

# Oasmia Pharmaceutical AB (publ)

Year-end report for the fiscal year May 2014 . April 2015

## Paclical received marketing authorization in Russia

### FOURTH QUARTER February 1 . April 30, 2015

- Consolidated Net sales amounted to TSEK 36 (20)<sup>1</sup>
- Operating income was TSEK -27,791 (-35,239)
- Net income after tax amounted to TSEK -29,622 (-37,790)
- Earnings per share was SEK -0.30 (-0.45)
- Comprehensive income was TSEK -29,622 (-37,790)

### THE FISCAL YEAR May 1, 2014 . April 30, 2015

- Consolidated Net sales amounted to TSEK 2,070 (60)
- Operating income was TSEK -107,767 (-98,091)
- Net income after tax amounted to TSEK -117,039 (-105,112)
- Earnings per share was SEK -1.28 (-1.27)
- Comprehensive income was TSEK -117,039 (-105,112)
  
- Paclical received marketing authorization in Russia.

### EVENTS AFTER THE CLOSING DAY

- Changes in Oasmia's Board of Directors and new CEO appointed
- Authorization for the Board to make decisions on issue of new shares, warrants and convertible debt instruments

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<sup>1</sup>The numbers in parentheses show the results from the corresponding period of the previous year



## CHAIRMAN OF THE BOARD COMMENTS:

The fourth quarter was very important for Oasmia's development, as we received our first marketing authorization for Paclical. It is now approved for treatment of ovarian cancer in Russia. We have already start to prepare for the launch in the autumn this year together with our partner in Russia, Pharmasyntez.

We will continue our work with the submission of an application of marketing authorization in the EU for Paclical for treatment of ovarian cancer, the clinical development of Doxophos, Doxophos Vet, Paccal Vet and Docecal, and our collaboration with Baxter for full scale commercial pharmaceutical production, commented Oasmia's chairman of the board 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 Stockholm and at the Frankfurt Stock Exchange.*

## BUSINESS ACTIVITIES

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

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. The product is manufactured at Oasmia's facility in Uppsala and delivered to Oasmia's partner Zoetis, which has now taken over the distribution of 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 20 (0) in the fourth quarter and TSEK 2,002 (0) during the fiscal year.

## PRODUCT DEVELOPMENT

### HUMAN HEALTH

#### **Paclical**

In April 2015, Oasmia's cancer product Paclical received market authorization in the 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 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 Oasmia decided to expand the statistical presentation. The study report will constitute the foundation for a submission of a Marketing Authorization Application to the EMA (European Medicines Agency) in 2015. Results from the Phase III study was presented at the annual ASCO (American Society for Clinical Oncology) conference in the end of May in Chicago by Professor Ignacie Vergote, the principal investigator for the study.

#### **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. Docecal is now entering a clinical phase and is planning a clinical Phase I study and a safety and tolerance study.

## OAS-19

OAS-19 is the first oncology 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. 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.

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. The application was planned for the first half of 2015 but will be postponed, 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 has completed a study report that will be a part of an application for conditional approval to FDA. 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)	zoetis
	Mast cell				Ongoing		Global (ex-RUS/JAP)	zoetis
Doxophos Vet (doxorubicin)	Lymphoma		Ongoing	Ongoing			Global	zoetis

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

### Share price development during the fiscal year (SEK)





## EVENTS AFTER CLOSING DAY

### **Changes in Oasmia's Board of Directors and Management**

At the extraordinary general meeting held on May 28, 2015, a resolution was made to elect Hans Liljeblad and Lars Bergkvist as new Members of the Board and 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 och Hans Sundin remains as 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 which means that the share capital 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 obtains extension of bank loan of SEK 20 million**

Oasmia received extension of bank loan of 20 million with an earlier maturity of December 30, 2014 - June 30, 2015. Now, the loan is due for payment on December 30, 2015.

## FINANCIAL INFORMATION

### Consolidated Income Statement in brief

TSEK	2015	2014	2014/15	2013/14
	Feb-Apr	Feb-Apr	May-Apr	May-Apr
Net sales	36	20	2,070	60
Capitalized development cost	3,510	8,367	16,108	29,464
Other operating income	-	34	221	4,454
Operating expenses	-31,338	-43,661	-126,165	-132,069
Operating income	-27,791	-35,239	-107,767	-98,091
Net income after tax	-29,622	-37,790	-117,039	-105,112
Earnings per share (SEK), before and after dilution*	-0.30	-0.45	-1.28	-1.27
Comprehensive income for the period	-29,622	-37,790	-117,039	-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.

### FOURTH QUARTER

February 1 . April 30, 2015

#### Net sales

Net sales amounted to TSEK 36 (20).

#### Capitalized development costs

Capitalized development costs, which refer to Phase III clinical trials for the product candidates Paclical and Paccal Vet, amounted to TSEK 3,510 (8,367). Of the capitalization, Paclical comprised TSEK 1,867 (4,897) and Paccal Vet comprised TSEK 1,643 (3,471). 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.

#### Operating expenses

Operating expenses including depreciation, amortization and impairments were significantly lower compared to the corresponding quarter previous year and amounted to TSEK 31,338 (43,661). The decrease in operating expenses was mainly attributable to lower expenses for method development in the production at Oasmia and its contract manufacturers, lower expenses for clinical trials and lower administration expenses which were partly set-off by increased employee benefit 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 -29,622 (-37,790). The improvement in net income from the fourth quarter in previous year was mainly attributable to lower expenses for method development in the production at Oasmia and its contract manufacturers, lower expenses for clinical trials and lower administration expenses which were partly set-off by increased employee benefit expenses.

### THE FISCAL YEAR

May 1, 2014 . April 30, 2015

#### Net sales

Net sales amounted to TSEK 2,070 (60) and consisted primarily of Paccal Vet-CA1 sales revenue.

#### Capitalized development cost

Capitalized development costs, which concern Phase III clinical trials for the product candidates Paclical and Paccal Vet, amounted to TSEK 16,108 (29,464). Of the capitalization, Paclical comprised TSEK 8,500 (19,677) and Paccal Vet comprised TSEK 7,608 (9,788). 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 (4,454). During the previous fiscal year, an insurance compensation amounting to TSEK 4,250 had been received.

### **Operating expenses**

Operating expenses including depreciation, amortization and impairments were lower compared to the previous year and amounted to TSEK 126,165 (132,069). Costs for clinical trials and method development at Oasmia and its contract manufacturers have decreased at the same time as other costs related to the commercial phase Oasmia has entered increased. The latter costs refer to, among other things, increased purchases of raw materials and supplies for production as well as increased employee benefit expenses.

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

### **Net Income for the year**

Net income after tax was TSEK -117,039 (-105,112). The decrease in net income compared to the previous year was attributable to increased purchases of raw materials and supplies for production as well as increased employee benefit 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 -108,355 (-86,899). The decrease compared to the previous year is due to both lower operating income and negative changes in working capital.

Cash flow from investing activities amounted to TSEK -69,066 (-35,682). Of the investments in the year, TSEK 50,000 (0) comprised of net investments in short term interest funds. Net investments in intangible assets amounted to TSEK 15,517 (33,545), consisting of capitalized development costs TSEK 16,108 (29,464) and of patents TSEK -591 (4,080). Net investments in property, plant and equipment amounted to TSEK 3,549 (2,138) and mainly consisted of production equipment.

### **Financing**

During the fiscal year, two new share issues have been executed. The first, amounting to TSEK 50,000, was executed in July 2014 and increased, after deductions for issue expenses amounting to TSEK 3,168, equity with TSEK 46,832. This amount was received in cash.

The second new share issue with preferential rights was executed in December 2014. It amounted to TSEK 176,145 and provided the company with TSEK 164,468 in equity after deductions for issue expenses of TSEK -11,676. Nexttobe AB set-off their issue payment against a TSEK 35,284 liability, meaning this share issue provided the company liquid assets of TSEK 129,184.

In May 2015, Oasmia received an extension of bank loan of TSEK 20,000 with an earlier maturity of December 30, 2014 - June 30, 2015. Now, the loan is due for payment on December 30, 2015. 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 fiscal year amounted to TSEK 26,837 (48,241). The company has TSEK 50,153 (0) invested in short-term interest funds. The interest-bearing liabilities were TSEK 107,000 (145,000).

At the end of the year, 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 year was TSEK 376,169 (281,907), the Equity/Assets ratio was 73 % (60 %), and the Net debt/Equity ratio was 8 % (34 %).



### The parent company

The parent company net sales for the fiscal year amounted to TSEK 2,070 (60) and net income before tax amounted to TSEK -117,083 (-105,126). The parent company's liquid assets at the end of the fiscal year amounted to TSEK 26,833 (48,238) and short-term investments amounted to TSEK 50,153 (0).

### Future financing

Oasmia has two product approved, but this does not create a sufficient cash flow from its own business yet. For this reason, Oasmia continuously works with various financing alternatives. Available consolidated liquid assets and unutilized credit facilities, as of April 30 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

	2015 Feb-Apr	2014 Feb-Apr	2014/15 May-Apr	2013/14 May-Apr
Number of shares at the close of the year (in thousands), before and after dilution*	97,858	86,171	97,858	86,171
Weighted average number of shares (in thousands) before and after dilution*	97,858	84,409	91,655	82,848
Earnings per share in SEK, before and after dilution*	-0.30	-0.45	-1.28	-1.27
Equity per share, SEK*	3.84	3.27	3.84	3.27
Equity/Assets ratio, %	73	60	73	60
Net debt, TSEK	30,010	96,759	30,010	96,759
Net debt/Equity ratio, %	8	34	8	34
Return on total assets, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Number of employees at the end of the year	79	78	79	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	2015 Feb-Apr	2014 Feb-Apr	2014/15 May-Apr	2013/14 May-Apr
Net sales		36	20	2,070	60
Capitalized development cost		3,510	8,367	16,108	29,464
Other operating income		-	34	221	4,454
Raw materials, consumables and goods for resale		-2,291	-3,120	-10,062	-6,835
Other external expenses		-12,865	-28,015	-59,592	-75,189
Employee benefit expenses		-14,024	-11,343	-50,530	-45,101
Depreciation, amortization and impairment		-1,365	-1,184	-5,190	-4,941
Other operating expenses		-792	-	-792	-3
<b>Operating income</b>		<b>-27,791</b>	<b>-35,239</b>	<b>-107,767</b>	<b>-98,091</b>
Financial income		73	41	210	192
Financial expenses		-1,903	-2,592	-9,482	-7,213
<b>Financial items, net</b>		<b>-1,831</b>	<b>-2,551</b>	<b>-9,272</b>	<b>-7,021</b>
<b>Income before taxes</b>		<b>-29,622</b>	<b>-37,790</b>	<b>-117,039</b>	<b>-105,112</b>
Taxes	2	-	-	-	-
<b>Income for the period</b>		<b>-29,622</b>	<b>-37,790</b>	<b>-117,039</b>	<b>-105,112</b>
Income for the period attributable to:					
Shareholders of the Parent company		-29,622	-37,790	-117,039	-105,112
Earnings per share before and after dilution, SEK		-0.30	-0.45	-1.28	-1.27

## Consolidated Statement of Comprehensive income

TSEK	Note	2015 Feb-Apr	2014 Feb-Apr	2014/15 May-Apr	2013/14 May-Apr
Income for the period		-29,622	-37,790	-117,039	-105,112
<b>Comprehensive income for the period</b>		<b>-29,622</b>	<b>-37,790</b>	<b>-117,039</b>	<b>-105,112</b>
Comprehensive income for the period attributable to:					
Shareholders of the Parent company		-29,622	-37,790	-117,039	-105,112
Comprehensive Earnings per share before and after dilution, SEK		-0.30	-0.45	-1.28	-1.27

## Consolidated statement of financial position

TSEK	Note	2015-04-30	2014-04-30
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		22,852	24,401
Capitalized development cost	3	392,484	376,376
Other intangible assets		11,852	13,328
Financial assets		2	2
<b>Total Non-current assets</b>		<b>427,190</b>	<b>414,106</b>
<b>Current assets</b>			
Inventories		5,341	1,656
Trade receivables		105	49
Other current receivables		2,566	2,729
Prepaid expenses and accrued income		1,687	1,601
Short-term investments	4	50,153	-
Liquid assets		26,837	48,241
<b>Total Current assets</b>		<b>86,690</b>	<b>54,276</b>
<b>TOTAL ASSETS</b>		<b>513,880</b>	<b>468,383</b>
<b>EQUITY</b>			
<b>Capital and provisions attributable to shareholders of the Parent Company</b>			
Share capital		9,786	8,557
Other capital provided		850,996	640,924
Retained earnings		-484,613	-367,574
<b>Total Equity</b>		<b>376,169</b>	<b>281,907</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other non-current liabilities		-	891
<b>Total Non-current liabilities</b>		<b>0</b>	<b>891</b>
<b>Current liabilities</b>			
Liabilities to credit institutions		20,000	40,000
Short-term borrowings	5	87,000	105,000
Trade payables		14,017	17,503
Other current liabilities		1,796	1,594
Accrued expenses and prepaid income	5	14,897	21,488
<b>Total Current liabilities</b>		<b>137,711</b>	<b>185,584</b>
<b>Total Liabilities</b>		<b>137,711</b>	<b>186,476</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>513,880</b>	<b>468,383</b>

Contingent liabilities and Pledged assets are presented in note 6

## Consolidated statement of changes in equity

TSEK	Attributable to shareholders of the Parent company			Total equity
	Share capital	Other capital provided	Retained earnings	
<b>Opening balance as of May 1, 2013</b>	<b>8,177</b>	<b>573,439</b>	<b>-262,463</b>	<b>319,153</b>
Comprehensive income for the year	-	-	-105,112	-105,112
New share issue	380	71,820	-	72,200
Issue expenses	-	-4,335	-	-4,335
<b>Closing balance as of April 30, 2014</b>	<b>8,557</b>	<b>640,924</b>	<b>-367,574</b>	<b>281,907</b>
<b>Opening balance as of May 1, 2014</b>	<b>8,557</b>	<b>640,924</b>	<b>-367,574</b>	<b>281,907</b>
Comprehensive income for the year	-	-	-117,039	-117,039
New share issues	1,229	224,916	-	226,145
Issue expenses	-	-14,844	-	-14,844
<b>Closing balance as of April 30, 2015</b>	<b>9,786</b>	<b>850,996</b>	<b>-484,613</b>	<b>376,169</b>

## Consolidated Cash flow statement

TSEK	Note	2015 Feb-Apr	2014 Feb-Apr	2014/15 May-Apr	2013/14 May-Apr
<b>Operating activities</b>					
Operating income before financial items		-27,791	-35,239	-107,767	-98,091
Depreciation, amortization		1,365	1,184	5,190	4,941
Disposals of tangible assets		792	-	792	3
Interest received		16	41	56	192
Interest paid		-104	-549	-1,384	-617
<b>Cash flow from operating activities before working capital changes</b>		<b>-25,722</b>	<b>-34,564</b>	<b>-103,112</b>	<b>-93,571</b>
<b>Change in working capital</b>					
Change in inventories		-2,685	-	-3,684	-769
Change in trade receivables		-44	10	-56	-49
Change in other current receivables		1,060	1,720	77	1,721
Change in trade payables		1,486	10,294	-3,486	10,419
Change in other current liabilities		439	-3,941	1,907	-4,650
<b>Cash flow from operating activities</b>		<b>-25,466</b>	<b>-26,481</b>	<b>-108,355</b>	<b>-86,899</b>
<b>Investing activities</b>					
Investments in intangible assets		-3,584	-9,633	-16,717	-33,545
Disposal of intangible assets		1,200	-	1,200	-
Investments in property, plant and equipment		-849	-1,878	-3,621	-2,138
Disposal of property, plant and equipment		72	-	72	-
Investments in short-term investments	4	-	-	-80,000	-
Disposal of short-term investments	4	30,000	-	30,000	-
<b>Cash flow from investing activities</b>		<b>26,838</b>	<b>-11,511</b>	<b>-69,066</b>	<b>-35,682</b>
<b>Financing activities</b>					
Increase in liabilities to credit institutions		-	40,000	-	80,000
Decrease in liabilities to credit institutions		-	-40,000	-20,000	-40,000
New share issue		-	72,200	190,861	72,200
Issue expenses		-	-4,335	-14,844	-4,335
<b>Cash flow from financing activities</b>		<b>0</b>	<b>67,865</b>	<b>156,017</b>	<b>107,865</b>
<b>Cash flow for the period</b>		<b>1,372</b>	<b>29,873</b>	<b>-21,404</b>	<b>-14,716</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>25,465</b>	<b>18,368</b>	<b>48,241</b>	<b>62,956</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>26,837</b>	<b>48,241</b>	<b>26,837</b>	<b>48,241</b>

## Parent Company Income statement

TSEK	Note	2015 Feb-Apr	2014 Feb-Apr	2014/15 May-Apr	2013/14 May-Apr
Net sales		36	20	2 070	60
Capitalized development cost		3,510	8,367	16,108	29,464
Other operating income		0	34	221	4,454
Raw materials, consumables and goods for resale		-2,291	-3,120	-10,062	-6,835
Other external expenses		-12,859	-28,001	-59,561	-75,129
Employee benefit expenses		-14,024	-11,343	-50,530	-45,101
Depreciation, amortization and impairment of property, plant, equipment and intangible assets		-1,365	-1,184	-5,190	-4,938
Other operating expenses		-792	0	-792	0
<b>Operating income</b>		<b>-27,786</b>	<b>-35,226</b>	<b>-107,736</b>	<b>-98,025</b>
Result from participations in Group companies		-75	-50	-75	-80
Other interest revenues and similar revenues		73	41	210	192
Interest cost and similar costs		-1,903	-2,592	-9,482	-7,213
<b>Financial items, net</b>		<b>-1,906</b>	<b>-2,601</b>	<b>-9,347</b>	<b>-7,101</b>
<b>Income before tax</b>		<b>-29,692</b>	<b>-37,826</b>	<b>-117,083</b>	<b>-105,126</b>
Taxes	2	-	-	-	-
<b>Income for the period</b>		<b>-29,692</b>	<b>-37,826</b>	<b>-117,083</b>	<b>-105,126</b>

## Parent Company Balance Sheet

TSEK	Note	2015-04-30	2014-04-30
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible fixed assets			
Capitalized development cost	3	392,484	376,376
Concessions, patents, licenses, trademarks and similar rights		11,852	13,328
Property, plant and equipment			
Equipment, tools, fixtures and fittings		21,611	22,988
Construction in progress and advance payments for property, plant and equipment		1,241	1,413
Financial assets			
Participations in group companies		110	110
Other securities held as non-current assets		1	1
<b>Total Non-current assets</b>		<b>427,299</b>	<b>414,215</b>
<b>Current assets</b>			
Inventories			
Raw materials and consumables		5,341	1,656
		5,341	1,656
Current receivables			
Trade receivables		105	49
Other current receivables		2,565	2,727
Prepaid expenses and accrued income		1,678	1,592
		4,348	4,368
Short-term investments	4	50,153	-
Cash and bank balances		26,833	48,238
<b>Total current assets</b>		<b>86,675</b>	<b>54,263</b>
<b>TOTAL ASSETS</b>		<b>513,974</b>	<b>468,478</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital		9,786	8,557
Statutory reserve		4,620	4,620
		14,406	13,177
Non-restricted equity			
Share premium reserve		850,996	640,924
Retained earnings		-372,380	-267,255
Income for the year		-117,083	-105,126
		361,533	268,544
<b>Total equity</b>		<b>375,939</b>	<b>281,721</b>
<b>Non-current liabilities</b>			
Other non-current liabilities		-	891
<b>Total non-current liabilities</b>		<b>0</b>	<b>891</b>
<b>Current liabilities</b>			
Short term borrowings	5	87,000	105,000
Trade payables		14,017	17,500
Liabilities to credit institutions		20,000	40,000
Liabilities to group companies		324	285
Other current liabilities		1,796	1,594
Accrued expenses and prepaid income	5	14,897	21,488
<b>Total Current liabilities</b>		<b>138,035</b>	<b>185,866</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>513,974</b>	<b>468,478</b>
<b>Contingent liabilities and pledged assets</b>			
Contingent liabilities	6	-	-
Pledged assets	6	28,000	8,000

## Parent Company changes in equity

TSEK	Restricted equity		Non-restricted equity	Total equity
	Share capital	Statutory reserve		
<b>Opening balance as of May 1, 2013</b>	<b>8,177</b>	<b>4,620</b>	<b>306,184</b>	<b>318,981</b>
New share issue	380	-	71,820	72,200
Issue expenses	-	-	-4,335	-4,335
Income for the year	-	-	-105,126	-105,126
<b>Closing balance as of April 30, 2014</b>	<b>8,557</b>	<b>4,620</b>	<b>268,544</b>	<b>281,721</b>
<b>Opening balance as of May 1, 2014</b>	<b>8,557</b>	<b>4,620</b>	<b>268,544</b>	<b>281,721</b>
New share issues	1,229	-	224,916	226,145
Issue expenses	-	-	-14,844	-14,844
Income for the year	-	-	-117,083	-117,083
<b>Closing balance as of April 30, 2015</b>	<b>9,786</b>	<b>4,620</b>	<b>361,533</b>	<b>375,939</b>

### 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 Taxes

The Group has accumulated losses carried forward, related to previous fiscal years and the fiscal year, amounting to TSEK 520,933 (404,260) and the Parent Company has such amounting to TSEK 511,703 (395,061). There is 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

Capitalized development cost consists of the company's investments in clinical Phase III trials for the product candidates Paclical and Paccal Vet. This 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	2015-04-30	2014-04-30
Paclical	289,419	280,919
Paccal Vet	103,065	95,457
Total	392,484	376,376

### 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 April 30, 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 April 30, 2015, this credit was completely unutilized (also as of April 30, 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 April 30, 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 April 30, 2015, accrued interest expense for the loan amounted to TSEK 2,431 (11,511).



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 significant further transactions with related parties have been made in the fiscal year 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 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 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, 2013 . April 30, 2014. 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 year-end 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, June 3, 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 year-end report is such that Oasmia Pharmaceutical (publ) must publish according to the Swedish Securities Markets Act. The information was delivered for publication on June 4, 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.

#### **Dividends**

The Board of Directors does not intend to propose any dividends for the fiscal year May 1, 2014 . April 30, 2015.

#### **Annual Report**

The Annual Report will be published on August 21, 2015 and will be available on the company website [www.oasmia.com](http://www.oasmia.com). The Annual Report may also be requested from Oasmia Pharmaceutical AB by phone +46 18 50 54 40 or by e-mail [info@oasmia.com](mailto:info@oasmia.com)

#### **Annual General Meeting**

The Annual General Meeting will be held on September 28, 2015 in the company offices in Uppsala. A notice for the Meeting is distributed four weeks before the Meeting at the latest. For more information, see the company website [www.oasmia.com](http://www.oasmia.com)

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#### **COMPANY INFORMATION**

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Domicile: Stockholm

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Questions concerning the report are answered by:  
Anders Lundin, CFO  
Tel: +46 70 209 63 00 E-mail: [anders.lundin@oasmia.com](mailto:anders.lundin@oasmia.com)

#### **UPCOMING REPORT DATES**

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

## 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 April 30, 2015 which was 9.2669 SEK per one EUR (source: Swedish Central Bank).

" thousand if nothing else is stated	2015 Feb-Apr	2014 Feb-Apr	2014/15 May-Apr	2013/14 May-Apr
<b>Key ratios and other information</b>				
Number of shares at the close of the year (in thousands), before and after dilution*	97,858	86,171	97,858	86,171
Weighted average number of shares (in thousands) before and after dilution*	97,858	84,409	91,655	82,848
Earnings per share in " , before and after dilution*	-0.03	-0.05	-0.14	-0.14
Equity per share, " *	0.41	0.35	0.41	0.35
Equity/Assets ratio, %	73	60	73	60
Net debt, " thousand	3,238	10,441	3,238	10,441
Net debt/Equity ratio, %	8	34	8	34
Number of employees at the end of the year	79	78	79	78
<b>Consolidated income statement in brief</b>				
Net sales	4	2	223	6
Capitalized development cost	379	903	1,738	3,180
Operating income	-2,999	-3,803	-11,629	-10,585
Financial items, net	-198	-275	-1,001	-758
Income before taxes	-3,197	-4,078	-12,630	-11,343
Income for the period	-3,197	-4,078	-12,630	-11,343
<b>Consolidated statement of financial position in brief</b>				
Total non-current assets	46,098	44,687	46,098	44,687
Total current assets	9,355	5,857	9,355	5,857
Total assets	55,453	50,544	55,453	50,544
Total equity	40,593	30,421	40,593	30,421
Total non-current liabilities	0	96	0	96
Total current liabilities	14,861	20,027	14,861	20,027
Total liabilities	14,861	20,123	14,861	20,123
Total equity and liabilities	55,453	50,544	55,453	50,544
<b>Consolidated cash flow statement in brief</b>				
Operating income before financial items	-2,999	-3,803	-11,629	-10,585
Cash flow from operating activities before working capital changes	-2,776	-3,730	-11,127	-10,097
Cash flow from operating activities	-2,748	-2,858	-11,693	-9,377
Cash flow from investing activities	2,896	-1,242	-7,453	-3,851
Cash flow from financing activities	0	7,323	16,836	11,640
Cash flow for the period	148	3,224	-2,310	-1,588
Cash and cash equivalents at the end of the year	2,896	5,206	2,896	5,206

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