Oasmia Pharmaceutical AB (publ)

Interim report for the period May 1, 2019 – January 31, 2020

EVENTS IN THIRD QUARTER

- An Extraordinary General Meeting on November 6, 2019 resolved to authorize the Board of Directors of Oasmia to carry out the proposed rights issue of shares with preferential rights for Oasmia's shareholders.
- The fully subscribed rights issue generated proceeds of approximately SEK 399 million before transaction costs.

EVENTS AFTER THE BALANCE SHEET DATE

- Oasmia launched its product, Apealea® 60 mg, in Sweden, Denmark and Finland. The first batch of the drug was shipped to distributors in these countries.
- The Board of Directors appointed Dr. Francois Martelet as the new CEO. He took up his position on March 9 and replaced Dr. Sven Rohmann, who has been acting CEO during a crucial transition period. Dr. Rohmann remains in his position as Board member and will continue to play an active role in the company's commercialization strategy going forward.
- The outbreak of Covid19 and its effects on society accelerated during March. Due to the situation with the Covid 19 virus, the company is experiencing a slowdown in its Apealea launch activities in Sweden, Denmark and Finland. The Board and Management are monitoring the situation closely.
- Oasmia and Elevar signed a global strategic partnership for the commercialization of Apealea® with an upfront payment of USD 20 million, milestone payments with a potential of up to USD 678 million and double digit royalties.

THIRD QUARTER November 1, 2019 – January 31, 2020

- Consolidated net sales amounted to TSEK 144 (1,427)[1]
- Operating loss was TSEK -57,708 (-26,248)
- Net loss after tax amounted to TSEK -59,212 (-30,260)
- Loss per share was SEK -0.16 (-0.10)[2]

THE PERIOD May 1, 2019 – January 31, 2020

- Consolidated net sales amounted to TSEK 577 (1,714)[1]
- Operating loss was TSEK -141,198 (-75,626)
- Net loss after tax amounted to TSEK -117,594 (-122,343)
- Loss per share was SEK -0.42 (-0.47)[2]

[1] Figures in brackets show outcomes for the corresponding period of the previous financial year.
[2] The key figures in this report have been adjusted for the bonus issue component in the rights issue carried out during the period.

CHAIRMAN OF THE BOARD'S COMMENTS

Major steps on our commercialization path

During the past quarter, the work of the Board of Directors has continued with full speed and Oasmia has had positive progress in several areas. Since just a couple of weeks, we have Dr. Francois Martelet at the helm of Oasmia as our new full-time CEO. We have been searching for an executive with vast international experience of commercializing products of diverse pharmaceutical companies, with a proven track record in oncology, a solid network within the medical community and who also has demonstrated to be a good leader. Dr. Martelet fits excellently to all our needs and we are grateful to have him onboard. Dr. Sven Rohmann will of course continue in his Board position and will continue to play an important role in Oasmia going forward. We are grateful with the work that Sven has done in Oasmia, launching and commercializing Apealea® and his drive in the successful rights issue. Furthermore, he has been instrumental in the closing of the Elevar deal.

In December, we completed the new share issue which added proceeds of SEK 399 million before transaction costs. The issue was oversubscribed with an extraordinary subscription rate among existing shareholders. This financing and the trust received from our shareholders provide an excellent foundation to build a bright future for Oasmia.

The launch of Apealea® has gained momentum during the first months of 2020. In February, Oasmia launched Apealea® 60 mg, in the Nordics. We thereby took the first step into a Pan-European launch.

On March 25, we were proud to announce a global strategic partnership deal regarding the commercialization of Oasmia's anticancer product Apealea® with Elevar Therapeutics in Salt Lake City.

The deal is a result of an intense work from both parties, whereby we aim to prove to the market the competitiveness of this joint collaboration. This is a great step forward for Oasmia on our way to truly capitalize on the proprietary XR17 technology that has been developed by our company. This deal, together with a lot of hard work the last year, has created a very good platform for the future growth of Oasmia. We have a lot more to achieve.

Finally, the board and the management team continue to monitor the global effects of the Covid19 situation as well as deal with a number of legal issues connected to the past of Oasmia (see section "Legal and supplementary information" on pages 5-6 in this report). The list of issues continues to get shorter, and we carry on taking measures to ensure that the company has all opportunities for future growth.

Jörgen Olsson, Chairman of the Board of Oasmia

VISION

Oasmia's vision is to improve and facilitate treatments of serious diseases by developing new treatment options to manage cancer diseases. Oasmia also aims to contribute to a larger number of people cured of cancer and to increase the quality of life for both humans and animals through access to new effective drugs.

MISSION

Oasmia's mission is to utilise Oasmia's proprietary technology platform XR17 in order to develop intravenous drugs with enhanced solubility for APIs that add value to patients and stakeholders.

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CEO'S COMMENTS

The strategic partnership moves us to the next level of growth

Having been on the job for a very short time, I am impressed with the Oasmia achievements over the last 18 months in particular with the rights issue last December. Let me thank Dr. Sven Rohmann, former acting CEO, and the management team who have done a great job in the recent months with the approval and launch of Apealea® 60 mg in the Nordics as well as the groundwork for the strategic partnership that we have announced earlier this week.

One of the main reasons why Oasmia is quite unique in the biotech world because it is an integrated pharmaceutical company with R&D, production, marketing and sales capabilities. Now it is time to review and strengthen our internal capabilities in order to become a significant European oncology player. We will now work on articulating a business plan that will be matching our high expectations. We will then be focusing on the execution of the plan to transform the company accordingly.

As we announced on March 25, Oasmia and Elevar Therapeutics Inc. have signed a global strategic partnership deal regarding the commercialization of Oasmia's anticancer product Apealea®. The overall deal value is USD 698 million and royalties, that includes an upfront fee of USD 20 million and milestone payments with a potential of up to USD 678 million depending on Elevar's achievement of future sales milestones, clinical development milestones and regulatory approval milestones. Elevar will also pay Oasmia double-digit royalties on the sales of Apealea®.

We view this deal as a major step forward for Oasmia that will propel the company into the commercialization space and we will be working in close collaboration with Elevar in order to maximize the value of the deal. We will also be looking at strengthening our portfolio by licensing in and/or acquiring other oncology assets, in line with our ambition to become a major oncology player in Europe.

We will continue to maximize the value of our core technology platform XR17 by generating new oncology compounds. Nowadays, the development will very much be about combinations of chemotherapies with immunotherapy and also about targeted anti-cancer drugs. Oasmia and its technology platform is in a good position to be at the forefront of that development.

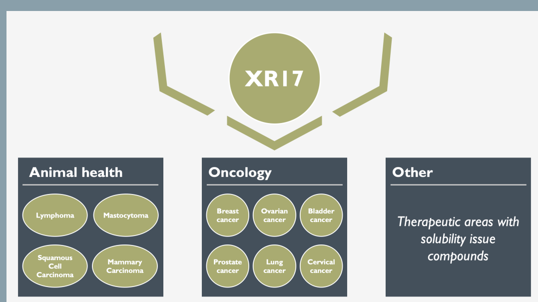
Today we are carefully monitoring the Covid19 situation and its impact on our community. We are experiencing a slowdown in our Apealea launch activities in Sweden, Denmark and Finland due to the situation with the Covid19 virus.

I will do my best to communicate in a transparent and ethical way with shareholders, investors and the medical community going forward. On a personal note, I am delighted to be back working in Sweden where I lived many years ago.

Dr. Francois Martelet, CEO of Oasmia

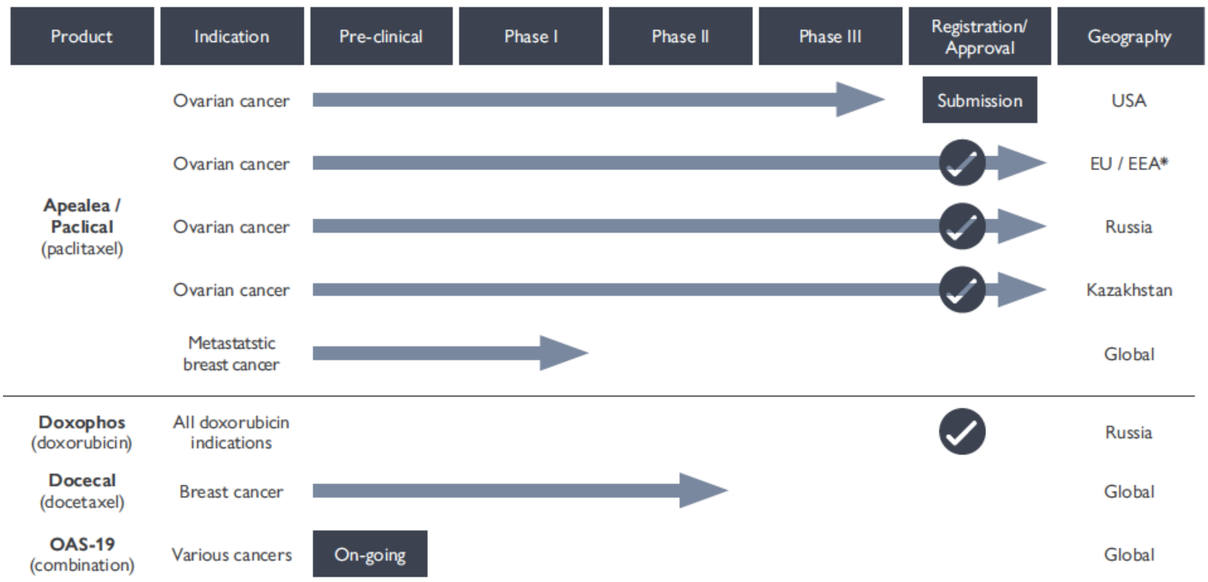
STRATEGY AND FOCUS AREAS

- Transition from development focus to a commercially driven organization
- Launch of Apealea in the EU with Elevar
- FDA approval and launch of Apealea through Elevar
- Expand Apealea indications
- Expand pipeline of products with clinical value



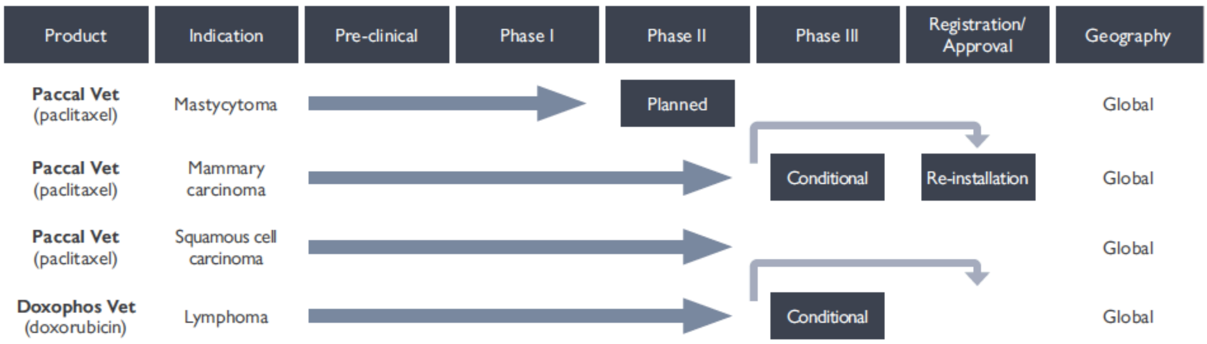
PROJECT PORTFOLIO

PROJECT PORTFOLIO HUMAN HEALTH



* EU, Norway, Iceland and Liechtenstein

PROJECT PORTFOLIO ANIMAL HEALTH



LEGAL AND SUPPLEMENTARY INFORMATION

Intellectual properties
Oasmia's product portfolio consists of drug candidates, all of which are all based on the Company's excipient model developed with nanotechnology and protected by patents in all countries that the Company considers to be important. The Company owns approved patents based on 12 different patent families.

Ardenia Investment ("Ardenia") a company under control of the former executive chairman in the Company, Julian Aleksov, and in whose name many of the Company's patents have been registered, since long transferred its patents to the Company, but Ardenia has despite requests not participated in the registration of the patents in accordance with the transfer agreements. An investigation by the Company's legal advisor has concluded that all patents are owned by the Company irrespective of the registration circumstances, and the company has thereafter initiated re-registration of the patents on its own, which has been concluded inter alia in: United States, Hong Kong, China, South Africa and European countries.

Legal proceedings

- The labour law lawsuits that the previous working chairman Julian Aleksov and the previous CFO Anders Blom respectively had notified (see further the issue prospectus from November 2019 under the heading "Rättsliga förfaranden"/"Legal proceedings") have now been filed, and Oasmia has contested them. This does not cause Oasmia in any way to alter its previous made assessments of these disputes.

- Oasmia has started measures for the purpose of, in relevant countries and through judicial procedures, speeding up and finishing the re-registrations which are described under the foregoing heading.

- Since June 2019, MGC Capital Ltd has filed various lawsuits, which relate partly to repayment of subscription amount for shares that the Company was granted through a set-off against Nexttobe AB's promissory note against the Company which MGC acquired, corresponding to a capital amount of MSEK 80, and partly to a claim for damages amounting to approximately MSEK 230 on the grounds that the Company allegedly did not fulfil the granting MGC 23.2 million additional warrants to MGC, and whereupon the Company did not thereafter honour the exercise of these options into shares. Initial procedural objections are not yet finally tried; if and when this will be completed, Oasmia will continue to contest these payment claims, and the handling of the cases so far has not in any way caused Oasmia to alter previous made assessments relating to these cases.

- Oasmia is pursuing a court action against MGC Capital Ltd in the Stockholm District Court in respect of a contractual claim for payment following from Arwidsro Investment AB's acquisition of this repayment claim from Nexttobe, amounting to MSEK 57.5 in total, plus interest. This is thus encompassing the claim that Oasmia took over from Arwidsro as part of the settlement on the 5 July 2019, and which Arwidsro had acquired from Nexttobe previously. Procedural objections are now assessed as being essentially tried, but examination of the substantive case is not expected to be commence during current financial year.

- On July 29, 2019, a complaint was filed on behalf of a putative class of investors against Oasmia, as well as its former executive officers Julian Aleksov, Mikael Asp, Anders Lundin, Fredrik Gynnerstedt, and Anders Blom in the United States District Court for the Southern District of New York.

  On October 21, 2019, the court approved the appointment of co-lead plaintiffs and lead counsel for the alleged class. Plaintiffs then filed an amended complaint on November 14, 2019 where e.g. further defendants were stated. The amended complaint does not specify the damages sought by plaintiffs. The court has granted an extension for Oasmia's initial response.

- Regarding ongoing tax audit, continued contacts with the authorities did not give rise to changed assessments to those made in the issued prospectus from November 19, 2019, which is why the company still considers that no special reservation is necessary.

The company has made some reservations for legal costs in respect of the abovementioned ongoing or threatened disputes.

FINANCIAL INFORMATION

Consolidated income statement in brief

	2019/20	2018/19	2019/20	2018/19	2018/19
TSEK	Nov-Jan	Nov-Jan	May-Jan	May-Jan	May-Apr
Net sales	144	1,427	577	1,714	1,980
Change in inventories of products in progress and finished goods	-373	-260	7,767	-490	-5,148
Capitalized development costs	1,655	2,642	3,518	8,949	8,431
Other operating income/loss	-28	50	72	308	755
Operating expenses	-59,106	-30,288	-153,132	-86,108	-156,837
Operating income/loss	-57,708	-26,428	-141,198	-75,626	-150,818
Net income/loss for the period	-59,212	-30,260	-117,594	-122,343	-201,881
Earnings/loss per share, before and after dilution in SEK*	-0.16	-0.10	-0.42	-0.47	-0.80
Comprehensive income/loss for the period	-59,284	-30,181	-117,836	-122,377	-202,503

* The key figures in this report have been adjusted for the bonus issue component in the rights issue carried out during the period.

THIRD QUARTER

November 1, 2019 – January 31, 2020

Net sales
Net sales amounted to TSEK 144 (1,427) and consisted of sales of goods of TSEK 0 (1,287), of supplies of TSEK 59 (18) and of royalties of TSEK 85 (122).

Change in inventories of products in progress and finished goods
The change in inventories of products in progress and finished goods amounted to TSEK -373 (-260) during the quarter.

Capitalized development costs
Capitalized development costs, which refer to phase III clinical trials for the product candidates Apealea/Paclical and Paccal Vet, amounted to TSEK 1,655 (2,642). The capitalized development costs during the quarter, as in the third quarter of the previous year, are attributable to Apealea/Paclical in their entirety. The Paccal Vet studies did not have any activity during the quarter.

Other operating income/loss
Other operating loss amounted to TSEK -28 (50).

Operating expenses
Operating expenses, including depreciation, amortization and impairments, were higher than for the corresponding quarter the previous year and amounted to TSEK 59,106 (30,288). The increase is primarily attributable to increased costs for consultants and lawyers and other legal costs as well as increased staff costs. This is due to some litigations related to historical events and to the reinforcement of the company’s management and organization in preparation for commercialization.

The number of employees at the end of the quarter was 62 (57).

Operating income/loss for the quarter
Operating income for the quarter was lower than during the corresponding quarter the previous year and amounted to a loss of TSEK -57,708 (-26,428). This is mainly due to higher operating expenses this year.

Income/loss before taxes
Income before taxes amounted to a loss of TSEK -59,212 (-30,260). The greater loss compared to the corresponding quarter the previous year is attributable to the lower operating income.

Income tax

The reported income tax amounted to TSEK 0 (0) during the quarter.

Net income/loss for the quarter
The net loss after tax was TSEK -59,212 (-30,260).

Oasmia's business activities were not affected by seasonal variation or cyclical effects.

PERIOD
May 1, 2019 – January 31, 2020

Net sales
Net sales amounted to TSEK 577 (1,714) and consisted of sales of goods of TSEK 0 (1,287), of sales of supplies of TSEK 273 (156) and of royalties of TSEK 304 (271).

Change in inventories of products in progress and finished goods
The change in inventories of products in progress and finished goods amounted to TSEK 7,767 (-490) during the period. This is because Oasmia has increased its inventory ahead of the expected launch in the near future.

Capitalized development costs
Capitalized development costs, which refer to phase III clinical trials for the product candidates Apealea/Paclical and Paccal Vet, amounted to TSEK 3,518 (8,949). The capitalized development costs during the period, as in the corresponding period the previous year, are attributable to Apealea/Paclical in their entirety. The Paccal Vet studies did not have any activity during the period.

Other operating income/loss
Other operating income amounted to TSEK 72 (308).

Operating expenses
Operating expenses, including depreciation, amortization and impairments, were higher than for the corresponding period the previous year and amounted to TSEK 153,132 (86,108). The increase is primarily attributable to increased costs for consultants and lawyers and other legal costs as well as increased staff costs. This is due to some litigations related to historical events and to the reinforcement of the company's management and organization in preparation for commercialization.

The number of employees at the end of the period was 62 (57).

Operating income/loss for the period
Operating income for the period was lower than during the corresponding period the previous year and amounted to a loss of TSEK -141,198 (-75,626). This is due to higher operating expenses this year.

Income/loss before taxes
Income before taxes amounted to a loss of TSEK -150,416 (-89,521). The greater loss compared to the corresponding period the previous year is attributable to the lower operating income.

Income tax
During the period, Oasmia completed an investigation into the economic and civil legal significance of the transaction between the parent company and its US subsidiary, AdvaVet, which was carried out in May 2018 and which has been detailed in the annual report as of April 30, 2019.

This investigation indicates that the company does not consider it likely that the transaction will result in any taxation and thus will not affect the parent company's loss carryforwards.

The investigation has also led to the company making a whole new assessment of the transaction in question. This assessment means, among other things, that the temporary difference between the tax and accounting value of certain assets, which previously gave rise to a deferred tax liability of TSEK 32,822, no longer exists. As a result, this deferred tax liability could be deducted from the consolidated balance sheet, which led to a tax revenue of the same amount.

Net income/loss for the period
The net loss after tax was TSEK -117,594 (-122,343). Compared to the corresponding period the previous year, the net loss was significantly greater, which, however, was overcompensated by the fact that the company this year booked a tax revenue of TSEK 32,822, while last year was burdened by a tax expense of TSEK 32,822.

Oasmia's business activities were not affected by seasonal variation or cyclical effects.

Cash flow and capital expenditure

Net cash flow for the period was TSEK -91,523 (-7,991) and consisted of Cash flow from operating activities of TSEK -142,163 (-74,461), Cash flow from investing activities of TSEK -331,648 (-11,939) and Cash flow from financing activities of TSEK 382,287 (78,409).

Cash flow from operating activities
The cash flow from operating activities was TSEK -142,163 (-74,461). The lower cash flow from operating activities during the period compared with the corresponding period the previous year is primarily due to the higher costs and to the fact that accounts payable have been paid off to a significantly higher extent this year.

Cash flow from investing activities
The cash flow from investing activities was TSEK -331,648 (-11,939).

Investments in property, plant and equipment and in intangible assets
Capital expenditure during the period consisted of investments in intangible assets of TSEK 3,619 (10,047), investments in property, plant and equipment of TSEK 7,777 (1,892). Investments in intangible assets consisted of capitalized development costs of TSEK 3,518 (8,949) and of patents of TSEK 101 (1,098). Investments in property, plant and equipment consisted of capital expenditure for production equipment.

Investments in financial assets
A claim on the company MGC Capital Ltd. acquired during the period is reported as investments in financial assets, TSEK 40,251 (0), see "Financing and financial position" below. This claim was acquired within the framework of the settlement reached with Arwidsro Investment AB during the period, which is reported elsewhere in this report, see Note 5 and 6.

Short-term investments
Of the cash and cash equivalents provided to the company through the rights issue carried out during the third quarter, see below, TSEK 280,000 has been invested in short-term interest rate funds. This is reported in the cash flow statement as short-term investments.

Cash flow from financing activities
The cash flow from financing activities amounted to TSEK 382,287 (78,409).

Rights issue
During the third quarter, a rights issue was carried out which, after deductions for issue expenses, brought the company TSEK 373,134. Of this amount, Arwidsro Investment AB, Oasmia's principal owner, had already advanced TSEK 45,000 during the second quarter, meaning that the rights issue provided TSEK 328,134 during the third quarter. The company has not paid any compensation to Arwidsro for the advance paid, nor for the share of the rights issue that Arwidsro had guaranteed. See also "Financing and financial position" below.

Redemption of warrants
Earlier in the period, Arwidsro Investment AB exercised 24,193,548 options for an equal number of new shares at a price of SEK 3.10 per share. This new share issue brought the company TSEK 75,000 and was made as part of the settlement with Arwidsro Investment AB.

Convertible debt instruments
During the period, two convertible debt instruments totaling TSEK 62,000 were repaid, see below under "Financing and financial position".

Leasing liability
In addition, cash flow from financing activities also consisted of amortization of leasing liability amounting to TSEK -3,846 (0). This leasing liability has arisen and is recognized in the balance sheet as a result of the introduction of the new accounting standard IFRS 16 on May 1, 2019, see also Note 1.

Last year's cash flow from financing activities
Last year's cash flow from financing activities consisted of inflows from utilization of loan facilities from banks of TSEK 4,801 and repayment thereof to the same amount and from issuance of convertible debt instruments of TSEK 119,200, and related issue costs, and an outflow of TSEK 37,552 consisting of repayment of loans.

Financing and financial position

Cash and cash equivalents
The Group's cash and cash equivalents at the end of the period amounted to TSEK 24,757 (7,599).

Short-term investments
Of the TSEK 328,134 provided in liquidity through a rights issue during the third quarter, see below, TSEK 280,000 has been invested in short-term interest rate funds. The funds' rate has low volatility and the fund shares can be converted into liquidity within a few banking days.

Rights issue
During the third quarter, a rights issue was carried out in which 199,275,352 new shares were issued at a price of SEK 2.00 per share, which brought the company gross TSEK 398,551 in cash and cash equivalents and equity. From this, issue expenses amounting to TSEK 26,157 are deducted, of which TSEK 25,417 was paid during the period. In addition, as mentioned in "Cash flow and capital expenditure" above, TSEK 45,000, which was already paid out to the company in the second quarter as an advance on the rights issue, were deducted. Thus, during the quarter, the rights issue contributed net TSEK 328,134 in cash and cash equivalents and TSEK 372,394 in equity, of which TSEK 19,928 was added to the share capital and TSEK 352,466 to the share premium reserve.

Convertible debt instruments
In September 2018, 32 convertible debt instruments were issued at a price of TSEK 1,100 each, in total TSEK 35,200. These convertible debt instruments carried interest of 8 percent and matured on September 7, 2019. During the 2018/2019 financial year, TSEK 24,200 of this loan was converted. The remaining TSEK 11,000 plus interest has been repaid during the period.

On October 31, 2018, 40 convertible debt instruments were issued at a price of TSEK 2,000 each, in total TSEK 80,000. One of the subscribers did not pay for their subscription, corresponding to 14.5 convertible debt instruments, in total TSEK 29,000. Since these convertible debt instruments were not paid in before April 30, 2019, they expired and subsequently were reversed in the books in Oasmia under the positions. This means that the remaining convertible debt instruments amounted to TSEK 51,000. These convertible debt instruments carried interest of 5 percent and matured on October 30, 2019 and were then repaid with interest.

As of January 31, 2020, there were no outstanding convertible debt instruments.

Other borrowing
On January 31, 2020, Oasmia had a debt to MGC Capital Ltd amounting to TSEK 80,000 (0), which is reported in the balance sheet as other borrowing. This debt has become due on August 24, 2019 and, on submission of this interim report, is disputed and not repaid. In July 2019, Oasmia acquired a claim on MGC of TSEK 60,251 from Arwidsro Investment AB. This receivable was acquired for TSEK 40,251, see also Note 6. It is reported in the balance sheet as Other current receivable at this value. This receivable was due on August 24, 2019 and, upon submission of this interim report, is disputed and not repaid. However, when the debt to MGC is settled, the nominal value of TSEK 60,251 is estimated to be offset, whereby an income of approximately TSEK 20,000 is expected to arise. See also Notes 5 and 6.

Arwidsro Investment AB
As of April 30, 2019, the company had an outstanding loan commitment of TSEK 75,000 (75,000), from Arwidsro Investment AB. At that time, Arwidsro held 24,193,548 warrants that entitled to subscribe for the same number of new shares at a subscription price of SEK 3.10 per share, totaling TSEK 75,000. These transactions were carried out in July 2019, by Arwidsro fulfilling its loan commitment and redeeming the outstanding warrants.

For Oasmia, this meant an increased equity of TSEK 75,000.

Overdraft facility with the bank
Oasmia has an unutilised overdraft facility with the bank for TSEK 5,000 (5,000).

Equity
At the end of the period, equity was TSEK 722,685 (399,347), the equity/assets ratio was 82 percent (71 percent), and the debt/equity ratio was negative (20 percent). That the debt/equity ratio is negative is due to the net debt being negative, that is, the sum of cash, cash equivalents and short-term investments is greater than borrowing.

Outstanding warrants and other instruments that can increase the number of shares in Oasmia
As per January 31, 2020 the following instruments were outstanding:

	Number of warrants	Total possible number of shares	Strike price
Warrants that can be converted into three shares	1,280,250	3,840,750	USD 4.06
Warrants that can be converted into one share	140,352	140,352	USD 1.69
Total possible number of shares		**3,981,102**	

Warrants that can be converted into three shares are warrants issued in 2015 with a final maturity date on October 28, 2025. One warrant gives the holder the right to subscribe for three shares in Oasmia at a strike price of USD 4.06.

Warrants that can be converted into one share are warrants issued in 2015 with a final maturity date on October 22, 2020. One warrant gives the holder the right to subscribe for one share in Oasmia at a strike price of USD 1.69.

Future financing
Oasmia has two products approved, but this does not allow the company's business operations to generate sufficient cash flow. Work is therefore continuously conducted on finding other financing alternatives. This work includes the company engaging in discussions with potential collaboration partners about the licensing of distribution and sales rights, negotiations with new and existing investors, financiers and lenders, and the company securing resources so that future forecast revenue flows materialize in regions where the company's products are registered.

During the period, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue costs. In addition, after the balance sheet date, an agreement with a strategic partner has been concluded, giving Oasmia, in addition to future milestone payments and royalties, an initial non-refundable payment of USD 20 million, corresponding to approximately MSEK 200.

Consequently, management believes that the Group's financing and liquidity needs for the coming year are covered.

Parent Company
The Parent Company's net sales for the period amounted to TSEK 577 (1,714) and the net loss before tax was TSEK -156,954 (-85,058). The Parent Company's cash and cash equivalents at January 31, 2020 amounted to TSEK 24,618 (6,914) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 280,245 (0).

Key ratios and other information

	2019/20 Nov-Jan	2018/19 Nov-Jan	2019/20 May-Jan	2018/19 May-Jan	2018/19 May-Apr
Number of shares at the end of the period, before and after dilution, in thousands*	448,370	298,364	448,370	298,364	294,620
Weighted average number of shares, before and after dilution, in thousands*	363,648	296,492	281,493	257,076	253,312
Earnings/loss per share, before and after dilution, SEK*	-0.16	-0.10	-0.42	-0.47	-0.80
Equity per share, SEK*	1.61	1.34	1.61	1.34	1.33
Equity/assets ratio, %	82	71	82	71	64
Net debt, TSEK	-225,001	78,187	-225,001	78,187	23,296
Net debt/equity ratio, %	neg	20	neg	20	6
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	62	57	62	57	60

* The key figures in this report have been adjusted for the bonus issue component in the rights issue carried out during the period.

Definitions
Earnings/loss per share: Income for the period attributable to Parent Company shareholders divided by the weighted average number of shares, before and after dilution, in the period.
Equity per share: Equity attributable to Parent Company shareholders as a ratio of the number of shares at the end of the period.
Equity/assets ratio: Equity as a ratio of total assets.
Net debt: Total borrowings (comprising the balance sheet items liabilities to credit institutions, convertible debt instruments and other borrowings) with deduction of cash, cash equivalents and short-term investments.
Net debt/equity ratio: Net debt as a ratio of equity.
Return on total assets: Income before interest expenses as a percentage of the average balance sheet total.
Return on equity: Income before taxes as a ratio of average equity.

The key ratios found above are generic key ratios often used in analyses and comparisons between different companies. They are therefore given to enable the reader to rapidly and summarily evaluate Oasmia's financial situation and possibly compare with other companies.

These have been calculated as follows:

	2019/20 Nov-Jan	2018/19 Nov-Jan	2019/20 May-Jan	2018/19 May-Jan	2018/19 May-Apr
Equity per share					
Equity attributable to Parent Company shareholders at end of period, TSEK	722,685	399,347	722,685	399,347	393,178
Number of shares at end of period, thousands	448,370	298,364	448,370	298,364	294,620
Equity per share, SEK	**1.61**	**1.34**	**1.61**	**1.34**	**1.33**
Equity/assets ratio					
Equity at end of period, TSEK	722,685	399,347	722,685	399,347	393,178
Total assets at end of period, TSEK	876,470	562,829	876,470	562,829	614,719
Equity/assets ratio	**82%**	**71%**	**82%**	**71%**	**64%**
Net debt, TSEK					
Convertible debt instruments	-	85,786	-	85,786	59,568
Other borrowings	80,000	-	80,000	-	80,000
Total borrowings	80,000	85,786	80,000	85,786	139,568
Short-term investments	280,245	-	280,245	-	-
Cash and cash equivalents	24,757	7,599	24,757	7,599	116,272
Total short-term investments, cash and cash equivalents	305,001	7,599	305,001	7,599	116,272
Net debt	**-225,001**	**78,187**	**-225,001**	**78,187**	**23,296**

Net debt/equity ratio

Net debt, TSEK	-225,001	78,187	-225,001	78,187	23,296
Equity, TSEK	722,685	399,347	722,685	399,347	393,178
Net debt/equity ratio	**-31%**	**20%**	**-31%**	**20%**	**6%**

Consolidated income statement

TSEK	Note	2019/20 Nov-Jan	2018/19 Nov-Jan	2019/20 May-Jan	2018/19 May-Jan	2018/19 May-Apr
Net sales		144	1,427	577	1,714	1,980
Change in inventories of products in progress and finished goods		-373	-260	7,767	-490	-5,148
Capitalized development costs		1,655	2,642	3,518	8,949	8,431
Other operating income		-28	50	72	308	755
Raw materials, consumables and goods for resale		-978	-1,756	-3,878	-3,081	-4,998
Other external expenses		-39,080	-13,927	-94,707	-43,755	-68,183
Employee benefit expenses		-15,826	-12,598	-44,891	-34,704	-52,068
Depreciation, amortization and impairment		-3,222	-2,007	-9,656	-4,567	-31,587
Operating income/loss		**-57,708**	**-26,428**	**-141,198**	**-75,626**	**-150,818**
Financial income		598	4	1,066	18	19
Financial expenses		-2,102	-3,835	-10,284	-13,912	-18,259
Financial income and expenses - net		**-1,504**	**-3,831**	**-9,218**	**-13,894**	**-18,240**
Income/loss before taxes		**-59,212**	**-30,260**	**-150,416**	**-89,521**	**-169,058**
Taxes	2	-	-	32,822	-32,822	-32,822
Income/loss for the period		**-59,212**	**-30,260**	**-117,594**	**-122,343**	**-201,881**
Income/loss for the period attributable to:						
Parent Company shareholders		-59,212	-30,273	-117,594	-122,349	-201,886
Non-controlling interests		-	14	-	6	6
Earnings/loss per share, before and after dilution, SEK *		-0.16	-0.10	-0.42	-0.47	-0.80

*Historical values have been recalculated with respect to the bonus issue elements in the rights issue that was carried out during the period.

Consolidated statement of comprehensive income

TSEK	Note	2019/20 Nov-Jan	2018/19 Nov-Jan	2019/20 May-Jan	2018/19 May-Jan	2018/19 May-Apr
Income/loss for the period		**-59,212**	**-30,260**	**-117,594**	**-122,343**	**-201,881**
Other comprehensive income/loss						
Items that may be subsequently reclassified to the income statement:						
Translation differences		-72	78	-242	-34	-623
Total other comprehensive income/loss		**-72**	**78**	**-242**	**-34**	**-623**
Comprehensive income/loss for the period		**-59,284**	**-30,181**	**-117,836**	**-122,377**	**-202,503**
Comprehensive income/loss attributable to:						
Parent Company shareholders		-59,284	-30,194	-117,836	-122,383	-202,509
Non-controlling interests		-	13	-	6	6

Consolidated statement of financial position

TSEK	Note	January 31, 2020	January 31, 2019	Apr 30, 2019
ASSETS				
Non-current assets				
Property, plant and equipment		35,941	14,950	14,701
Capitalized development costs	3	434,579	434,338	433,130
Other intangible assets		19,213	45,648	20,176
Financial non-current assets		2,002	2	2,002
Total non-current assets		**491,735**	**494,938**	**470,009**
Current assets				
Inventories	4	18,385	12,607	7,420
Accounts receivable		0	4,259	3,534
Other current receivables		44,625	30,948	3,011
Prepaid expenses and accrued income		16,723	12,478	14,472
Short-term investments		280,245	-	-
Cash and cash equivalents		24,757	7,599	116,272
Total current assets		**384,735**	**67,891**	**144,710**
TOTAL ASSETS		**876,470**	**562,829**	**614,719**
EQUITY				
Capital and reserves attributable to Parent Company shareholders				
Share capital		44,837	20,052	22,490
Ongoing rights issue/conversion		-	2,724	-
Other capital provided		1,904,510	1,405,271	1,479,513
Reserves		-894	-63	-652
Retained earnings including income/loss for the period		-1,225,768	-1,028,636	-1,108,174
Equity attributable to Parent Company shareholders		**722,685**	**399,347**	**393,178**
Equity attributable to non-controlling interests		-	-	-
Total equity	9	**722,685**	**399,347**	**393,178**
LIABILITIES				
Long-term liabilities				
Leasing debt		10,173	-	-
Deferred tax liability		-	32,822	32,822
Total long-term liabilities		**10,173**	**32,822**	**32,822**
Current liabilities				
Convertible debt instruments		-	85,786	59,568
Other short-term borrowings		80,000	-	80,000
Accounts payable		14,228	17,032	17,666
Other current liabilities		8,852	3,310	3,217
Accrued expenses and deferred income		40,531	24,533	28,268
Total current liabilities		**143,612**	**130,660**	**188,719**
Total liabilities		**153,784**	**163,482**	**221,541**
TOTAL EQUITY AND LIABILITIES		**876,470**	**562,829**	**614,719**

Any contingent liabilities and pledged assets are reported in note 6

Consolidated statement of changes in equity

TSEK	Share capital	Ongoing rights issue/conversion	Other capital provided	Reserves	Retained earnings incl. income/loss for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
	Attributable to Parent Company shareholders							
Opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**-29**	**-904,860**	**345,042**	**-6**	**345,036**
Adjustment due to changed accounting principles	-	-	-	-	-1,427	-1,427	-	-1,427
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**-29**	**-906,288**	**343,616**	**-6**	**343,609**
Income/loss for the period	-	-	-	-	-122,349	-122,349	6	-122,343
Other comprehensive income/loss	-	-	-	-34	-	-34	-	-34
Comprehensive income/loss for the period	**0**	**0**	**0**	**-34**	**-122,349**	**-122,383**	**6**	**-122,377**
Equity component in issue of convertible debt instruments	-	-	4,276	-	-	4,276	-	4,276
Reversal of costs of converting convertible loan	-	-	1,928	-	-	1,928	-	1,928
Reversal of equity in connection with redemption of warrants	-	-	-10,617	-	-	-10,617	-	-10,617
New share issues	806	-	101,631	-	-	102,438	-	102,438
Redemption of convertibles	1,605	-	69,595	-	-	71,200	-	71,200
Ongoing rights issue/conversion	-	2,724	6,857	-	-	9,581	-	9,581
Issue expenses	-	-	-690	-	-	-690	-	-690
Closing balance as of January 31, 2019	**20,052**	**2,724**	**1,405,271**	**-63**	**-1,028,636**	**399,347**	**0**	**399,347**
Opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**-29**	**-904,860**	**345,042**	**-6**	**345,036**
Adjustment due to changed accounting policies	-	-	-	-	-1,427	-1,427	-	-1,427
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**-29**	**-906,288**	**343,616**	**-6**	**343,609**
Income/loss for the period	-	-	-	-	-201,886	-201,886	6	-201,881
Other comprehensive income/loss	-	-	-	-623	-	-623	-	-623
Comprehensive income/loss for the period	**0**	**0**	**0**	**-623**	**-201,886**	**-202,509**	**6**	**-202,503**
Equity component in issue of convertible debt instruments	-	-	2,997	-	-	2,997	-	2,997
Reversal of expenses upon conversion of convertible debt instruments	-	-	1,928	-	-	1,928	-	1,928
Reversal of equity in connection with redemption of warrants	-	-	-10,617	-	-	-10,617	-	-10,617
New share issues	3,101	-	186,917	-	-	190,018	-	190,018
Redemption of convertibles	1,748	-	76,452	-	-	78,200	-	78,200
Issue expenses	-	-	-10,454	-	-	-10,454	-	-10,454
Closing balance as of April 30, 2019	**22,490**	**0**	**1,479,513**	**-652**	**-1,108,174**	**393,178**	**0**	**393,178**
Opening balance as of May 1, 2019	**22,490**	**0**	**1,479,513**	**-652**	**-1,108,174**	**393,178**	**0**	**393,178**
Income/loss for the period	-	-	-	-	-117,594	-117,594	-	-117,594
Other comprehensive income/loss	-	-	-	-242	-	-242	-	-242
Comprehensive income/loss for the period	**0**	**0**	**0**	**-242**	**-117,594**	**-117,836**	**0**	**-117,836**
New share issues	22,347		451,204	-	-	473,551	-	473,551
Issue expenses	-	-	-26,207	-	-	-26,207	-	-26,207
Closing balance as of January 31, 2020	**44,837**	**0**	**1,904,510**	**-894**	**-1,225,768**	**722,685**	**0**	**722,685**

Consolidated cash flow statement

TSEK	2019/20 Nov-Jan	2018/19 Nov-Jan	2019/20 May-Jan	2018/19 May-Jan	2018/19 May-Apr
Operating activities					
Operating income/loss before financial items	-57,708	-26,428	-141,198	-75,626	-150,818
Adjustments for non-cash items	4,652	2,889	10,909	5,449	38,673
Interest received	1	-19	16	30	31
Interest paid	-251	-2,118	-4,141	-3,045	-3,068
Cash flow from operating activities before working capital changes	**-53,306**	**-25,676**	**-134,415**	**-73,192**	**-115,182**
Change in working capital					
Change in inventories	-1,902	-2,348	-10,965	-3,743	-4,099
Change in accounts receivable	85	-480	36	-613	112
Change in other current receivables	-3,825	-4,602	-5,187	-4,605	-7,935
Change in accounts payable	-889	2,447	-4,112	7,798	8,226
Change in other current liabilities	11,024	739	12,481	-105	39
Cash flow from operating activities	**-48,814**	**-29,921**	**-142,163**	**-74,461**	**-118,839**
Investing activities					
Investments in intangible assets	-1,659	-2,716	-3,619	-10,047	-9,536
Investments in property, plant and equipment	-702	-1,264	-7,777	-1,892	-2,495
Investments in financial assets	-	-	-40,251	-	-2,000
Short-term investments	-280,000	-	-280,000	-	-
Cash flow from investing activities	**-282,362**	**-3,980**	**-331,648**	**-11,939**	**-14,031**
Financing activities					
Increase in liabilities to credit institutions	-	-	-	4,801	4,801
Repayment of liabilities to credit institutions	-	-	-	-4,801	-4,801
Repayments of loans	-	-11,552	-	-37,552	-37,552
Amortization of leasing debt	-1,237	-	-3,846	-	-
Convertible debt instruments	-	51,000	-	119,200	119,200
Repayments of convertible debt instruments	-	-	-62,000	-	-
New share issues	353,551	-	473,551	18	165,018
Issue expenses	-25,417	-2,554	-25,417	-3,257	-13,166
Cash flow from financing activities	**326,896**	**36,894**	**382,287**	**78,409**	**233,500**
Cash flow for the period	**-4,279**	**2,993**	**-91,523**	**-7,991**	**100,630**
Exchange rate differences in cash and cash equivalents	**-3**	**-2**	**8**	**9**	**62**
Cash and cash equivalents at beginning of the period	**29,039**	**4,607**	**116,272**	**15,580**	**15,580**
Cash and cash equivalents at end of the period	**24,757**	**7,599**	**24,757**	**7,599**	**116,272**

Parent Company income statement

TSEK	Note	2019/20 Nov-Jan	2018/19 Nov-Jan	2019/20 May-Jan	2018/19 May-Jan	2018/19 May-Apr
Net sales		144	1,427	577	1,714	1,980
Change in inventories of products in progress and finished goods		-374	-260	7,767	-490	-5,148
Capitalized development costs		1,656	2,642	3,518	8,949	8,431
Other operating income/loss		-28	-63	72	216	666
Raw materials and consumables		-978	-1,755	-3,878	-3,081	-4,998
Other external expenses		-40,438	-12,707	-97,524	-39,207	-61,642
Employee benefit expenses		-15,835	-12,578	-39,797	-34,635	-47,429
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-1,831	-2,007	-5,543	-4,567	-31,587
Operating income/loss		**-57,685**	**-25,300**	**-134,808**	**-71,101**	**-139,727**
Result from participations in Group companies		-647	-	-13,763	-63	-163
Other interest income and similar income		598	4	1,066	18	162
Interest expenses and similar expenses		-1,804	-3,835	-9,449	-13,912	-18,259
Financial items, net		**-1,853**	**-3,831**	**-22,146**	**-13,957**	**-18,260**
Income/loss before taxes		**-59,538**	**-29,131**	**-156,954**	**-85,058**	**-157,988**
Income taxes	2	-	-	-	-	-
Income/loss for the period		**-59,538**	**-29,131**	**-156,954**	**-85,058**	**-157,988**

Parent Company balance sheet

TSEK	Note	January 31, 2020	January 31, 2019	April 30, 2019
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	3	434,579	324,930	323,722
Concessions, patents, licenses, trademarks and similar rights		19,213	45,648	20,176
Property, plant and equipment				
Equipment, tools, fixtures and fittings		11,404	14,270	13,501
Construction in progress and advance payments for property, plant and equipment		8,309	680	1,201
Financial non-current assets				
Participations in Group companies	5	60	109,763	109,663
Other securities held as non-current assets		2,001	1	2,001
Total non-current assets		**475,566**	**495,292**	**470,264**
Current assets				
Inventories etc	4			
Raw materials and consumables		7,041	5,677	5,915
Products in progress		5,559	6,930	1,505
Finished goods		5,785	-	-
		18,385	12,607	7,420
Current receivables				
Accounts receivable		0	4,259	3,534
Receivables from Group companies		0	3,923	7,142
Other current receivables		44,624	30,945	3,010
Prepaid expenses and accrued income		17,758	12,063	14,325
		62,382	51,190	28,011
Short-term investments		280,245	-	-
Cash and bank balances		24,618	6,914	115,112
Total current assets		**385,630**	**70,711**	**150,543**
TOTAL ASSETS		**861,196**	**566,003**	**620,807**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		44,837	20,052	22,490
Ongoing rights issue/conversion		-	2,724	-
Statutory reserve		4,620	4,620	4,620
Reserve for development costs		27,566	24,768	24,199
		77,023	52,164	51,309
Non-restricted equity				
Share premium reserve		1,904,823	1,405,583	1,479,826
Retained earnings		-1,097,612	-936,827	-936,258
Net income/loss for the period		-156,594	-85,058	-157,988
		650,257	383,698	385,580
Total equity	9	**727,280**	**435,862**	**436,890**
Current liabilities				
Convertible debt instruments		-	85,786	59,568
Other short-term borrowings		80,000	-	80,000
Accounts payable		12,476	16,664	14,748
Liabilities to Group companies		2,834	2,784	2,784
Other current liabilities		2,073	1,826	1,735
Accrued expenses and deferred income		36,533	23,081	25,082
Total current liabilities		**133,916**	**130,141**	**183,917**
TOTAL EQUITY AND LIABILITIES		**861,196**	**566,003**	**620,807**

Any contingent liabilities and pledged assets are reported in note 6

Parent Company changes in equity

TSEK	Share capital	Ongoing rights issue/ conversion	Statutory reserve	Reserve for development costs	Share premium reserve	Retained earnings including income/loss for the period	Total equity
			Restricted equity		Non-restricted equity		
Opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**-927,571**	**344,232**
Adjustment due to changed accounting principles		-	-	-	-	-1,427	-1,427
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**-928,998**	**342,806**
Equity component in issue of convertible debt instruments	-	-	-	-	4,276	-	4,276
Adjustment of non-restricted and restricted equity	-	-	-	7,828	-	-7,828	0
Return of costs of converting convertible loan	-	-	-	-	1,928	-	1,928
Reversal of equity in connection with redemption of warrants	-	-	-	-	-10,617	-	-10,617
New share issue	806	-	-	-	101,631	-	102,437
Redemption of convertibles	1,605	-	-	-	69,595	-	71,200
Ongoing rights issue/conversion	-	2,724	-	-	6,857	-	9,581
Issue expenses	-	-	-	-	-690	-	-690
Income/loss for the period	-	-	-	-	-	-85,058	-85,058
Closing balance as of January 31, 2019	**20,052**	**2,724**	**4,620**	**24,768**	**1,405,583**	**-1,021,884**	**435,862**
Opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**-927,571**	**344,232**
Adjustment due to changed accounting policies		-	-	-	-	-1,427	-1,427
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**-928,998**	**342,806**
Equity component in issue of convertible debt instruments	-	-	-	-	2,997	-	2,997
Adjustment of non-restricted and restricted equity	-	-	-	7,259	-	-7,259	0
Reversal of expenses upon conversion of convertible debt instruments	-	-	-	-	1,928	-	1,928
Reversal of equity in connection with redemption of warrants	-	-	-	-	-10,617	-	-10,617
New share issues	3,101	-	-	-	186,917	-	190,018
Redemption of convertibles	1,748	-	-	-	76,452	-	78,200
Issue expenses	-	-	-	-	-10,454	-	-10,454
Income/loss for the period	-	-	-	-	-	-157,988	-157,988
Closing balance as of April 30, 2019	**22,490**	**0**	**4,620**	**24,199**	**1,479,826**	**-1,094,245**	**436,890**
Opening balance as of May 1, 2019	**22,490**	**0**	**4,620**	**24,199**	**1,479,826**	**-1,094,245**	**436,890**
Income/loss for the period	-	-	-	-	-	-156,954	-156,954
Other comprehensive income/loss	-		-	-	-	-	0
Comprehensive income/loss for the period	**0**	**0**	**0**	**0**	**0**	**-156,954**	**-156,954**
Adjustment of non-restricted and restricted equity	-	-	-	3,367	-	-3,367	0
New share issue	22,347	-	-	-	451,204	-	473,551
Issue expenses	-	-	-	-	-26,207	-	-26,207
Closing balance as of January 31, 2020	**44,837**	**0**	**4,620**	**27,566**	**1,904,823**	**-1,254,566**	**727,280**

Note 1 Accounting policies etc

This report is presented in accordance with IAS 34, Interim Financial Reporting and the Swedish Securities Market Act. The consolidated accounts are presented 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, Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The accounting policies and calculation methods for the Group are unchanged compared to those described in the Annual Report for the financial year May 1, 2018 – April 30, 2019, apart from the fact that the company has applied IFRS 16 since May 1, 2019. An account of this is given below.

In previous financial reports, a transaction between the parent company and its subsidiary AdvaVet, which was carried out in May 2018 and which meant that certain rights were considered to have been transferred to the subsidiary, was reported. During the period, management reviewed the financial and legal significance of this transaction. In order to better reflect this new assessment, the capitalized development costs, reported at MSEK 109, which in connection with the said transaction in May 2018 were previously considered to have been transferred to AdvaVet, have been reclassified to the Parent Company's balance sheet. The value of the shares in AdvaVet has been reduced by the corresponding value in the Parent Company's balance sheet. As a result, the tax-related temporary difference that led to a deferred tax liability of MSEK 33 being reported is removed. This liability has therefore been removed from the books in the consolidated income statement, which results in a tax revenue of MSEK 33.

The Parent Company accounts are presented in accordance with RFR 2, Accounting for legal entities, and the Swedish Annual Accounts Act.

Apart from IFRS 16, new or revised IFRS standards or interpretations by IFRIC that have become effective since May 1, 2019 have not had any effect on Oasmia's financial reports. Financial instruments' carrying amounts are the same as fair values.

The Group currently has only one operating segment and therefore does not disclose any segment information.

IFRS 16 Leases:

Since May 1, 2019, Oasmia has applied IFRS 16 Leases that replaced the previous leasing standard IAS 17. IFRS 16 came into force on January 1, 2019, which means that it will be applied by the Group from the 2019/2020 financial year. In accordance with RFR 2, the Parent Company has chosen not to apply IFRS 16 Leasing agreements to legal entities.

IFRS 16 provides that the lessee at the beginning of a lease agreement must report the right to use the leased assets in the statement of financial position and at the same time a leasing liability must be reported. Exceptions are made for leasing agreements that amount to low values and leasing agreements with a shorter term than 12 months.

Leased assets (rights of use) are initially recognized at cost, which includes the present value of future leasing fees, direct costs attributable to the signing of the lease, and leasing fees made on or before the commencement date when the underlying asset became available for use. The utility rights may be revalued during the term depending on whether the lease debt is revalued. Use rights are amortized on a straight-line basis over the shorter of the asset's useful life and the duration of the lease. Leased assets are subject to impairment testing.

Leasing liabilities are initially valued at the present value of future leasing fees. Each lease payment is reported distributed partly as amortization of the lease liability and partly as interest expense in the income statement. The lease debt may be revalued during the term depending on whether certain circumstances, such as new lease terms, occur.

The application of IFRS 16 requires certain estimates and judgments. The estimates and assumptions that present a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are listed below.

- When determining the leasing period, available information is taken into account that provides an incentive to either exercise an extension option, or to not exercise an option to terminate an agreement. The possibility of extending the agreements has only been included in cases where it is considered reasonable to extend the agreements. This assessment is reviewed if any event or change occurs that affects this assessment.
- In order to calculate the present value of future lease payments, assumptions are required to determine the discount rate. This is based on Oasmia's estimate of the borrowing rate that Oasmia would have received from financial institutions for similar maturities.

Transition to IFRS 16:

Oasmia has chosen to apply the simplified transition method in the implementation of IFRS 16, which means that Oasmia reports the accumulated effect of initially applying the standard by adjusting the opening balance on the first day of application.

The implementation of IFRS 16 affects the accounting of Oasmia's leases for premises and the accounting of leased equipment. These agreements were classified in accordance with IAS 17 as operational leasing and payments during the leasing period were reported as other external expenses in the income statement on a straight-line basis over the leasing period. After the implementation, the leasing contracts are reported as utilization assets and leasing liabilities, respectively, in the statement of financial position. Utility rights are amortized over the useful life and lease payments are reported as amortization and interest expenses. The starting effect as of 1 May 2019 in the report on financial position is that rights of use of about MSEK 20 and lease liabilities of about MSEK 19 have been added and a reduction of prepaid costs by approximately MSEK 1. When calculating the remaining lease period, periods that are covered by the possibility of extending the lease agreement are included in the event that Oasmia is reasonably confident of utilizing that opportunity. Oasmia has chosen to use the practical solution to use the same discount rate on all local rental agreements as they have similar properties. This discount rate is based on an estimate of the borrowing rate that Oasmia would have received from financial institutions for corresponding maturities. Furthermore, Oasmia has chosen to use the practical solution not to include leasing contracts for which the lease period ends within 12 months from the first application date. For the period, the effect on earnings is TSEK -352 compared with accounting in accordance with previous rules.

Further information about the transition including the bridge that shows the transition effect in the Group's financial position report and a table describing differences between operating leasing commitments as of April 30, 2019 and leasing debt as of May 1, 2019 is described in Note 2 Accounting principles and in Note 10 Leasing in Oasmia's Annual Report for May 1, 2018 - April 30, 2019.

Short-term investments

During the period, Oasmia invested MSEK 280 in short-term interest rate funds. The individual securities included in these funds have a remaining maturity exceeding 3 months and are therefore reported as Short-term investments and not as Cash and cash equivalents. The funds are traded on an active financial market and for each trading day an official market price is published, which is the fair value of the funds, at which they are valued. Changes in value are recognized in net financial items in the income statement.

Note 2 Taxes

The Group has accumulated losses carried forward, related to previous years and this period, amounting to TSEK 1,357,629 (1,094,204), and the Parent Company has such accumulated losses carried forward amounting to TSEK 1,329,346 (1,078,693). There are currently no sufficiently convincing reasons to assume that tax losses carried forward can be utilized against future profits and therefore no deferred tax asset has been considered in the balance sheet.

As described in note 1 above, a new assessment has been made for a previous transaction, which means that a previously booked deferred tax liability has been removed from the books in the income statement, which has given rise to a tax revenue of TSEK 32,822.

Note 3 Capitalized development costs

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

	The Group			The Parent Company		
TSEK	January 31, 2020	January 31, 2019	April 30, 2019	January 31, 2020	January 31, 2019	April 30, 2019
Paclical	325,171	324,930	323,722	325,171	324,930	323,722
Paccal Vet	109,408	109,408	109,408	109,408	-	-
Total	434,579	434,338	433,130	434,579	324,930	323,722

During the last financial year the company began to amortize that part of the capitalized development costs for Paclical that is attributable to the Russian market. Amortization for the period amounted to TSEK 2,069 (690).

In previous financial reports, a transaction between the parent company and its subsidiary AdvaVet, which was carried out in May 2018 and which meant that certain rights were considered to have been transferred to the subsidiary, was reported. During the period, management reviewed the financial and legal significance of this transaction. In order to better reflect this new assessment, the capitalized development costs, reported at MSEK 109, which in connection with the said transaction in May 2018 were previously considered to have been transferred to AdvaVet, have been reclassified to the Parent Company's balance sheet. The value of the shares in AdvaVet has been reduced by the corresponding value in the Parent Company's balance sheet.

Note 4 Inventories

TSEK	January 31, 2020	January 31, 2019	Apr 30, 2019
Valued at cost of acquisition			
Raw materials and consumables	7,041	5,677	5,915
Products in progress	5,559	6,930	1,505
Finished goods	5,785	-	-
Total	18,385	12,607	7,420

Goods have been expensed or written down as follows:

TSEK	2019/20 May-Jan	2018/19 May-Jan	2018/19 May-Apr
Goods expensed	-	-	-
Goods written down	-	882	11,953

Note 5 Transactions with related parties

The Parent Company has undertaken to, under certain circumstances, if necessary, finance the American subsidiary AdvaVet with financial loans of up to TUSD 1,500. On January 31, 2020, the Parent Company's claim on AdvaVet, including accrued interest, amounted to TUSD 1,436, which has been reported at TSEK 13,877. However, since management believes that AdvaVet will not be able to repay this receivable, it has been written down in the Parent Company income statement during the period. This transaction has been eliminated in the consolidated financial statements and thus has not affected the Group's results.

In previous financial reports, a transaction between the parent company and its subsidiary AdvaVet, which was carried out in May 2018 and which meant that certain rights were considered to have been transferred to the subsidiary, was reported. During the period, management reviewed the financial and legal significance of this transaction. In order to better reflect this new assessment, the capitalized development costs, reported at MSEK 109, which in connection with the said transaction in May 2018 were previously considered to have been transferred to AdvaVet, have been reclassified to the Parent Company's balance sheet. The value of the shares in AdvaVet has been reduced by the corresponding value in the Parent Company's balance sheet.

The arbitration procedure and outstanding balances with Arwidsro Investment AB, Oasmia's principal owner, have been detailed in Oasmia's Annual Report 2018/2019. During the first quarter of the current year, a settlement was reached between Arwidsro and Oasmia, which means that all transactions between Arwidsro and Oasmia are finally settled and that the arbitration procedure has been concluded. The settlement agreement has been reported in a press release dated July 5, 2019. See also note 6. Oasmia has regained the advance paid to the Arbitration Board after a deduction for the registration cost.

During the end of November 2019 and the beginning of December 2019, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue costs. Arwidsro Investment AB (and related parties), Oasmia's principal owner, thereby subscribed for 48,230,427 shares for MSEK 96, of which MSEK 45 was set off against an advance issued during the previous quarter. The company has not paid any compensation to Arwidsro for this advance.

Due to the situation the company is in, several functions, which are generally held by hired staff, such as the CEO, IR, region manager and, previously during the period, CFO (during the quarter a new CFO has been hired), are or have during the year been held by appointed persons on a consultancy basis. During the period, costs of a total of TSEK 6,730 were booked in the form of consultancy fees to persons on the Board and/or management.

During the period, the employment contract with the former CEO of Oasmia's wholly owned US subsidiary, AdvaVet, was terminated and a severance pay was paid.

No other material transactions with related parties occurred during the period beyond remuneration provided to members of the Board and employees.

Note 6 Contingent liabilities, pledged assets and contingent assets

The Parent Company has issued a floating charge of TSEK 8,000 to a bank as security for an overdraft facility of TSEK 5,000, and as the limit for a foreign currency derivative of TSEK 3,000.

During the financial year 2016/17 warrants were issued in programmes for the Board and management. As these were invalid, however, an Extraordinary General Meeting on June 2, 2017 adopted a resolution whereby these programmes were cancelled. A possible consequence of the programmes being invalid and cancelled could be that the company's income statement is negatively impacted. However, it is difficult to estimate or determine the sum total of this eventuality. This disclosure is therefore made without specifying any impact on the income statement.

Balance with MGC Capital LTD (MGC)

MGC has made claims for compensation as a result of MGC not being allowed to subscribe for shares with the support of 23.2 million warrants. The claim for this reason is stated in a claim for damages of approximately MSEK 230 and is based on the assumption that MGC was entitled to the warrants and that MGC should have sold all shares during November 2018. MGC has applied for a subpoena partly for the claim of MSEK 80 and for damages as above, which have been adjusted to approximately MSEK 230. Oasmia's Board assesses MGC's claim for damages to be without merits and has therefore disputed it. Initial procedural objections are not yet finally tried; if and when this will be completed, Oasmia will continue to contest these payment claims, and the handling of the cases so far has not in any way caused Oasmia to alter previous made assessments relating to these cases.

In July 2019, Oasmia acquired a claim on MGC from Arwidsro Investment AB as part of the settlement agreement between Arwidsro and Oasmia. The nominal value of the receivables at October 31, 2019 amounted to TSEK 60,251, but when the receivable was acquired for TSEK 40,251, it is entered as an asset in the balance sheet at this value. The intention is to settle this receivable at its nominal value when adjusting Oasmia's debt to MGC of TSEK 80,000. When this offset is made, an income of TSEK 20,000 will be recognized.

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 business these risks can be limited, controlled and managed at the same time as business opportunities can be utilized to increase earnings. The risks in Oasmia's operations are reported in the annual report for the financial year 1 May 2018 - 30 April 2019.
Apart from these, no risks were added during the period.

Note 8 Future financing

Oasmia has two products approved, but this does not allow the company's business operations to generate sufficient cash flow. Work is therefore continuously conducted on finding other financing alternatives. This work includes the company engaging in discussions with potential collaboration partners about the licensing of distribution and sales rights, negotiations with new and existing investors, financiers and lenders, and the company securing resources so that future forecast revenue flows materialize in regions where the company's products are registered.

During the end of November 2019 and the beginning of December 2019, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue costs. In March 2020, after the balance sheet date, Oasmia has signed an agreement with a strategic partner, which has secured Oasmia, in addition to future milestone payments and royalties, an initial non-refundable payment of USD 20 million, corresponding to just over MSEK 200.

Consequently, management believes that the Group's financing and liquidity needs for the coming year are covered.

Note 9 Employees and remuneration

After the period, Oasmia hired Dr. Francois Martelet as its new CEO, as announced on February 14, 2020, and with his first day in office on March 9. When hiring Dr. Martelet, Oasmia committed to issue 896,739 four-year, vesting stock options, the costs of which will be accounted for continuously under IFRS 2.

The Board of Directors and the CEO of Oasmia Pharmaceutical AB certify that this interim report gives a fair view of the Parent Company's and Group's activities, position and results and describes essential risks and uncertainty factors that the Parent Company and the companies that are part of the Group face.

March 27, 2020

Uppsala

Jörgen Olsson, Chairman of the Board

Sven Rohmann, Member of the Board

Hege Hellström, Member of the Board

Anders Härfstrand, Member of the Board

Peter Zonabend, Member of the Board

Gunilla Öhman, Member of the Board

Francois Martelet, CEO

This report contains forward-looking statements including valuations of intangible assets which are based on assessments of future events. When words such as "foresees", "believes", "estimates", "expects", "intends", "plans" and "projects" occur in this report, they represent forward-looking statements. These statements may include risks and uncertainties concerning, for example, product demand, market acceptance, effects of economic conditions, the impact from competing products and pricing, currency effects and other risks. These forward-looking statements reflect the Oasmia management's view of future events at the time these statements are made but are made subject to different risks and uncertainties. All these forward-looking statements are based on the Oasmia management's estimates and assumptions and are assessed to be reasonable but are by their very nature uncertain and difficult to foresee. Actual outcomes and experiences may deviate considerably from the forward-looking statements. Oasmia does not intend, and does not undertake, to update these forward-looking statements.

This information is information that Oasmia Pharmaceutical AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on March 27, 2020.

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's auditors.

OTHER INFORMATION

Annual General Meeting 2020
The Annual General Meeting for Oasmia Pharmaceutical AB will take place on September 9 at 14.00 in Uppsala.

Nomination Committee
The Nomination Committee for the AGM 2020 consists of representatives appointed by the two largest shareholders in terms of voting rights as well as the Chairman of the Board. These are: Per Arwidsson, Arwidsro Investment AB, Chairman of the Nomination Committee, Håkan Lagerberg and Jörgen Olsson, Chairman of the Board.

COMPANY INFORMATION

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FUTURE REPORT DATES

Year-end report May 2019 – April 2020	June 18, 2020
Interim report May 2020 – July 2020	September 9, 2020
Annual General Meeting 2020	September 9, 2020
Interim report May 2020 – October 2020	December 9, 2020

OASMIA IN BRIEF

Oasmia Pharmaceutical AB develops, manufactures, markets and sells a new generation of drugs in human and veterinary oncology. Product development aims to produce novel formulations containing nanoparticles of well-established cytostatics which, in comparison with current alternatives, display improved properties, an improved side-effect profile and expanded therapeutic areas. The product development is based on the proprietary technology platform XR17. The company has managed to drive its first product candidate, Apealea (paclitaxel micellar) through clinical development, and has applied for and obtained market approval in the EU and in some other countries. Oasmia is currently entering into the commercialization phase of Apealea and the product is now being made available to patients.

XR17

Oasmia's products and product candidates are based on the proprietary technology platform XR17. This enables a nanoparticulate formulation of active pharmaceutical ingredients (APIs) which are otherwise not soluble in water and thus allows the administration thereof to patients. With a combination of XR17 and an active pharmaceutical substance, new innovative and patent-protected drugs can be created. The benefits of XR17 are not limited to cancer drugs and Oasmia is considering using the technology on other drug classes that will benefit from improved solubility.

HUMAN HEALTH

Apealea

Apealea is a patented formulation of paclitaxel in combination with XR17. The product is approved in the EU, Norway, Iceland and Liechtenstein for the treatment of ovarian cancer recurrence. It is also approved for ovarian cancer treatment in Russia and Kazakhstan, where the product is called Paclical. The product Apealea will be Oasmia's main commercial focus in the short term, especially its introduction in the Nordic and European markets and Oasmia's goal is to simultaneously initiate discussions with the FDA about market approval in the United States.

Doxophos

Doxophos is a patented formulation of cytostatic doxorubicin in combination with XR17. Doxorubicin is one of the most widely used substances for the treatment of cancer since 1950. Oasmia has received market approval for Doxophos in Russia as a hybrid drug (improved generic drug) for many cancers, including cancers of blood, skeleton, breast, prostate and lung. Oasmia is currently defining the target product profile required for Doxophos to be competitive in the European and US markets, which will guide Oasmia's next clinical development stage.

Docecal

Docecal is a new formulation of the commonly used cytostatic docetaxel in combination with XR17. Docetaxel is given intravenously and contains the solvent polysorbate 80 and ethanol. Oasmia's formulation of Docecal, on the other hand, is free of ethanol and polysorbate 80.

OAS-19

OAS-19 is a combination of XR17 and two commonly used cytostatic agents in one micelle. By combining two cytostatics into one formulation, Oasmia is of the opinion that OAS-19 may allow physicians to dose cytostatics in a single infusion instead of two consecutive infusions. Thus, infusion times and treatment costs could be lowered and hospital visits shortened. Pre-clinical studies have shown promising results and Oasmia is evaluating the potential of various combinations that can be used for future development.

ANIMAL HEALTH

Paccal Vet

Paccal Vet is a new XR17-based formulation of paclitaxel and is intended for use in dogs. Paccal Vet is Oasmia's first product candidate in the field of veterinary oncology and is identical to Apealea which is used as a human drug.

Doxophos Vet

Doxophos Vet is a patented formulation of doxorubicin in combination with XR17. Oasmia develops Doxophos Vet for the treatment of lymphoma, one of the most common forms of cancer in dogs.