ACTIVITY REPORT

For the second quarter of 2026

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.

23.07.2026

General information about Tchaikapharma High Quality Medicines Inc.

History and development of Tchaikapharma High Quality Medicines Inc.

Legal and commercial name

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

Location and registration. Unique Identification Code (UIC)

The Company was listed in the Commercial Registry by Decision from 14.03.2000 on the company case 1096/2000 of the Varna District Court as as a joint stock company named TCHAIKA PHARMA INC.

By decision of the General Meeting of Shareholders from 04.07.2003, entered by Decision from 30.07.2003 on the company case 1096/2000 of the Varna District Court, the name was changed to TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.

The Company is listed in the Commercial Register of the Registry Agency at the Ministry of Justice with **UIC 103524525.** With registered office. 1 G. M. Dimitrov Bld .

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.

Country of Company registration, headquarters and address pursuant to the Statute; legal form; legislation under which the Company operates

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

The Company was incorporated in the Republic of Bulgaria.

The headquarters and registered office of the Company:

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

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

Telephone: (359 2) 402 64 82

Internet site: www.tchaikapharma.com

Important events in the development of the business of the Company

Important events in the development of the Issuer for the last three years:

- Tchaikapharma High Quality Medicines Inc. was not transformed.

- Tchaikapharma High Quality Medicines Inc. was not transferred or pledged.

- There were no significant changes in the scope of activity of Tchaikapharma High Quality Medicines Inc.

- There were no filed claims for opening of insolvency proceedings.

- By Decision of the General Assembly of 25.06.2024 the accumulated retained profit in the amount of EUR 3,940,783.48 (Three million nine hundred and fourty thousand seven hundred and eighty-three euros and 48 cents) shall be distributed as follows: EUR 3,732,430.73 (Three million seven hundred thirty two thousand four hundred and thirty euros and 73 cents) shall go for capital increase, reserves shall be set aside EUR 173,813.90 (One hundred seventy three thousand eight hundred and thirteen euros and 90 cents) and additional reserves EUR 3,861.42 (Three thousand eight hundred and sixty-one euros and 42 cents), EUR 30,677.51 (Thirty thousand six hundred and seventy-seven euros and 51 cents) remains retained earnings.

- By Decision of the General Assembly of 25 June 2025, the profit for 2024 in the amount of EUR 2,296,665.26 (Two million two hundred and ninety-six thousand six hundred and sixty-five euros and 26 cents) shall be distributed as follows: EUR 229,666.52 (Two hundred and twenty-nine thousand six hundred and sixty-six euros and 52 cents) shall be allocated to reserves EUR 1,379.53 (One thousand three hundred and seventy-nine euros and 53 cents) shall be allocated to additional reserves. The company's capital is increased by the amount of EUR 2,096,296.71, which includes the balance of the profit for 2024 in the amount of EUR 2,065,619.20 and the company's undistributed profit from previous years in the amount of EUR 30,677.51. The increase is in the process of being entered in the Commercial Register.

- By Decision of the General Assembly of 24.06.2026 the accumulated retained profit in the amount of EUR 3,075,294.29 (Three million seventy-five thousand two hundred and ninty-four euros and 29 cents) shall be distributed as follows: EUR 2,754,000.00 (Two million seven hundred fifty-four thousand euros) shall go for capital increase, reserves shall be set aside EUR 307,529.43 (Three hundred and seven thousand five hundred and twenty-nine euros and 43 cents) and additional reserves EUR 13,764.86 (Thirteen housand seven hundred and sixty-four euros and 86 cents). The increase has not yet been entered in the Commercial Register, so it is not reflected in this report.

The current capital of the Company is EUR 49,032,891.40 distributed in 95,900,000 ordinary dematerialized voting shares with a par value of EUR 0.51 each.

Tchaikapharma High Quality Medicines Inc. is one of the fastest growing Bulgarian company specialized in manufacturing high quality and affordable generic and original medicines. The production facilities of the company are built in accordance with European requirements. The company is focused of quality and safety of the production of medicinal products for human medicine. In the years in which the company has been on the market it has proved its honesty and patient care.

Its main goal is the renewal of current trends in the worldwide drug therapy. The main priority for the company are medicinal products for the treatment of diabetes, diseases of the central nervous system, cancers and it is mainly focused on medications associated with the treatment of cardiovascular diseases.

Investments

Major investments for each of the following financial years: 2023, 2024 and 2025.

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

Investments for the period	**2024**	**2025**	**2026**
Tchaikapharma High Quality Medicines Inc.	***EUR'000***	***EUR'000***	***EUR'000***
I. Fixed tangible assets	**709**	**391**	**274**
1. Land and buildings	17	0	9
2. Property and equipment	691	391	214
3. Other fixed assets	1	1	51
II. Fixed intangible assets	**5**	**253**	**55**
1. Industrial property rights	3	67	55
2. Software	2	6	-
3. Patents and licenses	0	180	-
Total amount of acquisition of fixed tangible and intangible assets	**714**	**644**	**329**

Major investments in progress

The company makes capital investments in the acquisition and development of innovative dosage forms with the aim of diversifying and expanding its product portfolio. In addition to pharmaceutical products, “Tchaikapharma High Quality Medicines” Inc. also manufactures dietary supplements designed to improve health and quality of life.

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 lnc. 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 and 10 nutritional supplements 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.

Submitted documentation to BDA (Bulgarian Drug Agency):

Submitted applications for MA for new products:

Submitted Renewals:

Fluidoro 10 mg film-coated tablets – Renewal - IAL-22786/01-06-2026

Submitted variations:

Co-Telsart 80 mg/12,5 mg; 80 mg/25 mg tablets - Type IA - IAL-15676/09-04-2026
Levor 500 mg film-coated tablets - Type IA - IAL-15775/09-04-2026
Vorifungal 200 mg powder for solution for infusion - Type IB - IAL-16464/16-04-2026
Vancocin CP - Type IB - IAL-16544/17.04.2026
Klacar 500mg film-coated tablets - notif. Art 61 (3) - IAL-16305/16-04-2026
Clopasa 0.5 mg tablets - Type IB - IAL-18183/28-04-2026
Letrofemin 2,5 mg film-coated tablets - Type IB, IB - IAL-2862/21-01-2026
Fluidoro 10 mg film-coated tablets - Type II - IAL-22231/28-05-2026
Tamayra plus 5mg/5mg/12.5mg hard capsules - Type IB, IB - IAL-2862/21-01-2026
MoriVid 200 mg film-coated tablets - Type Iain - IAL-23357/03-06-2026
Linagliptin/Metformin Tchaikapharma 2.5 mg/850mg; 2.5mg/1000mg film-coated tablets - Type IB - IAL-23363/03-06-2026
Diab PR 60 mg prolonged-release tablets - Type IB - IAL-25409/18.06.2026
Total: 12

Approved MA's from BDA:

Approved MA's for new products:

Eltrombopag Tchaikapharma 25mg film-coated tablets – New MA – BG/MA/MP-72198/11-06-2026
Calisa 5 mg/2,5 mg; 5 mg/5 mg; 10 mg/5 mg; 10 mg/10 mg – New MA - BG/MA/MP-72252/19.06.2026; BG/MA/MP-72253/19.06.2026; BG/MA/MP-72254/19.06.2026; BG/MA/MP-72255/19.06.2026

Approved Renewals:

Approved variations:

Zornichka 12,5 mg tablets; 25 mg tablets - Type IA - IAL-14263/01-04-2026; IAL-14641/02-04-2026

Endora 30mg/ 60mg film-coated tablets - notif. Art 61 (3) - IAL-22982/02-06-2026; IAL-23336/03-06-2026
Furoser 10 mg/ml solution for injection - notif.Art.61(3) - IAL-14860/03-04-2026
Simvacor 10 mg; 20 mg; 40 mg film-coated tablets - Type IAin - BG/MA/MP-71597/01-04-2026; BG/MA/MP-71598/01-04-2026; BG/MA/MP-71599/01-04-2026
Remifentanil-Tchaikapharma 5 mg solution for injection/infusion - Type IB - BG/MA/MP-71609/03-04-2026
Fluidoro 10 mg film-coated tablets - Type II - IAL-14830/03-04-2026
Prostanorm 6 mg/0,4 mg modified-release tablets - Type Iain - IAL-14372/01-04-2026
Olsart 20 mg film-coated tablets - notif.Art.61(3) - IAL-17102/21-04-2026
Co-Telsart 80 mg/12,5 mg; 80 mg/25 mg tablets - Type IA - IAL-16423/16-04-2026
Levor 500 mg film-coated tablets - Type IA - IAL-18251/29-04-2026
Vorifungal 200 mg powder for solution for infusion - Type IB - BG/MA/MP-72027/21-05-2026
Vancocin CP 1g powder for solution for infusion - Type IB - IAL-21044/19-05-2026
Klacar 500mg film-coated tablets - notif. Art 61 (3) - IAL-18692/30-04-2026
Clopasa 0.5 mg tablets - Type IB - BG/MA/MP-72021/21-05-2026
Letrofemin 2,5 mg film-coated tablets - Type IB, IB - IAL-18834/04-05-2026
Fluidoro 10 mg film-coated tablets - Type II - IAL-24586/11-06-2026
Tamayra plus 5mg/5mg/12.5mg hard capsules - Type IB, IB - IAL-22434/28-05-2026
MoriVid 200 mg film-coated tablets - Type Iain - IAL-24056/09-06-2026
Total: 18

Kosovo

Submitted applications of MA's for new products:
Fluidoro 10mg film-coated tablets – new MA - 15.05.2026

Approved MA's for new products:

Submitted Renewals:
Bilamcar 8mg/5mg; 16mg/5mg hard capsules – 18.05.2026
MoriVid 200 mg film-coated tablets – 10.03.2026
Ceftriaxon 1g; 2g powder for solution for injection/infusion – renewal – 21.05.2026

Approved Renewals:
Co-Irbesso 150 mg/12,5 mg; 300 mg/12,5 mg film-coated tablets – 28.05.2026
Tamayra 5mg/5mg; 10mg/5mg hard capsules – 23.06.2026
Amarhyton 50 mg; 100 mg prolonged release hard capsules – 23.06.2026
Morivid 200 mg film-coated tablets – 23.06.2026

Submitted variations:
Bravylol 5 mg tablets– add. New manuf. Ausun – 04.06.2026
Ceftriaxon 1g; 2g powder for solution for injection/infusion – del. Api Nectar – 27.04.2026
Bilamcar 8mg/5mg; 16mg/5mg hard capsules – add MT lab – 26.03.2026
Co-Irbesso – 150 mg/12,5 mg; 300 mg/12,5 mg film-coated tablets - new CEP Rundu Process II – 22.04.2026
Ceftriaxon 1g; 2g powder for solution for injection/infusion – Del.Api Bectar – 21.05.2026

As of 30.06.2026 the average number of employees in Tchaikapharma High Quality Medicines Inc. was 228 (212 as of 31.12.2025). In the table below detailed information about the employees in the company is provided

	30.06.2026	Relative share
Number of employees as of 30.06.2026	**228**	**100%**
Higher education	150	66%
Secondary education	77	34%
Primary education	1	0%
Employees under 30 years	77	34%
Employees 31 - 40 years	90	39%
Employees 41 - 50 years.	47	21%
Employees 51 - 60 years.	14	6%
Employees 60+ years	0	0%
Women	109	48%
Men	119	52%

Significant events since the beginning of the year until 30.06.2026

In the second quarter of 2026 there were no significant events.

Key financial indicators

Indicators	01-06/2026 *EUR'000*	01-06/2025 *EUR'000*	Change %
Sales revenue	19 141	16 365	16.96%
Earnings before interest, taxes and depreciation (EBITDA)	3 430	3 442	- 0.34%
Net profit	2 395	2 446	-2.08%
	01-06/2026 *EUR'000*	**01-12/2025** *EUR '000*	**Change %**
Non-current assets	21 839	22 370	-2.37%
Current assets	51 152	50 208	1.88%
Equity	62 028	59 634	4.02%
Non-current liabilities	1 392	1 608	-13.41%
Current liabilities	9 571	11 337	- 15.58%

	01-06/2026	01-06/2025
EBITDA/Sales revenue	18%	21%
Net profit/Sales revenue	13%	15%

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 European euro in future business operations, recognized foreign currency assets and liabilities. The rest of the company's transactions are typically denominated in euros.

Sales by types of dosage forms

Revenue by dosage forms	**01-06/2026** ***EUR'000***	**01-06/2025** ***EUR'000***
Tablets	14 543	12 661
Ampules	164	90
Vials	4 425	3 588
Total:	**19 132**	**16 340**

Revenue by therapeutic groups	**01-06/2026** ***EUR'000***	**01-06/2025** ***EUR'000***
Cardiovascular system	12 001	10 374
Musculoskeletal system and connective tissue	24	25
Respiratory system and antibiotics	2 465	1 600
Nervous system	292	220
Endocrine system	1 491	1 190
Other products	2 309	2 112
Digestive system and metabolism	366	563

Food supplements	153	129
Oncology	31	128
Total:	**19 132**	**16 340**

Changes in the inventories of products and work in progress	**684**	**(24)**

Other operating income	**01-06/2026** ***EUR'000***	**01-06/2025** ***EUR'000***
Income from rent	10	16
Other income	-	10
Total:	**10**	**26**

Financial income	**01-06/2026** ***EUR'000***	**01-06/2025** ***EUR'000***
Income from interest	-	-
Income from exchange rate differences	6	30
Total:	**6**	**30**

Core activity expenses

Operating expenses	**01-06/2026** ***EUR'000***	**01-06/2025** ***EUR'000***
Book value of sold products	970	939
Materials	4 456	3 793
External services	7 805	5 329
Salaries	2 416	2 264
Social security costs	479	424
Depreciation costs	758	708
Other	237	176
Total:	**17 121**	**13 633**

Cost of materials	**01-06/2026** ***EUR'000***	**01-06/2025** ***EUR'000***
Basic material	4 012	3 369
Electricity	232	182
Fuels and lubricants	69	62
Spare parts and laboratory materials	48	73
Water	11	8
Other materials	84	99
Total:	**4 456**	**3 793**

Costs of external services	**01-06/2026**	**01-06/2025**

	EUR'000	EUR'000
Security	182	162
Insurance	7	7
Telephone and postage expenses	9	9
Equipment maintenance and subscription	64	56
Fees	34	80
Transport costs	13	12
Other costs for external services	7 496	5 004
Total:	**7 805**	**5 329**

Financial expenses	**01-06/2026** *EUR'000*	**01-06/2025** *EUR'000*
Interest expenses	97	119
Expenses from exchange rate differences	34	23
Other financial expenses	5	6
Total:	**136**	**148**

Assets

Non-current assets	**01-06/2026** *EUR'000*	**01-12/2025** *EUR'000*
Property, plant and equipment	17 249	17 889
Intangible assets	1 953	1 844
Investments with minority interest	34	34
Trade receivables	2 603	2 603
Total non-current assets	**21 839**	**22 370**
Current assets		
Inventories	9 145	9 165
Trade and other receivables	41 951	40 466
Treasury shares redeemed	-	-
Cash and cash equivalents	56	577
Total current assets	**51 152**	**50 208**
Total Assets	**72 991**	**72 578**

Property, plant and equipment	**01-06/2026** *EUR'000*	**01-12/2025** *EUR'000*
Land and buildings	13 223	13 529
Machinery and equipment	3 959	4 205
Other	-	-
In the process of acquisition	67	155
	17 249	**17 889**

Inventories	**01-06/2026**	**01-12/2025**

	EUR'000	EUR'000
Materials	7 440	7 815
Production	804	411
Goods	901	940
Total:	**9 145**	**9 165**

Equity and liabilities

	01-06/2026 EUR'000	01-12/2025 EUR'000
Registered capital	49 033	49 033
Statutory reserve	7 525	7 525
Undistributed profit	5 470	3 075
Total Equity	**62 028**	**59 634**

Liabilities

	01-06/2026 EUR'000	01-12/2025 EUR'000
Non-current liabilities		
Long-term loans	573	789
Deferred tax liabilities	637	637
Liabilities to employees on retirement	182	182
Total non-current liabilities	**1 392**	**1 608**
Current liabilities		
Trade and other liabilities	5 072	5 590
Short term loans	4 003	4 752
Current part of long-term loans	440	476
Current corporate income tax	-	29
Other tax liabilities	56	489
Total current liabilities	**9 571**	**11 337**
Total liabilities	**10 963**	**12 944**
Total equity and liabilities	**72 991**	**72 578**

Financial indicators

	01-06/2026	01-12/2025
Leverage ratio	0.18	0.22
Financial autonomy ratio	5.66	4.61

Information on the shares of Tchaikapharma High Quality Medicines Inc.

The total amount of shares issued as of 30.06.2026 was 95,900,000 with a nominal value of EUR 0.51 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.

	1-06/2026	**1-12/2025**
Total number of issued shares	95 900 000	95 900 000
Number of shares in circulation at end of period	95 900 000	95 900 000
Price per share at the end of the period in EUR	9.10	9.40
Market capitalization at the end of the period in EUR	872 690 000	901 460 000

Biser Georgiev

/Executive Director/