type of report	**Current report**
number	11/2015
company	PHARMENA

The Management Board of Pharmena S.A. hereby presents its February 2015 monthly report

1. Information on trends and events occurring in the Issuer’s market environment

To the best knowledge of the Management Board, no trends or events, which could significantly influence financial results of the company, occurred in February 2015 in the Issuer’s market environment.

In February 2015, Pharmena accomplished sales revenue from its dermatological cosmetics in the amount of 995 thousand PLN. Accomplished revenue was nearly 6% higher when compared to the revenue achieved during the corresponding period of the previous year.

In the said period, Pharmena S.A. enhanced the availability of its products and undertook marketing actions in order to increase profits from selling marketed products.

On 13th February 2015, the Issuer published a report covering the IV quarter of the year 2014, containing selected financial data, both on separate and on consolidated levels.

Since 2014 the Issuer has altered the presentation of revenues and costs associated with selling dermatological cosmetics, which resulted in changing the allocation of a certain part of sales costs and general management costs.

Currently all costs associated with selling dermatological cosmetics (including remunerations for medical representatives) shall be presented in the profit and loss account under the selling costs. Whereas the position covering the general management costs shall only include costs related with remuneration for the management board, costs associated with leasing and maintaining the office, patent fees, costs related with other business lines (namely the project covering the 1-MNA anti-atherosclerosis medicinal product and 1-MNA dietary supplement), as well as other costs relating the overall activity of the Issuer. The new manner of presentation aims to present financial outcomes with emphasis on individual business lines held by the Issuer.

On the separate level the Issuer observed an increase in revenue in the IV quarter of the year 2014 (by 23.28% when compared to the IV quarter of the year 2013) from the amount of 3 552 thousand PLN in IV quarter of the year 2013 to 4 379 thousand PLN in the IV quarter of the year 2014.

As far as the IV quarter of the year 2014 is concerned the increase in revenues, as well as remaining positions within the profit and loss account, next to increase in profitability of the conducted operational activity were mostly influenced by the following factors:

• higher sale of Dermena line products,

• promotion of products aimed at pharmacy chain.

Whereas the higher profitability noted in the IV quarter of the year 2014 on the level of gross and net profit resulted from the returns to scale (significantly higher operating profit than in the IV quarter of the year 2013) as well as exchange rate gains.

The activity of the Issuer's Capital Group within the scope of dermatological cosmetics is profitable within all levels of the profit and loss account. Whereas the activity undertaken by the Group within the scope of clinical researches concerning the innovative 1-MNA anti-atherosclerosis medicinal product as well as in the area related with implementing the diet supplement (based on 1-MNA) currently generates only costs. These costs stand as a significant expenditure as far as the financial position of the Capital Group is concerned, and therefore the Capital Group reveals negative profitability within the consolidated level.

In the IV quarter of the year 2014 the following factors posed the greatest influence on the loss of revenue achieved by the Capital Group of the Issuer:

1) higher sale of Dermena line products,

2) promotion of products aimed at pharmacy chain.

Simultaneously, when compared with the previous year, expenditures associated with conducting tests on the 1-MNA anti-atherosclerosis medicinal product increased considerably, which posed a considerable influence on the greater loss within the remaining specific positions of the profit and loss account.

Detailed financial data with Management's comments can be found in the report covering the IV quarter of the year 2014.

In the area of works over 1-MNA dietary supplement, the following events occurred during the period covered by this report:

The Company informed that according to the information published on the website of the Food Standards Agency (FSA) in London submitted documents completing the application for authorisation of a new food ingredient pursuant to Art. 4 of the Regulation (EC) No. 258/97 are going to be evaluated during the next session of the Advisory Committee on Novel Foods and Processes (ACNFP), which is scheduled for 12th February this year.

On 10th March the Company obtained an information following the session of the Advisory Committee on Novel Foods and Processes (ACNFP) during which the committee discussed the application of the Company concerning the authorisation of 1-MNA as a new food ingredient pursuant to Art. 4 of the Regulation (EC) No. 258/97 of the European Parliament and of the Council of 27th January 1997.

The Committee highly evaluated the quality concerning the results of sub-chronic (90 days) toxicity tests performed on animal models submitted by the Company. After the review of submitted results of toxicology tests, the Committee requested the Company to perform additional risk evaluation by estimating Margins of Exposure. Margins of Exposure are calculated basing on obtained toxicology data (NOAEL) and on the estimated dose of exposure. The Committee also recommended that the future dietary supplement containing 1-MNA should not be used by pregnant women and children under 18 years of age.

What is more, the Committee also requested the Company to submit additional information concerning the influence posed by 1-MNA supplementation on niacin metabolism. The Company informs that the above information has already been twice submitted to the Committee - on 18th December 2013 and on 6th November 2014 together with results of toxicology tests. Simultaneously, the Company informs that today it submitted an inquiry to the FSA Agency demanding explanations, why additional information submitted by the Company concerning the influence posed by 1-MNA supplementation on niacin metabolism have not been discussed during the session of the Advisory Committee on Novel Foods and Processes (ACNFP) on 12th February this year.

The Company shall perform the additional risk evaluation by estimating margins of exposure without any delay and shall submit the required information to the Committee. Further evaluation covering the application of the Company concerning the authorisation of 1-MNA as a new food ingredient shall be conducted pursuant to Art. 4 of the Regulation (EC) No. 258/97.

The Company shall promptly inform about any further information on the evaluation relating the application concerning the authorisation of 1-MNA as a new food ingredient in a current report.

The procedure stipulated in provisions of Art. 4 of Regulation (EC) no. 258/97 of the European Parliament and of the Council of 27th January 1997, concerns foods and food ingredients that have no record of safe consumption in the Community, which means they were not used in foods before 15th May 1997 in any EU Member State. The goal of subjecting 1-MNA to this procedure is to prove, basing on research and scientific publications that are available for PHARMENA S.A., the safety of the ingredient's use within the proposed area. Within this procedure, the entity responsible for placing the new food ingredient on the Community market submits appropriate application to the EU Member State, where the new foodstuff is to be first placed on the market. An additional scientific assessment at European level may appear necessary. In such case, it will be performed by European Food Safety Authority (EFSA). Following full assessment, the European Commission grants permission for placing the new foodstuff on the market.

Successful authorisation will open EU markets for the dietary supplement.

The 1-MNA dietary supplement will be an innovative product with a capacity to influence risk biomarkers of cardiovascular diseases and to stimulate the endogenous (natural) production of prostacyclin. Low levels of prostacyclin in human organism increase the risk of atherosclerosis. Studies have shown that the concentration of endogenous 1-MNA in human organism decreases with age. 1-MNA dietary supplement can complement 1-MNA deficiency in the organism and therefore stimulate the production of prostacyclin, which reduces the risk of developing atherosclerosis.

Moreover in February 2015, the Issuer's Capital Group continued its research and development work on new products and searched for new applications for active substances protected by patents and patent applications owned by the Issuer's Capital Group.

2. Achievement concerning the goals of an issue

In February 2015, Pharmena S.A. did not make any money expenditure directly on issue-related purposes. However, during the reported period, a subsidiary company Cortria Corporation spent its funds mainly to cover the costs of its everyday operating activity.

3. List of reports published by the Issuer during the period between 01.02.2015 and 28.02.2015.

During the period covered by this report, Pharmena S.A. published the following reports in EBI system:

• Current report No. 5/2015 of 02-02-2015 - Signing an agreement with DOZ S.A.

• Current report No. 6/2015 of 09-02-2015 – January 2015 monthly report

• Current report No. 7/2015 of 09-02-2015 – Determining the date of assessment concerning the completion of application for authorisation of 1-MNA dietary supplement

• Current report No. 8/2015 of 13-02-2015 – PHARMENA S.A. - Report covering the IV quarter of the year 2014

During the period covered by this report, Pharmena S.A. did not publish any reports in ESPI system.

4. Investor's calendar for March 2015

19.03.2015 – publication of separate and consolidated annual report covering the year 2014

Until 14.04.2015 - publication of March 2015 monthly report