

CONSOLIDATED ACTIVITY REPORT

For the third quarter
of 2025



TCHAIKAPHARMA
HIGH QUALITY MEDICINES

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.

24.11.2025

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 160 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

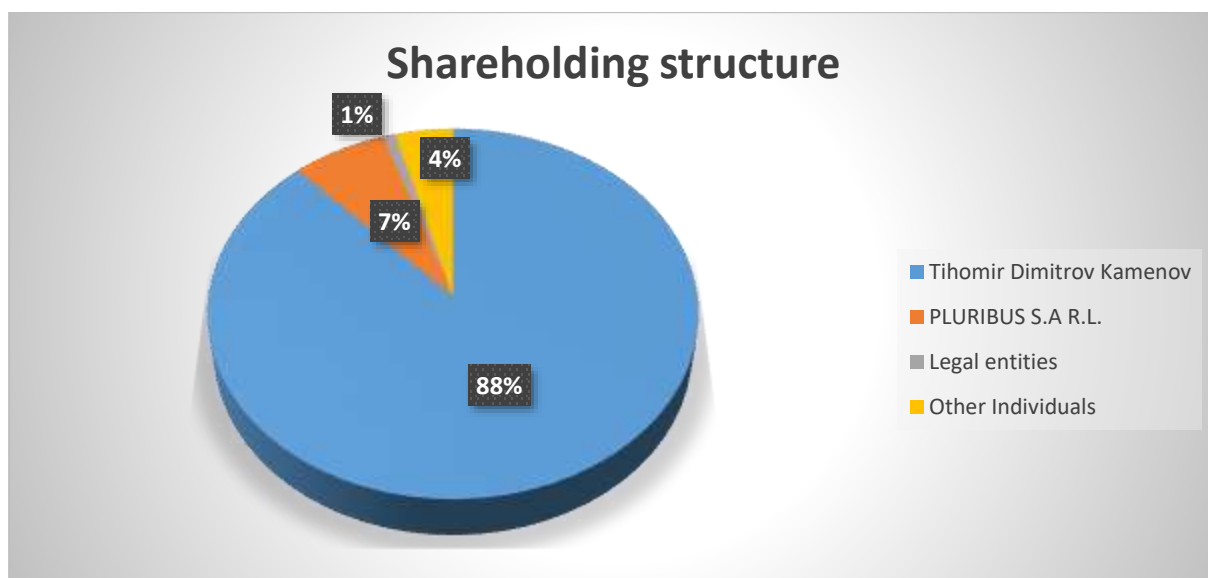
As of 30.09.2025 it has one wholly-owned subsidiary: SWYSSI S.R.L. registered in the Republic of Romania and on 21.02.2024 registered a second subsidiary, PERPETEL EAD.

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 30.09.2025 is composed of:

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

5. Shareholding structure 30.09.2025.



6. Employees

As of 30.09.2025, the average number of employees in Tchaikapharma High Quality Medicines Inc. Group is 209 people, who are entirely in the parent company.

II. Development of the activity

Investments

Major investments in the third quarter of 2025.

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

Investments for the period	2023	2024	2025
Tchaikapharma High Quality Medicines Inc.			
I. Fixed tangible assets	658	1 387	573
1. Land and buildings	158	34	
2. Property and equipment	355	1 351	572
3. Other fixed assets	145	2	1
II. Fixed intangible assets	86	10	495
1. Industrial property rights	47	6	131
2. Software	39	4	11
3. Patents and licenses			353
Total amount of acquisition of fixed tangible and intangible assets	744	1 397	1 068

Major investments in progress

The company invested in the purchase of a machine for visual inspection of each vial in order to optimize the production process and speed up the release of the finished product. Installation at the Varna plant has been completed and the machine has been put into operation. At the end of 2024, the company began manufacturing food supplements, and by September 2025, BGN 46 thousand packages had been sold on the market.

KEY FINANCIAL INDICATORS

Indicators	01-09/2025 BGN '000	01-09/2024 BGN '000
Sales revenue	47 937	40 414
Earnings before interest, taxes and depreciation (EBITDA)	9 563	7 086
Net profit	6 598	4 344
	01-09/2025 BGN '000	01-12/2024 BGN '000
Non-current assets	42 403	41 543
Current assets	91 500	86 954
Equity	133 903	128 497
Non-current liabilities	2 612	2 141
Current liabilities	15 251	16 914

	01-09/2024	01-09/2025
EBITDA/Sales revenue	19%	18%
Net profit/Sales revenue	14%	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	01-09/2025 BGN '000	01-09/2024 BGN '000
Tablets	36 878	32 527
Ampules	180	1 124
Vials	10 813	6 648
Total:	47 870	40 299

Revenue by therapeutic groups	01-09/2025 BGN '000	01-09/2024 BGN '000
Cardiovascular system	31 157	27 276
Musculoskeletal system and connective tissue	96	54
Respiratory system and antibiotics	5 182	4 357
Nervous system	453	526
Endocrine system	3 338	2 914

Other products	5 480	3 337
Digestive system and metabolism	1 652	1 575
Food supplements	257	-
Oncology	255	259
Total:	47 870	40 299

Changes in the inventories of products and work in progress	(14)	(318)
--	-------------	--------------

Other operating income	01-09/2025	01-09/2024
	BGN '000	BGN '000
Income from rent	47	50
Other income	22	193
Total:	69	243

Financial income	01-09/2025	01-09/2024
	BGN '000	BGN '000
Income from interest	-	
Income from exchange rate differences	78	40
Total:	78	40

Core activity expenses

Operating expenses	01-09/2025	01-09/2024
	BGN '000	BGN '000
Book value of sold products	2 260	1 953
Materials	11 299	9 500
External services	16 527	15 212
Salaries	6 628	5 594
Social security costs	1 240	1 070
Depreciation costs	2 129	1 877
Other	470	434
Total:	40 553	35 640

Cost of materials	01-09/2025	01-09/2024
	BGN '000	BGN '000
Basic material	10 078	8 471
Electricity	556	583
Fuels and lubricants	180	100
Spare parts and laboratory materials	180	135
Water	30	17
Other materials	275	194

Total:	11 299	9 500
---------------	---------------	--------------

Costs of external services	01-09/2025	01-09/2024
	BGN '000	BGN '000

Security	522	474
Insurance	20	22
Telephone and postage expenses	29	23
Equipment maintenance and subscription	163	177
Fees	337	290
Transport costs	36	32
Other costs for external services	15 420	14 194
Total:	16 527	15 212

Financial expenses	01-09/2025	01-09/2024
	BGN '000	BGN '000

Interest expenses	341	445
Expenses from exchange rate differences	75	85
Other financial expenses	16	20
Total:	432	550

Assets

	01-09/2025	01-09/2024
	BGN '000	BGN '000

Non-current assets

Property, plant and equipment	33 362	33 304
Intangible assets	3 638	2 836
Trade receivables	5 403	5 403
Total non-current assets	42 403	41 543

Current assets

Inventories	16 742	15 862
Trade and other receivables	74 386	70 823
Current corporate income tax	-	129
Cash and cash equivalents	372	140
Total current assets	91 500	86 954
Total Assets	133 903	128 497

	01-09/2025	01-12/2024
	BGN '000	BGN '000

Property, plant and equipment

Land and buildings	24 685	23 848
Machinery and equipment	8 185	9 173
Other	2	6
In the process of acquisition	490	283

	33 362	33 304
Inventories	01-09/2025	01-12/2024
	<i>BGN '000</i>	<i>BGN '000</i>
Materials	14 079	14 318
Production	358	265
Goods	2 305	1 279
Total:	16 742	15 862

Equity and liabilities

	01-09/2025	01-12/2024
	<i>BGN '000</i>	<i>BGN '000</i>
Registered capital	95 900	91 800
Statutory reserve	13 549	13 097
Undistributed profit	6 591	4 545
Total Equity	116 040	109 442

Liabilities

	01-09/2025	01-12/2024
	<i>BGN '000</i>	<i>BGN '000</i>
Non-current liabilities		
Long-term loans	1 146	675
Deferred tax liabilities	1 198	1 198
Liabilities to employees on retirement	268	268
Total non-current liabilities	2 612	2 141
Current liabilities		
Trade and other liabilities	3 896	6 337
Short term loans	9 778	9 784
Current part of long-term loans	922	670
Other tax liabilities	655	123
Total current liabilities	15 251	16 914
Total liabilities	17 863	19 055
Total equity and liabilities	133 903	128 497

Financial indicators

	01-09/2025	01-09/2024
Leverage ratio	0.15	0.17
Financial autonomy ratio	6.50	5.74

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

The total amount of shares issued as of 30.09.2025 was 95 900 000 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

	1-09/2025	1-12/2024
Total number of issued shares	95 900 000	91 800 000
Number of shares in circulation at end of period	95 900 000	91 800 000
Price per share at the end of the period in BGN	17.70	17.23
Market capitalization at the end of the period in BGN	1 697 430 000	1 581 714 000

Biser Georgiev

/Executive Director/

