participants in half-marathon discipline, compared to 2019 when this figure was 259 Alkaloid employees in all available disciplines.





ALKALOID KONS

Domestic Daughter Company of ALKALOID AD Skopje

Back in 1979, Alkaloid Pharmaceuticals established a department in charge of cooperation with foreign companies in terms of contracts for representation, distribution, as well as consignment stocks.

Its long-standing successful operation and the experience accumulated in this area during the years provided a solid basis for foundation of ALKALOID KONS DOOEL Skopje, and import-export company for trade and services that officially started its operations in 2004 with only 5 employees. Year after year, the growth of ALKALOID KONS DOOEL Skopje, the only domestic daughter company of Alkaloid AD Skopje, became impressive both in terms of sales volume and in terms of business portfolio. Presently, ALKALOID KONS DOOEL Skopje employs 41 people, cooperates with more than 20 non-domicile companies and distributes more than 2.000 pharmaceutical products.

CORPORATE INFORMATION

ALKALOID KONS DOOEL Skopje has cooperation with the following companies:

Medtronic Trading NL B	Netherlands
MSD B.V.	Netherlands
SANOFI AVENTIS	France
GENZYME EUROPE B.V.	Netherlands
SHIRE PHARMACEUTICALS IRELAND LIMITED (part of TAKEDA)	Ireland
BIOMARIN INTERNATIONAL LIMITED	Ireland
ALCON PHARMACEUTICALS LTD	Switzerland
GETINGE GROUP South East Europe d.o.o.	Serbia
SWIX Biopharma	Switzerland
NOVARTIS PHARMA SERVICES INC.	Switzerland
PFIZER EXPORT B.V.	Netherlands
VEDRA INTERNATIONAL AD	Bulgaria
PRIZMA D.O.O.	Serbia
LEMIS-HANDELS GmbH	Austria
FRESENIUS MEDICAL CARE	Germany
RECORDATI RARE DISEASES	France
BETAMED d.o.o.	Croatia
ELEPHANT PHARMA d.o.o.	Serbia
HEART MEDICAL	Netherlands

ENVIRONMENTAL PROTECTION

Environmental protection is one of the highest priorities in the business strategy of Alkaloid AD Skopje.

The company continuously follows and implements the latest achievements in this field, trying to contribute to a healthier and cleaner environment in which we all live. As a socially responsible company, ALKALOID AD Skopje integrates the Environmental Management System into the Integrated Management System (IMS), in accordance with the ISO 14001: 2015, ISO 9001: 2015, ISO 45001: 2018 standards and the Good Manufacturing Practice guidelines.

ALKALOID AD Skopje constantly monitors and controls the technological processes with the aim to ensure environmental protection by reducing / preventing impacts and increasing energy efficiency. We continuously identify, evaluate and monitor aspects in air, water, noise, waste generation and consumption of natural resources and energy. The processes in ALKALOID AD Skopje, according to the measurements of the aspects on the environment, are in compliance with the legislation, the international standards requirements and the interested parties.

We monitor the environmental aspects in the air i.e. gas emissions in order to minimize the greenhouse effect and CO2 emissions. For that purpose, the company switched to using natural gas instead of fuel oil in the production processes at its production sites in Avtokomanda and Gjorce Petrov.

In order to improve the quality of wastewater and maintain the levels within the prescribed parameters, we have changed and continuously maintain the wastewater system.

By regularly maintaining the pollination systems and setting sound barriers, we monitor and minimize the aspect of noise to the environment in which we work.

Proper handling of the generated waste is crucial for ALKALOID AD Skopje. According to the legislation, hazardous and non-hazardous waste is categorized and appropriately selected and handed over to authorized companies for further treatment, recycling and handling.

During the production process, special attention is paid to the selection of waste and its recycling, which in 2020 noted over 40% improvement compared to 2019.



CORPORATE INFORMATION

Based on the positive experience with the Energy Efficiency Pilot Project (s.c. Energy Management System (EnMS), implemented in cooperation with the United Nations Industrial Development Organization (UNIDO), in order to increase the efficiency of energy, water and materials, in 2018 the company established a special Energy Management Service that is responsible for the implementation of this system in all profit centers of the company. The results are shown in the table below:

Overview of The List of Efficiency Projects-Measures										
Start Date	Project Measure No.	EE Measure	Savings						Spending	
			Monetary	Energy	Water (m ³ /y)	% of total Energy	% of total Water	t CO ₂	Total Energy (MWh/year)	Total Water (m ³ /y)
2018	20	Total	72,166	2,219	0	5,40%	0,00%	666	41,103	469,874
	6	Realized	46,378	1,359	0	3,31%	0,00%	408		
2019	37	Total	536,602	23,240	194,900	55,47%	45,49%	39,520	41,895	428,485
	12	Realized	308,708	3,720	100,000	8,88%	23,34%	17,816		
2020	34	Total	362,259	1,131	36,152	2,54%	10,70%	6,377	44,492	337,801
	10	Realized	285,015	99	36,152	0,22%	10,70%	6,067		

In the course of 2018, 20 measures have been proposed and 5 of them have been accepted and implemented, that resulted in saving 46,378 euros per year i.e. we save 1,359 MWh of energy and we reduce the CO₂ emission by 408 tons.

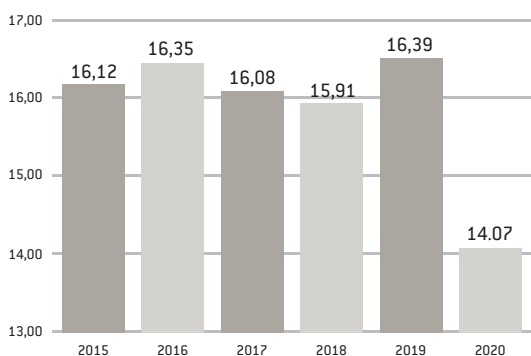
In the course of 2019, with 37 measures proposed and 12 of them accepted and implemented, we save 308,708 euros per year, or 720 MWh of energy and 100,000 m³ of water, and we reduce CO₂ emissions by 17,816 t.

In the course of 2020, with 34 measures proposed and 10 of them accepted and implemented, we save 285,015 euros per year, or 99 MWh of energy and 36.152 m³ of water, and we reduce CO₂ emissions by 6,067 t.

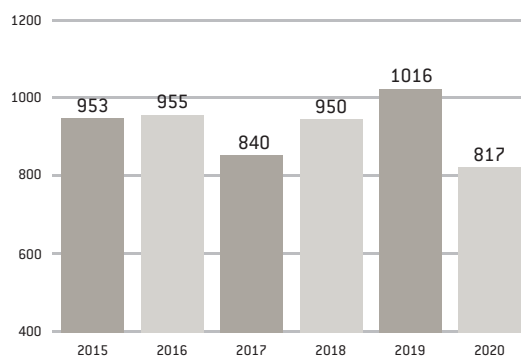


The positive trends for 2020 in the consumption of water, electricity, oil, fuel oil and natural gas are shown in the following graphs:

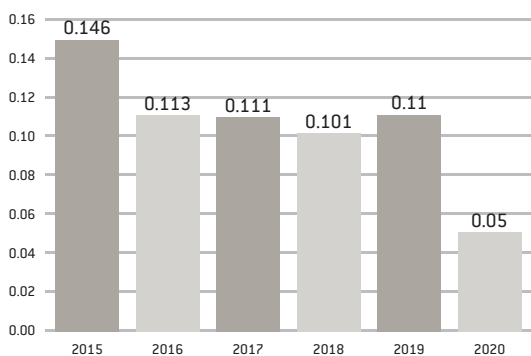
Water consumption m³/Ton end product



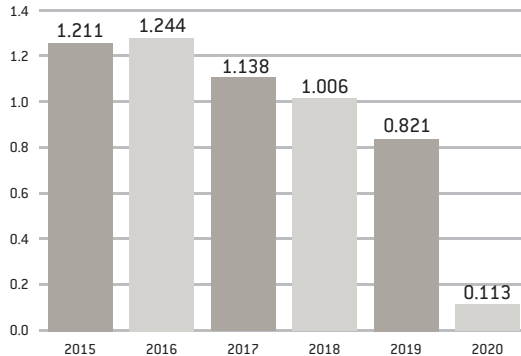
Electricity consumption kWh per ton end product



Consumption of fuel oil / oil per ton end product



Consumption of natural gas per Ton (x 1000) end product



ALKALOID AD Skopje registered a new subsidiary in Great Britain

ALKALOID AD Skopje registered a new subsidiary in Great Britain, named ALKALOID UK LIMITED. The company is in complete ownership of ALKALOID AD Skopje.

Taking into account the exit of Great Britain from the European Union, the management of ALKALOID AD Skopje adopted a decision to open a new subsidiary, in order to strengthen the existing positions on the market.

ALKALOID AD Skopje is present in the market of Great Britain with its pharmaceutical products, effectuating sales amounting to MKD 313 mil. in 2020. This market is highly competitive, strictly regulated and highly selective in terms of placements of pharmaceutical products.

With this venture, ALKALOID AD Skopje continues in the direction of achieving its main strategic commitment, i.e. development as an export-oriented company with a stable market position.



ALKALOID CONVERTED ITS SAP ERP INTO SAP S/4HANA

The first operation in the SAP ERP system at Alkaloid was performed on 2 July 2007. This system supported our continuous growth and development and after 13 years of constant upgrading, we managed to implement the conversion of SAP ERP 6.0 into SAP S/4HANA. The challenge was even greater as this project was initiated in the beginning of the Covid-19 pandemic and completed in a period of five months.

The specifics of the situation and the dynamics of the pharmaceutical industry as well as the extremely unpredictable surrounding in the course of 2020, required for a next generation software that will enable real time analytics. A team of 110 highly trained professionals worked on this conversion from Alkaloid AD, the Croatian partner b4b, supported by the SAP Regional Implementation Group as well as the Brazilian FIVE Validation.

ALKALOID INVESTED EUR 4 MIL. IN PROPER PRODUCTION OF BECUTAN WET WIPES

Becutan wet wipes became part of the brand portfolio in 2006.

Made under the original recipe developed by Alkaloid's pharmaceutical experts, the wet wipes were produced abroad for 15 years, until the launch of Alkaloid's new production facility located at the Lafoma site in municipality of Gjorche Petrov in Skopje.

The production equipment for this new investment was purchased from Croatian and Turkish manufacturers, while around ten Macedonian companies participated in the construction of the production plant. The new production line has packaging capacity between 5 and 150 wet wipes, with 120 packaged units per minute.

The production process starts by purifying water, preparation of the emulsion, moistening, cutting, and wrapping the wet wipes in foil and robotized packaging in boxes. The exclusive lotion formula used in the wet wipes is prepared in special

mixers that can mix up to 12.000 liters in eight hours. The equipment can detect any wet wipe that fails to meet the prescribed standards and can eliminate it automatically. This process assures consistent quality and continuous product monitoring.

Alkaloid invested EUR 4 mil into this production facility. The process encompassed adaptation of 3200m² of production and storage area, housing fully automated and robotized equipment. The new facility has production capacity of 50 million pieces of packed products per year, produced in line with the strict GMP norms and the European Regulation on Cosmetic Products.

Becutan is the leading brand of cosmetics for children on the Macedonian market and among the leaders in its category in the region. With 43-years of tradition, this brand is present in the markets of 25 countries.



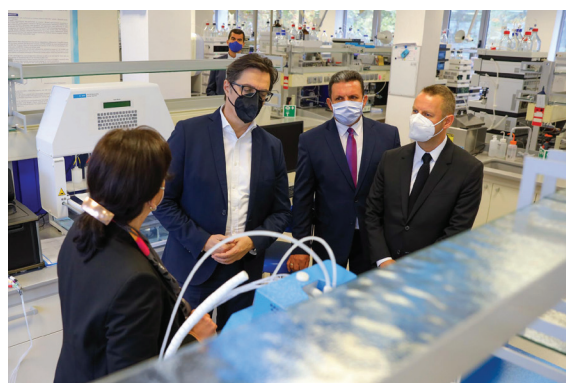
President Pendarovski visited Alkaloid

Macedonian President, H.E. Prof. d-r Stevo Pendarovski visited Alkaloid and its Institute for Research and Development/ Pharmaceutical Corporate Development.

During the visit, President Pendarovski met with the CEO/MB President, Zhivko Mukaetov and the CFO/MB Member, Viktor Stojchevski, where the President was presented with the overall operation of the company, its investment activities and performance results.

The delegation toured Alkaloid's Institute for Research and Development/Pharmaceutical Corporate Development employing hundreds of experts in various R&D fields. Guided by the principles that one of the most important parameters for the prosperity of the company is the increased level of investment in scientific, research and development activities as well as quality aspects of the products, in the past two decades, Alkaloid invested nearly EUR 20 million in R&D, quality control and quality assurance segments. On an annual basis, Alkaloid invests 3-5% of its turnover in scientific activities, knowledge and human capital, all considered as key postulates in sustainable development.

Complementing the decades long tradition and the corporate social responsibility of Alkaloid, President Pendarovski emphasized his assurance that even in times of pandemic crisis, the company will continue its investments in scientific activities, research, development and accordingly, in human capital.



US AMBASSADOR KATE MARIE BYRNES VISITED ALKALOID

A delegation of the Embassy of the United States of America in North Macedonia led by Her Excellency, Ambassador Kate Mary Burns paid a working visit to Alkaloid. During the visit, the Embassy officials were presented with the overall company operations, its investment activities and performance results.

Emphasis was put on Alkaloid's long standing tradition of cooperation with companies from the United States of America where Alkaloid opened its subsidiary in New Albany, Ohio back in 2005. This venture was preceded by successful business and technical cooperation with renowned US companies, some of which traced back more than 5 decades ago.



Alkaloid's export activities to the US market, exceeded US\$ 5 million in 2019, exhibiting a growing trend.

Ambassador Burns expressed her satisfaction with the successful operations of Alkaloid and was particularly fascinated by the tour of the company's production facilities, as well as the cutting-edge equipment and the skilled personnel who manages the processes. Excellency Byrnes was honored to visit the most recently commissioned pharmaceutical facilities of the company, the new and expanded production site, where the company invested EUR 11 million for its construction and equipping.

Presently, Alkaloid is a partner of choice to several reputable American pharmaceutical companies with which it has established various forms of cooperation, such as licensing, marketing representation and authorization for distribution of their products. Besides the cooperation in pharmaceuticals, Alkaloid places on the US market its own Good Nature teas brand, segmented in: Pure Health, BE Prime and Macedonian Traditional Teas. In the past 15 years, Alkaloid has established successful cooperation with American companies specialized in the production and distribution of teas and herbal remedies, such as the renowned AVEDA (member of the Estee Lauder Group), Arbonne International and Swanson.



THE CHAMBER OF COMMERCE WITH SPECIAL ACKNOWLEDGEMENT FOR ALKALOID

In 2020, the Chamber of Commerce of North Macedonia marked 99 years from its establishment.

It is a highly reputable organization, recognized in the country and abroad. The member companies of the Chamber create almost one half of the overall income in the private sector, i.e. 50.3% and almost one half of the profit in the private sector, i.e. 47.6%. Each third employee in the private sector is employed at a company which is a member of this organization. On the occasion of the jubilee, which was marked under specific circumstances, the Chamber of Commerce granted special acknowledgements to distinguished companies, among which was Alkaloid.

After being presented with the results of Alkaloid's operations, future plans and perspectives of the company on behalf of the top management, the president of the Chamber of Commerce, Branko Azeski granted a special acknowledgement to Zhivko Mukaetov and the company Alkaloid for long term successful cooperation, new investments, new employments and corporate social responsibility.





CORPORATE INFORMATION



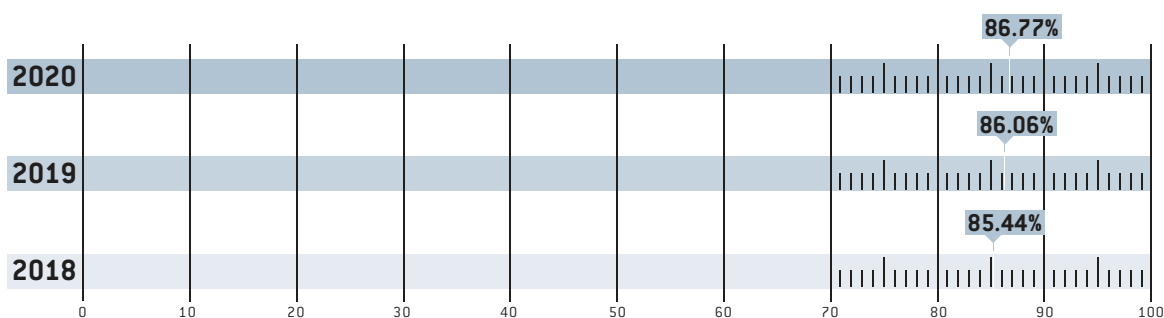


PHARMACEUTICALS

MARKETING AND SALES

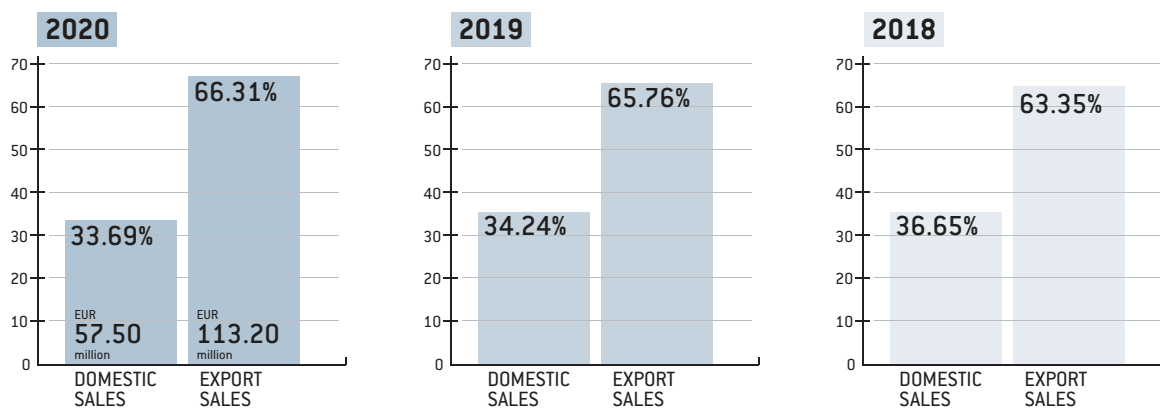
In 2020, 978 employees were working in the Pharmaceuticals segment in its headquarters in Skopje and 595 employees in its subsidiaries. The total net sales of PC Pharmaceuticals amounted to 10.53 billion MK denars (EUR 170.70 million), which is a share of 86.77% in the total sales of Alkaloid Group. In 2020, the products of the PC Pharmaceuticals were available on the markets in 30 countries.

PC Pharmaceuticals as a part of Alkaloid Group

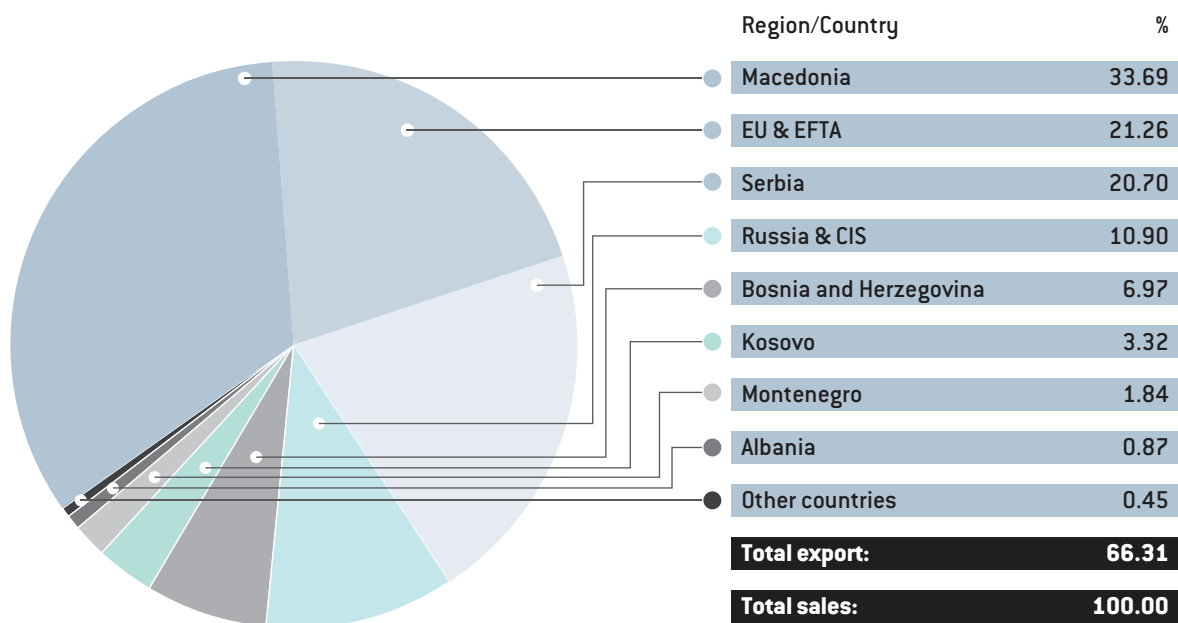


In 2020 we managed to increase the sales level by 9.9% compared to last year. This was primarily due to the increase in the domestic sales by 8.4%, and the increase in the export sales by 11.1% compared to 2019.

Sales per markets



Sales per countries 2020



Top 5 products of PC Pharmaceuticals

Sales of top 5 products for the year 2020 (% participation in the total sales of PC Pharmaceuticals):

	% participation		
	2020	2019	2018
PANCEF (Cefixime)	15.34	14.51	12.26
CAFFETIN	6.96	7.07	7.97
ANALGIN (Metamizole)	4.75	4.57	5.63
BUPRENORFIN	4.02	4.08	4.29
BRONLES (Carbocisteine)	3.59	4.02	2.95

The background features a complex, layered pattern of light blue hexagons and interconnected lines, creating a sense of depth and a technical or scientific aesthetic. The lines and hexagons are semi-transparent, allowing them to overlap and create a rich, multi-toned blue effect.

LATEST
RELEASES



LATEST RELEASES 2020

Rx products

FELKARID®

flecainide
50 mg and 100 mg tablets
30 tablets
C01BC04,
Antiarrhythmics, class Ic



FOVELID®

levofloxacin
250 mg and 500 mg film-coated tablets,
10 tablets
J01MA02,
Quinolone for systemic use,
fluoroquinolones



SKOPRYL® Combo

lisinopril/amlodipine
10 mg/5 mg; 20 mg/5 mg;
and 20 mg/10 mg tablets,
30 tablets
C09BB03,
ACE inhibitors and
calcium channel blockers



PYNETRA®

prasugrel
5 mg and 10 mg film-coated
tablets,
30 tablets
B01AC22,
Platelet aggregation inhibitors
excl. heparin



PHARMACEUTICALS

OTC products



BLOKMAX Duo®
 ibuprofen/paracetamol
 200 mg /500 mg,
 10 film-coated tablets
 M01AE51,
 Anti-inflammatory and anti-rheumatic products, non-steroids



FURAL® S
 nifuroxazide
 200 mg, 10 capsules
 A07AX03, intestinal anti-infectives



DIASTOP Direct®
 border line product
 lactobacillus, bifidobacterium,
 colecalfiferol
 10 sachets for direct use

COLLACARE
 food supplement
 collagen, hyaluronic acid, vitamins
 and minerals
 500 ml oral solution



MULTI ESSENCE Vitamins and minerals for adults (sachets)
 food supplement
 13 vitamins, 10 minerals and lutein
 30 sachets for direct use



MULTI ESSENCE Vitamins and minerals for adults (tablets)
 food supplement
 13 vitamins, 10 minerals and lutein
 30 multilayer tablets



MULTI ESSENCE Vitamins and minerals for seniors 50+ (tablets)
 food supplement
 13 vitamins, 11 minerals and lutein
 30 multilayer tablets

COMPLETE LIST OF PHARMACEUTICAL PRODUCTS REGISTERED IN MACEDONIA

[in alphabetical order]

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
ACIKLOVIR ALKALOID®		
aciclovir	50 mg/g cream, 5 g cream	D06BB03, topical antiviral
ACIKLOVIR ALKALOID®		
aciclovir	30 mg/g eye ointment, 5 g ointment	S01AD03, ophtalmological antiviral
ACIKLOVIR ALKALOID®		
aciclovir	200 mg tablets, 30 tablets	J05AB01, antiviral for systemic use
ALBENDAZOL ALKALOID®		
albendazole	200 mg film-coated tablets, 6 and 60 tablets	P02CA03, anthelmintics, benzimidazole derivatives
ALDIZEM®		
diltiazem	60 mg and 90 mg prolonged release tablets, 30 tablets	C08DB01, calcium channel blocker
ALKALAX-TAB®		
bisacodyl	5 mg gastro-resistant tablets, 20 tablets	A06AB02, drugs for constipation contact laxatives
ALKAVIT® vitamin C for children		
ascorbic acid	50 mg tablets, 30 tablets	A11GA01, vitamin
ALKAVIT® vitamin E		
tocopherol, α	100 mg chewable tablets, 30 tablets	A11HA03, vitamin
ALKAVIT® FOLIC ACID		
folic acid	0.4 mg film-coated tablets, 30 tablets 5 mg film-coated tablets, 20 tablets	B03BB01, antianemic preparations
ALMACIN®		
amoxicillin	500 mg capsules, hard 16 and 100 capsules 250 mg/5 ml powder for oral suspension 100 ml suspension	J01CA04, broad spectrum penicillin
ALMETEX®		
carbazochrome	25 mg tablets, 20 tablets	B02BX02, haemostatic
ALVEN®		
heparin, allantoin, dexpanthenol	300IU/2,5mg/2,5mg/1g, 40 g gel 500IU/2,5mg/2,5mg/1g, 40 g gel 300IU/3mg/4mg/1g, 40 g cream 500IU/3mg/4mg/1g, 40 g cream	C05BA53, combined heparin for topical use
ALYCEF®		
cefadroxil	500 mg capsules, hard, 16 capsules 250 mg/5 ml granules for oral suspension, 100 ml suspension	J01DB05 first-generation cephalosporins

PHARMACEUTICALS

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
AMINOFILIN ALKALOID®		
aminophylline	100 mg film-coated tablets, 50 tablets 350 mg prolonged-release tablets, 20 tablets 250 mg/10 ml solution for injection, 50 ampoules	R03DA05, bronchodilator
AMLODIPIN ALKALOID®		
amlodipine	5 mg and 10 mg tablets, 30 tablets	C08CA01, calcium channel blocker
AMPICILIN ALKALOID®		
ampicillin	500 mg capsules, hard 16 and 100 capsules	J01CA01, broad spectrum penicillin
ANALGIN®		
metamizole sodium	500 mg tablets, 10 and 500 tablets 1g/2ml and 2.5g/5ml solution for injection, 10 and 50 ampoules	N02BB02, analgesic and antipyretic
AQUA AD INIECTABILIA ALKALOID®		
water for injections	2 ml, 5 ml and 10 ml solvent for parenteral use 50 ampoules	V07AB, solvent and diluting agent
ATENOLOL ALKALOID®		
atenolol	50 mg film-coated tablets, 15 tablets 100 mg film-coated tablets, 15 and 30 tablets	C07AB03, selective β -blocker
BETADINE®		
povidone - iodine Manufactured under the license of Mundipharma AG Basel, Switzerland	100 mg/g ointment, 20 g ointment 7.5 % and 10 % cutaneous solution 100 ml and 1000 ml solution	D08AG02, antiseptic & disinfectant
BETADINE®		
povidone - iodine Manufactured under the license of Mundipharma AG Basel, Switzerland	1% gargle, 100 ml solution	R02AA15, throat antiseptic
BETADINE®		
povidone-iodine Manufactured under the license of Mundipharma AG Basel, Switzerland	200 mg vaginal pessaries 14 pessaries	G01AX11, gynecological antiseptic
BIPRESSO®		
bisoprolol	2.5 mg, 5 mg and 10 mg film-coated tablets, 30 tablets	C07AB07, selective β -blocker
BlokMax®		
ibuprofen	200 mg film-coated tablets, 10 tablets	M01AE01, NSAID
BlokMax® Duo		
ibuprofen, paracetamol	200 mg / 500 mg film-coated tablets 10 or 20 tablets	M01AE51, antiinflammatory and antirheumatic products, non-steroids

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
BlokMax® Forte		
ibuprofen	400 mg film-coated tablets, 10 tablets	M01AE01, NSAID
BlokMax® Forte for kids		
ibuprofen	200 mg / 5 ml oral suspension 100 ml suspension	M01AE01, NSAID
BlokMax® Rapid		
ibuprofen lysinate	400 mg film-coated tablets, 10 or 20 tablets	M01AE01, NSAID
BlokMax® for kids		
ibuprofen	100 mg / 5 ml oral suspension 100 ml suspension	M01AE01, NSAID
BlokMax®		
ibuprofen	50 mg/g gel, 50 g gel	M02AA13, anti-inflammatory preparation, non-steroid for topical use
BRONLES®		
carbocisteine	375 mg capsules, hard 30 capsules 250 mg/5 ml oral solution, 150 ml solution	R05CB03, mucolytic
BRONLES® for children		
carbocisteine	125 mg/5 ml oral solution, 150 ml solution	R05CB03, mucolytic
BRONLES DIRECT®		
carbocisteine	750 mg/10 ml oral solution 15 sachets with 10 ml solution	R05CB03, mucolytic
BULNEXO®		
buprenorphine, naloxone	2 mg/0,5 mg or 8 mg/2 mg sublingual tablets, 7 or 28 tablets	N07BC51, drugs used in opioid dependence
BUPRENORFIN ALKALOID®		
buprenorphine	0,4 mg, 2 mg and 8 mg sublingual tablets, 7 and 28 tablets	N07BC01, drugs used in opioid dependence
CAFFETIN SC®		
paracetamol, propyphenazone, caffeine	250 mg/210 mg/50 mg tablets, 10 and 500 tablets	N02BE51, combined analgesic
CAFFETIN trio®		
paracetamol, caffeine, codeine	500 mg/50 mg/10 mg tablets 10 and 500 tablets	N02BE51, combined analgesic
CAFFETIN®		
paracetamol, propyphenazone, caffeine, codeine	250 mg/210 mg/50 mg/10 mg tablets 6, 10, 12 and 500 tablets	N02BE51, combined analgesic
CAFFETIN COLD®		
paracetamol, ascorbic acid, pseudoephedrine, dextromethorphan	500 mg/60 mg/30 mg/15 mg film-coated tablets, 10 tablets	N02BE51, cough & cold medication

PHARMACEUTICALS

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
CAFFETIN COLDmax®		
paracetamol, phenylephrine	1000 mg/12,2 mg powder for oral solution 10 sachets with 5,15 g powder	N02BE51, paracetamol, combinations excl. psycholeptics
CAFFETIN COLD® PLUS		
paracetamol, vitamin c (ascorbic acid + acerola), pseudoephedrine, dextromethorphan	500 mg/60 mg (50 mg +10 mg) /30 mg/15 mg film-coated tablets, 10 tablets	N02BE51, cough & cold medication
CAFFETIN® menstrual		
ibuprofen (in a form of lysinate)	200 mg film-coated tablets, 10 tablets	M01AE01, NSAID
CARDIOPIRIN®		
acetylsalicylic acid	100 mg gastro-resistant tablets, 30 tablets	B01AC06, platelet aggregation inhibitors
CARVEDILOL ALKALOID®		
carvedilol	6,25 mg or 25 mg tablets, 30 tablets	C07AG02, alpha and beta blocking agents
CEFACLOR ALKALOID®		
cefaclor	500 mg capsules, hard, 16 capsules 125 mg/5 ml and 250 mg/5 ml granules for oral suspension, 60 ml suspension	J01DC04, second-generation cephalosporins
CEFALEXIN ALKALOID®		
cefalexin	500 mg capsules, hard, 16 and 100 capsules 250 mg/5 ml powder for oral suspension, 100 ml suspension	J01DB01, first-generation cephalosporins
CEFAZ®		
ceftazidime	500 mg and 1 g powder for solution for injection, 10 vials	J01DD02, third-generation cephalosporins
CHLORAMPHENICOL ALKALOID®		
chloramphenicol	50 mg/g ointment, 5 g ointment	D06AX02, antibiotic for topical use
CHLORAMPHENICOL ALKALOID®		
chloramphenicol	10 mg/g eye ointment, 5 g ointment	S01AA01, ophthalmological antibiotic
CINEDIL®		
cinnarizine	75 mg tablets, 45 tablets	N07CA02, antivertigo preparation
CIKLOSPORIN ALKALOID®		
ciclosporin	25 mg, 50 mg and 100 mg capsules, soft, 50 capsules 100 mg/ml oral solution, 50 ml solution	L04AD01, immunosuppressant
CITERAL®		
ciprofloxacin	250 mg and 500 mg film-coated tablets, 10 tablets 100 mg/10 ml concentrate for solution for infusion, 5 ampoules	J01MA02, quinolone for systemic use, fluoroquinolones

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
CITERAL®		
ciprofloxacin	3 mg/ml eye and ear drops, solution 5 ml solution	S03AA07, antimicrobial quinolone, agent, ophthalmological and otological preparations, anti-infectives
CILESO®		
cilostazol	100 mg tablets, 30 tablets	B01AC23, antithrombotic agents, platelet aggregation inhibitor excl. heparin
CODEINI PHOSPHATIS ALKALOID®		
codeine	30 mg tablets, 10 tablets	R05DA04, antitussive
CO-ALMACIN®		
amoxicillin, clavulanic acid	400 mg/57 mg/5 ml powder for oral suspension 70 ml suspension 875 mg/125 mg film-coated tablets 10 and 14 tablets	J01CR02, combinations of penicillins, incl. β -lactamase inhibitors
CRICEA®		
drospirenone, ethinyl estradiol	3 mg/0,02 mg film-coated tablets, 28 tablets (24 active and 4 placebo tablets)	G03AA12, hormonal contraceptives for systemic use
CRYPINEO®		
drospirenone, ethinyl estradiol	3 mg/0,03 mg film-coated tablets, 21 tablets	G03AA12, hormonal contraceptives for systemic use
DECOTAL®		
diflucortolone	1 mg/g cream, 20 g cream 1 mg/g ointment, 20 g ointment	D07AC06, potent corticosteroid dermo-therapeutic
DIAZEPAM ALKALOID®		
diazepam	2 mg and 5 mg coated tablets, 30 tablets 10 mg/2 ml solution for injection, 10 ampoules	N05BA01, anxiolytic
DicloJet®		
diclofenac	75 mg gastro-resistant capsules, hard, 20 capsules	M01AB05, anti-inflammatory and antirheumatic products, non-steroids
Diclo Duo®		
diclofenac	75 mg modified-release capsules, hard, 20 capsules	M01AB05, anti-inflammatory and antirheumatic products, non-steroids
DIPROL®		
paracetamol	120 mg/5 ml oral suspension, 100 ml suspension	N02BE01, analgesic and antipyretic
DOPEZAL®		
donepezil	5 mg or 10 mg film-coated tablets, 28 tablets	N06DA02, anti-dementia drugs, Anticholinesterases

PHARMACEUTICALS

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
DOXYCYCLIN ALKALOID®		
doxycycline	100 mg capsules, hard, 5 and 100 capsules	J01AA02, tetracycline antibiotic
EGLONYL® forte		
sulpiride	200 mg tablets, 10 and 30 tablets	N05AL01, antipsychotic
EGLONYL®		
sulpiride	50 mg capsules, hard, 30 capsules 25 mg/5 ml oral solution 120 ml solution 100 mg/2 ml solution for injection, 30 ampoules	N05AL01, antipsychotic
ENALAPRIL ALKALOID®		
enalapril	5 mg, 10 mg and 20 mg tablets, 20 tablets	C09AA02, ACE inhibitor
ENALAPRIL H ALKALOID®		
enalapril, hydrochlorothiazide	10 mg/25 mg tablets, 20 tablets	C09BA02, ACE inhibitor and diuretic
FAMOSAN®		
famotidine	10 mg and 20 mg film-coated tablets, 20 tablets 40 mg film-coated tablets, 10 tablets	A02BA03, H ₂ receptor antagonists
FELKARID		
flecainide	50 mg or 100 mg tablets, 30 tablets	C01BC04, antiarrhythmics, class Ic
FLAGYL®		
metronidazole	500 mg vaginal pessaries, 10 pessaries	G01AF01, gynecological antiinfective and antiseptic
Manufactured in cooperation with Sanofi Aventis, France		
FLAGYL®		
metronidazole	250 mg film-coated tablets, 20 tablets 400 mg tablets, 20 tablets	P01AB01, antiinfective for systemic use, antiprotozoal
Manufactured in cooperation with Sanofi Aventis, France		
FLUOXETIN ALKALOID®		
fluoxetine	20 mg capsules, hard, 30 capsules	N06AB03, antidepressant
FOVELID®		
levofloxacin	250 mg or 500 mg film-coated tablets, 5 or 10 tablets	J01MA02, quinolone for systemic use, fluoroquinolones
FURAL®		
nifuroxazide	200 mg/5 ml oral suspension, 90 ml suspension	A07AX03, intestinal antiinfective agent
FURAL®		
nifuroxazide	100 mg capsules, hard, 30 capsules 200 mg capsules, hard, 20 capsules	A07AX03, intestinal antiinfective agent

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
FURAL® S		
nifuroxazide	200 mg capsules, hard, 10 capsules	A07AX03, intestinal antiinfective agent
FUROSEMID ALKALOID®		
furosemide	40 mg tablets, 10 tablets	C03CA01, diuretic
FUREXA®		
cefuroxime	750 mg and 1,5 g powder for solution for injection or infusion, 10 vials	J01DC02, second-generation cephalosporins
GASTROGUARD®		
calcium carbonate, magnesium carbonate	680 mg/80 mg chewable tablets 8, 16, 24 and 32 tablets	A02AD01, antacids, combinations and complexes of aluminium, calcium and magnesium compounds
GENTAMICIN ALKALOID®		
gentamicin	20 mg/2 ml, 40 mg/2ml, 80 mg/2 ml and 120 mg/2ml solution for injection, 10 ampoules	J01GB03, aminoglycoside antibiotic
GLIBEDAL®		
glibenclamide	5 mg tablets, 30 tablets	A10BB01, oral blood glucose lowering drugs
GLUCOSE ALKALOID®		
glucose	5% and 10% solution for infusion 500 ml solution	B05BA03, solution for parental nutrition
HARTMAN ALKALOID®		
sodium chloride, potassium chloride, calcium chloride dihydrate, sodium lactate	6,02 g/0,373 g/0,294 g/6,276 g/ /1000 ml solution for infusion, 500 ml solution	B05BB01, blood substitutes and perfusion solutions
HEFEROL®		
ferrous fumarate	350 mg capsules, hard, 30 capsules	B03AA02, antianemic
HIDROHLOROTIAZID ALKALOID®		
hydrochlorothiazide	25 mg tablets, 20 tablets	C03AA03, diuretic
HOLLESTA®		
simvastatin	10 mg, 20 mg and 40 mg film-coated tablets, 30 tablets	C10AA01, hypolipemic HMG CoA reductase inhibitors
IBANDRONIC ACID ALKALOID®		
ibandronic acid	150 mg film-coated tablets, 1 or 3 tablets	M05BA06, drugs affecting bone structure and mineralization, Bisphosphonates
KALCIUM KARBONAT ALKALOID®		
calcium carbonate	1000 mg tablets, 50 tablets	A12AA04, mineral supplement
KETOCONAZOLE ALKALOID®		
ketoconazole	20 mg/g shampoo, 100 ml	D01AC08, antifungals for topical use

PHARMACEUTICALS

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
KLINDAMICIN ALKALOID®		
clindamycin	150 mg and 300 mg capsules, hard 16 capsules 300 mg /2 ml and 600 mg/ 4 ml solution for injection, 10 ampoules	J01FF01, lincosamide antibiotic
LAMAL®		
lamotrigine	25 mg, 50mg, 100 mg and 200 mg tablets, 30 tablets	N03AX09, antiepileptic
LANZOPRAZOL ALKALOID®		
lansoprazole	15 mg or 30 mg gastro-resistant capsules, hard, 14 or 28 capsules	A02BC03, drugs for peptic ulcer and gastro-oesophageal refluxdisease (gord), Proton pump inhibitor
LEGOFER®		
ferric proteinsuccinylate	40 mg/15 ml oral solution, 150 ml solution	B03AB09, antianemic
Manufactured in cooperation with Italfarmaco S.p.A. Milan, Italy		
LEXILIUM®		
bromazepam	1.5 mg, 3 mg and 6 mg tablets, 30 tablets	N05BA08, benzodiazepine derivatives
LORATADIN ALKALOID®		
loratadine	10 mg tablets, 10 tablets 1 mg/1 ml oral solution, 120 ml solution	R06AX13, antihistaminic
LORATADIN S ALKALOID®		
loratadine	10 mg tablets, 10 tablets	R06AX13, antihistaminic
LOSARTAN ALKALOID®		
losartan	50 mg and 100 mg film-coated tablets, 30 tablets	C09CA01, angiotensin II antagonist
LUNATA®		
zolpidem	5 mg and 10 mg film-coated tablets, 10 tablets	N05CF02, hypnotics and sedatives
LYVAM®		
levetiracetam	250 mg, 500 mg, 750 mg and 1000 mg film-coated tablets, 60 tablets	N03AX14, other antiepileptics
MASSIDO®		
nebivolol	5 mg tablets, 28 tablets	C07AB12, beta blocking agents, selective
MANITOL 10 % ALKALOID®		
mannitol, sodium lactate	100 g/6,72 g/1000 ml solution for infusion, 500 ml	B05BC01, solutions producing osmotic diuresis
MANITOL 20 % ALKALOID®		
mannitol, sodium lactate	200 g/1000 ml solution for infusion, 250 ml	B05BC01, solutions producing osmotic diuresis
MAPRAZAX		
alprazolam	0,25 mg; 0,5 mg or 1 mg tablets, 30 tablets	N05BA12, benzodiazepine derivatives

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
MENDILEX®		
biperiden	2 mg tablets, 50 tablets	N04AA02, antiparkinsonic
METADON ALKALOID®		
methadone	10 mg/ml oral drops, solution 10 ml solution 10 mg/ml oral solution, 100 ml and 1000 ml solution, 1 mg /1 ml oral solution, 100 ml and 1000 ml solution	N07BC02, opioid analgesic; drug used in opioid dependence
METFORMIN ALKALOID®		
metformin	500 mg, 850 mg and 1000 mg film-coated tablets, 30 tablets	A10BA02, oral blood glucose lowering drugs, biguanides
METOPROLOL ALKALOID®		
metoprolol	50 mg or 100 mg film-coated tablets, 30 tablets	C07AB02, beta blocking agents
MORFIN HIDROHLORID ALKALOID®		
morphine	20 mg/ml solution for injection, 10 ampoules	N02AA01, opioid analgesic
MOXIRAL®		
moxifloxacin	400 mg film-coated tablets, 5; 7 or 10 tablets	J01MA14, quinolone antibacterials, Fluoroquinolones
NATRII CLORIDI INFUNDIBILE CUM GLUCOSO 5% ALKALOID®		
sodium chloride, glucose	9 g/50 g/ 1000 ml solution for infusion 500 ml solution	B05BB02, blood substitutes and perfusion solutions
NATRIUM HLORID ALKALOID®		
sodium chloride	0,9% solution for infusion, 500 ml solution	B05XA03, plasma substitutes and infusion solutions/electrolytes
NAZOPASS®		
oxymetazoline	0.5 mg/ml and 0.25 mg/ml, nasal drops, 10 ml solution	R01AA05, decongestant for topical use, Sympathomimetic
NEBREMEL®		
levonorgestrel	1.5 mg tablets, 1 tablet	G03AD01, emergency contraceptives
NIFLAM®		
ketoprofen	100 mg/2 ml solution for injection or infusion 10 ampoules	M01AE03, NSAID
NOVAMORF®		
morphine	20 mg sublingual tablets, 20 and 60 tablets	N02AA01, opioid analgesic
NOZINAN®		
levomepromazine	25 mg and 100 mg film-coated tablets 20 and 100 tablets	N05AA02, antipsychotic

PHARMACEUTICALS

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
NYMER®		
nimesulide	100 mg tablets, 15 tablets	M01AX17, other antiinflammatory, and antirheumatic agents, non-steroids
OMEZOL®		
omeprazole	20 mg gastro-resistant capsules, hard, 14 capsules	A02BC01, antiulcer drug
PANCEF®		
cefixime	400 mg film-coated tablets, 5, 7 and 10 tablets 100 mg/5 ml granules for oral suspension 60 ml and 100 ml suspension	J01DD08, third-generation cephalosporins
PARACETAMOL ALKALOID®		
paracetamol	500 mg tablets, 10, 12 and 500 tablets 120 mg/5ml oral solution, 100 ml solution	N02BE01, analgesic and antipyretic
PARSEDIL®		
dipyridamole	75 mg coated tablets, 15 tablets	B01AC07, platelet aggregation inhibitor
PAROXETIN ALKALOID®		
paroxetine	20 mg or 30 mg film-coated tablets, 30 tablets	N06AB05, selective serotonin reuptake inhibitors
PENTOKSIFILIN ALKALOID®		
pentoxifylline	400 mg prolonged release tablets, 20 film-coated tablets 100 mg/5 ml solution for 5 ampoules	C04AD03, peripheral vasodilator, injection rheolytic
PHENOBARBITAL ALKALOID®		
phenobarbital	15 mg and 100 mg tablets, 30 tablets	N03AA02, antiepileptic
PHOLCODIN ALKALOID®		
pholcodine	10 mg capsules, hard, 20 capsules	R05DA08, antitussic
PYNETRA®		
prasugrel	5 mg or 10 mg film-coated tablets, 30 tablets	B01AC22, platelet aggregation inhibitors excl. heparin
PIMEF®		
cefepime	1 g and 2 g powder for solution for injection or infusion, 5 vials	J01DE01, fourth-generation cephalosporins
PROCLIN®		
naphazoline	0.3 mg/ml eye drops, 10 ml solution	S01GA01, ophtalmic decongestant
PROPAFENON ALKALOID®		
propafenone	150 mg film-coated tablets, 40 tablets 35 mg/10 ml solution for injection, 10 ampoules	C01BC03, antiarrhythmic

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
PROPILTIOURACIL ALKALOID®		
propylthiouracil	50 mg tablets, 20 tablets, 100 mg tablets, 45 tablets	H03BA02, thyrostatic
REGLAN®		
metoclopramide	10 mg tablets, 40 tablets, 5 mg/5 ml oral solution, 120 ml solution, 10 mg/2 ml solution for injection, 30 ampoules	A03FA01, antiemetic
Manufactured in cooperation with Sanofi Aventis, France		
RELIKA®		
perindopril	2 mg, 4 mg and 8 mg tablets, 30 tablets	C09AA04, ACE inhibitors, plain
RELIKA® PLUS		
perindopril, indapamid	2 mg/0.625 mg; 4 mg/1.25 mg or 8 mg/2.5 mg tablets, 30 tablets	C09BA04, ACE inhibitors and diuretics
REPAGLINID ALKALOID®		
repaglinide	0.5 mg; 1 or 2 mg film-coated tablets, 90 tablets	A10BX02, other blood glucose lowering drugs, excl. insulins
REMOXICAM®		
piroxicam	20 mg capsules hard, 20 capsules	M01AC01, NSAID
RINGER ALKALOID®		
sodium chloride, potassium chloride, calcium chloride dihydrate	8,60 g/0,30 g/0,33 g/1000 ml solution for infusion, 500 ml solution	B05BB01, plasma substitutes and infusion solutions/electrolytes
RISPERIDON ALKALOID®		
risperidone	1 mg, 2 mg and 3 mg film-coated tablets, 20 tablets, 1 mg/1 ml oral solution, 60 ml solution	N05AX08, antipsychotic
ROPUIDO®		
rosuvastatin	5mg; 10 mg; 20 mg or 40 mg film-coated tablets, 30 tablets	C10AA07, lipid modifying agents, plain, HMG CoA reductase inhibitors
SALBUTAMOL ALKALOID®		
salbutamol	2 mg tablets, 60 and 100 tablets, 2 mg/5 ml oral solution, 150 ml solution	R03CC02, bronchodilator
SINEQUAN®		
doxepin	10 mg and 25 mg capsules, hard, 30 capsules	N06AA12, antidepressant
Manufactured under the license of Pfizer Corporation		
SKOPRYL®		
lisinopril	5 mg, 10 mg and 20 mg tablets, 20 tablets	C09AA03, ACE inhibitor

PHARMACEUTICALS

(in alphabetical order)

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
SKOPRYL plus®		
lisinopril, hydrochlorothiazide	20 mg/12.5 mg tablets, 20 tablets 20 mg/25 mg tablets, 20 tablets	C09BA03, combined antihypertensive
SUMETRIN®		
sumatriptan	50 mg film-coated tablets, 6 and 3 tablets	N02CC01, antimigraine preparation
SYNETRA®		
clopidogrel	75 mg film-coated tablets, 30 tablets	B01AC04, antithrombotic agent
TAMLOS®		
tamsulosin	0.4 mg modified-release capsules, hard, 30 capsules	G04CA02, drug used in benign prostatic hypertrophy
TAMLOS® DuoD		
dutasteride, tamsulosine	0.5 mg/0.4 mg capsules, hard, 30 capsules	G04CA52, urologicals, Alpha-adrenoreceptor antagonists
TIMOLOL ALKALOID®		
timolol	5 mg/ml eye drops, 5 ml solution	S01ED01, antiglaucoma preparation
TORVEX®		
atorvastatin	10 mg, 20 mg, 40 mg and 80 mg film-coated tablets, 30 tablets	C10AA05, hypolipemic
TRAMADOL ALKALOID®		
tramadol	50 mg capsules, hard, 20 capsules 50 mg/1 ml solution for injection, 5 and 50 ampoules 100 mg/2 ml solution for injection, 5 and 50 ampoules	N02AX02, opioid analgesic
TRICEF®		
cefepodoxime	100 mg film-coated tablets, 10 and 20 tablets 200 mg film-coated tablets, 10 and 20 tablets 40 mg/5 ml powder for oral suspension, 100 ml suspension	J01DD13, third-generation cephalosporins
TRIGLID®		
fenofibrate	145 mg tablets, 30 tablets	C10AB05, lipid modifying agent, plain; fibrates
VASOFLEX®		
prazosin	1 mg tablets, 30 tablets 2 mg and 5 mg tablets, 60 tablets	C02CA01, selective a-adrenergic blocker
Manufactured under the license of Pfizer Corporation		

[in alphabetical order]

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
VERAPAMIL ALKALOID® retard		
verapamil	240 mg prolonged-release, tablets 20 film - coated tablets	C08DA01, calcium channel blocker
VERAPAMIL ALKALOID®		
verapamil	40 mg and 80 mg coated tablets, 30 tablets 5 mg/2 ml solution for injection 10 and 50 ampoules	C08DA01, calcium channel blocker
VITAMIN B₁ ALKALOID®		
thiamine	100 mg/1 ml solution for injection, 50 ampoules	A11DA01, vitamin
VITAMIN B₁₂ ALKALOID®		
cyanocobalamin	500 mcg/1 ml solution for injection, 50 ampoules	B03BA01, antianemic
VITAMIN B₆ ALKALOID®		
pyridoxine	20 mg tablets, 20 tablets 50 mg/2 ml solution for injection, 50 ampoules	A11HA02, vitamin
VITAMIN C ALKALOID®		
ascorbic acid	500 mg tablets, 250 tablets	A11GA01, vitamin
WALZERA® plus		
valsartan, hydrochlorothiazide	80 mg/12.5 mg, film-coated tablets, 28 tablets	C09DA03, angiotensin II antagonists and diuretics
YMANA®		
memantine	5 mg, 10 mg, 15 mg and 20 mg film-coated tablets, 28 and 30 tablets	N06DX01, anti-dementia drug
ZANFEXA®		
venlafaxine	37.5 mg, 50 mg and 75 mg tablets, 30 tablets	N06AX16, antidepressants
ZANFEXA® XR		
venlafaxine	37,5 mg, 75 mg and 150 mg prolonged release capsules, hard, 30 capsules	N06AX16, antidepressants
ZEPIRA®		
escitalopram	5 mg, 10 mg, 15 mg and 20 mg film-coated tablets, 30 tablets	N06AB10, selective serotonin reuptake inhibitors
ZYTRON®		
ondansetron	4 mg and 8 mg film-coated tablets, 10 tablets 4 mg/2 ml and 8 mg/4 ml solution for injection, 5 ampoules	A04AA01, antiemetic and antinauseant

PHARMACEUTICALS

New Marketing Authorizations

[in alphabetical order]

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)	ATC-code, pharmaco-therapeutic group
BENDAMUSTINE ALKALOID®		
bendamustine	2.5 mg/ ml powder for concentrate for solution for infusion, 5 vials with 25 mg or 100 mg powder	L01AA09, antineoplastic agents, alkylating agents
BORTEZOMIB ALKALOID®		
bortezomib	1 mg; 3,5 mg powder for solution for injection 1 vial	L01XG01, antineoplastic agents, other antineoplastic agents
DASATINIB ALKALOID®		
dasatinib	20 mg; 50 mg; 70 mg film-coated tablets, 60 tablets 100 mg; 140 mg film-coated tablets, 30 tablets	L01EA02, antineoplastic agents, protein kinase inhibitors
ERLOTINIB ALKALOID®		
erlotinib	100 mg; 150 mg film-coated tablets, 30 tablets	L01EB02, antineoplastic agents, protein kinase inhibitors
EVEROLIMUS ALKALOID®		
everolimus	2,5 mg; 5 mg; 10 mg tablets, 30 tablets	L01EG02, antineoplastic agents, protein kinase inhibitors
GEFITINIB ALKALOID®		
gefitinib	250 mg tablets, 30 tablets	L01EB01, antineoplastic agents, protein kinase inhibitors
IMATINIB ALKALOID®		
imatinib	100 mg film-coated tablets, 60 or 120 tablets 400 mg film-coated tablets, 30 tablets	L01EA01, antineoplastic agents, protein kinase inhibitors
LACOSAMIDE ALKALOID®		
lacosamide	50mg, 100 mg, 150 mg, 200 mg film-coated tablets, 56 tablets	N03AX18, antiepileptics, other antiepileptics
SKOPRYL® COMBO		
lisinopril, amlodipine	10 mg/5 mg; 20 mg/5 mg; 20 mg/10 mg tablets 30 or 60 tablets	C09BB03, ACE inhibitors and calcium channel blockers, lisinopril and amlodipine

Borderline products

Registered name, INN (generic)	Presentation, (strength, pharmaceutical form, pack size)
PLANTAGIN®	
oleum hyperici	0.8 g pessaries, 7 pessaries
DIASTOP PROBIO®	
Lactobacillus acidophilus, LA-5™, Streptococcus thermophilus, STY-31™; Bifidobacterium, BB-12™; Lactobacillus delbrueckli, LBY-27™ ™unregistered trademarks of Chr. Hansen A/S	Lactobacillus acidophilus, LA-5™, approx. 32 mg; Streptococcus thermophilus, STY-31™ approx. 23 mg; Bifidobacterium, BB-12™ approx. 17 mg and Lactobacillus, delbrueckli, LBY-27™ approx. 6 mg, 10 capsules
DIASTOP® DIRECT	
Lactobacillus rhamnosus BIFOLAC™ GG; Bifidobacterium animalis, SSP lactis, BL-04; cholecalciferol ™unregistered trademark of Bifodan®	12.5 mg Lactobacillus rhamnosus BIFOLAC GG; 11.11 mg Bifidobacterium animalis, SSP lactis, BL-04 and 3.3 mg cholecalciferol (equivalent to 8.2 mcg vitamin D3), oral powder for direct use, 10 sachets with 1 g powder
DIASTOP® baby	
Lactobacillus rhamnosus KP GG (ATCC 53103)	1 x 10 ⁹ cfu/0,33 ml oral drops, suspension, 10 ml suspension

PHARMACEUTICALS

Medical Devices

Registered name	Presentation
AICart AMINAL Cart	Sodium bicarbonate cartridges for bicarbonate haemodialysis. 620 g, 650 g, 720 g, 750 g, 760 g, 900 g, 950 g, 1000 g, 1100 g and 1150 g cartridge
AMINAL® CONCENTRATES FOR BICARBONATE HAEMODIALYSIS	Alkaline concentrates for bicarbonate haemodialysis. 5 l, 6 l and 10 l solutions. Acidic concentrates for bicarbonate haemodialysis with different dilution ratios (1+35.830, 1+34, 1+44). 4.7 l, 5 l, 6 l, 7.8 l and 10 l solutions. Sets of liquid and solid components for preparation of acidic concentrated solutions for bicarbonate haemodialysis with different dilution ratios (1+34, 1+44). One set is sufficient for preparation of 100 l of acidic concentrated solution.
AMINAL DIALYSER	Low flux and high flux dialysers for haemodialysis. 20 pcs per box
AMINAL HD SET	Haemodialysis connection and disconnection sets for fistula and catheter. Sizes S, M and L
AMINAL bloodline	Bloodline tubing systems.
AMINAL Cleaner	Cartridges for cleaning and disinfection of haemodialysis machines. AMINAL Cleaner A Cartridge with sodium carbonate, 13 g AMINAL Cleaner C Cartridge with citric acid, 32 g
Alkadez	Disinfectants for disinfection of medical instruments, medical devices, dental instruments and surfaces in the medical area.
Diacitral 20% MD Diacitral 50% MD	Liquid concentrates based on citric acid, for cleaning, decalcification and heat-disinfection of haemodialysis machines. 1000 ml, 5 l and 10 l solution
PROCULIN® TEARS	Sodium hyaluronate 0.2 %, moisturizing ophthalmic solution. 10 ml solution
PROCULIN® TEARS ADVANCE	Ocular drops based upon sodium hyaluronate 0.4 % and distilled waters, preservative free. 10 ml solution

Medical Devices

Registered name	Presentation
CITIKOL B®	Ophthalmic solution with citicoline, hyaluronic acid and vitamin B ₁₂ . 10 ml solution
PROCULIN® LENS PROCULIN® LENS travel pack	Multipurpose lens care solution with hyaluronic acid. 400 ml solution 100 ml solution
PROCULIN® SOFT LENS PROCULIN® SOFT LENS travel pack	Multipurpose lens care solution with hyaluronate. For soft contact lenses. 360 ml solution 100 ml solution
Becutan KIDS VITS anticolic	Anticolic oral drops based on Simethicone in olive oil, Vitamin A, Vitamin E and Coenzyme Q ₁₀ . 30 ml bottle with a dropper
Becutan KIDS VITS Nasal aspirator	Nasal aspirator for babies. 1 nasal aspirator + 4 extra soft tips in plastic box
Becutan KIDS VITS Nasal isotonic solution	Pediatric nasal spray. Spray 30 ml
BECUTAN 4 MAXI BECUTAN 5 JUNIOR BECUTAN 6 JUNIOR PLUS	Incontinence diapers for children. 7-18 kg, 11-25 kg, 16+ kg. 96 pcs
ALKOPED® ALKOPED® PREMIUM	Adult diapers, sizes: medium, large and extra-large. 10 pcs and 30 pcs per bag.
ALKALOID ANGIOGRAPHY STERILE SET	Sterile set for general use in angiography surgeries.

Food Supplements

Registered name	Presentation (strength, pharmaceutical form, pack size)
ALKAKAPS® Shark Oil	500 mg shark liver oil (min. 20% alkylglycerols), soft capsules, 30 capsules
ALKAKAPS® Coenzyme Q₁₀ forte	30 mg coenzyme Q10 (ubidecarenone), soft capsules, 30 soft capsules
ALKAKAPS® Beta Carotene	6.67 mg betacarotene 30% [equivalent to 2 mg betacarotene, or 333 mcg vitamin A], soft capsules, 90 soft capsules
ALKAKAPS® Omega 3	500 mg fish oil (including 165 mg EPA and 110 mg DHA) and 5 mg vitamin E, soft capsules, 60 capsules
VITAMIN A+D₃ ALKALOID®	1667 IU vitamin A (in a form of retinol palmitate) and 400 IU vitamin D3 (cholecalciferol), soft capsules, 50 capsules
PREMAMA DUO	11 vitamins; 10 minerals with DHA combination of 30 tablets and 30 soft capsules
MAGNESIUM 400 + B COMPLEX	Microgranules for direct use, 20 sticks Magnesium 400 mg Vitamin B ₃ 18 mg Pantothenic acid 18 mg Vitamin B ₂ 4.2 mg Vitamin B ₆ 4.2 mg Vitamin B ₁ 3.3 mg Folate 600 mcg Biotin 150 mcg Vitamin B ₁₂ 7.5 mcg
ACEROLA ALKALOID®	contains natural vitamin C 180 mg and 500 mg chewable tablets 30 tablets
ACEROLA ALKALOID®	For children contains 100% natural vitamin C 40 mg chewable tablets 30 tablets

Food Supplements

Registered name,	Presentation, (strength, pharmaceutical form, pack size)
LUNERBA®	
	Film coated tablets, 30 tablets
	Passiflora incarnata L. 100 mg
	Melissa officinalis L. 100 mg
	Valeriana officinalis L. 25 mg
	Eschscholzia californica Cham. 25 mg
	Mentha piperita L. 25 mg
	Milk protein hydrolysate 15 mg
	Vitamin B ₆ 0.7 mg
	Magnesium 7 5 mg
LUNERBA® plus	
	Film coated tablets, 30 tablets
	Passiflora incarnata L. 100 mg
	Valeriana officinalis L. 25 mg
	Melissa officinalis L. 50 mg
	Eschscholzia californica Cham. 50 mg
	Melatonin 1 mg
PROCULIN® PLUS	
	soft capsules, 30 capsules
	contains: DHA, lutein + zeaxanthin, vitamin C, vitamin E, zinc, vitamin B2, copper, vitamin A, selenium
BECUTAN KIDS VITS B-complex	
	syrup, 100 ml, contains 7 B-vitamins
BECUTAN KIDS VITS Multivitamin	
	syrup, 100 ml, contains 9 vitamins
BECUTAN KIDS VITS Multiomega-3	
	syrup, 250 ml, contains DHA; EPA, Vitamins & minerals
BECUTAN KIDS VITS Multiimmuno	
	sachets, 14 sachets, contains LGG+vitamins+minerals
CELLENERGY Q₁₀	
	50 mg capsules, 30 capsules, contains coenzyme Q ₁₀ , vitamin E, selenium , black pepper extract
BIOKRILL ACTIVE®	
	500 mg soft capsules x 30 blister, contains krill oil
MULTI ESSENCE Mg 400 + B complex	
	20 sticks, contains Magnesium & B vitamins
COLLACARE	
	500 ml bottle, contains complex with collagen, hyaluronic acid, vitamins and minerals
PROCULIN® plus once daily	
	30 soft capsules, contains DHA, lutein, zeaxanthin, vitamins, minerals

Food Supplements - New notifications

Registered name,	Presentation, (strength, pharmaceutical form, pack size)
CITIKOL	500 mg citicoline, oral solution 10 ml, 30 vials
MULTI ESSENCE Vitamins and minerals for adults	30 sticks, contains 13 vitamins, 10 minerals and lutein
MULTI ESSENCE Vitamins and minerals for adults	30 multilayer tablets, contains 13 vitamins, 10 minerals and lutein
MULTI ESSENCE Vitamins and minerals for adults 50+	30 multilayer tablets, contains 13 vitamins, 11 minerals and lutein



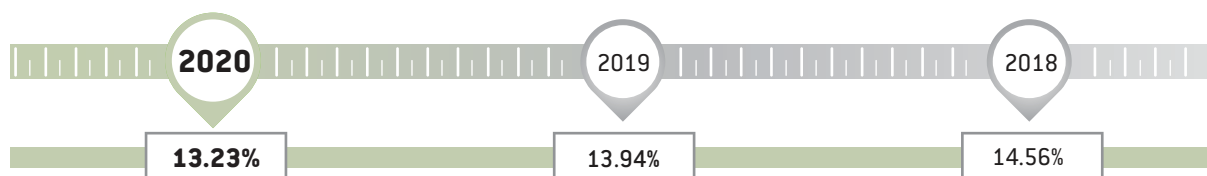


**CHEMISTRY COSMETICS &
BOTANICALS**

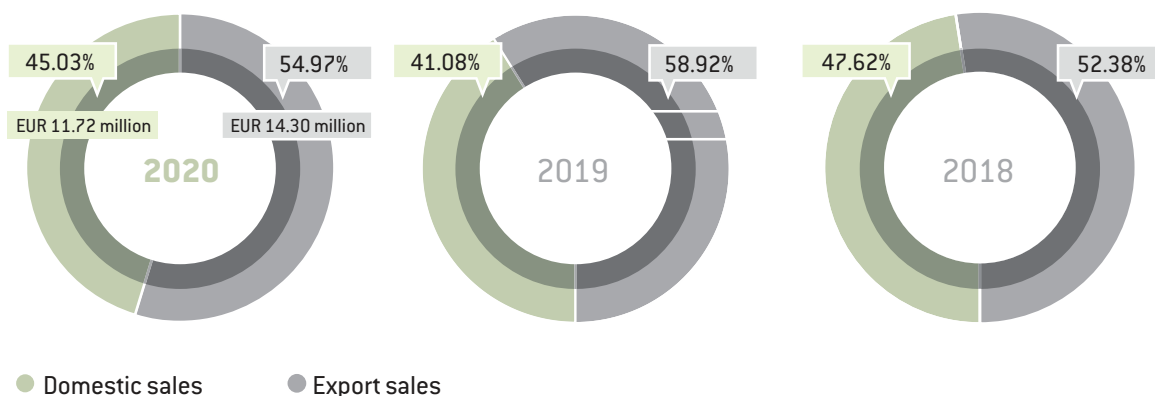
MARKETING AND SALES

In 2020, PC Chemistry Cosmetics Botanicals had 214 employees working in the headquarters in Skopje. The total net sales of this Profit Centre amounted to 1.6 billion MK denars (EUR 26.02 million), which is a share of 13.23% in the total sales of Alkaloid Group. In 2020, the products of the PC Chemistry Cosmetics Botanicals were available on the markets in 17 countries.

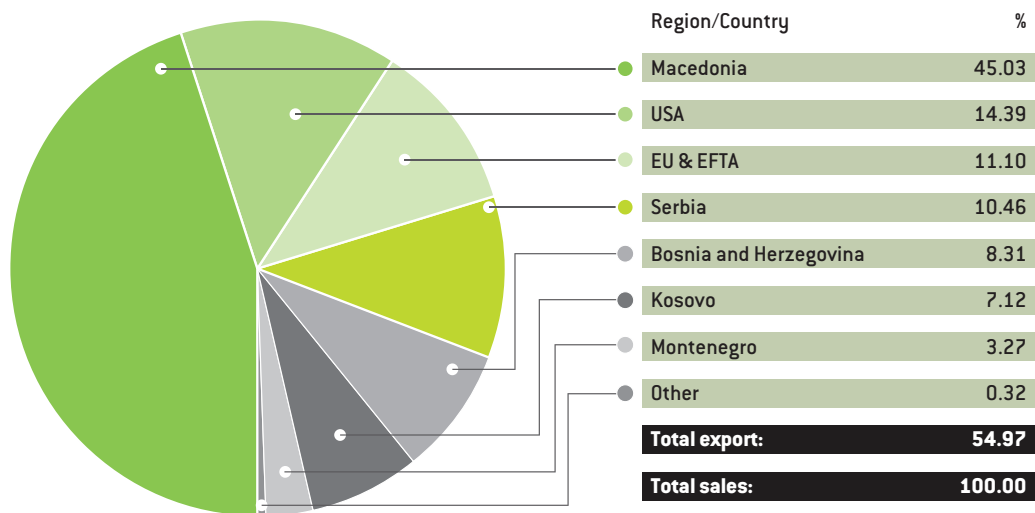
PC Chemistry Cosmetics Botanicals as a part of Alkaloid Group



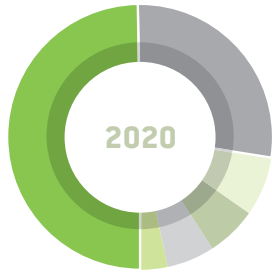
In 2020 the sales level demonstrated an increase of 3.71% compared to last year, i.e. an increase of 12.18% in the Chemistry segment, an increase of 5.51% in the Cosmetics and a decrease of 5.44% in the Botanicals segment.



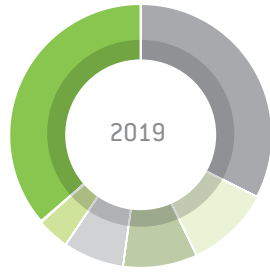
CHEMISTRY COSMETICS BOTANICALS



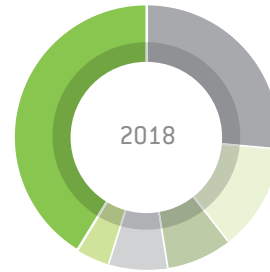
Segment of CCB	% participation		
	2020	2019	2018
CHEMISTRY	18.01	16.65	16.43
Domestic market	11.66	10.06	10.83
Export market	6.35	6.59	5.60
COSMETICS	57.75	56.76	63.09
Domestic market	24.72	22.76	27.43
Export market	33.03	34.00	35.66
BOTANICALS	24.24	26.59	20.48
Domestic market	8.65	8.26	10.52
Export market	15.59	18.33	9.96



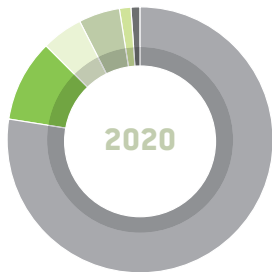
● ARGENTUM SALTS	27.80
● DEGREASERS	7.22
● LIQUID MINERAL FERTILISERS	6.00
● ACIDUM ACETICUM	5.85
● ETHANOL	3.30
● OTHERS	49.83



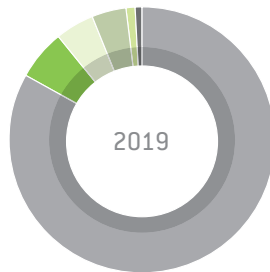
● ARGENTUM SALTS	32.75
● DEGREASERS	10.34
● LIQUID MINERAL FERTILISERS	7.39
● ACIDUM ACETICUM	9.12
● ETHANOL	4.02
● OTHERS	36.32



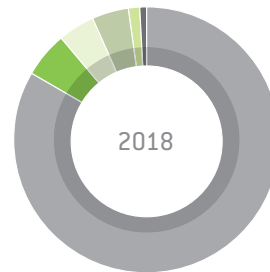
● ARGENTUM SALTS	26.50
● DEGREASERS	12.90
● LIQUID MINERAL FERTILISERS	7.08
● ACIDUM ACETICUM	8.08
● ETHANOL	4.19
● OTHERS	41.25



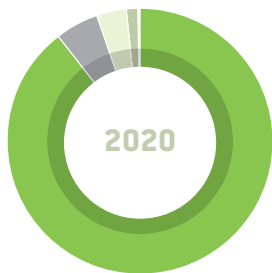
● BECUTAN (Baby cosmetics)	77.63
● GLOSS (Household cleaning products)	5.17
● SHAMPOOS	4.93
● SOAPS	1.30
● PERFUMES	1.05
● OTHERS	9.92



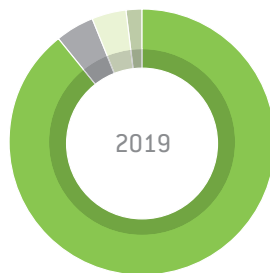
● BECUTAN (Baby cosmetics)	83.31
● GLOSS (Household cleaning products)	4.08
● SHAMPOOS	4.72
● SOAPS	0.69
● PERFUMES	1.19
● OTHERS	6.01



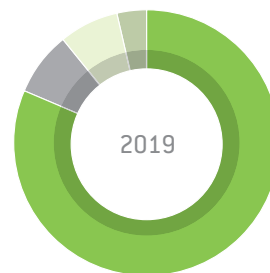
● BECUTAN (Baby cosmetics)	83.41
● GLOSS (Household cleaning products)	4.47
● SHAMPOOS	4.31
● SOAPS	0.75
● PERFUMES	1.42
● OTHERS	5.64



● TEAS	89.47
● ZACHINAL (Food seasoning)	3.61
● MEDICAL HERBS	1.60
● OTHERS	5.32



● TEAS	89.18
● ZACHINAL (Food seasoning)	4.25
● MEDICAL HERBS	1.71
● OTHERS	4.86



● TEAS	81.41
● ZACHINAL (Food seasoning)	7.29
● MEDICAL HERBS	3.46
● OTHERS	7.84





FINANCIAL REPORT





VIKTOR STOJCHEVSKI
CHIEF FINANCIAL OFFICER
INTRODUCTION

This annual report and financial overview cover Alkaloid's 2020 fiscal year, January 1, 2020 to December 31, 2020.

All financial reports, standalone and consolidated reports, representing the business activities of Alkaloid AD Skopje and its subsidiaries abroad are compiled in accordance with the Law on Trade Companies, the Accounting Guidelines, the International Accounting Standards and the International Financial Reporting Standards.

KEY POINTS

Sales and profit for 2020 exceeded the results of 2019 as well as business plan projections for 2020.

- Consolidated net sales increased 9% compared to 2019;
- (EBITDA) increased 15.5% and net profit for 2020 increased 15.3% compared to 2019;
- Net dividend per share increased 11% compared to 2019;
- Investments of EUR 29 million in manufacturing capacity, as well as information technologies and ERP systems;
- We continued to maintain a strong balance sheet with total assets of EUR 250 million.

OVERVIEW

In the previous period, the company has faced a number of internal and external challenges and emerging risks, generated by the pandemic of COVID 19. We 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. In the upcoming period employees' health remains a top priority as well as maintaining current liquidity, financial stability and achievement of the projected goals.

In 2020, Alkaloid delivered strong operational and financial results. Consolidated net sales were EUR 196.7 million, up 9% compared to 2019. Earnings before interest, taxes, depreciation and amortization (EBITDA) was EUR 37.9 million, up 15.5% and Net profit for 2020 was EUR 18.9 million, up 15% compared to 2019.

The EBITDA margin of 19.3% was also higher than the previous year, partly because of the restrictions caused by the pandemic, but also demonstrating the efficiency in operations and the measures taken to neutralize all the negative effects.

Capital investments were mainly allocated in extension of production capacities and have increased significantly in 2020 at EUR 29 million. We have secured funding at a cost that is efficient and effective.

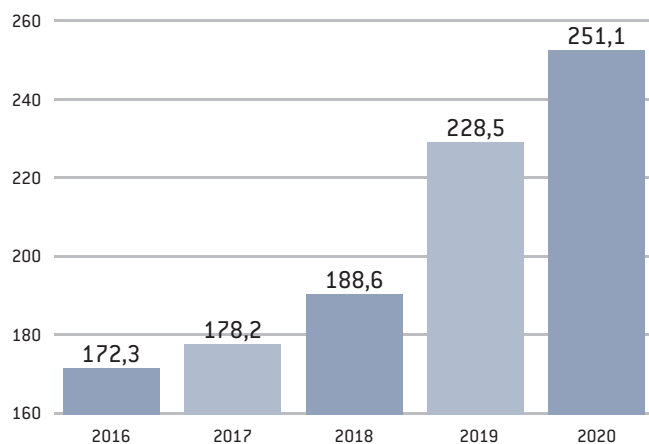
We continued taking strong actions that make Alkaloid better, we have managed to sustain the stable financial profile of the company and further improve the financial flexibility.

Our ability to transform will enable us to emerge stronger, as we continue on the course of sustainable long-term growth.

In the past years, we have continuously increased the dividends paid to our shareholders. According to the decision on appropriation and allocation of the profit for 2020, the net dividend paid to shareholders is MKD 360.00, or gross MKD 400.00 for one ordinary share, which is an increase of 11% on net basis compared to dividends paid for 2019.

Moving into 2021, we intend to continue with investments equivalent to around 12% of the consolidated sales in tangible and intangible assets. The business plan for 2021 anticipates growth in consolidated sales and net profit of 7% compared to 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 considered in the business plan.

I would like to express our gratitude for the trust placed in us by our valued stakeholders that include our shareholders, employees, customers, partners and the communities in which we live and work. We look forward to continuing these strong relationships and remain resolute on our commitment to create sustained long-term value for all our stakeholders.



INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT BOARD AND THE SHAREHOLDERS OF ALKALOID AD Skopje

We have audited the accompanying consolidated financial statements (page 2 to 50) of ALKALOID AD Skopje and its subsidiaries (hereinafter referred to as the "the Group"), which comprise the statement of consolidated financial position as at 31 December 2020, and the consolidated profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information ("financial statements").

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards of Auditing, as applicable in the Republic of North Macedonia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the financial position of ALKALOID AD Skopje and its subsidiaries as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Aleksandar Arizanov
Director



Jane Ivanov
Certified auditor

July 22, 2021
Deloitte DОО Skopje
Bul. Partizanski odredi 15A, Skopje

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Denar)

	Note	As at 31 December	
		31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Property, plant and equipment	7	6,163,085	5,418,377
Intangible assets	8	1,829,491	1,732,098
Right-of-use assets	9	428,240	460,257
Deferred tax assets	20	4,211	5,353
Investments in equity instruments	11	7,114	7,411
Other non-current assets	14	64,049	116,646
		8,496,190	7,740,142
Current assets			
Inventories	12	3,698,352	3,262,593
Trade receivables	13	2,603,483	2,405,172
Other current assets	14	309,741	288,902
Cash and cash equivalents	15	335,008	357,348
		6,946,584	6,314,015
TOTAL ASSETS		15,442,774	14,054,157
EQUITY			
Share capital	16	2,220,127	2,220,127
Treasury shares		(109,285)	(98,805)
Legal reserves		618,262	616,138
Other reserves	17	1,640,357	1,670,216
Retained earnings		6,531,976	5,873,748
Equity attributable to the Owners of the Company		10,901,437	10,281,424
Non-controlling interests		618	657
Total equity		10,902,055	10,282,081
LIABILITIES			
Non-current liabilities			
Non-current borrowings	18	626,459	312,812
Lease liability - long term	22	250,822	319,160
Retirement benefit obligations	19	50,300	40,559
Deferred tax liabilities	20	11,355	120
		938,936	672,651
Current liabilities			
Trade and other payables	21	2,773,572	2,416,637
Lease liability - short term	22	183,499	154,365
Income tax		30,964	61,767
Current borrowings	18	613,748	466,656
		3,601,783	3,099,425
Total liabilities		4,540,719	3,772,076
TOTAL EQUITY AND LIABILITIES		15,442,774	14,054,157

The accompanying notes form an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Group's Managing Board on 9 February 2021.

Approved and signed on behalf of Alkaloid AD Skopje by:

Zhivko Mukaetov
General Manager



Viktor Stojcevski
Finance Manager



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In thousands of Denar)

	Note	Year ended 31 December	
		2020	2019
Sales	6	12,132,328	11,102,808
Cost of sales	26	(6,698,493)	(5,974,145)
Gross profit		5,433,835	5,128,663
Research and development expenses	26	(121,368)	(109,931)
Selling and marketing expenses	26	(3,389,121)	(3,308,440)
Administrative expenses	26	(466,502)	(420,697)
Provision for other liabilities and charges	23	(9,737)	(10,499)
Other income	24	421,554	245,019
Other expenses	25	(502,649)	(308,167)
Operating profit		1,366,012	1,215,948
Finance expenses	28	(39,872)	(32,118)
Profit before income tax		1,326,140	1,183,830
Income tax	29	(160,914)	(173,051)
Profit for the year		1,165,226	1,010,779
Attributable to the:			
Shareholders of the Parent Company		1,165,265	1,010,837
Non-controlling interests		(39)	(58)
Profit for the year		1,165,226	1,010,779
Earnings per share (In Denar)			
From continuing operations			
- Basic	30	827.02	714.26

The accompanying notes form an integral part of these consolidated financial statements.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of Denar)

	Note	Year ended 31 December	
		2020	2019
Consolidated profit for the year		1,165,226	1,010,779
Other comprehensive income:			
Fair value of investments	17	(297)	592
Effects from revaluation of land	17	-	823,836
Effect from translation differences	17	(29,562)	13,725
Other consolidated comprehensive (loss) / income, net of tax		(29,859)	838,153
Total consolidated comprehensive income for the year		1,135,367	1,848,932
Total comprehensive income attributable to:			
Owners of the Parent Company		1,135,406	1,848,990
Non-controlling interests		(39)	(58)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31								
	Share capital	Treasury shares	Legal reserves	Other reserves	Retained earnings	Total equity attributable to the Owners of the Company	Non-controlling interests	Total Equity
As at 1 January 2019	2,220,127	(23,032)	614,437	848,847	5,308,871	8,969,250	716	8,969,966
Effect from implementation of IFRS 16	-	-	-	-	(8,787)	(8,787)	-	(8,787)
Purchase of treasury shares	-	(75,773)	-	-	-	(75,773)	-	(75,773)
Transfer to reserves	-	-	1,271	(16,784)	15,513	-	-	-
Dividend payments and tax on dividend paid out (Note 31)	-	-	-	-	(453,316)	(453,316)	-	(453,316)
Profit for the year	-	-	-	-	1,010,837	1,010,837	(58)	1,010,779
Other reconciliation	-	-	430	-	630	1,060	(1)	1,059
<i>Other Comprehensive income</i>								
Fair value gain on investments (Note 11)	-	-	-	592	-	592	-	592
Revaluation of land (Note 7)	-	-	-	823,836	-	823,836	-	823,836
Foreign exchange differences on translation of foreign operations	-	-	-	13,725	-	13,725	-	13,725
	-	-	-	838,153	-	838,153	-	838,153
As at 31 December 2019	2,220,127	(98,805)	616,138	1,670,216	5,873,748	10,281,424	657	10,282,081
Purchase of treasury shares	-	(10,480)	-	-	-	(10,480)	-	(10,480)
Transfer to reserves	-	-	2,056	-	(2,056)	-	-	-
Dividend payments and tax on dividend paid out (Note 31)	-	-	-	-	(505,983)	(505,983)	-	(505,983)
Profit for the year	-	-	-	-	1,165,265	1,165,265	(39)	1,165,226
Other reconciliation	-	-	68	-	1,002	1,070	-	1,070
<i>Other Comprehensive income</i>								
Fair value gain on investments (Note 11)	-	-	-	(297)	-	(297)	-	(297)
Foreign exchange differences on translation of foreign operations	-	-	-	(29,562)	-	(29,562)	-	(29,562)
	-	-	-	(29,859)	-	(29,859)	-	(29,859)
As at 31 December 2020	2,220,127	(109,285)	618,262	1,640,357	6,531,976	10,901,437	618	10,902,055

The accompanying notes form an integral part of these consolidated financial statements.

FINANCIAL REPORT

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 December	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	12,425,023	10,498,212
Cash paid to suppliers and employees	(10,725,750)	(9,201,701)
Cash generated from operations	1,699,273	1,296,511
Interest received	4,210	2,082
Net cash generated from operating activities	1,703,483	1,298,593
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,446,900)	(870,794)
Sale of property, plant and equipment	543	376
Subsidies received	121,423	85,831
(Purchase)/Sale of investment in available-for-sale securities, net	(2,098)	-
Other payments to employees	(55,123)	(65,069)
Net cash used in investing activities	(1,382,155)	(849,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	3,518,461	2,569,703
Repayments of borrowings	(3,064,391)	(2,389,283)
Interest paid	(40,535)	(35,913)
Repayment of the lease liabilities	(230,620)	(143,369)
Purchase of treasury shares	(10,480)	(75,773)
Dividends paid to shareholders, tax on dividends paid out and other profit distribution	(506,301)	(453,316)
Net cash used in financing activities	(333,866)	(527,951)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,538)	(79,014)
Cash and cash equivalents at beginning of year	357,348	433,811
Translation differences effect	(9,802)	2,551
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	335,008	357,348

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Alkaloid AD Skopje (the "Parent Company") and its subsidiaries produce and sell a wide range of pharmaceutical, chemical and cosmetic products, as well as goods from herbal origin. The Parent Company (hereinafter referred to as "the Group") has eighteen subsidiaries and one Foundation in the Republic of North Macedonia and other countries. For the list of the subsidiaries please refer to Note 2.7.

Production facilities of the Group are located in Skopje and Belgrade.

Alkaloid AD Skopje, the Parent Company, is a joint stock company, incorporated and registered (with its head office) in the Republic of North Macedonia. The registered address of the Parent Company is:

*Aleksandar Makedonski 12
1000 Skopje, Republic of North Macedonia*

The shares of Alkaloid AD Skopje are listed on the Macedonian Stock Exchange since 2002.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1. Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards), issued by IASB (International Accounting Standards Board).

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions

that are within the scope of IFRS 16 Leases and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

2.2. Functional and Presentation Currency

These consolidated financial statements are presented in thousands of Macedonian Denar, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Parent company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Parent company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent company considers all relevant facts and circumstances in assessing whether or not the Parent company's voting rights in an investee are sufficient to give it power, including:

- the size of the Parent company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Parent company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Parent company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Parent company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Parent company ceases to control the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.3. Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

2.4. Going concern principle

The rapid spread of the Covid-19 virus and its economic effects in the Republic of North Macedonia and globally may result in a reassessment of assumptions and estimates, which could have an impact of material adjustment to the present value of assets and liabilities over the following business period. At this stage, management is unable to assess the effect with certainty, as new events occur on a daily basis.

Based on the performed analyzes according to the current developments, the Company determined that difficulties in the operation related to liquidity and servicing of liabilities to suppliers currently are not expected.

Until the date of issuance of the financial statements, no information has been received regarding cancellation of a contract due to the current situation. The Company continued to operate at full capacity and revenues exceeded budgeted revenues.

For the year ended 31 December 2020, the Company achieved a net profit of 1,165,226 thousand Denars (2019: 1,010,779 thousand Denars). The Company in the previous periods achieved significant business and financial results, thereby expects stable revenues and that the increase in costs will be with a lower trend than the increase in revenues. As a result, the accompanying separate financial statements have been prepared in accordance with the going concern principle which implies that the Company will continue to operate in the foreseeable future.

Furthermore, the Company established a Crisis committee, which on a daily basis monitors all emergency measures and conditions in the country, macroeconomic indicators, established measures, global developments and based on that prepares an action plan.

2.5. Initial application of new amendments to the existing standards effective for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) are effective for the current reporting period:

- **Amendments to IFRS 3 "Business Combinations"** - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period),
- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"** - Interest Rate Benchmark Reform (effective for annual periods beginning on or after 1 January 2020),
- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** - Definition of Material (effective for annual periods beginning on or after 1 January 2020),
- **Amendments to References to the Conceptual Framework in IFRS Standards** (effective for annual periods beginning on or after 1 January 2020).

The adoption of these amendments to the existing standards has not led to any material changes in the Company's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.6 New standards and amendments to existing standards in issue not yet adopted

At the date of authorization of these consolidated financial statements, the following new standard and amendments to existing standards were in issue, but not yet effective:

- **IFRS 17 “Insurance Contracts”** including amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IFRS 3 “Business Combinations”** - Reference to the Conceptual Framework with amendments to IFRS 3 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IFRS 4 “Insurance Contracts”** - Extension of the Temporary Exemption from Applying IFRS 9 (the expiry date for the temporary exemption from IFRS 9 was extended to annual periods beginning on or after 1 January 2023),
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),
- **Amendments to IFRS 16 “Leases”** - Covid-19-Related Rent Concessions are effective for annual periods beginning on or after 1 June 2020 but earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2020 (the amendment is also available for interim reports),
- **Amendments to IFRS 16 “Leases”** - Covid-19-Related Rent Concessions beyond 30 June 2021 (effective for annual reporting periods beginning on or after 1 April 2021. Earlier application permitted, including in financial statements not yet authorised for issue at the date the amendment is issued),
- **Amendments to IAS 1 “Presentation of Financial Statements”** - Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 1 “Presentation of Financial Statements”** - Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”** - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 16 “Property, Plant and Equipment”** - Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”** - Onerous Contracts — Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 7 “Financial Instruments: Disclosures”, IFRS 4 “Insurance Contracts” and IFRS 16 “Leases”** - Interest Rate Benchmark Reform — Phase 2 (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to various standards due to “Improvements to IFRSs (cycle 2018 -2020)”** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.)

The Company has elected not to adopt the new standard and amendments to existing standards in advance of their effective dates. The Company anticipates that the adoption of the standard and amendments to existing standards will have no material impact on the consolidated financial statements of the Company in the period of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.7. Subsidiaries

Subsidiaries are all legal entities over which the Parent Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent Company controls another company. The cost of acquisition is measured at fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are de-consolidated from the date that control ceases.

The accompanying consolidated financial statements include the financial statements of the Parent Company Alkaloid AD Skopje and the following subsidiaries:

	2020	2019
	% of ownership	% of ownership
Alkaloid D00 Zagreb, Croatia	100%	100%
Alkaloid D00 Beograd, Serbia	100%	100%
Alkaloid INT D00 Ljubljana, Slovenia	100%	100%
Alkaloid D00 Sarajevo, Bosnia and Herzegovina	100%	100%
Alkaloidpharm SA Fribourg, Switzerland	100%	100%
Alkaloid E00D Sofia, Bulgaria	100%	100%
ALK&KOS Shpk Prishtina, Kosovo	100%	100%
Alkaloid Bilna apteka D00EL Skopje, N. Macedonia	100%	100%
Alkaloid CONS D00EL Skopje, N. Macedonia	100%	100%
Alkaloid USA LLC Columbus, Ohio USA	49%	49%
Fund "Trajce Mukaetov" Skopje, N. Macedonia	100%	100%
Alkaloid D00 Podgorica, Montenegro	100%	100%
O00 Alkaloid RUS Moscow, Russia	100%	100%
Alkaloid FARM D00 Ljubljana, Slovenia	100%	100%
Alkaloid Veledrogerija D00 Beograd, Serbia	100%	100%
Alkaloid ILAC TLS Istanbul, Turkey	100%	100%
ALKA-LAB D00 Ljubljana, Slovenia	100%	100%
Alkaloid Kiev CO. LTD., Ukraine	100%	100%
Alkaloid Shpk Tirana, Albania	100%	100%
Alkaloid LGL D00 Zagreb, Croatia	100%	-

The investment in Alkaloid USA LLC Columbus, Ohio USA is the equity share of 49%, but the Parent Company exercises control.

In 2020, a new subsidiary was established in Croatia with a name Alkaloid LGL D00, Zagreb.

In 2020, the Parent Company has increased its investment in one of its subsidiaries, in Alkaloidpharm SA Fribourg, Switzerland in the amount of 20 thousand Swiss francs. The subsidiary is 100% owned by the Company.

Alkaloid's representative offices in Russia, Bosnia and Herzegovina and Ukraine are included in the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.8. Segment reporting

Operating segments are reported in a manner with the internal reporting provided to the Managing Board. Managing Board is responsible for strategic decisions for each segment.

As at 31 December 2020, the Group was organized on a worldwide basis into four reportable segments:

- **Pharmaceuticals** - Production of medicines for human use;
- **Chemicals** - Production of chemicals products;
- **Cosmetics** - Production of cosmetics;
- **Botanicals** - Production of botanicals products.

The pharmaceutical overall production program of the products of Alkaloid Pharmaceuticals is comprised of the following pharmaceutical forms:

- Oral hard dosage forms: Tablets - conventional and modified release, film-tablets, coated tablets, sub-lingual tablets, capsules, dry powder for oral suspension.
- Liquid dosage forms for oral administration: Solutions for oral administration, syrups, suspensions.
- Topical preparations: Ointments, creams, solutions, gels, sprays, vaginal pessaries, suppositories.
- Sterile dosage forms: Parenteral small-volume, eye drops, ointments for eyes.

Besides the capacities for manufacturing finished pharmaceutical products, Alkaloid-Pharmaceuticals also has facilities for extraction of opioids which include production of morphine and its derivatives as pharmaceutical raw materials.

Alkaloid Chemical products today are developed program for the production of chemicals and organic and non-organic reagents, with pa, puriss, purum and with pharmacopeia qualities. They are suitable for laboratories within institutions, faculties, clinics, pharmaceutical and cosmetic industry, as well as in the production processes of other industries.

Alkaloid's Cosmetics Unit develops and produces skincare products, children's skincare, soaps, hair care products, dental care products, men's perfume collection, women's perfume collection, as well as household cleaners. The ingredients that are used in the products are purchased from suppliers that satisfy our high-quality standards and are in accordance with the requirements of the European directive for quality cosmetic products.

The activities in Botanical unit consists of processing blending and packing herbal materials like roots, leaves, fruits, seeds etc.

Segment revenue is revenue reported in the Group's income statement that is directly attributable to a segment and the relevant portion of the Group income that can be allocated on a reasonable basis to a segment.

Segment expense is an expense resulting from the operating activities of a segment that is directly attributable to the segment and the relevant portion of an expense that can be allocated on a reasonable basis.

Net operating assets consist primarily of property, plant and equipment, intangible assets, inventories and receivables less operating liabilities. Group assets and liabilities principally consist of net liquidity (cash, cash equivalents and other current financial assets less financial debts) and deferred and current taxes.

The accounting policies of the reportable segments are the same as the Group's accounting policies. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in thousands of Macedonian Denar (Denar or MKD), which is the Group's functional currency and the presentation currency for the consolidated financial statements.

Transactions and balances

Transactions in currencies other than the Group's functional currency are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve, within Other Reserves (attributed to non-controlling interests as appropriate).

3.2. Leases

The Group as a lessee

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3. Property, plant and equipment

The property plant and equipment, except the land, are initially recorded at cost. Land remains subsequently measured at fair value, based on the appraisal performed by external independent appraisers. The rest of the property, plant and equipment are stated at historical cost less depreciation and impairment. The cost of property, plant and equipment contain the purchase price net of rebates and price discounts, import duties, all irrecoverable taxes on the purchase, as well as all direct costs that contribute to the adoption of assets in the location and condition of the normal functioning and accomplishment of tasks determined by management.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the consolidated income statement. The revaluation surplus is transferred to retained earnings upon ultimate disposal of revaluated asset.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives, as follows:

Buildings	10 - 40	years
Machinery	10 - 20	years
Vehicles	4	years
Furniture, fittings and equipment	3 - 10	years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The carrying amount of disposed property, plant and equipment is eliminated from the consolidated statement of financial position together with the carrying amount of accumulated depreciation. Gains and/or losses on disposals are determined as the difference between the proceeds on disposals and the carrying amount of the assets and included in the consolidated income statement.

3.4. Intangible assets

Trademarks, licenses and software

Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Amortization is calculated using the straight-line method to write-off the cost of trademarks, licenses and software over their estimated useful lives, i.e. up to 10 years.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives i.e. up to 10 years. The estimated useful life and amortization method are reviewed at the end of each reporting period.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Patents

Patents are measured initially at purchase cost and are amortized on a straight-line basis over their estimated useful lives of 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Impairment of tangible and non-tangible assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, except in case of goodwill, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3.6 Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.7 Financial assets

The Group classifies its financial assets in the following categories: at amortized cost and equity instruments designated as at FVTOCI. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Financial assets (Continued)

Investments in equity instruments at FVTOCI

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Investments in equity instruments at FVTOCI

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in other income (note 24) in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash balances held on bank accounts and cash in hand.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. The amount of the provision is recognized in the income statement within "selling and marketing costs".

Impairment of trade receivables

The Group recognizes a loss allowance for expected credit losses on trade receivables using the simplified approach. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in equity instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Financial assets (Continued)

Trade receivables (Continued)

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

If the risks and rewards are neither transferred nor retained, the assets are not derecognized unless the control over those assets has been transferred, or significant modification of the asset occurred. Significant modification has not occurred on any of the assets on 31.12.2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial liabilities

Upon their initial recognition, financial liabilities are classified as: financial liabilities at fair value through profit or loss ("FVTPL"), including derivatives, or as financial liabilities at amortized cost, such as: loans and borrowings, trade and other payables.

All financial liabilities of the Company are classified as financial liabilities at amortized cost, and subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired, or there is significant modification. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

There are two tests to check whether the modification is significant, and these are as follows:

1. Qualitative test - A significant change in the terms and conditions such that immediate derecognition is required with no additional quantitative analysis.
2. Quantitative test - The net present value of the cash flows under the new terms discounted at the original effective interest rate (EIR) is at least 10% different from the carrying amount of the original financial liability.

As at 31.12.2020, there were no significant modifications to financial liabilities.

3.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the actual cost method. The cost of finished goods and work in progress comprises direct production costs and related production overheads. The net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.10 Share capital

Ordinary shares are classified as equity. Purchases of the Parent Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs are deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and are included in equity attributable to the Parent Company's equity holders.

3.11 Income tax

Current income tax is calculated and paid in accordance with the Income tax Law. The estimated tax liability is paid in advance on a monthly basis. The final tax is payable in the Republic of North Macedonia at the rate of 10% applicable to the taxable income, which is the profit as determined in the Consolidated statement of comprehensive income, adjusted for certain items as defined by the local tax legislation. In respect of the Group's subsidiaries the current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts reported in the consolidated financial statements. However, the deferred income tax is not accounted for, if arising from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax is provided on temporary differences arising on investments in subsidiaries excepts where timing of the reversal of temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Employee benefits

Pension liabilities

The Group has both defined benefit and defined contribution plans.

- Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
- A defined contribution plan is a pension plan under which the Group pays contributions into publicly and privately administered pension plans on a mandatory basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employees are terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a decision of a Managing Board. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

3.13 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

3.14 Revenue recognition

The Group has applied the 5-step approach to revenue recognition in accordance with IFRS 15 Revenue from Contracts with Customers. The Group's major sources of revenue scoped in IFRS 15 relate to the following revenue streams:

- Sales of goods
 - o Pharmaceutical products
 - o Chemical products
 - o Cosmetic products
 - o Botanical products

- Sales of commodities
- Revenue from services

Revenues reflects the consideration to which the Group has expected to be entitled in exchange for those goods during the year, the performance obligation is satisfied, i.e. when 'control' of the goods underlying the performance obligation was transferred to the customers. The core principle is that the Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This principle is delivered in accordance with the five-step model framework:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, estimated returns, discounts and rebates. Revenue is recognized as follows:

Sales of goods

Sales of goods are recognized when the Group has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Revenue recognition (Continued)

Sales of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

Dividend income is recognized when the right to receive payment is established.

3.15 Dividends

Dividend distribution to the Parent Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

3.16 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group'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 cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The financial risk management is performed by the Group's financial department, based on Decisions from Managing Board.

Market risk

a) Foreign exchange risk

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

To manage the foreign exchange risk the Group provides sufficient cash in foreign currencies held on bank accounts in order to maintain its future commercial transactions.

b) Price risks

The Group is exposed to equity securities price risk because of Investments in equity instruments held by the Group. The Group is not exposed to commodity price risk.

Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that wholesales of products are made to customers with an appropriate credit history. Trade receivables consist of a large number of balances. The Group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

Interest rate risk

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

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

4.2 Fair value assessment

The fair value of Investments in equity instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last traded price.

The fair value of financial instruments that are not traded in an active market is determined by 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 Group for similar financial instruments.

4.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimize the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, which are described in note 3, the management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Fair value of land

The Group tests annually whether the fair value of the land has suffered material changes compared to their fair value as assessed by the last appraisal. The Group estimation is that the difference between their fair value recorded into the books and the current market value is not material, and does not affect the current year's profit.

Depreciation Charge and Rates Applied

Depreciation rates are based over the estimated useful lives of property, plant and equipment. The useful age is reviewed once a year by the Company, according their current estimations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how Groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Significant increase in credit risk

In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Impairment of Trade and Other Receivables

The allowance for impairment of doubtful receivables is formed based on the estimated losses arising from customer's default. The management's assessment is based on the ageing analysis of accounts receivable, historical write-offs, customer creditworthiness and changes in the terms of sale, identified upon determining the adequacy of allowance for impairment of doubtful receivables. This includes the assumptions on future customer behavior and future collections arising therefrom. The management believes that no allowance for impairment, except for the provisions already included in the financial statements, is necessary

Provisions

Provisions in general are highly judgmental. The Company assesses the probability of an adverse event as a result of a past event to happen. The Company is rather prudent in these assessments, but due to the high level of uncertainty, in some cases the evaluation may not prove to be in line with the eventual outcome of the case.

Estimates for accounting for employee benefits

IAS 19, Employee Benefits, requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations. These mainly actuarial assumptions such as expected inflation rates, long-term increase in health care costs, employee turnover and discount rates. Substantial changes in the assumed development of any one of these variables may change the Group's retirement benefit obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SEGMENT REPORTING

Reportable segments - Products

Segment information reported to the Management Board is based on product types and customer categories. The segment information by product is more relevant to the Group.

Principal product types are pharmaceutical and non-pharmaceutical products (chemicals cosmetics and botanicals). The principal customer category Group's products are wholesalers.

Segments revenues and results for the year ended 31 December is as follows:

	Segment revenue		Segment operating profit	
	2020	2019	2020	2019
Pharmaceutical products	10,527,723	9,555,573	1,239,473	1,129,418
Chemical products	289,025	257,639	35,902	7,476
Cosmetic products	926,587	878,221	34,482	2,149
Botanical products	388,993	411,375	56,155	76,905
Total	12,132,328	11,102,808	1,366,012	1,215,948
Finance expenses			(39,872)	(32,118)
Profit before tax			1,326,140	1,183,830
Income tax			(160,914)	(173,051)
Profit for the year			1,165,226	1,010,779

Revenue reported above represents revenue generated from external customers.

Segment assets and liabilities for the year ended 31 December is as follows:

Segment assets		
	2020	2019
Pharmaceutical products	14,219,320	12,962,732
Chemical products	529,014	505,060
Cosmetic products	460,537	321,526
Botanical products	233,903	264,839
Total assets	15,442,774	14,054,157
Segment liabilities		
	2020	2019
Pharmaceutical products	4,065,126	3,389,761
Chemical products	122,928	127,161
Cosmetic products	303,755	196,206
Botanical products	48,910	58,948
Total liabilities	4,540,719	3,772,076

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SEGMENT REPORTING (Continued)

Other segment information for the year ended 31 December is as follows:

	Depreciation and amortization		Addition to non-current assets	
	2020	2019	2020	2019
Pharmaceutical products	896,955	739,409	1,487,637	1,340,015
Chemical products	16,298	14,852	13,730	34,870
Cosmetic products	28,704	27,498	167,038	15,556
Botanical products	29,621	25,285	113,166	26,162
Total	971,578	807,044	1,781,571	1,416,603

Geographical information

The Republic of North Macedonia is the domicile country of the Group where part of the activities are performed.

	Revenue from external customers		Non-current assets	
	2020	2019	2020	2019
North Macedonia	4,268,849	3,907,246	7,976,691	7,149,697
Serbia	2,347,335	2,052,438	319,020	329,941
Croatia	897,655	861,578	6,229	2,017
Bosnia and Herzegovina	866,891	807,740	4,914	2,097
Russia	815,636	742,190	34,534	49,332
Kosovo	463,529	444,247	9,115	8,616
Other countries	2,472,433	2,287,369	70,591	69,032
Total	12,132,328	11,102,808	8,420,816	7,610,732

Geographical information about sales revenue is based on the customers' origin,

For the purposes of the above presentation, non-current assets are consisted of property, plant and equipment and Intangible assets.

Information about major customers

The sales of Pharmaceutical products are spread over many countries and customers, There are no major customer shares in the direct sales of Pharmaceutical products.

In the sales of Chemicals products, there is one major customer with a share of 15.6% (2019: 27.6%) in direct sales.

In the sales of Cosmetics products, there is one major customer with a share of 16.4% (2019: 16.2%) in direct sales.

In the sales of Botanicals products, there is a single major customer with a share of 59.2% (2019: 65%) in direct sales.

Sales by category	2020	2019
Sales of goods	8,814,421	8,076,115
Sales of commodities	3,216,176	2,934,861
Other revenue	101,731	91,832
	12,132,328	11,102,808

FINANCIAL REPORT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Construction in progress	Total
Cost or valuation					
At 1 January 2019	835,503	3,359,605	4,230,794	175,479	8,601,381
Additions	-	3,394	56,107	631,516	691,017
Transfer from construction in progress	357	82,787	375,330	(458,474)	-
Derecognition of cost	-	(22,472)	(81,794)	(4)	(104,270)
Transfer of assets	823,836	-	-	-	823,836
Translation differences	-	(623)	1,618	195	1,190
As at 31 December 2019	1,659,696	3,422,691	4,582,055	348,712	10,013,154
Accumulated depreciation					
At 1 January 2019	-	1,783,902	2,520,312	-	4,304,214
Depreciation charge in 2019	-	83,529	304,035	-	387,564
Derecognition of cost	-	(16,950)	(80,240)	-	(97,190)
Translation differences	-	(639)	828	-	189
As at 31 December 2019	-	1,849,842	2,744,935	-	4,594,777
Net book value as at 31 December 2019	1,659,696	1,572,849	1,837,120	348,712	5,418,377
Cost or valuation					
At 1 January 2020	1,659,696	3,422,691	4,582,055	348,712	10,013,154
Additions	-	967	38,407	1,128,143	1,167,517
Transfer from construction in progress	1,972	269,595	881,964	(1,153,531)	-
Derecognition of cost	(38)	(5,487)	(6,164)	-	(11,689)
Transfer of assets	-	21,479	-	-	21,479
Translation differences	-	159	(4,190)	267	(3,764)
As at 31 December 2020	1,661,630	3,709,404	5,492,072	323,591	11,186,697
Accumulated depreciation					
At 1 January 2020	-	1,849,842	2,744,935	-	4,594,777
Depreciation charge in 2020	-	86,802	338,743	-	425,545
Derecognition of cost	-	(5,487)	(5,136)	-	(10,623)
Transfer of assets	-	17,591	-	-	17,591
Translation differences	-	48	(3,726)	-	(3,678)
As at 31 December 2020	-	1,948,796	3,074,816	-	5,023,612
Net book value as at 31 December 2020	1,661,630	1,760,608	2,417,256	323,591	6,163,085

Land was revalued as at 31 December 2019 by an independent appraiser, the revaluation surplus of was credited to other reserves within shareholders' equity (Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. INTANGIBLE ASSETS

	Trademarks and licenses	Software and Internally generated intangibles	Other assets	Construction in progress	Total
Cost or valuation					
At January 1, 2019	363,694	2,275,553	94,218	69,062	2,802,527
Additions	-	63,864	984	335,767	400,615
Transfer from construction in progress	6,653	321,094	4,932	(332,679)	-
Elimination	-	-	(1,464)	-	(1,464)
Translation differences	(502)	937	924	-	1,359
As at December 31, 2019	369,845	2,661,448	99,594	72,150	3,203,037
Accumulated amortization					
At January 1, 2019	326,558	816,781	57,501	-	1,200,840
Charge for 2019	13,337	247,361	8,665	-	269,363
Elimination	-	-	(335)	-	(335)
Translation differences	(2)	782	291	-	1,071
As at December 31, 2019	339,893	1,064,924	66,122	-	1,470,939
Net book value as at December 31, 2019	29,952	1,596,524	33,472	72,150	1,732,098
Cost or valuation					
At January 1, 2020	369,845	2,661,448	99,594	72,150	3,203,037
Additions	71	7,517	390	395,732	403,710
Transfer from construction in progress	1,951	378,150	5,123	(385,224)	-
Elimination	-	(166)	-	-	(166)
Translation differences	(505)	(1,863)	20	(2)	(2,350)
As at December 31, 2020	371,362	3,045,086	105,127	82,656	3,604,231
Accumulated amortization					
At January 1, 2020	339,893	1,064,924	66,122	-	1,470,939
Charge for 2020	8,667	289,019	8,449	-	306,135
Elimination	-	(166)	-	-	(166)
Translation differences	(5)	(1,676)	(487)	-	(2,168)
As at December 31, 2020	348,555	1,352,101	74,084	-	1,774,740
Net book value as at December 31, 2020	22,807	1,692,985	31,043	82,656	1,829,491

The net book value of software is Denar 113,418 thousand (2019: Denar 110,053 thousand), and the remaining amount of Denar 1,579,567 thousand (2019: Denar 1,486,471 thousand) relates to internally generated intangible assets.

FINANCIAL REPORT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. RIGHT-OF-USE ASSETS

Right-of-use assets movements

	At 1 January 2019	Additions	Disposals	At 31 December 2019
Gross value				
Buildings	216,806	223,392	(9,147)	431,051
Vehicles	201,066	101,579	(12,566)	290,079
	417,872	324,971	(21,713)	721,130

	At 1 January 2019	Depreciation	Disposals	At 31 December 2019
Accumulated depreciation				
Buildings	(62,407)	(89,664)	8,508	(143,563)
Vehicles	(68,644)	(60,453)	11,787	(117,310)
	(131,051)	(150,117)	20,295	(260,873)

	At 1 January 2019			At 31 December 2019
Net carrying value				
Buildings	154,399			287,488
Vehicles	132,422			172,769
	286,821			460,257

	At 1 January 2020	Additions	Disposals	At 31 December 2020
Gross value				
Buildings	431,051	55,651	(24,757)	461,945
Vehicles	290,079	164,882	(43,602)	411,359
	721,130	220,533	(68,359)	873,304

	At 1 January 2020	Depreciation	Disposals	At 31 December 2020
Accumulated depreciation				
Buildings	(143,563)	(133,328)	23,785	(253,106)
Vehicles	(117,310)	(106,570)	31,922	(191,958)
	(260,873)	(239,898)	55,707	(445,064)

	At 1 January 2020			At 31 December 2020
Net carrying value				
Buildings	287,488			208,839
Vehicles	172,769			219,401
	460,257			428,240

The Group leases several assets including buildings and vehicles. The lease term is from 1-5 years (2019: from 1-5 years).

Approximately one third of the leases for property, plant and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of Denar 220,533 thousand in 2020 (2019: Denar 324,971 thousand). The contractual maturity analysis of lease liabilities is presented in Note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. FINANCIAL INSTRUMENTS

Capital risk management

The management of the Group reviews the capital structure on a regular basis.

	2020	2019
Debt (Note 18)	1,240,207	779,468
Lease liabilities (Note 22)	434,321	473,525
Cash and cash equivalents (Note 15)	(335,008)	(357,348)
Net debt	1,339,520	895,645
Equity (Note 16 and 17)	10,902,055	10,282,081
Net debt to equity ratio	12.29%	8.71%

Categories of financial instruments and risk management objectives

The Group's principal financial instruments are cash and cash equivalents and trade receivables, as well as borrowings and trade payables. In the normal course of operations, the Group is exposed to the following risks:

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency in respect of sales of goods and services, purchase of raw materials, services and equipment and obtaining borrowings. The Group does not use any special financial instruments to hedge against this risk since no such instruments are in common use in the Republic of North Macedonia.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2020	2019	2020	2019
EUR	1,425,166	1,511,713	1,174,208	1,288,878
RUR	74,988	78,698	416,373	401,219
USD	10,261	157,242	57,013	75,013
CHF	7,503	7,867	13,049	6,117
Other currencies	474,647	354,719	904,943	645,877

The Group is mainly exposed to Euro and Russian Ruble currencies.

The following table details the Group's sensitivity analysis to a 10% increase and decrease in the Macedonian Denar against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the date of the Consolidated Statement of financial position. A positive amount below indicates an increase in profit in Consolidated Income Statement, while a negative amount indicates a decrease.

	Increase of 10%		Decrease of 10%	
	2020	2019	2020	2019
EUR	25,095	22,284	(25,095)	(22,284)
RUR	(34,138)	(32,252)	34,138	32,252
USD	(4,675)	8,223	4,675	(8,223)
CHF	(554)	175	554	(175)
Other currencies	(43,029)	(29,116)	43,029	29,116
Impact on the profit or loss and equity	(57,301)	(30,686)	57,301	30,686

The Group's sensitivity to foreign currency rates has increased during the current period mainly due to the combined effect of increase in foreign trade receivables and foreign trade payables and increase in borrowings.

FINANCIAL REPORT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Group is exposed to interest risk arising from variable interest rate on borrowings, which depend on the financial market trends.

The sensitivity analysis below has been determined based on the interest rate exposure as a result of a 10% increase or decrease in rates on foreign borrowings at the reporting date. A positive amount below indicates a decrease in profit and equity, while a negative amount indicates an increase.

	Increase of 10%		Decrease of 10%	
	2020	2019	2020	2019
Borrowings and lease liabilities	3,981	3,213	(3,981)	(3,213)
Profit and loss and equity	(3,981)	(3,213)	3,981	3,213

Had the interest rates been 10% higher the Group's profit for the year ended 31 December 2020 and retained earnings would have decreased by Denar 3,981 thousand and vice versa, had the interest rates been 10% lower, the Group's profit for the year ended 31 December 2020 and retained earnings would have increased by Denar 3,981 thousand.

Liquidity risk

The management of the Group has responsibility for maintenance adequate liquidity. In certain cases, the Group uses short and long-term funding for liquidity purposes. The Group manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows. At any time, the Group can draw additional borrowings from banks with relatively low interest rates, which reduce further liquidity risk.

The following tables detail the Group's remaining contractual maturities of its financial liabilities:

2020	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
Trade payables (Note 21)	1,002,669	799,914	282,719	7,345	2,092,647
Lease liabilities (Note 22)	-	61,869	134,864	250,445	447,178
Borrowings (Note 28)	6,672	250,609	356,467	626,459	1,240,207
	1,009,341	1,112,392	774,050	884,249	3,780,032
2019	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
Trade payables (Note 21)	1,049,179	642,643	295,081	-	1,986,903
Lease liabilities (Note 22)	-	44,846	125,580	330,410	500,836
Borrowings (Note 28)	7,038	112,402	347,215	312,813	779,468
	1,056,217	799,891	767,876	643,223	3,267,207

The following tables detail the Group's remaining contractual maturities of its financial assets:

2020	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
Trade receivables (Note 13)	1,170,405	1,245,068	188,010	-	2,603,483
Cash and cash equivalents (Note 15)	335,008	-	-	-	335,008
	1,505,413	1,245,068	188,010	-	2,938,491
2019	Less than 1 month	1 - 3 months	3 - 12 months	12 - 60 months	Total
Trade receivables (Note 13)	1,169,733	1,007,376	228,063	-	2,405,172
Cash and cash equivalents (Note 15)	357,348	-	-	-	357,348
	1,527,081	1,007,376	228,063	-	2,762,520

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. INVESTMENTS IN EQUITY INSTRUMENTS

	2020	2019
At 1 January	7,411	6,819
Fair valuation increase	572	592
Fair valuation decrease	(869)	-
As at 31 December	7,114	7,411

Investments in equity instruments (classified as FVTOCI) consist of: 2020 2019

	2020	2019
Investments in equity instruments in non-quoted companies	2,388	2,531
Investments in equity instruments in quoted companies	4,726	4,880
Investments in equity instruments in non-related parties	7,114	7,411

Investments in equity instruments consist of corporate and bank shares. The shares held represent interests of below 10% of the registered equity of the respective issuers.

Investments in equity instruments that are quoted shares and bonds are presented at market values of identical assets. The unlisted shares that are not traded in an active market are stated at cost, because the Group considers that their cost approximates their fair value. Investments in equity instruments are measured at FVTOCI.

12. INVENTORIES

	2020	2019
Raw materials	1,168,812	981,714
Spare parts	209	366
Tools and consumable supplies	3,227	1,822
Work in progress	332,653	357,181
Finished goods	1,508,003	1,366,637
Trading goods	685,448	554,873
Total	3,698,352	3,262,593

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. TRADE RECEIVABLES

	2020	2019
Trade receivables	2,843,486	2,654,343
Less: Provision for impairment of receivables	(240,003)	(249,171)
Trade receivables - net	2,603,483	2,405,172

The risk profile of trade receivables based on the Group's provision matrix shows that expected credit loss rate equals to zero. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

There are no trade receivables past due over 1 year that are not impaired.

The following table shows the movement in lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in IFRS 9.

	2020	2019
At 1 January	249,171	240,612
Expected credit loss (Note 26)	2,639	6,480
Write off	-	-
Collected bad and doubtful debts (Note 24)	(768)	(588)
Translation differences	(11,039)	2,677
As at 31 December	240,003	249,171

Ageing of impaired trade receivables are as follows:

	2020	2019
Up to 1 year	-	-
Over 1 year	240,003	249,171
As at 31 December	240,003	249,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. OTHER NON-CURRENT AND CURRENT ASSETS

	2020	2019
Other non-current assets	64,049	116,646
	64,049	116,646
Other current assets:		
- Prepaid expenses	60,956	76,206
- Receivables from employees	2,315	1,780
- Prepaid VAT taxes	157,861	148,867
- Other receivables	88,609	62,049
	309,741	288,902

Prepayments for VAT are refunded from the Tax authorities on regular basis.

Non-current receivables relate to prepayments for property, plant and equipment that are in use for a period longer than one year.

The fair values of non-current receivables and other receivables are as follows:

	2020	2019
Non-current receivables	64,049	116,646

The effective interest rate on non-current receivables is as follows:

	2020	2019
	2.00%	2.75%

15. CASH AND CASH EQUIVALENTS

	2020	2019
Cash balances held with banks	332,357	354,960
Cash in hand	1,286	993
Other	1,365	1,395
	335,008	357,348

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. SHARE CAPITAL

	Ordinary shares	Treasury shares	Total
At 1 January 2019	2,220,127	(23,032)	2,197,095
Purchase of treasury shares	-	(75,773)	(75,773)
As at 31 December 2019	2,220,127	(98,805)	2,121,322
Purchase of treasury shares	-	(10,480)	(10,480)
As at 31 December 2020	2,220,127	(109,285)	2,110,842

The total authorized number of ordinary shares is 1,431,353 with a par value of EUR 25.56 per share. All issued shares are fully paid in. As of 31 December 2020, the number of voting shares is 1,408,796 shares.

During 2020 the Parent Company acquired 800 of its own shares through Macedonian stock exchange and held as treasury shares. The total number of treasury shares is 22,557. The number of 3,287 treasury shares is reserved for former proprietors of which 3,228 are priority shares and 59 are ordinary shares.

17. OTHER RESERVES

	Transfer of reserves	Land	Investments in equity instruments	Fund for shares	Total
At 1 January 2019	(9,604)	627,167	2,368	228,916	848,847
Increase (Note 11)	-	-	592	-	592
Decrease	-	-	-	(16,784)	(16,784)
Foreign exchange differences on translation of foreign operations	-	13,725	-	-	13,725
Revaluation of land (Note 7)	-	823,836	-	-	823,836
As at 31 December 2019	(9,604)	1,464,728	2,960	212,132	1,670,216
Increase (Note 11)	-	-	(297)	-	(297)
Foreign exchange differences on translation of foreign operations	-	(29,562)	-	-	(29,562)
As at 31 December 2020	(9,604)	1,435,166	2,663	212,132	1,640,357

The nature and rights of distribution of each class of other reserves are:

- Revaluation reserves for land are created based on valuation of PP&E. These reserves are not distributable to shareholders,
- The reserves for Investments in equity instruments are created based on valuation of investments. These reserves are not distributable to shareholders,
- Funds for shares are created from retained earnings based on the relevant decision of the Shareholder assembly and are distributable to shareholders if not utilized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. BORROWINGS

	2020	2019
Non-current borrowings	626,459	312,812
Current borrowings	613,748	466,656
	1,240,207	779,468

The maturity of the borrowings is as follows:

	2020	2019
Up to 1 year	613,748	466,656
Between 1 and 3 years	626,459	312,812
	1,240,207	779,468

The borrowings are denominated in following currencies:

	2020	2019
EUR	248,612	363,347
MKD	991,342	415,912
Other	253	209
	1,240,207	779,468

The effective interest rates at the reporting date were as follows:

	31 December 2020		31 December 2019	
	EUR	MKD	EUR	MKD
	6 month		6 month	
	EURIBOR		EURIBOR	
Interest rates	+0.8 – 1.15%	1.6 – 2.1%	+0.6 – 2.5%	1.9 – 2.8%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. RETIREMENT BENEFIT OBLIGATIONS

	2020	2019
Retirement benefits	50,300	40,559

The retirement benefits are calculated based on the Group's legal obligation to pay two monthly net salaries to a vesting employee on the retirement date according to the actuarial calculation.

The amounts recognized in the Income statement are as follows:

	2020	2019
Beginning of the year	40,599	30,060
Increase in calculation (Note 23)	9,737	10,499
Foreign exchange differences	(36)	-
As at 31 December	50,300	40,559

The principal actuarial assumptions used were as follows:

	2020	2019
Discount rate	2.32%	2.62%
Personal income tax	10%	10%
Retirement requirements	at least 15 years of experience, men 64 years, women 62 years	
Monthly average salary	27,613 Denars	25,429 Denars

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. DEFERRED TAX

	2020	2019
Deferred tax assets	4,211	5,353
Deferred tax liabilities	(11,355)	(120)
	(7,144)	5,233

Deferred income tax is determined using the tax rate of 10%.

	2020	2019
Deferred tax asset as at 1 January	5,233	20,391
Deferred tax included in the income statement (Note 29)	(12,377)	(15,158)
Deferred tax (liability) / asset as at 31 December	(7,144)	5,233

The movements on deferred tax assets and (liabilities), net were as follows:

	Accruals	Fair value	Total
Deferred tax asset as at 1 January 2019	20,391	-	20,391
Charged to the income statement	(15,158)	-	(15,158)
Deferred tax asset as at 31 December 2019	5,233	-	5,233
Charged to the income statement	(12,377)	-	(12,377)
Deferred tax liability as at 31 December 2020	(7,144)	-	(7,144)

21. TRADE AND OTHER PAYABLES

	2020	2019
Trade payables	2,092,647	1,986,903
Customer's prepayments	35,747	22,107
Payables to employees	148,586	113,604
Dividends	9,304	9,304
Deferred income from subsidies	166,219	75,521
Other payables	321,069	209,198
	2,773,572	2,416,637

Deferred income from subsidies consist of Denar 155,726 thousand (2019: Denar 65,301 thousand) for the grants received from the Government of the Republic of North Macedonia in accordance with the Law on financial support of investments (Official Gazette of the Republic of Macedonia no. 83/18) and Denar 10,493 thousand (2019: Denar 10,220 thousand) for the funds received from the Fund for Innovation and Technology, for achieving accelerated technological development, based on knowledge transfer, research on development and innovations that contribute to new employments and economic growth and development, while improving the business environment for increasing the competitive capabilities of the companies.

Major part of other payables in the amount of Denar 321,069 thousand (2019: Denar 209,198 thousand) relate to accrued liabilities for purchases of services and goods.

FINANCIAL REPORT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. LEASE LIABILITY

	2020	2019
Non-current	250,822	319,160
Current	183,499	154,365
	434,321	473,525

The following tables details the Company's remaining contractual maturity for its lease liabilities, based on the undiscounted cash flows.

Maturity analysis	2020	2019
not later than 3 months	61,869	44,845
later than 3 months and not later than 1 year	134,864	125,580
later than 1 year and not later than 5 years	241,424	316,737
later than 5 years	9,020	13,674
	447,177	500,836

23. PROVISION FOR OTHER LIABILITIES AND CHARGES

	2020	2019
Provision for retirement benefits (Note 19)	9,737	10,499
	9,737	10,499

24. OTHER INCOME

	2020	2019
Collected written-off receivables	768	588
Interest income	1,579	3,531
Foreign exchange transaction gains	263,758	141,020
Income from subsidies	30,491	10,310
Other income	124,958	89,570
	421,554	245,019

25. OTHER EXPENSES

	2020	2019
Interest expenses	666	535
Foreign exchange transaction losses	365,225	108,752
Write off and shortage of inventory	91,453	125,075
Other expenses	45,305	73,805
	502,649	308,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. EXPENSES BY NATURE

	2020	2019
Raw materials	3,079,953	2,953,140
Employee benefit expense	2,663,368	2,409,746
Depreciation and amortization	971,578	807,044
Energy	190,494	203,780
Impairment of trade receivables (Note 13)	2,639	6,480
Transportation	212,183	188,766
Changes in the inventories	(135,545)	(205,247)
Cost of trading goods	2,195,992	1,995,624
Other expenses	1,494,822	1,453,879
	10,675,484	9,813,213

27. EMPLOYEE BENEFIT EXPENSES

	2020	2019
Gross salaries	2,313,259	2,079,222
Other employees benefits	350,109	330,524
	2,663,368	2,409,746
Number of employees as at 31 December	2,392	2,227

28. FINANCE EXPENSES

	2020	2019
Foreign exchange transaction (losses)/gains on borrowings, net	(63)	7
Interest expense on lease liabilities	(22,056)	(19,480)
Interest expense on borrowings	(17,753)	(12,645)
	(39,872)	(32,118)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. INCOME TAX

	2020	2019
Current income tax	148,537	157,893
Deferred income tax (Note 20)	12,377	15,158
	160,914	173,051

The adjustment of income tax calculated on the profit before income tax according to the legal tax rate for the year ending December 31, 2020 is as follows:

	2020	2019
Profit before tax	1,326,140	1,183,830
Tax calculated at tax rate of 10%	132,614	118,383
Tax on expenses not deductible for tax purposes	78,077	90,028
Tax allowances	(62,380)	(52,228)
Deferred income tax	12,377	15,158
Other	226	1,710
Income tax	160,914	173,051
Effective tax rate	12.13%	14.62%

30. EARNINGS PER SHARE

	2020	2019
Basic earnings per share		
Profit attributable to the shareholders (In Denar)	1,165,225,722	1,010,779,149
Weighted average number of shares outstanding	1,408,938	1,415,132
Basic earnings per share (in Denar)	827.02	714.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31. DIVIDENDS

The Group does not recognize the dividend payable before it is approved at the Annual General Meeting.

The dividends approved by shareholders on April 6, 2020 amounted to Denar 515,287 thousands. The approved dividends were paid and retained earnings appropriately decreased. The dividend and the tax related to the dividend are disclosed as decrease of retained earnings.

32. COMMITMENTS

Capital expenditures contracted for acquisition of property, plant and equipment at the reporting date but not yet incurred amount to Denar 51,500 thousand (2019: Denar 264,322 thousand).

33. CONTINGENCIES

The Group has contingent liabilities with respect to the guarantees issued to third parties in the amount of Denar 305,332 thousand (2019: Denar 386,234 thousand).

34. RELATED PARTY TRANSACTIONS

The Group has no ultimate controlling party, the shares are widely held.

Key management compensations

No compensations were paid to the Managing Board members in 2020 for the purpose of participation in the Managing board. In 2020, the amount of Denar 4,288 thousand was paid to the Supervisory Board members (2019: Denar 4,402 thousand). Total key management compensations amounted to Denar 240,164 thousand (2019: Denar 242,584 thousand).

35. EXCHANGE RATES OF PRINCIPAL CURRENCIES

Closing rates:

	31 Dec 2020	31 Dec 2019
EUR	61.69	61.49
RUR	0.67	0.89
USD	50.23	54.95
CHF	56.82	56.56

36. TAXATION RISK

The Republic of North Macedonia currently has several tax laws in effect, as imposed by the Ministry of Finance of the Republic of North Macedonia. The applicable taxes include: value added tax, corporate income tax, and personal income tax, among others. Apart from that, the regulations governing these taxes were not enforced for substantial periods of time; in contrast to similar legislation in more developed market economies. Moreover, the regulations defining the implementation of these laws are often unclear or non-existent. Hence, few precedents with regard to tax issues have been established in the Republic of North Macedonia. Often, contrary opinions pertaining to legal interpretations exist both among, and within, governmental ministries and organizations, thus creating uncertainties and areas of legal contention. Tax returns, together with all other areas regulated by the law (such as customs) are reviewed and controlled by competent authorities by several authorized vested in powers to assess severe fines and penalties.

The Company performs significant transactions with its related parties. Although the management believes that the Company possesses sufficient and adequate documentation on transfer prices, it is still uncertain whether the tax and other authorities' requirements and interpretations of the tax legislation will differ from those of the management. The management believes that any varying interpretations will have no material effects on the Company's consolidated financial statements. The interpretation of tax legislation by tax authorities as applied to the transactions and activity of the Company may not coincide with that of the management. As a result, transactions may be challenged by tax authorities and the Company may be assessed additional taxes, penalties and interest, which can be significant. The periods remain open to review by the tax and customs authorities with respect to tax liabilities for five years. The abovementioned explanations pose tax risks in the Republic of North Macedonia which are materially more significant than those common in the countries with more developed tax systems.

37. EVENTS AFTER THE REPORTING PERIOD

Alkaloid AD Skopje registered a new subsidiary in Great Britain named Alkaloid UK Limited. The subsidiary is 100% owned by Alkaloid AD Skopje.

The dividends approved by shareholders on April 5, 2021 amounted to Denar 572,541 thousands for the year ended December 31, 2020. The approved dividends were paid and retained earnings appropriately decreased. The dividend and the tax related to the dividend are disclosed as decrease of retained earnings.

After the reporting date, there have been no other events that would require additional disclosures in or any adjustments to the consolidated financial statements (adjusting events) until the date of their issuance.





CONTACTS



CONTACTS

SUBSIDIARIES

ALKALOID AD Skopje

Blvd. Aleksandar Makedonski 12, 1000 Skopje;
Republic of North Macedonia
Telephone: + 389 2 310 40 00
Facsimile: + 389 2 310 40 14
e-mail: alkaloid@alkaloid.com.mk
www.alkaloid.com.mk

CHIEF EXECUTIVE OFFICER / MB PRESIDENT

Zhivko Mukaetov
Telephone: + 389 2 310 40 01
Facsimile: + 389 2 310 40 04
e-mail: zmukaetov@alkaloid.com.mk

Elefterija Davcheva

Personal Assistant to the CEO / MB President
Telephone: + 389 2 310 40 01
Facsimile: + 389 2 310 40 04
e-mail: edavceva@alkaloid.com.mk

FINANCES

Viktor Stojchevski
CFO / MB Member
Telephone: + 389 2 310 40 07
Facsimile: + 389 2 310 40 81
e-mail: vstojcevski@alkaloid.com.mk

SHAREHOLDERS, PROPERTY ISSUES

Gjorgj Jovanov
Director / MB Member
Tel: + 389 2 310 4 003
Facsimile: + 389 2 310 40 04
e-mail: gjovanov@alkaloid.com.mk

GENERAL AFFAIRS

Kire Icev
Director / MB Member
Telephone / Facsimile: + 389 2 310 40 43
e-mail: kicev@alkaloid.com.mk

INTERNAL AUDIT DEPARTMENT

Danilo Jovanovich
Telephone: + 389 2 310 4 119
e-mail: djovanovic@alkaloid.com.mk

STEERING COMMITTEE

Natasha Nasteva
Telephone: + 389 2 310 42 49
Facsimile: + 389 2 310 40 21
e-mail: nnasteva@alkaloid.com.mk

LOGISTICS&WAREHOUSES

Zoran Kostovski
Telephone: + 389 2 310 40 35
Facsimile: + 389 2 310 40 36
e-mail: zkostovski@alkaloid.com.mk

PURCHASING, INVESTMENTS AND TRANSPORT

Dejan Krzhovski
Telephone: + 389 2 310 40 77
Facsimile: + 389 2 310 40 28
e-mail: dkrzovski@alkaloid.com.mk

PRODUCTION PLANNING

Ivan Ilievski
Telephone: + 389 2 310 43 12
e-mail: iilievski@alkaloid.com.mk

QUALITY ASSURANCE

Olivera Paneva
Telephone: + 389 2 310 40 85
e-mail: openeva@alkaloid.com.mk

CORPORATE LEGAL DEPARTMENT

Nikola Kolevski
Telephone: + 389 2 310 40 75
e-mail: nkolevski@alkaloid.com.mk

CONTACTS

CORPORATE COMPLIANCE OFFICER

Corporate Legal Department
MKD, SEE, RUS, CIS, UA, PC HKB, KONS
Elena Trimchevska Lape
Telephone: + 389 2 310 42 08
e-mail: etrimcevska@alkaloid.com.mk
e-mail: complianceofficer@alkaloid.com.mk

CORPORATE DATA PROTECTION OFFICER

Corporate Legal Department
EU, PCD and QA
Vesna Sokolovska
Telephone: + 389 2 310 42 09
e-mail: vsokolovska@alkaloid.com.mk

PERSONNEL AFFAIRS

Marija Malova/Biljana Kashmicovska
Telephone: + 389 2 310 40 32
Facsimile: + 389 2 317 24 66
e-mail: mmalova@alkaloid.com.mk
e-mail: bmalova@alkaloid.com.mk

HUMAN RESOURCES

Nikola Eftimov
Telephone: + 389 2 310 40 44
e-mail: neftimov@alkaloid.com.mk

INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

Nikola Dimovski
Telephone: + 389 2 310 40 57
e-mail: ndimovski@alkaloid.com.mk

MARKETING COMMUNICATIONS

Dushko Markovski
Telephone: + 389 2 310 40 26
e-mail: dmarkovski@alkaloid.com.mk

PC PHARMACEUTICALS

PRODUCTION PHARMACEUTICALS

Milkica Gligorova
Director / MB Member
Telephone/Fax: + 389 2 310 40 05
e-mail: mgligorova@alkaloid.com.mk

PHARMACEUTICAL CORPORATE DEVELOPMENT

Milos Radulovic
Telephone: + 389 2 310 42 67
e-mail: mradulovic@alkaloid.com.mk

MARKETING&SALES (RUSSIA, UKRAINE&CROATIA)

Ernest Debreshlioski
Telephone: +389 2 3104 372
e-mail: edebreslioski@alkaloid.com.mk

MEDICAL AND PORTFOLIO

Snezhana Petrovska
Telephone: + 389 2 310 40 37
Facsimile: +389 2 310 42 25
e-mail: spetrovska@alkaloid.com.mk

BUSSINESS DEVELOPMENT

Natasha Nikolovska
Telephone: + 389 2 311 07 40
e-mail: nnikolovska@alkaloid.com.mk
e-mail: business.development@alkaloid.com.mk

INNOVATIONS & STRATEGIC PROJECTS

Tatjana Trajkova
email: ttrajkova@alkaloid.com.mk

RESEARCH&DEVELOPMENT

Jelena Lazova
Telephone + 389 2 310 4 300
Facsimile: + 389 2 310 4 134
e-mail: jlazova@alkaloid.com.mk

CLINICAL UNIT

Zlatica Bojadzieska

Telephone: +389 2 310 43 79

Email: zbojadzieska@alkaloid.com.mk

REGULATORY AFFAIRS

Natasha Vukicevic

Telephone: + 389 2 310 40 86

e-mail: njovanovska@alkaloid.com.mk

GLOBAL PHARMACOVIGILANCE

Sandra Chomovska Madevska

Telephone: + 389 2 310 42 98

e-mail: scomovska@alkaloid.com.mk

PROJECT MANAGEMENT & INTEGRATIONS

Dorka Mihajlova

e-mail: dmihajlova@alkaloid.com.mk

PACKAGING DEVELOPMENT AND DATA MANAGEMENT

Slobodan Vukajlovic

Telephone: +389 2 3104 341

e-mail: svukajlovic@alkaloid.com.mk

QUALITY CONTROL

Hristina Babunovska

Telephone: + 389 2 310 40 65

Facsimile: + 389 2 310 40 05

e-mail: hbabunovska@alkaloid.com.mk

SALES PHARMACEUTICALS

Emil Micajkov

Telephone: + 389 2 3104 388

e-mail: emicajkov@alkaloid.com.mk

SALES PHARMACEUTICALS / ALKALOID KONS / SOUTH EASTERN EUROPE

Vladimir Indov

Telephone: + 389 2 310 4 388

e-mail: vindov@alkaloid.com.mk

SALES PHARMACEUTICALS MACEDONIA

Biljana Taneva

Telephone: + 389 2 310 4 045

Facsimile: + 389 2 310 4 056

e-mail: btaneva@alkaloid.com.mk

Regional Operating Manager for Albania and Kosovo

Artiana Ajdini

Telephone: + 389 2 310 40 53

e-mail: aajdini@alkaloid.com.mk

Regional Operating Manager for Serbia, Montenegro, BiH

Ognjen Trajkovski

Telephone: + 389 2 310 40 53

Facsimile: + 389 2 310 42 25

e-mail: otrajkovski@alkaloid.com.mk

Regional Operating Manager for Russia, CIS and Ukraine

Dimitar Georgievski/Kalina Naumovska

Telephone: + 389 2 310 41 67

Facsimile: + 389 2 310 42 25

e-mail: dgeorgievski@alkaloid.com.mk

e-mail: knaumovska@alkaloid.com.mk

Regional Operating Manager for the EU Countries

Maja Nojkova Belevska

Telephone: + + 389 2 310 40 22

e-mail: mnojкова@alkaloid.com.mk

LOGISTICS FOR SALES PHARMACEUTICALS / RUSSIA, UKRAINE, CIS

Tatjana Ivanoska Filipovska

Telephone: + 389 2 3104 068

e-mail: tivanoska@alkaloid.com.mk

CONTACTS

MEDICINAL PROGRAM

Ilija Kovachevski

Telephone: + 389 2 310 40 74

Facsimile: + 389 2 310 40 27

e-mail: ikovacevski@alkaloid.com.mk

ALKALOID KONS DOOEL

Oliver Lazareski

Telephone: + 389 2 320 44 30

Facsimile: + 389 2 320 44 31

e-mail: olazareski@alkaloid.com.mk

BOTANICAL PHARMACY

Biljana Lazareska

Telephone: + 389 2 323 79 75

e-mail: blazareska@alkaloid.com.mk

PC CHEMISTRY COSMETICS BOTANICALS

Nikola Mizo

Telephone: + 389 2 310 40 02

Facsimile: + 389 2 310 40 27

e-mail: nmizo@alkaloid.com.mk

SALES FMCG

Domestic market

Nikola Ristov

Telephone: + 389 2 310 40 42

Facsimile: + 389 2 317 55 31

e-mail: nristov@alkaloid.com.mk

SALES FMCG

Export Sales

Darko Nanov

Telephone: + 389 2 310 40 33

Facsimile: + 389 2 310 40 27

e-mail: dnanov@alkaloid.com.mk

SALES CHEMISTRY

Ljube Danilovski

Telephone: + 389 2 310 40 19

Facsimile: + 389 2 310 40 27

e-mail: ljdanilovski@alkaloid.com.mk

PRODUCTION COSMETICS & R&D

Dobriša Sekulovska - Popovska

Telephone: + 389 2 203 79 29

Facsimile: + 389 2 203 72 16

e-mail: dsekulovska@alkaloid.com.mk

PRODUCTION & RESEARCH, DEVELOPMENT & REGULATORY AFFAIRS BOTANICALS

Maja Stefkova

Telephone: + 389 2 2465 361

e-mail: mstefkova@alkaloid.com.mk

PRODUCTION CHEMISTRY (X-Ray Films and Hemodialysis solutions) & R&D

Filip Godzo

Telephone: + 389 2 203 79 53

e-mail: fgodjo@alkaloid.com.mk

SUBSIDIARIES

UNITED STATES OF AMERICA

Alkaloid USA, LLC

Address: 6530 West Campus Oval

Suite 280, New Albany,

Ohio 43054, USA

Telephone/Facsimile:

+ 1 614 939 9488; + 1 614 939 9498

e-mail: vstavroff@herbalscienceinc.com

Contact person: Vera Stavroff

SWITZERLAND

Alkaloidpharm SA

Rue Georges-Jordil 4

1700 Fribourg, Switzerland

Telephone: + 41 26 323 41 90

e-mail: info@alkaloid.ch

Contact person: Natasha Milkovska

RUSSIAN FEDERATION

ALKALOID-RUS LLC

33 Usacheva str. Bld. 2 Office 9,

119048 Moscow, Russian Federation

Telephone / Facsimile: + 7495 502 92 97

e-mail: zadamcevski@alkaloid.com.mk

Contact person: Zharko Adamchevski

SLOVENIA

ALKALOID - INT d.o.o.

Slandrova ulica 4,

1231 Ljubljana – Crnuce, Ljubljana, Slovenija

Telephone: + 386 1 3004 290

Facsimile: + 386 1 3004 291

e-mail: info@alkaloid.si

Contact person: Emil Micajkov

ALKALOID - FARM d.o.o.

Slanrdova ulica 4,

1231 Ljubljana – Crnuce, Ljubljana, Slovenija

Telephone: + 386 1 3004 290

Facsimile: + 386 1 3004 291

e-mail: alma.b@alkaloid.si

Contact person: Alma Bunič

ALKA-LAB d.o.o.

Celovška cesta 40a

1000 Ljubljana, Slovenija

Telephone: +386 1 777 11 20

Facsimile: + 386 1 777 11 21

e-mail: barbara.skvarc@alka-lab.si

Contact person: Barbara Skvarč

CROATIA

ALKALOID d.o.o.,

Slavonska avenija 6 A

10000 Zagreb, Croatia

Telephone: + 385 16 311 920

Facsimile: + 385 16 311 922

e-mail: alkaloid@alkaloid.hr

Contact person: Milosav Poposki

SERBIA

Alkaloid d.o.o.

Ul. Prahovska 3

11000 Beograd, Serbia

Telephone / Facsimile:

+ 381 11 3679 070

+ 381 11 3679 071

e-mail: office@alkaloid.co.rs

Contact person: Igor Petrov

ALKALOID WHOLESALERS

d.o.o. Beograd

Ul. Prahovska 3

11000 Beograd, Serbia

Telephone / Facsimile:

+ 381 11 3679 070

+ 381 11 3679 071

e-mail: veledrogerija@alkaloid.co.rs

Contact person: Igor Petrov

MONTENEGRO

Alkaloid d.o.o. Podgorica

Ul. Svetlane Kane Radević br.3/V

81 000 Podgorica, Crna Gora

Telephone / Facsimile:

+ 382 20 246-207

+382 20 246-208

e-mail: alkaloid@t-com.me

Contact person: Vladislav Stanishic

BOSNIA AND HERZEGOVINA

Alkaloid d.o.o.

Isevica sokak 4-b

Saraevo, BiH

Telephone / Facsimile:

+ 387 33 475 790

+ 387 33 475 791

e-mail: alkaloid@bih.net.ba

Contact person: Boris Jotevski

CONTACTS

BULGARIA

Alkaloid EOOD
Nikola Y. Vaptsarov Blvd.51-A, fl. 4
1407 Sofia, Bulgaria
Phone: + 359 2 80 81 081
e-mail:office@alkaloid.bg
Contact person: Goran Kadiev

ALBANIA

Alkaloid sh.p.k
Bulevardi Gjergj Fishta; No.146; shkalla 5; kati 8; apartamenti 25
1001 Tirana, Albania
Telephone: +355 4 242 2955
e-mail: efida@alkaloid.com.mk
Contact person: Emira Fida

KOSOVO

Alk&Kos Pharmaceuticals SH.P.K.
Magjistralja Prishtine – Shkup (km. i shtate)
Llapanaselle
10500 Graçanicë, Kosovo
Tel. + 383 38 606 008
e-mail: iveseli@alkaloid.com.mk
Contact person: Ilir Veseli

UKRAINE

“Alkaloid Kiev” Co. LTD
15/1A Kyrylivska street, office 4
04080, Kiev, Ukraine
Telephone: + 38(044) 390 60 66
Facsimile: + 38(044) 393 21 20
Email: dkaranfilov@alkaloid.com.ua
Contact person: Dejan Karanfilov

TURKEY

Alkaloid ilac Tic Ltd Sti , Vizyon park A1/1/15, 29 ekim cad, Yenibosna
merkez mah, Bahcelievler,
Istanbul, Turkey
Telephone + 90 212 603 10 70
Facsimile: + 90 212 369 12 85
e-mail: ademiraga@alkaloid.com.mk
Contact person: Arben Demiraga



ALKALOID
SKOPJE

PHARMACEUTICAL | CHEMICAL | COSMETICAL | BOTANICAL | INDUSTRY

alkaloid.com.mk