



III ANNUAL CONSOLIDATED BUSINESS REPORT 2020



I GENERAL INFORMATION

1. Basic info

Company name:	GALENIKA – FITOFARMACIJA a.d., Batajnički drum bb, 11080 Beograd - Zemun
No. of Decision of Serbian Business Registers Agency:	BD 307/2005 dated January 27, 2005
ID No.:	07725531
Tax ID No.:	100001046
Registered activity:	Manufacture of pesticides and agricultural chemicals, Activity Code 2020
Web site & email:	www.fitofarmacija.rs ; office@fitofarmacija.rs
Share capital:	RSD 3.511.200.000 on December 31 st , 2020
Number of issued shares:	2.640.000 (ordinary); ISIN No: RSFITOE 21521; CFI code: ESVUFR; BELEX: FITO
Number of own shares:	None
Subsidiaries:	<ul style="list-style-type: none">• ENVIPACK d.o.o., Belgrade, ID No 2080115, Activity Code 7022 Consultancy activities in connection with business and other management;• GALENIKA-FITOFARMACIJA d.o.o. Brezovica pri Ljubljani, Slovenia, ID No 6813313000, Activity Code 46.900 Non-specialized wholesale trade• HOLDING GALENIKA d.o.o., Belgrade, ID No 07092920, Activity code 6820 Renting of own or leased real estate and management thereof.
Auditor:	UHY REVIZIJA d.o.o., Belgrade, ID No.: 17082175

2. Company Management

Board of Directors:

Non-executive directors:

- Dusan Mojsilovic, Chairman, owner of Agromarket d.o.o.
- Mirjana Bogicevic, independent director
- Nikola Mojsilovic

Executive directors:

- Dragan Nenadovic, Chief Executive Officer, owner of 6,79% of the Company shares;
- Slavica Pekovic, Executive Director

Company Secretary: Bojana Mitic

**3. Top ten shareholders at the end of 2020**

No.	Shareholder	No. shares	%
1.	AGROMARKET D.O.O.	2,190,164	82.96%
2.	Nenadović Dragan	173,718	6.58%
3.	OTP BANKA SRBIJA - CUSTODY	27,557	1.04%
4.	Nenadović Milomir	5,544	0.21%
5.	VOJVODJANSKA BANKA A.D. NOVI SAD - NOMINEE	5,002	0.19%
6.	Vukov Boško	4,152	0.16%
7.	Vukov Zoran	3,222	0.12%
8.	Djedović - Živanović Nevenka	3,134	0.12%
9.	KOMERCIJALNA BANKA A.D. - CUSTODY	2,814	0.11%
10.	RAIFFEISEN BANKA AD BEOGRAD - CUSTODY	2,636	0.10%
	Total:	2,417,943	91.59%

4. General information of subsidiaries

Company name:	ENVIPACK d.o.o. Batajnicki drum bb, 11080 Belgrade - Zemun
Id No.:	20801115
Tax ID No.:	107430272
Registered activity:	Consultancy activities in connection with business and other management, Activity Code 7022
Legal representative:	Aleksandar Sosevic
Web site & email	www.envipack.rs; office@envipack.rs

ENVIPACK d.o.o was founded in February 2012 in 100% ownership of GALENIKA – FITOFARMACIJA a.d..

ENVIPACK is the operator with the integrated permit for hazardous and non-hazardous waste. The primary focus of ENVIPACK is the management of packaging waste from plant protection products.

Company name:	GALENKA – FITOFARMACIJA, zastupanje i trgovina, d.o.o., Trzaska cesta 515, 1351 Brezovica pri Ljubljani, Republica of Slovenia
Id No.:	6813313000
Tax ID No.:	90008847
Registered activity:	Non-specialized wholesale trade, Activity Code 46.900
Legal representative:	Slavica Pekovic

GALENKA – FITOFARMACIJA d.o.o., Slovenia, was founded in March, 2015 in 100% owned by GALENIKA – FITOFARMACIJA a.d., for administrative purposes of registration of the products from the parent company product range in the EU member countries.

In accordance with applicable regulations of the EU, in order for a company to be able to submit an application for registration of plant protection product in the EU (the applicant company), it must have its registered office in one of the EU member states, and a company in which the plant protection product is produced (place of production) may be located anywhere in the world.

Company name:	HOLDING GALENIKA d.o.o., Masarikov trg 8a, 11080 Zemun
Id No.:	07092920
Tax ID No.:	100096575
Registered activity:	Renting of own or leased real estate and management thereof, Activity code 6820
Legal representative:	Slavica Pekovic



GALENKA HOLDING d.o.o. is the legal successor of the SOE Holding company Galenika DP in bankruptcy.

In June 2016, as the only bidder at the public tender for the sale of a debtor, GALENIKA – FITOFARMACIJA a.d. became the owner of this company. After completing legal formalities of suspension of bankruptcy, in early November we registered changes in the Business Registers Agency of Serbia. The holding company “Galenika” dp in bankruptcy had no employees and did not have any business activities. The primary motive for purchasing this entity was the fact that it is the owner of commercial property in a building on street Masarikov trg 8a in Zemun, which is majority owned by GALENIKA-FITOFARMACIJA a.d..

II BUSINESS PERFORMANCE IN 2020

A detailed Business Report of the Company in 2020, which includes an overview of its development, general business policy, strategy, development activities, main business risks, as well as activities and plans of ENVIPACK d.o.o., was published in the individual Annual Report of the Company, and can be found on the website of the Belgrade Stock Exchange and the Company’s website. Also, this Business Report is an integral part of the individual Annual Report of the Company.

1. Business analysis

In thousands RSD

	2020.	2019.	2018.
Total revenue	5.569.887	5.114.222	4.726.215
Total expenses	4.522.964	4.310.453	3.841.113
Profit before tax (PBT)	1.046.923	803.769	885.102
Operating income	4.915.901	4.443.017	4.184.802
Net sales	4.866.196	4.422.499	4.158.359
EBITDA	1.018.263	845.298	1.027.067
Return on investment (ROI)	9,44%	8,12%	9,41%
Return on equity (ROE)	9,96%	8,48%	9,89%
First-degree liquidity	0,73	1,21	0,88
Second-degree liquidity	10,18	11,60	9,25

2. Balance sheet values

In thousands RSD

	2020.	2019.	2018.
Fixed assets	1.934.260	1.980.234	2.153.316
Current assets	7.468.378	6.403.778	5.789.739
Long-term liabilities	0,00	0	71
Short-term liabilities	487.302	357.508	385.596
Net profit	890.872	683.375	750.334

III SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

There were no significant transactions with related parties during the last period.



IV STATEMENT ON THE CORPORATE GOVERNANCE CODE'S IMPLEMENTATION

Company implements own Corporate Governance Code, which is published on Company's website in the section *For investors / Corporate Governance / Company's Regulations*.

With its own Code of Corporate Governance, the Company established the principles of corporate, social and environmental governance practices and organizational culture in accordance with which the Company's corporate governance holders are acting. Principles in particular regard to the openness and transparency of operations of the Company, exercising the shareholders' rights, the framework and modus operandi of the Company's corporate governance holders and control of their work, social and environmental topics.

The aim of the Code is to promote good business practices in the domain of corporate, social and environmental governance which should ensure an effective system of control over the operations of the Company and increase confidence of investors and shareholders in the Company, with a view to securing a long-term business development of the Company.

During reporting year there were no significant discrepancies from established principles in the implementation of the Corporate Governance Code.

V DATA ON ACQUIRED OWN SHARES

The Company does not own and did not acquire its own shares since the compiling of a previous Annual Report.

VI RESEARCH AND DEVELOPMENT ACTIVITIES

During the reporting year, the company worked on 7 development projects, in which it invested about 8 million RSD.

Over the past year, the Company registered three new products on the territory of the Republic of Serbia, and by the date of compiling this report, six more marketing permits have been obtained.

In accordance with its strategic commitment, which is described in more detail in the Business Report, the Company currently manages activities on creating the registration dossiers according to EU criteria for products from its own portfolio. All the necessary laboratory tests, as well as field experiments are conducted abroad.

VII SIGNIFICANT BUSINESS EVENTS AFTER THE BALANCE SHEET DAY

On March 30th 2021, the takeover bid for the remaining shares of the Company (10.17%) was announced by the majority shareholder, Agromarket d.o.o. from Kragujevac and persons who jointly operate with him. The offered price is 2,550 RSD per share, and the offer will be open until April 19th 2021.

Until the time of compiling this Report, our business operations were conducted within the limits of planned activities in all other aspects of the business.