

## PERFORMANCE ANALYSES

### For the period January - December 2021

According to the unaudited stand alone and consolidated Income statement for the period January - December 2021, 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 2021.

#### Total revenues

The total stand alone revenues for January - December 2021 in the amount of 10.016.206 thousand denars have increased for 4%, compared to 2020. The largest portion of 95% in the total revenues belongs to the sales revenues, which compared to 2020 have increased for 4%.

The total consolidated revenues for January - December 2021 in the amount of 13.196.695 thousand denars have increased for 5%, compared to 2020. The largest portion of 97% in the total revenues belongs to the sales revenues, which compared to 2020 have increased for 5%.

#### Total expenses

The total stand alone expenses for January - December 2021 in the amount of 8.628.364 thousand denars have increased for 3% compared to 2020.

The total consolidated expenses for January - December 2021 in the amount of 11.736.771 thousand denars have increased for 5% compared to 2020.

#### Dividend

The dividends approved by shareholders on April 5th 2021 were 572.541 thousand denars or net-dividend of 360 denars for one ordinary share.

#### Investments

The total investments in non-current assets in January - December 2021 are in the amount of 1.186.125 thousand denars.

#### Borrowings

The total consolidated borrowings as at 31.12.2021 are in the amount of 1.200.203 thousand denars.

#### Employees

In the period January – December 2021 Alkaloid recruited 214 new employees in the R.N. Macedonia. In March 2021 the Management board of Alkaloid AD Skopje decided to approve and pay holiday allowance to its employees equal to 100% of the quarterly average net salary in the country. The holiday allowance was 31,167 denars gross or 28,050 denars net. In December 2021, on the occasion of the 85th anniversary of ALKALOID, the Management board of Alkaloid AD Skopje reached a decision on approval and payment of an award for its employees. The amount paid was 28,000 denars net. The Alkaloid Group has 2,528 employees, of which 1,942 in its Skopje headquarters and 586 in its subsidiaries and representative offices abroad.

**Significant Income statement positions**

The achieved stand alone and consolidated results for the period January - December 2021, the proportions, dynamics and comparison with the previous year are as follows:

**Stand alone sales**

Market	(In 000 MKD)				
	2021		2020		Ind
	Sales	%	Sales	%	21/20
Domestic market	3.122.591	33	3.030.385	33	103
Foreign market	6.437.164	67	6.157.875	67	105
<b>Total:</b>	<b>9.559.755</b>	<b>100</b>	<b>9.188.259</b>	<b>100</b>	<b>104</b>

**Consolidated sales**

Market	(In 000 MKD)				
	2021		2020		Ind
	Sales	%	Sales	%	21/20
<b>Domestic market</b>	<b>4.440.652</b>	<b>35</b>	<b>4.268.849</b>	<b>35</b>	<b>104</b>
Southeast Europe	4.094.400	32	4.018.485	33	102
Russia and CIS	1.647.457	13	1.147.211	9	144
Western Europe (EU and EFTA)	2.494.739	19	2.416.683	20	103
Other	116.932	1	281.100	2	42
<b>Total foreign market</b>	<b>8.353.528</b>	<b>65</b>	<b>7.863.479</b>	<b>65</b>	<b>106</b>
<b>Total:</b>	<b>12.794.180</b>	<b>100</b>	<b>12.132.328</b>	<b>100</b>	<b>105</b>

Out of the total consolidated sales, 65% were realized in the foreign markets. The German market had the highest growth of 160%, followed by Poland with an increase of 131%, then Ukraine 47%, Russia 45%, Hungary 30%, Bulgaria 16%, Czech Republic 12% etc. In the Pharmaceuticals segment Alkaloid had sales in Germany, Austria, Portugal and Cyprus for the first time. In the Cosmetics segment, the Becutan collection had its first significant sale in Saudi Arabia too.

Group of products	(In 000 MKD)				
	2021		2020		Ind
	Sales	%	Sales	%	21/20
Antibiotics	2.701.945	21	1.969.364	16	137
OTC products	2.527.441	20	2.674.369	22	95
Cardiovascular products	1.759.941	14	1.756.304	14	100
Neurological products	1.695.852	13	1.628.399	13	104
Other	1.024.590	8	1.104.404	9	93
<b>Total products - Alkaloid</b>	<b>9.709.769</b>	<b>76</b>	<b>9.132.840</b>	<b>75</b>	<b>106</b>
Commodities	1.447.903	11	1.339.629	11	108
Services and other revenue	79.891	1	55.254	0	145
<b>Total Pharmaceuticals</b>	<b>11.237.563</b>	<b>88</b>	<b>10.527.723</b>	<b>87</b>	<b>107</b>
<b>Total Chemistry</b>	<b>330.989</b>	<b>3</b>	<b>289.025</b>	<b>2</b>	<b>115</b>
<b>Total Cosmetics</b>	<b>973.371</b>	<b>8</b>	<b>926.587</b>	<b>8</b>	<b>105</b>
<b>Total Botanicals</b>	<b>252.257</b>	<b>2</b>	<b>388.993</b>	<b>3</b>	<b>65</b>
<b>Total:</b>	<b>12.794.180</b>	<b>100</b>	<b>12.132.328</b>	<b>100</b>	<b>105</b>

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

	(In 000 MKD)				
	2021		2020		Ind
	Amount	% in Sales	Amount	% in Sales	21/20
Stand alone EBITDA	2.190.776	23	1.959.849	21	112
Consolidated EBITDA	2.302.590	18	2.077.935	17	111

**Net profit**

	(In 000 MKD)				
	2021		2020		Ind
	Amount	% in Sales	Amount	% in Sales	21/20
Stand alone Net profit	1.281.406	13	1.142.651	12	112
Consolidated Net profit	1.304.960	10	1.167.485	10	112

Stand alone Net profit for 2021 is 1.281.406 thousand denars, which compared to last year has increased for 12%.

Consolidated Net profit for 2021 is 1.304.960 thousand denars, which compared to last year has increased for 12%.

**Business plan 2022**

The business plan for 2022, adopted by the Management Board of Alkaloid AD Skopje at its session held on December 29th 2021, anticipates investment of around 14% of the consolidated sales in tangible and intangible assets, a growth in consolidated sales of 8% compared to 2021, as well as a growth in pre-tax consolidated profit of 7% in comparison with 2021.

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

**Expectations for the upcoming period**

In the past period, the company has faced a number of internal and external challenges and emerging risks, generated by the pandemic of COVID 19. To date we have taken a number of measures to offset all negative effects without compromising employee health and company's successful operation.

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

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