

type of report	Current report
number	67/2012
company	PHARMENA

### September 2012 monthly report

The Management Board of Pharmena S.A. hereby presents its monthly report for September 2012

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

To the best knowledge of the Management Board, in September 2012 no trends or events occurred in the Issuer's market environment which could significantly influence financial results of the company.

Pursuant to resolution no. 3 adopted on 21<sup>st</sup> August 2012 during Extraordinary General Meeting of Pharmena S.A. on the Company's share capital increase through issue of series C bearer shares through private placement with pre-emptive rights for hitherto shareholders, on 10<sup>th</sup> – 26<sup>th</sup> September, the Issuer carried out an offering of series C shares with pre-emptive rights with a value of 5,081,583 PLN. The issue covered up to 781,782 series C ordinary bearer shares. Eight individual pre-emptive rights entitled to acquisition of one series C share. Issue price of one series C share was established at 6.5 PLN. On 11<sup>th</sup> October 2012, the allocation of series C shares within the realisation of individual pre-emptive rights was concluded. All 781,782 series C shares were allocated within the subscription. 4,905,632 PLN was acquired through the issue of series C shares (taking costs of the issue into account).

The goal of the issue of series C shares was to obtain funds for:

- 1) production of tablets for the purposes of clinical trials on bioavailability and later for phase II trials of anti-atherosclerosis medicinal product based on active substance 1-MNA,
- 2) clinical trials on bioavailability anti-atherosclerosis medicinal product based on active substance 1-MNA.

Moreover, in September the Company 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 Company.

In September 2012, Pharmena S.A. expanded its product offer and carried out marketing actions in order to increase sales profit from its marketed products.

As part of the above actions, the Issuer commenced in September the sale of dietary supplement Dermena Complex (dietary supplement in capsules impeding hair loss). The product's sale will enable the Company to enter a new segment of the market. The market of dietary supplements in category "Hair, skin, and nails" was estimated at 76 million PLN in 2010 (according to IMS). It is the Company's objective to reach 10% market share within 2-3 years from the introduction of the product.

Moreover, the Company has commissioned the production of 5 new dermatological cosmetics in Hair Care segment. These products extend Dermena product line and feature: Dermena Repair shampoo for excessively falling out dry and damaged hair, Dermena Men shampoo and lotion for men with excessive hair loss, and Dermena Lash conditioner and mascara which strengthen and regenerate eyelashes and eyebrows. Their placing on the market is planned for October 2012.

In September 2012, a consultancy agency has completed an analysis of documentation gathered by the Company and selected the optimal path to the procedural conduct of the registration process of dietary supplement based on the 1-MNA as new foodstuff within the European procedure. The analysis of the collected documentation indicated that the Company possesses all documents required for applying for authorisation of 1-MNA as new foodstuff, except from in vitro genotoxicological test. Thus, the Company commissioned the lacking study to be carried out. Its completion is planned for November/December 2012. Currently, an application for authorisation of 1-MNA within the European procedure is being prepared. After receiving the report from this study, the Company will promptly submit its application in an EU member state of its choice. Positive registration will open EU markets for the product. The Company intends to register the dietary supplement in 2013.

The 1-MNA dietary supplement is an innovative product that has a 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.

Placing on the market of the innovative dietary supplement (new foodstuff) based on 1-MNA, which is used to meet special nutritional needs in the prevention of atherosclerosis, will become a new area of the Company's operations. It is estimated that only in Poland there are 18 million people threatened with atherosclerosis, of which only 8 million is aware of that fact. Atherosclerosis is one of the most significant civilisation diseases, and together with cancer, it is one of the most common causes of death in the world. The market of OTC products in Poland in the category "Heart and vascular system" was estimated at 271 million PLN in 2011 (according to IMS). Within 3 years from the introduction of the product, the Company intends to reach market share of 6%, and eventually of 12%. Moreover, having registered

the 1-MNA dietary supplement within the European procedure, the Company intends to receive revenue from sale (or licence for sale) of the product on EU markets.

## 2. Achievement of the goals of an issue

In September 2012, Pharmena S.A. did not make any money expenditure directly on issue-related purposes. However, a subsidiary company Cortria Corporation spent in September 2012 its funds on production of tablets containing 1-MNA for planned clinical trials, as well as on preparing patent application and on patent protection.

## 3. A list of all information published by the Issuer in the form of current reports in the reporting period from 1<sup>st</sup> September 2012 to 30<sup>th</sup> September 2012

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

Current report no. 52/2012 of 4<sup>th</sup> September 2012 – Change of announcement in Court and Economic Monitor with reference to public offering of series C shares with pre-emptive rights

Current report no. 53/2012 of 4<sup>th</sup> September 2012 – Subscription form for series C shares with pre-emptive rights

Current report no. 54/2012 of 6<sup>th</sup> September 2012 – Introduction of pre-emptive rights, allotment certificates, series C shares of Pharmena S.A. to trading on NewConnect market

Current report no. 55/2012 of 6<sup>th</sup> September 2012 – Submitting application for establishing first day of listing of pre-emptive rights of series C shares of Pharmena S.A. on NewConnect market

Current report no. 56/2012 of 7<sup>th</sup> September 2012 – Resolution of the Management Board of Warsaw Stock Exchange on the listing of pre-emptive rights to series C ordinary bearer shares

Current report no. 57/2012 of 7<sup>th</sup> September 2012 – Conditions and timetable regarding the issue of series C shares with pre-emptive rights

Current report no. 58/2012 of 12<sup>th</sup> September 2012 – August 2012 monthly report

Current report no. 59/2012 of 12<sup>th</sup> September 2012 – Announcement in Court and Economic Monitor concerning the change in the announcement with reference to public offering of series C shares with pre-emptive rights

Current report no. 60/2012 of 12<sup>th</sup> September 2012 – Realisation of the Company's Strategy for 2012-2015 in the area of dermatology

Current report no. 61/2012 of 17<sup>th</sup> September 2012 – Realisation of the Company's Strategy for 2012-2015 in the area dietary supplement 1-MNA

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

Current report no. 06/2012 of 26<sup>th</sup> September 2012 – Information on sale of pre-emptive rights to series C shares

## 4. Investor's calendar for October 2012

11<sup>th</sup> October 2012 – information on allocation of series C shares.

Publication of October 2012 monthly report until 14<sup>th</sup> November 2012

Legal basis: Resolution No. 795/2008 of the Warsaw Stock Exchange Management Board dated 31<sup>st</sup> 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