

## **PERFORMANCE ANALYSES**

### **For the period January - December 2017**

According to the unaudited stand alone and consolidated Income statement for the period January - December 2017, Alkaloid AD Skopje achieved positive financial results.

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

There were no changes in the accounting policies and evaluation methods in the positions of the financial statements of Alkaloid AD Skopje in 2017.

#### **Total revenues**

The total stand alone revenues for January - December 2017 in the amount of 7.268.793 thousand denars have increased for 9%, compared to 2016. The largest portion of 95% in the total revenues belongs to the sales revenues, which compared to 2016 have increased for 8%.

The total consolidated revenues for January - December 2017 in the amount of 9.423.978 thousand denars have increased for 10%, compared to 2016. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2016 have increased for 10%.

#### **Total expenses**

The total stand alone expenses for January - December 2017 in the amount of 6.445.506 thousand denars have increased for 9% compared to 2016.

The total consolidated expenses for January - December 2017 in the amount of 8.516.224 thousand denars have increased for 10% compared to 2016.

#### **Dividend**

The dividends approved by shareholders on 3 April 2017 were Denar 357.838 thousands or gross 250 denars for one ordinary share. Net dividend for 2016 is 225 denars for one ordinary share.

#### **Investments**

The total investments in non-current assets in January - December 2017 are in the amount of 861.420 thousand denars.

#### **Borrowings**

The total consolidated borrowings as at 31.12.2017 are in the amount of 652.153 thousand denars.

#### **New employments**

There were 143 new employments for the period January - December 2017 in Alkaloid in Republic of Macedonia.

**Significant Income statement positions**

The achieved stand alone and consolidated results for the period January - December 2017, the proportions, dynamics and comparison with the previous year are as follows:

**Stand alone sales**

Market	(In 000 MKD)				
	2017		2016		Ind
	Sales	%	Sales	%	17/16
Domestic market	2.654.758	38	2.509.795	39	106
Foreign market	4.277.418	62	3.908.786	61	109
<b>Total:</b>	<b>6.932.176</b>	<b>100</b>	<b>6.418.581</b>	<b>100</b>	<b>108</b>

**Consolidated sales**

Market	(In 000 MKD)				
	2017		2016		Ind
	Sales	%	Sales	%	17/16
<b>Macedonia</b>	<b>3.486.685</b>	<b>38</b>	<b>3.321.026</b>	<b>40</b>	<b>105</b>
Southeast Europe	2.996.158	33	2.862.703	35	105
Russia and CIS	642.236	7	511.440	6	126
Western Europe (EU and EFTA)	1.847.184	20	1.437.985	17	128
Other (USA, Turkey etc.)	122.453	1	159.616	2	77
<b>Total foreign market</b>	<b>5.608.031</b>	<b>62</b>	<b>4.971.744</b>	<b>60</b>	<b>113</b>
<b>Total:</b>	<b>9.094.716</b>	<b>100</b>	<b>8.292.770</b>	<b>100</b>	<b>110</b>

Out of the total consolidated sales, 62% were realized in the foreign market. The highest rise in export markets was seen in the following countries: Great Britain – 1.317%, Romania – 60%, Hungary- 347%, Czech Republic 22%, Poland 65%, Slovenia - 12%, Croatia - 13%, Russia – 17%, Ukraine - 208% etc.

Group of products	(In 000 MKD)				
	2017		2016		Ind
	Sales	%	Sales	%	17/16
Antibiotics	1.240.897	14	1.037.294	13	120
OTC products	1.906.806	21	1.566.125	19	122
Cardiovascular products	1.484.970	16	1.431.452	17	104
Neurological products	1.197.654	13	1.110.285	13	108
Other	894.061	10	824.962	10	108
<b>Total products - Alkaloid</b>	<b>6.724.388</b>	<b>74</b>	<b>5.970.118</b>	<b>72</b>	<b>113</b>
Commodities	904.863	10	891.395	11	102
Sevices and other revenue	66.712	1	48.872	-	137
<b>Total Pharmaceuticals</b>	<b>7.695.963</b>	<b>85</b>	<b>6.910.385</b>	<b>83</b>	<b>111</b>
<b>Total Chemistry</b>	<b>287.194</b>	<b>3</b>	<b>256.855</b>	<b>3</b>	<b>112</b>
<b>Total Cosmetics</b>	<b>841.275</b>	<b>9</b>	<b>822.820</b>	<b>10</b>	<b>102</b>
<b>Total Botanicals</b>	<b>270.284</b>	<b>3</b>	<b>302.710</b>	<b>4</b>	<b>89</b>
<b>Total:</b>	<b>9.094.716</b>	<b>100</b>	<b>8.292.770</b>	<b>100</b>	<b>110</b>

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

	(In 000 MKD)				
	2017		2016		Ind
	Amount	% in Sales	Amount	% in Sales	17/16
Stand alone EBITDA	1.305.755	19	1.208.749	19	108
Consolidated EBITDA	1.413.337	16	1.296.424	16	109

**Net profit**

	(In 000 MKD)				
	2017		2016		Ind
	Amount	% in Sales	Amount	% in Sales	17/16
Stand alone Net profit	765.955	11	704.270	11	109
Consolidated Net profit	809.277	9	731.818	9	111

Stand alone Net profit for 2017 is 765.955 thousand denars, which compared to last year has increased for 9%.

Consolidated Net profit for 2017 is 809.277 thousand denars, which compared to last year has increased for 11%.