

**INTERNAL INFORMATION ON FACTS AND CIRCUMSTANCES THAT TOOK  
PLACE IN THE FOURTH QUARTER OF 2016  
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 fourth quarter of 2016.
- 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 fourth quarter of 2016 with a net profit of BGN 8 611 thousand /31.12.2015 – BGN 7 780 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 – no decision for dividend distribution at the General Meeting held on 23.06.2016.
- 1.14. Receivables arising that are material to the company and their maturity – no.
- 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 fourth quarter of 2016 година Tchaikapharma continued to be one of the leading pharmaceutical companies in Bulgaria and received Marketing Authorisation in the Czech Republic for the medicinal product Tamayra hard capsules.

At the beginning of the next quarter three new medicinal products are expected to be submitted that will enhance the company's portfolio in Bulgaria.

Tchaikapharma High Quality Medicines Inc. has expanded its range of activities and is looking forward to the implementation of clinical trials as part of the creation of new branded generic medicinal products and fixed combinations

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 31<sup>st</sup> of December 2016 is not certified by a registered auditor.

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Biser Georgiev  
Executive Director