

Oasmia Pharmaceutical AB (publ)

Interim report for the period May 2014 – January 2015

Increased focus on Docecal.

THIRD QUARTER November 1, 2014 – January 31, 2015

- Consolidated Net sales amounted to TSEK 482 (16)¹
- Operating income amounted to TSEK -25,479 (-28,492)
- Net income after tax amounted to TSEK -27,713 (-30,436)
- Earnings per share amounted to SEK -0.30 (-0.37)
- Comprehensive income amounted to TSEK -27,713 (-30,436)

THE PERIOD May 1, 2014 – January 31, 2015

- Consolidated Net sales amounted to TSEK 2,034 (40)
 - Operating income amounted to TSEK -79,975 (-62,851)
 - Net income after tax amounted to TSEK -87,416 (-67,321)
 - Earnings per share amounted to SEK -0.98 (-0.82)
 - Comprehensive income amounted to TSEK -87,416 (-67,321)
-
- Preferential rights issue completed in December 2014
 - Oasmia share moved from the Small Cap to the Mid Cap segment at NASDAQ Stockholm

EVENTS AFTER THE CLOSING DAY

- In February, Oasmia initiated a clinical Phase II study with Doxophos Vet for treatment of lymphoma in dogs

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



CEO COMMENTS:

“The third quarter was eventful. Zoetis, the leading animal health company, has completed the acquisition of Abbott Animal Health including the distribution rights to Paccal Vet and Doxophos Vet. Since Zoetis has a much larger presence on the market in the USA and globally, we hope that this will be a fruitful collaboration and thus successful for Oasmia’s products. Zoetis together with Oasmia will be world-leading within veterinary oncology with this acquisition.”, said Julian Aleksov, CEO of Oasmia.

We have also increased our focus on the next product Docecal significantly. It strengthens the conditions for the long-term growth of the company. Docecal is a novel formulation of docetaxel (Taxotere). The market for this substance is about three times larger compared to the market for paclitaxel (Paclical).”



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

In July 2014, Paccal Vet CA-1 was launched on the US market. The product is manufactured at Oasmia's facility in Uppsala and delivered to Oasmias partner Abbott Animal Health. In November 2014, Zoetis announced its intention to acquire Abbott Animal Health and in February 2015 they announced that they had completed the acquisition.

Oasmia's revenues from the product 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 458 (-) in the third quarter and TSEK 1,982 (-) during the period.

PRODUCT DEVELOPMENT

HUMAN HEALTH

Paclical

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 the same 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 which was estimated to be completed in the fourth calendar quarter of 2014 is still on-going as we decided to expand the statistical presentation. Data from the study report will constitute the foundation for a submission of a Marketing Authorization Application to the EMA (European Medicines Agency) in 2015.

In September 2012, Oasmia submitted an application for market authorization for Paclical in Russia, which is currently being processed by the Russian pharmaceutical authorities. The company has not yet received any notice from the Russian authorities. Oasmia expects a notice in the first calendar quarter of 2015 or shortly thereafter.

Doxophos

Doxophos is a patented formulation of the cytostatic doxorubicin in combination with XR-17 for treatment of breast cancer. 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.

Docecal

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

OAS-19

OAS-19 is the first oncology product candidate 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 solubility can be combined. Pre-clinical studies performed in

2013 have shown promising results. Oasmia has reprioritized internal resources to focus on Docecal. The production development and scale-up of OAS-19 will therefore not be initiated in the current year.

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 | | | | | In Registration | 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. In July 2014, Paccal Vet-CA1 was launched in the US by Oasmia's American partner Abbott Animal Health, now acquired by Zoetis, as the first injectable chemotherapeutic product for treatment of solid tumours 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 each indication.

The company 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 have been treated. If the result is in line with the expectations, Oasmia intends to submit an application for market approval to the EMA. The application was planned for the first half of 2015 but will be delayed, as further analysis of the data is on-going. 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.

Oasmia has recently completed a Phase I study with Doxophos Vet to determine the dose for the upcoming clinical program. Oasmia intends to complete a study report in the first half of 2015. 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 (paclitaxel) | Mammary / squamous cell | | | | Planned for full approval | Conditionally approved | Global (ex-RUS/JAP) |  |
| | Mast cell | | | | Ongoing | | Global (ex-RUS/JAP) |  |
| Doxophos Vet (doxorubicin) | Lymphoma | | Ongoing | Ongoing | | | Global |  |

Additional partners: Paccal Vet partnered with Nippon Zenyaku 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

Preferential rights issue completed

In December 2014, Oasmia finalized a right issue of approximately SEK 176 million before transaction related costs, whereof approximately SEK 35.3 million were used to set-off debt to Nexttobe AB. The subscription price was SEK 18 per share. The rights issue was fully committed by a combination of subscription and guarantee commitments

Oasmia moved to Mid Cap segment at Nasdaq Stockholm

As of January 2, 2015, Oasmia moved from the Small Cap to the Mid Cap segment of Nasdaq Stockholm. The Mid Cap segment includes companies with a market cap between EUR 150 million and EUR 1 billion.

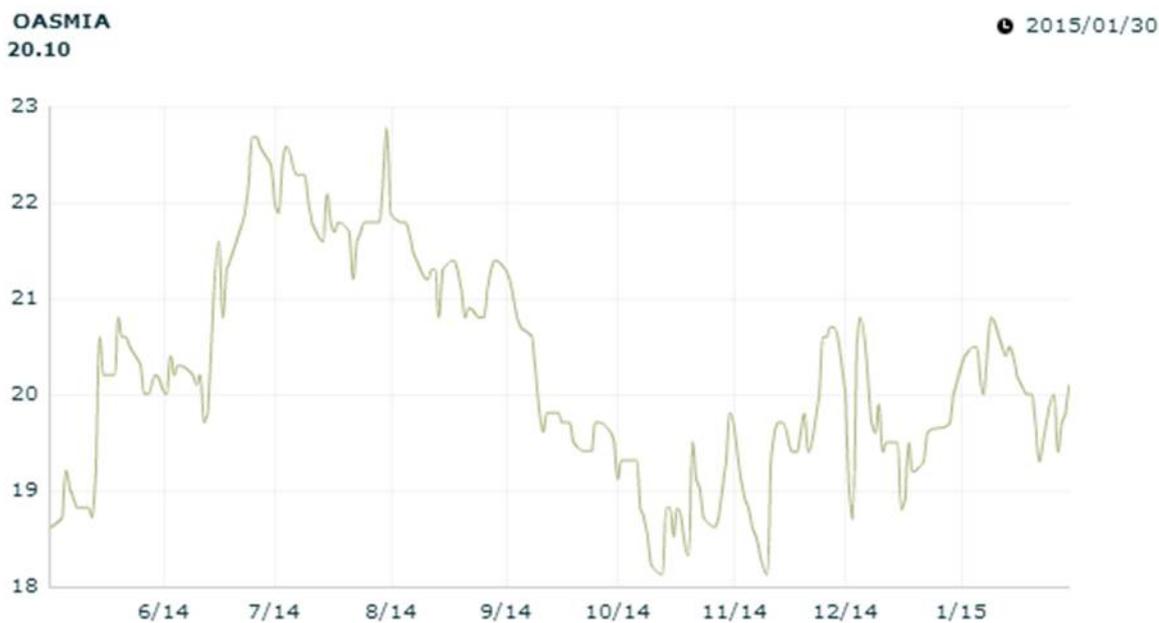
Nexttobe AB extended loan to Oasmia

Oasmia used some of the proceeds from the rights issue in November/December to pay accrued interest and a part of the original loan from Nexttobe AB of MSEK 105 that was due on December 31, 2014. The new loan amounted to MSEK 87 and is due December 30, 2015, and the interest is 8.5 %. Nexttobe AB is Oasmia's second largest owner after Alceco International S.A. with approx. 20 % of the shares in the company.

Oasmia received a new MSEK 20 bank loan

Oasmia received a new MSEK 20 bank loan with a maturity December 30, 2014 - June 30, 2015. The loan replaced a previous MSEK 40 bank loan that was due on December 30, 2014

Share price development during the period (SEK)



EVENTS AFTER CLOSING DAY

In February, Oasmia announced that the company has initiated a clinical Phase II study of Doxophos Vet for the treatment of canine lymphoma.

The study, which will be conducted at two clinics in the USA and one clinic in Sweden, includes five dose cycles in total, and approximately 17 dogs receive doses of 35 mg/m². Dogs weighing less than 10 kg receive 1.2 mg/kg. The treatment is performed in three-week intervals. The primary goal of the study is to assess the response rate in the treated dogs after five cycles. The study, including report and follow-up, is estimated to be on-going in 2016. In a separate follow-up study, time to progression will be monitored.

FINANCIAL INFORMATION

Consolidated Income Statement in brief

| TSEK | 2014/15 Nov-Jan | 2013/14 Nov-Jan | 2014/15 May-Jan | 2013/14 May-Jan | 2013/14 May-April |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|
| Net sales | 482 | 16 | 2,034 | 40 | 60 |
| Capitalized development cost | 2,670 | 5,613 | 12,598 | 21,097 | 29,464 |
| Other operating income | 69 | 68 | 221 | 4,420 | 4,454 |
| Operating expenses | -28,699 | -34,189 | -94,828 | -88,408 | -132,069 |
| Operating income | -25,479 | -28,492 | -79,975 | -62,851 | -98,091 |
| Net income after tax | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |
| Earnings per share (SEK), before and after dilution* | -0.30 | -0.37 | -0.98 | -0.82 | -1.27 |
| Comprehensive income for the period | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |

*Historical values have been recalculated taking into account capitalization issue elements in the rights issue carried out in the third quarter of 2014/15.

THIRD QUARTER

November 1, 2014 – January 31, 2015

Net sales

Net sales amounted to TSEK 482 (16) and consisted primarily of Paccal Vet-CA1 sales revenue.

Capitalized development cost

Capitalized development costs, which refer to Phase III clinical trials for the product candidates Paclical and Paccal Vet, amounted to TSEK 2,670 (5,613). Of the capitalization, Paclical comprised TSEK 1,270 (4,368) and Paccal Vet comprised TSEK 1,399 (1,245). The decrease in capitalized development costs is mainly explained by the fact that the clinical phase III study with Paclical for the treatment of patients with ovarian cancer is in the final phase.

Other operating income

Other operating income amounted to TSEK 69 (68).

Operating expenses

Operating expenses including depreciation, amortization and impairments were significantly lower compared to the corresponding quarter previous year and amounted to TSEK 28,699 (34,189). The decrease in operating expenses was mainly attributable to lower expenses for method development in the production at Oasmia and its contract manufacturers, decreased costs for clinical trials with Paclical and lower administration expenses.

The number of employees at the end of the quarter was 79 (78).

Net income for the quarter

Net income after tax amounted to TSEK -27,713 (-30,436). The improvement in net income between these two quarters was mainly attributable to significantly lower expenses for method development in the production at Oasmia and its contract manufacturers, as well as lower administration expenses which was partly offset by increased personnel and interest expenses.

THE PERIOD

May 1, 2014 – January 31, 2015

Net sales

Net sales amounted to TSEK 2,034 (40) and consisted primarily of Paccal Vet-CA1 sales revenue.

Capitalized development cost

Capitalized development costs, which concerns Phase III clinical trials for the product candidates Paclical and Paccal Vet, amounted to TSEK 12,598 (21,097). Of the capitalization, Paclical comprised



TSEK 6,632 (14,780) and Paccal Vet comprised TSEK 5,965 (6,317). The decrease in capitalized development costs is mainly explained by the fact that the clinical Phase III study with Paclical for treatment of patients with ovarian cancer is near completion.

Other operating income

Other operating income amounted to TSEK 221 (4,420). During the corresponding period in the previous year, an insurance compensation amounting to TSEK 4,250 had been received.

Operating expenses

Operating expenses including depreciation, amortization and impairments was higher compared to the corresponding period in the previous year and amounted to TSEK 94,828 (88,408). The costs for clinical trials have decreased, but costs related to the commercial phase Oasmia has entered have increased more. The latter costs refer to, among others, method development in production at Oasmia and its contract manufacturers, increased purchases of raw materials and supplies for production as well as increased personnel expenses.

The number of employees at the end of the period was 79 (78).

Net Income for the period

Net income after tax was TSEK -87,416 (-67,321). The decrease in net income compared to the corresponding period in the previous year was attributable to increased costs for method development costs in production at Oasmia and its contract manufacturers, increased purchases of raw materials and supplies for production as well as increased personnel expenses, decreased operating income and increased interest expenses for loans.

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 -82,888 (-60,418). The increase in cash outflow from operating activities compared to the corresponding period in the previous year is attributable to a significant decrease in operating income.

Cash flow from investing activities amounted to TSEK -95,904 (-24,171). Of the investments in the period, TSEK 80,000 (0) constituted of short-term investments in interest funds. Investments in intangible assets amounted to TSEK 13,133 (23,912), consisting of capitalized development costs TSEK 12,598 (21,097) and of patents TSEK 535 (2,815). Investments in property, plant and equipment amounted to TSEK 2,771 (259) and mainly consisted of production equipment.

Financing

During the period May 2014 to December 2014, financing was covered by liquid assets provided to the company in the directed share issues that were completed in March and July 2014 respectively.

In December 2014, Oasmia completed a preferential rights issue of TSEK 176,145 before issue expenses and was provided TSEK 164,468 net after issue expenses where TSEK 35,284 was offset of liabilities to Nexttobe AB.

In December 2014, Oasmia received a new bank loan of TSEK 20,000 with a maturity of December 30, 2014 - June 30, 2015. The loan replaced a previous TSEK 40,000 bank loan that was due on December 30, 2014. Nexttobe AB extended their loan to the company from January 1, 2015. After set-off of issue proceeds against loan and accrued interest, the loan is TSEK 87,000 and carries an interest of 8.5 % until December 30, 2015.

Financial position

The consolidated liquid assets at the end of the period amounted to TSEK 25,465 (18,368). The company has TSEK 80,096 (0) invested in short-term interest funds. The interest-bearing liabilities were TSEK 107,000 (145,000).

At the end of the period, unutilized credits 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 405,791 (251,832), the Equity/Assets ratio was 75 % (59 %), and the Net debt/Equity ratio was 0 % (50 %).

The parent company

The parent company net sales amounted to TSEK 2,034 (40) and net income before tax amounted to TSEK -87,391 (-67,299). The parent company's liquid assets at the end of the period amounted to TSEK 25,461 (18,366) and short-term investments amounted to TSEK 80,096 (0).

Future financing

Oasmia has one product approved in one country, but this does not create a sufficient cash flow from its own business. For this reason, Oasmia continuously works with various financing alternatives. Available consolidated liquid assets as well and unutilized credit facilities, as of January 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.

Key ratios and other information

| | 2014/15 Nov-Jan | 2013/14 Nov-Jan | 2014/15 May-Jan | 2013/14 May-Jan | 2013/14 May-April |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|
| Number of shares at the close of the period (in thousands), before and after dilution* | 97,858 | 82,345 | 97,858 | 82,345 | 86,171 |
| Weighted average number of shares (in thousands) before and after dilution* | 93,473 | 82,345 | 89,654 | 82,345 | 82,848 |
| Earnings per share in SEK, before and after dilution* | -0.30 | -0.37 | -0.98 | -0.82 | -1.27 |
| Equity per share, SEK* | 4.15 | 3.06 | 4.15 | 3.06 | 3.27 |
| Equity/Assets ratio, % | 75 | 59 | 75 | 59 | 60 |
| Net debt, TSEK | 1,439 | 126,632 | 1,439 | 126,632 | 96,759 |
| Net debt/Equity ratio, % | 0 | 50 | 0 | 50 | 34 |
| 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 | 79 | 78 | 79 | 78 | 78 |

*Historical values have been recalculated taking into account capitalization issue elements in the rights issue carried out in the third quarter of 2014/15.

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 assets and short-term investments.

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 | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2013/14 |
|---|------|----------------|----------------|----------------|----------------|-----------------|
| | | Nov-Jan | Nov-Jan | May-Jan | May-Jan | May-April |
| Net sales | | 482 | 16 | 2,034 | 40 | 60 |
| Capitalized development cost | 2 | 2,670 | 5,613 | 12,598 | 21,097 | 29,464 |
| Other operating income | | 69 | 68 | 221 | 4,420 | 4,454 |
| Raw materials, consumables and goods for resale | | -2,204 | -1,429 | -7,771 | -3,715 | -6,835 |
| Other external expenses | 2 | -11,960 | -19,547 | -46,727 | -47,174 | -75,189 |
| Employee benefit expenses | | -13,171 | -11,932 | -36,505 | -33,759 | -45,101 |
| Depreciation, amortization and impairment | | -1,364 | -1,279 | -3,825 | -3,758 | -4,941 |
| Other operating expenses | | - | -3 | - | -3 | -3 |
| Operating income | | -25,479 | -28,492 | -79,975 | -62,851 | -98,091 |
| Financial income | | 121 | 11 | 137 | 150 | 192 |
| Financial expenses | | -2,355 | -1,955 | -7,578 | -4,621 | -7,213 |
| Financial items, net | | -2,234 | -1,944 | -7,441 | -4,470 | -7,021 |
| Income before taxes | | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |
| Taxes | 3 | - | - | - | - | - |
| Income for the period | | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |
| Income for the period attributable to: | | | | | | |
| Shareholders of the Parent company | | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |
| Earnings per share before and after dilution, SEK | | -0.30 | -0.37 | -0.98 | -0.82 | -1.27 |

Consolidated Statement of Comprehensive income

| TSEK | Note | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2013/14 |
|---|------|----------------|----------------|----------------|----------------|-----------------|
| | | Nov-Jan | Nov-Jan | May-Jan | May-Jan | May-April |
| Income for the period | | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |
| Comprehensive income for the period | | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |
| Comprehensive income for the period attributable to: | | | | | | |
| Shareholders of the Parent company | | -27,713 | -30,436 | -87,416 | -67,321 | -105,112 |
| Comprehensive Earnings per share before and after dilution, SEK | | -0.30 | -0.37 | -0.98 | -0.82 | -1.27 |

Consolidated statement of financial position

| TSEK | Note | 2015-01-31 | 2014-01-31 | 2014-04-30 |
|--|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 23,953 | 23,430 | 24,401 |
| Capitalized development cost | 2,4 | 388,974 | 368,008 | 376,376 |
| Other intangible assets | | 12,057 | 12,339 | 13,328 |
| Financial assets | | 2 | 2 | 2 |
| Total Non-current assets | | 424,986 | 403,779 | 414,106 |
| Current assets | | | | |
| Inventories | | 2,656 | 1,656 | 1,656 |
| Trade receivables | | 61 | 59 | 49 |
| Other current receivables | | 4,662 | 3,159 | 2,729 |
| Prepaid expenses and accrued income | | 1,852 | 2,892 | 1,601 |
| Short-term investments | 5,7 | 80,096 | - | - |
| Liquid assets | | 25,465 | 18,368 | 48,241 |
| Total Current assets | | 114,792 | 26,133 | 54,276 |
| TOTAL ASSETS | | 539,778 | 429,912 | 468,383 |
| EQUITY | | | | |
| Capital and provisions attributable to shareholders of the Parent Company | | | | |
| Share capital | | 9,786 | 8,177 | 8,557 |
| Other capital provided | | 850,996 | 573,439 | 640,924 |
| Retained earnings | | -454,991 | -329,784 | -367,574 |
| Total Equity | | 405,791 | 251,832 | 281,907 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Other non-current liabilities | | - | 891 | 891 |
| Total Non-current liabilities | | 0 | 891 | 891 |
| Current liabilities | | | | |
| Liabilities to credit institutions | | 20,000 | 40,000 | 40,000 |
| Short-term borrowings | 6 | 87,000 | 105,000 | 105,000 |
| Trade payables | | 12,531 | 7,209 | 17,503 |
| Other current liabilities | | 1,817 | 1,449 | 1,594 |
| Accrued expenses and prepaid income | 2,6 | 12,639 | 23,531 | 21,488 |
| Total Current liabilities | | 133,987 | 177,189 | 185,584 |
| Total Liabilities | | 133,987 | 178,080 | 186,476 |
| TOTAL EQUITY AND LIABILITIES | | 539,778 | 429,912 | 468,383 |

Contingent liabilities and Pledged assets are presented in note 7

Consolidated statement of changes in equity

| TSEK | Attributable to shareholders of the Parent company | | | Total equity |
|---|--|------------------------|-------------------|----------------|
| | Share capital | Other capital provided | Retained earnings | |
| 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 |
| Opening balance as of May 1, 2013 | 8,177 | 573,439 | -262,463 | 319,153 |
| Comprehensive income for the period | - | - | -105,112 | -105,112 |
| New share issue | 380 | 71,820 | - | 72,200 |
| Issue expenses | - | -4,335 | - | -4,335 |
| Closing balance as of April 30, 2014 | 8,557 | 640,924 | -367,574 | 281,907 |
| Opening balance as of May 1, 2014 | 8,557 | 640,924 | -367,574 | 281,907 |
| Comprehensive income for the period | - | - | -87,416 | -87,416 |
| New share issues | 1,229 | 224,916 | - | 226,145 |
| Issue expenses | - | -14,844 | - | -14,844 |
| Closing balance as of January 31, 2015 | 9,786 | 850,996 | -454,991 | 405,791 |

Consolidated Cash flow statement

| TSEK | Note | 2014/15 | 2013/14 | 2014/15 | 2013/14 | 2013/14 |
|---|------|----------------|----------------|----------------|----------------|----------------|
| | | Nov-Jan | Nov-Jan | May-Jan | May-Jan | May-April |
| Operating activities | | | | | | |
| Operating income before financial items | | -25,479 | -28,492 | -79,975 | -62,851 | -98,091 |
| Depreciation, amortization | | 1,364 | 1,279 | 3,825 | 3,758 | 4,941 |
| Disposals of tangible and intangible assets | | - | 3 | - | 3 | 3 |
| Interest received | | 24 | 11 | 41 | 150 | 192 |
| Interest paid | | -668 | -48 | -1,280 | -67 | -617 |
| Cash flow from operating activities before working capital changes | | -24,758 | -27,248 | -77,389 | -59,007 | -93,571 |
| Change in working capital | | | | | | |
| Change in inventories | | 112 | 197 | -999 | -769 | -769 |
| Change in trade receivables | | 489 | -29 | -12 | -59 | -49 |
| Change in other current receivables | | -1,231 | -533 | -984 | 1 | 1,721 |
| Change in trade payables | | -3,836 | 3,158 | -4,972 | 125 | 10,419 |
| Change in other current liabilities | 2 | 2,031 | -1,806 | 1,469 | -708 | -4,650 |
| Cash flow from operating activities | | -27,194 | -26,261 | -82,888 | -60,418 | -86,899 |
| Investing activities | | | | | | |
| Investments in intangible assets | 2 | -2,903 | -6,025 | -13,133 | -23,912 | -33,545 |
| Investments in property, plant and equipment | | -758 | -197 | -2,771 | -259 | -2,138 |
| Investments in short-term investments | 5 | -80,000 | - | -80,000 | - | - |
| Cash flow from investing activities | | -83,661 | -6,222 | -95,904 | -24,171 | -35,682 |
| Financing activities | | | | | | |
| Increase in liabilities to credit institutions | | - | 40,000 | - | 40,000 | 80,000 |
| Decrease in liabilities to credit institutions | | -20,000 | - | -20,000 | - | -40,000 |
| New share issue | | 140,861 | - | 190,861 | - | 72,200 |
| Issue expenses | | -11,676 | - | -14,844 | - | -4,335 |
| Cash flow from financing activities | | 109,184 | 40,000 | 156,017 | 40,000 | 107,865 |
| Cash flow for the period | | -1,670 | 7,517 | -22,776 | -44,589 | -14,716 |
| Liquid assets at the beginning of the period | | 27,135 | 10,851 | 48,241 | 62,956 | 62,956 |
| Liquid assets at the end of the period | | 25,465 | 18,368 | 25,465 | 18,368 | 48,241 |

Parent Company Income statement

| TSEK | Note | 2014/15 Nov-Jan | 2013/14 Nov-Jan | 2014/15 May-Jan | 2013/14 May-Jan | 2013/14 May-April |
|---|------|--------------------|--------------------|--------------------|--------------------|----------------------|
| Net sales | | 482 | 16 | 2,034 | 40 | 60 |
| Capitalized development cost | 2 | 2,670 | 5,613 | 12,598 | 21,097 | 29,464 |
| Other operating income | | 69 | 68 | 221 | 4,420 | 4,454 |
| Raw materials, consumables and goods for resale | | -2,204 | -1,429 | -7,771 | -3,715 | -6,835 |
| Other external expenses | 2 | -11,943 | -19,527 | -46,702 | -47,128 | -75,129 |
| Employee benefit expenses | | -13,171 | -11,932 | -36,505 | -33,759 | -45,101 |
| Depreciation, amortization and impairment of property, plant, equipment and intangible assets | | -1,364 | -1,278 | -3,825 | -3,754 | -4,938 |
| Other operating expenses | | - | - | - | - | - |
| Operating income | | -25,462 | -28,469 | -79,950 | -62,799 | -98,025 |
| Result from participations in Group companies | | - | - | - | -30 | -80 |
| Other interest revenues and similar revenues | | 121 | 11 | 137 | 150 | 192 |
| Interest cost and similar costs | | -2,355 | -1,955 | -7,578 | -4,621 | -7,213 |
| Financial items, net | | -2,234 | -1,944 | -7,441 | -4,500 | -7,101 |
| Income before tax | | -27,696 | -30,413 | -87,391 | -67,299 | -105,126 |
| Taxes | 3 | - | - | - | - | - |
| Income for the period | | -27,696 | -30,413 | -87,391 | -67,299 | -105,126 |

Parent Company Balance Sheet

| TSEK | Note | 2015-01-31 | 2014-01-31 | 2014-04-30 |
|---|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Intangible fixed assets | | | | |
| Capitalized development cost | 2,4 | 388,974 | 368,008 | 376,376 |
| Concessions, patents, licenses, trademarks and similar rights | | 12,057 | 12,339 | 13,328 |
| Property, plant and equipment | | | | |
| Equipment, tools, fixtures and fittings | | 22,030 | 23,232 | 22,988 |
| Construction in progress and advance payments for property, plant and equipment | | 1,923 | 197 | 1,413 |
| Financial assets | | | | |
| Participations in group companies | | 110 | 110 | 110 |
| Other securities held as non-current assets | | 1 | 1 | 1 |
| Total Non-current assets | | 425,095 | 403,888 | 414,215 |
| Current assets | | | | |
| Inventories | | | | |
| Raw materials and consumables | | 2,656 | 1,656 | 1,656 |
| | | 2,656 | 1,656 | 1,656 |
| Current receivables | | | | |
| Trade receivables | | 61 | 59 | 49 |
| Other current receivables | | 4,660 | 3,157 | 2,727 |
| Prepaid expenses and accrued income | | 1,852 | 2,892 | 1,592 |
| | | 6,573 | 6,107 | 4,368 |
| Short-term investments | 5 | 80,096 | - | - |
| Cash and bank balances | | 25,461 | 18,366 | 48,238 |
| Total current assets | | 114,786 | 26,130 | 54,263 |
| TOTAL ASSETS | | 539,881 | 430,018 | 468,478 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Restricted equity | | | | |
| Share capital | | 9,786 | 8,177 | 8,557 |
| Statutory reserve | | 4,620 | 4,620 | 4,620 |
| | | 14,406 | 12,797 | 13,177 |
| Non-restricted equity | | | | |
| Share premium reserve | | 850,996 | 573,439 | 640,924 |
| Retained earnings | | -372,380 | -267,255 | -267,255 |
| Income for the period | | -87,391 | -67,299 | -105,126 |
| | | 391,225 | 238,885 | 268,544 |
| Total equity | | 405,631 | 251,682 | 281,721 |
| Non-current liabilities | | | | |
| Other non-current liabilities | | - | 891 | 891 |
| Total non-current liabilities | | 0 | 891 | 891 |
| Current liabilities | | | | |
| Short term borrowings | 6 | 87,000 | 105,000 | 105,000 |
| Trade payables | | 12,529 | 7,208 | 17,500 |
| Liabilities to credit institutions | | 20,000 | 40,000 | 40,000 |
| Liabilities to group companies | | 266 | 257 | 285 |
| Other current liabilities | | 1,817 | 1,449 | 1,594 |
| Accrued expenses and prepaid income | 2,6 | 12,639 | 23,531 | 21,488 |
| Total Current liabilities | | 134,250 | 177,445 | 185,866 |
| TOTAL EQUITY AND LIABILITIES | | 539,881 | 430,018 | 468,478 |
| Contingent liabilities and pledged assets | | | | |
| Contingent liabilities | 7 | - | - | - |
| Pledged assets | 7 | 28,000 | 8,000 | 8,000 |

Parent Company changes in equity

| TSEK | Restricted equity | | Non-restricted equity | Total equity |
|---|-------------------|-------------------|-----------------------|----------------|
| | Share capital | Statutory reserve | | |
| 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 |
| Opening balance as of May 1, 2013 | 8,177 | 4,620 | 306,184 | 318,981 |
| New share issue | 380 | - | 71,820 | 72,200 |
| Issue expenses | - | - | -4,335 | -4,335 |
| Income for the period | - | - | -105,126 | -105,126 |
| Closing balance as of April 30, 2014 | 8,557 | 4,620 | 268,544 | 281,721 |
| 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 period | - | - | -87,391 | -87,391 |
| Closing balance as of January 31, 2015 | 9,786 | 4,620 | 391,225 | 405,631 |

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, 2013 – April 30, 2014. New or revised IFRS standards or interpretations by IFRIC that became effective since May 1, 2014, 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 Restatements

In the fiscal year 2013/14, Oasmia improved the method for the determination of accrued costs for clinical trials. This has led to restatements of historical figures of the costs for clinical trials that have been capitalized. The changes are called Restatements in accordance with IAS 8. The changes have no effect on the company net income or equity. The effects of the restatements are disclosed below.

Consolidated Income Statement

| TSEK | 2013/14 Nov-Jan | | 2013/14 Nov-Jan | | 2013/14 May-Jan | |
|------------------------------|---------------------------------------|--------------|---|---------------------------------------|--------------------|---|
| | According to previous reporting | Restatements | According to the Income Statement | According to Previous reporting | Restatements | According to the Income Statement |
| Capitalized development cost | 8,072 | -2,459 | 5,613 | 22,078 | -981 | 21,097 |
| Other external expenses | -22,007 | 2,459 | -19,547 | -48,155 | 981 | -47,174 |

Consolidated statement of financial position

| TSEK | 2014-01-31 | | 2014-01-31 | |
|-------------------------------------|---------------------------------------|--------------|---|--|
| | According to previous reporting | Restatements | According to the Statement of financial position | |
| Assets | | | | |
| Non-current assets | | | | |
| Capitalized development cost | 360,904 | 7,104 | 368,008 | |
| Total non-current assets | 396,675 | 7,104 | 403,779 | |
| Total assets | 422,808 | 7,104 | 429,912 | |
| Current liabilities | | | | |
| Accrued expenses and prepaid income | 16,426 | 7,104 | 23,531 | |
| Total current liabilities | 170,085 | 7,104 | 177,189 | |
| Total liabilities | 170,976 | 7,104 | 178,080 | |
| Total equity and liabilities | 422,808 | 7,104 | 429,912 | |

Consolidated Cash flow statement

| TSEK | 2013/14 | | 2013/14 | | 2013/14 | |
|--|---------------------------------|---------------|--------------------------------------|---------------------------------|--------------|--------------------------------------|
| | Nov-Jan | | Nov-Jan | May-Jan | | May-Jan |
| | According to previous reporting | Restatements | According to the Cash flow statement | According to previous reporting | Restatements | According to the Cash flow statement |
| Change in working capital | | | | | | |
| Change in other current liabilities | 653 | -2,459 | -1,806 | 273 | -981 | -708 |
| Cash flow from operating activities | -23,802 | -2,459 | -26,261 | -59,437 | -981 | -60,418 |
| Investing activities | | | | | | |
| Investments in intangible assets | -8,484 | 2,459 | -6,025 | -24,893 | 981 | -23,912 |
| Cash flow from investing activities | -8,681 | 2,459 | -6,222 | -25,152 | 981 | -24,171 |

Parent company income statement

| TSEK | 2013/14 | | 2013/14 | | 2013/14 | |
|------------------------------|---------------------------------|--------------|-----------------------------------|---------------------------------|--------------|-----------------------------------|
| | Nov-Jan | | Nov-Jan | May-Jan | | May-Jan |
| | According to previous reporting | Restatements | According to the Income statement | According to previous reporting | Restatements | According to the Income statement |
| Capitalized development cost | 8,072 | -2,459 | 5,613 | 22,078 | -981 | 21,097 |
| Other external expenses | -21,986 | 2,459 | -19,527 | -48,109 | 981 | -47,128 |

Parent company balance sheet

| TSEK | 2014-01-31 | | 2014-01-31 |
|-------------------------------------|---------------------------------|--------------|--------------------------------|
| | According to previous reporting | Restatements | According to the Balance sheet |
| Assets | | | |
| Non-current assets | | | |
| Capitalized development cost | 360,904 | 7,104 | 368,008 |
| Total non-current assets | 396,784 | 7,104 | 403,888 |
| Total assets | 422,913 | 7,104 | 430,018 |
| Current liabilities | | | |
| Accrued expenses and prepaid income | 16,426 | 7,104 | 23,531 |
| Total current liabilities | 170,340 | 7,104 | 177,445 |
| Total equity and liabilities | 422,913 | 7,104 | 430,018 |

Note 3 Taxes

The Group has accumulated losses carried forward, related to previous years and the period, amounting to TSEK 491,427 (366,953) and the Parent Company has such amounting to TSEK 482,202 (357,342). 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 4 Capitalized development cost

Capitalized development cost consists of the company's investments in clinical Phase III trials for the product candidates Paclical and Paccal Vet. The capitalization means that such costs are capitalized as an intangible asset. Amortization is carried out on a straight-line basis over the period that the expected benefits are expected to generate earnings for the company and starts when commercial sale to final customers is commenced. This point in time occurs in most cases after receiving full approval for an indication (e.g., a cancer-type) of a product candidate in a specific market. The accumulated assets per product candidate are disclosed below.

| TSEK | 2015-01-31 | 2014-01-31 | 2014-04-30 |
|--------------|----------------|----------------|----------------|
| Paclical | 287,552 | 276,022 | 280,919 |
| Paccal Vet | 101,422 | 91,986 | 95,457 |
| Total | 388,974 | 368,008 | 376,376 |

Note 5 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 disclosed as Short-term investments in the Balance Sheet.



Note 6 Transactions with related parties

As of January 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 January 31, 2015, this credit was completely unutilized (also as of January 31, 2014).

In the preferential rights issue completed in December 2014, Nexttobe AB, second largest shareholder of the company, utilized a part of the outstanding loan payable and accrued interest of TSEK 35,284 in total as payment for subscribed shares. In December 2014, Oasmia paid TSEK 120 to Nexttobe AB in interest on the loan that was due on December 31, 2014.

On January 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 January 31, 2015, accrued interest expense for the loan amounted to TSEK 628 (9,335).

Remuneration for guarantee commitments in connection to the preferential rights issue completed in December 2014 amounting to TSEK 510 has been paid to Alceco International S.A by set-off against the payment for the shares they were allocated in the capacity of guarantor.

No other significant transactions with related parties have been performed during the period, other than remunerations to employees.

Note 7 Contingent liabilities and Pledged assets

The parent company has TSEK 20,000 placed in a restricted interest fund accounts 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 8 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 2013 – April 30 2014. 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 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, March 4, 2015

Joel Citron, Chairman

Bo Cederstrand, Member

Prof. Dr. Horst Domdey, Member

Alexander Kotsinas, Member

Hans Sundin, Member

Julian Aleksov, Member and CEO

The information in this interim report is such that Oasmia Pharmaceutical (publ) must publish according to the Swedish Securities Markets Act. The information was delivered for publication on March 5, 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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Domicile: Stockholm

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UPCOMING REPORT DATES

| | |
|--|------------|
| Year-end report May 2014 – April 2015 | 2015-06-04 |
| Annual report May 2014 – April 2015 | 2015-08-21 |
| Interim report May – July 2015 | 2015-09-03 |
| Interim report May – October 2015 | 2015-12-03 |
| Interim report May 2015 – January 2016 | 2016-03-03 |

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 January 31, 2015 which was 9.3773 SEK per one EUR (source: Swedish Central Bank).

| € thousand if nothing else is stated | 2014/15 Nov-Jan | 2013/14 Nov-Jan | 2014/15 May-Jan | 2013/14 May-Jan | 2013/14 May-April |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|
| Key ratios and other information | | | | | |
| Number of shares at the close of the period (in thousands), before and after dilution* | 97,858 | 82,345 | 97,858 | 82,345 | 86,171 |
| Weighted average number of shares (in thousands) before and after dilution* | 93,473 | 82,345 | 89,654 | 82,345 | 82,848 |
| Earnings per share in €, before and after dilution* | -0.03 | -0.04 | -0.10 | -0.09 | -0.14 |
| Equity per share, €* | 0.44 | 0.33 | 0.44 | 0.33 | 0.35 |
| Equity/Assets ratio, % | 75 | 59 | 75 | 59 | 60 |
| Net debt, € thousand | 153 | 13,504 | 153 | 13,504 | 10,318 |
| Net debt/Equity ratio, % | 0 | 50 | 0 | 50 | 34 |
| Number of employees at the end of the period | 79 | 78 | 79 | 78 | 78 |
| Consolidated income statement in brief | | | | | |
| Net sales | 51 | 2 | 217 | 4 | 6 |
| Capitalized development cost | 285 | 599 | 1,343 | 2,250 | 3,142 |
| Operating income | -2,717 | -3,038 | -8,529 | -6,702 | -10,460 |
| Financial items, net | -238 | -207 | -794 | -477 | -749 |
| Income before taxes | -2,955 | -3,246 | -9,322 | -7,179 | -11,209 |
| Income for the period | -2,955 | -3,246 | -9,322 | -7,179 | -11,209 |
| Consolidated statement of financial position in brief | | | | | |
| Total non-current assets | 45,321 | 43,059 | 45,321 | 43,059 | 44,161 |
| Total current assets | 12,241 | 2,787 | 12,241 | 2,787 | 5,788 |
| Total assets | 57,562 | 45,846 | 57,562 | 45,846 | 49,949 |
| Total equity | 43,274 | 26,855 | 43,274 | 26,855 | 30,063 |
| Total non-current liabilities | 0 | 95 | 0 | 95 | 95 |
| Total current liabilities | 14,288 | 18,896 | 14,288 | 18,896 | 19,791 |
| Total liabilities | 14,288 | 18,991 | 14,288 | 18,991 | 19,886 |
| Total equity and liabilities | 57,562 | 45,846 | 57,562 | 45,846 | 49,949 |
| Consolidated cash flow statement in brief | | | | | |
| Operating income before financial items | -2,717 | -3,038 | -8,529 | -6,702 | -10,460 |
| Cash flow from operating activities before working capital changes | -2,640 | -2,906 | -8,253 | -6,293 | -9,978 |
| Cash flow from operating activities | -2,900 | -2,801 | -8,839 | -6,443 | -9,267 |
| Cash flow from investing activities | -8,922 | -664 | -10,227 | -2,578 | -3,805 |
| Cash flow from financing activities | 11,643 | 4,266 | 16,638 | 4,266 | 11,503 |
| Cash flow for the period | -178 | 802 | -2,429 | -4,755 | -1,569 |
| Liquid assets at the end of the period | 2,716 | 1,959 | 2,716 | 1,959 | 5,144 |

*Historical values have been recalculated taking into account capitalization issue elements in the rights issue carried out in the third quarter of 2014/15.