

CONSOLIDATED ACTIVITY REPORT

For the first quarter
of 2025



TCHAIKAPHARMA
HIGH QUALITY MEDICINES

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.

23.05.2025

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

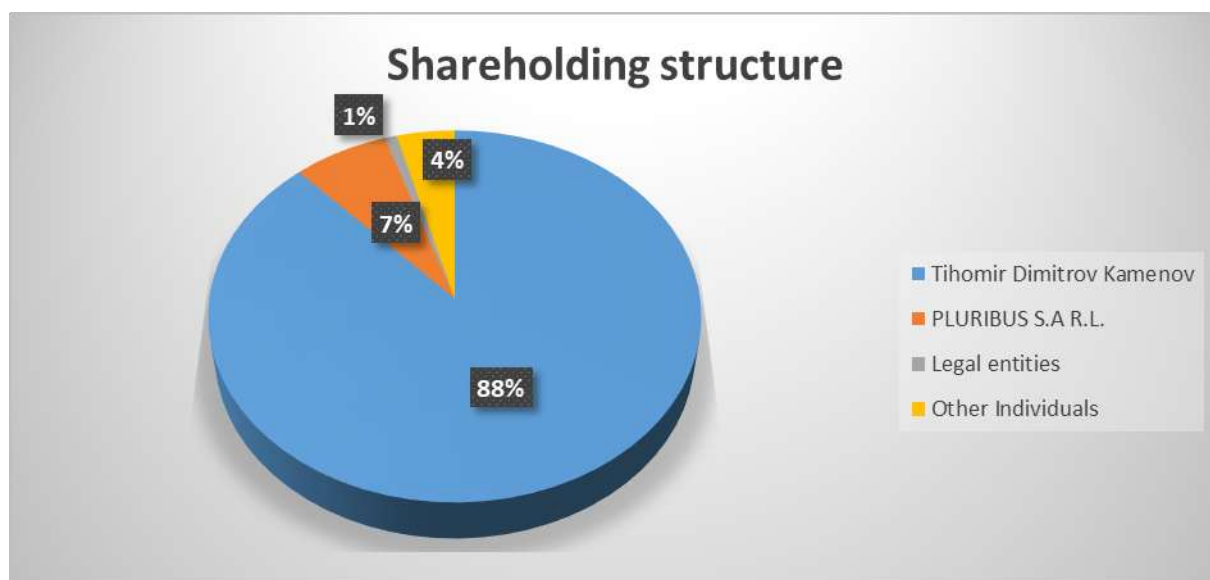
As of 31.03.2025 it has one wholly-owned subsidiary: SWYSSI S.R.L. registered in the Republic of Romania and on 21.02.2024 registered a second subsidiary, PERPETEL EAD.

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 31.03.2025 is composed of:

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

5. Shareholding structure 31.03.2025.



6. Employees

As of 31.03.2025, the average number of employees in Tchaikapharma High Quality Medicines Inc. Group is 218 people, who are entirely in the parent company.

II. Development of the activity

Investments

Major investments in the first quarter of 2025.

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 first quarter of 2025, 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. At the end of 2024, the company began production of nutritional supplements.

KEY FINANCIAL INDICATORS

Indicators	01-03/2025 BGN '000	01-03/2024 BGN '000
Sales revenue	16 188	13 361
Earnings before interest, taxes and depreciation (EBITDA)	3 215	2 399
Net profit	2 165	1 466
	01-03/2025 BGN '000	01-12/2024 BGN '000
Non-current assets	41 896	41 543
Current assets	89 949	86 954
Equity	131 845	128 497
Non-current liabilities	2 022	2 141
Current liabilities	18 216	16 914
	01-03/2025	01-03/2024

EBITDA/Sales revenue	18%	18%
Net profit/Sales revenue	11%	11%

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	01-03/2025 BGN '000	01-03/2024 BGN '000
Tablets	12 979	11 354
Ampules	288	182
Vials	2 887	1 808
Total:	16 154	13 344

Revenue by therapeutic groups	01-03/2025 BGN '000	01-03/2024 BGN '000
Cardiovascular system	10 291	9 070
Musculoskeletal system and connective tissue	49	-
Respiratory system and antibiotics	1 595	1 426
Nervous system	293	79
Endocrine system	1 422	1 002
Other products	1 916	733

Digestive system and metabolism	199	777
Food supplements	135	
Oncology	254	257
Total:	16 154	13 344

Changes in the inventories of products and work in progress	(290)	341
--	--------------	------------

Other operating income	01-03/2025	01-03/2024
	BGN '000	BGN '000
Income from rent	16	17
Other income	67	-
Total:	83	17

Financial income	01-03/2025	01-03/2024
	BGN '000	BGN '000
Income from interest	-	
Income from exchange rate differences	11	4
Total:	11	4

Core activity expenses

Operating expenses	01-03/2025	01-03/2024
	BGN '000	BGN '000
Book value of sold products	989	609
Materials	3 710	3 234
External services	5 250	5 021
Salaries	2 193	1 909
Social security costs	401	361
Depreciation costs	707	622
Other	171	136
Total:	13 421	11 892

Cost of materials	01-03/2025	01-03/2024
	BGN '000	BGN '000
Basic material	3 267	2 986
Electricity	209	145
Fuels and lubricants	60	18
Spare parts and laboratory materials	69	37
Water	8	4
Other materials	97	44
Total:	3 710	3 234

Costs of external services	01-03/2025	01-03/2024
	BGN '000	BGN '000
Security	158	158
Insurance	7	6
Telephone and postage expenses	10	6
Equipment maintenance and subscription	58	91
Fees	102	89
Transport costs	14	10
Other costs for external services	4 901	4 661
Total:	5 250	5 021

Financial expenses	01-03/2025	01-03/2024
	BGN '000	BGN '000
Interest expenses	123	151
Expenses from exchange rate differences	23	30
Other financial expenses	6	7
Total:	152	188

Assets

	01-03/2025	01-12/2024
	BGN '000	BGN '000
Non-current assets		
Property, plant and equipment	32 804	33 304
Intangible assets	3 689	2 836
Trade receivables	5 403	5 403
Total non-current assets	41 896	41 543

Current assets		
Inventories	13,816	15 862
Trade and other receivables	67,158	70 823
Current corporate income tax	12	129
Cash and cash equivalents	131	140
Total current assets	81,117	86 954
Total Assets	123,292	128 497

	01-03/2025	01-12/2024
	BGN '000	BGN '000
Property, plant and equipment		
Land and buildings	23 705	23 848
Machinery and equipment	8 793	9 167
Other	4	6
In the process of acquisition	302	283
	32 804	33 304

Inventories	01-03/2025	01-12/2024
	BGN '000	BGN '000
Materials	14 113	14 318
Production	242	265
Goods	1 682	1 279
Total:	16 037	15 862

Equity and liabilities

	01-03/2025	01-12/2024
	BGN '000	BGN '000
Registered capital	91 800	91 800
Statutory reserve	13 147	13 147
Undistributed profit	6 710	4 545
Total Equity	111 607	109 442

Liabilities

	01-03/2025	01-12/2024
	BGN '000	BGN '000
Non-current liabilities		
Long-term loans	556	675
Deferred tax liabilities	1 198	1 198
Liabilities to employees on retirement	268	268
Total non-current liabilities	2 022	2 141
Current liabilities		
Trade and other liabilities	6 783	6 337
Short term loans	9 779	9 784
Current part of long-term loans	600	670
Other tax liabilities	1 054	123
Total current liabilities	18 216	16 914
Total liabilities	20 238	19 055
Total equity and liabilities	131 845	128 497

Financial indicators

	01-03/2025	01-03/2024
Leverage ratio	0.18	0.16
Financial autonomy ratio	5.51	6.33

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

The total amount of shares issued as of 31.03.2025 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

	1-03/2025	1-03/2024
Total number of issued shares	91 800 000	84 500 000
Number of shares in circulation at end of period	91 80 000	84 500 000
Price per share at the end of the period in BGN	17.70	17.30
Market capitalization at the end of the period in BGN	1 624 860 000	1 461 850 000

Biser Georgiev

/Executive Director/

