Oasmia Pharmaceutical AB (publ)

Interim report[1] for the period year May 1, 2020 – July 31, 2020

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Oasmia announced in May the outcome of a strategic review to deliver long-term, profitable growth as a specialty pharma company. As a result of the review, Oasmia will discontinue commercial manufacturing and implement cost reductions that will result in savings of MSEK 100 on an annual basis and a monthly burn rate of below MSEK 10.
- An Extraordinary General Meeting in May elected existing Board member Anders Härfstrand as new Chairman of the Board and Birgit Stattin Norinder as new member of the Board. Jörgen Olsson, former Chairman of the Board, and Gunilla Öhman, former Board member, stepped down from the Board.
- Oasmia signed in June a Phase 1b Trial Agreement with SAKK, the Swiss Group for Clinical Cancer Research, for evaluation of docetaxel micellar for the treatment of metastatic prostate cancer.
- In July Oasmia's partner Elevar Therapeutics and Tanner Pharma Group announced a global Named Patient Program to provide access to Apealea® in areas outside of the United States.
- The outbreak of COVID-19 and its effects around the world accelerated during the first quarter of the financial year. The pandemic has entailed heavily reduced access to health care providers and oncologists, which continues to have a profound negative impact on the marketing activities of the company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- In August Oasmia appointed Peter Selin as Chief Business Officer.
- Oasmia's CFO Michael af Winklerfelt resigned from his role in August.
- In September Oasmia's Nomination Committee revised its proposal for the AGM regarding Board of Directors and Sven Rohmann notified that he is no longer available for re-election.
- In September Oasmia appointed Fredrik Järrsten as Chief Financial Officer.

FIRST QUARTER[2]: MAY 1, 2020 – JULY 31, 2020

- Consolidated net sales amounted to TSEK 208 (182)
- Operating income was TSEK -49,220 (-35,764)[3]
- Net income after tax amounted to TSEK -53,105 (-39,783)[3]
- Earnings per share was SEK -0.12 (-0.13)[3,4]

Oasmia Pharmaceutical AB develops, manufactures, markets and sells an improved generation of drugs within human and veterinary oncology. Oasmia produces novel formulations of well-established cytostatic agents which show improved performance, an improved side-effect profile and a wider range of therapeutic areas compared with existing alternatives. Product development is based on Oasmia's proprietary technology platform XR-17™. Oasmia has been successful in moving its first product candidate, Apealea® (paclitaxel micellar), through clinical development, and has received market authorization in the European Union and other territories. Oasmia is in the process of transitioning into the commercialization phase of the product Apealea® and making the product accessible to patients via its partnership with Elevar and its existing operations and partnerships in its retained territories. The company's shares are traded on Nasdaq Stockholm (ticker: OASM). Visit www.oasmia.com for further information.

[1] Figures in brackets show outcomes for the corresponding period of the previous financial year.

[2] During the previous financial year, errors were corrected in prior periods. This correction is reported in the annual report 2019/2020, especially in Note 4. In the present interim report, relevant items in the comparison periods have been recalculated. To the extent that these recalculations do not appear in the said annual report, they are marked in this report.

[3] The comparison period has been recalculated to take into account the correction of errors in prior periods made during 2019/2020, see Note 4 in the 2019/2020 annual report.

[4] Earnings/loss per share for the comparison periods has been adjusted for the bonus issue component in the rights issue carried out during the 2019/2020 financial year.

CEO'S COMMENTS

During the first quarter at Oasmia, we continued to work to deliver the strategic vision we set out following the announcement of the global strategic partnership with Elevar Therapeutics to commercialize our anti-cancer therapy Apealea®.

Oasmia retains the rights to Apealea® in the Nordic countries under the agreement with Elevar and is now making the product commercially available. The Covid-19 pandemic has inevitably impacted the ability of our medical scientific liaisons to meet oncologists during the quarter. An easing of lockdown restrictions will help resuming medical activities to return to more normal levels during the rest of the year.

Elevar entered into an agreement with Tanner Pharma Group in July to establish a named patient program that will facilitate patient access to Apealea® in countries outside the US where it is not yet commercially available. The goal of the program is to assist cancer patients who have no alternative therapeutic options to get access to the drug. Apealea® is the only cremophor-free product approved in Europe for use in combination with carboplatin for the treatment of adults with first relapse of platinum-sensitive epithelial ovarian cancer, primary peritoneal cancer and fallopian tube cancer. The initial target population for ovarian cancer is therefore patients with potential or previously established hypersensitivity reactions to currently used solubility enhancer containing paclitaxel formulations. We hope that this will make them particularly eligible to our XR-17™ based paclitaxel formulation.

The collaboration with Elevar that started in 2020, as well as the transfer of all commercial manufacturing of Apealea® to Baxter at the end of 2018, were important developments in realigning our growth strategy, enabling us to focus resources where they can bring the best return for shareholders.

The Board's long-term vision is to build a cash flow-positive specialty pharmaceutical company. To help achieve this, we have implemented a strategic reorganization of Oasmia to focus on R&D and Business Development and to reduce unnecessary expenditure. With a proven technology in XR-17™, a highly promising approved anti-cancer product, Apealea®, and a global commercialization agreement worth up to $678 million plus royalties, we are well positioned to grow through M&A and licensing deals for late-stage and marketed products. We will seek further opportunities to apply our proprietary XR-17™ solubility-enhancing technology platform, primarily in oncology but also in other therapeutic areas. We are also looking at the potential to out-license the technology in non-core applications. We are already in the process of reviewing strategic options for our Animal Health business.

We will continue to drive the development of our pipeline of XR-17™-based products and leverage the Company's manufacturing expertise for R&D. Current promising lead programs include docetaxel micellar in metastatic prostate cancer. In June, we signed an agreement with the Swiss research group SAKK to conduct the first clinical trial of docetaxel micellar in advanced prostate cancer. Oasmia's docetaxel micellar formulation is based on XR-17™, which enables greater use of otherwise water-insoluble cancer drugs while reducing the side effects or need for additional medications associated with traditional solubility enhancers. In addition, we continue the assessment of XR-19, the dual encapsulation technology platform.

During the rest of 2020 we will continue to advance key areas of our growth strategy, including working closely with Elevar to deliver key milestones for Apealea® and support efforts to identify the most appropriate commercial partners for the product in Europe and China. The appointment of Peter Selin as Chief Business Officer, announced a few weeks ago, together with our strong cash position, will be invaluable as we continue to pursue growth through M&A and in- and out-licensing opportunities that complement our technology and business model.

I look forward to keeping you updated on our progress. Please accept my thanks for your patience and continued support as we further transform Oasmia into a sustainable and profitable growth business with long-term potential. Above all, we are here to help patients to better manage their cancer diseases.

Dr. Francois Martelet, M.D., CEO of Oasmia

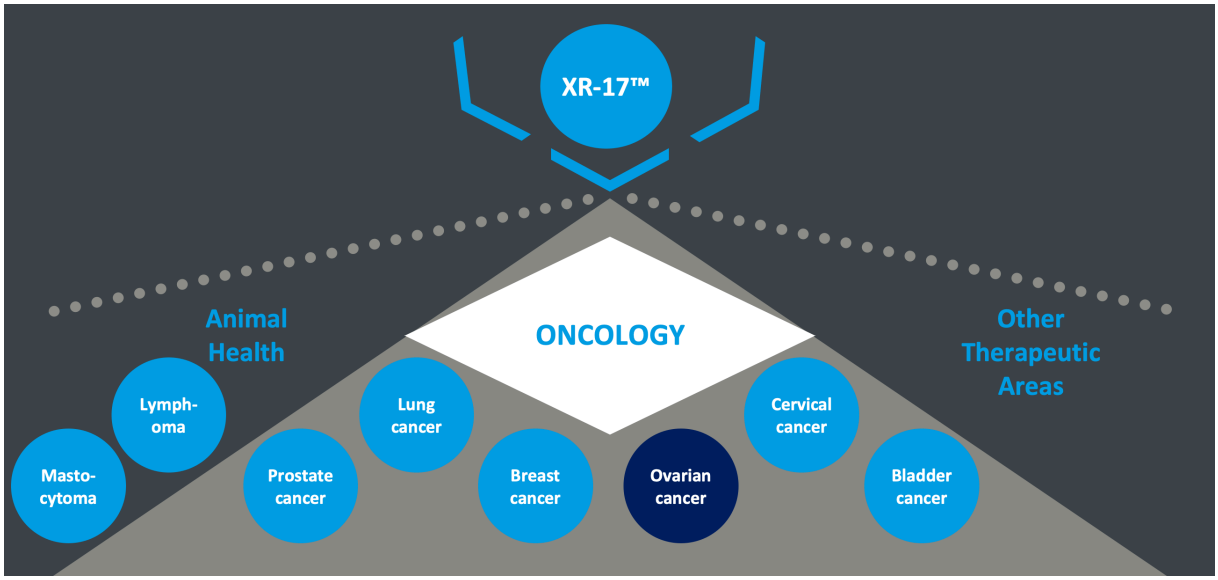
OASMIA IN BRIEF

Oasmia is an innovative, integrated pharmaceutical company, using a technology platform to generate new formulations of marketed drugs and to develop new innovative drugs.

Vision and Mission
Oasmia's vision is to become one of the leading, profitable European specialty pharmaceutical companies. Oasmia's mission is to launch innovative drugs that fulfill unmet medical needs.

Strategy
Our goal is to establish Oasmia as a leading specialty pharmaceutical company that develops and commercializes new treatment paradigms based on the company's wholly-owned and patented formulations in a range of target groups and indications. Essential elements of this strategy include:

- Transition from an R&D focus to a commercially driven organization operating primarily in oncology.
- Launch of Apealea® in the EU with Elevar.
- FDA approval and launch of Apealea® through Elevar in the US.
- Expansion of Apealea® indications with Elevar.
- Expansion of, high-value, wholly owned product pipeline using XR-17™ platform.
- Assessment of the dual encapsulation technology platform XR-19.
- Strategic review of Animal Health business.



Key value drivers Short Term (12 month)

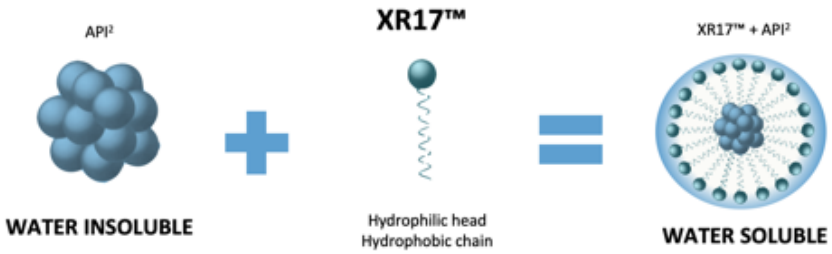
- Docetaxel micellar clinical development plan – Phase 1 study initiation
- XR-17™ technology platform partnering
- M&A opportunities
- XR-19 value assessment
- Review of Animal Health Business assets
- Cost savings implemented

Key value drivers Mid Term (12-24 month)

- Apealea® milestone payments and royalties
- Docetaxel micellar Phase 1 study results
- Realisation of cost control measures
- M&A opportunities
- Transition to Speciality Pharma Company

XR-17™ TECHNOLOGY PLATFORM

Oasmia's products and product candidates are based on the proprietary technology platform XR-17™. This enables a particulate formulation of active pharmaceutical ingredients (APIs) that are otherwise not soluble in water and thus allows their administration to patients. With a combination of XR-17™ and an active pharmaceutical substance, new innovative and patent protected drugs can be created. The benefits of XR-17™ are not limited to cancer drugs and Oasmia is considering using the technology on other drug classes that will benefit from improved solubility.



A significant problem in product development for new pharmaceuticals is that many promising drug candidates are insoluble in water. An estimated 40% of currently marketed drugs, as well as nearly 90% of the investigational drug candidates, have low aqueous solubility. In many cases, a promising substance may be discontinued due to insufficient water solubility. Alternatively, different carriers can be used, for example in the form of polymers or oil derivatives. These carriers often give rise to adverse effects that can be severe. These effects have nonetheless been accepted in cancer treatment, since the drugs are effective and the alternative would otherwise be that the patient is not treated.

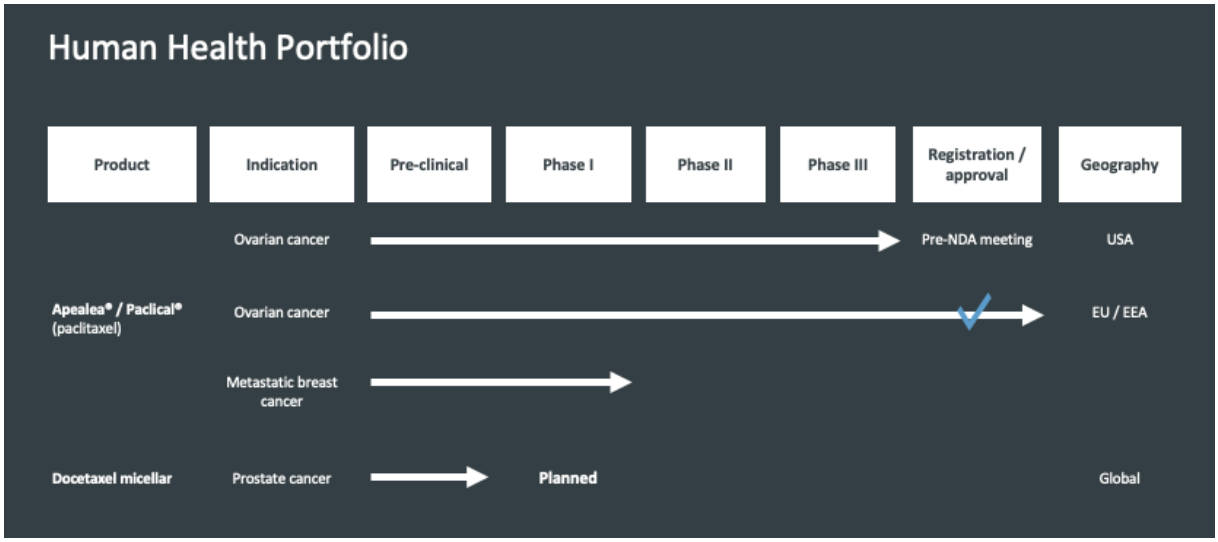
In light of this, Oasmia developed and patented the unique XR-17™ platform, which has the special ability that it can increase the solubility of insoluble compounds. XR-17™ is based on a mixture of two isomers of a proprietary amphiphilic synthetic derivative of retinoic acid (XMeNa and 13XMeNa) that can solubilize water-insoluble substances such as paclitaxel. XR-17™ exhibits amphiphilic properties owing to the presence of both hydrophilic and hydrophobic (lipophilic) structural regions in their molecules. As a result of these structural features, XR-17™ molecules can spontaneously self-assemble in aqueous media to form nanosized structures known as micelles. During the micellization process, the hydrophobic drugs can be solubilized into the hydrophobic core of the XR-17™ micelles. The particles that XR-17™ forms with the APIs are typically between 20 and 60 nanometers in size. These particles have a water-soluble (hydrophilic) exterior and a fat-soluble interior, which means that molecules that are poorly soluble in water will be enclosed in the micelle core. This makes the drug micelles water soluble, allowing administration into the blood. Since XR-17™ itself is well tolerated by the body, treatments with insoluble substances can be made more effective and adverse effects from other solubility enhancers (for example Cremophor EL (CrEL)) can be reduced. XR-17™ provides the benefits of reformulating existing marketed drugs, and/or new drugs in development, using a lower amount of solubilizer relative to the amount of API.

Advantages of XR-17™ with Paclitaxel
The XR-17™ technology makes it possible to encapsulate individual APIs. The beneficial properties of XR-17™ have been confirmed by Oasmia's toxicological and clinical studies. The benefits of XR-17™ with Paclitaxel are:

- Improved solubility, which may result in a safer intravenous administration of APIs to humans and animals.
- Shortened infusion time, which makes the treatment more convenient for patients.
- Reduced need for required premedication (i.e. corticosteroids), since there is a decreased risk of serious hypersensitivity reactions to existing solvents such as Cremophor EL (CrEL) and polysorbate 80.

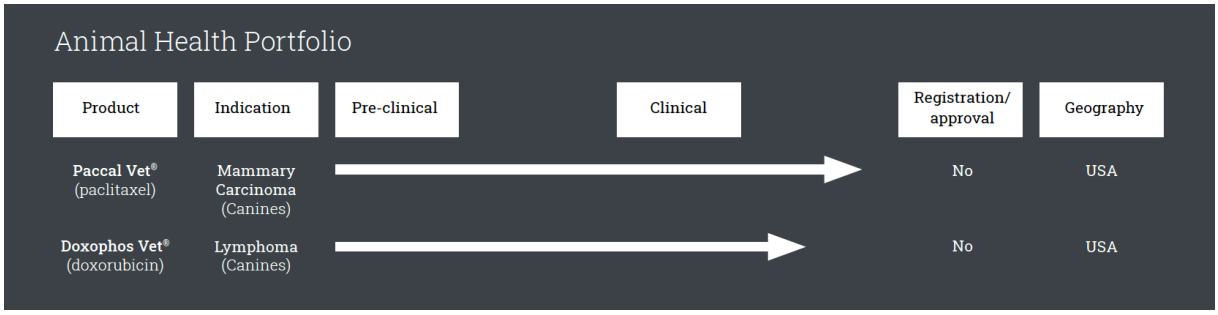
PROJECT PORTFOLIO

Oasmia Pharmaceutical develops, manufactures and markets a new generation of drugs in human and veterinary oncology. Product development aims to produce novel formulations containing particles of well-established cytostatics which, compared to current alternatives, display improved properties, improved side-effect profiles and expanded therapeutic areas. The product development is based on the proprietary technology platform XR-17™.



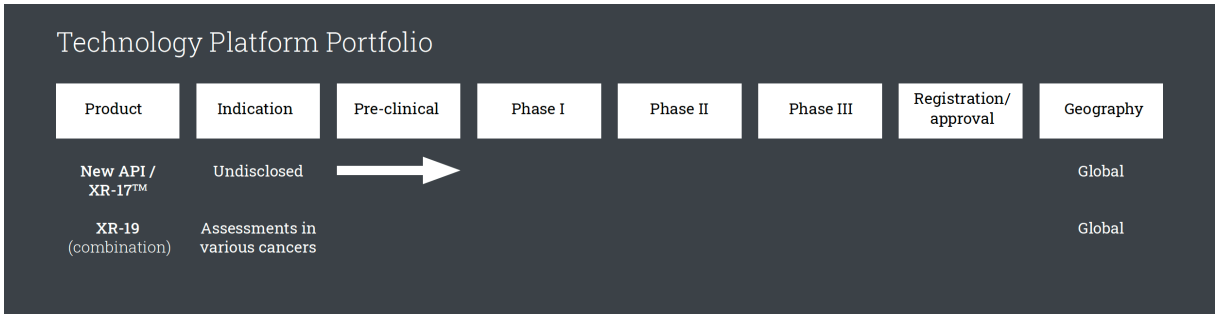
Apealea®
Apealea® is a patented formulation of paclitaxel in combination with XR-17™. The product is approved in the EU, Norway, Iceland and Liechtenstein for the treatment of patients with relapsed ovarian cancer. It is also approved for ovarian cancer treatment in first-line in Russia and Kazakhstan, where the product is called Paclical. In February 2020, Oasmia launched Apealea® in the Nordics. In March 2020, Oasmia Pharmaceutical AB and US-based Elevar Therapeutics Inc. signed a global strategic partnership deal regarding the commercialization of Oasmia's anticancer product Apealea®. In July 2020, Oasmia's partner Elevar Therapeutics Inc. initiated a partnership with Tanner Pharma Group that will facilitate access to Apealea® in areas outside of the United States where Apealea® is not commercially available.

Docetaxel micellar
Docetaxel micellar is a new formulation of the commonly used cytostatic docetaxel in combination with XR-17™. Generically available docetaxel is given intravenously and contains the solvents polysorbate 80 and ethanol. Oasmia's formulation of docetaxel micellar, on the other hand, is free of ethanol and polysorbate 80. In June 2020, Oasmia partnered with the Swiss Group for Clinical Cancer Research (SAKK) to conduct the first clinical trial of Oasmia's docetaxel micellar compound in advanced prostate cancer.



Paccal Vet
Paccal Vet is a new XR-17™-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 an XR-17™-derived solubility platform. Oasmia develops Doxophos Vet for the treatment of lymphoma, one of the most common forms of cancer in dogs.



XR-19
XR-19 is our internal technology, which is under assessment process, for a dual encapsulation technology derived from our XR-17™ technology platform. XR-19 allows the joint encapsulation of two APIs in one micelle. Oasmia is of the opinion that by combining two cytostatics into one micellar formulation, the XR-19 technology platform may be suitable to deliver suitable compounds in one single intravenous administration instead of two consecutive infusions. Proof-of- concept and pre-clinical studies have shown promising results and Oasmia is evaluating the potential of various combinations that can be used for future development.

New API
Oasmia's R&D division is working on identifying a new API to be further developed. We have selected a list of compounds that may benefit of the XR-17™ platform. We will communicate the results of this work as soon as clinical testing will be done and reconfirmed.

XR-17™
See the section "XR-17™ technology platform" above.

ANIMAL HEALTH PORTFOLIO

Oasmia's veterinary product candidates utilize a proprietary formulation technology that is designed to facilitate the administration of intravenously-delivered active pharmaceutical ingredients, without the addition of solvents. Oasmia's initial development and commercialization efforts are focused on creating novel formulations of well-established chemotherapeutic drugs that can be used for the treatment of cancer in companion animals. Oasmia currently has two veterinary oncology product candidates, Doxophos Vet and Paccal Vet. Both product candidates are in the clinical development stage and require additional investment for regulatory approval.

Doxophos Vet is a patented formulation of doxorubicin, one of the most effective and commonly used chemotherapeutic agents for the treatment of cancer, which Oasmia is developing for the treatment of lymphoma in dogs. Lymphoma is the most common cancer in dogs representing a significant portion of all canine cancers. Preclinical as well as early clinical studies have been completed with cancer bearing dogs. In those initial trials, Doxophos Vet has shown promising efficacy in, for example, hematological tumors. The development program is currently on hold pending further strategic decisions.

Paccal Vet utilizes the company's novel formulation of paclitaxel using the XR-17^{TM} encapsulation technology targeted for treatment of mastocytoma in dogs. The development program for Paccal Vet is currently on hold pending further strategic decision.

Oasmia believe that, if approved, Doxophos Vet and Paccal Vet can address a significant market for cancer treatment in companion animals in the United States and the European Union. Based on global data the total cancer market for dogs is about MUSD 140 in the United States (as of 2018), representing roughly 80 percent of the worldwide cancer market for dogs. The other significant market for dog cancer care is in the European Union. Supportive factors for the market are increasing dog populations in the United States and in Europe and growing willingness to spend on pet healthcare, facilitated by the adoption of pet health insurance.

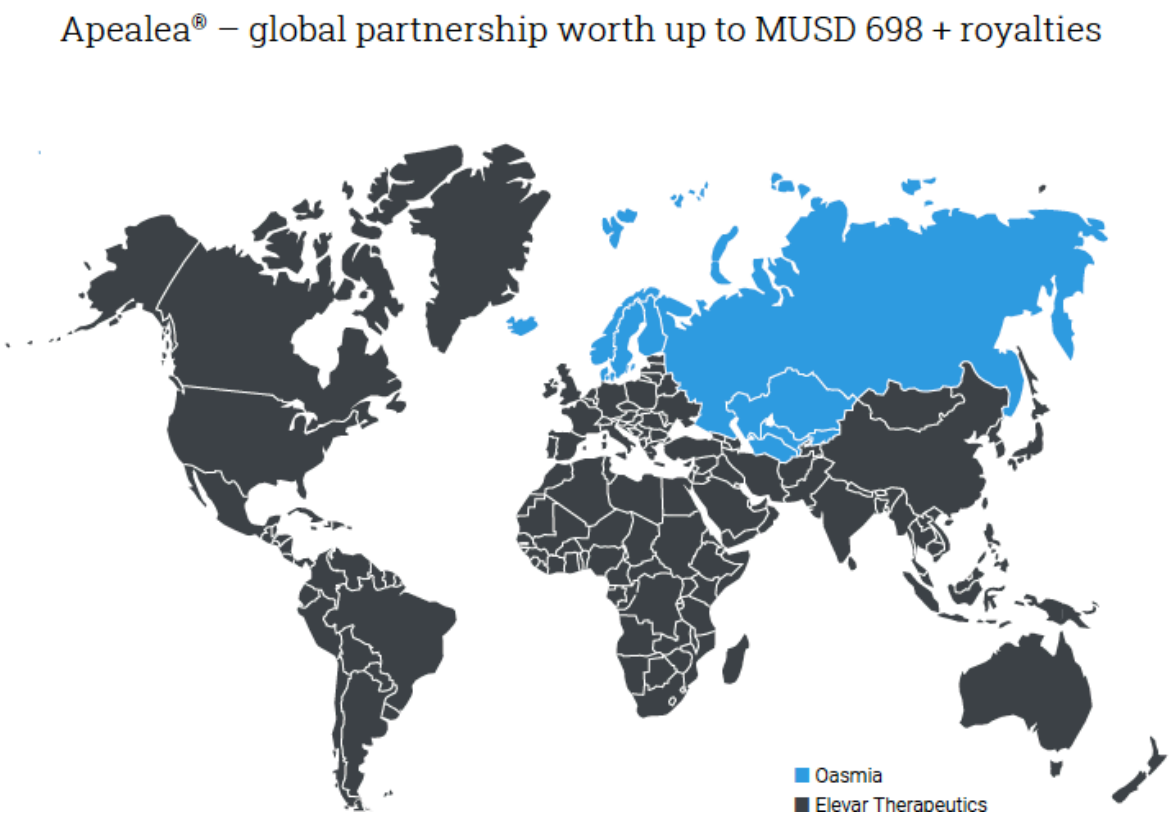
Presently, Oasmia is assessing strategic options for the company's animal health business assets, intending to create value opportunities for Oasmias shareholders. These opportunities may include partnering, licensing and divestment of Oasmia's animal assets.

GLOBAL STRATEGIC PARTNERSHIP WITH ELEVAR

In March 2020, Oasmia Pharmaceutical AB and US-based Elevar Therapeutics Inc. signed a global strategic partnership deal regarding the commercialization of Oasmia's anticancer product Apealea®. The agreement includes milestone payments with a potential of up to MUSD 678 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 sales of Apealea®. Oasmia have received MUSD 20 as an upfront payment.

- Agreement with US-based Elevar Therapeutics, subsidiary of multinational HLB.
- Upfront payment: 20 MUSD.
- Double digit royalties on global Apealea® sales.
- Milestones based on regulatory and sales achievements: up to 678 MUSD.
- Oasmia retains sole control over development of XR-17™.
- Elevar considering European partners.
- Elevar responsible for NDA filing in the United States.

Oasmia and Elevar are continuously working collaboratively on issues of further product development in a Joint Development Committee which is composed of product development executives of both companies. Further, both companies have also established a Joint Steering Committee, composed of senior executives of both companies, overseeing the overall progress of the transition of responsibility for the commercialization and further development of Apealea®, from Oasmia to Elevar, and providing additional input on all aspects of the transition.



COVID-19 PANDEMIC'S IMPACT ON SWEDISH CANCER CARE

The Swedish Cancer Society has published a situation report on how Swedish cancer care has managed to handle the Covid-19 pandemic. The results were compiled in a report[5] presented June 3, 2020. Conclusions from the report include:

- Swedish cancer care has coped with the pressure so far, but there is a great risk of a backlog of needed care.
- Data from the survey show that only 14 percent of cancer patients state that they have received changes in their care plan. Of these, 64 percent have had their treatment postponed, five percent received another treatment and 31 per cent have received other changes. The results of the survey indicate that the changes that have taken place have not been made due to lack of resources or priorities, but rather out of an infection control and patient safety purpose.

CONSEQUENCES FOR APEALEA® NORDIC LAUNCH SITUATION

The corona pandemic situation has prevented the launch of Apealea® to be implemented under normal circumstances, meaning difficulties with accessing the Health Care Professionals (HCPs) for pursuing changes in current treatment programs.

- In order to make Apealea® uptake faster, one important step has been to implement a special campaign for a large batch of vials in the whole Nordic area.
- In Denmark, a compulsory HTA (Health Technology Assessment) dossier was submitted in August and feedback is expected shortly. A positive outcome is needed for any Apealea® prescriptions by physicians.
- In Sweden, a national Registry trial is under discussion, involving many centers.
- In Finland, there are ongoing discussions due to increased access to HCPs. Several hospital calls have been performed and will be followed-up in Q3-Q4.

[5] *https://static-files.cancerfonden.se/hur-paverkar-covid-19-cancervarden-i-sverige-pdf.pdf and https://www.cancerfonden.se/press/cancervarden-har-klarat-trycket-sa-har-langt-men-stor-risk-for-vardskuld-3685335*

COMMERCIALIZATION OF APEALEA®

Apealea® (paclitaxel micellar) is indicated in combination with carboplatin for the treatment of adult patients with first relapse of platinum-sensitive epithelial ovarian cancer, primary peritoneal cancer and fallopian tube cancer.

The yearly incidence of Ovarian Cancer[6] is approximately 25 000 in the US, 27 000 in the five major European markets (EU5), and 1 800 in the Nordics. Surgery and post-surgery therapy is the standard therapy according to ESMO (European Society for Medical Oncology) treatment guidelines, whereof standard chemotherapy treatment post-surgery is paclitaxel plus carboplatin, a regimen which has been used for over 15 years. For patients who develop an allergy to, or do not tolerate paclitaxel, the combination of docetaxel and carboplatin, or pegylated liposomal doxorubicin (PLD) together with carboplatin can be considered an alternative.

Despite optimal upfront surgery followed by front-line paclitaxel–carboplatin chemotherapy, approximately 70 percent of patients will relapse in the first 3 years[7].

Patients who relapses, fall into categories “Platinum resistant” or “Platinum sensitive”. Platinum resistant patients progress within 6 months since last Platinum-based therapy and Platinum sensitive progress within an interval of more than 12 months since last platinum-based therapy (GCIG 4th Ovarian Cancer).

According to ESMO, in patients with Platinum-sensitive disease, a carboplatin doublet should be given and the only combination which has showed survival benefit (OS) was the carboplatin–paclitaxel combination (ICON 4/OVAR 2.2), but the selection between the different options of platinum-based doublets should be based on the toxicity profile and convenience of administration. Approximately 40 percent of the ovarian cancer patients fall into the category “1st relapse, Platinum-sensitive disease”, which is according to the Apealea® approved indication.

Initially, the strategy is to aim for a group of patients, a niche group, who are seen, of several reasons, not suitable for having the solvent-based generic paclitaxel (hypersensitivity to the solvent Cremophore-EL, hypertension, diabetes, high blood pressure)[8,9,10,11].

Following this first step, aiming for the niche populations, when the hospital physicians get increasing experience from Apealea® treatment, next step will be to expand Apealea® usage to cover the whole labelled indication.

---

[6] https://gco.iarc.fr/today/home
[7] www.annalsofoncology.org/article/S0923-7534(19)31561-3/pdf
[8] Sendo, T el al, Cancer Chemotherapy and Pharmacology, July 2005, Volume 56, Issue 1, pp 91–96
[9] Oncotarget. 2018 Apr 17; 9(29): 20855–20871
[10] https://www.who.int/news-room/fact-sheets/detail/hypertension
[11] Curr Oncol. 2013 Dec; 20(6): e532–e538. 8. Scott, Susan et al, Journal of Thoracic Oncology Vol. 13 No. 11: 1771-1775

FINANCIAL INFORMATION

Condensed consolidated income statement

TSEK	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Net sales	208	182	201,843
Other operating income	421	70	427
Change in inventories of products in progress and finished goods	1,886	2,291	20,904
Capitalized development costs	–	1,085	4,356
Operating expenses[2,3]	-51,735	-39,392	-257,616
Operating loss[4]	-49,220	-35,764	-30,086
Income for the period[5]	-53,105	-39,783	-10,533
Earnings per share before and after dilution, SEK[1,6]	-0.12	-0.13	-0.03

1) The key figures for the comparison periods have been adjusted for the bonus issue component in the rights issue carried out in 2019/2020.

2) Operating expenses excluding change in inventories and capitalized development costs.

3) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -39,537.

4) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -39,909.

5) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -39,928.

6) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was SEK -0.17.

FIRST QUARTER

May 1 – July 31, 2020

Correction of error in the previous financial year

The comparative figures and key figures in the following financial disclosures have been restated to correct the errors in previous financial periods reported in the previous financial year 2019/2020. Where these are not shown in the 2019/2020 Annual Report, they are marked in the running text with an asterisk (*) and in the tables with a footnote.

The correction was described in Note 4 in the Annual report for 2019/2020.

Net sales

Net sales amounted to TSEK 208 (182) and comprised sales of supplies for TSEK 171 (72) and licensing revenues for TSEK 37 (110).

Other operating income

Other operating income amounted to TSEK 421 (70).

Change in inventories of products in progress and finished goods

The change in inventories of products in progress and finished goods amounted to TSEK 1,886 (2,291) for the quarter.

Capitalized development costs

Capitalized development costs, which refer to Phase III clinical trials for the product candidates Apealea®/Paclical, amounted to TSEK 0 (1,085).

During the fourth quarter of the last financial year, the capitalization of development costs for Apealea®/Paclical was halted and amortization of capitalized development costs for this product started.

Operating expenses

Operating expenses for the quarter were higher than in the first quarter of last year. This increase was primarily due to the recognition of significantly higher employee benefit expenses of TSEK 21,880 (14,616). In turn, this was partly due to a higher average number of employees at the company in the quarter this year, and partly because of severance costs recognized in the quarter in connection with the cost-reduction program described in the CEO's comments.

Depreciation and amortization were also higher year-on-year at TSEK 7,171 (3,088*), which was due to the increase in amortization of capitalized development costs from the last quarter of 2019/2020.

The number of employees at the end of the quarter was 59 (55).

Operating loss for the quarter
The operating loss for the quarter was TSEK -49,220 (-35,764*). The year-on-year decrease was primarily due to the higher operating expenses, see above.

Net financial items for the quarter
Net financial items for the quarter of TSEK -3,885 (-4,019) consisted of financial income amounting to TSEK 2,452 (100) and financial expenses of TSEK 6,337 (4,119). The financial income comprised capital gains on short-term investments of TSEK 2,099 (0) and interest income from current financial receivables of TSEK 353 (100).

Financial expenses consisted of interest expenses attributable to other borrowing of TSEK 1,714 (1,714), exchange losses on cash and cash equivalents of TSEK 4,310 (0), interest expenses from leases of TSEK 205 (190) and other financing costs of TSEK 108 (125). Moreover, an expense for financing costs for convertible debt instruments of TSEK 2,090 was recognized in the first quarter last year.

Income before tax for the quarter
Income before taxes amounted to TSEK -53,105 (-39,783*). The year-on-year decrease was primarily due to the deterioration in operating income.

Income taxes
Reported income tax for the quarter was TSEK 0 (0)

Income for the quarter
The net loss after tax was TSEK -53,105 (-39,783*).

Cash flow and capital expenditure
Net cash flow for the quarter was TSEK -148,868 (-7,473) and consisted of Cash flow from operating activities of TSEK -74,521 (-34,435), Cash flow from investing activities of TSEK -72,999 (-46,743) and Cash flow from financing activities of TSEK -1,348 (73,705).

Cash flow from operating activities
The cash flow from operating activities for the quarter was TSEK -74,521 (-34,435). The year-on-year decrease in cash flow from operating activities was partly attributable to higher costs, see above, and partly to substantial advance payments to suppliers on behalf of Elevar during the quarter. These payments are included in the line item "Change in other current receivables" and will be repaid at a later date.

Cash flow from investing activities
Cash flow from investing activities for the quarter was TSEK -72,999 (-46,743).

Investments in property, plant and equipment and in intangible assets
Capital expenditure during the quarter consisted of investments in intangible assets of TSEK 0 (1,114) and investments in property, plant and equipment of TSEK 2,999 (5,378). Investments in intangible assets consisted of capitalized development costs of TSEK 0 (1,085) and of patents of TSEK 0 (29). Investments in property, plant and equipment consisted of capital expenditure for production equipment.

Investments in financial assets

No investments in financial assets were made in the quarter. A claim on the company MGC Capital Ltd. was acquired in the first quarter of last year and is reported under investments in financial assets in an amount of TSEK 40,251.

Short-term investments
During the quarter, TSEK 100,000 (0) was invested in sort-term fixed-income funds and short-term fixed-income funds amounting to TSEK 30,000 (0) were divested. These flows are reported respectively in the cash flow statement as short-term investments and divestments of short-term investments.

Cash flow from financing activities
The cash flow from financing activities amounted to TSEK -1,348 (73,705) and comprised amortization of lease liabilities of TSEK -1,348 (-1,295).
Last year's cash flow from financing activities also included a new issue that raised TSEK 75,000.

Financing and financial position
Cash and cash equivalents
The Group's cash and cash equivalents at the end of the quarter amounted to TSEK 47,840 (108,797).

Short-term investments
The company's liquidity surplus was invested in short-term fixed-income funds. The funds' rates are subject to low volatility and the fund units can be converted into cash within a few banking days. As of July 31, 2020, the value of the funds was TSEK 306,180 (0).

Other borrowings
On July 31, 2020, Oasmia had a debt to MGC Capital Ltd amounting to TSEK 80,000 (80,000), which is reported in the balance sheet as "Other borrowings". This debt fell due on August 24, 2019 and, on submission of this report, remained disputed and had not been settled. 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 and is reported in the balance sheet under "Other current receivables" at this value. This receivable fell due on August 24, 2019 and, on the submission of this interim report, remained disputed and had not been settled. However, when the debt to MGC has been settled, the nominal value of TSEK 60,251 is expected to be offset, whereby an income of approximately TSEK 20,000 is expected to arise. See also Note 6.

In accordance with IFRS 16 Leases, the Group recognizes the present value of future lease payments as interest-bearing liabilities. At the end of the quarter, the reported lease liabilities amounted to TSEK 12,842
(17,647), of which long-term debt was TSEK 7,497 (12,582).

Bank overdraft facility
The Parent Company has an unutilized bank overdraft facility amounting to TSEK 5,000 (5,000).

Equity
At the end of the quarter, equity amounted to TSEK 768,804 (418,583*), the equity/assets ratio was 82% (63*), and the debt/equity ratio was negative (8%*). The reason that the debt/equity ratio is negative is that net debt is negative, meaning that the sum of cash and cash equivalents and short-term investments is greater than borrowing.

Warrants and other instruments outstanding that can increase the number of shares in Oasmia
As of July 31, 2020, the number of financial instruments outstanding was as follows:

	Number of options	Maximum number of shares	Subscription price
Warrants which can be converted to three shares	1,280,250	3,840,750	USD 4.06
Warrants which can be converted to one share, others	140,352	140,352	USD 1.69
Employee stock options which can be converted to one share	896,739	896,739	SEK 7.36
Maximum number of shares		**4,877,841**	

Warrants that can be converted to three shares are warrants issued in 2015 and which expire on October 28, 2025. One warrant entitles the holder to subscribe for three shares at a subscription price of USD 4.06.

Warrants which can be converted to one share are warrants issued in 2015 and which expire on October 22, 2020. One warrant entitles the holder to subscribe for one share at a subscription price of USD 1.69.

The employee stock option program is directed at the company's CEO and entailed the issue of 896,739 options, which, subject to continued employment for three years, can be exercised during the period from February 13, 2023 to February 13, 2024 with an agreed strike price of SEK 7.36 per share.

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.

At July 31, 2020, Oasmia had MSEK 47.8 in cash and cash equivalents and MSEK 306.2 in short-term investments, which can be converted into liquidity within a few banking days.

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

Legal and supplementary information
No significant changes have taken place since the publication of the 2019/2020 annual report. For more information, please refer to the said annual report.

Parent Company
The Parent Company's net sales for the financial year amounted to TSEK 208 (182) and income before taxes was TSEK -51,279 (-38,168*). At July 31, 2020, the Parent Company's cash and cash equivalents amounted to TSEK 47,659 (108,536) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 306,180 (0).

Key metrics and other information

	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Number of shares at end of period, before and after dilution, in thousands[1]	448,370	326,313	448,370
Weighted average number of shares, before and after dilution, in thousands[1]	448,370	303,577	398,395
Earnings per share before and after dilution, SEK[1,2]	-0.12	-0.13	-0.03
Equity per share, SEK[1,3]	1.71	1.28	1.83
Equity/assets ratio, %[4]	82	63	82
Net liability, TSEK	neg.	32,001	neg.
Debt/equity ratio, %[5]	neg.	8	neg.
Return on total assets, %	neg.	neg.	neg.
Return on equity, %	neg.	neg.	neg.
Number of employees at period end	59	55	63

1) The key figures for the comparison periods have been adjusted for the bonus issue component in the rights issue carried out in 2019/2020.

2) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was SEK -0.17.

3) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was SEK 1.72.

4) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was 64 percent.

5) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was 7 percent.

Definitions

Earnings per share: Income for the period attributable to the Parent Company shareholders in relation to 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 liability: Total borrowings (including the balance-sheet items: liabilities to credit institutions, convertible loans and other borrowings) with deduction of cash and cash equivalents and short-term investments.
Debt/equity ratio: Net liability as a ratio of equity.
Return on total assets: Income before deduction of interest expenses as a ratio of average total assets.
Return on equity: Income before taxes as a ratio of average equity.

The key definitions found above are generic definitions 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:

	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Equity per share			
Equity attributable to Parent Company shareholders at the end of the period, TSEK[2]	768,804	418,583	819,389
Number of shares at end of period, thousand[1]	448,370	326,313	448,370
Equity per share, SEK[1,2]	**1.71**	**1.28**	**1.83**
Equity/assets ratio			
Closing balance, equity, TSEK[2]	768,804	418,583	819,389
Closing balance, total assets, TSEK[3]	942,781	659,766	1,005,347
Equity/assets ratio[2]	**82%**	**63%**	**82%**
Net liability, TSEK			
Convertible debt instruments	0	60,798	–
Other borrowings	80,000	80,000	80,000
Total borrowings	80,000	140,798	80,000
Short-term investments	306,180	–	234,080
Cash and cash equivalents	47,840	108,797	201,018
Total short-term investments, and cash and cash equivalents	354,019	108,797	435,098
Net liability	**-274,019**	**32,001**	**-355,098**
Debt/equity ratio			
Net liability, TSEK	-274,019	32,001	-355,098
Equity, TSEK[2]	768,804	418,583	819,389
Debt/equity ratio[2]	**-36%**	**8%**	**-43%**
Return on total assets			
Income before deduction of interest expenses	-46,768	-35,664	-28,917
Average total assets	974,064	632,403	805,193
Return on total assets	**-5%**	**-6%**	**-4%**
Return on equity			
Income before taxes	-53,105	-39,783	-43,356
Total equity	794,097	401,041	601,444
Return on equity	**-7%**	**-10%**	**-7%**

1) The key figures for the comparison periods have been adjusted for the bonus issue component in the rights issue carried out in 2019/2020.
2) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 428,117.
3) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 669,300.
4) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -39,928.

Consolidated income statement

TSEK	Note	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Net sales		208	182	201,843
Other operating income		421	70	427
Change in inventories of products in progress and finished goods		1,886	2,291	20,904
Capitalized development costs		–	1,085	4,356
Raw materials and consumables used		-542	-1,278	-11,258
Other external expenses		-22,142	-20,410	-162,539
Employee benefit expenses		-21,880	-14,616	-63,787
Depreciation, amortization and impairment[2]		-7,171	-3,088	-20,032
Operating loss[3]		**-49,220**	**-35,764**	**-30,086**
Financial income		2,452	100	1,169
Financial expenses		-6,337	-4,119	-14,439
Financial income and expenses - net		**-3,885**	**-4,019**	**-13,270**
Income before taxes[4]		**-53,105**	**-39,783**	**-43,356**
Income taxes	2	–	–	32,822
Income for the period[4]		**-53,105**	**-39,783**	**-10,533**
Income for the period attributable to:				
Parent Company shareholders[4]		-53,105	-39,783	-10,533
Non-controlling interests		0	0	0
Earnings per share before and after dilution, SEK[5]		-0.12	-0.13	-0.03

Consolidated statement of comprehensive income

TSEK	Note	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Income for the period[4]		**-53,105**	**-39,783**	**-10,533**
Other comprehensive income				
Items that may subsequently be transferred to the income statement:				
Translation differences		2,307	-83	-559
Total other comprehensive income		**2,307**	**-83**	**-559**
Comprehensive income for the period[6]		**-50,798**	**-39,866**	**-11,092**
Comprehensive income attributable to:				
Parent Company shareholders[2]		-50,798	-39,866	-11,092
Non-controlling interests		0	0	0

1) Comparative figures have been restated taking into account the bonus issue component in the rights issues carried out in 2019.

2) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -3,233.

3) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -35,909.

4) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -39,928.

5) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was SEK -0.17.

6) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -40,011.

Consolidated statement of financial position

TSEK	Note	Jul 31, 2020	Jul 31, 2019	Apr 30, 2020
ASSETS				
Non-current assets				
Property, plant and equipment		28,937	37,875	28,014
Capitalized development costs	3	428,473	433,525	433,357
Other intangible assets[1]		9,548	10,317	9,759
Financial assets		2,002	2,002	2,002
Total non-current assets[2]		**468,961**	**483,720**	**473,132**
Current assets				
Inventories	4	31,281	9,550	28,837
Accounts receivable		107	3,493	59
Other current receivables		42,819	44,601	43,848
Prepaid expenses and accrued income		45,593	9,605	24,372
Short-term investments		306,180	–	234,080
Cash and cash equivalents		47,840	108,797	201,018
Total current assets		**473,820**	**176,047**	**532,215**
TOTAL ASSETS[3]		**942,781**	**659,766**	**1,005,347**
EQUITY				
Equity and reserves attributable to Parent Company shareholders				
Share capital		44,837	24,909	44,837
Other capital provided		1,904,362	1,552,044	1,904,150
Reserves		1,097	-735	-1,211
Retained earnings, including income for the period[4]		-1,181,492	-1,157,636	-1,128,386
Equity attributable to Parent Company shareholders[5]		**768,804**	**418,583**	**819,389**
Equity attributable to non-controlling interests		0	0	0
Total equity[5]		**768,804**	**418,583**	**819,389**
LIABILITIES				
Long-term liabilities				
Lease liabilities, long-term		7,497	12,582	**8,845**
Deferred tax liability		–	32,822	-
Total long-term liabilities		**7,497**	**45,404**	**8,845**
Current liabilities				
Convertible debt instruments		–	60,798	–
Other borrowings		80,000	80,000	80,000
Accounts payable		13,929	13,910	22,524
Lease liabilities, short-term		5,345	5,065	5,320
Other current liabilities		3,911	3,183	3,488
Accrued expenses and deferred income		63,296	32,823	65,780
Total current liabilities		**166,480**	**195,779**	**177,112**
Total liabilities		**173,978**	**241,183**	**185,957**
TOTAL EQUITY AND LIABILITIES[3]		**942,781**	**659,766**	**1,005,347**

Any contingent liabilities and pledged assets are reported in note 6

1) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 19,851.

2) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 493,254.

3) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 669,300.

4) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -1,148,102.

5) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 428,117.

Consolidated statement of changes in equity

	Attributable to Parent Company shareholders						
TSEK	Share capital	Other capital provided	Reserves	Retained earnings, including income for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, May 1, 2019[1]	**22,490**	**1,479,513**	**-652**	**-1,117,854**	**383,499**	**0**	**383,499**
Income for the period[1]	–	–	–	-39,783	-39,783	0	-39,783
Other comprehensive income	–	–	-83	–	-83	0	-83
Comprehensive income for the period[1]	**0**	**0**	**-83**	**-39,783**	**-39,866**	**0**	**-39,866**
New share issues	2,419	72,581	–	–	75,000	–	75,000
Issue expenses	–	-50	–	–	-50	–	-50
Closing balance, July 31, 2019[1]	**24,909**	**1,552,044**	**-735**	**-1,157,637**	**418,583**	**0**	**418,583**
Opening balance, May 1, 2019[1]	**22,490**	**1,479,513**	**-652**	**-1,117,854**	**383,499**	**0**	**383,499**
Income for the year	–	–	–	-10,533	-10,533	0	-10,533
Other comprehensive income	–	–	-559	–	-559	0	-559
Comprehensive income for the year	**0**	**0**	**-559**	**-10,533**	**-11,092**	**0**	**-11,092**
Employee stock options	–	120	–	–	120	–	120
New share issues	22,347	451,204	–	–	473,551	–	473,551
Issue expenses	–	-26,687	–	–	-26,687	–	-26,687
Closing balance, April 30, 2020	**44,837**	**1,904,150**	**-1,211**	**-1,128,386**	**819,389**	**0**	**819,389**
Opening balance, May 1, 2020	**44,837**	**1,904,150**	**-1,211**	**-1,128,386**	**819,389**	**0**	**819,389**
Income for the period	–	–	–	-53,105	-53,105	0	-53,105
Other comprehensive income	–	–	2,307	–	2,307	0	2,307
Comprehensive income for the period	**0**	**0**	**2,307**	**-53,105**	**-50,798**	**0**	**-50,798**
Employee stock options	–	212	–	–	212	0	212
Closing balance, July 31, 2020	**44,837**	**1,904,362**	**1,097**	**-1,181,492**	**768,804**	**0**	**768,804**

1) The opening balance for May 1, 2019 and the earnings for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019.

Consolidated statement of cash flows

TSEK	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Operating activities			
Operating loss[1]	-49,220	-35,764	-30,086
Adjustments for non-cash items[1]	9680	3,009	26,509
Interest received	0	0	19
Interest paid	-300	-192	-4,373
Cash flow from operating activities before changes in working capital	**-39,841**	**-32,947**	**-7,931**
Changes in working capital			
Change in inventories	-2,444	-2,130	-26,821
Change in accounts receivable	-49	41	-23
Change in other current receivables	-19,839	2,531	-12,891
Change in accounts payable	-8,595	-3,917	4,732
Change in other current liabilities	-3,754	1,987	36,068
Cash flow from operating activities	**-74,521**	**-34,435**	**-6,866**
Investing activities			
Investments in intangible assets	–	-1,114	-4,458
Investments in property, plant and equipment	-2,999	-5,378	-8,415
Investments in financial assets	–	-40,251	-40,251
Short-term investments	-100,000	–	-280,000
Divestment of short-term investments	30,000	–	45,000
Cash flow from investing activities	**-72,999**	**-46,743**	**-288,124**
Financing activities			
Repayment of convertible debt instruments	–	–	-62,000
Repayment of lease liability	-1,348	-1,295	-5,141
Advances in connection with new share issue	–	–	45,000
New share issues	–	75,000	428,551
Issue expenses	–	–	-26,688
Cash flow from financing activities	**-1,348**	**73,705**	**379,722**
Income for the period	**-148,868**	**-7,473**	**84,731**
Effects of exchange rate changes on cash and cash equivalents	**-4,310**	**-2**	**15**
Cash and cash equivalents at the beginning of the period	**201,018**	**116,272**	**116,272**
Cash and cash equivalents at the end of the period	**47,840**	**108,797**	**201,018**

1) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019.

Parent Company income statement

TSEK	Note	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Net sales		208	182	201,843
Change in inventories of products in progress and finished goods		1,886	2,291	20,904
Capitalized development costs		–	1,085	4,356
Other operating income		421	70	427
Raw materials and consumables used		-542	-1,278	-11,258
Other external expenses		-21,903	-21,410	-167,052
Employee benefit expenses		-21,880	-13,553	-58,667
Depreciation, amortization and impairment of tangible and intangible non-current assets[1]		-5,780	-1,727	-14,528
Operating loss[2]		**-47,590**	**-34,339**	**-23,975**
Result from participations in Group companies		-61	–	-14,519
Other interest income and similar income		2,452	100	1,863
Interest expenses and similar expenses		-6,080	-3,929	-13,436
Financial income and expenses - net		**-3,689**	**-3,829**	**-26,092**
Income before taxes[3]		**-51,279**	**-38,168**	**-50,067**
Income tax	2	–	–	–
Income for the period[3]		**-51,279**	**-38,168**	**-50,067**

1) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -1,872.

2) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -34,484.

3) The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -38,313.

Parent Company balance sheet

TSEK	Note	Jul 31, 2020	Jul 31, 2019	Apr 30, 2020
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	3	428,473	324,118	433,357
Concessions, patents, licenses, trademarks and similar rights[1]		9,548	10,317	9,759
Property, plant and equipment				
Equipment, tools and fixtures and fittings		10,316	12,725	10,722
Construction in progress and advance payments for property, plant and equipment		5,175	6,527	2455
Financial assets				
Participations in Group companies	5	60	109,663	60
Other securities held as non-current assets		2,001	2,001	2,001
Total non-current assets[2]		**455,573**	**465,351**	**458,354**
Current assets				
Inventories, etc.	4			
Raw materials and supplies		3,173	5,754	6,427
Products in progress		13,588	3,796	7,890
Finished goods		14,519	–	14,520
		31,281	9,550	28,837
Current receivables				
Accounts receivable		107	3,493	59
Receivables from Group companies		–	7,416	–
Other current receivables		42,818	44,601	43,847
Prepaid expenses and accrued income		46,623	10,550	25,399
		89,548	66,060	69,305
Short-term investments		306,180	–	234,080
Cash and bank balances		47,659	108,536	200,819
Total current assets		**474,668**	**184,146**	**533,041**
TOTAL ASSETS[3]		**930,241**	**649,497**	**991,395**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		44,837	24,909	44,837
Statutory reserve		4,620	4,620	4,620
Reserve for development costs		27,805	25,234	28,231
		77,262	54,763	77,688
Non-restricted equity				
Share premium reserve		1,904,674	1,552,357	1,904,463
Retained earnings[4]		-1,157,597	-1,104,959	-1,107,956
Income for the period[5]		-51,279	-38,168	-50,067
		695,798	409,230	746,440
Total equity[6]		**773,060**	**463,993**	**824,128**
Current liabilities				
Convertible debt instruments		–	60,798	–
Other borrowings		80,000	80,000	80,000
Accounts payable		12,373	10,977	20,741
Liabilities to Group companies		2,784	2,784	2,784
Other current liabilities		2,429	1,691	2,005
Accrued expenses and deferred income		59,594	29,254	61,736
Total current liabilities		**157,181**	**185,504**	**167,267**

TOTAL EQUITY AND LIABILITIES[3]	**930,241**	**649,497**	**991,395**

1) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 19,851.

2) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 474,885.

3) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 659,031.

4) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -1,095,280.

5) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK -38,313.

6) The figures for July 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019, in which the amount was TSEK 473,527.

Parent Company statement of changes in equity

	Restricted equity			Non-restricted equity		
TSEK	Share capital	Statutory reserve	Reserve for development costs	Share premium reserve	Retained earnings, including income for the year	Total equity
Opening balance, May 1, 2019[1]	**22,490**	**4,620**	**24,199**	**1,479,826**	**-1,103,924**	**427,211**
Income for the period					-38,168	-38,168
Provision to Reserve for development costs	–	–	1,085		-1,085	0
Reversal of Reserve for development costs	–	–	-50	–	50	0
New share issues	2,419	–	–	72,581	–	75,000
Issue expenses	–	–	–	-50	–	-50
Closing balance, July 31, 2019[1]	**24,909**	**4,620**	**25,234**	**1,552,357**	**-1,143,127**	**463,993**
Opening balance, May 1, 2019[1]	**22,490**	**4,620**	**24,199**	**1,479,826**	**-1,103,924**	**427,211**
Income for the year	–	–	–	–	-50,067	-50,067
Provision to Reserve for development costs			4,356		-4,356	0
Reversal of Reserve for development costs	–	–	-324	–	324	0
Employee stock options	–	–	–	120	–	120
New share issues	22,347	–	–	451,204	–	473,551
Issue expenses	–	–	–	-26,687	–	-26,687
Closing balance, April 30, 2020	**44,837**	**4,620**	**28,231**	**1,904,463**	**-1,158,023**	**824,129**
Opening balance, May 1, 2020	**44,837**	**4,620**	**28,231**	**1,904,463**	**-1,158,023**	**824,129**
Income for the period	–	–	–	–	-51,279	-51,279
Provision to Reserve for development costs	–	–	–	–	0	0
Reversal of Reserve for development costs	–	–	-426	–	426	0
Employee stock options	–	–	–	212	–	212
Closing balance, July 31, 2020	**44,837**	**4,620**	**27,805**	**1,904,674**	**-1,208,876**	**773,060**

1) The opening balance for May 1, 2019 and the earnings for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019.

NOTE 1 – Accounting policies, etc.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Securities Market Act. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as well as recommendation RFR 1 Supplementary Accounting Regulations for Groups and the Annual Accounts Act. The Group's accounting policies and calculation methods are consistent with those used in the Annual Report for the financial year from May 1, 2019 to April 30, 2020.

The Parent Company's accounts are presented in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities.

No new or amended IFRS standards or IFRIC interpretations have entered force since May 1, 2020 that have had any impact on Oasmia's financial statements.

The carrying amounts for loan receivables, other receivables, cash and cash equivalents, accounts payable and other liabilities comprise reasonable approximations of fair value.

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

Note 2 Income taxes

The Group had accumulated loss carryforwards from previous years and from the financial year amounting to TSEK 1,294,455 (1,213,263) and the Parent Company had such loss carryforwards of TSEK 1,263,393 (1,189,369). There are at present no sufficiently convincing indications as to when loss carryforwards will be able to be utilized against future profits, and thus no deferred tax asset has been taken into consideration in the balance sheet.

Note 3 Capitalized development costs

Oasmia has capitalized development costs consisting of the company's work on clinical trials in Phase III for the product candidates Paclical/Apealea® and Paccal Vet. The accumulated assets by product candidate are shown below.

	Group			Parent Company		
TSEK	Jul 31, 2020	Jul 31, 2019	Apr 30, 2020	Jul 31, 2020	Jul 31, 2019	Apr 30, 2020
Paclical	319,065	324,118	323,949	319,065	324,118	323,949
Paccal Vet	109,408	109,408	109,408	109,408	–	109,408
Total	428,473	433,525	433,357	428,473	324,118	433,357

During the 2018/2019 financial year, amortization was started for that part of the capitalized development costs for Apealea®/Paclical that was attributable to the Russian market and, in 2019/2020, amortization of the other portions of the capitalized development costs pertaining to Paclical/Apealea® was started. Amortization in the quarter amounted to TSEK 4,883 (690).

Note 4 Inventories

TSEK	Jul 31, 2020	Jul 31, 2019	Apr 30, 2020
Measured at cost			
Raw materials and supplies	3,173	5,754	6,427
Products in progress	13,588	3,796	7,890
Finished goods	14,519	–	14,519
Total	31,281	9,550	28,837

Goods have been expensed and written down as follows:

TSEK	2020 May–Jul	2019 May–Jul	2019/20 May–Apr
Expensed goods	–	–	–
Written down goods	–	–	5,404

Note 5 Transactions with related parties

The Parent Company has undertaken, on certain conditions, when necessary, to finance the US subsidiary AdvaVet with financial loans up to a total of TUSD 1,500. On July 31, 2020, the Parent Company's receivable from AdvaVet, including accrued interest, amounted to TUSD 1,485, which was recognized at TSEK 12,858. However, since management believes that AdvaVet will not be able to repay this receivable, it has been written down in the Parent Company.

During the quarter, expenses in the form of consultancy fees to members of the Board, for work in addition to the board assignment, were recognized in the amount of TSEK 105. Expenses for consulting fees to people in management, who are not employees of the company, were recognized in the amount of TSEK 997 during the quarter.

Otherwise, no material transactions with related parties were conducted during the quarter other than the remuneration

disbursed to Board members and employees.

Note 6 Contingent liabilities, pledged assets and contingent assets

The Parent Company has taken out a chattel mortgage of TSEK 8,000 with a bank as collateral for an overdraft facility of TSEK 5,000 (and as the limit for a foreign currency derivative of TSEK 3,000.

During the 2016/17 financial year warrants were issued in programs for the Board and management. As these were invalid, however, an Extraordinary General Meeting on June 2, 2017 adopted a resolution whereby these programs were canceled. A possible consequence of the programs being invalid and canceled 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 presented a claim for compensation from Oasmia as a result of MGC not being allowed to subscribe for shares by means of 23.2 million warrants. The associated claim is set at approximately MSEK 230 and is based on the assumption that MGC was entitled to the warrants and that MGC divested all of its shares in November 2018. MGC has applied for a subpoena partly for the claim of MSEK 80 and partly for damages that have been adjusted to approximately MSEK 230. Oasmia's Board of Directors considers that MGC's claim for damages has no merit and has therefore disputed it. Initial procedural objections have been tried but not conclusively adjudicated. If and when this takes place, Oasmia will continue to dispute the payment claims, and the processing of this case has not caused Oasmia in any way to alter its previously made assessments as to the outcome of these disputes.

In July 2019, Oasmia acquired a claim on MGC Capital Ltd. from Arwidsro Investment AB as part of the settlement agreement between Arwidsro and Oasmia. The nominal value of the receivable on October 31, 2019 amounted to TSEK 60,251, but when the receivable was acquired for TSEK 40,251, it was entered as an asset in the balance sheet at this value. The intention is to use this receivable at its nominal value as part of settling 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 exposed to various types of risk through its operations. Through creating awareness of the risks inherent to operations, these risks can be limited, controlled and managed at the same time as business opportunities can be leveraged to increase earnings. The risks pertaining to Oasmia's operations are detailed in the Annual Report for the financial year from May 1, 2019 to April 30, 2020.

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.

At July 31, 2020, Oasmia had MSEK 47.8 in cash and cash equivalents and MSEK 306.2 in short-term investments, which can be converted into liquidity within a few banking days.

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

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.

September 9, 2020

Uppsala

Anders Härfstrand, Chairman of the Board	Sven Rohmann, Member of the Board
Hege Hellström, Member of the Board	Birgit Stattin Norinder, Member of the Board
Peter Zonabend, 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 08:00 CET on September 9, 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

Extraordinary General Meeting
The company held an Extraordinary General Meeting on May 14, at the offices of the company in Uppsala. At the Extraordinary General Meeting it was resolved that, among others, in accordance with the Nomination Committee's proposal, that former board member Anders Härfstrand will be the new Chairman of the Board and Birgit Stattin Norinder will be new member of the Board. Jörgen Olsson, former Chairman of the Board, and Gunilla Öhman, former Board member, will leave the Board. Furthermore, the Extraordinary General Meeting approved the Board's decision to issue employee stock options to CEO François Martelet, and resolved on remuneration to Board members. For more information, see the company's website www.oasmia.se.

Annual General Meeting 2020
The Annual General Meeting for Oasmia Pharmaceutical AB will take place on September 9 at 14.00 in Uppsala. The Board of Directors has proposed that no dividend be paid for the financial year May 1, 2019 – April 30, 2020. For more information, see the company website www.oasmia.com

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 Anders Härfstrand, Chairman of the Board. Anders Härfstrand replaced Jörgen Olsson, former Chairman of the Board, on the Nomination Committee.

COMPANY INFORMATION

Oasmia Pharmaceutical AB (publ)
Corp. reg. no. 556332-6676
Domicile: Stockholm

Address and telephone number of the head office
Vallongatan 1, 752 28 UPPSALA, SWEDEN
Phone: +46 18-50 54 40, www.oasmia.com, E-mail: info@oasmia.com

For more information:
Francois Martelet, Chief Executive Officer
Michael af Winklerfelt, Chief Financial Officer
Phone: +46 18-50 54 40
E-mail: IR@oasmia.com

Financial calendar

Annual General Meeting 2020	September 9, 2020
Interim report May 2020 – October 2020	December 9, 2020