ACTIVITY REPORT

For the third quarter

of 2026

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.

28.10.2026

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) 962 54 51

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 20.06.2023 the profit of 2022 in the amount of EUR 1,427,025.62 (One million four hundred and twenty seven thousand twenty-five euros and 62 cents) shall be allocated as follows EUR 138,612.22 (One hundred and thirty eight thousand six hundred and twelve euros and 22 cents) to be allocated to reserves, EUR 6,505.13 (Six thousand five hundred and five euros and 13 cents) for additional reserves and EUR 1,277,817.93 (One million two hundred and seventy-seven thousand eight hundred and seventeen euros and 93 cents) to be allocated to Retained Earnings.

- 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.

- By Decision of the General Assembly of 24 June 2026, the profit for 2025 in the amount of EUR 3,075,294.29 (Three million seventy five hundred two hundred and ninety-four euros and 29 cents) shall be distributed as follows: EUR 307,529.43 (Three hundred and seven thousand five hundred and twenty-nine euros and 43 cents) shall be allocated to reserves EUR 13,674.86 (Thirteen thousand six hundred and seventy-four euros and 86 cents) shall be allocated to additional reserves. The company's capital is increased by the amount of EUR 2,754,000. The new share offering was listed on the Bulgarian Stock Exchange on September 11, 2026.

The current capital of the Company is EUR 51,663,000 distributed in 101,300,000 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: 2024, 2025 and 2026.

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	273
3. Other fixed assets	1	1	51
II. Fixed intangible assets	**5**	**253**	**83**
1. Industrial property rights	3	67	83
2. Software	2	6	-
3. Patents and licenses	0	180	-
Total amount of acquisition of fixed tangible and intangible assets	**714**	**644**	**357**

Major investments in progress

The company 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, and by December 2025, 65 thousand packages had been sold on the market.

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:

Ibuprofen Tchaikapharma – New MA - IAL-27401/01.07.2026

RosstaTrio 10 mg/5 mg/5 mg ; 10 mg/5 mg/10 mg; 20 mg/5 mg/5 mg; 20 mg/5 mg/10 mg capsules, hard – New MA - IAL-34807-10/27-08-2026

Dexamethasone 4mg; 8mg tablets – New MA - IAL-33975/21-08-2026

Empagliflozin 10mg; 15mg film-coated tablets – New MA - IAL – 33340/17-08-2026

Submitted Renewals:

Submitted variations:

ContaMedia 350mgI/ml solution for injection - Type IAin - IAL-30853/28-07-2026

Bacteripime powder for solution for injection/infusion 1g - Type IB - IAL-31554/03-08-2026

CentroQueen 100 mg; 200 mg film-coated tablets - Type Iain - IAL-32416/10-08-2026

PlaquEx Combi 75 mg/75 mg hard capsules - Type IB - IAL-33176/14-08-2026

Eltrombopag Tchaikapharma 25 mg film-coated tablets – Type IB - IAL-33337-17-08-2026

Aroba 100 mg tablets - Type IB; type IA; type IA - IAL-33639/19-08-2026

Irbesso 150 mg; 300 mg film-coated tablets – Type IB - IAL-36312/10-09-2026

Dexketoprofen 50 mg/2 ml solution for injection/infusion – Type IB - IAL-36526/11-09-2026

TromBye 100 mg tablets – Type II - IAL-36546/11-09-2026

Propipin 75 mg, 110 mg, 150 mg hard capsules – Type II - IAL-36618/11-09-2026

Cordacare 10 mg; 20 mg tablets – Type IB - IAL-38256/24-09-2026

Sinepar 200mg/50mg prolonged-release tablets – Type IAin - IAL-38987/29-09-2026

Calisa 5mg/2,5mg; 5mg/5mg; 10mg/5mg; 10mg/10mg capsules, hard – Type IAin - IAL-38985/29-09-2026

Tirofiban-Tchaikapharma 0,25 mg/ml concentrate for solution for infusion – Type II - IAL-38875-29-09-2026

Rivaroxaban-Tchaikapharma 10 mg; 15 mg; 20 mg film-coated tablets – Type IB - IAL-38885/29.09.2026

Bisor 5mg, 10mg tablets – Type IAin - IAL-39698/02-10-2026

Total: 20

Approved MA's from BDA:

Approved MA's for new products:

Dapagliflozin Tchaikapharma – New MA - BG/MA/MP-72525/27.07.2026

Dapagliflozin/Metformin Tchaikapharma 5 mg/850 mg; 5 mg/1000 mg film-coated tablets – New MA - BG/MA/MP-72575/28.07.2026; BG/MA/MP-72576/28.07.2026

Famore 20 mg; 40 mg film-coated tablets – New MA - BG/MA/MP-72862/04-09-2026; BG/MA/MP-72863/04-09-2026

Vale 24 mg/26 mg; 49 mg/51 mg; 97 mg/103 mg film-coated tablets – New MA - BG/MA/MP-73042/01.10.2026; BG/MA/MP-73043/01.10.2026; BG/MA/MP-73044/01.10.2026

Approved Renewals:

Tamayra Plus 5mg/5mg/12,5mg; 5mg/5mg/25mg; 10mg/5mg/25mg hard capsules – Renewal - BG/MA/MP/72519/24-07-2026; BG/MA/MP/72520/24-07-2026; BG/MA/MP/72521/24-07-2026

Rivaroxaban- Tchaikapharma 10 mg; 15 mg; 20 mg film-coated tablets – Renewal - BG/MA/MP-72643/07.08.2026; BG/MA/MP-72641/07.08.2026; BG/MA/MP-72642/07.08.2026

Approved variations:

Linagliptin/Metformin Tchaikapharma 2.5 mg/850mg; 2.5mg/1000mg film-coated tablets - Type IB - BG/MA/MP-72314/03-07-2026; BG/MA/MP-72315/03-07-2026

Diab PR 60 mg prolonged-release tablets - Type IB - IAL-29096/14-07-2026

ContaMedia 350mgI/ml solution for injection - Type IAin - BG/MA/MP-72663/12-08-2026

Bacteripime powder for solution for injection/infusion 1g – Type IB - IAL-38547/25-09-2026

CentroQueen 100 mg; 200 mg film-coated tablets – Type IAin - IAL-35944/08-09-2026

PlaquEx Combi 75 mg/75 mg hard capsules – Type IB - BG/MA/MP-72889/11-09-2026

Total: 12

Kosovo

Submitted applications of MA's for new products:

Approved MA's for new products:

Submitted Renewals:

Approved Renewals:

Bilamcar 8mg/ 5mg; 16mg/ 5mg hard capsules – Renewal - 10.9.2026

Submitted variations:

Aroba 100 mg tablets – Type IB - 15.9.2026

Diab MR 30 mg modified-release tablets – Type IB - 15.9.2026

Approved variations:

Bilamcar 8mg/ 5mg; 16mg/ 5mg hard capsules – Type IB; IB - 03.8.2026

Bilamcar 8mg/ 5mg; 16mg/ 5mg hard capsules – Type IAin - 15.9.2026

Bravylol 5 mg tablets – Type IA - 09.7.2026

Ceftriaxon 1g; 2g powder for solution for injection/infusion – Type IA - 09.7.2026

As of 30.09.2026 the average number of employees in Tchaikapharma High Quality Medicines Inc. was 222 (212 as of 31.12.2025). In the table below detailed information about the employees in the company is provided

	30.09.2026	**Relative share**
Number of employees as of 30.09.2026	**222**	**100%**
Higher education	145	65%
Secondary education	76	34%
Primary education	1	0%
Employees under 30 years	76	34%
Employees 31 - 40 years	88	40%
Employees 41 - 50 years.	46	21%
Employees 51 - 60 years.	12	5%
Employees 60+ years	0	0%
Women	106	48%
Men	116	52%

Significant events since the beginning of the year until 30.09.2026

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

Key financial indicators

Indicators	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***	**Change %**
Sales revenue	30 345	24 534	23.69%
Earnings before interest, taxes and depreciation (EBITDA)	5 391	4 890	10.26%

Net profit	3 797	3 374	12.55%

	01-09/2026 ***EUR'000***	**01-12/2025** ***EUR '000***	**Change %**
Non-current assets	21 559	22 370	-3.63%
Current assets	52 773	50 208	5.11%
Equity	63 429	59 634	6.36%
Non-current liabilities	1 325	1 608	-17.57%
Current liabilities	9 578	11 337	- 15.52%

	01-09/2026	**01-09/2025**
EBITDA/Sales revenue	17%	20%
Net profit/Sales revenue	13%	14%

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	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Tablets	23 186	18 855

Ampules	288	92
Vials	6 849	5 528
Total:	**30 323**	**24 475**

Revenue by therapeutic groups	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Cardiovascular system	19 199	15 930
Musculoskeletal system and connective tissue	49	48
Respiratory system and antibiotics	4 276	2 650
Nervous system	506	232
Endocrine system	2 235	1 707
Other products	3 212	2 802
Digestive system and metabolism	524	845
Food supplements	256	131
Oncology	66	130
Total:	**30 323**	**24 475**

Changes in the inventories of products and work in progress	**(642)**	**(7)**

Other operating income	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Income from rent	17	24
Other income	1	11
Total:	**18**	**35**

Financial income	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Income from interest	-	-
Income from exchange rate differences	12	40
Total:	**12**	**40**

Core activity expenses

Operating expenses	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Book value of sold products	1 372	1 156
Materials	6 753	5 777
External services	12 542	8 450
Salaries	3 705	3 389
Social security costs	733	634
Depreciation costs	1 118	1 089
Other	448	240
Total:	**26 671**	**20 734**

Cost of materials	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Basic material	6 006	5 153
Electricity	380	284
Fuels and lubricants	109	92
Spare parts and laboratory materials	83	92
Water	17	15
Other materials	158	141
Total:	**6 753**	**5 777**

Costs of external services	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Security	258	267
Insurance	10	10
Telephone and postage expenses	14	15
Equipment maintenance and subscription	94	83
Fees	135	172
Transport costs	21	18
Other costs for external services	12 010	7 884
Total:	**12 542**	**8 450**

Financial expenses	**01-09/2026** ***EUR'000***	**01-09/2025** ***EUR'000***
Interest expenses	146	174
Expenses from exchange rate differences	48	38
Other financial expenses	8	8
Total:	**202**	**220**

Assets

Non-current assets	**01-09/2026** ***EUR'000***	**01-12/2025** ***EUR'000***
Property, plant and equipment	17 085	17 889
Intangible assets	1 837	1 844
Investments with minority interest	34	34
Trade receivables	2 603	2 603
Total non-current assets	**21 559**	**22 370**
Current assets		
Inventories	8 717	9 165
Trade and other receivables	44 028	40 466
Cash and cash equivalents	28	577

Total current assets	**52 773**	**50 208**
Total Assets	**74 332**	**72 578**

Property, plant and equipment	**01-09/2026** ***EUR'000***	**01-12/2025** ***EUR'000***
Land and buildings	13 065	13 529
Machinery and equipment	3 855	4 205
Other	-	-
In the process of acquisition	265	155
	17 085	**17 889**

Inventories	**01-09/2026** ***EUR'000***	**01-12/2025** ***EUR'000***
Materials	6 818	7 815
Production	1 098	411
Goods	801	940
Total:	**8 717**	**9 165**

Equity and liabilities

	01-09/2026 ***EUR'000***	**01-12/2025** ***EUR'000***
Registered capital	51 663	49 033
Statutory reserve	7 846	7 525
Undistributed profit	3 920	3 075
Total Equity	**63 429**	**59 634**

Liabilities

Non-current liabilities	**01-09/2026** ***EUR'000***	**01-12/2025** ***EUR'000***
Long-term loans	506	789
Deferred tax liabilities	637	637
Liabilities to employees on retirement	182	182
Total non-current liabilities	**1 325**	**1 608**

Current liabilities		
Trade and other liabilities	4 629	5 590
Short term loans	4 003	4 752
Current part of long-term loans	398	476
Current corporate income tax	-	29
Other tax liabilities	548	489
Total current liabilities	**9 578**	**11 337**
Total liabilities	**10 903**	**12 944**
Total equity and liabilities	**74 332**	**72 578**

Financial indicators

	01-09/2026	01-12/2025
Leverage ratio	0.17	0.22
Financial autonomy ratio	5.82	4.61

Information on the shares of Tchaikapharma High Quality Medicines Inc.

The total amount of shares issued as of 30.09.2026 was 101,300,000 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.

	1-09/2026	1-12/2025
Total number of issued shares	101 300 000	95 900 000
Number of shares in circulation at end of period	101 300 000	95 900 000
Price per share at the end of the period in EUR	8.30	9.40
Market capitalization at the end of the period in EUR	840 790 000	901 460 000

Biser Georgiev

/Executive Director/

