

type of report	Current report
number	3/2013
company	PHARMENA

December 2012 monthly report

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

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

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

On 12th December 2012, an Extraordinary General Meeting of Pharmena S.A. Shareholders took place. The Meeting adopted a resolution repealing the resolution of Extraordinary General Meeting of Shareholders no. 6/2012 of 21st August 2012 on employing international accounting standards and international financial reporting standards by the Company and adopted a resolution on alteration in Articles of Association enabling advance payment of dividend. The Management Board believes that such solution is beneficial for shareholders, because in the event of commercialisation of project of 1-MNA anti-atherosclerotic medicinal product or placing it on the market / granting license for dietary supplement based on 1-MNA it will enable earlier distribution of profit to shareholders.

On 17th December 2012, first listing of series C shares took place in Alternative Trading System on the NewConnect Market.

On 17th December 2012, the Management Board, acting with the consent of Supervisory Board stated in resolution no. 1 of 17th December 2012, established the issue price of series D shares in the amount of 7.50 PLN (say: seven PLN 50/100) per share. On 20th December 2012, a prospectus in relation to the planned public offering of series D shares with pre-emptive rights was filed with Polish Financial Supervision Authority (KNF). The envisaged date of public offering of series D shares is Q1 2013. The objective of the issue of series D shares is gaining funds for phase II of clinical trials ("Proof of Concept") of the innovative 1-MNA anti-atherosclerotic medicinal product.

Additionally, in December 2012, 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 the said period, the company Pharmena S.A. expanded its product range and carried out some marketing actions in order to increase sales profit from its marketed products.

In line with its Company Strategy 2012-2015 in the scope of dermatology (published in current report no. 16/2012 of 13th April 2012), the Issuer placed on the market the following new dermatological cosmetics in December 2012:

- Dermena LASH conditioner, reducing eyelash and eyebrow loss;
- Dermena LASH mascara, strengthening lashes and encouraging their growth;
- Dermena MEN treatment ampoules, preventing hair loss.

Dermena LASH products are innovative and designed for those who suffer from weak, damaged and excessively falling out eyelashes and eyebrows.

Dermena MEN products are innovative and designed for men who notice excessive hair loss, also induced by androgens. These products' goal is to expand the company's offer and reach new target groups.

In line with its Company Strategy 2012-2015 in the scope of 1-MNA dietary supplement (published in current report no. 16/2012 of 13th April 2012), the Issuer concluded in December 2012 the genotoxicological studies of 1-MNA which are indispensable for submission of application for registration of dietary supplement based on 1-MNA as a new foodstuff within the European procedure. The studies did not indicate any genotoxicological properties of 1-MNA in an in vitro micronucleus assay on human lymphocytes.

With the positive conclusion of the aforementioned studies, the Company plans in the nearest future to apply for authorisation of dietary supplement containing 1-MNA as new foodstuff in an EU country 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 proven 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 based on 1-MNA, which is used to prevent the development 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 (IMS data). Within 3 years from the introduction of the product, the Company intends to reach market share of 6%, and eventually of 12%. Additionally, having registered 1-MNA dietary supplement within the European procedures, it intends to gain profit from sale (or from granting license for sale) of the product on the EU markets.

2. Achievement of the goals of an issue

In December 2012, Pharmena S.A. did not make any money expenditure directly on issue-related purposes. However, a subsidiary company Cortria Corporation spent in December 2012 its funds on production of tablets for tests 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 December 2012 to 31st December 2012.

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

- Current report no. 81/2012 of 7th December 2012 – Submitting application for establishing the date of first listing of series C shares Pharmena S.A. on the NewConnect Market
- Current report no. 82/2012 of 11th December 2012 – November 2012 monthly report
- Current report no. 83/2012 of 12th December 2012 – Establishing the date of the first listing of series C shares
- Current report no. 84/2012 of 12th December 2012 – Resolutions adopted during Extraordinary General Meeting of Pharmena S.A. Shareholders on 12th December 2012
- Current report no. 85/2012 of 17th December 2012 – Establishing the issue price of series D shares
- Current report no. 86/2012 of 17th December 2012 – Introduction of a new dermatological product on the market
- Current report no. 87/2012 of 17th December 2012 – Conclusion of the genotoxicological studies of 1-MNA
- Current report no. 88/2012 of 20th December 2012 – Signing an agreement with an auditor
- Current report no. 89/2012 of 20th December 2012 – Filing a prospectus with Polish Financial Supervision Authority (KNF)
- Current report no. 90/2012 of 21st December 2012 - Introduction of a new dermatological product on the market: Dermena Lash mascara
- Current report no. 91/2012 of 21st December 2012 - Introduction of a new dermatological product on the market: Dermena Men treatment ampoules

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

- Current report no. 10/2012 of 12th December 2012 – A list of shareholders possessing 5 or more per cent of voting power during the Extraordinary General Meeting of Shareholders of 12th December 2012.

4. Investor's calendar for January 2013

Publication of January 2013 monthly report until 14th February 2013.

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