

**INTERNAL INFORMATION ON FACTS AND CIRCUMSTANCES THAT TOOK
PLACE IN THE THIRD 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 third 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 third quarter of 2017 with a net profit of BGN 5 617 thousand. /31.12.2016 – 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 – On 08.06.2017. a General Meeting of Shareholders was held at which a decision was taken for the distribution of the profit for 2016 amounting to BGN 8 585 thousand. The capital of the company was increased by BGN 7 700 thousand, the legal reserves were increased by BGN 858 thousand, the additional reserves were increased by BGN 27 thousand. The increase was registered in the Commercial Register on 05.07. 2017.
- 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. On 05.07.2017 the increase in the share capital of Tchaikapharma with BGN 7 700 thousand was entered in the Commercial Register. Thus, from BGN 56 600 thousand as of the 31st of December 2016, it increased to BGN 64 300 thousand as of the 30th of September 2017.
- 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 third quarter of 2017, the registration dossier for a medicinal product with INN Pioglitazone/Metformin was also prepared under the trade name Pizona Combi.

Audits of new dossiers to be submitted for registration both in Europe and targeted only to the Bulgarian market were carried.

At present, more than 150 medicinal products are produced in the company's factories and in the development phase there are another 15 products.

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 30th of September 2017 was not certified by a registered auditor.



Biser Georgiev
Executive Director

