

Oasmia Pharmaceutical AB (publ)

Interim report for the period May - July 2015

Oasmia has reclaimed the global distribution and sales rights for Paccal Vet and Doxophos Vet

FIRST QUARTER May 1 – July 31, 2015

- Consolidated Net sales amounted to TSEK 219 (994)¹
 - Operating income was TSEK -37,819 (-30 351)
 - Net income after tax amounted to TSEK -39,819 (-32 989)
 - Earnings per share was SEK -0.41 (-0.38)
 - Comprehensive income was TSEK -39,804 (-32 989)
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- Oasmia filed a registration statement on listing at NASDAQ USA.
 - Oasmia regained the global rights to Paccal Vet and Doxophos Vet and established a sales company in the USA.

EVENTS AFTER THE CLOSING DAY

- Oasmia published positive results for Paclical in a head-to-head comparative study with Abraxane.

¹The numbers in parentheses show the results from the corresponding period of the previous year



CEO COMMENTS:

"We took a number of important steps for the future development of the company during the first quarter. We reclaimed the global distribution and sales rights for Paccal Vet and Doxophos Vet. This was facilitated by an official restructuring within Zoetis, Oasmia's previous distributor. Oasmia will not have any direct costs related to the reclaim. Due to this, we have established a subsidiary in the USA which will be responsible for sales and marketing of our product on the American market as of October 1. We are currently working intensively to build our own sales organization and expand the portfolio by acquiring further products. We are looking forward to a close collaboration with American veterinaries to provide them with a new treatment option which can extend the lives of their patients.

To further strengthen our presence in the USA, we have registered an application of listing on NASDAQ USA.

After the closing date of the quarter, we were pleased to present results from a study which showed that Paclical and Abraxane had an almost identical pharmacokinetic profile for women with metastatic breast cancer. This is a strong indication that both pharmaceuticals have a similar effect, although Paclical does not contain any human albumin. In the light of this, we are looking forward to a new exciting phase in Oasmia's development. Abraxane, marketed by Celgene, is the only similar product currently on the market and sales is estimated to exceed one billion USD in 2015", comments Mikael Asp, CEO of Oasmia.

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 Stockholm and at the Frankfurt Stock Exchange.

BUSINESS ACTIVITIES

Since the April 2015 market authorization of Paclical by the Russian Ministry of Health, work is now in progress with the planned launch in Russia during the second half of 2015. Paclical, is the first completely water soluble cancer drug containing paclitaxel that received market approval. It will be marketed by Oasmia's Russian distributor, Pharmasyntez, both in Russia and the CIS countries.

In July 2014, Paccal Vet-CA1 was launched on the US market by Abbott Animal Health. In February 2015, Zoetis announced that they had completed the acquisition of Abbott Animal Health. In July 2015, Oasmia announced that Zoetis had terminated the collaboration agreement between the companies and that Oasmia has regained the exclusive global rights to Paccal Vet and Doxophos Vet. At the same time Oasmia announced that the company will take responsibility for marketing and sales of Paccal Vet-CA1 and has established its own sales company in the USA, Oasmia Pharmaceutical, Inc. The transfer process is estimated to be completed in September 2015 and the official launch will be carried out during the VCS (Veterinary Cancer Society) annual conference in October.

PRODUCT DEVELOPMENT

HUMAN HEALTH

Paclical

In April 2015, Oasmia's cancer product Paclical received market authorization in Russia by the Russian Ministry of Health. Paclical is the first completely water soluble cancer drug containing paclitaxel approved for sale. Paclical is planned for launch in Russia in the second half of 2015.

Paclical is a patented formulation of paclitaxel in combination with Oasmia's patented technology XR-17. Paclical has received orphan drug designation (see below) in the EU and the US for the indication ovarian cancer.

Oasmia has performed a Phase III study with Paclical for treatment of ovarian cancer, an indication with 225,000 new annual cases globally. The total number of patients in the study was 789, and all patients have been followed up regarding progression free survival (PFS). In June 2014, Oasmia announced that the primary endpoint for the study had been met. The endpoint was to demonstrate that Paclical and Taxol, both in combinations with carboplatin, have similar progression free survival. In October 2014, the company announced the results from the study that shows that Paclical has a positive risk/benefit profile compared to standard treatment.

The final study report for the clinical study is still on-going and the study report will constitute the foundation for a submission of a Marketing Authorization Application to the EMA (European Medicines Agency) in 2015.

Doxophos

Doxophos is a patented formulation of the cytostatic doxorubicin in combination with XR-17. Doxorubicin is one of the most efficient and used substances for treatment of cancer. Oasmia has compiled documentation and is now planning a clinical Phase I study on the indication metastatic breast cancer.

Docecal

Docecal is a patented formulation of the cytostatic docetaxel in combination with XR-17 for treatment of metastatic breast cancer. Docecal is now entering a clinical phase and the company is planning for a clinical phase I study and a safety and tolerance study.

OAS-19

OAS-19 is the first cancer product to apply a dual cytostatic agent 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 water solubility can be combined. Pre-clinical studies performed in 2013 with OAS-19 have shown promising results.

Human Health

CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REG./ APPROVAL	RIGHTS	
							GEOGRAPHY	PARTNER
Paclical (paclitaxel)	Ovarian cancer				Ongoing		Global (ex-RUS/CIS)	
	Ovarian cancer					Approved	RUS/CIS	
	Metastatic breast cancer		Ongoing				Global	
Doxophos (doxorubicin)	Breast cancer		Planning				Global	
Docecal (docetaxel)	Breast cancer	Ongoing	Planning				Global	
OAS-19 (combination)	Various cancers	Ongoing					Global	

Additional partners: Paclical partnered with Medison Pharma in Turkey & Israel.

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

Paccal Vet[®]

Paccal Vet is a patented formulation of paclitaxel in combination with XR-17 and intended for use in dogs. Oasmia has been granted MUMS designation (see below) by the American Food and Drug Administration (FDA) for Paccal Vet in treatment of mastocytoma, mammary carcinoma and squamous cell carcinoma.

In February 2014, Oasmia was granted conditional approval in the US by the FDA of Paccal Vet-CA1 for treatment of mammary carcinoma and squamous cell carcinoma in dogs. In order to apply for a full approval for these indications, Oasmia is planning a Phase III study for the indication squamous cell carcinoma and the first dog in the mammary cancer study was treated in the quarter.

Oasmia is conducting a complementary study on Paccal Vet for the treatment of mastocytoma. The purpose of the study is to measure time to progression for dogs that have been treated four times with three-week intervals. All 50 dogs included in the study have been treated. If the result is in line with the expectations, the company will submit an application for market approval to the European pharmaceutical authority EMA. Oasmia will also consider submitting an application of market approval to the FDA.

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 cancers in dogs. Doxophos Vet has been granted a MUMS designation (see below) in the USA for the indication lymphoma.

In February 2015, a Phase II study was initiated and whose primary goal is to assess response rate in the treated dogs. The study will continue throughout 2016. The Phase II study will form the basis for a conditional approval application in the US for the treatment of lymphoma in dogs. In a follow-up study, the dogs will be followed to progression.

Animal Health

CANDIDATE	INDICATION	PRE-CLINICAL	PHASE I	PHASE II	PHASE III	REG./ APPROVAL	RIGHTS	
							GEOGRAPHY	PARTNER
Paccal Vet® - CA1 (pacitaxel)	Mammary				Ongoing	Conditionally approved	Global (ex-IAP)	
	Squamous cell				Planned for full approval	Conditionally approved	Global (ex-IAP)	
	Mast cell				Ongoing		Global (ex-IAP)	
Doxophos Vet (doxorubicin)	Lymphoma			Ongoing			Global	

Additional partners: Paccal Vet partnered with Nippon Zemyaku Kogyo in Japan.

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

Oasmia has applied to be listed on NASDAQ in the USA, and has carried out a roadshow for American investors

In July, 2015 the company submitted an application to be listed on the NASDAQ Stock Exchange, "Registration Statement Form F-1/A", to USA's Securities and Exchange Commission. This application was updated and registered in the final version on August 14. Ladenburg Thalmann are financial advisors in connection with the application. An Investor Roadshow was performed in August, 2015.

Oasmia has established a sales company in the USA

Paccal Vet-CA1 was formerly distributed in the USA by Zoetis, a veterinary pharmaceutical company that was spun off from Pfizer in 2013. Due to an officially ongoing rationalization programme at Zoetis, amongst other things, Oasmia decided to create a sales organization of its own and to be responsible for marketing and sales. The company reclaimed the exclusive global rights to Paccal Vet and Doxophos Vet, and started a company named Oasmia Pharmaceutical Inc, with the purpose to market products in the USA and promote Oasmia's future growth. During the transfer process between the parties, business is proceeding as previously and the process is estimated to be completed in September 2015.

Changes in Oasmia's Board of Directors and Management

At the extraordinary general meeting held on May 28, 2015, Hans Liljeblad and Lars Bergkvist were elected as new Members of the Board. A resolution was also made that Julian Aleksov succeeds Joel Citron as Executive Chairman of the Board. The Board appointed Mikael Asp as new CEO for Oasmia. Bo Cederstrand, Horst Domdey, Alexander Kotsinas and Hans Sundin remain members of the board.

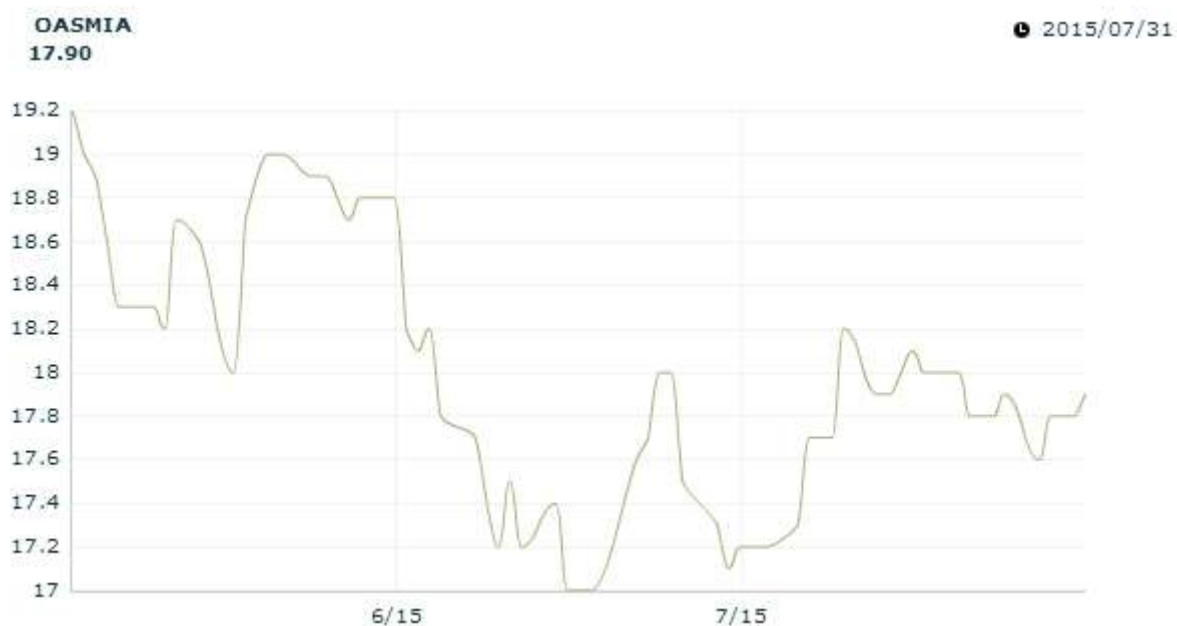
The extraordinary general meeting authorized the Board to make decisions on issue of new shares and convertible debt instruments

The extraordinary general meeting resolved, in accordance with the board proposal, to authorize the board, on one or more occasions until the next annual general meeting, to resolve on an issue of shares, warrants and/or convertible instruments. The board should not take decisions that the share capital would be increased by more than 1,500,000 SEK in addition to the share capital increase that may occur as a result of previous authorization also applies until the next annual general meeting.

Oasmia obtained extension of bank loan of SEK 20 million

Oasmia received extension of its bank loan of 20 million with an earlier maturity date of June 30, 2015. Now, the loan is due for payment on December 30, 2015.

Share price development during the period (SEK)



EVENTS AFTER CLOSING DAY

Oasmia published positive results for Paclical in a head-to-head comparative study with Abraxane

In August, 2015, Oasmia announced positive results from a head-to-head comparison study of its lead human cancer product Paclical and Celgene's Abraxane, which show similar pharmacokinetic (PK) profiles. The study was conducted in women with metastatic breast cancer.

FINANCIAL INFORMATION

Consolidated Income Statement in brief

TSEK	2015 May-July	2014 May-July	2014/15 May-Apr
Net sales	219	994	2,070
Capitalized development cost	5,539	4,501	16,797
Other operating income	1	92	221
Operating expenses	-43,578	-35,937	-127,313
Operating income	-37,819	-30,351	-108,225
Net income after tax	-39,819	-32,989	-117,497
Earnings per share, before and after dilution, in SEK*	-0.41	-0.38	-1.28
Comprehensive income for the period	-39,804	-32,989	-117,497

* Recalculation of historical values has been made taking into account capitalization issue elements in the rights issue carried out in the third quarter of 2014/15

FIRST QUARTER

May 1 – July 31, 2015

Net sales

Net sales amounted to TSEK 219 (994) and consisted principally of revenues from performed research assignments. During the corresponding period previous year, net sales mainly consisted of revenues from Paccal Vet-CA1. Oasmia's revenues from Paccal Vet-CA1 consist of an invoiced price per vial upon delivery and a royalty calculated on Zoetis net sales of the product. Altogether, these revenues amounted to TSEK 11 (982) during the first quarter.

Capitalized development costs

Capitalized development costs, which refer to Phase III clinical trials for the product candidates Paclical and Paccal Vet, amounted to TSEK 5,539 (4,501). Of the capitalization, Paclical comprised TSEK 3,265 (2,959) and Paccal Vet comprised TSEK 2,275 (1,542).

Operating expenses

Operating expenses including depreciation, amortization and impairments were higher compared to the corresponding period previous year and amounted to TSEK 43,578 (35,937).

The increase is primarily due to increased costs for clinical trials and regulatory expenses. This was primarily due to that the company is in the starting phase of the Docecal clinical program and an explorative study with XR-17. In addition, employee benefit expenses have increased due to increased number of employees and raised qualification level and thus increased salary levels.

Costs for raw materials, and supplies for manufacturing and supply expenses have decreased in the quarter.

The number of employees at the end of the quarter was 80 (75).

Net income for the period

Net income after tax was TSEK -39,819 (-32,989). The decrease in net income compared to the corresponding period previous year was mainly attributable to increased operating expenses, see above. This was partly offset by decreased interest expenses, attributable to lower debt this quarter.

The Group's operations have not been impacted by seasonal variations or cyclical effects.

Cash flow and Capital expenditures

Cash flow from operating activities amounted to TSEK -24,338 (-31,058). Operating income was significantly lower than the corresponding period previous year, but was offset by positive changes in working capital.

Cash flow from investing activities amounted to TSEK -22,415 (-5,927). Disposals of short term investments in an interest fund provided TSEK 29,500 (-) in liquid assets. Of the investments in the period, net investments in intangible assets amounted to TSEK 5,811 (4,501) and consisted of capital-

ized development costs TSEK 5,539 (4,501) and of patents TSEK 271 (-). Net investments in property, plant and equipment amounted to TSEK 1,274 (1,426) and mainly consisted of production equipment.

Financing

In May 2015, Oasmia received an extension of bank loan of TSEK 20,000 with an earlier maturity date of June 30, 2015. Now, the loan is due for payment on December 30, 2015.

The company carries a loan from Nexttobe AB amounting to TSEK 87,000 (105,000) which carries an interest of 8.5 % until December 30, 2015.

Financial position

The consolidated cash and cash equivalents at the end of the period amounted to TSEK 24,929 (58,088). The company has TSEK 20,627 (-) invested in short-term interest fund, whereof TSEK 20,000 is restricted as security for a bank loan. The interest-bearing liabilities were TSEK 107,000 (145,000) and consist of a loan from Nexttobe and a bank loan.

At the end of the period, unutilized credit facilities with banks 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 was TSEK 335,906 (295,750), the Equity/Assets ratio was 69 % (61 %), and the Net debt/Equity ratio was 18 % (29 %).

Future financing

Oasmia has two products approved, but this does not yet create a sufficient cash flow from its own business. For this reason, Oasmia continuously works with various financing alternatives. Available consolidated liquid assets and unutilized credit facilities, as of July 31, 2015, are not sufficient to provide the required capital to pursue the planned activities during the next 12 months. In light of available financing alternatives and the recent developments in the company, the Board of Directors assesses that the prospects are good for the financing of the Company's operations in the coming year.

The parent company

The parent company net sales for the period amounted to TSEK 219 (994) and net income before tax amounted to TSEK -39,740 (-32,985). The parent company's cash and bank balances at the end of the period amounted to TSEK 23,834 (58,085) and short-term investments amounted to TSEK 20,627 (-).

Key ratios and other information

	2015 May-July	2014 May-July	2014/15 May-Apr
Number of shares at the end of the period, before and after dilution, in thousands*	97,858	88,689	97,858
Weighted average number of shares, before and after dilution, in thousands*	97,858	86,801	91,655
Earnings per share, before and after dilution, in SEK*	-0.41	-0.38	-1.28
Equity per share, SEK*	3.43	3.33	3.84
Equity/Assets ratio, %	69	61	73
Net debt, TSEK	61,444	86,912	30,010
Net debt/Equity ratio, %	18	29	8
Return on total assets, %	neg	neg	neg
Return on equity, %	neg	neg	neg
Number of employees at the end of the period	80	75	79

*Recalculation of historical values has been made taking into account capitalization issue elements in the rights issue carried out in the third quarter of 2014/15.

Definitions

Earnings per share: Income for the period attributable to parent company shareholders divided by the weighted average number of shares, before and after dilution, in the period.

Equity per share: Equity as a ratio of the number of shares at the end of the period.

Equity/assets ratio: Equity as a ratio of total assets.

Net debt: Total borrowing (comprising the balance sheet items short-term and long-term borrowings and liabilities to credit institutions) with deduction of cash, cash equivalents and short-term investments.

Net debt/Equity ratio: Net debt as a ratio of equity.

Return on total assets: Income before interest expenses as a percentage of the average balance sheet total.

Return on equity: Income after financial items as a ratio of average equity.

Consolidated income statement

TSEK	Note	2015 May-July	2014 May-July	2014/15 May-Apr
Net sales		219	994	2,070
Capitalized development cost		5,539	4,501	16,797
Other operating income		1	92	221
Raw materials, consumables and goods for resale		-1,444	-4,249	-10,062
Other external expenses		-26,246	-17,185	-60,740
Employee benefit expenses		-14,594	-13,173	-50,530
Depreciation, amortization and impairment		-1,295	-1,331	-5,190
Other operating expenses		-	-	-792
Operating income		-37,819	-30,351	-108,225
Financial income		8	8	210
Financial expenses		-2,008	-2,647	-9,482
Financial income and expenses - net		-2,000	-2,638	-9,272
Income before taxes		-39,819	-32,989	-117,497
Income taxes	2	-	-	-
Income for the period		-39,819	-32,989	-117,497
Income for the period attributable to:				
Parent company shareholders		-39,819	-32,989	-117,497
Earnings per share before and after dilution, SEK		-0.41	-0.38	-1.28

Consolidated statement of comprehensive income

TSEK	Note	2015 May-July	2014 May-July	2014/15 May-Apr
Income for the period		-39,819	-32,989	-117,497
Other comprehensive income				
Items that may be reclassified subsequently to the income statement:				
Translation differences		15	-	-
Total other comprehensive income		15	0	0
Comprehensive income for the period		-39,804	-32,989	-117,497
Comprehensive income for the period attributable to:				
Parent company shareholders		-39,804	-32,989	-117,497
Comprehensive earnings per share before and after dilution, SEK		-0.41	-0.38	-1.28

Consolidated statement of financial position

TSEK	Note	2015-07-31	2014-07-31	2015-04-30
ASSETS				
Non-current assets				
Property, plant and equipment		23,112	24,783	22,852
Capitalized development cost	3	398,713	380,876	393,173
Other intangible assets		11,843	13,041	11,852
Financial non-current assets		2	2	2
Total non-current assets		433,670	418,702	427,879
Current assets				
Inventories		6,326	2,717	5,341
Accounts receivable		200	1,036	105
Other current receivables		2,579	3,183	2,566
Prepaid expenses and accrued income		1,783	1,287	1,687
Short-term investments	4	20,627	-	50,153
Cash and cash equivalents		24,929	58,088	26,837
Total current assets		56,444	66,310	86,690
TOTAL ASSETS		490,114	485,013	514,569
EQUITY				
Equity attributable to parent company shareholders				
Share capital		9,786	8,807	9,786
Other capital provided		850,996	687,506	850,996
Reserves		15	-	-
Retained earnings including income for the period		-524,890	-400,564	-485,071
Total equity		335,906	295,750	375,710
LIABILITIES				
Non-current liabilities				
Other non-current liabilities		-	891	-
Total non-current liabilities		0	891	0
Current liabilities				
Liabilities to credit institutions		20,000	40,000	20,000
Short-term borrowings	5	87,000	105,000	87,000
Accounts payable		23,032	17,125	14,017
Other current liabilities		1,890	1,621	1,796
Accrued expenses and deferred income		22,286	24,625	16,045
Total current liabilities		154,208	188,372	138,858
Total liabilities		154,208	189,263	138,858
TOTAL EQUITY AND LIABILITIES		490,114	485,013	514,569

Any contingent liabilities and pledged assets are reported in note 6.

Consolidated statement of changes in equity

TSEK	Attributable to parent company shareholders				Total equity
	Share capital	Other capital provided	Reserves	Retained earnings	
Opening balance as of May 1, 2014	8,557	640,924	0	-367,574	281,907
Comprehensive income for the period	-	-	-	-32,989	-32,989
New share issue	250	49,750	-	-	50,000
Issue expenses	-	-3,168	-	-	-3,168
Closing balance as of July 31, 2014	8,807	687,506	0	-400,564	295,750
Opening balance as of May 1, 2014	8,557	640,924	0	-367,574	281,907
Comprehensive income for the year	-	-	-	-117,497	-117,497
New share issues	1,229	224,916	-	-	226,145
Issue expenses	-	-14,844	-	-	-14,844
Closing balance as of April 30, 2015	9,786	850,996	0	-485,071	375,710
Opening balance as of May 1, 2015	9,786	850,996	0	-485,071	375,710
Income for the period	-	-	-	-39,819	-39,819
Other comprehensive income	-	-	15	-	15
Comprehensive income for the period	0	0	15	-39,819	-39,804
Closing balance as of July 31, 2015	9,786	850,996	15	-524,890	335,906

Consolidated cash flow statement

TSEK	Note	2015 May-July	2014 May-July	2014/15 May-Apr
Operating activities				
Operating income before financial items		-37,819	-30,351	-108,225
Adjustments for non-cash items		1,295	1,331	5,982
Interest received		8	8	56
Interest paid		-98	-132	-1,384
Cash flow from operating activities before changes in working capital		-36,615	-29,143	-103,570
Change in working capital				
Change in inventories		-985	-1,060	-3,684
Change in accounts receivable		-95	-988	-56
Change in other current receivables		-108	-139	77
Change in accounts payable		9,014	-378	-3,486
Change in other current liabilities		4,451	651	3,055
Cash flow from operating activities		-24,338	-31,058	-107,665
Investing activities				
Investments in intangible assets		-5,811	-4,501	-17,406
Disposal of intangible assets		-	-	1,200
Investments in property, plant and equipment		-1,274	-1,426	-3,621
Disposal of property, plant and equipment		-	-	72
Investments in short-term investments		-	-	-80,000
Disposal of short-term investments	4	29,500	-	30,000
Cash flow from investing activities		22,415	-5,927	-69,755
Financing activities				
Decrease in liabilities to credit institutions		-	-	-20,000
New share issue		-	50,000	190,861
Issue expenses		-	-3,168	-14,844
Cash flow from financing activities		0	46,832	156,017
Cash flow for the period		-1,923	9,847	-21,404
Exchange rate differences in cash and cash equivalents		15	-	-
Cash and cash equivalents at beginning of the period		26,837	48,241	48,241
Cash and cash equivalents at end of the period		24,929	58,088	26,837

Parent company income statement

TSEK	Note	2015 May-July	2014 May-July	2014/15 May-Apr
Net sales		219	994	2,070
Capitalized development cost		5,539	4,501	16,797
Other operating income		1	92	221
Raw materials and consumables		-1,444	-4,249	-10,062
Other external expenses		-26,221	-17,181	-60,709
Employee benefit expenses		-14,540	-13,173	-50,530
Depreciation, amortization and impairment of tangible and intangible assets		-1,295	-1,331	-5,190
Other operating expenses		-	-	-792
Operating income		-37,739	-30,347	-108,194
Result from participations in Group companies		-	-	-75
Other interest income and similar income		8	8	210
Interest expenses and similar expenses		-2,008	-2,647	-9,482
Financial items, net		-2,000	-2,638	-9,347
Income before tax		-39,740	-32,985	-117,541
Income taxes	2	-	-	-
Income for the period		-39,740	-32,985	-117,541

Parent company balance sheet

TSEK	Note	2015-07-31	2014-07-31	2015-04-30
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development cost	3	398,713	380,876	393,173
Concessions, patents, licenses, trademarks and similar rights		11,843	13,041	11,852
Tangible non-current assets				
Equipment, tools, fixtures and fittings		22,744	22,350	21,611
Construction in progress and advance payments for tangible non-current assets		368	2,433	1,241
Financial non-current assets				
Participations in group companies	5	1,258	110	110
Other securities held as non-current assets		1	1	1
Total Non-current assets		434,927	418,811	427,988
Current assets				
Inventories				
Raw materials and consumables		6,326	2,717	5,341
		6,326	2,717	5,341
Current receivables				
Accounts receivable		200	1,036	105
Other current receivables		2,578	3,181	2,565
Prepaid expenses and accrued income		1,777	1,281	1,678
		4,555	5,498	4,348
Short-term investments	4	20,627	-	50,153
Cash and bank balances		23,834	58,085	26,833
Total current assets		55,342	66,300	86,675
TOTAL ASSETS		490,268	485,111	514,663
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		9,786	8,807	9,786
Statutory reserve		4,620	4,620	4,620
		14,406	13,427	14,406
Non-restricted equity				
Share premium reserve		850,996	687,506	850,996
Retained earnings		-489,921	-372,380	-372,380
Income for the period		-39,740	-32,985	-117,541
		321,335	282,141	361,075
Total equity		335,741	295,568	375,480
Non-current liabilities				
Other non-current liabilities		-	891	-
Total non-current liabilities		0	891	0
Current liabilities				
Liabilities to credit institutions		20,000	40,000	20,000
Short-term borrowings	5	87,000	105,000	87,000
Accounts payable		23,027	17,125	14,017
Liabilities to group companies		324	281	324
Other current liabilities		1,890	1,621	1,796
Accrued expenses and deferred income		22,286	24,625	16,045
Total Current liabilities		154,528	188,653	139,183
TOTAL EQUITY AND LIABILITIES		490,268	485,111	514,663
Contingent liabilities and pledged assets				
Contingent liabilities	6	-	-	-
Pledged assets	6	28,000	8,000	28,000

Parent company changes in equity

TSEK	Restricted equity		Non-restricted equity	Total equity
	Share capital	Statutory reserve		
Opening balance as of May 1, 2014	8,557	4,620	268,544	281,721
New share issue	250	-	49,750	50,000
Issue expenses	-	-	-3,168	-3,168
Income for the period	-	-	-32,985	-32,985
Closing balance as of July 31, 2014	8,807	4,620	282,141	295,568
Opening balance as of May 1, 2014	8,557	4,620	268,544	281,721
New share issues	1,229	-	224,916	226,145
Issue expenses	-	-	-14,844	-14,844
Income for the year	-	-	-117,541	-117,541
Closing balance as of April 30, 2015	9,786	4,620	361,075	375,480
Opening balance as of May 1, 2015	9,786	4,620	361,075	375,480
Income for the period	-	-	-39,740	-39,740
Closing balance as of July 31, 2015	9,786	4,620	321,335	335,741

Note 1 Accounting policies

This report is established in accordance with IAS 34, Interim Financial Reporting and the Swedish 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 Swedish Annual Accounts Act. The parent company accounts are established in accordance with RFR 2, Accounting for legal entities and the Swedish 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, 2014 – April 30, 2015. New or revised IFRS standards or interpretations by IFRIC that became effective since May 1, 2015, has not had any effect on Oasmia's financial reports. Similar to what was the case at the end of the previous fiscal year, financial instruments carrying amounts are the same as fair 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, related to previous fiscal years and the period, amounting to TSEK 561,059 (437,205) and the parent company has such amounting to TSEK 551,825 (428,002). There are currently no firm indications of when tax losses carried forward can be utilized against future profits and therefore no deferred tax asset has been considered in the Balance Sheet.

Note 3 Capitalized development cost

Oasmia capitalizes development cost consisting of the company's investments in clinical phase III trials for the product candidates Paclical and Paccal Vet. The accumulated assets per product candidate are disclosed below.

TSEK	2015-07-31	2014-07-31	2015-04-30
Paclical	293,373	283,878	290,108
Paccal Vet	105,340	96,998	103,065
Total	398,713	380,876	393,173

Note 4 Short-term investments

Liquid assets not utilized in the daily operation have been invested in interest funds that invest in safe interest bearing securities and other interest instruments. As most securities included in these funds have a remaining maturity exceeding 3 months, these have been valued to fair value and disclosed as Short-term investments in the Balance Sheet.

Note 5 Transactions with related parties

On July 31, 2015 Oasmia had a credit facility of TSEK 40,000 (40,000) provided by the principal shareholder of the company, Alceco International S.A. The interest rate on utilized credits is 5 %. As of July 31, 2015, this credit was completely unutilized, also as of July 31, 2014.

On July 31, 2015, Oasmia carried a loan from Nexttobe AB amounting to TSEK 87,000 (105,000). During 2015 the loan carries an interest of 8.5 % that will be paid when the loan is due on December 30, 2015. As of July 31, 2015, accrued interest expense for the loan amounted to TSEK 4,295 (13,761).

In the period, Oasmia Pharmaceutical AB established a wholly owned subsidiary in Nevada, USA, Oasmia Pharmaceutical, Inc. In addition to a capital contribution amounting to TSEK 1,148 to finance the subsidiary's initial activities, no transactions between Oasmia Pharmaceutical AB and the subsidiary have taken place.

No significant further transactions with related parties have been made in the period apart from remuneration to employees.



Note 6 Contingent liabilities and Pledged assets

The parent company has TSEK 20,000 placed in a restricted interest fund account as a pledge for a bank loan of the corresponding amount. The parent company has made a floating charge of TSEK 8,000 to a bank as security for a TSEK 5,000 bank overdraft and limit for a TSEK 3,000 exchange derivative.

Note 7 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, 2014 – April 30, 2015. No additional risks beyond those described therein have been judged significant.

The Board of Directors and the CEO of Oasmia Pharmaceutical AB ensures that this interim report gives a fair view 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, September 2, 2015

Julian Aleksov, Chairman

Bo Cederstrand, Member

Prof. Dr. Horst Domdey, Member

Hans Sundin, Member

Alexander Kotsinas, Member

Hans Liljeblad, Member

Lars Bergkvist, Member

Mikael Asp, CEO

The information in this interim report is such that Oasmia Pharmaceutical AB (publ) must publish according to the Swedish Securities Markets Act. The information was delivered for publication on September 3, 2015 at 8.15 am.

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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Questions concerning the report are answered by:

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UPCOMING REPORT DATES

Interim report May – October 2015 2015-12-03

Interim report May 2015 – January 2016 2016-03-03

Year-end report May 2015 – April 2016 2016-06-03

Interim report May – July 2016 2016-09-02

Key figures in EUR (additional information)

Key figures are translated into EUR as additional information as a service to shareholders in the euro zone. It is not the official report in the functional currency of Oasmia, which is SEK. 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 July 31, 2015 which was 9.4338 SEK per one EUR (source: Swedish Central Bank).

€ thousand if nothing else is stated	2015 May-July	2014 May-July	2014/15 May-Apr
Key ratios and other information			
Number of shares at the end of the period, before and after dilution, in thousands*	97,858	88,689	97,858
Weighted average number of shares, before and after dilution, in thousands*	97,858	86,801	91,655
Earnings per share, before and after dilution, in €*	-0.04	-0.04	-0.14
Equity per share, €*	0.36	0.35	0.41
Equity/Assets ratio, %	69	61	73
Net debt, € thousand	6,513	9,213	3,181
Net debt/Equity ratio, %	18	29	8
Number of employees at the end of the period	80	75	79
Consolidated income statement in brief			
Net sales	23	105	219
Capitalized development cost	587	477	1,781
Operating income	-4,009	-3,217	-11,472
Financial income and expenses - net	-212	-280	-983
Income before taxes	-4,221	-3,497	-12,455
Income for the period	-4,221	-3,497	-12,455
Comprehensive income for the period	-4,219	-3,497	-12,455
Consolidated statement of financial position in brief			
Total non-current assets	45,970	44,383	45,356
Total current assets	5,983	7,029	9,189
Total assets	51,953	51,412	54,545
Total equity	35,607	31,350	39,826
Total non-current liabilities	0	94	0
Total current liabilities	16,346	19,968	14,719
Total liabilities	16,346	20,062	14,719
Total equity and liabilities	51,953	51,412	54,545
Consolidated cash flow statement in brief			
Operating income before financial items	-4,009	-3,217	-11,472
Cash flow from operating activities before changes in working capital	-3,881	-3,089	-10,979
Cash flow from operating activities	-2,580	-3,292	-11,413
Cash flow from investing activities	2,376	-628	-7,394
Cash flow from financing activities	0	4,964	16,538
Cash flow for the period	-204	1,044	-2,269
Cash and cash equivalents at end of the period	2,643	6,157	2,845

* Recalculation of historical values has been made taking into account capitalization issue elements in the rights issue carried out in the third quarter of 2014/15