type of report	**Current report**
number	62/2013
company	PHARMENA

August 2013 monthly report

The Management Board of Pharmena S.A. hereby presents its monthly report for August 2013.

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

To the best knowledge of the Management Board, in August 2013 no trends or events occurred in the Issuer's market environment which could significantly influence financial results of the company.

In August 2013, Pharmena accomplished sales revenue from its dermatological cosmetics in the amount 934,000 PLN, which constitutes a decrease by 10% when compared to the revenue achieved in an analogical period of the previous year. Higher sales in August 2012 were a result of a one-time sales campaign of Dermena shampoo. If the said campaign is not taken into account, the sales revenue in August 2013 would be higher by 7% when compared to an analogical period of the previous year.
In the said period, Pharmena S.A. enhanced the availability of its products and carried out marketing actions in order to increase sales profit from marketed products.

On 14th August 2013, the Issuer published Q2 quarterly report presenting a choice of separate and consolidated financial data.
At a separate level, the Issuer accomplished in Q2 2013 a dynamic increase in revenue (by 43.01% vs. Q2 2012). In Q2 2013, the dynamic increase in revenue as well as within other spheres of the profit and loss account, took place mainly owing to the following factors:
1) extension of product range in the offer,
2) promotional activities of Dermena shampoo and Thermi seasonal product conducted in pharmacies,
3) promotional and marketing activities for Allerco brand and for new products from Dermena line, which were launched in the previous year,
4) lower cost of manufacture vs. Q2 2012,
5) higher marketing costs due to promotional and marketing campaigns when compared to Q2 2012.

At a consolidated level, the Issuer's Capital Group observed in Q2 2013 an increase in revenue (by 93.23% when compared Q2 2012) resulting from a dynamic growth of revenue from the sales of dermatological cosmetics, which also added to a significant reduction of loss within other spheres of consolidated profit and loss account. At the same time, the consolidated financial results were negatively influenced upon by costs related with bioavailability testing and preparations to the start of phase II clinical trials ("Proof of Concept") of the innovative 1-MNA anti-atherosclerotic medicinal product.

At a separate level, in the first half of 2013 the Issuer achieved a dynamic increase in revenue (by 51.85% vs. the first half of 2012) as well as within other spheres of consolidated profit and loss account (net profit by 107.82% vs. the first half of 2012). The Issuer also accomplished an increase in profit from operating activities (net profit margin increased from 14.45% in the first half of 2012 to 19.78% in the first half of 2013), mainly owing to the following factors:
1) extension of product range in the offer,
2) promotional activities conducted among distributors, as well as advertising campaigns directed to end users,
3) sales results accomplished thanks to new products introduced in 2012, namely Dermena Men (shampoo, ampoules, lotion), Dermena Repair (shampoo), Dermena Lash (conditioner and mascara), Dermena Complex and Allerco shampoo,
4) lower cost of manufacture vs. the first half of 2012,
5) lower costs of general management in withe revenue vs. the first half of 2012.

At a consolidated level, in the first half of 2013 the Issuer's Capital Group observed an increase in revenue (by 72.12% vs. the first half of 2012). In the first half of 2013, the most significant factor that influenced the increase of revenue achieved by the Issuer's Capital Group was the dynamic growth of revenue from the sales of dermatological cosmetics, which also added to a significant reduction of loss within other spheres of consolidated profit and loss account. At the same time, the consolidated financial results were negatively influenced upon by costs related with bioavailability testing and preparations to the start of phase II clinical trials ("Proof of Concept") of the innovative 1-MNA anti-atherosclerotic medicinal product.

Summing up the results form Q2 2013 and the first half of 2013, the Capital Group demonstrates negative profitability at a consolidated level, due to the fact that the Group's operations within the area of clinical trials over the innovative anti-atherosclerosis medicinal product and the area of placing on the market of an innovative dietary supplement generated only costs. From the financial point of view of the Capital Group, these costs constitute significant expenditure. Whereas, in Q2 2013 and the first half of 2013, the Capital Group's operations in the area of dermatological cosmetics (operations at a separate level) were profitable at all levels of results and were characterized by a rapid increase in profitability.

In the area of clinical trials on innovative anti-atherosclerotic medicinal product, during the period covered by this report, the following events occurred:

On 13th August 2013, the Issuer increased share capital of subsidiary company Cortria Corporation by 1,000,000 USD (through the issue of 10,000 new shares). The share capital increase is financed from the Issuer's own funds obtained from the issue of series D shares. The goal of the share capital increase is to finance:
a) phase II clinical trials ("Proof of Concept") of innovative anti-atherosclerosis medicinal product (1-MNA),
b) current operations of Cortria (patent fees, legal services, patent services).

On 19th August 2013, the subsidiary company received notification that Health Canada (an authority supervising clinical trials in Canada) completed the formal assessment of application for granting permission to conducting phase II clinical trials ("Proof of Concept") of an innovative anti-atherosclerotic medicinal product based on 1-MNA active substance (working name of the product – TRIA-662). All information and materials included in the application are complete and will be subjected to further substantive evaluation in order to be

given permission from Health Canada for phase II clinical trials.
It is planned, that phase II clinical trials ("Proof of Concept") will be randomised, multi-centred, placebo controlled, with total participation of at least 64 subjects (two control groups: 1-MNA, placebo, ratio: 3:1). Key inclusion criteria for subjects' inclusion in the trial shall be: TG > 200 mg/dl (2.26 mmol/l) and < 700 mg/dl (7.91 mmol/l) levels as well as HDL-C < 40 mg/dl (1.0 mmol/L) level in men and < 50 mg/dl (1.3 mmol/L) level in women. The actual clinical trial will be preceded by a 6-week period, when 200 subjects will be subjected to controlled diet. After this time randomisation will take place, i.e. random selection of at least 64 subjects from the group of subjects subjected to the controlled diet. Randomly selected subjects who fulfil the inclusion criteria will participate in the actual clinical trial, in which 1-MNA medicinal product will be administered to them. Medicinal product will be administered 3 times a day, with a meal, for the period of 14 weeks. Key parameters of lipid profile will be controlled (i.e. TG, HDL, LDL and TC levels), inflammation (CRP, IL6) and parameters related to the safety of the medicinal product (i.e. glucose, ALT, ASP, electrocardiogram). Upon completion of the trial a report containing trial results will be issued.
The aim of the trial is to establish the effective dose of the medicinal product and to confirm the lack of side effects in humans in higher doses. Planned time scope for the trial is 12 months from the date of obtaining permission from Health Canada market regulator. The supervisory institution will be Montreal Heart Institute, and participation of ca. 15 clinics in the trial is planned.

Due to the successful conclusion of public offering of series D shares (with pre-emptive rights) and registering the increase of share capital which took place in June 2013, the Company submitted an application to conclude the listing of pre-emptive rights to series D shares and start the listing of series D shares. On 13th August 2013, the listing of 1,759,010 (one million seven hundred fifty-nine thousand and ten) pre-emptive rights to series D shares on the New Connect market was concluded, and on 14th August 2013, the listing of 1,759,010 (one million seven hundred fifty-nine thousand and ten) series D shares on the New Connect market was started.

Moreover in August 2013, 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 of the goals of an issue
In August 2013, Pharmena S.A. did not make any money expenditure directly on issue-related purposes. However, a subsidiary company Cortria Corporation spent in its funds mainly on the production of tablets for phase II trials and patent protection.

3. A list of all information published by the Issuer in the form of current reports in the reporting period from 1st August 2013 to 31st August 2013.
During the period covered by this report, Pharmena S.A. published the following reports in EBI system:
• Current report no. 55/2013 of 06-08-2013 - Submitting application for establishing the date of the last listing of Pharmena S.A. series D allotment certificates on the NewConnect market
• Current report no. 56/2013 of 06-08-2013 Submitting application for establishing the date of the first listing of Pharmena S.A. series D shares on the NewConnect market
• Current report no. 57/2013 of 09-08-2013 - Establishing the date of first listing of series D shares and the date of last listing of allotment certificates for series D shares
• Current report no. 58/2013 of 13-08-2013 - Share capital increase of Cortria Corporation
• Current report no. 59/2013 of 13-08-2013 - July 2013 monthly report
• Current report no. 60/2013 of 14-08-2013 - PHARMENA S.A. – Q2 2013 quarterly report
• Current report no. 61/2013 of 19-08-2013 - Completion of formal assessment of application to Health Canada for granting permission for phase II clinical trials of 1-MNA anti-atherosclerotic medicinal product

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

4. Investor's calendar for September 2013.
Until 14th October 2013 – publication of September 2013 monthly report.

Legal basis: Resolution No. 795/2008 of the Warsaw Stock Exchange Management Board dated 31st November 2008 concerning the adoption of the codes of best practice applicable on the NewConnect market, Appendix 1, point 16.

Representatives of the company:

- Konrad Palka – President of the Board
- Marzena Wieczorkowska – Vice President of the Board