

**INSIDE INFORMATION ON FACTS AND CIRCUMSTANCES THAT TOOK
PLACE IN THE FOURTH 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 members of 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 supplementations to the Articles of Association of the company, which took place in the fourth quarter of 2017.
- 1.4. Initiation of a liquidation procedure and material stages, connected with the procedure – no such procedure.
- 1.5. Initiation of an insolvency proceedings initiated against the company and material stages, connected with such proceedings.
- 1.6. Acquisition, granting for use 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 fourth quarter of 2017 with a net profit of BGN 9 026 thousand. /31.12.2016 – 8 585 thousand/.
- 1.10. There are no significant losses and reasons thereof.
- 1.11. There are no unforeseeable or unforeseen circumstance of extraordinary nature, as a result of 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 has no public disclosure of a modified audit report.
- 1.13. Decision of the General Meeting about the dividend's type and amount, as well as on the conditions and the order for its payment – a General Meeting of Shareholders was held on 08 June 2017, which passed a decision for the distribution of the 2016 profit 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, and the additional reserves were increased by BGN 27 thousand. The increase was registered with the Commercial Register on 05 July 2017.
Decision of the General Meeting of Shareholders to re-elect all current members of the Board of Directors, whose mandate expires on 09.11.2017, namely Biser Georgiev, Krassimir Videllov and Ivan Nikolov for a term of 5 (five) years and an extension of their mandate until 09.11.2022.
- 1.14. Arising of a receivable, which is essential for the company with indication of its due date.
- 1.15. There are no liquidity problems and measures for financial support.
- 1.16. The increase in the share capital of Tchaikapharma by BGN 7 700 thousand was registered with the Commercial Register on 05 July 2017. Thus, the capital was increased from BGN 56 600 thousand as of 31 December 2016 to BGN 64 300 thousand as of 31 December 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. Position of the management body in connection with a tender offer made – no such
- 1.20. Termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenue of the company for the last three years – no.
- 1.21. Introduction of new products and developments on the market.
- At the end of 2017, an application for registration of a medicinal product with the trade name Pizona Combi, part of the group of anti-diabetic medicines, was filed.
- New products to be prepared and submitted for registration at the beginning of 2018 were determined as a result of audits carried out.
- 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 revenue of the company for the last three years/.
- 1.23. There were no developments and/or changes in the size of orders and the use of production capacity.
- 1.24. There is no suspension of sales of a product forming a significant part of the company's revenues
- 1.25. There was no obtaining, suspension of the use, withdrawal of authorization to pursue business (license)..
- 1.26. There are no initiations or terminations of legal or arbitration proceedings, relating to liabilities or receivables of the company or its subsidiary, with price of the claim at least 10 percent of the company's equity.
- 1.27. The estimated results were not updated.
- 1.28. There is no awarding or change of rating made by order of the company.

TCHAIKAPHARMA HIGH QUALITY MEDICINES INC. notifies all interested parties that the interim financial statements of the Company as of 31 December 2017 were not certified by a registered auditor.



Biser Georgiev
Executive Director

