type of report	**Current report**
number	77/2013
company	PHARMENA

October 2013 monthly report

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

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

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

In October 2013, Pharmena accomplished sales revenue from its dermatological cosmetics in the amount 986,000 PLN, which constitutes an increase by 60% when compared to the revenue achieved in an analogical period of the previous year. Higher sales in October 2013 was a result of promotional campaigns of Dermena an Allerco product lines.

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.
Among other things, on 28th October 2013 the Company received a certificate issued by Ukrainian State Sanitary-Epidemiological Service, granting marketing authorisation of Dermenum Complex dietary supplement in Ukraine.
In June 2013, the Company Pharmena entered into an agreement with Medex on the sale of dietary supplement under brand name Dermenum Complex in Ukraine. in Poland the dietary supplement is marketed under the brand name Dermena Complex within skin, hair and nails segment. Commencing cooperation with Medex complies with the Company's strategy focused on the expansion of distribution channels by entering new foreign markets in order to reach new customer groups. Until now, the company has not marketed its products in Ukraine. The Management Board of Pharmena S.A. estimates that business collaboration with Medex may help to increase the Company's revenue in the next few years due to the sale of its product on a new market, i.e. Ukraine.

Due to the Issuer's dynamic growth, the number of members of the Board was increased. Thus, Mrs Anna Zwolińska was appointed Vice President for Marketing and Sales on Domestic Market. The Supervisory Board has also appointed Professor Jerzy Gębicki for the President of the Supervisory Board.

In the area of works over 1-MNA dietary supplement, during the period covered by this report, the following events occurred:
1) On 1st October 2013, the Issuer's Management Board informed that on 30th September 2013, public consultation on the application for the authorisation of 1-MNA as new food ingredient commenced, pursuant to procedure stipulated in the provisions of Art. 4 of Regulation (EC) no. 258/97 of the European Parliament.
Public consultation constitute one part of the assessment of the application for the authorisation of 1-MNA as new food ingredient. The assessment is held in UK by Advisory Committee on Novel Foods and Processes (ACNFP) with the cooperation of Food Standards Agency (FSA). Public consultation will end on 20th October 2013.
Successful authorisation will open EU markets for the dietary supplement.
The dietary supplement containing 1-MNA will be an innovative product with capacity to influence the 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 atherosclerosis development.

In the area of clinical trials on innovative anti-atherosclerosis medicinal product, during the period covered by this report, the following events occurred:
1) The Issuer's Management Board informed that on 29th September 2013 the magazine Nature published a scientific study on the mechanisms of ageing processes. The research was done by word leading research centres, among others, by Swiss Federal Institute of Technology (ETH) Zurich, Switzerland, and Harvard Medical School, Boston, USA. The results of the conducted studies indicate the key role of 1-methylnicotinamide (1-MNA) in the processes of ageing. 1-MNA extends lifespan of organisms commonly used as biological models of human ageing. The said study is available on the Nature magazine's website: http://www.nature.com/nchembio/journal/vaop/ncurrent/full/nchembio.1352.html.

2) On 7th October 2013, the subsidiary company Cortria Corporation (USA) received notification that Health Canada (an

authority supervising clinical trials in Canada) granted its permission ("Notice of Authorization") for conducting phase II clinical trials ("Proof of Concept") over the innovative anti-atherosclerosis medicinal product based on 1-MNA active substance (working name of the product – TRIA-662). Health Canada granted its permission to conduct the trials in line with the form proposed by Cortria Corporation.
Phase II clinical trials ("Proof of Concept") over the TRIA 662 medicinal product 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 < 500 mg/dl (5.65 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, in maximum single dose of 2000 mg, 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 the tested 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.
Phase II clinical trial ("Proof of Concept") is planned to be financed from funds raised in issue of series D shares. Conducting phase II clinical trial is necessary for commercialisation of 1-MNA anti-atherosclerotic medicinal product project, while potential revenues on the medicinal product commercialisation may have very significant impact on financial results and market valuation of the Issuer.

3) Until 9th October 2013, fourteen research centres, which fulfil the criteria of patients' inclusion as well as formal requirements, were qualified for carrying out clinical trials. Next stage will comprise of trainings for people responsible for conducting the trials in the selected research centres, so that they become acquainted with the program and timetable of the scheduled clinical trials. Simultaneously, the search for other research centres for the clinical trials is continued. Having concluded the process of verification, the final number of research centres taking part in the clinical trials will be established.

4) On 23-24 October 2013, a training session for people responsible for conducting the trials in the selected research centres took place in Montreal. The meeting's objective consisted in providing information on the programme and timetable of the intended clinical trials. The meeting constituted the final stage of preparations to the study's recruitment process.

Moreover in October 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 October 2013, Pharmena S.A. did not make any money expenditure directly on issue-related purposes. However, in the reported period, a subsidiary company Cortria Corporation spent its funds on preparing tablets for clinical trials, patent fees, and consultancy services in the field of application documentation for phase II clinical trials on anti-atherosclerosis medicinal product 1-MNA.

3. A list of all information published by the Issuer in the form of current reports in the reporting period from 1st October 2013 to 30th October 2013.
During the period covered by this report, Pharmena S.A. published the following reports in EBI system:
• Current report no. 66/2013 of 01-10-2013 - Public consultation on the application for the authorisation of 1-MNA as new food ingredient
• Current report no. 67/2013 of 03-10-2013 - Appointment of the President of the Supervisory Board
• Current report no. 68/2013 of 03-10-2013 - Appointment of new Member of the Management Board
• Current report no. 69/2013 of 03-10-2013 - 1-MNA extends lifespan in biological models of ageing
• Current report no. 70/2013 of 08-10-2013 - Obtaining authorisation for phase II clinical trials of anti-atherosclerosis medicinal product 1-MNA
• Current report no. 71/2013 of 10-10-2013 - Information on the progress in clinical trials over innovative anti-

atherosclerosis medicinal product 1-MNA
• Current report no. 72/2013 of 14-10-2013 - September 2013 monthly report
• Current report no. 73/2013 of 14-10-2013 - Meeting of the representatives of clinical centres which take part in phase II clinical trials over 1-MNA medicinal product
• Current report no. 74/2013 of 28-10-2013 - Registration of dietary supplement in Ukraine
• Current report no. 75/2013 of 31-10-2013 - Entering into agreement with an audit firm

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

4. Investor's calendar for November 2013
14th November 2013 – publication of Q3 2013 quarterly report.
Until 14th December 2013 – publication of November 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