

Oasmia Pharmaceutical AB (publ)

Year-end report for the fiscal year May 2012 - April 2013 €

Page 1-10 is a service to shareholders in the euro zone. It is not the official report in the functional currency of Oasmia, which is SEK, but the first ten pages of that report converted to EUR. The full official report will be found on pages 11-24. The conversion of currency has been made by use of a convenience rate for all figures including those from previous periods. This rate is the closing rate as per April 30, 2013 which was 8.5753 SEK per one EUR. Some figures are in SEK because these are very firmly denominated in SEK.

CONTINUED EXPANSION OF THE PRODUCT CANDIDATE PORTFOLIO AND STRATEGIC AGREEMENTS IN THE FISCAL YEAR

FOURTH QUARTER February 1 – April 30, 2013

- Consolidated Net sales amounted to €0 thousand (0)¹
- Operating income amounted to €-2,556 thousand (-2,265)
- Net income after tax amounted to €-2,677 thousand (-2,302)
- Earnings per share amounted to €-0.03 (-0.04)
- Comprehensive income amounted to €-2,677 thousand (-2,302)
- Oasmia and Pharmasynitez entered into a distribution agreement for Paclical® in Russia and CIS

THE FISCAL YEAR May 1, 2012 – April 30, 2013

- Consolidated Net sales amounted to €0 thousand (104)
- Operating income amounted to €-7,881 thousand (-7,642)
- Net income after tax amounted to €-8,441 thousand (-7,658)
- Earnings per share amounted to €-0.12 (-0.14)
- Comprehensive income amounted to €-8,441 thousand (- 7,658)

EVENTS AFTER CLOSING DAY

- Oasmia has developed the first pharmaceutical with two active cytostatics in one infusion, based on its patent protected XR-17 technology.
- Oasmia has initiated a clinical program for treatment of breast cancer with Paclical®

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

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

BUSINESS ACTIVITIES

CEO COMMENTS ON THE FISCAL YEAR:

"In the last year, we have advanced our positions regarding our product candidate portfolio and by signing strategic agreements with partners for future launches. We now have a stable foundation which, in line with our business strategy, creates good conditions to build a pharmaceutical company with innovative, patented products on the market", says CEO Julian Aleksov.

HUMAN HEALTH

Paclical®

Paclical® is a patented formulation of the well-known substance paclitaxel which is frequently used within treatment of cancer. Paclical® is designated as an orphan drug (see below) in EU and USA for the indication ovarian cancer.

Oasmia has performed a Phase III study with Paclical® for treatment of ovarian cancer, an indication with 225 000 annual new cases globally. The total number of patients in the study is 790, and the final patient was treated in the fourth quarter of the fiscal year. All patients are being followed-up regarding time to progression. When the time to progression data has been evaluated, Oasmia will submit a marketing authorization application for Paclical in the EU and in USA, for the treatment of ovarian cancer.

In February 2013, Oasmia and Pharmasyntez, a pharmaceutical company in Russia, entered into a distribution agreement for Paclical in Russia and the CIS. Net sales of current products in the Russian market segment comprising Paclical, is estimated to amount to more than \$600 million and growing steadily. Pharmasyntez was founded in 1997 and is now one of the ten largest pharmaceutical companies in Russia. Pharmasyntez collaborates with a number of leading institutes and universities in Russia.

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

In September 2012, Oasmia initiated a collaboration concerning joint product development with Pharmasyntez in Russia.

Doxophos®

Doxophos® is a patented formulation of doxorubicin, one of the most efficient and used substances for treatment of cancer. Oasmia has compiled documentation for this product candidate, in order to take it into a clinical program.

Docecal®

Docecal® is a patented formulation of the well-known substance docetaxel. Oasmia has initiated the validation process for manufacture of Docecal and are preparing a clinical program for the product candidate.

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

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half of all cancer in dogs. Product development has made it possible to expand the range to encompass in addition the indications mammary carcinoma and squamous cell carcinoma.

In January 2013, Oasmia and Abbott expanded their collaboration to encompass a large portion of the world and to include both product candidates Paccal® Vet and Doxophos® Vet. The geographic exceptions from the agreement with Abbott are Russia and the CIS, and furthermore Paccal® Vet for Japan which is licensed to Nippon Zenyaku Kogyo.

Paccal® Vet

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Oasmia has submitted an application of market authorization of Paccal® Vet for treatment of mastocytoma, mammary carcinoma and squamous cell carcinoma to the FDA. The process is proceeding in a positive way.

All three indications have previously been granted MUMS designation (see below) by the FDA.

After consultation with EMA, Oasmia initiated a new study comprising 50 dogs, which is currently enrolling patients. One parameter in the study is time to progression. As soon as these data have been collected and processed, a new application for market approval for Paccal Vet will be submitted to EMA.

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In July 2012, Doxophos® Vet was granted MUMS designation by the FDA for the indication lymphoma.

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THE COMPANY

Nexttobe AB increases its ownership in Oasmia

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Preferential rights share issue completed

In November 2012, Oasmia completed a preferential share issue comprising MSEK 123 before issue expenses and MSEK 118 after such expenses. The issue price was SEK 5 per share. The share issue was fully underwritten by subscription and guarantee commitments from Oasmia's two principal owners, Alceco International S.A. and Nexttobe AB. The share issue had the consequence that Alceco International S.A. increased its ownership from 46.8 % to 46.9 % and Nexttobe AB from 10.1 % to 17.4 %.

Nexttobe AB increases its commitment in Oasmia through further financing

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many different cancer diseases, such as breast cancer, prostate cancer and lung cancer, a patient receives several active cytostatics through separate infusions. Oasmia has successfully developed the product candidate OAS-19, a unique combination of two of the most infused cytostatics. The market for combination therapies exceeds \$8 billion.

Oasmia has initiated a clinical program for treatment of breast cancer with Paclical®. The company announced in May 2013 that it intends to expand the future indication area for Paclical and has therefore started a clinical program for the treatment of breast cancer. The market amounted to \$8.6 billion in 2011. The program will comprise three clinical studies: one Dose finding-study, one Phase II-study and one Phase III-study. The two first studies have been started in May 2013. The number of patients in the Phase II-study will be determined by the Dose Limiting Toxicity (DLT) which will be established during the first study.

FINANCIAL INFORMATION

Consolidated Income Statement in brief

€thousands	2013	2012	2012/13	2011/12
	Feb-April	Feb-April	May-April	May-April
Net sales	-	-	-	104
Capitalized development cost	1,262	1,671	5,672	7,380
Operating income	-2,556	-2,265	-7,881	-7,642
Net income after tax	-2,677	-2,302	-8,441	-7,658
Earnings per share (€), before and after dilution*	-0.03	-0.04	-0.12	-0.14
Comprehensive income for the period	-2,677	-2,302	-8,441	-7,658

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

FOURTH QUARTER

February 1 – April 30, 2013

Net sales

Oasmia had no net sales in the quarter (-).

Capitalized development cost

Capitalized development cost amounted to €1,262 thousand (1,671) and concerned mainly Paclical®; Paccal® Vet was included with €237 thousand. The decrease compared to the same quarter in the previous year is attributable to decreased costs for clinical trials in Phase III for Paclical®.

Operating expenses

Operating expenses excluding depreciation and impairment amounted to €3,675 thousand (3,793). The decrease compared to the same quarter previous year is attributable to decreased expenses for Paclical® clinical trials.

The number of employees at the end of the quarter was 75 (77).

Income for the quarter

Net income was €-2,677 thousand (-2,302). The decrease is attributable to decreased capitalized development costs and increased interest costs.

THE FISCAL YEAR

May 1, 2012 – April 30, 2013

Net sales

Oasmia had no net sales in the fiscal year (104).

Capitalized development cost



Capitalized development cost amounted to €5,672 thousand (7,380). The majority concerned mainly Paclical®; with Paccal® Vet also included amounting to €385 thousand due to the study to complement the EMA filing which is currently being carried out. The decrease in capitalization is due to the near completion of the Paclical® Phase III study for the treatment of ovarian cancer.

Other operating income

Other operating income amounted to €294 thousand (12) and consisted mainly of a capital gain in connection to closing of a new agreement with Abbott and an insurance compensation.

Operating expenses

Operating expenses excluding depreciation and impairment amounted to €13,254 thousand (14,548). This is a 9 % decrease compared to the same period previous year and attributable to lower expenses for Paclical® clinical trials. Of these operating expenses about 43 % (51), were accounted for as Capitalized development cost.

Income for the year

Net income was €-8,441 thousand (-7,658). The decrease is attributable to interest expenses and decreased capitalization of development costs.

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

Cash flow and Capital expenditures

Cash flow from operating activities amounted to €-8,109 thousand (-6,115).

Cash flow from investing activities amounted to €-6,973 thousand (-8,873).

Of these, investments in intangible assets amounted to €6,950 thousand (8,533), consisting of capitalized development costs €5,672 thousand (7,380) and patents and other intangible assets €1,279 thousand (1,154). Disposals of intangible assets provided the company with €494 thousand (-).

The remainder of investments were in property, plant and equipment amounting to €516 thousand (340) which in general concerned acquisition of production equipment placed at Baxter in Germany.

Financing

Financing during the period May to November 2012 was performed by borrowing from Nexttobe AB and to a lesser extent utilization of a bank credit. The borrowing from Nexttobe has increased in the fiscal year from €2,915 thousand to €12,244 thousand. In October 2012, the entire amount of €12,244 thousand was rewritten as one loan due for payment on December 31, 2013. The interest rate is still 5 % and will be paid in its entirety when due.

Financing in the period starting November 2012 to the end of April 2013 was performed by liquid assets provided to the company in the preferential rights issue which was completed in November 2012. When the issue payment was received a utilized bank credit of €542 thousand was repaid to reduce interest expense.

Financial position

The consolidated liquid assets at the end of the fiscal year amounted to €7,342 thousand (236). The interest-bearing liabilities were €12,244 thousand (3,825).

At the end of the period, unutilized credits with bank and the principal owner Alceco International S.A amounting to €583 thousand (210) and €4,665 thousand (2,379) respectively.

Furthermore, Oasmia holds a SEDA agreement (Standby Equity Distribution Agreement) amounting to €8,746 thousand, which was completely unutilized on April 30. This agreement ends on July 21, 2013.

Equity at the end of the period amounted to €37,218 thousand (31,891), the equity/assets ratio was 72 % (78 %) and the net debt/equity ratio was 13 % (11 %).



The parent company

The parent company's net sales amounted to € 0 thousand (104) and net income before tax amounted to € -8,443 thousand (-7,676). The parent company's liquid assets at the end of the fiscal year amounted to €7,341 thousand (236).

Key ratios and other information

	2013	2012	2012/13	2011/12
	Feb-April	Feb-April	May-April	May-April
Number of shares at the close of the period (in thousands), before and after dilution*	81,772	58,214	81,772	58,214
Weighted average number of shares (in thousands) before and after dilution*	81,772	58,214	68,605	55,589
Earnings per share in € before and after dilution*	-0.03	-0.04	-0.12	-0.14
Equity per share, €* [€]	0.46	0.55	0.46	0.55
Equity/Assets ratio, %	72	78	72	78
Net debt, €thousand	4,903	3,588	4,903	3,588
Net debt/Equity ratio, %	13	11	13	11
Return on total assets, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Number of employees at the end of the period	75	77	75	77

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

Definitions

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

Equity per share: Equity divided by the number of shares at the end of the period

Equity/assets ratio: Equity as a percentage of the balance sheet total.

Net debt: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deduction for liquid funds

Net debt/Equity ratio: Net debt in relation to equity.

Return on total assets: Income before deduction of interest expenses in relation to the average balance sheet total.

Return on equity: Income after financial items in relation to the average equity.

Consolidated Income statement

€thousands	2013	2012	2012/13	2011/12
	Feb-April	Feb-April	May-April	May-April
Net sales	-	-	-	104
Capitalized development cost	1,262	1,671	5,672	7,380
Other operating income	4	5	294	12
Raw materials, consumables and goods for resale	-147	-266	-716	-1,181
Other external expenses	-2,190	-2,202	-7,583	-8,569
Employee benefit expenses	-1,328	-1,324	-4,945	-4,798
Depreciation/amortization and impairment	-148	-148	-594	-590
Other operating cost	-10	-	-10	-
Operating income	-2,556	-2,265	-7,881	-7,642
Financial income	32	3	68	42
Financial expenses	-153	-40	-628	-58
Financial items, net	-121	-37	-559	-16
Income before taxes	-2,677	-2,302	-8,441	-7,658
Taxes	-	-	-	-
Income for the period	-2,677	-2,302	-8,441	-7,658
Income for the period attributable to:				
Shareholders of the Parent company	-2,677	-2,302	-8,441	-7,658
Earnings per share, before and after dilution, €	-0.03	-0.04	-0.12	-0.14

Consolidated Statement of comprehensive income

€thousands	2013	2012	2012/13	2011/12
	Feb-April	Feb-April	May-April	May-April
Income for the period	-2,677	-2,302	-8,441	-7,658
Comprehensive income for the period	-2,677	-2,302	-8,441	-7,658
Comprehensive income for the period attributable to:				
Shareholders of the Parent company	-2,677	-2,302	-8,441	-7,658
Comprehensive Earnings per share, before and after dilution, €	-0.03	-0.04	-0.12	-0.14

Consolidated statement of financial position

€thousands	2013-04-30	2012-04-30
ASSETS		
Non-current assets		
Property, plant and equipment	3,051	3,031
Capitalized development cost	39,512	33,840
Other intangible assets	1,200	3,195
Financial assets	0	0
Total Non-current assets	43,763	40,066
Current assets		
Inventories	103	34
Other current receivables	270	204
Prepaid expenses and accrued income	436	252
Liquid assets	7,342	236
Total Current assets	8,151	726
TOTAL ASSETS	51,914	40,792
EQUITY		
Capital and provisions attributable to shareholders of the Parent Company		
Share capital	954	668
Other capital provided	66,871	53,390
Retained earnings	-30,607	-22,166
Total Equity	37,218	31,891
LIABILITIES		
Non-current liabilities		
Other non-current liabilities	104	1,897
Total non-current liabilities	104	1,897
Current liabilities		
Liabilities to credit institutions	-	373
Short-term borrowings	12,244	3,452
Trade payables	826	1,199
Other current liabilities	183	1,261
Accrued expenses and prepaid income	1,339	721
Total Current liabilities	14,592	7,005
Total liabilities	14,696	8,902
TOTAL EQUITY AND LIABILITIES	51,914	40,792

Consolidated statement of changes in equity

€thousands	Attributable to shareholders of the Parent company			Total equity
	Share capital	Other capital provided	Retained earnings	
Opening balance as of May 1, 2011	607	48,205	-14,508	34,304
Comprehensive income for the year	-	-	-7,658	-7,658
New share issue	60	5,537	-	5,597
Issue expenses	-	-353	-	-353
Closing balance as of April 30, 2012	668	53,390	-22,166	31,891
Opening balance as of May 1, 2012	668	53,390	-22,166	31,891
Comprehensive income for the year	-	-	-8,441	-8,441
New share issue	286	14,018	-	14,304
Issue expenses	-	-536	-	-536
Closing balance as of April 30, 2013	954	66,871	-30,607	37,218

Consolidated Cash flow statement

€thousands	2013	2012	2012/13	2011/12
	Feb-April	Feb-April	May-April	May-April
Operating activities				
Operating income before financial items	-2,556	-2,265	-7,881	-7,642
Depreciation/amortization	148	148	594	590
Disposals of tangible assets	10	-	10	-
Adjustments for income from divestiture of intangible assets	0	-	-184	-
Interest received	32	3	68	42
Interest paid	-3	-40	-71	-58
Cash flow from operating activities before working capital changes	-2,370	-2,153	-7,464	-7,068
Change in working capital				
Change in inventories	-	-	-70	-34
Change in other current receivables	-189	-23	-250	127
Change in trade payables	309	554	-373	752
Change in other current liabilities	99	132	48	108
Cash flow from operating activities	-2,150	-1,491	-8,109	-6,115
Investing activities				
Investments in intangible fixed assets	-1,262	-2,555	-6,950	-8,533
Divestiture of intangible fixed assets	-	-	494	-
Investments in property, plant and equipment	-9	-118	-516	-340
Cash flow from investing activities	-1,272	-2,672	-6,973	-8,873
Financing activities				
Increase in liabilities to credit institutions	-	373	-	373
Decrease in liabilities to credit institutions	-	-	-373	-
Increase in long-term liabilities	-	-	-	104
New share issue	-	-	14,304	5,597
Issue expenses	-4	-	-536	-353
New loans	-	3,452	9,329	3,452
Repayment of loans	-	-	-536	-
Cash flow from financing activities	-4	3,825	22,187	9,173
Cash flow for the period	-3,426	-338	7,105	-5,815
Cash and cash equivalents at the beginning of the period	10,768	575	236	6,052
Cash and cash equivalents at the end of the period	7,342	236	7,342	236



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- Operating income amounted to TSEK –21 920 (-19 419)
- Net income after tax amounted to TSEK –22 953 (-19 737)
- Earnings per share amounted to SEK - 0,28 (-0,34)
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THE FISCAL YEAR May 1, 2012 – April 30, 2013

- Consolidated Net sales amounted to TSEK 0 (891)
- Operating income amounted to TSEK –67 583 (-65 536)
- Net income after tax amounted to TSEK –72 381 (-65 670)
- Earnings per share amounted to SEK -1,06 (-1,18)
- Comprehensive income amounted to TSEK -72 381 (-65 670)

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Operating income	-21 920	-19 419	-67 583	-65 536
Net income after tax	-22 953	-19 737	-72 381	-65 670
Earnings per share (SEK), before and after dilution*	-0,28	-0,34	-1,06	-1,18
Comprehensive income for the period	-22 953	-19 737	-72 381	-65 670

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

FOURTH QUARTER

February 1 – April 30, 2013

Net sales

Oasmia had no net sales in the quarter (-).

Capitalized development cost

Capitalized development cost amounted to TSEK 10 826 (14 332) and concerned mainly Paclical®; Paccal® Vet was included with TSEK 2 036. The decrease compared to the same quarter in the previous year is attributable to decreased costs for clinical trials in Phase III for Paclical®.

Operating expenses

Operating expenses excluding depreciation and impairment amounted to TSEK 31 514 (32 525). The decrease compared to the same quarter previous year is attributable to decreased expenses for Paclical® clinical trials.

The number of employees at the end of the quarter was 75 (77).

Income for the quarter

Net income was TSEK -22 953 (-19 737). The decrease is attributable to decreased capitalized development costs and increased interest costs.

THE FISCAL YEAR

May 1, 2012 – April 30, 2013

Net sales

Oasmia had no net sales in the fiscal year (891).

Capitalized development cost

Capitalized development cost amounted to TSEK 48 635 (63 282). The majority concerned mainly Paclical®; with Paccal® Vet also included amounting to TSEK 3 299 due to the study to complement the EMA filing which is currently being carried out. The decrease in capitalization is due to the near completion of the Paclical® Phase III study for the treatment of ovarian cancer.



Other operating income

Other operating income amounted to TSEK 2 524 (104) and consisted mainly of a capital gain in connection to closing of a new agreement with Abbott and an insurance compensation.

Operating expenses

Operating expenses excluding depreciation and impairment amounted to TSEK 113 654 (124 751). This is a 9 % decrease compared to the same period previous year and attributable to lower expenses for Paclical® clinical trials. Of these operating expenses about 43 % (51), were accounted for as Capitalized development cost.

Income for the year

Net income was TSEK -72 381 (-65 670). The decrease is attributable to interest expenses and decreased capitalization of development costs.

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

Cash flow and Capital expenditures

Cash flow from operating activities amounted to TSEK -69 539 (-52 439).

Cash flow from investing activities amounted to TSEK -59 795 (-76 090).

Of these, investments in intangible assets amounted to TSEK 59 603 (73 176), consisting of capitalized development costs TSEK 48 635 (63 282) and patents and other intangible assets TSEK 10 967 (9 894). Disposals of intangible assets provided the company with TSEK 4 235 (-).

The remainder of investments were in property, plant and equipment amounting to TSEK 4 428 (2 914) which in general concerned acquisition of production equipment placed at Baxter in Germany.

Financing

Financing during the period May to November 2012 was performed by borrowing from Nexttobe AB and to a lesser extent utilization of a bank credit. The borrowing from Nexttobe has increased in the fiscal year from TSEK 25 000 to TSEK 105 000. In October 2012, the entire amount of TSEK 105 000 was rewritten as one loan due for payment on December 31, 2013. The interest rate is still 5 % and will be paid in its entirety when due.

Financing in the period starting November 2012 to the end of April 2013 was performed by liquid assets provided to the company in the preferential rights issue which was completed in November 2012. When the issue payment was received a utilized bank credit of TSEK 4 651 was repaid in order to reduce interest expense.

Financial position

The consolidated liquid assets at the end of the fiscal year amounted to TSEK 62 956 (2 028). The interest-bearing liabilities were TSEK 105 000 (32 797).

At the end of the period, unutilized credits with bank and the principal owner Alceco International S.A amounted to TSEK 5 000 (1 803) and TSEK 40 000 (20 400) respectively.

Furthermore, Oasmia holds a SEDA agreement (Standby Equity Distribution Agreement) amounting to TSEK 75 000, which was completely unutilized on April 30. This agreement ends on July 21, 2013.

Equity at the end of the fiscal year amounted to TSEK 319 153 (273 474), the equity/assets ratio was 72 % (78 %) and the net debt/equity ratio was 13 % (11 %).

The parent company

The parent company's net sales amounted to TSEK 0 (891) and net income before tax amounted to TSEK -72 404 (-65 823). The parent company's liquid assets at the end of the fiscal year amounted to TSEK 62 947 (2 020).

Key ratios and other information

	2013	2012	2012/13	2011/12
	Feb-April	Feb-April	May-April	May-April
Number of shares at the close of the period (in thousands), before and after dilution *	81 772	58 214	81 772	58 214
Weighted average number of shares (in thousands) before and after dilution*	81 772	58 214	68 605	55 589
Earnings per share in SEK, before and after dilution*	-0,28	-0,34	-1,06	-1,18
Equity per share, SEK*	3,90	4,70	3,90	4,70
Equity/Assets ratio, %	72	78	72	78
Net debt, TSEK	42 044	30 769	42 044	30 769
Net debt/Equity ratio, %	13	11	13	11
Return on total assets, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Number of employees at the end of the period	75	77	75	77

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

Definitions

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

Equity per share: Equity divided by the number of shares at the end of the period

Equity/assets ratio: Equity as a percentage of the balance sheet total.

Net debt: Total borrowing (containing the balance sheet items Short-term and Long-term borrowings and liabilities to credit institutions) with deduction for liquid funds

Net debt/Equity ratio: Net debt in relation to equity.

Return on total assets: Income before deduction of interest expenses in relation to the average balance sheet total.

Return on equity: Income after financial items in relation to the average equity.

Consolidated Income statement

TSEK	Note	2013 Feb-April	2012 Feb-April	2012/13 May-April	2011/12 May-April
Net sales		-	-	-	891
Capitalized development cost		10 826	14 332	48 635	63 282
Other operating income		34	46	2 524	104
Raw materials, consumables and goods for resale		-1 260	-2 281	-6 137	-10 127
Other external expenses		-18 778	-18 887	-65 022	-73 481
Employee benefit expenses		-11 389	-11 357	-42 408	-41 144
Depreciation/amortization and impairment		-1 265	-1 273	-5 089	-5 062
Other operating expenses		-86	-	-86	-
Operating income		-21 920	-19 419	-67 583	-65 536
Financial income		274	23	587	363
Financial expenses		-1 308	-341	-5 384	-497
Financial items, net		-1 034	-318	-4 798	-135
Income before taxes		-22 953	-19 737	-72 381	-65 670
Taxes	2	-	-	-	-
Income for the period		-22 953	-19 737	-72 381	-65 670
Income for the period attributable to: Shareholders of the Parent company		-22 953	-19 737	-72 381	-65 670
Earnings per share before and after dilution, SEK		-0,28	-0,34	-1,06	-1,18

Consolidated Statement of Comprehensive income

TSEK	Note	2013 Feb-April	2012 Feb-April	2012/13 May-April	2011/12 May-April
Income for the period		-22 953	-19 737	-72 381	-65 670
Comprehensive income for the period		-22 953	-19 737	-72 381	-65 670
Comprehensive income for the period attributable to: Shareholders of the Parent company		-22 953	-19 737	-72 381	-65 670
Comprehensive Earnings per share before and after dilution, SEK		-0,28	-0,34	-1,06	-1,18

Consolidated statement of financial position

TSEK	Note	2013-04-30	2012-04-30
ASSETS			
Non-current assets			
Property, plant and equipment		26 161	25 988
Capitalized development cost	3	338 826	290 191
Other intangible assets		10 294	27 400
Financial assets		2	2
Total Non-current assets		375 283	343 581
Current assets			
Inventories		887	290
Other current receivables		2 314	1 747
Prepaid expenses and accrued income		3 737	2 161
Liquid assets		62 956	2 028
Total Current assets		69 895	6 227
TOTAL ASSETS		445 178	349 807
EQUITY			
Capital and provisions attributable to shareholders of the Parent Company			
Share capital		8 177	5 724
Other capital provided		573 439	457 832
Retained earnings		-262 463	-190 082
Total equity		319 153	273 474
LIABILITIES			
Non-current liabilities			
Other non-current liabilities		891	16 264
Total Non-current liabilities		891	16 264
Current liabilities			
Liabilities to credit institutions		-	3 197
Short-term borrowings	4	105 000	29 600
Trade payables		7 084	10 281
Other current liabilities		1 566	10 811
Accrued expenses and prepaid income	4	11 484	6 180
Total Current liabilities		125 134	60 069
Total Liabilities		126 025	76 334
TOTAL EQUITY AND LIABILITIES		445 178	349 807
Contingent liabilities			
Pledged assets	5		

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, 2011	5 208	413 375	-124 411	294 171
Comprehensive income for the year	-	-	-65 670	-65 670
New share issue	516	47 484	-	48 000
Issue expenses	-	-3 027	-	-3 027
Closing balance as of April 30, 2012	5 724	457 832	-190 082	273 474
Opening balance as of May 1, 2012	5 724	457 832	-190 082	273 474
Comprehensive income for the year	-	-	-72 381	-72 381
New share issue	2 453	120 205	-	122 658
Issue expenses	-	-4 598	-	-4 598
Closing balance as of April 30, 2013	8 177	573 439	-262 463	319 153

Consolidated Cash flow statement

TSEK	2013 Feb-April	2012 Feb-April	2012/13 May-April	2011/12 May-April
Operating activities				
Operating income before financial items	-21 920	-19 419	-67 583	-65 536
Depreciation/amortization	1 265	1 273	5 089	5 062
Disposals of tangible assets	86	-	86	-
Adjustments for income from divestiture of intangible assets	-	-	-1 579	-
Interest received	274	23	587	363
Interest paid	-28	-341	-611	-497
Cash flow from operating activities before working capital changes	-20 322	-18 464	-64 010	-60 609
Change in working capital				
Change in inventories	-	-	-597	-290
Change in other current receivables	-1 618	-195	-2 142	1 085
Change in trade payables	2 652	4 748	-3 197	6 450
Change in other current liabilities	849	1 129	408	924
Cash flow from operating activities	-18 439	-12 782	-69 539	-52 439
Investing activities				
Investments in intangible fixed assets	-10 826	-21 906	-59 603	-73 176
Divestiture of intangible fixed assets	-	-	4 235	-
Investments in property, plant and equipment	-80	-1 011	-4 428	-2 914
Cash flow from investing activities	-10 906	-22 917	-59 795	-76 090
Financing activities				
Increase in liabilities to credit institutions	-	3 197	-	3 197
Decrease in liabilities to credit institutions	-	-	-3 197	-
Increase in long-term liabilities	-	-	-	891
New share issue	-	-	122 658	48 000
Issue expenses	-37	-	-4 598	-3 027
New loans	4	-	29 600	29 600
Repayment of loans	4	-	-4 600	-
Cash flow from financing activities	-37	32 797	190 263	78 662
Cash flow for the period	-29 382	-2 902	60 928	-49 867
Cash and cash equivalents at the beginning of the period	92 338	4 930	2 028	51 895
Cash and cash equivalents at the end of the period	62 956	2 028	62 956	2 028

Parent Company Income statement

TSEK	Note	2013 Feb-April	2012 Feb-April	2012/13 May-April	2011/12 May-April
Net sales		-	-	-	891
Capitalized development cost		10 826	14 332	48 635	63 282
Other operating income		34	46	2 524	104
Raw materials, consumables and goods for resale		-1 260	-2 281	-6 137	-10 124
Other external expenses		-18 765	-18 845	-64 916	-73 323
Employee benefit expenses		-11 389	-11 357	-42 408	-41 144
Depreciation/amortization and impairment of property, plant, equipment and intangible assets		-1 261	-1 265	-5 074	-4 987
Other operating expenses		-86	-	-86	-
Operating income		-21 902	-19 370	-67 461	-65 300
Result from participations in Group companies	4	-30	-105	-145	-390
Other interest revenues and similar revenues		274	23	587	362
Interest cost and similar costs		-1 308	-340	-5 384	-495
Financial items, net		-1 064	-422	-4 942	-523
Income after financial items		-22 966	-19 791	-72 404	-65 823
Taxes	2	-	-	-	-
Income for the period		-22 966	-19 791	-72 404	-65 823

Parent Company Balance Sheet

TSEK	Note	2013-04-30	2012-04-30
ASSETS			
Non-current assets			
Intangible fixed assets			
Capitalized development cost	3	338 826	290 191
Concessions, patents, licenses, trademarks and similar rights		10 288	27 378
Property, plant and equipment			
Equipment, tools, fixtures and fittings		20 355	24 149
Construction in progress and advance payments for property, plant and equipment		5 805	1 839
Financial assets			
Participations in group companies		110	110
Other securities held as non-current assets		1	1
Total Non-current assets		375 386	343 668
Current assets			
Inventories			
Raw materials and consumables		887	290
		887	290
Current receivables			
Receivables from group companies	4	-	55
Other current receivables		2 312	1 746
Prepaid expenses and accrued income		3 721	2 084
		6 033	3 885
Cash and bank balances		62 947	2 020
Total current assets		69 867	6 195
TOTAL ASSETS		445 253	349 863
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		8 177	5 724
Statutory reserve		4 620	4 620
		12 797	10 344
Non-restricted equity			
Share premium reserve		573 439	457 832
Retained earnings		-194 851	-129 028
Income for the period		-72 404	-65 823
		306 184	262 981
Total equity		318 981	273 325
Non-current liabilities			
Other non-current liabilities		891	16 264
Total non-current liabilities		891	16 264
Current liabilities			
Short term borrowings	4	105 000	29 600
Trade payables		7 084	10 281
Liabilities to Credit institutions		-	3 197
Liabilities to group companies	4	247	205
Other current liabilities		1 566	10 811
Accrued expenses and prepaid income	4	11 484	6 180
Total Current liabilities		125 381	60 274
TOTAL EQUITY AND LIABILITIES		445 253	349 863
Contingent liabilities and pledged assets			
Contingent liabilities	5	-	-
Pledged assets	5	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, 2011	5 208	4 620	284 347	294 175
New share issue	516	-	47 484	48 000
Issue expenses	-	-	-3 027	-3 027
Income for the period	-	-	-65 823	-65 823
Closing balance as of April 30, 2012	5 724	4 620	262 981	273 325
Opening balance as of May 1, 2012	5 724	4 620	262 981	273 325
New share issue	2 453	-	120 205	122 658
Issue expenses	-	-	-4 598	-4 598
Income for the period	-	-	-72 404	-72 404
Closing balance as of April 30, 2013	8 177	4 620	306 184	318 981

Note 1 Accounting policies

This report is established in accordance with IAS 34, Interim Financial Reporting and the Securities market Act. The consolidated accounts have been established in accordance with the International Financial Reporting Standards (IFRS) such as they have been adopted by the EU and interpretations by the International Financial Reporting Interpretations Committee (IFRIC), RFR 1, Complementary accounting regulations for Groups and the Annual Accounts Act. The Parent Company accounts are established in accordance with RFR 2, Accounting for legal entities and the Annual Accounts Act. The Group and Parent company accounting policies and calculation methods are unchanged compared to the ones described in the Annual Report for the fiscal year May 1 2011 – April 30 2012. The new and revised accounting policies applied by Oasmia since May 1, 2012, has not had any effect on Oasmia's financial reports. The Group currently only has one operating segment and does therefore not disclose any segment information.

Note 2 Taxes

The Group has accumulated losses carried forward amounting to TSEK 300 546 (228 336) and the Parent Company has similar amounting to TSEK 290 988 (218 900). Of the total losses carried forward for the Group, TSEK 17 881 (17 881) are restricted for use through group contributions. This limitation will end by the 2014 tax assessment. The future tax effect of these losses carried forward has not been marked with a value and no deferred tax asset has been considered in the Balance Sheet.

Note 3 Capitalized development cost

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

TSEK	2013-04-30	2012-04-30
Paclical®	254 475	209 140
Paccal® Vet	84 351	81 051
Total	338 826	290 191

Note 4 Transactions with related parties

As of April 30, 2013 Oasmia had a credit facility of TSEK 40 000 (25 000) provided by the principal owner of the company, Alceco International SA. The interest rate on utilized credits is 5 %. As of April 30, 2013, this credit was completely unutilized (as of April 30, 2012, TSEK 4 600 had been utilized).

The borrowing from Nexttobe AB has increased in the fiscal year from TSEK 25 000 to TSEK 105 000. In October 2012, the entire amount of TSEK 105 000 was rewritten as one loan due for payment on December 31, 2013. The interest rate is 5 % and will be paid in its entirety when due. As of April 30, 2013, the accrued interest cost for the borrowing was TSEK 5 053 (279).

Guarantee provisions in connection with the preferential rights share issue that was made in November 2012 has been paid to Alceco International S.A. with TSEK 668 and to Nexttobe AB with TSEK 629.

Oasmia has made a TSEK 145 (175) group contribution to the subsidiary Qdoxx Pharma AB (previously Oasmia Global Supplies AB) in the fiscal year where TSEK 30 (-) were provided in the fourth quarter. Impairment of shares in Qdoxx amounting to TSEK 145 (175) have been made in the fiscal year corresponding to the group contributions, as the purpose of the group contributions was to cover losses in the subsidiary. No group contribution has been made to the subsidiary Oasmia Animal Health AB in the fiscal year (a group contribution amounting to TSEK 215 with a corresponding impairment of participation in group companies was made in the previous fiscal year). The impairment of Participations in group companies is accounted for in the Parent company income statement on the line Result from participations in group companies.

Note 5 Contingent liabilities and Pledged assets

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

Note 6 Risk factors

The Group is subjected to a number of different risks through its business. By creating awareness of the risks involved in the activities these risks can be limited, controlled and managed and at the same time as business opportunities can be utilized to increase earnings. The risks to



Oasmia's business activities are described in the Annual report for the fiscal year May 1 2011 – April 30 2012. No additional risks beyond those described therein have been judged significant.

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

Uppsala den June 7, 2013

Joel Citron, Chairman

Martin Nicklasson, Member

Jan Lundberg, Member

Prof. Dr. Horst Domdey, Member

Bo Cederstrand, Member

Julian Aleksov, Member and Chief Executive Officer

The information in this Year-end report is such that Oasmia Pharmaceutical (publ) must publish according to the code of trade in financial instruments. The information was delivered for publication on June 7, 2013 at 9.00

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

This report has not been reviewed by the company auditors.

Dividends

The Board of Directors does not intend to propose any dividends for the fiscal year May 1, 2012 – April 30, 2013.

Annual Report

The Annual Report will be published on August 22, 2013 and will be available on the company website 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

Annual General Meeting

The Annual General Meeting will be held on September 30, 2013 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

COMPANY INFORMATION

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Questions concerning the report are answered by:

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UPCOMING REPORT DATES

Annual Report May 2012 – April 2013 2013-08-22

Interim report May 2013 – July 2013 2013-09-06

Interim report May 2013 – October 2013 2013-12-05

Interim report May 2013 – January 2014 2014-03-06

Year-end report May 2013 – April 2014 2014-06-05