

**INTERNAL INFORMATION ON FACTS AND CIRCUMSTANCES THAT TOOK
PLACE IN THE FIRST QUARTER OF 2017
TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.**

- 1.1. There are no changes of the persons exercising control over the Company.
- 1.2. There is no change in the Board of Directors; there are no changes in the representation, appointment or dismissal of a procurator.
- 1.3. There are no amendments and/or supplements in the Statute of the company in the first quarter of 2017.
- 1.4. Opening of procedure for liquidation and all material stages, connected with the procedure – no such procedure.
- 1.5. There are no insolvency proceedings against the company and all material stages, connected with such proceedings.
- 1.6. Acquisition, lease or disposition of assets of big value under Art. 114, Para. 1, It. 1 of the Public Offering of Securities Act (POSA) – no such.
- 1.7. There is no decision on the conclusion, termination and rescission of a contract for joint venture.
- 1.8. Changes in the auditors of the Company – no changes
- 1.9. Announcement of the profit of the company - TCHAIKAPHARMA HIGH QUALITY MEDICINES INC. ended the first quarter of 2017 with a net profit of BGN 2 856 thousand /31.12.2016 – BGN 8 585 thousand/
- 1.10. There are no significant losses and reasons for them.
- 1.11. There are no unpredictable or unforeseen circumstances of extraordinary character, due to which the company or its subsidiary has suffered damages amounting to three or more percent of the company's equity.
- 1.12. The Company has not received and published a modified audit report.
- 1.13. Decision of the General Meeting on the type and amount of the dividend and the terms and conditions for its payment – There is no decision in the first quarter to convene a General Meeting of Shareholders
- 1.14. Receivables arising that are material to the company and their maturity.
- 1.15. There are no liquidity problems and measures for financial support.
- 1.16. Increase or decrease of the share capital – no
- 1.17. No negotiations for acquisition of the company were held.
- 1.18. There are no essential contracts concluded or executed, which are not related to the core business of the company.
- 1.19. Opinion of the Governing Body in connection with a commercial offer – no such
- 1.20. Termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years – no.
- 1.21. Introduction of new products and solutions on the market.

In the first quarter of 2017 Tchaikapharma continued to be one of the leading pharmaceutical companies in Bulgaria, which continued to add new products to its diverse portfolio and the following medicinal products are in the process of obtaining Marketing Authorisations:

Pemetrexed-Tchaikapharma 500 mg powder for concentrate for solution for infusion - for treatment of cancer.

Bortezomib-Tchaikapharma 3.5 mg powder for solution for injection - for treatment of cancer.

Lidocaine-Tchaikapharma 10 mg/ml solution for injection and Lidocaine-Tchaikapharma 20 mg/ml solution for injection - for local anesthesia and treatment of severe heart rhythm disorders.

Tchaikapharma High Quality Medicines Inc., in its role as a high-quality manufacturer of medicines, has also focused on Kosovo, where it has received five new authorizations for the medicinal products Aroba, Co-Teltsart, Metformin-Tchaikapharma, Pizona and Rossta.

Tchaikapharma High Quality Medicines Inc. completed its first clinical trial of a medicinal product with INN Irbesartan. The report, which summarises the results of the study, was completed, issue date - 6.02.2017. Modules 2.4, 2.5, 2.6, 2.7, Module 4 and Module 5 are currently under preparation and will be part of the dossier of the medicinal product owned by Tchaikapharma High Quality Medicines Inc.

The newly created bioanalytical laboratory aims to investigate the pharmacokinetics and concentration of drug substances in human plasma. The work of the laboratory is currently related to the development and validation of a method for the study of irbesartan concentration in human plasma. A system of Standard Operating Procedures is also in place to ensure the quality and traceability of the results obtained.

1.22. There were no large orders /amounting to over 10 percent of the average revenues of the company for the last three years/.

1.23. There were no developments and/or changes in the volume of orders and the use of production capacity.

1.24. There was no suspension of sales of a product, forming significant part of the company's revenues.

1.25. Suspension of use, withdrawal of authorisation to operate / license / were not received.

1.26. There was no initiation or termination of legal or arbitration proceedings related to liabilities or receivables of the Company or its subsidiary, with claims of at least 10 percent of the company's equity.

1.27. The projected results were not updated.

1.28. There was no award or change of rating made by order of the company.

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC. notifies all concerned parties that the Interim Financial Report of the Company as of the 31st of March 2017 was not certified by a registered auditor.


Biser Georgiev
Executive Director

