Oasmia Pharmaceutical AB (publ)

Interim report for the period May 2013 - January 2014 €

Page 1-10 is a service to shareholders in the euro zone. It is not the official report in the functional currency of Oasmia, which is SEK, but the first ten pages of that report converted to EUR. The full official report will be found on pages 11-24. The conversion of currency has been made by use of a convenience rate for all figures including those from previous periods. This rate is the closing rate as per January 31, 2014 which was 8.8466 SEK per one EUR. When occasional figures are in SEK or USD it is because the amount is very firmly denominated in that currency.

CONTINUED DEVELOPMENT OF THE PRE-CLINICAL AND CLINICAL RESEARCH PROGRAM

THIRD QUARTER November 1, 2013 – January 31, 2014

- Consolidated Net sales amounted to € 2 thousand (0)[1]
- Operating income amounted to € - 3,221 thousand (-1,628)
- Net income after tax amounted to € - 3,440 thousand (-1,757)
- Earnings per share amounted to € - 0.04 (-0.02)
- Comprehensive income amounted to € - 3,440 thousand (-1,757)
- FDA approved Oasmia's production facility in Uppsala
- Increased financing by extension of the MSEK 105 loan from Nexttobe AB and a new MSEK 40 bank loan.

THE PERIOD May 1, 2013 – January 31, 2014

- Consolidated Net sales amounted to € 5 thousand (0)
- Operating income amounted to € -7,105 thousand (-5,162)
- Net income after tax amounted to € -7,610 thousand (-5,587)
- Earnings per share amounted to € -0.09 (-0.09)
- Comprehensive income amounted to € -7,610 thousand (-5,587)
- Oasmia initiated a clinical program for Paclical for treatment of breast cancer
- Oasmia initiated pre-clinical studies with OAS-19, the first pharmaceutical project with a combination of two active cytostatics in one infusion

[1]The numbers in brackets concern results from the corresponding period of the previous year

EVENTS AFTER CLOSING DAY

- Oasmia is granted conditional FDA approval for Paccal Vet

CEO COMMENTS:

"We have continued the planning of new clinical programs in the period, among others a Phase I study with Doxophos for treatment of breast cancer and a Phase II study with Doxophos Vet for treatment of lymphoma in dogs. Simultaneously, the preparations for the launch of Paccal Vet and Paclical have continued. The approval of our production facility was a large step forward for Oasmia", says Oasmia's CEO Julian Aleksov.

Oasmia Pharmaceutical AB develops a new generation of drugs within human and veterinary oncology. The product development aims to manufacture novel formulations based on well-established cytostatics which, in comparison with current alternatives, show improved properties, a reduced side-effect profile and an expanded therapeutic area. The product development is based on in-house research within nanotechnology and company patents. The company share is listed at NASDAQ OMX in Stockholm and at the Frankfurt Stock Exchange.

BUSINESS ACTIVITIES

HUMAN HEALTH

Oasmia's research and development in human health is mainly focused on the common indications ovarian cancer and breast cancer.

Paclical®
Paclical® is a patented formulation of paclitaxel, in combination with Oasmia's patented technology XR-17. Paclical® is designated as an orphan drug (see below) in EU and USA for the indication ovarian cancer.

Oasmia has performed a Phase III study with Paclical® for treatment of ovarian cancer, an indication with 225,000 annual new cases globally. The total number of patients in the study is 789, and the final patient was treated in the beginning of 2013. All patients have been followed up regarding time to progression. Oasmia is now evaluating the results, which will be used for submission of marketing authorization applications for Paclical® in the EU, the US and the rest of the world.

In September 2012, Oasmia submitted an application for market authorization for Paclical® in Russia, which is currently being processed by the Russian pharmaceutical authorities.

Oasmia started a dose finding study with Paclical for weekly treatment of breast cancer in the summer of 2013.

Doxophos®
Doxophos® is a patented formulation of doxorubicin in combination with XR-17. Doxorubicin is one of the most efficient and used substances for treatment of cancer. Oasmia has compiled documentation for this product candidate and is now planning a clinical Phase I study.

Docecal®
Docecal® is a patented formulation of the cytostatic docetaxel in combination with XR-17. Oasmia has initiated the validation process for manufacture of Docecal®, and is preparing a clinical Phase I study for treatment of breast cancer.

OAS-19
OAS-19 is the first oncology product candidate to apply a dual cytostatic agent encapsulation and release mechanism in one infusion. It is the unique properties in XR-17 that make this combination possible. This concept provides Oasmia with another dimension for pharmaceutical development of multiple active substances in one

micelle where also substances with different solubility can be combined. Recent pre-clinical studies have shown promising results, and the company plans to start clinical studies with OAS-19 in 2014.

Human Health

CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REG./ APPROVAL	RIGHTS	
							GEOGRAPHY	PARTNER
Paclical® (paclitaxel)	Ovarian cancer				Ongoing	MAA and NDA filings planned	Global (ex-RUS/CIS)	oasmia
						In Registration	RUS/CIS	PHARMASYNTEZ
	Metastatic breast cancer		Ongoing				Global	oasmia
Doxophos® (doxorubicin)	Breast cancer		Planned				Global	oasmia
Docecal® (docetaxel)	Breast cancer	Ongoing					Global	oasmia
OAS-19 (combination)	Various cancers	Ongoing					Global	oasmia

Orphan drug designation is granted for minor indications and entails market exclusivity for seven (EU) and ten (USA) years on the indication, when the drug is approved for market.

ANIMAL HEALTH

Product development within Animal Health is aimed at pharmaceuticals for the treatment of cancer in dogs. The company has two pharmaceutical candidates here.

Paccal® Vet

Paccal® Vet is a patented formulation of paclitaxel, in combination with XR-17. We are counting on that Paccal Vet will be the first injectable chemotherapeutic product marketed for treatment of solid tumours in dogs.

Oasmia has been granted MUMS designation (see below) by the American Food and Drug Administration (FDA) in the USA for Paccal Vet in treatment of mastocytoma, mammary carcinoma and squamous cell carcinoma.

After the closing day, Oasmia was granted conditional approval of Paccal Vet for treatment of mammary carcinoma and squamous cell carcinoma.

The company is conducting a complementary study on Paccal Vet for treatment of mastocytoma. The purpose of the study is to measure time to progression for dogs which has been treated 4 times with three week intervals. When data have been collected and analysed, Oasmia intends to file an application for market approval for Paccal® Vet to the European authority EMA. We are also considering an expansion of this study to apply for full approval in the USA.

Doxophos® Vet

Doxophos® Vet is a patented formulation of doxorubicin in combination with XR-17. Oasmia is developing Doxophos® Vet for treatment of lymphoma, which is one of the most common cancer indications in dogs. Doxophos® Vet has been granted a MUMS designation (see below) in the USA for the indication lymphoma.

Oasmia conducts a Phase I study for Doxophos® Vet in order to establish the dose for the clinical program.

Animal Health

CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REG./ APPROVAL	RIGHTS	
							GEOGRAPHY	PARTNER
Paccal® Vet (paclitaxel)	Mammary / squamous cell					Approved*	Global (ex-RUS/JAP)	Abbott Animal Health
	Mast cell				Ongoing		Global (ex-RUS/JAP)	Abbott Animal Health
Doxophos® Vet (doxorubicin)	Lymphoma		Ongoing	Planned			Global	Abbott Animal Health

*Conditionally by the FDA approved on 2014-02-28

MUMS designation (minor use/minor species) is granted by the FDA either for a small area of use within a common species such as dogs, or for treatment of a less common species. The most interesting aspect of MUMS is the eligibility to apply for conditional market approval with seven years market exclusivity. Conditional market approval enables the manufacturer to make the product available before all necessary efficacy data have been obtained. However, safety data must prove that the product is safe.

THE COMPANY

FDA approved Oasmia's production facility in Uppsala
In December 2013, Oasmia announced that the company's production facility in Uppsala had undergone a Pre-Approval Inspection by the FDA with a satisfactory result. FDA has thereby confirmed that Oasmia's manufacture of Paccal Vet meets the requirements for current Good Manufacturing Practice, cGMP.

Increased financing
In December 2013, the existing loan from Nexttobe AB amounting to MSEK 105 was extended by one year, from 2013-12-31 to 2014-12-31. The interest in 2014 is 8.5 % and it will be paid in its entirety on 2014-12-31. In addition, Oasmia was granted a new MSEK 40 bank loan in November 2013, which is due on 2014-03-31.

Warrants
A resolution was made at the Annual General Meeting 2013 to offer the company Board of Directors and management the right to subscribe for warrants in Oasmia Pharmaceutical AB. In October 2013, the maximum number of warrants were issued, 1 050 000, free from consideration, from the parent company to the subsidiary Oasmia Animal Health AB. The subsidiary has the right and obligation to transfer the warrants to the Board and management. For further details about terms, see the communiqué from the Annual General Meeting on the company website. As of January 2014, no acquisitions of warrants had been made.

Share price development during the period May 2013 – January 2014 (SEK)

EVENTS AFTER CLOSING DAY

Oasmia is granted FDA approval for Paccal Vet
On February 28, 2014, Oasmia announced that the American Food and Drug Administration (FDA) granted a conditional approval for the company's first pharmaceutical, Paccal Vet-CA1 and thereby provided veterinary oncologists with a new treatment option for squamous cell carcinoma and mammary carcinoma in dogs.

FINANCIAL INFORMATION

Consolidated Income Statement in brief

€ thousands	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Net sales	2	-	5	-	-
Capitalized development cost	912	1,201	2,496	4,274	5,498
Operating income	-3,221	-1,628	-7,105	-5,162	-7,639
Net income after tax	-3,440	-1,757	-7,610	-5,587	-8,182
Earnings per share (€), before and after dilution*	-0.04	-0.02	-0.09	-0.09	-0.12
Comprehensive income for the period	-3,440	-1,757	-7,610	-5,587	-8,182

*Recalculation of historical figures has been performed with regards to capitalization issue components in the preferential rights share issue carried out in the third quarter 2012/13.

THIRD QUARTER
November 1, 2013 – January 31, 2014

Net sales
Net sales amounted to € 2 thousand (-).

Capitalized development cost
Capitalized development cost, which concerns Phase III clinical trials, amounted to € 912 thousand (1,201). The larger part concerned Paclical which was capitalized with € 654 thousand (1,084) and a smaller part concerning

Paccal Vet which contributed with € 259 thousand (117). The decrease compared to the same quarter in the previous year is attributable to decreased costs for clinical trials for Paclical®.

Operating expenses
Operating expenses excluding depreciation and impairment were significantly higher compared to the previous year and amounted to € 3,998 thousand (2,955). The nature of the operating expenses has changed. The costs for clinical trials have decreased somewhat, but costs related to preparations for the commercial phase Oasmia is planning for has increased more than the decrease in development costs. The latter refers to among other things method development in production at Oasmia and its contract manufacturers and increased personnel and administration expenses.

Income for the quarter
Net income was € -3,440 thousand (-1,757). The decrease between these two quarters was attributable to significantly increased operating expenses and a significantly decreased degree of capitalization of development costs in Phase III.

THE PERIOD
May 1, 2013 – January 31, 2014

Net sales
Net sales amounted to € 5 thousand (-) and concerned sales of supplies.

Capitalized development cost
Capitalized development cost, which concerns Phase III clinical trials, amounted to € 2,496 thousand (4,274). The larger part concerned Paclical which was capitalized with € 1,633 thousand (4,131) and a smaller part concerning Paccal Vet which contributed with € 863 thousand (143). The decrease compared to the previous year is attributable to decreased costs for clinical trials for Paclical®.

Other operating income
Other operating income amounted to € 500 thousand (282) and mainly concerned an insurance compensation for a production disruption amounting to € 480 thousand.

Operating expenses
Operating expenses excluding depreciation and impairment amounted to € 9,680 thousand (9,285). The nature of the operating expenses has changed. The costs for clinical trials have decreased, but costs related to preparations for the commercial phase Oasmia is planning for has increased more than the decrease in development costs. The latter refers to among other things method development in production at Oasmia and its contract manufacturers and increased personnel and administration expenses.

The number of employees at the end of the period was 78 (77).

Income for the period
Net income was € -7,610 thousand (-5,587). The decrease was to a lesser extent attributable to increased operating expenses and a significantly decreased degree of capitalization of development costs in Phase III compared to the corresponding period the previous year.

The business activities of the Group have not been affected by seasonal variations or cyclic effects.

Cash flow and Capital expenditures
Cash flow from operating activities amounted to € -6,719 thousand (-5,776).

Cash flow from investing activities amounted to € -2,843 thousand (-5,526). The decreased level of investments concerned capitalized development costs and other intangible assets and property, plant and equipment.

Of these, investments in intangible assets amounted to € 2,814 thousand (5,514), consisting of capitalized development costs € 2,496 thousand (4,274) and patents and other intangible assets € 318 thousand (1,240).

Of these, only € 29 thousand (491) were investments in property, plant and equipment.

Financing

Financing in the period May – December 2013 was performed by liquid assets provided to the company in the preferential rights issue which was completed in November 2012 and a € 480 thousand insurance compensation. Thereafter, the financing has been performed by a € 4,522 thousand bank loan.

Financial position

The consolidated liquid assets at the end of the period amounted to € 2,076 thousand (10,438). The interest-bearing liabilities were € 16,390 thousand (11,868).

At the end of the period, unutilized credits with bank amounted to € 565 thousand (565) and with the principal owner Alceco International S.A € 4,522 thousand (4,522).

Equity at the end of the period amounted to € 28,466 thousand (38,675), the equity/assets ratio was 60 % (74 %) and the net debt/equity ratio was 50 % (4 %).

The parent company

The parent company´s net sales amounted to € 5 thousand (0) and net income before tax amounted to € -7,607 thousand (-5,588). The parent company's liquid assets at the end of the period amounted to € 2,076 thousand (10,437).

Key ratios and other information

	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Number of shares at the close of the period (in thousands), before and after dilution*	81,772	81,772	81,772	81,772	81,772
Weighted average number of shares (in thousands) before and after dilution*	81,772	76,651	81,772	64,359	68,605
Earnings per share in €, before and after dilution*	-0.04	-0.02	-0.09	-0.09	-0.12
Equity per share, €*	0.35	0.47	0.35	0.47	0.44
Equity/Assets ratio, %	60	74	60	74	72
Net debt, € thousand	14,314	1,431	14,314	1,431	4,753
Net debt/Equity ratio, %	50	4	50	4	13
Return on total assets, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Number of employees at the end of the period	78	77	78	77	75

*Recalculation of historical figures has been performed with regards to capitalization issue components in the preferential rights share issue carried out in the third quarter 2012/13.

Definitions

Earnings per share: The income for the period attributable to the shareholders of the parent company divided by a weighted average number of shares, before and after dilution.
Equity per share: Equity divided by the number of shares at the end of the period
Equity/assets ratio: Equity as a percentage of the balance sheet total.
Net debt: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deduction for liquid funds
Net debt/Equity ratio: Net debt in relation to equity.
Return on total assets: Income before deduction of interest expenses in relation to the average balance sheet total.
Return on equity: Income after financial items in relation to the average equity.

Consolidated Income statement

€ thousands	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Net sales	2	-	5	-	-
Capitalized development cost	912	1,201	2,496	4,274	5,498
Other operating income	8	271	500	282	285
Raw materials, consumables and goods for resale	-162	-115	-420	-551	-694
Other external expenses	-2,488	-1,545	-5,443	-5,227	-7,350
Employee benefit expenses	-1,349	-1,295	-3,816	-3,506	-4,794
Depreciation/amortization and impairment	-145	-144	-425	-432	-575
Other operating expenses	0	-	0	-	-10
Operating income	-3,221	-1,628	-7,105	-5,162	-7,639
Financial income	1	35	17	35	66
Financial expenses	-221	-164	-522	-461	-609
Financial items, net	-220	-129	-505	-425	-542
Income before taxes	-3,440	-1,757	-7,610	-5,587	-8,182
Taxes	-	-	-	-	-
Income for the period	-3,440	-1,757	-7,610	-5,587	-8,182
Income for the period attributable to:					
Shareholders of the Parent company	-3,440	-1,757	-7,610	-5,587	-8,182
Earnings per share, before and after dilution, €	-0.04	-0.02	-0.09	-0.09	-0.12

Consolidated Statement of comprehensive income

€ thousands	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Income for the period	-3,440	-1,757	-7,610	-5,587	-8,182
Comprehensive income for the period	-3,440	-1,757	-7,610	-5,587	-8,182
Comprehensive income for the period attributable to:					
Shareholders of the Parent company	-3,440	-1,757	-7,610	-5,587	-8,182
Comprehensive Earnings per share, before and after dilution, €	-0.04	-0.02	-0.09	-0.09	-0.12

Consolidated statement of financial position

€ thousands	2014-01-31	2013-01-31	2013-04-30
ASSETS			
Non-current assets			
Property, plant and equipment	2,648	3,074	2,957
Capitalized development cost	40,796	37,076	38,300
Other intangible assets	1,395	1,191	1,164
Financial assets	0	0	0
Total Non-current assets	44,839	41,341	42,421
Current assets			
Inventories	187	100	100
Trade receivables	7	-	-
Other current receivables	357	281	262
Prepaid expenses and accrued income	327	220	422
Liquid assets	2,076	10,438	7,116
Total Current assets	2,954	11,039	7,901
TOTAL ASSETS	47,793	52,380	50,322
EQUITY			
Capital and provisions attributable to shareholders of the Parent Company			
Share capital	924	924	924
Other capital provided	64,820	64,824	64,820
Retained earnings	-37,278	-27,074	-29,668
Total Equity	28,466	38,675	36,076
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	101	101	101
Total Non-current liabilities	101	101	101
Current liabilities			
Liabilities to credit institutions	4,522	-	-
Short-term borrowings	11,869	11,869	11,869
Trade payables	815	501	801
Other current liabilities	164	178	177
Accrued expenses and prepaid income	1,857	1,057	1,298
Total Current liabilities	19,226	13,604	14,145
Total Liabilities	19,327	13,705	14,246
TOTAL EQUITY AND LIABILITIES	47,793	52,380	50,322

Consolidated statement of changes in equity

	Attributable to shareholders of the Parent company			
€ thousands	Share capital	Other capital provided	Retained earnings	Total equity
Opening balance as of May 1, 2012	647	51,752	-21,486	30,913
Comprehensive income for the period	-	-	-5,587	-5,587
New share issue	277	13,588	-	13,865
Issue expenses	-	-516	-	-516
Closing balance as of January 31, 2013	924	64,824	-27,074	38,675
Opening balance as of May 1, 2012	647	51,752	-21,486	30,913
Comprehensive income for the period	-	-	-8,182	-8,182
New share issue	277	13,588	-	13,865
Issue expenses	-	-520	-	-520
Closing balance as of April 30, 2013	924	64,820	-29,668	36,076
Opening balance as of May 1, 2013	924	64,820	-29,668	36,076
Issue expenses	-	-	-7,610	-7,610
Closing balance as of January 31, 2014	924	64,820	-37,278	28,466

Consolidated Cash flow statement

€ thousands	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Operating activities					
Operating income before financial items	-3,221	-1,628	-7,105	-5,162	-7,639
Depreciation/amortization	145	144	425	432	575
Disposals of tangible and intangible assets	0	-	0	-	10
Adjustments for income from divestiture of intangible assets	-	-178	-	-178	-178
Interest received	1	35	17	35	66
Interest paid	-5	-14	-8	-66	-69
Cash flow from operating activities before working capital changes	-3,080	-1,641	-6,670	-4,938	-7,236
Change in working capital					
Change in inventories	22	-	-87	-68	-68
Change in trade receivables	-3	-	-7	-	-
Change in other current receivables	-60	-5	0	-59	-242
Change in trade payables	357	-289	14	-661	-361
Change in other current liabilities	74	93	31	-50	46
Cash flow from operating activities	-2,691	-1,842	-6,719	-5,776	-7,861
Investing activities					
Investments in intangible fixed assets	-959	-1,243	-2,814	-5,514	-6,737
Divestiture of intangible fixed assets	-	479	-	479	479
Investments in property, plant and equipment	-22	-8	-29	-491	-501
Cash flow from investing activities	-981	-772	-2,843	-5,526	-6,759
Financing activities					
Increase in liabilities to credit institutions	4,522	-	4,522	-	-
Decrease in liabilities to credit institutions	-	-526	-	-361	-361
New share issue	-	13,865	-	13,865	13,865
Issue expenses	-	-516	-	-516	-520
New loans	-	-	-	9,043	9,043
Repayment of loans	-	-	-	-520	-520
Cash flow from financing activities	4,522	12,824	4,522	21,511	21,507
Cash flow for the period	850	10,210	-5,040	10,208	6,887
Cash and cash equivalents at the beginning of the period	1,227	228	7,116	229	229
Cash and cash equivalents at the end of the period	2,076	10,438	2,076	10,438	7,116

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CONTINUED DEVELOPMENT OF THE PRE-CLINICAL AND CLINICAL RESEARCH PROGRAM

THIRD QUARTER November 1, 2013 – January 31, 2014

- Consolidated Net sales amounted to TSEK 16 (0)[2]
- Operating income amounted to TSEK -28 492 (-14 401)
- Net income after tax amounted to -30 436 (-15 540)
- Earnings per share amounted to SEK -0,37 (-0,20)
- Comprehensive income amounted to TSEK -30 436 (-15 540)
- FDA approved Oasmia's production facility in Uppsala
- Increased financing by extension of the MSEK 105 loan from Nexttobe AB and a new MSEK 40 bank loan.

THE PERIOD May 1, 2013 – January 31, 2014

- Consolidated Net sales amounted to TSEK 40 (0)
- Operating income amounted to TSEK -62 851 (-45 664)
- Net income after tax amounted to TSEK -67 321 (-49 428)
- Earnings per share amounted to SEK -0,82 (-0,77)
- Comprehensive income amounted to -67 321 (-49 428)
- Oasmia initiated a clinical program for Paclical for treatment of breast cancer
- Oasmia initiated pre-clinical studies with OAS-19, the first pharmaceutical project with a combination of two active cytostatics in one infusion

EVENTS AFTER CLOSING DAY

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OAS-19 (combination)	Various cancers	Ongoing					Global	oasmia

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Oasmia has been granted MUMS designation (see below) by the American Food and Drug Administration (FDA) in the USA for Paccal Vet in treatment of mastocytoma, mammary carcinoma and squamous cell carcinoma.

After the closing day, Oasmia was granted conditional approval of Paccal Vet for treatment of mammary carcinoma and squamous cell carcinoma.

The company is conducting a complementary study on Paccal Vet for treatment of mastocytoma. The purpose of the study is to measure time to progression for dogs which has been treated 4 times with three week intervals. When data have been collected and analysed, Oasmia intends to file an application for market approval for Paccal® Vet to the European authority EMA. We are also considering an expansion of this study to apply for full approval in the USA.

Doxophos® Vet

Doxophos® Vet is a patented formulation of doxorubicin in combination with XR-17. Oasmia is developing Doxophos® Vet for treatment of lymphoma, which is one of the most common cancer indications in dogs. Doxophos® Vet has been granted a MUMS designation (see below) in the USA for the indication lymphoma.

Oasmia conducts a Phase I study for Doxophos® Vet in order to establish the dose for the clinical program.

Animal Health

CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REG./ APPROVAL	RIGHTS	
							GEOGRAPHY	PARTNER
Paccal® Vet (paclitaxel)	Mammary / squamous cell					Approved*	Global (ex-RUS/JAP)	Abbott Animal Health
	Mast cell				Ongoing		Global (ex-RUS/JAP)	Abbott Animal Health
Doxophos® Vet (doxorubicin)	Lymphoma		Ongoing	Planned			Global	Abbott Animal Health

*Conditionally by the FDA approved on 2014-02-28

MUMS designation (minor use/minor species) is granted by the FDA either for a small area of use within a common species such as dogs, or for treatment of a less common species. The most interesting aspect of MUMS is the eligibility to apply for conditional market approval with seven years market exclusivity. Conditional market approval enables the manufacturer to make the product available before all necessary efficacy data have been obtained. However, safety data must prove that the product is safe.

THE COMPANY

FDA approved Oasmia's production facility in Uppsala
In December 2013, Oasmia announced that the company's production facility in Uppsala had undergone a Pre-Approval Inspection by the FDA with a satisfactory result. FDA has thereby confirmed that Oasmia's manufacture of Paccal Vet meets the requirements for current Good Manufacturing Practice, cGMP.

Increased financing
In December 2013, the existing loan from Nexttobe AB amounting to MSEK 105 was extended by one year, from 2013-12-31 to 2014-12-31. The interest in 2014 is 8.5 % and it will be paid in its entirety on 2014-12-31. In addition, Oasmia was granted a new MSEK 40 bank loan in November 2013, which is due on 2014-03-31.

Warrants
A resolution was made at the Annual General Meeting 2013 to offer the company Board of Directors and management the right to subscribe for warrants in Oasmia Pharmaceutical AB. In October 2013, the maximum number of warrants were issued, 1 050 000, free from consideration, from the parent company to the subsidiary Oasmia Animal Health AB. The subsidiary has the right and obligation to transfer the warrants to the Board and management. For further details about terms, see the communiqué from the Annual General Meeting on the company website. As of January 2014, no acquisitions of warrants had been made.

Share price development during the period May 2013 – January 2014 (SEK)

EVENTS AFTER CLOSING DAY

Oasmia is granted FDA approval for Paccal Vet
On February 28, 2014, Oasmia announced that the American Food and Drug Administration (FDA) granted a conditional approval for the company's first pharmaceutical, Paccal Vet-CA1 and thereby provided veterinary oncologists with a new treatment option for squamous cell carcinoma and mammary carcinoma in dogs.

FINANCIAL INFORMATION

Consolidated Income Statement in brief

TSEK	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Net sales	16	-	40	-	-
Capitalized development cost	8 072	10 626	22 078	37 810	48 635
Operating income	-28 492	-14 401	-62 851	-45 664	-67 583
Net income after tax	-30 436	-15 540	-67 321	-49 428	-72 381
Earnings per share (SEK), before and after dilution*	-0,37	-0,20	-0,82	-0,77	-1,06
Comprehensive income for the period	-30 436	-15 540	-67 321	-49 428	-72 381

*Recalculation of historical figures has been performed with regards to capitalization issue components in the preferential rights share issue carried out in the third quarter 2012/13.

THIRD QUARTER
November 1, 2013 – January 31, 2014

Net sales
Net sales amounted to TSEK 16 (-).

Capitalized development cost
Capitalized development cost, which concerns Phase III clinical trials, amounted to TSEK 8 072 (10 626). The larger part concerned Paclical which was capitalized with TSEK 5 781 (9 588) and a smaller part concerning Paccal Vet which contributed with TSEK 2 291 (1 038). The decrease compared to the same quarter in the previous year is attributable to decreased costs for clinical trials for Paclical®.

Operating expenses
Operating expenses excluding depreciation and impairment were significantly higher compared to the previous year and amounted to TSEK 35 370 (26 144). The nature of the operating expenses has changed. The costs for clinical trials have decreased somewhat, but costs related to preparations for the commercial phase Oasmia is planning for has increased more than the decrease in development costs. The latter refers to among other things method development in production at Oasmia and its contract manufacturers and increased personnel and administration expenses.

Income for the quarter
Net income was TSEK -30 436 (-15 540). The decrease between these two quarters was attributable to significantly increased operating expenses and a significantly decreased degree of capitalization of development costs in Phase III.

THE PERIOD
May 1, 2013 – January 31, 2014

Net sales
Net sales amounted to TSEK 40 (-) and concerned sales of supplies.

Capitalized development cost
Capitalized development cost, which concerns Phase III clinical trials, amounted to TSEK 22 078 (37 810). The larger part concerned Paclical which was capitalized with TSEK 14 443 (36 546) and a smaller part concerning

Paccal Vet which contributed with TSEK 7 635 (1 263). The decrease compared to the previous year is attributable to decreased costs for clinical trials for Paclical®.

Other operating income
Other operating income amounted to TSEK 4 420 (2 491) and mainly concerned an insurance compensation for a production disruption amounting to TSEK 4 250.

Operating expenses
Operating expenses excluding depreciation and impairment amounted to TSEK 85 631(82 139). The nature of the operating expenses has changed. The costs for clinical trials have decreased, but costs related to preparations for the commercial phase Oasmia is planning for has increased more than the decrease in development costs. The latter refers to among other things method development in production at Oasmia and its contract manufacturers and increased personnel and administration expenses.

The number of employees at the end of the period was 78 (77).

Income for the period
Net income was TSEK -67 321 (-49 428). The decrease was to a lesser extent attributable to increased operating expenses and a significantly decreased degree of capitalization of development costs in Phase III compared to the corresponding period the previous year.

The business activities of the Group have not been affected by seasonal variations or cyclic effects.

Cash flow and Capital expenditures
Cash flow from operating activities amounted to TSEK -59 437 (-51 100).

Cash flow from investing activities amounted to TSEK -25 152 (-48 889). The decreased level of investments concerned capitalized development costs and other intangible assets and property, plant and equipment.

Of these, investments in intangible assets amounted to TSEK 24 893 (48 777), consisting of capitalized development costs TSEK 22 078 (37 810) and patents and other intangible assets TSEK 2 815 (10 967).

Of these, only TSEK 259 (4 348) were investments in property, plant and equipment.

Financing
Financing in the period May – December 2013 was performed by liquid assets provided to the company in the preferential rights issue which was completed in November 2012 and a TSEK 4 250 insurance compensation. Thereafter, the financing has been performed by a TSEK 40 000 bank loan.

Financial position
The consolidated liquid assets at the end of the period amounted to TSEK 18 368 (92 338). The interest-bearing liabilities were TSEK 145 000 (105 000).

At the end of the period, unutilized credits with bank amounted to TSEK 5 000 (5 000) and with the principal owner Alceco International S.A TSEK 40 000 (40 000).

Equity at the end of the period amounted to TSEK 251 832 (342 143), the equity/assets ratio was 60 % (74 %) and the net debt/equity ratio was 50 % (4 %).

The parent company
The parent company´s net sales amounted to TSEK 40 (0) and net income before tax amounted to TSEK -67 299 (-49 438). The parent company's liquid assets at the end of the period amounted to TSEK 18 366 (92 329).

Key ratios and other information

	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Number of shares at the close of the period (in thousands), before and after dilution *	81 772	81 772	81 772	81 772	81 772
Weighted average number of shares (in thousands) before and after dilution*	81 772	76 651	81 772	64 359	68 605
Earnings per share in SEK, before and after dilution*	-0,37	-0,20	-0,82	-0,77	-1,06
Equity per share, SEK*	3,08	4,18	3,08	4,18	3,90
Equity/Assets ratio, %	60	74	60	74	72
Net debt, TSEK	126 632	12 662	126 632	12 662	42 044
Net debt/Equity ratio, %	50	4	50	4	13
Return on total assets, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Number of employees at the end of the period	78	77	78	77	75

*Recalculation of historical figures has been performed with regards to capitalization issue components in the preferential rights share issue carried out in the third quarter 2012/13.

Definitions

Earnings per share: The income for the period attributable to the shareholders of the parent company divided by a weighted average number of shares, before and after dilution.
Equity per share: Equity divided by the number of shares at the end of the period
Equity/assets ratio: Equity as a percentage of the balance sheet total.
Net debt: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deduction for liquid funds
Net debt/Equity ratio: Net debt in relation to equity.
Return on total assets: Income before deduction of interest expenses in relation to the average balance sheet total.
Return on equity: Income after financial items in relation to the average equity.

Consolidated Income statement

TSEK	Note	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Net sales		16	-	40	-	-
Capitalized development cost		8 072	10 626	22 078	37 810	48 635
Other operating income		68	2 394	4 420	2 491	2 524
Raw materials, consumables and goods for resale		-1 429	-1 018	-3 715	-4 876	-6 137
Other external expenses		-22 007	-13 667	-48 155	-46 244	-65 022
Employee benefit expenses		-11 932	-11 459	-33 759	-31 019	-42 408
Depreciation/amortization and impairment		-1 279	-1 277	-3 758	-3 824	-5 089
Other operating expenses		-3	-	-3	-	-86
Operating income		-28 492	-14 401	-62 851	-45 664	-67 583
Financial income		11	309	150	313	587
Financial expenses		-1 955	-1 448	-4 621	-4 077	-5 384
Financial items, net		-1 944	-1 139	-4 470	-3 764	-4 798
Income before taxes		-30 436	-15 540	-67 321	-49 428	-72 381
Taxes	2	-	-	-	-	-
Income for the period		-30 436	-15 540	-67 321	-49 428	-72 381
Income for the period attributable to:						
Shareholders of the Parent company		-30 436	-15 540	-67 321	-49 428	-72 381
Earnings per share before and after dilution, SEK		-0,37	-0,20	-0,82	-0,77	-1,06

Consolidated Statement of Comprehensive income

TSEK	Note	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Income for the period		-30 436	-15 540	-67 321	-49 428	-72 381
Comprehensive income for the period		-30 436	-15 540	-67 321	-49 428	-72 381
Comprehensive income for the period attributable to:						
Shareholders of the Parent company		-30 436	-15 540	-67 321	-49 428	-72 381
Comprehensive Earnings per share before and after dilution, SEK		-0,37	-0,20	-0,82	-0,77	-1,06

Consolidated statement of financial position

TSEK	Note	2014-01-31	2013-01-31	2013-04-30
ASSETS				
Non-current assets				
Property, plant and equipment		23 430	27 192	26 161
Capitalized development cost	3	360 904	328 000	338 826
Other intangible assets		12 339	10 534	10 294
Financial assets		2	2	2
Total Non-current assets		396 675	365 729	375 283
Current assets				
Inventories		1 656	887	887
Trade receivables		59	-	-
Other current receivables		3 159	2 490	2 314
Prepaid expenses and accrued income		2 892	1 943	3 737
Liquid assets		18 368	92 338	62 956
Total Current assets		26 133	97 659	69 895
TOTAL ASSETS		422 808	463 387	445 178
EQUITY				
Capital and provisions attributable to shareholders of the Parent Company				
Share capital		8 177	8 177	8 177
Other capital provided		573 439	573 475	573 439
Retained earnings		-329 784	-239 510	-262 463
Total equity		251 832	342 143	319 153
LIABILITIES				
Non-current liabilities				
Other non-current liabilities		891	891	891
Total Non-current liabilities		891	891	891
Current liabilities				
Liabilities to credit institutions		40 000	-	-
Short-term borrowings	4	105 000	105 000	105 000
Trade payables		7 209	4 433	7 084
Other current liabilities		1 449	1 570	1 566
Accrued expenses and prepaid income		16 426	9 350	11 484
Total Current liabilities		170 085	120 353	125 134
Total Liabilities		170 976	121 244	126 025
TOTAL EQUITY AND LIABILITIES		422 808	463 387	445 178
Contingent liabilities	5			
Pledged assets	5			

Consolidated statement of changes in equity

	Attributable to shareholders of the Parent company			
TSEK	Share capital	Other capital provided	Retained earnings	Total equity
Opening balance as of May 1, 2012	5 724	457 832	-190 082	273 474
Comprehensive income for the period	-	-	-49 428	-49 428
New share issue	2 453	120 205	-	122 658
Issue expenses	-	-4 562	-	-4 562
Closing balance as of January 31, 2013	8 177	573 475	-239 510	342 143
Opening balance as of May 1, 2012	5 724	457 832	-190 082	273 474
Comprehensive income for the period	-	-	-72 381	-72 381
New share issue	2 453	120 205	-	122 658
Issue expenses	-	-4 598	-	-4 598
Closing balance as of April 30, 2013	8 177	573 439	-262 463	319 153
Opening balance as of May 1, 2013	8 177	573 439	-262 463	319 153
Comprehensive income for the period	-	-	-67 321	-67 321
Closing balance as of January 31, 2014	8 177	573 439	-329 784	251 832

Consolidated Cash flow statement

TSEK	Not	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Operating activities						
Operating income before financial items		-28 492	-14 401	-62 851	-45 664	-67 583
Depreciation/amortization		1 279	1 277	3 758	3 824	5 089
Disposals of tangible and intangible assets		3	-	3	-	86
Adjustments for income from divestiture of intangible assets		-	-1 579	-	-1 579	-1 579
Interest received		11	309	150	313	587
Interest paid		-48	-127	-67	-583	-611
Cash flow from operating activities before working capital changes		-27 248	-14 521	-59 007	-43 688	-64 010
Change in working capital						
Change in inventories		197	-	-769	-597	-597
Change in trade receivables		-29	-	-59	-	-
Change in other current receivables		-533	-42	1	-524	-2 142
Change in trade payables		3 158	-2 558	125	-5 849	-3 197
Change in other current liabilities		653	825	273	-441	408
Cash flow from operating activities		-23 802	-16 296	-59 437	-51 100	-69 539
Investing activities						
Investments in intangible fixed assets		-8 484	-10 996	-24 893	-48 777	-59 603
Divestiture of intangible fixed assets		-	4 235	-	4 235	4 235
Investments in property, plant and equipment		-197	-67	-259	-4 348	-4 428
Cash flow from investing activities		-8 681	-6 828	-25 152	-48 889	-59 795
Financing activities						
Increase in liabilities to credit institutions		40 000	-	40 000	-	-
Decrease in liabilities to credit institutions		-	-4 651	-	-3 197	-3 197
New share issue		-	122 658	-	122 658	122 658
Issue expenses		-	-4 562	-	-4 562	-4 598
New loans	4	-	-	-	80 000	80 000
Repayment of loans		-	-	-	-4 600	-4 600
Cash flow from financing activities		40 000	113 446	40 000	190 299	190 263
Cash flow for the period		7 517	90 322	-44 589	90 310	60 928
Cash and cash equivalents at the beginning of the period		10 851	2 017	62 956	2 028	2 028
Cash and cash equivalents at the end of the period		18 368	92 338	18 368	92 338	62 956

Parent Company Income statement

TSEK	Note	2013/14 Nov-Jan	2012/13 Nov-Jan	2013/14 May-Jan	2012/13 May-Jan	2012/13 May-April
Net sales		16	-	40	-	-
Capitalized development cost		8 072	10 626	22 078	37 810	48 635
Other operating income		68	2 394	4 420	2 491	2 524
Raw materials, consumables and goods for resale		-1 429	-1 018	-3 715	-4 876	-6 137
Other external expenses		-21 986	-13 632	-48 109	-46 151	-64 916
Employee benefit expenses		-11 932	-11 459	-33 759	-31 019	-42 408
Depreciation/amortization and impairment of property, plant, equipment and intangible assets		-1 278	-1 273	-3 754	-3 813	-5 074
Other operating expenses		-	-	-	-	-86
Operating income		-28 469	-14 363	-62 799	-45 559	-67 461
Result from participations in Group companies	4	-	-30	-30	-115	-145
Other interest revenues and similar revenues		11	309	150	312	587
Interest cost and similar costs		-1 955	-1 448	-4 621	-4 076	-5 384
Financial items, net		-1 944	-1 169	-4 500	-3 879	-4 942
Income after financial items		-30 413	-15 532	-67 299	-49 438	-72 404
Taxes	2	-	-	-	-	-
Income for the period		-30 413	-15 532	-67 299	-49 438	-72 404

Parent Company Balance Sheet

TSEK	Note	2014-01-31	2013-01-31	2013-04-30
ASSETS				
Non-current assets				
Intangible fixed assets				
Capitalized development cost	3	360 904	328 000	338 826
Concessions, patents, licenses, trademarks and similar rights		12 339	10 524	10 288
Property, plant and equipment				
Equipment, tools, fixtures and fittings		23 232	21 387	20 355
Construction in progress and advance payments for property, plant and equipment		197	5 805	5 805
Financial assets				
Participations in group companies		110	110	110
Other securities held as non-current assets		1	1	1
Total Non-current assets		396 784	365 828	375 386
Current assets				
Inventories				
Raw materials and consumables		1 656	887	887
		1 656	887	887
Current receivables				
Trade receivables		59	-	-
Other current receivables		3 157	2 488	2 312
Prepaid expenses and accrued income		2 892	1 943	3 721
		6 107	4 431	6 033
Cash and bank balances		18 366	92 329	62 947
Total current assets		26 130	97 647	69 867
TOTAL ASSETS		422 913	463 475	445 253
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		8 177	8 177	8 177
Statutory reserve		4 620	4 620	4 620
		12 797	12 797	12 797
Non-restricted equity				
Share premium reserve		573 439	573 475	573 439
Retained earnings		-267 255	-194 851	-194 851
Income for the period		-67 299	-49 438	-72 404
		238 885	329 186	306 184
Total equity		251 682	341 984	318 981
Non-current liabilities				
Other non-current liabilities		891	891	891
Total non-current liabilities		891	891	891
Current liabilities				
Short term borrowings	4	105 000	105 000	105 000
Trade payables		7 208	4 433	7 084
Liabilities to Credit institutions		40 000	-	-
Liabilities to group companies		257	247	247
Other current liabilities		1 449	1 570	1 566
Accrued expenses and prepaid income		16 426	9 350	11 484
Total Current liabilities		170 340	120 600	125 381
TOTAL EQUITY AND LIABILITIES		422 913	463 475	445 253
Contingent liabilities and pledged assets				
Contingent liabilities	5	-	-	-
Pledged assets	5	8 000	8 000	8 000

Parent Company changes in equity

	Restricted equity			
TSEK	Share capital	Statutory reserve	Non-restricted equity	Total equity
Opening balance as of May 1, 2012	5 724	4 620	262 981	273 325
New share issue	2 453	-	120 205	122 658
Issue expenses	-	-	-4 562	-4 562
Income for the period	-	-	-49 438	-49 438
Closing balance as of January 31, 2013	8 177	4 620	329 186	341 984
Opening balance as of May 1, 2012	5 724	4 620	262 981	273 325
New share issue	2 453	-	120 205	122 658
Issue expenses	-	-	-4 598	-4 598
Income for the period	-	-	-72 404	-72 404
Closing balance as of April 30, 2013	8 177	4 620	306 184	318 981
Opening balance as of May 1, 2013	8 177	4 620	306 184	318 981
Income for the period	-	-	-67 299	-67 299
Closing balance as of January 31, 2014	8 177	4 620	238 885	251 682

Note 1 Accounting policies

This report is established in accordance with IAS 34, Interim Financial Reporting and the Securities market Act. The consolidated accounts have been established in accordance with the International Financial Reporting Standards (IFRS) such as they have been adopted by the EU and interpretations by the International Financial Reporting Interpretations Committee (IFRIC), RFR 1, Complementary accounting regulations for Groups and the Annual Accounts Act. The Parent Company accounts are established in accordance with RFR 2, Accounting for legal entities and the Annual Accounts Act. The Group and Parent company accounting policies and calculation methods are unchanged compared to the ones described in the Annual Report for the fiscal year May 1 2012 – April 30 2013. The new and revised accounting policies applied by Oasmia since May 1, 2013, has not had any effect on Oasmia's financial reports. New or revised IFRS-standards or interpretations of IFRIC which have been adopted since May 1, 2013, have, beyond additional information regarding financial instruments as a result of the new IFRS 13, not had any effect on Oasmia's financial reports. Scope and character of financial assets and liabilities are in essence the same as of April 30, 2013. Similar to what was the case at the end of the previous fiscal year, carried amounts are the same as actual values. The Group currently only has one operating segment and does therefore not disclose any segment information.

Note 2 Taxes

The Group has accumulated losses carried forward amounting to TSEK 366 953 (277 622) and the Parent Company has similar amounting to TSEK 357 342 (268 082). Of the total losses carried forward for the Group, TSEK 17 881 (17 881) are restricted for use through group contributions. This limitation will end by the 2014 tax assessment. The future tax effect of these losses carried forward has not been marked with a value and no deferred tax asset has been considered in the Balance Sheet.

Note 3 Capitalized development cost

Capitalized development cost consists of the company's investments in clinical Phase III trials. The capitalization means that such costs are capitalized as an intangible asset. The accumulated assets per product candidate are disclosed below.

TSEK	2014-01-31	2013-01-31	2013-04-30
Paclical®	268 918	245 686	254 475
Paccal® Vet	91 986	82 315	84 351
Total	360 904	328 000	338 826

Note 4 Transactions with related parties

No significant transactions with related parties have been performed in the period.

As of January 31, 2014 Oasmia had a credit facility of TSEK 40 000 (40 000) provided by the principal owner of the company, Alceco International SA. The interest rate on utilized credits is 5 %. As of January 31, 2014, this credit was completely unutilized (also as of January 31, 2013).

On January 31, 2014, Oasmia carried a loan from its second largest owner Nexttobe AB amounting to TSEK 105,000 (105 000). In November 2013 the loan was extended with one year and it is now due on December 31, 2014. In 2014, the loan carries an interest of 8.5 % which previously was 5 % int. The interest will be paid when the loan is due. As of January 31, 2014 the accrued interest cost for the loan amounted to TSEK 9 335 (3 773).

Oasmia has made a TSEK 30 (115) group contribution to the subsidiary Qdoxx Pharma AB, where TSEK 0 (30) was provided in the third quarter. Impairment of shares in Qdoxx amounting to TSEK 30 (115) have been made, corresponding to the group contributions, as the purpose of the group contributions was to cover losses in the subsidiary. The impairment of Participations in group companies is accounted for in the Parent company income statement on the line Result from participations in group companies.

Note 5 Contingent liabilities and Pledged assets

The parent company has made a floating charge of MSEK 8 to a bank as security for a MSEK 5 bank overdraft and limit for a MSEK 3 exchange derivative.

Note 6 Risk factors

The Group is subjected to a number of different risks through its business. By creating awareness of the risks involved in the activities these risks can be limited, controlled and managed and at the same time as business opportunities can be utilized to increase earnings. The risks to Oasmia's business activities are described in the Annual report for the fiscal year May 1 2012 – April 30 2013. No additional risks beyond those described therein have been judged significant.

The Board of Directors and CEO of Oasmia Pharmaceutical AB ensures that this Interim report gives a correct overview of the Parent Company and Group activities, position and result and describes essential risks and uncertainty factors that the Parent Company and the companies that are part of the Group face.

Uppsala March 6, 2014

Joel Citron, Chairman

Bo Cederstrand, Member	Prof. Dr. Horst Domdey, Member	Alexander Kotsinas, Member
Jan Lundberg, Member	Martin Nicklasson, Member	Julian Aleksov, Member and CEO

The information in this interim report is such that Oasmia Pharmaceutical (publ) must publish according to the code of trade in financial instruments. The information was delivered for publication on March 6, 2014 at 9.00.

This report has been prepared in both Swedish and English. In the event of any discrepancy in the content of the two versions, the Swedish version shall take precedence.

This report has not been reviewed by the company auditors.

COMPANY INFORMATION
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UPCOMING REPORT DATES

Year-end report May 2013 – April 2014	2014-06-05
Annual report May 2013 – April 2014	2014-08-21
Interim report May – July 2014	2014-09-05
Interim report May – October 2014	2014-12-04
Interim report May 2014 – January 2015	2015-03-05