

CONSOLIDATED ACTIVITY REPORT

For the fourth quarter
of 2024



TCHAIKAPHARMA
HIGH QUALITY MEDICINES

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.

24.02.2025

General information about Tchaikapharma High Quality Medicines Inc.-Group

1. Economic activity

The entered in the Commercial Register activity of the Company is: purchase of substances and formulations for the production and sale of pharmaceuticals in finished or processed form, (after Marketing Authorisation); primary and secondary packaging of formulations (after Marketing Authorisation); import, export, re-export and merchandising in original or processed form; barter transactions and commissions; commercial representation of foreign and domestic individuals and legal entities at home and abroad; industrial and commercial management; consulting, marketing, brokerage, leasing, licensing, entrepreneurship, transport and shipping, research and development activities.

Currently the main scope of activity of the Company can be summarized as follows:

- Production
- Packaging (primary and secondary)
- Marketing and promotion of medicines
- Research and Development

Tchaikapharma High Quality Medicines Inc. continuously maintains its production facilities in accordance with the contemporary European requirements for Good Manufacturing Practice in the production of medicines. At present, more than 150 medicinal products are produced in the company's factories. The premises and the equipment of the factories are executed in full compliance with the European requirements for the production of medicines and for the plant in Varna – also for sterile medicinal products.

2. Foundation date and duration in time

The Company was founded and entered in the Commercial Registry by Decision from 14.03.2000 on the company case 1096/2000 of the Varna District Court as a joint stock company. The duration of the Company is not limited in time.

"Tchaikapharma High Quality Medicines" Inc. is a public company according to the Public Offering of Securities Act of 21.05.2015.

3. Controlled companies

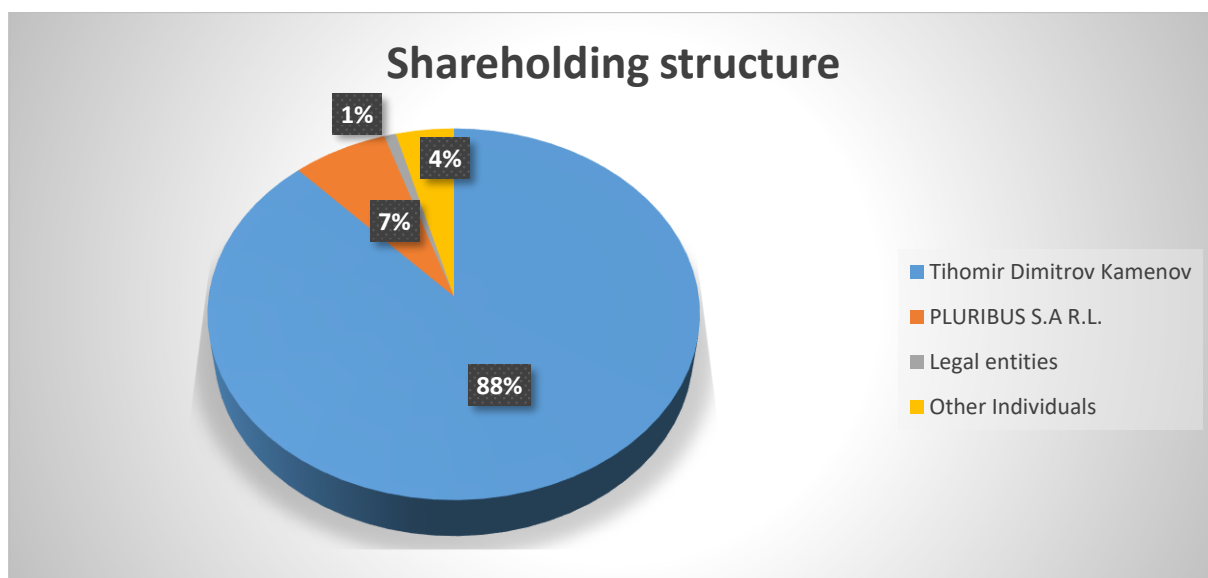
As of 31.12.2024 it has one wholly-owned subsidiary: SWYSSI S.R.L. registered in the Republic of Romania and on 21.02.2024 registered a second subsidiary, PERPETEL EAD.

4. Board of Directors

Tchaikapharma High Quality Medicines Inc. has a one-tier management system with a Board of Directors of three members. The management of the parent company in the person of the Board of Directors as of 31.12.2024 is composed of:

Biser Rosenov Georgiev	Chairman
Sylvia Slavcheva Patrikova	Member
Radka Alexandrova Tsenova	Member

5. Shareholding structure 31.12.2024.



6. Employees

As of 31.12.2024, the average number of employees in Tchaikapharma High Quality Medicines Inc. Group is 207 people, who are entirely in the parent company.

II. Development of the activity

Investments

Major investments in the fourth quarter of 2024.

Overview of the investments in fixed assets by type and year is presented in the following table.

Investments for the period	2022	2023	2024
Tchaikapharma High Quality Medicines Inc.			
I. Fixed tangible assets	964	658	1,387
1. Land and buildings		158	34
2. Property and equipment	957	355	1,351
3. Other fixed assets	7	145	2
II. Fixed intangible assets	417	86	10
1. Industrial property rights	417	47	6
2. Software		39	4
3. Patents and licenses			
Total amount of acquisition of fixed tangible and intangible assets	1,381	744	1,397

Major investments in progress

In the fourth quarter of 2024, the groupe invested in the purchase of a machine for visual control of each vial in order to optimize the production process and faster release of the finished product. Installation at the Varna plant is complete and the machine is now in operation.

KEY FINANCIAL INDICATORS

Indicators	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Sales revenue	53,141	48,512
Earnings before interest, taxes and depreciation (EBITDA)	8,242	6,766
Net profit	5,036	3,398
	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Non-current assets	42,295	41,621
Current assets	84,481	80,878
Equity	126,776	122,499
Non-current liabilities	2,228	2,189
Current liabilities	14,511	15,309

	01-12/2024	01-12/2023
EBITDA/Sales revenue	16%	14%
Net profit/Sales revenue	9%	7%

Review of the risk factors

- The Company's activities could be affected by any change in the regulatory requirements for the production of pharmaceutical products.
- Changes to the legislation regulating the Company's business are possible, and these can potentially increase the costs of compliance or have another effect on its operations.
- The production processes of the Company are subject to stringent requirements and approvals by regulatory authorities which may delay or interrupt the operations of the Company.
- The ability of the Company to pay dividends depends on a number of factors and there is no guarantee that in a year it will be able to pay dividends in accordance with its dividend policy.
- The Company is exposed to operational risk, which is inherent in its business activities.
- The Company is subject to multitude laws and regulations in the field of environmental protection and health and safety conditions and is exposed to potential liabilities related to the environment.
- The Company is exposed to strong competition.
- The Company operates in active exchange with foreign suppliers and customers. It is therefore exposed to currency risk, mainly against the US dollar. Currency risk is related to the adverse movement in the exchange rate of the US dollar against the Bulgarian lev in future business operations, recognized foreign currency assets and liabilities. The rest of the company's operations are usually denominated in Bulgarian lev and/or in euros.

Sales by types of dosage forms

Revenue by dosage forms	01-12/2024 BGN '000	01-12/2023 BGN '000
Tablets	43,981	42,635
Ampules	5,434	655
Vials	3,582	5,154
Total:	52,997	48,444

Revenue by therapeutic groups	01-12/2024 BGN '000	01-12/2023 BGN '000
Cardiovascular system	34,637	34,516
Musculoskeletal system and connective tissue	49	50
Respiratory system and antibiotics	6,223	3,802
Nervous system	1,104	1,827
Endocrine system	4,252	4,172

Other products	4,032	1,876
Digestive system and metabolism	2,432	1,950
Nutritional supplements	31	
Oncology	238	252
Total:	52,997	48,444
Changes in the inventories of products and work in progress	79	233

Other operating income	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Income from rent	50	21
Other income	193	39
Total:	243	60

Financial income	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Income from interest	478	462
Income from exchange rate differences	52	75
Total:	530	537

Core activity expenses

Operating expenses	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Book value of sold products	2,251	862
Materials	13,543	12,172
External services	19,516	20,269
Salaries	7,649	6,198
Social security costs	1,438	1,135
Depreciation costs	2,519	2,809
Other	528	899
Total:	47,444	44,344

Cost of materials	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Basic material	12,064	10,731
Electricity	796	804
Fuels and lubricants	147	92
Spare parts and laboratory materials	211	169
Water	24	20
Other materials	301	356

Total:	13,543	12,172
---------------	---------------	---------------

Costs of external services	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>

Security	632	632
Insurance	30	24
Telephone and postage expenses	32	35
Equipment maintenance and subscription	261	186
Fees	325	285
Transport costs	48	64
Other costs for external services	18,188	19,043
Total:	19,516	20,269

Financial expenses	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>

Interest expenses	578	549
Expenses from exchange rate differences	135	83
Other financial expenses	45	44
Total:	758	676

Assets

	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>

Non-current assets

Property, plant and equipment	33,336	33,083
Intangible assets	3,556	3,560
Trade receivables	5,403	4,978
Total non-current assets	42,295	41,621

Current assets

Inventories	15,862	14,303
Trade and other receivables	68,479	66,490
Current corporate income tax	-	12
Cash and cash equivalents	140	73
Total current assets	84,481	80,878
Total Assets	126,776	122,499

	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>

Property, plant and equipment

Land and buildings	23,880	23,954
Machinery and equipment	9,167	9,045
Other	6	13
In the process of acquisition	283	71

	33,336	33,083
Inventories	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Materials	14,318	13,103
Production	265	423
Goods	1,279	777
Total:	15,862	14,303

Equity and liabilities

	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Registered capital	91,800	84,500
Statutory reserve	13,147	12,800
Undistributed profit	5,090	7,701
Total Equity	110,037	105,001

Liabilities

	01-12/2024	01-12/2023
	<i>BGN '000</i>	<i>BGN '000</i>
Non-current liabilities		
Long-term loans	942	879
Deferred tax liabilities	1,113	1,113
Liabilities to employees on retirement	173	197
Total non-current liabilities	2,228	2,189
Current liabilities		
Trade and other liabilities	4,201	4,768
Short term loans	9,784	9,791
Current part of long-term loans	403	507
Other tax liabilities	123	243
Total current liabilities	14,511	15,309
Total liabilities	16,739	17,498
Total equity and liabilities	126,776	122,499

Financial indicators

	01-12/2024	01-12/2023
Leverage ratio	0.15	0.17
Financial autonomy ratio	6.57	6.00

Information on the shares of Tchaikapharma High Quality Medicines Inc.-Group

The total amount of shares issued as of 31.12.2024 was 91 800 000 with a nominal value of BGN 1 per share. All issued shares are registered, dematerialized, ordinary and indivisible under the Statute of the Company. All issued shares are of the same type. Each share gives equal rights to its owner in proportion to the nominal value of the share. The shares of Tchaikapharma High Quality Medicines Inc. are traded on the official market of the Bulgarian Stock Exchange-Sofia.

Essential information on the shares of Tchaikapharma High Quality Medicines Inc.-Group

	1-12/2024	1-12/2023
Total number of issued shares	91,800,000	84,500,000
Number of shares in circulation at end of period	91,800,000	84,500,000
Price per share at the end of the period in BGN	18.00	17.00
Market capitalization at the end of the period in BGN	1,652,400,000	1,436,500,000

Biser Georgiev

/Executive Director/

