

# ANNUAL MANAGEMENT REPORT for 2025



**TCHAIKAPHARMA**  
**HIGH QUALITY MEDICINES**

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC  
09.03.2026

## **General information about Tchaikapharma High Quality Medicines Inc.**

### **History and development of Tchaikapharma High Quality Medicines Inc.**

#### **Legal and corporate name**

The legal and corporate name of the company is Tchaikapharma High Quality Medicines Inc.

#### **Address details and registration. Unique Identification Code (UIC)**

The Company was registered as a joint stock company with the Commercial Register by virtue of Decision dated 14 March 2000 of the Varna District Court on company file 1096/2000 with the corporate name TCHAIKA PHARMA INC.

By resolution of the General Meeting of Shareholders dated 04 July 2003, registered by virtue of Decision dated 30 July 2003 on company file 1096/2000 of the Varna District Court, the corporate name was changed to TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.

The Company is registered with the Commercial Register of the Registry Agency at the Ministry of Justice under **UIC 103524525**

#### **Date of incorporation and duration of the existence**

The Company was incorporated as a joint stock company and registered with the Commercial Register by virtue of Decision dated 14 March 2000 on company file 1096/2000 of the Varna District Court. The existence of the Company is of unlimited duration.

#### **Country of establishment, head office and registered address pursuant to the Articles of Association; legal form; legislation governing the activity of the Company**

Tchaikapharma High Quality Medicines Inc. is a joint stock company, which operates in compliance with the legislation of the Republic of Bulgaria.

The Company is incorporated in the Republic of Bulgaria.

The head office and registered address of the Company is as follows:

Republic of Bulgaria, 1172 Sofia, 1 G. M. Dimitrov Blvd.

Contact Address: 1172 Sofia, 1 G.M. Dimitrov Blvd.

Telephone number: (359 2) 9402 64 82

Website: [www.tchaikapharma.com](http://www.tchaikapharma.com)

#### **Shareholding structure as at 31.12.2025**

The main shareholder Tihomir Kamenov owns 87.05% , 8.74% are owned by 394 individuals and two legal entity are owned 4.21 %.

#### **Board of Directors**

Tchaikapharma High Quality Medicines Inc. has a one-tier management system with a Board of Directors of three members as follows:

Biser Rosenov Georgiev – Executive Director and Member of the Board of Directors

Silviya Slavcheva Patrikova – Chairman of the Board of Directors

Radka Aleksandrova Tsenova – Member of the Board of Directors

The shares held by the members of the Board of Directors as at 31.12.2025 are:

Biser Rosenov Georgiev – 10,167 shares

Silviya Slavcheva Patrikova – 871 shares

Radka Aleksandrova Tsenova – 0 shares

The Articles of Association of Tchaikapharma High Quality Medicines Inc. does not provide for any restrictions on the right of members of the Board of Directors to acquire shares of the Company.

The members of the Board of Directors do not participate with shares in the capital of other companies.

There are no contracts under Article 240b of the CA in 2025.

The provisions of the Company's Articles of Association on the appointment and dismissal of the members of the management bodies of the company and on the amendments and supplements to the Articles of Association require decisions of the General Meeting of Shareholders. In particular, under Article 43 of the Articles of Association of Tchaikapharma High Quality Medicines Inc. the powers of the management bodies of the company, including the right to take decisions for the issue and redemption of company shares, are governed by the company's Articles of Association. Article 13, para. 3 of the Articles of Association provides for the possibility of issuing shares of Tchaikapharma High Quality Medicines Inc. Article 13 (3) of the Articles of Association provides for the possibility of redemption of shares of Tchaikapharma High Quality Medicines Inc.

Investor Relations Director is Krasimir Georgiev, tel. 02/9402 64 82, with correspondence address: Sofia, Bulgaria, 1, G. M. Dimitrov Blvd.

Short-term income of the management has been accrued for 2025 according to the contracts signed. The total remuneration of the Board of Directors in the current year is BGN 125,000. There are no rewards or other benefits accrued to the members of the governing body. There are no amounts due for the payment of pensions, retirement benefits or other similar benefits to the Board of Directors.

### **Economic activity**

The main activity of Tchaikapharma High Quality Medicines Inc is purchase of substances and formulations for the production and sale of pharmaceuticals in treated or processed form, (after Marketing Authorisation); primary and secondary packaging of formulations (after Marketing Authorisation); import, export, re-export and merchandising in original, remade or processed type. On second place are barter and commission transactions; trade representation for foreign and domestic individuals and legal entities in the country and abroad; industrial and commercial management; consulting, marketing, brokerage, leasing, licensing, entrepreneurship, transport and shipping, research and development activities.

Tchaikapharma High Quality Medicines Inc. continuously maintains its manufacturing facilities in line with the current European requirements for Good Manufacturing Practice of Medicines. They are focused on the following therapeutic groups: cardiology, respiratory tract, neurology, psychiatry and gastroenterology. At present, over 160 medicinal products and 10 dietary supplements are produced in the company's factories. The premises and equipment of the plant are implemented in full compliance with the requirements of the European requirements for the production of sterile medicinal products.

The most significant pharmaceutical products in terms of their contribution to revenue for 2025 are:

Methylprednisolone - a generic product used for allergies

Rossta - a generic product used for diseases of the cardiovascular system;

Diab MR – a generic product used for diseases of the endocrine system;

Co-Irbesso – a generic product used for diseases of the cardiovascular system;

Zornichka – a generic product used for diseases of the cardiovascular system;

Reverantza – a generic product used for diseases of the cardiovascular system;

Spironolacton - a generic product used for diseases of the cardiovascular system;

Bisor - a generic product used for diseases of the cardiovascular system;

PlaquEx – a generic product used for diseases of the cardiovascular system;

Ceftriaxon - a generic product used for diseases of the respiratory system;

### Research and development activities

In 2024 Tchaikapharma started the production of food supplements in Plovdiv plant. By the end of 2025, the number of dietary supplements had reached 10, with 65,000 packages produced.

### Submitted in 2025 applications for obtaining a MA for new products:

Famotidine-Tchaikapharma 20 mg; 40 mg film-coated tablets – MA - IAL-41690/09-10-2025; IAL-41691/09-10-2025

Furoser 20 mg; 40 mg tablets – MA - IAL-50032/02-12-2025

Ferric carboxymaltose - Tchaikapharma 50 mg iron/ml dispersion for injection/infusion – MA - IAL-53044/18-12-2025

Pixera 2,5 mg; 5 mg film-coated tablets - IAL-8772/26-02-2025, IAL-8774/26-02-2025

Metlina 2,5 mg/850 mg; 2,5 mg/1000 mg film-coated tablets - IAL-9035/28-02-2025, IAL-9036/28-02-2025

Allopurinol-Tchaikapharma 100 mg; 300 mg tablets – MA - IAL-20086/14-05-2025; IAL-20087/14-05-2025

Vale 24mg/26mg; 49mg/51mg; 97mg/103mg – MA - IAL-24995/17-06-2025

Eltrombopag-Tchaikapharma 25 mg film-coated tablets – MA – IAL- 29326/16.07.2025

Dapagliflozin-Tchaikapharma 10 mg film-coated tablets – MA - IAL-35259/26.08.2025

Dapagliflozin/Metformin-Tchaikapharma 5 mg/850 mg; 5 mg/1 000 mg film-coated tablets – MA – IAL-35671/27.08.2025; IAL-35672/27.08.2025

Calisa 5 mg/2,5 mg; 5 mg/5 mg; 10 mg/5 mg; 10 mg/10 mg capsules, hard – MA – IAL-37271/09.09.2025; IAL-37272/09.09.2025; IAL-37273/09.09.2025; IAL-37274/09.09.2025

### Climate action

In line with the overall reduction targets for the plant's emissions, two steam generators providing hot water and steam switched from diesel to natural gas (methane) in February 2021.

In addition to being a more environmentally friendly source of energy, the changeover also resulted in an increase in the installed capacity of the equipment.

Another measure contributing to the reduction of emissions was the installation of additional inverters to the water cooling towers. The installation of these inverters allows a 50% reduction in electricity consumption at night and on non-working days. Gradually, the fluorescent lighting in all rooms on the production site is being replaced by LED light sources with significantly lower power consumption, which in turn also results in a reduction in emissions.

As on 31.12.2025, the average number of employees in Tchaikapharma High Quality Medicines Inc. is 212 (as against 207 as on 31.12.2024). The table below provides more detailed information on the Company's staff.

<b>Employees</b>	<b>2025</b>	<b>Share</b>
<b>Number of employees as of 31.12.2025</b>	<b>212</b>	<b>100%</b>
Higher education	138	65%
Secondary education	72	34%
Primary education	2	1%
Employees under 30 years	74	35%
Employees 31 - 40 years	79	37%
Employees 41 - 50 years	47	22%
Employees 51 - 60 years	12	6%
Employees over 60 years	0	0%
Women	107	51%
Men	105	49%

### **Major trading partners**

A major customer of Tchaikapharma High Quality Medicines Inc. for 2025 is Commercial League - GPC AD, with a relative share of 97.00%.

Commercial League GPC AD has its headquarters in Sofia, Bulgaria, 1, G. M. Dimitrov Blvd., with its main activity of medicines trading in the country and abroad. The relationship is regulated by a contract of purchase and sale.

Suppliers whose relative share exceeds 10% of the total costs of services and materials provided in 2025:

Commercial League GPC AD, with a relative share of 35.00 %, with address in Sofia, Bulgaria, 1, G. M. Dimitrov Blvd., with main activity of medicines trading in the country and abroad. The relationship is regulated by a contract of purchase and sale.

### **Information on the implementation of the program for the application of internationally recognized standards for good corporate governance**

The Board of Directors of Tchaikapharma High Quality Medicines Inc. complies with and applies the Corporate Governance Code. The Company periodically discloses corporate governance information in accordance with the “comply or explain” principle. In the event of non-compliance with some of the Code's recommendations, an explanation is provided thereof.

The actions of the management of Tchaikapharma High Quality Medicines Inc. are aimed at strengthening the principles of good corporate governance, increasing the confidence of shareholders, investors and persons interested in the management and operations of the company. The Board of Directors of Tchaikapharma High Quality Medicines Inc. complies with the Good Corporate Governance Programme, which is in line with the current regulations, internationally recognised standards of good corporate governance and the National Corporate Governance Code.

The Board of Directors approves the information disclosure policy in accordance with the legal requirements and Articles of Association. The disclosure system ensures equality of information addressees (shareholders, stakeholders, investment community) and does not allow abuse of inside information. The Corporate management ensures that the disclosure system provides complete, timely, accurate and comprehensible information to enable the objective and informed decisions and assessments. The Board of Directors of Tchaikapharma High Quality Medicines Inc. has prepared a remuneration policy for the members of the Board of Directors to be adopted by the General Meeting of Shareholders for the adoption of the Annual Financial Statements for 2025. The Remuneration policy has been developed in accordance with Ordinance No 48 of 20 March 2013 of the Financial Supervision Commission and the Law on Public Offering of Securities. The remuneration amount and structure are determined by the General Meeting of the Company.

The Board of Directors of Tchaikapharma High Quality Medicines Inc. drafted a Report on the implementation of the remuneration policy of the members of the Board of Directors for 2025. The report reveals how the remuneration policy is applied, paying particular attention to the avoidance of the creation of incentives for excessive risk-taking, conflict of interest or other behaviour leading to adverse consequences. The company also maintains an English-language version of the corporate website with similar content.

The processes and procedures for General Meetings of Shareholders holding guarantee equal treatment of all shareholders, including minority and foreign shareholders, and protect their interests. The materials related to the General Meeting of Shareholders are available to the shareholders on the day of the announcement of the invitation for its convening in the Commercial Register on the company's website: [www.tchaikapharma.bg](http://www.tchaikapharma.bg) and are provided free to the shareholders upon request. Shareholders entitled to vote may exercise their voting rights at the General Meeting of the company in person or through representatives, as well as by correspondence or by electronic means. The corporate management takes action to encourage the participation of shareholders in the General Meeting of Shareholders, by enabling remote presence through technical means (including the Internet) wherever this is possible and necessary and does not make it more difficult or more expensive to vote.

The Board of Directors believes that conditions have been created for sufficient transparency in the relations with investors, financial media and capital market analysts.

### **Significant events since the beginning of the year until 31.12.2025**

By Decision of the General Assembly of 25.06.2025 the accumulated retained profit in the amount of BGN 4,491,886.82 (Four million four hundred and ninety one thousand eight hundred and eighty six levs and 82 st.) shall be distributed as follows: BGN 4,100,000 (Four million and one hundred thousand levs) shall go for capital increase, reserves shall be set aside BGN 449,188.68 (Four hundred and forty nine thousand and one hundred and eighty eight levs and 68 st.) and additional reserves BGN 2,698.14 (Two thousand six hundred and ninety-eight leva and 14 st.), BGN 60,000 (Sixty thousand leva) remains retained earnings.

The Company's current capital amounts to BGN 95,900,000, or **EUR 48,909,000**, divided into 95,900,000 ordinary registered shares with voting rights, each with a par value of 1 (one) leva, or **0.51 euros**.

### **Significant events occurring after the date of the annual financial statement compilation.**

There are no significant disclosure events subsequent to December 31, 2025 that would affect material changes in the Company's financial or property position.

Pursuant to the Law on the Introduction of the Euro in the Republic of Bulgaria, effective January 1, 2026, the euro will become the country's official currency at a fixed exchange rate of 1.95583 leva per 1 euro. The introduction of the euro represents a change in the Company's functional and reporting currency, which will be reflected prospectively and does not constitute an adjusting event after the reporting date within the meaning of applicable accounting standards.

Management does not expect any material effects on the Company's financial position from the restatement of opening balances as of January 1, 2026.

### **New developments and products**

In 2025 the company received the following marketing authorizations for the territory of Bulgaria, authorized under national procedure:

- Reducci
- Telmira
- ToraFlora

### **Expected development**

Tchaikapharma High Quality Medicines Inc. is expanding its scope of activities and has focused on conducting clinical trials as part of the creation of new proprietary generic medicines and fixed-dose combinations.

Tchaikapharma High Quality Medicines Inc. does not stop growing as a company that produces high quality medicines that meet international standards.

Through active marketing policy and competitive prices the company aims to increase the market share of its products on the territory of the country.

The company continues its policy of active partnership with well-established international pharmaceutical companies, mostly European ones, with new companies, as well as expanding the product range of the already established cooperation.

### **Information on the loan agreements concluded by the company**

The Company has signed a loan agreement with one bank:

- UBB AD, contractual amount of BGN 7,826 thousand (EUR 4,000 thousand), maturity on 20.12.2026, balance as at 31.12.2025 – BGN 7,820 thousand and 9 thousand of interest.

- UBB AD, contractual amount of BGN 1,955 thousand (EUR 1,000 thousand), maturity on 20.03.2026, balance as at 31.12.2025 – BGN 1,464 thousand and 2 thousand of interest.

The Company is a co-borrower on a loan to Commercial League - Global Pharmacy Centre AD from UNITED BULGARIAN BANK AD under agreement dated 03.12.2019 with maturity on 30.09.2028, liabilities as at 31.12.2025 for the borrower BGN 9,500 thousand.

The Company is a co-borrower on a loan to Commercial League - Global Pharmacy Centre AD from UNITED BULGARIAN BANK AD under agreements dated 08.08.2022 for the borrower EUR 3,000 thousand with maturities on 30.09.2026, liabilities as at 31.12.2025 for the borrower EUR 2,998 thousand.

The Company is a co-borrower a syndicated bank loan to Commercial League - Global Pharmacy Centre AD from EURO BANK BULGARIA AD and FIRST INVESTMENT

BANK AD under an agreement dated 04.11.2024 in the amount of EUR 41,790 thousand with maturities on 30.10.2034, liabilities as at 31.12.2025 for the borrower EUR 10,454 thousand.

### **Information on transactions essential to the business**

There were no transactions of material significance for 2025.

### **Other information according to Annex 10 of Ordinance No 2 on prospects in the public offering and admission to trading on a regulated securities market, and on the disclosure of information by public companies and other securities issuers.**

- The Company has no transactions outside its normal course of business, and such deviating from the market conditions. No significant transactions have been made in the current year.
- During the reporting period there were no events and indicators of a nature unusual for the company. Tchaikapharma High Quality Medicines Inc. has no off balance sheet transactions for the reporting period.
- In 2025 there have been no changes in the basic management principles of Tchaikapharma High Quality Medicines Inc.
- Tchaikapharma High Quality Medicines Inc. has not published estimates of its financial result for 2026.
- Tchaikapharma High Quality Medicines Inc. has no changes in the management board.
- Tchaikapharma High Quality Medicines Inc. has no changes in the company's auditor.
- The Company has no pending court, administrative or arbitration proceedings concerning liabilities or receivables amounting to at least 10 percent of its equity.
- The Company does not have information about arrangements that could result in changes in the relative share held by current shareholders.
- The Company is not informed about takeover offers under Art. 10, para. 1, letters “c”, “d”, “f”, “h” and “i” of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004
- The Company has developed and implements a policy of internal control (preventive, current and follow-up) of all financial operations where there may be a risk for its operations. This system governs the nature and scope of the specialized internal control in Tchaikapharma High Quality Medicines Inc., as well as the status and functions of the persons who carry it out. The internal control is an independent valuation activity covering all Company’s business operations, which is carried out by a specialized internal control service.
- The Company has developed a Risk Management Policy dedicated to help Tchaikapharma High Quality Medicines Inc. achieve its goals and priorities by applying a unified approach to identify, evaluate and limit the negative impact of potential events and situations endangering their achievement.
- A Board of Directors is in place, which meets as necessary and consists of 3 members:

Biser Rosenov Georgiev  
Silviya Slavcheva Patrikova

An Audit Committee has been set up in accordance with the Independent Financial Audit Act, which has supervision functions on:

- Financial reporting
- Internal control
- Internal audit
- Independent Financial Audit

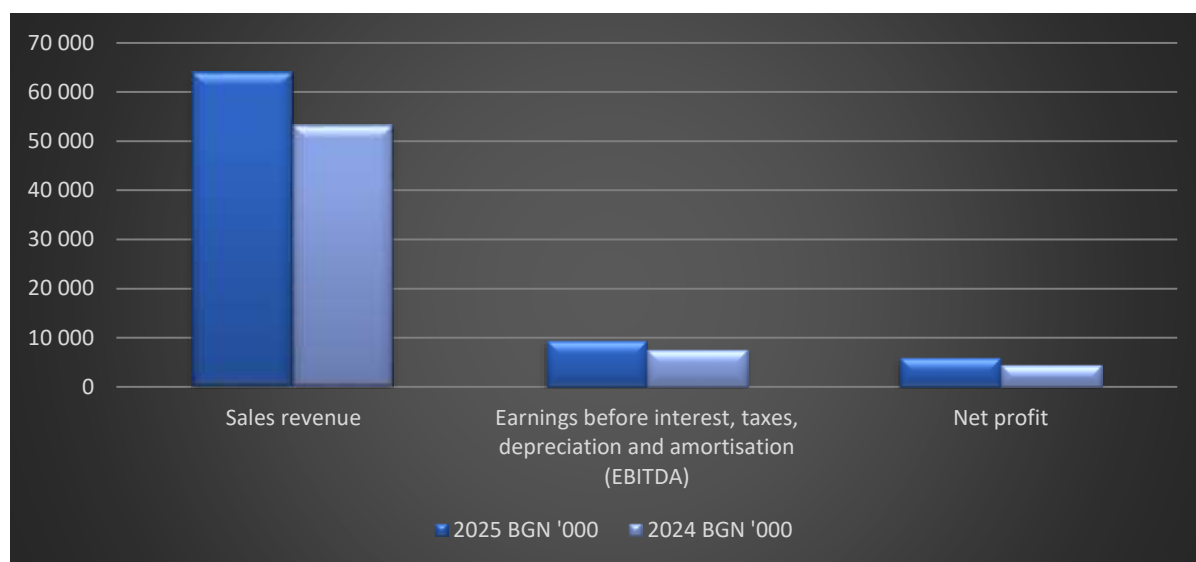
### Information on shareholdings and major investments.

At the end of 2025 the company owns 100% of the capital of SWISSY S.R.L. and 100% of the capital of Perpetel Inc. Tchaikapharma High Quality Medicines Inc. does not own its own shares.

Investments made for the period	2023	2024	2025
<b>Tchaikapharma High Quality Medicines Inc.</b>			
<b>I. Fixed tangible assets</b>	658	1 387	765
1. Land and Buildings	158	34	
2. Machines, facilities and equipment	355	1 351	764
3. Other fixed tangible assets	145	2	1
<b>II. Intangible fixed assets</b>	86	10	495
1. Intellectual property rights	47	6	131
2. Software products	39	4	11
3. Patents and licenses		1 387	353
<b>Total amount for the acquisition of TFA and IFA</b>	<b>744</b>	<b>34</b>	<b>1 260</b>

### Key financial indicators

Indicators	2025	2024	change
	BGN '000	BGN '000	%
Sales revenue	63 995	53 141	20.42%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	9 394	7 659	22.65%
Net profit	6 015	4 492	33.90%



	2025 BGN '000	2024 BGN '000	change
Non-current assets	43 752	41 612	5.14%
Current assets	98 198	86 892	13.01%
Equity	116 633	109 449	6.56%
Non-current liabilities	3 144	2 141	46.85%
Current liabilities	22 173	16 914	31.09%

	2025	2024	change
EBITDA/Sales revenue	14.68%	14.41%	0.27%
Net profit/Sales revenue	9.40%	8.45%	0.95%
Called-up capital/Equity	0.22	0.17	0.05%

## Review of the risk factors

### Risks related to the Company's business and to the industry in which the Company operates

- The Company's activities could be affected by changes in the regulatory requirements concerning production of pharmaceutical products.
- Amendments to the legislation regulating the Company's business are possible, and these could potentially increase the costs of compliance or may have another adverse effect on its operations.
- The production processes of the Company are subject to stringent requirements and approvals by regulatory authorities, which may delay or even 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 work conditions, and is exposed to potential liabilities in relation to environment.
- The Company is exposed to strong competition
- The Company operates in active exchange with foreign suppliers and customers. It is therefore exposed to foreign currency risk, mainly against the US dollar. The foreign currency risk is the risk that the exchange rate of US dollar: Bulgarian lev will fluctuate in future and thus, it will have an effect on the foreign currency assets and liabilities. The remaining part of the Company's operations is usually denominated in Bulgarian lev and/or in Euro.

#### **Exchange rate risk**

The Company is not exposed to any significant exchange rate risk since most of its assets, liabilities and transactions are denominated in BGN or EUR, and the lev is tied to the Euro, according to the Currency board rules. Regular control of balance sheet items is performed to minimize the exposure to exchange rate risk.

#### **Credit risk**

There is no significant concentration of credit risk in the Company. The Company has established policies to ensure that sales are made to a major customer with immediate payment or payment within a reasonable time in accordance with agreements. Credit risk arises principally from cash and cash equivalents and deposits with banks and other financial institutions, as well as from borrowings. For banks and other financial institutions, only institutions with a high credit rating are considered.

#### **Liquidity risk**

The prudent management of liquidity risk implies the maintenance of sufficient cash and liquid securities, as well as the possibility of additional credit financing and the closing of market positions. Due to the dynamic nature of core business types, the Financial Department of the Company aims to achieve flexibility in funding by maintaining sufficient unused authorized credit lines.

#### **Risk of changes in cash flows and fair values resulting from changes in interest rates**

The Company's interest-bearing assets are with fixed and floating interest rates. Variable interest rate loans expose the Company to interest rate risk from changes in future cash flows, and fixed rate loans – to interest rate risk from fair value changes. The Company's policy is to provide loans mainly at fixed interest rates. As at December 31, 2025 and 2024 the Company does not have interest-bearing assets measured at fair value and therefore is not exposed to the risk of a change in fair value.

#### **Information on the main features of the internal control system applied by the company in the course of financial statements preparation**

Under Bulgarian law, the management should prepare an activity report as well as a financial report for each financial year providing a true and fair view of the Company's financial position at the year-end, on the financial performance and cash flows in accordance with the applicable accounting framework. The management's responsibility also includes the implementation of an internal control system to prevent, detect and correct errors and false statements as a result of accounting system actions. In this respect, the management observes the following basic principles in its activities:

- adherence to a particular management and accounting policy disclosed in the financial statements;
- carrying out of all operations in accordance with legal and regulatory acts;
- reflecting all events and transactions in a timely manner with the exact amounts in the appropriate accounts and for the relevant reporting period so as to allow the preparation of the financial statements in accordance with the specific accounting framework set;

- observance of the prudence principle in the valuation of assets, liabilities, income and expenses;
- detection and termination of frauds and errors;
- completeness and regularity of accounting information;
- preparing reliable financial information;
- adherence to international financial reporting standards and to the going concern principle.

## Operational results for 2025

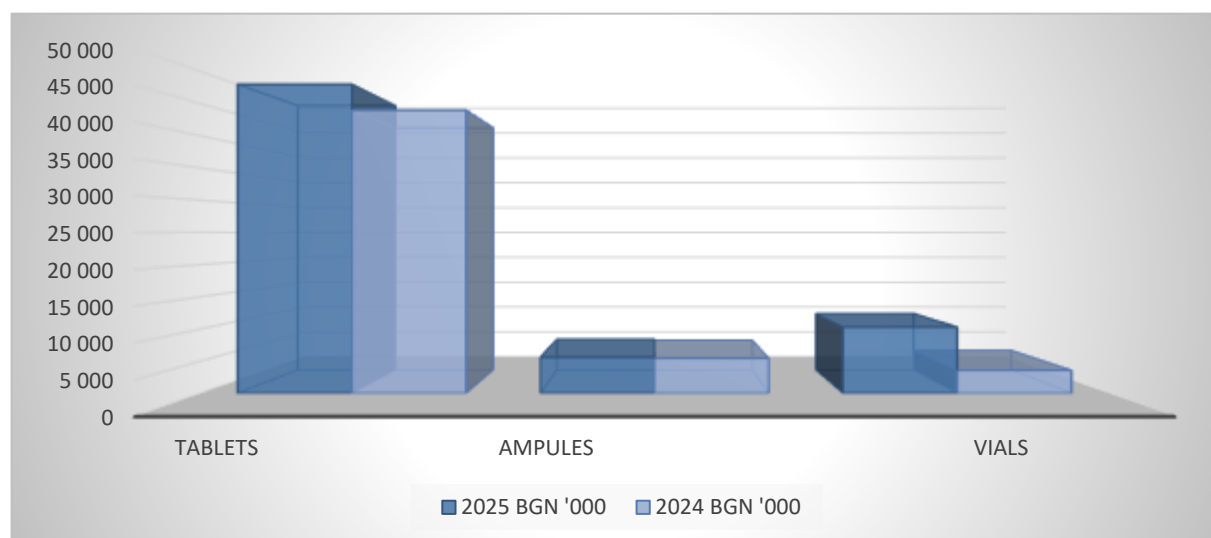
### Operating income

Revenues from sales of products in 2025 increased by BGN 10,854 thousand or by 20.42% up to BGN 63,995 thousand, compared to BGN 53,141 thousand in 2024.

Revenues from sales on the European market represents 3% of total revenues of the company and amount to BGN 1,811 thousand.

### Sales by types of dosage forms

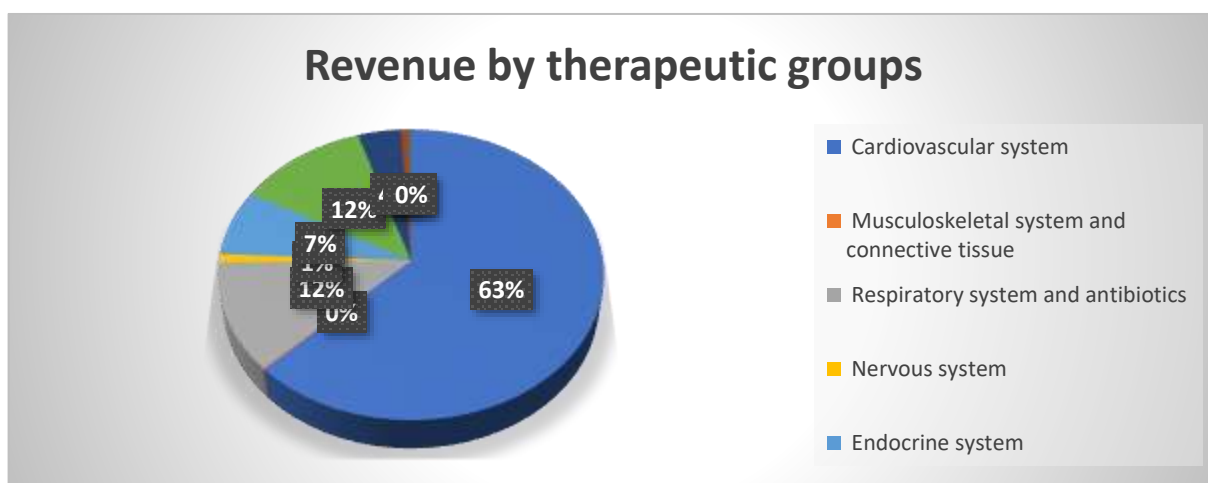
Revenue by dosage forms	2025	2024	change %
	BGN '000	BGN '000	
Tablets	48 015	43 981	9%
Ampules	5 605	5 434	3%
Vials	10 287	3 582	187%
<b>Total:</b>	<b>63 907</b>	<b>52 997</b>	<b>21%</b>



### Revenue by therapeutic groups

Revenue by therapeutic groups	2025	2024	change %
	BGN '000	BGN '000	
Cardiovascular system	40 025	34 636	16%
Musculoskeletal system and connective tissue	97	49	98%
Respiratory system and antibiotics	7 697	6 223	24%
Nervous system	595	1 104	-46%
Endocrine system	4 703	4 252	11%
Other products	7 673	4 032	90%

Digestive system and metabolism	2 524	2 432	4%
Nutritional supplements	349	31	1026%
Oncology	244	238	3%
<b>Total:</b>	<b>63 907</b>	<b>52 997</b>	<b>21%</b>



### Changes in the stock of products and work in progress

2025	2024
664	(77)

### Other operating income and services

	2025 BGN '000	2024 BGN '000
Rental income	70	66
Other income	67	309
<b>Total:</b>	<b>137</b>	<b>375</b>

## Operating expenses

### Operating expenses

	2025 BGN '000	2024 BGN '000	change %
Carrying amount of goods sold	3 249	2 251	44%
Materials	15 452	13 552	14%
Hired services	24 894	19 792	26%
Personnel expenses	9 301	7 944	17%
Social security expenses	1 675	1 434	17%
Depreciation / amortisation expenses	2 872	2 519	14%
Other expenses	729	532	36%
<b>Total:</b>	<b>58 172</b>	<b>48 024</b>	<b>21%</b>

	2025 BGN '000	2024 BGN '000	change %
Main materials	13 768	12 064	14%
Electricity	775	796	-3%
Fuel and lubricants	245	147	67%
Spare parts and laboratory materials	220	211	4%
Water	42	24	75%
Other materials	402	310	30%
<b>Total:</b>	<b>15 452</b>	<b>13 552</b>	<b>14%</b>

The cost of materials increased by BGN 1,900 thousand to 15,452 in 2025, which is a result of the decrease in the cost of the basic materials.

### Costs of hired services

	2025	2024	change
	<i>BGN '000</i>	<i>BGN '000</i>	%
Security	674	632	7%
Insurance	29	30	-3%
Telephone and postage expenses	37	34	9%
Equipment maintenance and subscription	222	261	-15%
Fees	389	323	20%
Transport costs	48	48	-0%
Other costs of hired services	23 495	18 464	27%
<b>Total:</b>	<b>24 894</b>	<b>19 792</b>	<b>26%</b>

## Financial Income and Expenses

### Financial income

	2025	2024	change
	<i>BGN '000</i>	<i>BGN '000</i>	%
Interest income	583	477	22%
Income from currency exchange differences	87	51	71%
Income from operations with financial assets		1	-100%
<b>Total:</b>	<b>670</b>	<b>529</b>	<b>27%</b>

### Financial expenses

	2025	2024	change
	<i>BGN '000</i>	<i>BGN '000</i>	%
Interest expenses	463	585	-21%
Expenses on currency exchange differences	89	138	-36%
Other financial expenses	40	45	-11%
<b>Total:</b>	<b>592</b>	<b>768</b>	<b>-23%</b>

## Assets

	2025	2024	change
	<i>BGN '000</i>	<i>BGN '000</i>	%
<b>Non-current assets</b>			
Property, plant and equipment	34 988	33 304	5%
Intangible assets	3 606	2 836	27%
Non-current loans granted	67	69	-3%
Trade receivables	5 091	5 403	-6%
<b>Total of non-current assets</b>	<b>43 752</b>	<b>41 612</b>	<b>5%</b>

	2025	2024	change
	<i>BGN '000</i>	<i>BGN '000</i>	%
<b>Current assets</b>			
Inventories	17 925	15 862	13%
Trade and other receivables	79 145	70 822	11%
Current corporate tax		129	-100%
Cash and cash equivalents	1 128	79	1 328%
<b>Total of current assets</b>	<b>98 198</b>	<b>86 892</b>	<b>13%</b>

<b>Total of Assets</b>	<b>141 950</b>	<b>128 504</b>	<b>10%</b>
	<b>2025</b>	<b>2024</b>	<b>change</b>
	<i>BGN '000</i>	<i>BGN '000</i>	<b>%</b>
<b>Property, plant and equipment</b>			
Land and buildings	26 461	23 848	11%
Machinery, equipment and facilities	8 224	9 167	-10%
Other		6	-100%
Under acquisition	303	283	7%
<b>Total:</b>	<b>34 988</b>	<b>33 304</b>	<b>5%</b>
<b>Inventories</b>	<b>2025</b>	<b>2024</b>	<b>change</b>
	<i>BGN '000</i>	<i>BGN '000</i>	<b>%</b>
Materials	15 284	14 318	7%
Finished products	803	265	203%
Goods	1 838	1 279	44%
<b>Total:</b>	<b>17 925</b>	<b>15 862</b>	<b>13%</b>
<b>Equity and liabilities</b>			
	<b>2025</b>	<b>2024</b>	<b>change</b>
	<i>BGN '000</i>	<i>BGN '000</i>	<b>%</b>
Registered (share) capital	95 900	91 800	4%
Statutory reserve	14 718	13 097	12%
Retained earnings	6 015	4 552	32%
<b>Total Equity</b>	<b>116 633</b>	<b>109 449</b>	<b>7%</b>
<b>Liabilities</b>			
	<b>2025</b>	<b>2024</b>	<b>change</b>
	<i>BGN '000</i>	<i>BGN '000</i>	<b>%</b>
<b>Non-current liabilities</b>			
Long-term loans	1 543	675	129%
Deferred tax liabilities	1 245	1 198	4%
Retirement benefit liabilities	356	268	33%
<b>Total non-current liabilities</b>	<b>3 144</b>	<b>2 141</b>	<b>47%</b>
	<b>2025</b>	<b>2024</b>	<b>change</b>
	<i>BGN '000</i>	<i>BGN '000</i>	<b>%</b>
<b>Current liabilities</b>			
Trade and other payables	10 934	6 337	73%
Short-term loans	9 294	9 784	-5%
Current portion of long-term loans	931	670	39%
Current corporate tax	57		100%
Other tax liabilities	957	123	678%
<b>Total current liabilities</b>	<b>22 173</b>	<b>16 914</b>	<b>31%</b>
<b>Total liabilities</b>	<b>25 317</b>	<b>19 055</b>	<b>33%</b>
<b>Total equity and liabilities</b>	<b>141 950</b>	<b>128 504</b>	<b>10%</b>

Shareholders' equity increased by BGN 7,184 thousand or by 6.66% to BGN 116,633 thousand by the end of 2025, compared to BGN 109,449 thousand at the end of 2024, mainly as a result of the current profit, which for 2025 is BGN 6,015 thousand.

*Non-current* liabilities increased by BGN 1,003 thousand, or 46,8%, to BGN 3,144 thousand at the end of 2025 compared to BGN 2,141 thousand at the end of 2024, mainly due to an increase in lease liabilities.

Current liabilities decreased by BGN 5,259 thousand, or 31%, to BGN 22,173 thousand at the end of 2025 compared to BGN 16,914 thousand at the end of 2024. This is due to the decrease in trade payables at the end of the year, which were repaid as early as January 2026. The total exposure on loans to financial institutions of the Company as at 31 December 2025 decrease by BGN 490 thousand compared to 31 December 2024.

### Cash flows

	2025	2024
	<i>BGN '000</i>	<i>BGN '000</i>
Net cash flows from operating activities	3 579	3 365
Net cash flows from investment activities	-1 100	-2 218
Net cash flows from financing activities	-1 430	-1 128
<b>Net increase/decrease in cash and cash equivalents</b>	<b>1 049</b>	<b>19</b>
Cash and cash equivalents on 1 January	79	60
Cash and cash equivalents on 31 December	1 128	79

Net cash flows increase by BGN 1,030 thousand in 2025, as a result of which the cash equivalents amounted to BGN 1,128 thousand.

### Financial indicators

	95 900 000	91 800 000	change %
Return on equity	0.052	0.041	26%
Return on assets	0.042	0.035	21%
Assets turnover ratio	0.45	0.42	9%
Current liquidity ratio	4.43	5.14	-14%
Fast liquidity ratio	3.62	4.19	-14%
Debt factor	0.22	0.17	25%
Financial autonomy ratio	4.61	5.74	-20%

### Information on the shares of Tchaikapharma High Quality Medicines Inc.

The total number of the issued shares as at 31.12.2025 is 95,900,000 with a nominal value of BGN 1 per share. All issued shares are registered, dematerialized, ordinary and indivisible according to the Company's Articles of Association. All issued shares are of one class. Each share grants equal rights to its holder, proportional to the nominal value of the share. According to the Company's Articles of Association, there are no restrictions on the transfer of the securities, restrictions on the possession of securities or the need for approval by the company or another shareholder. There are no shareholders with special control rights. There is no need for a system of control over the exercise of voting rights in cases where employees of the company are also its shareholders and when the control is not directly exercised by them because there are no such cases. There are no restrictions on voting rights such as limitations on the voting rights of shareholders with a certain percentage or number of votes, the deadline for the exercise of voting rights, or systems where, with the cooperation of the company, the financial rights attaching to the shares are separated from the shares' ownership.

The shares of “Tchaikapharma High Quality Medicines Inc.” are traded on the official market of BSE-Sofia AD. The Company is not informed about arrangements (including after the end of the financial year), as a result of which changes in the relative portion of shares or bonds of current shareholders may occur in the future. The Company has no information about shareholders' agreements known to the Company and which may result in restrictions on the transfer of shares or voting rights.

There are no contracts of the company having effect, changing or being terminated due to a change in the control of the company in the implementation of a mandatory tender offer and the consequences thereof. There are no agreements between the company and its management bodies or employees to pay compensation on leaving or dismissal without a legal basis or upon termination of the employment relationship for reasons related to a tender offering.

### Significant indicators for the shares of Tchaikapharma High Quality Medicines Inc

	2025	2024
Total number of issued shares	95 900 000	91 800 000
Number of shares in circulation at the end of the period	95 900 000	91 800 000
Net profit per share in BGN	0.06	0.05
Price per share at the end of the period in BGN	18.40	18.00
Book value per share in BGN	1.22	1.19
Price per share/Net profit per share	302.15	372.00
Price per Share/Book Value per Share	15.13	15.10
Market capitalization at the end of the period in BGN	1 764 560 000	1 652 400 000



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Biser Georgiev  
 / Executive Director /