Annual Report

2019 / 20

oasmia

Content

Oasmia develops, manufactures and markets drugs in human and veterinary medicine.

Oasmia in brief

Our company

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

History

2020

April
Oasmia receives MUSD 20 in upfront payment from Elevar.

March
Oasmia and Elevar enter into strategic partnership for the commercialization of Apealea® with upfront payment of MUSD 20, milestone payments with potential of MUSD 678 and double-digit royalties.

February
Oasmia appoints Dr. Francois Martelet as CEO.

January
Oasmia launches Apealea® in Sweden, Denmark and Finland.

2019

December
Oasmia carries out a heavily oversubscribed rights issue of MSEK 399.

September
Oasmia complements the board with Anders Härfstrand and Hege Hellström.

Oasmia publishes investigation of liability issues regarding the previous board and management.

August
Oasmia delists from NASDAQ USA.

July
Oasmia settles with Arwidsro, whereby Arwidsro exercises 24.2 warrants and pays MSEK 75.

Oasmia appoints Business Advisory Board and Scientific Advisory Board.

Sven Rohmann becomes acting CEO.

March
Oasmia receives a positive opinion from EMA to add efficacy data to the approved Apealea® product information.

A new board is appointed at the Extraordinary General Meeting, which initiates a review of Oasmia.

Oasmia carries out a directed share issue of MSEK 165.

2018

All patients treated in pivotal study on Docetaxel Micellar.*

Apealea® granted approval by the European Commission.

US patent granted related to the technology platform XR-17™.

New agreement entered into with Baxter Oncology GmbH for global commercial manufacturing of Apealea®.

2017

Positive results reported for weekly Apealea® (Paclical) treatments for breast cancer.

The company completes a directed share issue of approximately MSEK 164.

1999

Oasmia Pharmaceutical AB was founded in Uppsala.

* This product was previously known as Docecal. The name has been changed for trademark reasons.

Year in brief

Financial year May 1, 2019 – April 30, 2020

- Consolidated net sales amounted to TSEK 201,843 (1,980).
- Operating loss was TSEK -30,086 (-150,237).
- Net loss after tax amounted to TSEK -10,533 (-201,300).
- Loss per share was SEK -0.03 (-0.79).[1]

1) Loss per share for the comparison period has been adjusted for the bonus issue component in the rights issue carried out during the year.

Effects of the COVID-19 pandemic

Market: The outbreak of COVID-19 and its effects around the world accelerated during the first half of 2020. 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.

Staff: The company has implemented business continuity protocols and most company employees have continued to work as before. The company has taken steps to protect its staff and has implemented a policy of remote working where possible.

Supply chain: The COVID-19 outbreak has resulted in a negative impact on supply chains, for instance with increased lead times for certain consumables, but not to a significant degree.

Company's market capitalization at end of financial year	Consolidated net sales for the financial year	Loss per share at end of financial year
MDSEK 3.4	MSEK 201.8	SEK -0.03

Important events during the year

Q1

- Sven Rohmann was appointed as interim CEO.
- Oasmia announced the appointment of a special examiner and the reporting of certain transactions to the Swedish Economic Crime Authority.

Q2

- Oasmia's Annual General Meeting resolved to grant the present Board members and the former CEO discharge from liability. The AGM resolved to not grant discharge from liability for the previous Board of Directors.
- Oasmia is delisted from Nasdaq in the US to reduce complexity and costs.

Q3

- The company completed a fully subscribed rights issue of approximately MSEK 399 before issue expenses.

Q4

- Oasmia and Elevar signed a global strategic partnership for the commercialization of Apealea® with an upfront payment of MUSD 20, milestone payments with a potential of up to MUSD 678 and double-digit royalties. Oasmia received the upfront payment of MUSD 20, which meant that the company had a positive result during the quarter.
- Dr. François Martelet was appointed as new CEO and replaced Dr. Sven Rohmann, who remains in his position as Board member.
- 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.

Events after closing day

- Oasmia Pharmaceutical Appoints Peter Selin as Chief Business Officer.
- 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.
- Oasmia signed a Phase 1b Trial Agreement with SAKK, the Swiss Group for Clinical Cancer Research, for evaluation of Docetaxel Micellar.
- An Extraordinary General Meeting resolved that existing Board member Anders Härfstrand become the new Chairman of the Board and Birgit Stattin Norinder become a new member of the Board. Jörgen Olsson, former Chairman of the Board, and Gunilla Öhman, former Board member, stepped down from the Board.
- Oasmia announced the outcome of a strategic review to deliver long-term, profitable growth as a specialty pharma company.

CEO's comments:
A new vision for growth

Since joining Oasmia in March 2020, I have been impressed by our technology and potential as well as our untapped opportunities in the development pipeline. During the first few months of 2020, Oasmia signed a transformative global strategic partnership for our lead product Apealea® and started to launch Apealea® in the Nordics. We also set out a clear plan to accelerate growth both organically and through strategic, value building acquisitions, as well as significantly control our costs.

Apealea®, our water-soluble, intravenously injectable formulation of paclitaxel, has continued to make progress since its approval in the European Union for the treatment of advanced ovarian cancer. Apealea® was developed using our proprietary XR-17™ platform technology, which facilitates the solubility of paclitaxel and thereby improves safety, reduces infusion time for patients and almost eliminates the need for corticotherapy ahead or after treatment. Apealea®'s approval and launch has demonstrated Oasmia's ability to develop and deliver new products to market that meet unmet medical needs and enhance drug safety. In early February, Apealea® became commercially available in the Nordic region, a first step towards a pan-European launch. However, the launch in the Nordic countries has been significantly limited due to the COVID-19 pandemic.

In March, we announced a global strategic partnership with Elevar Therapeutics, the US subsidiary of the South Korean conglomerate HLB Co. LTD, to commercialize Apealea®, in return for an upfront payment of MUSD 20, potential milestone payments of up to MUSD 678 and double-digit royalties on future sales. This transformative agreement is a powerful endorsement of the XR-17™ platform's potential in oncology and provides a solid foundation for further significant progress.

Oasmia is now ideally placed to move into the next phase of growth. Following an extensive review assessing all aspects of the business initiated shortly after my appointment as CEO, we set out a strategic vision to broaden our focus and establish Oasmia as a leading specialty pharmaceutical company. To fulfill this goal, we have announced plans to maximize Oasmia's resources, realize the full potential of the XR-17™ platform technology and optimize the company's path towards long-term, profitable growth. We have identified a number of areas of strategic focus.

Firstly, we will continue to explore additional opportunities to apply Oasmia's proprietary XR-17™ solubility-enhancing technology platform in oncology, as well as in other therapeutic areas. This may include the out-licensing of non-core applications.

Secondly, we will continue to drive the development of our pipeline of XR-17™-based products, including docetaxel micellar in prostate cancer and in collaboration with the well-known Swiss research group SAKK, and we will assess the feasibility of the combination therapy XR-19. We will leverage the expertise of our company's research facilities for Proof-of-Concept purposes and product development.

Finally, we will look to expand Oasmia's pipeline through acquisitions and/or in-licensing deals, with a focus on specialty pharmaceutical assets that will move the company toward positive cash flow.

In parallel, we are undertaking a comprehensive cost control program designed to maximize resources and enable us to invest in areas which can deliver the greatest return. We aim to achieve annualized cost savings of more than MSEK 100 and a reduction of around 50% in the cash burn rate to below MSEK 10 a month. With Elevar assuming a greater role in the manufacturing of Apealea® following the commercial agreement, Oasmia will be able to focus more on R&D manufacturing, which will significantly improve our operating efficiency.

At the same time we are working to strengthen the skills and capabilities of the management team and will aim to bring in highly talented and experienced managers from the pharmaceutical/biotechnology world.

The outlook for Oasmia is very promising. The company is in a strong cash position, has a product approved in Europe with global potential and near-term value drivers in the pipeline. With our flexibility and proven expertise in product development and commercialization, we are also well placed for M&A, Business Development and partnering opportunities. We look forward to the initiation of a Phase I study investigating our product candidate docetaxel micellar, a solvent-free formulation of docetaxel (Taxotere®), which is extensively used in the treatment of breast, head and neck, stomach, prostate and non-small-cell lung cancers. We hope to see Phase I results for docetaxel micellar in advanced prostate cancer within the next 12-18 months.

Looking ahead, we will continue to focus our efforts on developing compounds and products to meet the unmet medical needs of patients suffering from cancer and other serious diseases.

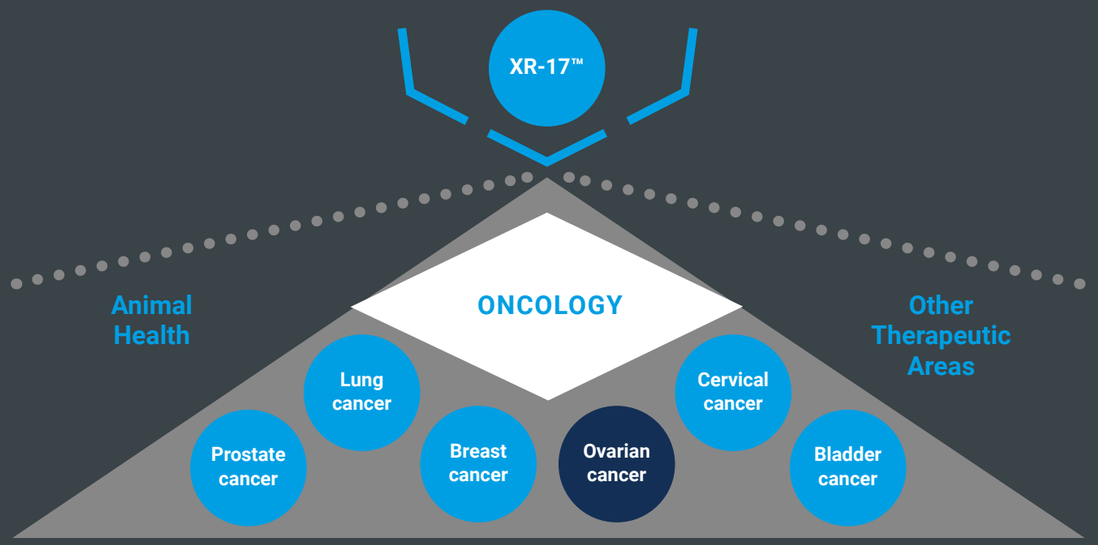
I would like to thank our shareholders and employees for their continued support. I am proud to be leading Oasmia at this important time in the company's development and I am confident we are well positioned to begin the next stage of innovation, growth and value generation to benefit both patients and shareholders.

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

Our 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.
- Strategic review of Animal Health business.



Strategic review

In May 2020, after the end of the financial year, Oasmia announced the outcome of a strategic review assessing all aspects of the business to maximize the company's resources, to achieve the full potential of its XR-17™ platform technology and to optimize Oasmia's path toward long-term, profitable growth.

As a result of the review, Oasmia's management identified a number of areas of strategic focus allowing the company to achieve long-term growth and shareholder value, including:

- Exploration of additional opportunities to apply the company's proprietary XR-17™ solubility-enhancing technology platform in oncology and other therapeutic areas, including out-licensing of non-core medical applications of the technology.
- Continued drive to develop Oasmia's existing pipeline of XR-17™-based products, including Docetaxel micellar (docetaxel) in prostate cancer and assess its combination cancer therapy XR-19.
- Expansion of Oasmia's pipeline through potential acquisitions or in-licensing deals with a focus on late-stage specialty pharma assets that will move the company toward positive cash flow.

As a consequence of this review, Oasmia has undertaken a comprehensive cost control program designed to maximize resources and enable it to invest in areas which can deliver the greatest return. Key aspects of the cost control program include:

- Annualized cost savings of more than MSEK 100.
- A reduction in the cash burn rate of approximately 50% to below MSEK 10 a month.
- Greater focus on R&D and clinical trial GMP manufacturing as opposed to commercial manufacturing.

Becoming a leading European specialty pharmaceutical company

The new Oasmia we envision has the ambition, expertise and resources to become a leader in specialty pharmaceuticals in Europe. The company and management is determined to execute on this shift in strategy and deliver growth and shareholder value. Our success will be based on our ability to maximize the value of Oasmia's current portfolio as well as our ability to look for and potentially acquire companies that will fit and strengthen the company's pipeline. The collaboration that we are launching with the leading Swiss cancer group SAKK is an important step in the path to market for Oasmia's next self-developed formulation in the oncology field. This is one significant first collaboration that we are initating, that will be followed by others to come.

Oasmia has a strong relationship with its partner Elevar, which is key to the potential success of Apealea®. The company recognizes the importance of having the right personnel in place to optimize delivery of its strategic aims and has worked to add expertise to the Board of Directors though the appointment of highly experienced directors, and will continue to do so at management level. Having established this new vision for the company, and in implementing a clear strategy to realize this vision, management is confident that the company is on track to execute and deliver sustained growth and value to shareholders as well as improved outcomes for patients with serious diseases.

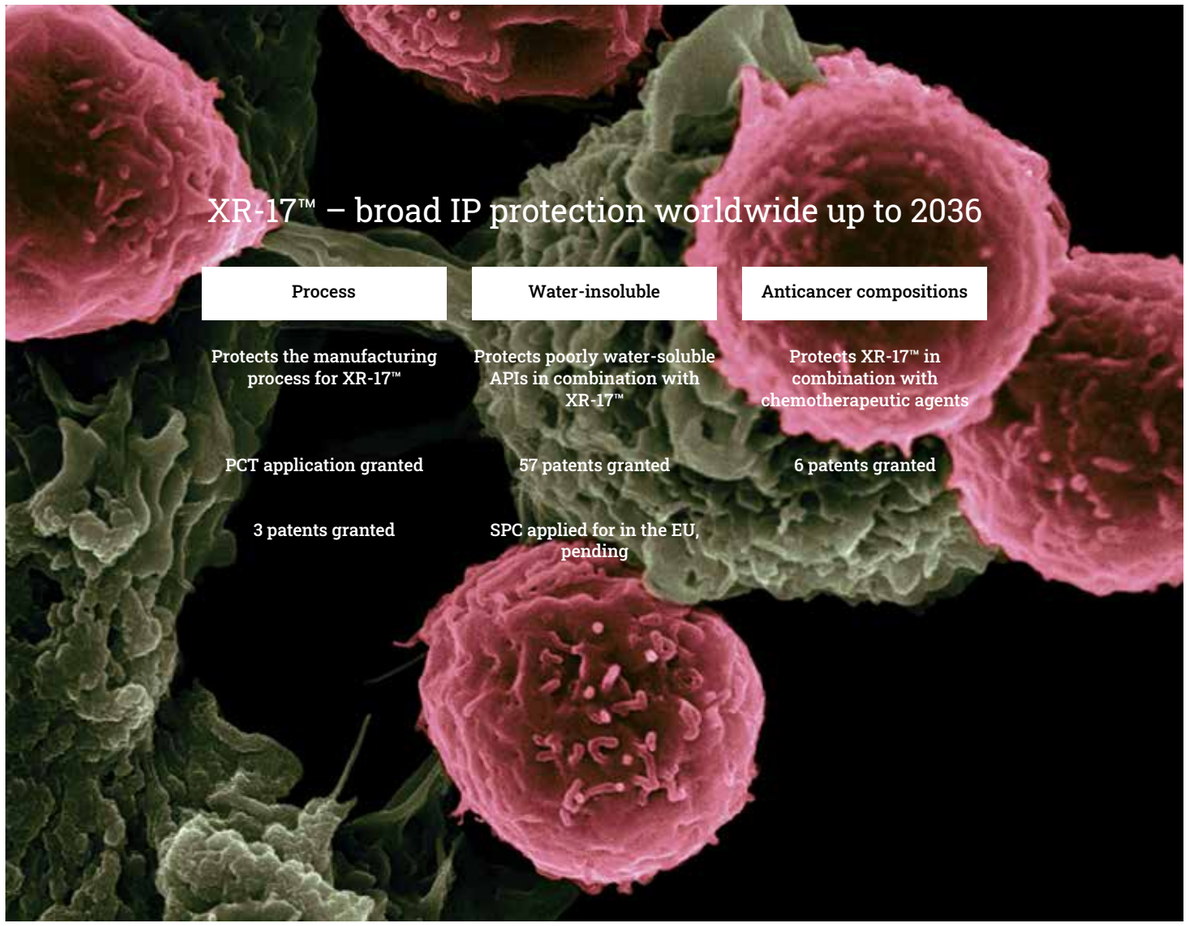
Key value drivers

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

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

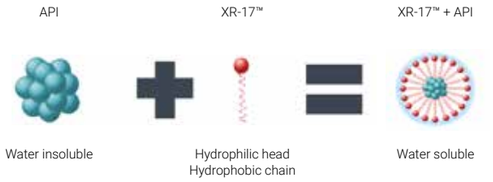
Our Drug Delivery Platform

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.

XR-17™ Technology Platform



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 nano-sized 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.

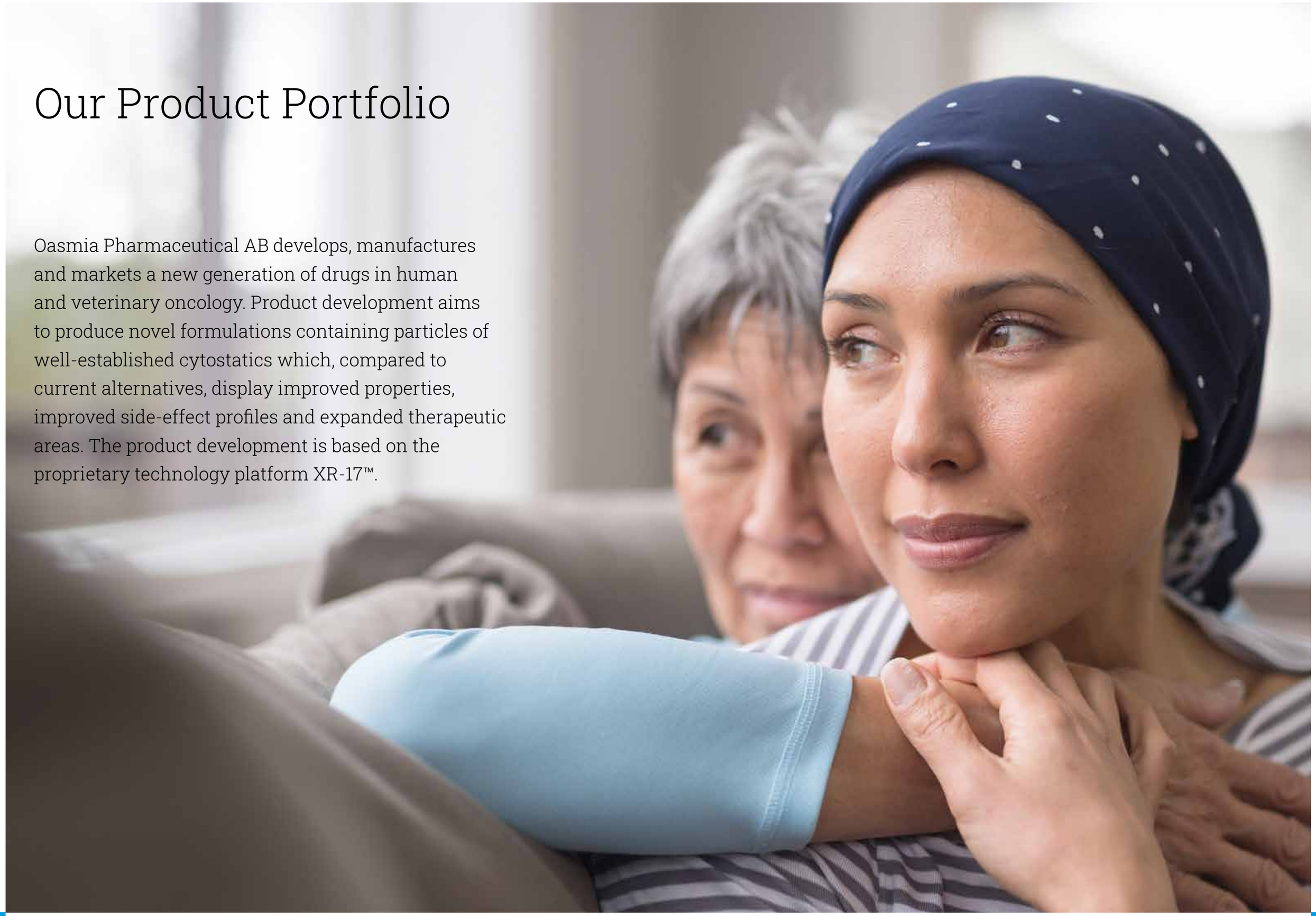
Advantages of XR-17™ with Paclitaxel

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. Oasmia believes that the potential advantages of XR-17™ 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.
- Its drug load capacity (API to cosolvent ratio and high dose potential) and potential for co-delivery.

Our Product Portfolio

Oasmia Pharmaceutical AB 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™.

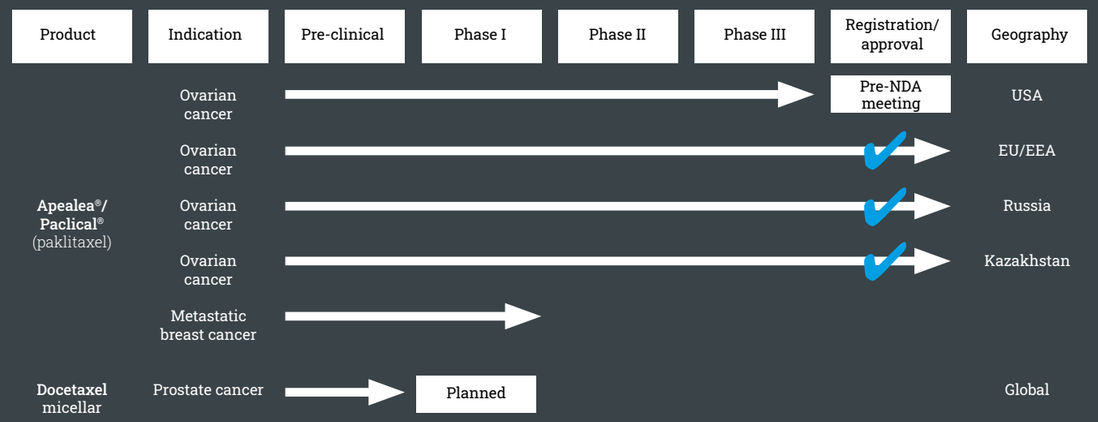


Human Health

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.

Human Health Portfolio



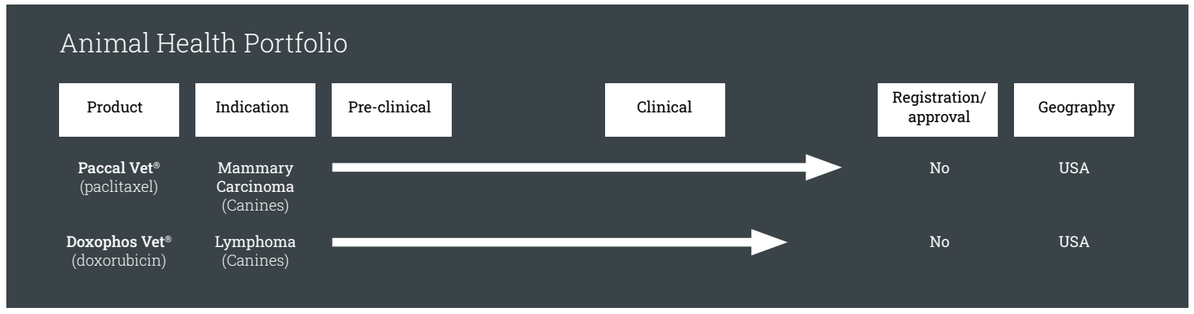
Animal Health

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.

Presently, we are assessing strategic options for our animal health business assets, intending to create value opportunities for our shareholders. These opportunities may include partnering, licensing and divestment of our animal assets.

Animal Health Portfolio



Technology Platform

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 "Our Drug Delivery Platform" above.

Technology Platform Portfolio

The route to market approval for human oncology drugs

Pre-clinical phase
During the pre-clinical phase the substance is investigated experimentally, first in tissue and cell cultures, to see if the substance has the potential to inhibit growth of cancer cells. Toxicological studies are performed on animals to detect any harmful effects of the new substance before it is given to people. Pharmacokinetic studies are carried out to investigate what happens with the substance in the patient's body in terms of absorption, distribution, metabolism and excretion. Furthermore the optimal form of preparation is studied. A patent application is normally made as early as possible in order to protect the drug candidate.

Clinical phase I
During phase I the drug is tested on humans for the first time, which requires approval from the relevant regulatory authority on the basis of documentation from the pre-clinical studies and the prospective study design. The experimental group usually consists of healthy individuals but cytostatics, for example, may not be given to healthy individuals. The study comprises safety, tolerance, pharmacokinetics and pharmacodynamics (for example the drug's effect on blood pressure).

Clinical phase II
When the safety of the substance has been confirmed by phase I studies, phase II studies are performed on patients with the disease that is intended to be treated when the product is on the market. The phase II study is designed to demonstrate the drug's effect on a particular disease and confirm the dosages that were investigated in phase I as well as to further confirm safety and tolerance in the intended group of patients.

Clinical phase III
In the phase III study, the drug is compared with other drugs for treatment of the same disease. The aim is often to demonstrate a similar or better effect but the phase III study also includes gathering further information regarding safety, tolerance, etc. After the phase III studies, documentation from the clinical studies is compiled in a market registration application to relevant regulatory authorities so as to obtain market approval in the countries in question.

Market phase
When the drug has been approved and registered, it can be introduced on the market and begin to be used commercially.

Clinical phase IV
Phase IV studies may be performed after the drug has been introduced on the market so as to increase detailed knowledge of the product's efficacy and safety profile. Attempts are made, for example, to ensure that no new, rare adverse effects are discovered. Phase IV studies may also be required by an authority.

The route to approval for veterinary drugs

The process of obtaining market approval for veterinary drugs is largely the same as for human drugs. In addition to what is stated above, the following should be taken into consideration:

- Clinical studies may be shorter for veterinary drugs.
- As there are few comparative drugs in veterinary medicine, it is possible to compare with placebo. The effect is presumed to be "better than" placebo and thus fewer patients are required to carry out a study on a veterinary drug.
- No studies are performed on people, only on animals.
- For example, the FDA can give conditional approval in certain special cases.
- Phase IV studies, after market approval has been granted, are not as common for veterinary drugs.

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 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 has received MUSD 20 as an upfront payment.

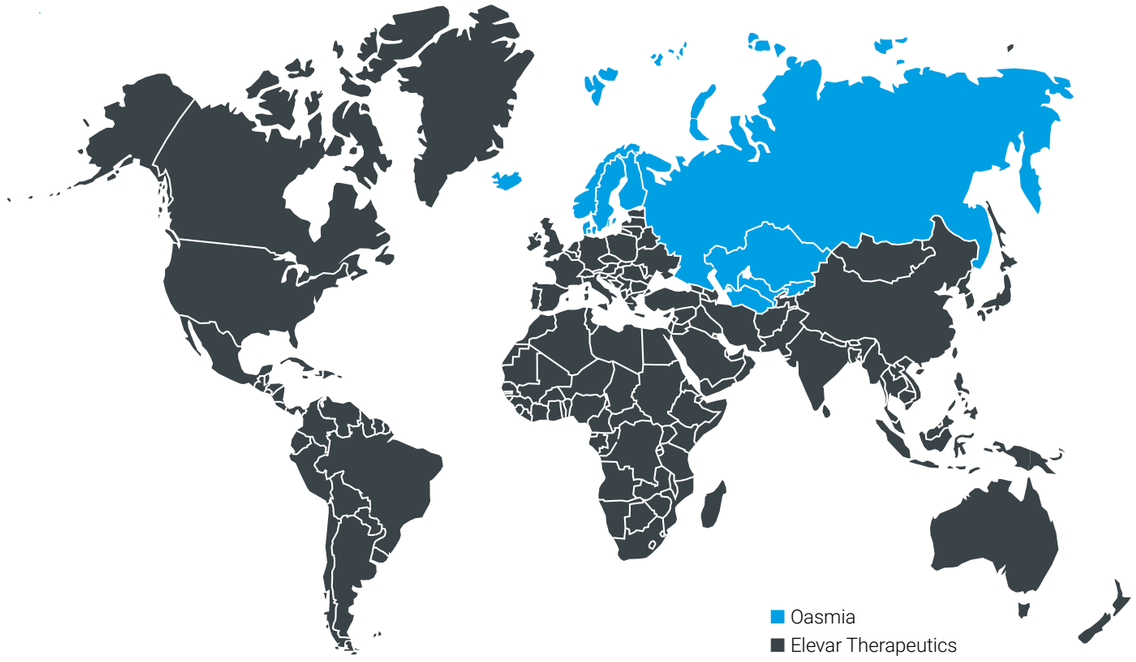
The worldwide partnership between Oasmia and Elevar grants Elevar the exclusive right to commercialize Apealea®, a proprietary formulation of paclitaxel, in all global territories, with the exception of countries where Oasmia and its partners are already present and will continue to drive the commercialization of the product, including the Nordics, the Baltics, Russia and other CIS countries. The arrangement gives Elevar the right to sub-license Apealea® to other strategic partners in other areas, such as Europe.

Elevar is responsible for all regulatory application processes in its territory, including the submission of the approval application to the FDA in the US.

The collaboration between the two companies includes a joint steering committee and working teams in order to optimize the global development, launch and commercialization processes. The partnership builds upon Oasmia's product development strategy for Apealea® and exploring possible new indications.

Oasmia remains in sole control over its proprietary technology platform XR-17™, which it will continue to develop for use with APIs other than paclitaxel.

Apealea® – global partnership worth up to MUSD 698 + royalties



Agreement with US-based Elevar Therapeutics, subsidiary of multinational HLB.

Upfront payment: 20 MUSD.

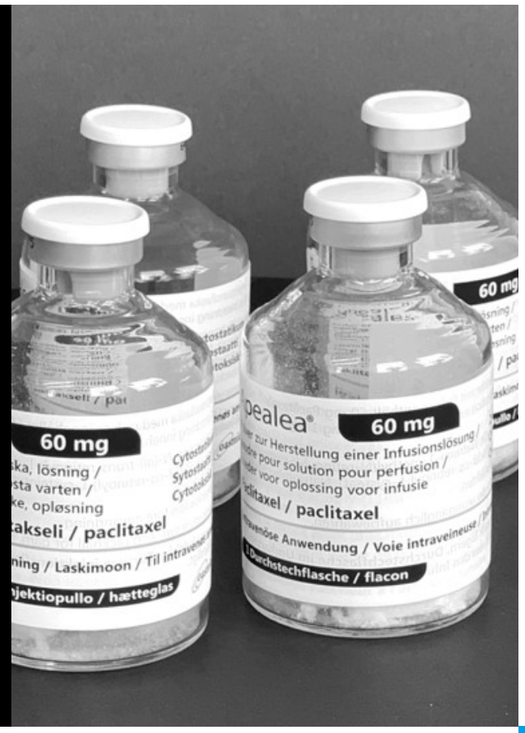
Double digit royalties on global Apealea® sales.

Milestones based on regulatory and sales achievements: up to 678 MUSD.

Oasmia retains sole control over research and development of XR-17™.

Elevar considering European partners.

Elevar responsible for NDA filing in the United States.



The market for Human Health

Oncology spending will reach nearly $240 billion through 2023, growing 9-12%

Source: Global Oncology Trends 2019 - Therapeutics, Clinical Development and Health System Implications. IQVIA Institute for Human Data Science, May 2019.

The Cancer Market

According to the World Health Organization, cancer is the second leading cause of death globally, with an estimated 9.6 million deaths worldwide in 2018, and this number is on the rise. Furthermore, the rise in the geriatric population is also resulting in the increasing number of cancer cases because the process of aging favors two essential processes in cancer development: the acquisition of mutations and the formation of a molecular and cellular environment that favors carcinogenesis. According to the American Cancer Society, nearly nine out of ten cancers are diagnosed in people over the age of 50. Increasing consumption of tobacco and alcohol is also the reason for the increasing number of cancer cases, and the consumption of both of them together further worsens their effect. In addition, rising pollution and environmental changes have also led to the rising concentration of carcinogens in the air which is further responsible for increasing the prevalence of cancer.

In addition, it is estimated that the number of incident cases for all types of cancer will increase from 18,078,957 in 2018 to 29,532,990 by 2040[1]. Therefore, the growing number of cancer cases is anticipated to significantly drive the demand for oncology drugs during the next five years.

Incidence by cancer site

		New cases	
Cancer	**Number**	**Rank**	**%**
Lung ■	**2,093,876**	**1**	**11.6**
Breast ■	**2,088,849**	**2**	**11.6**
Prostate ■	**1,276,106**	**3**	**7.1**
Colon	1,096,601	4	6.1
Stomach ■	**1,033,701**	**5**	**5.7**
Liver	841,080	6	4.7
Rectum	704,376	7	3.9
Oesophagus	572,034	8	3.2
Cervix uteri ■	**569,847**	**9**	**3.2**
Thyroid	567,233	10	3.1
Bladder	549,393	11	3.0
Non-Hodgkins lymphoma	509,590	12	2.8
Pancreas	458,918	13	2.5
Leukaemia	437,033	14	2.4
Kidney	403,262	15	2.2
Corpus uteri	382,069	16	2.1
Lip, oral cavity	354,864	17	2.0
Brain, nervous system	296,851	18	1.6
Ovary ■	**295,414**	**19**	**1.6**

■ Cancer forms where taxanes are approved by regulatory agencies.

Source: Globocan 2018

The Oncology Drug Market

The global oncology drug market was estimated at USD 199.933 billion for the year 2019.

The growing prevalence of cancer is the prime factor significantly driving the global oncology drugs market growth throughout the forecast period. Cancer is a disease in which abnormal cells grow and form a tumor, which then has the potential to spread throughout the body through the blood and lymphatic system and to cause damage to the body or, in the worst case, death. The demand for cancer drugs is growing significantly throughout the globe due to the rising prevalence of different types of cancer. In addition, continuous investments in the form of R&D for the development of new drugs are also projected to bolster the oncology drugs market during the forecast period and beyond. Increased healthcare expenditure is also one of the factors that is expected to augment the growth opportunities for the drug manufacturers in the coming years.[2]

The US and Europe represent large markets worldwide with a combined share of 68% of the market. China, meanwhile, is the fastest growing market with a CAGR of 11.2% over the analysis period due to the massive strides taken by the country in developing affordable next-generation therapies. Aggressive reforms in drug regulations and approval mechanisms have helped China emerge into the second largest pharmaceutical industry worldwide.[3]

According to IQVIA, spending on all medicines used in the treatment of patients with cancer reached nearly USD 150 billion in 2018, up 12.9% for the year, driven by therapeutic drugs, while spending on supportive care drugs declined 1.5% in 2018. The average annual cost of new oncology medicines continues to trend up, although the median cost fell USD 13,000 in 2018 to USD 149,000.

Nearly 450 immuno-oncology therapies are currently in development across all phases, with the Phase III and pre-registration pipeline containing nine mechanisms and the early-stage pipeline containing 62 mechanisms. PD1/PD-L1 checkpoint inhibitors remain the most successful immuno-oncology therapies, and improvements in formulation (e.g., oral) or immunotherapy combinations with targeted therapies or Next-Generation Biotherapeutics may lead to therapy breakthroughs.[4]

Cancer treatment
With the improvement in cancer diagnostics and the development of targeted pharmaceutical strategies, cancer treatment is being individualized. Subsets of patients expressing different mutations receive targeted therapies directed against that specific mutation. However, in most diagnoses these therapies are only efficacious in the selected group of patients expressing that particular gene mutation. In most cases the therapies are combined with chemotherapy or initiated in sequence with chemotherapy. The cornerstones of cancer therapy continue to be surgery, radiation and chemotherapy. (See the fact box, "Therapy options in cancer.")

Oasmia in the Oncology Drug Market
XR-17™, Oasmia's proprietary platform to quickly solubilize intravenous APIs, enables a high drug load with low amount of XR-17™ and facilitates administration for patients and physicians.

About 40% of drugs with market approval and nearly 90% of molecules in the discovery pipeline are poorly water-soluble. With the advent of various insoluble drug delivery technologies, the challenge to formulate poorly water-soluble drugs could be achieved. Numerous drugs associated with poor solubility and low bioavailability have been formulated into successful drug products. Several marketed drugs were reformulated to improve efficacy, safety and patient compliance.[5]

Two widely used excipients used to make non-water-soluble APIs soluble are CrEL and polysorbate 80. They also carry their own effects[6] and may require premedication with cortisone, anti-histamines and H2-blockers before being administered.

For Oasmia, the oncology market has been its primary focus area.

Taxane drugs in Oncology
Paclitaxel, which is a chemotherapy (see fact box "What is Chemotherapy" on page 27) drug and part of the taxane family, is indicated in populations with breast cancer, lung cancer and ovarian cancer. Another available taxane is docetaxel, which is approved for populations with breast, lung, prostate, stomach, and head and neck cancers.

Since taxanes cannot be dissolved in water, they require a chemical solution enhancer, in the case of paclitaxel that solvent is Cremophor EL (CrEL) and in the case of docetaxel the solvent is Polysorbate-80.

Before solvent-based paclitaxel can be administrated, premedication with appropriated doses of corticosteroids is required. The risk of having an allergic reaction when treated with solvent-based paclitaxel or docetaxel is up to 50%, even when the mandatory premedication with a corticosteroid is administered.[7]

Corticosteroids are drugs that can be used to avoid the unwanted side-effects of solvent-based paclitaxel and docetaxel. However, corticosteroids have their own side-effects, depending on the dose administered and duration of the treatment. Side effects such as musculoskeletal effects, metabolic and endocrine effects, and effects on the other organ systems can occur.

Apealea®
The innovative XR-17™ platform has been utilized in the development of Apealea®, the first solvent-free paclitaxel drug approved by the EMA in combination with carboplatin as a treatment the first relapse of platinum-sensitive epithelial ovarian cancer, primary peritoneal cancer and fallopian tube cancer in adult patients.

Paclitaxel is a cornerstone of chemotherapy treatment and part of the WHO's list of Essential Medicines. Administration via XR-17™ has multiple benefits, as the infused drug does not contain solvent agents that might contribute to side effects. The most commonly used solubilizers may increase allergic reactions when administered intravenously. The XR-17™ micelles administered in the Apealea® formulation dissolve quickly upon administration and are subsequently eliminated by the body. Therefore, pretreatment with high-dose corticosteroids is not mandatory with Apealea® as it is with solvent-based taxane.

Being able to avoid the mandatory premedication and the side effects (described above) that come with solvent-based paclitaxel is of value, both for the patient and for the treating physician.

Another clear advantage with Apealea® is the fact that the infusion can be given quickly. Compared to a cycle with solvent-based paclitaxel the combination of carboplatin and Apealea® is given for 90 minutes while using solvent-based paclitaxel the same infusion takes 5 hours. Being able to serve multiple patients within the same day is a large benefit to the treating hospital and the patient is able to receive the treatment an effective treatment within a short time.

Docetaxel Micellar
As a next step in making pharmaceuticals available through XR-17™, Oasmia have scheduled a collaborative study together with the Swiss Group for Clinical Cancer Research (SAKK), to investigate docetaxel micellar in prostate cancer.

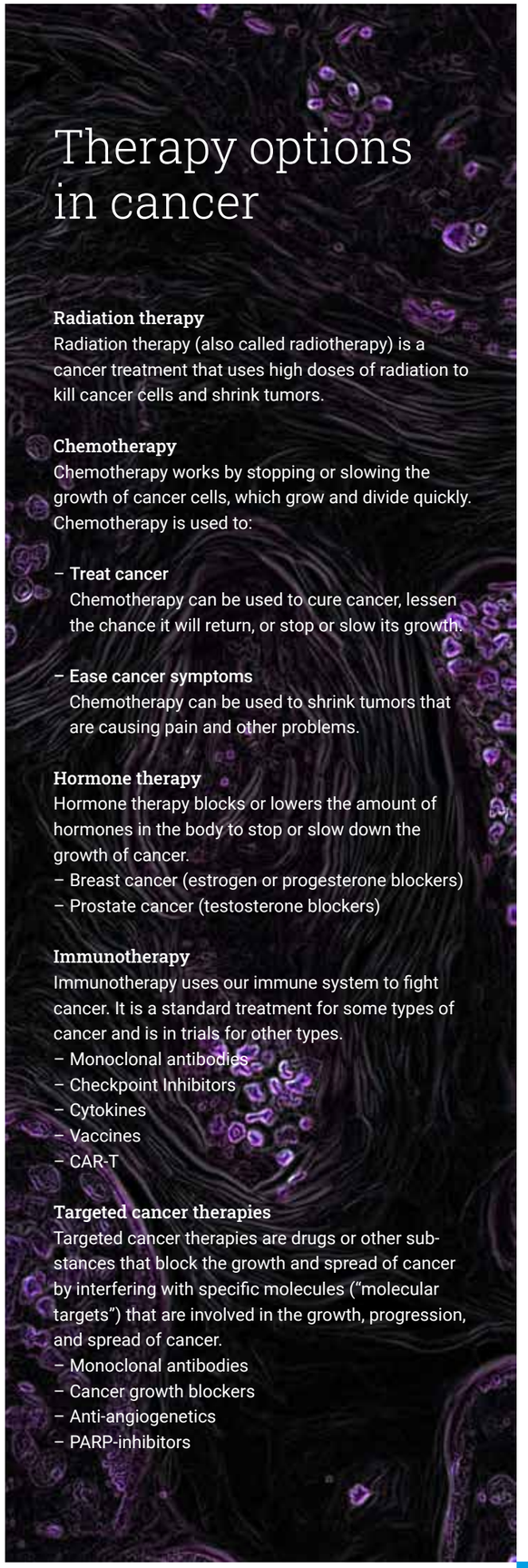
Docetaxel is currently the first choice of chemotherapy in metastatic prostate cancer. However, as mentioned, when administering docetaxel premedication with high-dose corticosteroids is required.

With docetaxel micellar, Oasmia aims to investigate if the therapy can be given without mandatory high-dose corticosteroids, either as concomitant treatment or as premedication. A steroid-free docetaxel micellar therapy could potentially be a significant improvement in the care of patients with metastatic prostate cancer.

Selected indications where taxanes have regulatory approval
Ovarian cancer in women
Cancer of the ovaries or fallopian tubes is a serious disease that often leads to death if it is detected late and metastases have formed. The early symptoms are non-specific and vague, leading to a disease that is difficult to diagnose. The prognosis of the disease is poor and the five-year survival is less than 50%. The overall occurrence of new cases globally is between 5–15 cases per 100,000 individuals.[8] In Western Europe and the US, the incidence is between 6–8 cases per 100,000.[9] Almost 300,000 women are estimated to develop the disease each year worldwide, of which approximately 700 cases are in Sweden.[10]

Surgery is the first and main treatment for most women with ovarian cancer. Most patients will receive chemotherapy after initial surgery. Recently, so-called PARP-inhibitors have been approved both in the US and in Europe for women with mutations in the BRCA1 and BRCA2 genes. It is expected that about 15% of women have inherited this mutation.[11] Currently, PARP-inhibitors are indicated in patients failing chemotherapy or who had the above mutation when they were diagnosed.

The first-line treatment in ovarian cancer is a combination of two cytotoxic drugs, carboplatin and paclitaxel. These two drugs are given in sequence as an intravenous infusion and a normal dosing cycle is every third week. Apealea® is the first non-solvent-based paclitaxel drug to be approved in ovarian cancer, allowing paclitaxel to be administered without mandatory high-dose corticosteroid premedication.



Breast cancer in women

Breast cancer is one of the most common cancers in women and 2.1 million women are diagnosed worldwide each year, of which approximately 9,000 women develop the disease in Sweden[12] each year. Due to expanded diagnostic and therapeutic options, the survival rate has increased substantially in the past decades. In many countries the five-year survival rate for women diagnosed with Stage I/II (small tumors or limited local spread to nodes under the arm), breast cancer is above 90%. For Stage III the corresponding figure is 72% and for Stage IV (larger tumors or more distant spread beyond the breast or to distant organs), the survival rate falls to 22%.[13]

As with ovarian cancer, tumors in women with breast cancer can be surgically removed. Since more than 70% of the tumors are dependent on the female sex hormone estrogen to grow, it is common for patients to be prescribed anti-hormone treatment after surgery. Chemotherapy can be given as neoadjuvant therapy, before surgery to shrink the tumor, or after in case the patient still has an active disease or to minimize the risk of relapse. The most used chemotherapies are combinations of anthracyclines and taxanes, such as docetaxel or paclitaxel. In patients that express the HER-2-receptor, treatment with the trastuzumab antibody is widely recommended.

Lung cancer

Lung cancer is the most commonly occurring cancer in men and the third most commonly occurring cancer in women.[14] There were 2 million new cases globally in 2018 and more than 4,000 in Sweden.[15] Lung cancer has been the most common cancer worldwide since 1985, both in terms of incidence and mortality.[16] Lung cancer survival is mostly determined by the stage at which it is diagnosed, with later-stage diagnosis having worse survival.[17]

The disease mostly occurs in patients with a history of smoking (80–90%) and most patients are above the age of 60. Approximately 30% of the patients are diagnosed in a stage permitting surgery, but most cases are diagnosed at a too-advanced stage. If surgery is performed it is normally followed by radiation therapy and later by chemotherapy. Chemotherapy can, in rare cases, cure the patient but in most cases the objective is palliative.[18]

The immune system is being used to help to fight cancer. So-called “checkpoint inhibitors” that turn the immune system back on have been tested in many large clinical trials and shown good effect in selected subsets of patients, and a number of such drugs have been approved in populations within lung cancer and other cancers.[19]

Prostate cancer

Prostate cancer is the second most common cancer worldwide, and the fifth most common cause of cancer death among men. In almost all cases where prostate cancer causes the patient’s death, the patient has been diagnosed with adenocarcinoma, a malignant tumor in the glandular part of the prostate tissue. In 2018, about 1.3 million new cases were recorded worldwide and approximately 10,000 men develop the disease in Sweden each year[20]. Prostate cancer is more common as men age; in the US, 97% of all prostate cancers are diagnosed in men aged 50 or older. The five- and ten-year survival is high in Europe and North America, but lower in some Asian and African countries.[21]

With an aging population, the prevalence of prostate cancer will increase. Also, with PSA-screening being offered and better education, the number of patients diagnosed will increase. Even though the majority of patients that are diagnosed with the disease are detected early and have good prognoses, the number of cases with advanced disease will also increase. Treatment of prostate cancer differs between the different stages of the disease. In localized disease with low PSA expression, no intervention is normally needed. Since the disease is driven by the male sex hormone testosterone (as with breast cancer and estrogen) first treatment option is chemical castration (anti-hormone medication). In the majority of cases this will be sufficient, and the patient will not progress with disease outside the prostate.

However, in cases with disease that is outside the prostate the prognosis worsens and the disease is incurable. In patients with advanced (Stage IV) cancer, only 30% will survive over the next five years.

For patients with disease that has metastasized, chemotherapy is the usual treatment. First-line chemotherapy treatment is docetaxel, so Oasmia is well placed with docetaxel micellar.[22]

1) GLOBOCAN 2018, WHO 2) businesswire.com 3) https://www.reportlinker.com 4) https://www.iqvia.com/insights/the-iqvia-institute/reports/global-oncology-trends-2019 5) DOI: 10.1016 / j.apsb.2015.07.003 6) EJC, VOLUME 37, ISSUE 13, P1590-1598, Adv Ther. 2018; 35 (6): 754–767 7) Curr Oncol, Vol. 21, s. E630-641 8) Cancer Research Institute (2019). 9) World Cancer Research Fund (2019). 10) Cancerfonden (2019). 11) Ther Adv Med Oncol. 2017 Aug; 9 (8): 519–531 12) Breast Cancer (2019), World Health Organization and Cancerfonden. 13) breastcancer.org, Breast Cancer Report (2018), the World Cancer Research Fund and Cancerfonden. 14) Lung Cancer Report (2018), the World Cancer Research Fund. 15) Cancerfonden (2019). 16) Lung Cancer: Epidemiology, Etiology, and Prevention. Clin Chest Med. 2011 Dec;32. 17) Lung Cancer Report (2018), the World Cancer Research Fund. 18) cancerfonden.se 19) fass.se 20) Prostate Cancer Report (2018), the World Cancer Research Fund and Cancerfonden (2019). 21) Prostate Cancer Report (2018), the World Cancer Research Fund. 22) NCCN guidelines - Natl Comprehensive Cancer Network 2019;17(5):479–505

Ovarian Cancer

Ovarian cancer is the fourth most common female cancer with annually almost 300,000 women being diagnosed.

Majority of women are being diagnosed with severe disease.

Five-year survival all stages combined 47%.

- **Localized cancer 92%**
- **Regional cancer 76%**
- **Distant cancer 30%**

Treatment:

- **Local treatment**
  - **Surgery**
  - **Radiation**
- **Systemic treatment**
  - **Chemotherapy**
  - **Hormone Therapy**
  - **Targeted Therapy**

Source: https://www.cancer.org/)

Prostate Cancer

Prostate cancer is the leading male cancer form and globally the third cancer form of all with almost 1.3 million new cases each year.

Majority of men are being diagnosed with mild disease.

Five-year survival all stages combined 98%.

- **Localized cancer almost 100%**
- **Regional cancer almost 100%**
- **Distant cancer 31%**

Treatment:

- **Active Surveillance**
- **Local treatment**
  - **Surgery**
  - **Radiation**
  - **Cryotherapy**
- **Systemic treatment**
  - **Chemotherapy**
  - **Hormone Therapy**
  - **Radiopharmaceuticals**
  - **Immunotherapy**
  - **Targeted Therapy**

Source: https://www.cancer.org/

What is Chemotherapy?

Chemotherapy is the use of drugs to destroy cancer cells. It usually works by keeping the cancer cells from growing, dividing, and making more cells. Because cancer cells usually grow and divide faster than normal cells, chemotherapy has more of an effect on cancer cells. However, the drugs used for chemotherapy are powerful, and they can still cause damage to healthy cells.

When is chemotherapy used?

- **Before surgery or radiation therapy to shrink tumors. This is called neoadjuvant chemotherapy.**
- **Before or after surgery or radiation therapy to destroy any remaining cancer cells. This is called neoadjuvant or adjuvant chemotherapy.**
- **As the only treatment. For example, to treat cancers of the blood or lymphatic system, such as leukemia and lymphoma.**
- **For cancer that comes back after treatment, called recurrent cancer.**
- **For cancer that has spread to other parts of the body, called metastatic cancer.**

Source: cancer.net

The market for animal health

Veterinary medicine
The US is the single largest market for domestic pets with 89.7 million dogs and 94.2 million cats.[1] 48 percent of American households have a dog and 38 percent have a cat.[2] The market for veterinary services for pets was estimated to be USD 15.9 billion in 2016 according to American Pet Products Association ("APPA"). An estimated 85 million dogs and 103 million cats are kept as pets in Europe.[3]

The increased willingness to pay is mainly driven by a changed attitude among owners to their pets, which are increasingly regarded as a member of the family. Owners are consequently willing to seek high-quality veterinary care for their pets.

The factors that have a positive impact on the market for animal health are mainly the ageing population, stronger relationship between dogs and their owners, increased awareness of veterinarians, more drugs approved for use in animals and number of insured animals increasing. Further, the factors that have a negative impact on the market for animal health are mainly that the pet owners have a negative perception of cancer treatment for animals due to the fact that there have not been any good drugs, that access to cytostatics that can be used in dogs is still extremely limited, extensive treatments associated with high costs and an undeveloped market where more education is needed.

1) NNational Pet Owners Survey (2017–2018), APPA.
2) Insurance Information Institute (https://www.iii.org/fact-statistic/facts-statistics-pet-statistics).
3) Facts & Figures (2017), the European Pet Food Industry Federation.

Competence and experience

As the company during the year entered a commercial phase, competence within the board, company management and personnel was strengthened.

The level of education at Oasmia is high – 75% of Oasmia's employees at the end of the financial year 2019/20 had a university degree, of which more than a third had a Ph.D. Oasmia works to achieve diversity and the company thus has many employees of different nationalities. This makes Oasmia a dynamic workplace, with a positive and supportive work environment.

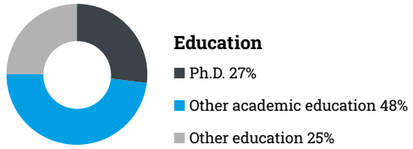
The company actively works on improving and ensuring a healthy and safe work environment for its employees. It is important for the company to be a professional and attractive employer where employees thrive and have the opportunity to develop. In accordance with the Swedish Discrimination Law, Oasmia is conducting an annual salary review with the purpose to identify if salary differences between women and men are directly or indirectly connected to gender and if so, act to remove those differences.

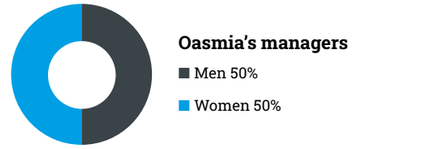
The aim is to create a team of employees whose strength drives the company forwards, aided by an efficient organization with short decision paths.

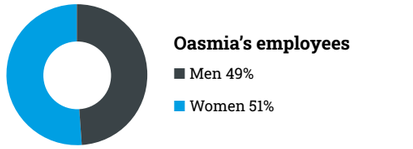
At the end of the financial year 2019/20, the Group had 63 employees, of whom 51% were women and 49% men. The gender breakdown between managers at the company was 50% women and 50% men. The company's management team consisted of 29% women and 71% men.

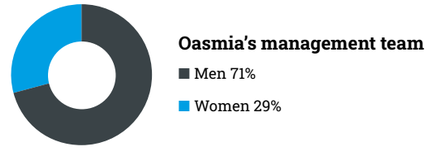
The core competence of the company is not to do commercial production operations, and we have transfered the responsibility for commercial production to Elevar Therapeutics. As a result of this, in combination with the strategic review that began in the spring of 2020 and ended after closing day, the number of employees will decrease, especially in commercial production.

The company's core competence, on the other hand, is R&D for developing new drugs, and Oasmia is now aiming to further strengthen that competence.









The share

The Oasmia share has been listed on NASDAQ Stockholm since 2010 (ticker OASM). The total turnover of Oasmia shares during the financial year was 2,957 million shares on NASDAQ Stockholm. During the financial year, in August 2019, Oasmia decided to delist its American Depository Shares from the Nasdaq Capital Market in the US in order to reduce costs and complexity. The delisting became effective on August 23, 2019. Oasmia is also in the process to finalize the delisting from the Frankfurt Stock Exchange.

Ownership structure
As of April 30, 2020, Oasmia had 24,274 shareholders. The largest owner as of May 31 was Per Arwidsson, with related parties, who owned 24.8% of the shares. The 10 largest shareholders in the company control over 41% of capital and votes.

Namn	Number of shares	Capital, %	Votes, %
Per Arwidsson with related parties	111,371,238	24.84	24.84
Avanza Pension	31,813,672	7.10	7.10
Nordnet Pension Insurance	13,994,552	3.12	3.12
Mastan AB (Håkan Lagerberg)	7,525,000	1.68	1.68
Swedbank Insurance	6,770,670	1.51	1.51
Christer Ericson	3,861,289	0.86	0.86
Handelsbanken Funds	2,676,871	0.60	0.60
Håkan Svanberg	2,516,000	0.56	0.56
Jan Lundberg	2,439,378	0.54	0.54
SEB Funds	2,373,621	0.53	0.53
Total 10	**185,342,291**	**41.34**	**41.34**

Verified May 31, 2020

Share price trend
The company's market capitalization increased from approximately MSEK 1,102 to approximately MSEK 3,445 during the financial year. The chart below shows the share price on NASDAQ Stockholm throughout the financial year.

Dividend policy
Oasmia has never paid any dividends and the Board does not intend to propose any dividend for the past financial year or to commit to a fixed dividend rate.

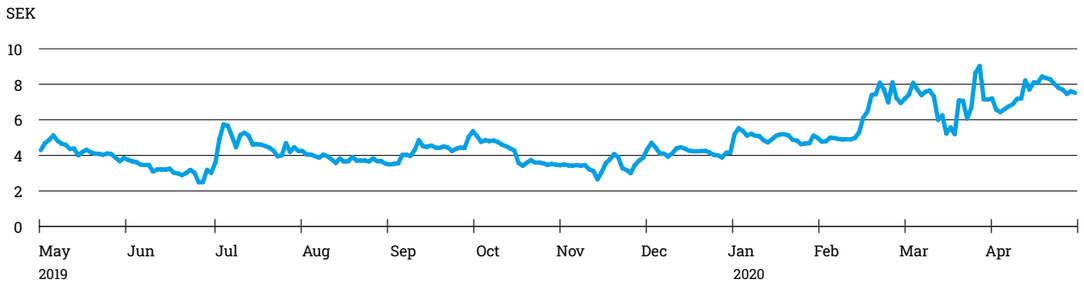
Authorizations
At the Annual General Meeting held on September 26, 2019, an authorization was granted to the Board, effective until the next Annual General Meeting, to be held on September 9, 2020. The authorization allows the issue of no more than 62 million shares (also including additional shares after warrants or convertibles issued by virtue of the authorization are utilized or converted). The authorization was utilized to enable the rights issue of 199,275,352 shares which was communicated on December 9, 2019.

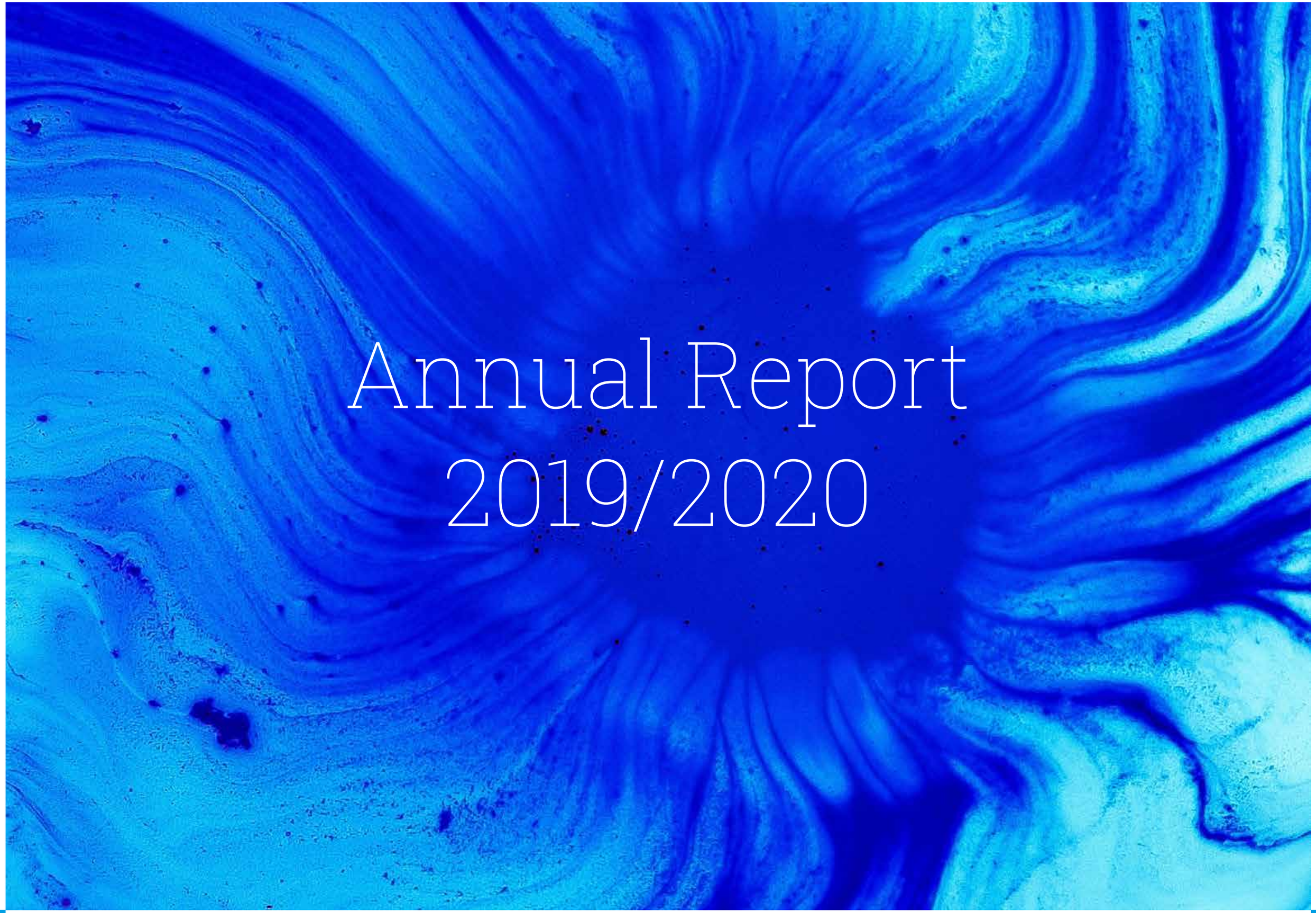
Financing during the year, share issues and convertible loans
A number of measures were taken during the year with regard to financing:

- In July 2019, an agreement was made between Oasmia and Arwidsro. As a result, Oasmia's liabilities decreased by approximately MSEK 60 and equity increased by approximately MSEK 95. The immediate cash effect was positive by MSEK 35.
- In December 2019, a rights issue of approximately MSEK 399 before issue expenses was completed.
- In March 2020, Oasmia and US-based Elevar Therapeutics Inc. signed a global strategic partnership deal regarding the commercialization of Apealea®. The agreement includes milestone payments 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 will also receive MUSD 20 as an upfront payment. This upfront payment was received in April 2020.

Share capital
At the end of the financial year, the share capital amounted to SEK 44,836,954.60, distributed on 448,369,546 shares with a quotient value of SEK 0.10 per share.

Oasmia's share, May 2019 – April 2020




Annual Report
2019/2020

Administration Report

The Group consists of the Parent Company Oasmia Pharmaceutical AB, the Swedish subsidiaries Oasmia Incentive AB and Qdoxx Pharma AB, the American subsidiary AdvaVet Inc., a subsidiary in Hong Kong, Oasmia Pharmaceutical Asia Pacific Ltd., and a subsidiary in Russia, Oasmia RUS LLC. The Parent Company develops, produces, markets and sells a new generation of drugs within human and veterinary oncology.

Product development aims to manufacture novel formulations based on well-established cytostatics which, in comparison with current alternatives, show improved properties, a reduced side-effect profile and an expanded therapeutic area. Product development is based on original research within technology as well as on the company's patents. The Swedish subsidiaries do not currently conduct any operations.

Oasmia has two approved products: Apealea® or Paclical, which has been approved in the EU, Russia and Kazakhstan for the treatment of ovarian cancer, and Doxophos, which has been approved in Russia for a large number of indications.

Business activities

XR-17™
XR-17™ is Oasmia's patented excipient, or vehicle, which can make insoluble molecules water soluble by forming particles, which are immediately dissolved in the bloodstream without using solvents. This results, inter alia, in shorter infusion times and a significant reduction in the need for premedication of patients. In November 2018 a new manufacturing patent was granted in the US for XR-17™ and all products manufactured using XR-17™. The patent is valid until 2036.

Human Health

Paclical/Apealea®
Apealea® is a patented formulation of paclitaxel in combination with Oasmia's XR-17™ technology, which is also patented. The product is called Paclical in Russia but Apealea® in Europe. The product is approved for the treatment of ovarian cancer in the EU, Russia and some further markets.

In March 2020, Oasmia signed a licensing agreement with the US-based company Elevar Therapeutics for the global rights, except for the Nordic countries and some CIS countries, for Apealea®.

Doxophos
Doxophos is a patented formulation of cytostatic doxorubicin in combination with XR-17™ Doxorubicin is one of the most effective and widely used substances for the treatment of cancer. Oasmia has received market approval for Doxophos in Russia as a hybrid pharmaceutical (improved generic pharmaceutical) for many forms of cancer, including cancer of the blood, the skeleton, the breast, the prostate and the lungs.

Docetaxel micellar
Docetaxel micellar is a patented formulation of cytostatic docetaxel in combination with XR-17™.

XR-19
XR-19 is one of the first drug delivery platforms to apply two API:s in the same micelle. It is the unique properties of XR-17™ that may make this combination possible. Pre-clinical studies have shown promising results.

KB9520
KB9520 is a substance acquired from Karo Pharma in November 2016. In pre-clinical studies, the substance has shown that it contributes to reduced side effects of treatment with cytostatics when intake of KB9520 and cytostatic treatment are combined in the treatment of several types of cancer and results in a significant reduction in tumor size.

Animal Health

Paccal Vet®
Paccal Vet® is a patented formulation of paclitaxel in combination with XR-17™ and is intended for use with dogs. Paccal Vet® is identical to Apealea®, which is for human use.

Doxophos Vet®
Doxophos Vet® is a patented formulation of doxorubicin in combination with XR-17™ Oasmia is developing Doxophos Vet® for the treatment of lymphoma, which is one of the most common cancers in dogs.

Business activities in subsidiaries

Oasmia Pharmaceutical AB's subsidiaries in Sweden, Hong Kong and Russia are dormant.

In previous financial reports, a transaction has been reported between the parent company and its subsidiary in the USA, AdvaVet, which was carried out in May 2018 and which meant that certain rights were considered to have been transferred to the subsidiary. During the year, management reconsidered the assessment of the financial and legal significance of this transaction. To better reflect this new assessment, the capitalized development expenses, reported at SEK 109 million, which in connection with the said transaction in May 2018 were previously considered to have been transferred to AdvaVet, have been rebooked to the parent company's balance sheet. During the year, no operations were conducted in the subsidiary.

Important events during the financial year

- Oasmia and US company Elevar Therapeutics signed a global partnership agreement in March 2020.
- During a transition period during the year, Sven Rohmann was acting CEO and was replaced by Francois Martelet, who in March 2020 was appointed CEO.
- Oasmia launched Apealea® in Sweden, Denmark and Finland in February 2020.
- In December 2019, the company completed a fully subscribed new share issue that generated proceeds of approximately MSEK 399 before issue expenses.
- Oasmia was delisted from NASDAQ in the US to reduce complexity and costs.
- The Annual General Meeting of Oasmia resolved to discharge the current Board members and former CEO from liability. The Meeting also resolved to not grant a discharge from liability to the previous Board of Directors.
- Oasmia presented results from two clinical studies of docetaxel micellar in patients with metastatic breast cancer.
- Oasmia announced the appointment of a special examiner and the reporting of certain transactions to the Swedish Economic Crime Authority.
- Oasmia and Arwidsro enter into a settlement agreement.

Financing during the year
A new share issue was conducted during the year:
- A new share issue of MSEK 399 before issue expenses was conducted in December 2019.

This financing measure is described in more detail under the heading "Financing and financial position".

Principal owner
Per Arwidsson is the company's largest owner through his company Arwidsro Investment AB and, at April 30, 2020, Per Arwidsson owned 24.8% of the company through private ownership, through related entities and through a company.

New CEO
François Martelet took office as the company's new CEO in March 2020, thus replacing acting CEO Sven Rohmann.

New CFO takes office
Michael af Winklerfelt took office as the company's new CFO in November 2019, thus replacing acting CFO Joakim Lindén

Important events after the end of the financial year

- Oasmia announced outcome of strategic review to deliver long-term, profitable growth as a specialty pharma company.
- An extraordinary general meeting resolved to elect former Board member Anders Härfstrand as the new Chairman of the Board and Birgit Stattin Norinder as a 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 a phase 1b trial agreement with the Swiss Group for Clinical Cancer Research (SAKK) for evaluation of docetaxel micellar.
- Oasmia signed a settlement agreement in a US class action.
- ˙On 26 June 2020, the Swedish Tax Agency notified to Oasmia its assessment of a transaction that took place during the financial year 2017/18 amounting to TSEK 10,550 to at that time a related company. This led to the company determining that the said transaction was reported incorrectly during the financial year 2017/18. Therefore, errors in previous periods have been corrected in the present annual report as of April 30, 2020, see Note 4.
- On July 27, 2020, Oasmia announced that its strategic partner, Elevar Therapeutics, and Tanner Pharma had started a partnership for a named patient program. This will provide a legal means for physicians to prescribe Apealea in markets outside of the US, where the product is not commercially available as yet.

Financial information

Net sales
Net sales amounted to TSEK 201,843 (1,980) and consisted of sales of goods of TSEK 2 (1,287), supplies of TSEK 399 (276), royalties of TSEK 342 (418) and the license revenues of TSEK 201,100 (0) that are described under the heading "Partnership deal" above.

Change in inventories of products in progress and finished goods
The change in inventories of products in progress and finished goods amounted to TSEK 20,904 (-5,148) during the year. This is because Oasmia has increased its inventory to supply during the launch.

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 4,356 (8,431). The capitalized development costs during the year, as in the previous year, were attributable to Apealea®/Paclical in their entirety. The Paccal Vet® studies did not have any activity during the year since the company's focus has been on Apealea®/Paclical during the year.

During the fourth quarter, the capitalization of development costs for Apealea®/Paclical has been discontinued and amortization of capitalized development costs for this product has been started.

Operating expenses
Both other external expenses and employee benefit expenses have increased significantly. The increase was primarily attributable to increased costs for consultants and lawyers, other legal costs for certain litigations related to historical events and to the strengthening of the company's management and organization to prepare for commercialization.

In addition, income for the year was also charged with transaction costs in connection with the agreement with Elevar. See note 5 for further information.

The number of employees at the end of the year was 63 (60).

Operating income/loss
The operating loss amounted to TSEK -30,086 (-150,237). The improvement over the previous year was attribut-able to the license revenues described above but offset by the significantly higher operating expenses this year.

Net financial items
The net financial items for the year of TSEK -13,270 (-18,240) consisted of financial income amounting to TSEK 1,169 (19) and financial expenses of TSEK 14,439 (18,259). Financial expenses consisted of interest expenses attributable to other borrowing of TSEK 6,819 (10,285), financing costs for convertible debt instruments of TSEK 4,023 (7,461), exchange losses on cash and cash equivalents of TSEK 1,405 (0), exchange losses on short-term investments of TSEK 920 (0), interest expenses from leases of TSEK 1,004 (0) and other financing costs of TSEK 268 (513).

Income before taxes
Income before taxes amounted to a loss of TSEK -43,356 (-169,477). The improvement over the previous year was attribut-able to improved operating income and to lower financial expenses.

Income taxes
During the year, Oasmia completed a review 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 review 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 review has also led to the company making a whole new assessment of the transaction in question. This assessment means, inter alia, 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 derecognized from the consolidated statement of financial position, which led to a tax revenue of the same amount.

Income for the year
The net loss after tax was TSEK -10,533 (-201,300). This improvement over the previous year stemmed from the lower loss before taxes and from the tax revenue of TSEK 32,822 which was booked this year, while last year was burdened by a tax expense of TSEK 32,822.

Cash flow and capital expenditure
Net cash flow for the year was TSEK 84,731 (100,630) and consisted of Cash flow from operating activities of TSEK -5,520 (-118,839), Cash flow from investing activities of TSEK -289,471 (-14,031) and Cash flow from financing activities of TSEK 379,722 (233,500).

Cash flow from operating activities
The cash flow from operating activities for the year was TSEK -5,520 (-118,839). The year-on-year improvement in cash flow from operating activities was due to the upfront payment of TSEK 201,100 which was received at the conclusion of the agreement which is described under "Partnership deal" above.

Cash flow from investing activities
The cash flow from investing activities was TSEK -289,471 (-14,031).

Investments in property, plant and equipment and in intangible assets
Capital expenditure during the year consisted of investments in intangible assets of TSEK 4,458 (9,536) and investments in property, plant and equipment of TSEK 9,761 (2,495). Investments in intangible assets consisted of capitalized development costs of TSEK 4,357 (8,431) and of patents of TSEK 101 (1,105). 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 year is reported under 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 year, which is reported below.

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 fixed-income funds. Of these, TSEK 45,000 were divested during the fourth quarter. These flows are reported in the cash flow statement as short-term investments.

Cash flow from financing activities
The cash flow from financing activities amounted to TSEK 379,722 (233,500).

Rights issue
During the year, a rights issue was carried out which, after deductions for issue expenses, brought the company TSEK 371,913. Of this amount, TSEK 45,000 had been advanced and is reported in the cash flow statement on a separate line, Advances in connection with new share issue. See also "Financing and financial position" below.

Redemption of warrants
During the year, 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 year, two convertible debt instruments totaling TSEK 62,000 were repaid, see below under "Financing and financial position."

Lease liabilities
In addition, cash flow from financing activities also consisted of repayment of a lease liability amounting to TSEK -5,141 (0). This lease liability arose and was 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.

Prior year's cash flow from financing activities
Prior year's cash flow from financing activities consisted of inflows from the utilization of loan facilities from banks of TSEK 4,801 and repayment thereof to the same amount, from the issuance of convertible debt instruments of TSEK 119,200, and related issue expenses, and an outflow of TSEK 37,552 consisting of repayment of loans. In addition, a private placement was carried out which, after deductions for issue expenses, resulted in an inflow of TSEK 155,451.

Financing and financial position
The Group's cash and cash equivalents at the end of the year amounted to TSEK 201,018 (116,272).

Short-term investments
The liquidity surplus that arose during the rights issue completed during the year, see below, has been invested in short-term fixed-income funds. The funds' rates are subject to low volatility and the fund units can be converted into liquidity within a few banking days. As of April 30, 2020, the value of the funds was TSEK 234,080 (0).

Rights issue
During the year, 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 26,638 are deducted.

Arbitration proceedings, etc. with Arwidsro Investment AB
On July 5, 2019, an agreement was reached between Oasmia and its largest owner Arwidsro to resolve the ownership dispute dating back to 2018.

The agreement was implemented in several steps but in short meant that:

- Oasmia called for payment under a previously issued financing obligation of MSEK 75.
- .Arwidsro exercised a total of 24.2 million warrants, which provided Oasmia with MSEK 75 in equity. These warrants had been granted and registered for Arwidsro in January 2018, with a subscription price of SEK 3.10 per new share.
- For approximately MSEK 40.2, Oasmia acquired Arwidsro's payment claim against MGC of at least MSEK 60.2. This acquired claim has been reported on the balance sheet at acquisition value, MSEK 40.2, but the difference, MSEK 20, may be recognized to Oasmia as income when settled.

In total, the result of this was that Oasmia received a receivable item of MSEK 40.2, equity increased by MSEK 75, and the immediate cash effect was a positive MSEK 35.

In accordance with the above, the number of shares increased by 24,193,548 new shares.

Claim from 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 (see above). The claim stems from the promissory note that MGC acquired from Nexttobe AB. The claim is set at approximately MSEK 80 plus interest and additional claims for damages of approximately MSEK 230. It is based on the assumption that MGC was entitled to the warrants and that in November 2018 disposed of all its shares. MGC has subsequently applied for lawsuits regarding the above requirements. Oasmia's Board of Directors considers that MGC's claim has no merit and has therefore disputed it. The damages part has subsequently been rejected by the Stockholm District Court, which has been appealed to Svea Court of Appeal.

Convertible debt instruments
In September 2018, a convertible loan was issued comprising 32 convertible instruments at a price of TSEK 1,100 each, in total TSEK 35,200. These instruments carried interest of 8% 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 was repaid during the year.

On October 31, 2018, a convertible loan was issued comprising 40 convertible instruments at a price of TSEK 2,000 each, in total TSEK 80,000. One of the subscribers has not paid for his subscription, however, corresponding to 14.5 convertible instruments, in total TSEK 29,000. Since these convertible debt instruments were not paid in before April 30, 2019, they expired and the corresponding items were subsequently derecognized. This means that the remaining convertible debt instruments amounted to TSEK 51,000. These instruments carried interest of 5% and matured on October 30, 2019 and were then repaid with interest.

As of April 30, 2020, there were no outstanding convertible loans.

Other borrowings
On April 30, 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 borrowing. This debt fell due on August 24, 2019 and, on submission of this report, remained disputed and had not been 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, 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 the annual report, remained disputed and had not been repaid. 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.

Through the introduction of IFRS 16 Leases from May 1, 2019, the Group recognizes the present value of future lease payments as interest-bearing liabilities. The new accounting principle was applied without recalculating the comparison year. At year end, the reported lease liabilities amounted to TSEK 14,165 (0), of which long-term debt was TSEK 8,845 (0).

Arwidsro Investment AB
At April 30, 2019, the company had a loan commitment outstanding 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.

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

Warrants and other instruments outstanding that can increase the number of shares in Oasmia
As of April 30, 2020, the number of financial instruments outstanding was as follows:

	Number of warrants	Maximum of shares	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
Maximum number of shares		**3,981,102**	

Equity
At year end, equity amounted to TSEK 819,389 (383,499), the equity/assets ratio was 82% (64), and the debt/equity ratio was negative (6%). That the debt/equity ratio is negative is due to the net debt being negative, that is, the sum of cash and cash equivalents and short-term investments is greater than borrowing.

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.

In addition, after the closing day, on May 14, 2020, an Extraordinary General Meeting approved an employee stock option program directed to the company's CEO. This means that 896,739 options will be issued which can be converted into the same number of shares at a price of SEK 7.36 during the period from February 13, 2023 to April 13, 2024 provided that the CEO remains in employment for three years, see Note 9.

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 year, a partnership deal was signed with the American company Elevar Therapeutics for outlicensing the global distribution and sales rights for Apealea®, with the exception of the Nordic and CIS countries.

During the year, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue expenses. In addition, the contract presented under the head "Global strategic partnership with Elevar" above has given an initial non-refundable payment of MUSD 20, corresponding to approximately MSEK 201.

These two transactions have meant that, as of April 30, 2020, Oasmia has MSEK 201 in cash and cash equivalents and MSEK 234 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.

Key metrics and other information	MAY 1, 2019–APR 30, 2020	MAY 1, 2018–APR 30, 2019
Number of shares at end of period, before and after dilution, in thousands*	448,370	294,620
Weighted average number of shares, before and after dilution, in thousands*	398,395	253,312
Earnings per share before and after dilution, SEK*/**	-0.03	-0.79
Equity per share, SEK*/**	1.83	1.30
Equity/assets ratio, %	82	65
Net liability, TSEK	neg.	23,296
Debt/equity ratio, % **	neg	6
Return on total assets, %	neg	neg
Return on equity, %	neg	neg
Number of employees at year end	63	60

* Historical values have been recalculated taking into account capitalization issue elements in the rights issues carried out in the 2019/20 financial year.
** The financial statements for the period 2019-05-01—2020-04-30 have been corrected in the annual report for 2019/2020 compared with the year-end report for 2019/2020 and the period 2018-05-01—2019-04-30 have been corrected in the annual report for 2019/2020 compared with year-end report 2019/2020 and compared with the annual report for 2018/2019, see Note 4.

Five-year highlights – Group

TSEK	2019/20	2018/19	2017/18	2016/17	2015/16
Net sales	201,843	1,980	3,169	172	6,373
Change in inventories of products in progress and finished goods	20,904	-5,148	-1,450	-1,405	9,509
Capitalized development costs	4,356	8,431	9,157	7,023	16,727
Operating expenses**	-257,616	-156,256	-126,612	-146,691	-165,301
Operating loss	-30,086	-150,237	-113,984	-140,481	-132,691
Income after tax	-10,533	-201,300	-128,273	-160,243	-141,539
Earnings per share, SEK*/**	-0.03	-0.80	-0.59	-1.06	-1.04
Weighted average number of shares, in thousands*	398,395	253,312	217,717	150,983	135,963
Equity per share, SEK*/**	1.83	1.30	1.45	1.78	2.28
Equity/assets ratio, %**	82	63	60	58	63
Net liability	neg.	23,296	171,680	140,724	93,730
Debt/equity ratio, %	neg.	6	51	47	29
Number of employees at year end	60	60	58	66	75

* Historical values have been recalculated taking into account capitalization issue elements in the rights issues carried out in the financial years 2017/18 and 2019/20 respectively.
** The financial statements for the period 2019-05-01—2020-04-30 have been corrected in the annual report for 2019/2020 compared with the year-end report for 2019/2020 and the period 2018-05-01—2019-04-30 have been corrected in the annual report for 2019/2020 compared with year-end report 2019/2020 and compared with the annual report for 2018/2019, see Note 4.

Parent Company
The Parent Company's net sales for the financial year amounted to TSEK 201,843 (1,980) and income before taxes was TSEK -50,648 (-157,988). The Parent Company's cash and cash equivalents at April 30, 2020 amounted to TSEK 200,819 (115,112) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 234,080 (0).

The share
Oasmia's shares are listed on the Mid Cap list of NASDAQ Stockholm and the Frankfurt Stock Exchange. The share capital at the end of the financial year amounted to SEK 44,836,954.60, divided into 448,369,546 shares with a quota value of SEK 0.10 per share. Each share has one vote and all shares have equal rights to the company's assets and earnings. There are no restrictions on the transfer of shares, voting rights or the right to attend the Annual General Meeting. Neither are there any agreements to which the company is a party that would come into effect, be altered or be terminated if control of the company changes following a takeover bid. Otherwise, Oasmia has no knowledge of any agreements between shareholders which may restrict the right to transfer shares. Furthermore, there are no provisions in the Articles of Association concerning the appointment and dismissal of members of the Board of Directors, or agreements between the company and Board members or employees that entitle them to receive compensation if they resign from their positions, are given notice of termination without reasonable grounds, or their employment is terminated as a consequence of a public takeover bid.

As of April 30, 2020, the number of known shareholders amounted to 24,274. The largest shareholder in terms of number of votes at April 30, 2020 was Per Arvidsson together with related parties, with 24.8% of the votes and shares.

Legal issues
Intellectual properties
Oasmia's product portfolio consists of drug candidates, all of which are all based on the company's excipient model developed with technology 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 the control of the former executive Chairman in the company, Julian Aleksov, and in whose name many of the company's patents have been registered, has long since 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 recordation of assignment of the patents on its own, which has been concluded inter alia in: the United States, Canada, Australia, South Africa and most European countries. Oasmia has started measures for the purpose of, in relevant countries and through judicial procedures, accelerating and concluding the recordation of assignments. The measures include ongoing arbitration proceedings against Ardenia based on the transfer agreements which Ardenia has disputed.

Legal proceedings
- The labor lawsuits that the previous executive Chairman Julian Aleksov and the previous CFO Anders Blom respectively had notified (see further the issue prospectus from November 2019 under the heading "Legal proceedings") have now been filed, and Oasmia has contested them. Final hearings are expected to be held after the end of this calendar year. The preparations for the final hearings do not cause Oasmia in any way to alter its previously made assessments as to the outcome of these disputes.
- Since June 2019, MGC Capital Ltd has filed various lawsuits, which relate partly to the repayment of subscriptions received for shares transferred to the company through a set-off against Nexttobe AB's promissory note against the company, which was acquired by MGC, corresponding to a capital amount of MSEK 80, and relate partly to a claim for damages amounting to approximately MSEK 230 on the grounds that the company should have let MGC exercise 23.2 million warrants and subscribe for shares. Initial procedural objections have been tried but have not been conclusively adjudicated. The preparations for the actual trials have not caused Oasmia in any way to alter its previous made assessments as to the outcome of these disputes. The claim for damages has been rejected by the district court but has been appealed by MGC to the Svea Court of Appeal.
- Oasmia is pursuing a court action against MGC Capital Ltd in the Stockholm District Court in respect of a contractual claim for payment following the acquisition of this repayment claim from Nexttobe AB, amounting to a total of MSEK 60.25, plus interest. This thus encompasses the claim that Oasmia took over from Arwidsro Investment AB as part of the settlement on the 5 July 2019, and which Arwidsro had previously acquired from Nexttobe AB. Although procedural objections are now assessed as being essentially tried, examination of the substantive case has not yet commenced, and final hearings have not yet occured.
- On July 29, 2019, a lawsuit was filed on behalf of a putative class of investors against Oasmia, as well as its former senior executives 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 30 May 2020, a comprehensive settlement agreement was signed with plaintiffs in the class action, which Oasmia disclosed in a press release on 1 June 2020. In the press release, it was stated that Oasmia assessed that the settlement would not have any significant impact on the company's financial position or cash flows, with reference to the company's insurance and the ongoing recognition of legal expenses. The settlement agreement has thereafter been filed with the United States District Court for the Eastern District of New York for the statutory approval procedure to commence. The consequent effects were taken into account when closing the books on April 30, 2020.
- During audits for the tax years 2017/2018 and 2018/2019, the Swedish Tax Agency audited the company's income tax returns. In a proposal for a decision dated 26 June 2020, the Swedish Tax Agency has made the assessment that an amount of SEK 10,550,000 has been incorrectly withdrawn from the company as compensation for patents. The Swedish Tax Agency considers that the amount constitutes a salary from the company and therefore considers that the company must pay social security contributions and tax surcharges. In addition, the Swedish Tax Agency considers that depreciation on the said patent acquisition of SEK 527,500 per year (a total of SEK 1,055,000) should be returned to taxation. The effects of the Swedish Tax Agency's proposal for a decision are that the company's tax profit for the tax year 2017-05-01 - 2018-04-30 is reduced by SEK 13,337,310 at the same time as the company's tax profit for the tax year 2018-05-01 - 2019-04-30 is increased by SEK 527 500. This only affects the company's tax deficit. In addition, the Swedish Tax Agency's proposal for a decision entails that the company must pay social security contributions of SEK 3,314,810 and a tax surcharge of SEK 662,962.

The company does not agree with the Swedish Tax Agency's assessment and believes that there are reasons why no social security contributions or any tax surcharge should be imposed. The company will soon submit this to the Swedish Tax Agency before the authority's final decision. See also page 35 above, "Important events after the end of the financial year".

Remuneration

Board fees

At the 2019 AGM, it was decided that the remuneration to a non-executive Board member shall amount to SEK 150,000 per year. Remuneration to the Chairman shall be SEK 300,000 per year. An increase in Board fees to SEK 250,000 for Board members and SEK 500,000 for the Chairman of the Board as well as SEK 50,000 of the Chairman of a Committee and SEK 25,000 for members of a Committee was adopted by the EGM on May 14, 2020.

For the 2020 AGM, the nomination committee proposes that the Board of Director's fees shall be distributed as follows:

- SEK 500,000 to the Chairman of the Board of Directors and SEK 250,000 to each of the other Directors not employed by the Company; and
- SEK 50,000 to the Chairman of the audit committee and SEK 25,000 to each of the other members of the audit committee and SEK 50,000 to the Chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee.

Management remuneration

The September 26, 2019, AGM resolved to adopt guidelines for the remuneration of senior executives, primarily as follows.

Remuneration to the CEO and other senior executives shall consist of a fixed salary, pension provisions and private health insurance.

Upon termination by the company, notice for the CEO shall be no more than 12 months. If notice is given by the CEO, the term of notice shall be no more than three months. For other senior executives, the term of notice shall normally be six months if notice is given by the company, and three months if notice is given by the executive. No special severance pay shall be paid.

Decisions regarding any potential share and share-based incentive schemes for senior executives shall be made by the General Meeting.

The more detailed principles for salary payment for the CEO and senior executives are to be found in a policy established by the Board.

The Board has the right to deviate from the guidelines if there are special circumstances in a specific case. If such a deviation is made, information about the case and the reason for the deviation must be presented at the next AGM.

The Board's proposal for guidelines for the 2020 Annual General Meeting

The Board of Directors proposes that the Annual General Meeting resolves to adopt the following guidelines for remuneration to senior executives.

These guidelines shall be applied to remuneration to the Chief Executive Officer, other members of Oasmia's executive management and, where applicable, renumeration to Directors of the Board of Directors in addition to Directors fees.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to remuneration decided by the General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Successful implementation of Oasmia's business strategy and safeguarding the Company's long-term interests, including its sustainability, require the Company to recruit and retain highly qualified employees. In order to do so, the Company must offer competitive total remuneration, which these guidelines enable.

Types of remuneration

The remuneration shall be in line with market conditions and be competitive and may consist of fixed salary, variable renumeration, other customary benefits and pension. The General Meeting can also, irrespective of these guidelines, resolve on, among other things, share and share price-related remuneration.

The fixed salary shall consist of fixed cash salary. The fixed salary is to be on market terms and is determined in light of area of responsibility, expertise and performance.

In addition to the fixed salary, variable remuneration may be offered. The variable remuneration shall be linked to predetermined and measurable criteria, which can be financial or non-financial and shall be designed in such a way that they promote the Company's business strategy, long-term interests and sustainability.

Eventual variable remuneration during one and the same financial year may amount to not more than 50 percent of the fixed salary for the Chief Executive Officer. For other members of Oasmia's executive management the variable remuneration during one and the same financial year may amount to not more than 50 percent of the fixed salary. The fulfilment of criteria for payment of variable remuneration must be measurable during a period of one year.

To which extent the criteria for awarding variable remuneration have been satisfied shall be evaluated when the measurement period has ended. The remuneration committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company. Further, the Board of Directors has the right to reclaim variable remuneration that has been paid on the basis of information that later has turned out to be inaccurate and provided with a deceptive purpose.

Pension benefits, including health insurance, shall be premium defined and may not exceed 30 percent of the fixed annual salary. Variable remuneration shall not qualify for pension benefits.

Other benefits may include, for example, medical insurance, company car and wellness allowance. Where such benefits are provided, they shall be in line with market conditions and only constitute a limited part of the total remuneration. Premiums and other costs due to such benefits may amount to a maximum of 30 percent of the fixed annual salary.

For employments governed by rules other than Swedish, the components of the total remuneration may be duly adjusted for compliance with mandatory rules or local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment and severance pay

In the event of termination of the Chief Executive Officer the mutual notice period shall be no more than 12 months. In case of termination by the Company, severance pay may be payable in

an amount corresponding to a maximum of six months' salary. For other people in the executive management, the period of notice shall normally be six months if termination is initiated by the Company, and three months if termination is initiated by the employee. No special severance pay shall be paid.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account. This was made by including information on the employees' total income, the components of the remuneration and remuneration development over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Fees to Directors of Board of Directors

If a Director of the Board of Directors (including through a wholly-owned subsidiary) should carry out services to Oasmia in addition to the board assignment, specific fees for this can be paid out (consultancy fees), provided that such services contribute to the implementation of Oasmia business strategy and the safeguarding of Oasmia long-term interests, including its sustainability. The annual consultancy fee for a Director may not exceed the annual Directors' fee for such Director. The fee shall be in line with market practice.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The remuneration committee shall also monitor and evaluate programs for senior executives, the application of the guidelines for remuneration as well as the current remuneration structures and compensation levels in Oasmia.
The members of the remuneration committee are independent of Oasmia and its management. The Chief Executive Officer and the other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Oasmia's long-term interests, including its sustainability, or to ensure Oasmia's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines

Incentive programs

The Extraordinary General Meeting on May 14, 2020, approved an employee stock option program directed to the company's CEO François Martelet. This means that 896,739 options were issued which can be converted into the same number of shares at a price of SEK 7.36 during the period from February 13, 2023 to April 13, 2024 provided that the CEO remains in employment for three years. No other incentive programs exist within the company.

The Board of Directors propose that the Annual General Meeting resolves to adopt an incentive scheme for senior executives employed as described below.

The purpose of the proposal is to create the conditions to attract and recruit competent staff and to increase the motivation for new employees by becoming involved and working for a positive increase in the value of the Company's shares. The Board of Directors further consider that the adoption of the incentive scheme as described below is in the favour of the Company and the shareholders in the Company.

The incentive scheme consists of up to 400,000 employee stock options which can be exercised with so called vesting terms during a period of 36 months from the grant of employee stock options up to and including 12 months thereafter. Each employee stock option entitles the holder to purchase one share in Company at a price equal to 150 per cent of the volume-weighted average price of the Company's share on Nasdaq Stockholm during the two-week period prior to allotment. The right to be allotted employee stock option shall be vested with senior executives recruited during 2020. The employee stock options are issued free of charge.

The Board of Directors, or a remuneration committee appointed within the Board of Directors, shall be responsible for preparing the detailed terms and conditions of the incentive scheme, in accordance with the above-mentioned terms and guidelines. In relation thereto, the Board of Directors shall be entitled to make adjustments in order to fulfil specific regulations and market conditions abroad. The Board of Directors also reserves the right to make adjustments in the incentive scheme in the event there are significant changes in the Company or in its environment which would mean that the conditions for exercising the options no longer are appropriate.

The subsequent costs incurred by the Company shall be accounted for on an ongoing basis in accordance with IFRS 2, whereby the reported effect on the Company's costs is mainly affected by the development of the share price, whereas the actual final cost is dependent on the amount of options earned during the so called vesting period and the amount of exercised options. Currently, the Board of Directors does not propose any specific securing arrangements regarding stock delivery as well as regarding payments following from option exercise, inter alia since the programme is not assumed to have any material financial effect and only corresponds to a dilution of approximately 0.1 percent.

The incentive scheme allows employees of the Company to be granted employee stock options entitling them to acquire shares in the Company. Such transfers fall within the scope of Chapter 16 of the Swedish Companies Act, which means that a resolution to approve the incentive scheme is valid only where supported by shareholders holding not less than nine-tenth of both the votes cast and of the shares represented at the Annual General Meeting.

Environmental activities

Oasmia's business activities consist of research, development and production at the facility in Uppsala, where large quantities of chemicals are handled. The activities are subject to registration in accordance with the regulation (1998:899) on environmentally hazardous activities and protection of health. The Environmental Office of Uppsala Municipality has made the assessment that there are no objections to the activities, subject to the condition that the activities are conducted in accordance with the information disclosed in the registration.

The impact of the company's activities on the wider environment is minimal. Chemicals and solvents used in the activities do not seep into the surroundings from ventilation systems or via sewage. The ventilation in the building's laboratories is not connected to the general ventilation plant. The processes are closed to a high degree and residual chemicals and solvents are managed by a recycling company for final destruction and recycling.

The company meets environmental standards and seeks to conduct its activities in a way which benefits sustainable development within the environmental field. In addition to complying with the norms, guidelines and regulations which govern the work, the company does its utmost to continuously improve the business, for example by offering internal training within quality and the environment.

Personnel

The average number of employees during the financial year was 60 (58). Of these, 28 (28) are women and 31 (29) are men. The number of employees at year end was 63 (60). Salaries, benefits and social security contributions totaled TSEK 63,787 (52,068). For more information, see Note 11.

For information on the guidelines for remuneration to senior executives adopted at the 2019 Annual General Meeting, see the Corporate Governance Report on pages 44-47. Regarding compensation paid to senior executives for the 2019/2020 financial year, see Note 11 and Note 26.

Risk and risk management
All business involves risk and risk management is an important part of decision making at all levels. The risks entailed by Oasmia's activities can be divided into operational, financial and legal risks. The most significant operational and legal risks and, when appropriate, their management are described below. The financial risks and their management are described in Note 18.

Operational risks are assessed from the perspective of probability and impact. Not all risks have a high probability of occurrence, but the risks of outcomes described below could materially affect the company in terms of the timing of entering markets, the rate of expansion and therefore the financial position of the company.

Risk management measures can be classified in the following categories: avoid, reduce, share or accept.

Development and registration of drugs
Oasmia's future growth is dependent on the ability to develop new products and further develop existing products. Research and development of drugs and the regulations relating to research and development, manufacturing, trials, marketing and sales are complex and may change over time.

Development and registration of drugs is a capital-intensive, complicated, time-consuming and risky process. A large number of conditions and regulations means that there is a risk of both delays and failure. Below are some stages in the process where such risks are evident.

The development of pharmaceuticals requires pre-clinical and clinical trials approved by regulatory authorities and independent ethics committees before they can begin.

Patients are recruited for clinical studies via clinics and hospitals and various pharmaceutical companies compete for access to these patients. It is common for recruited patients to withdraw, requiring them to be replaced with other patients. Both of these factors can entail that a study takes longer and is more expensive than anticipated. The result of a study may be unfavorable and can lead to the discontinuation, reconsideration or supplementation of the study.

For a drug to be marketed and sold, approval is required from the relevant drug authority in the geographic territory. Application for market approval includes very extensive documentation. The company must be able to prove that the products are safe and effective. Drug authorities have broad discretion regarding processing times. In different territories, there are different procedures and interpretations of data. This review process concerns both the product and its production.

Authorities usually request supplementary information and raise questions to be answered by the company and this can happen in several stages. The management of these requests makes the estimated time for approval highly uncertain. Additions to applications and the withdrawal and resubmission of an application may be necessary. It also cannot be ruled out that approval may not be granted at all for certain applications.

Oasmia seeks to reduce the risks associated with the development and registration of drugs by using already well-known compounds (cytotoxins) and the same excipient (XR-17™) in each product candidate and by operating with the same product content for both dogs and humans.

In addition to the above operational risk profile regarding drug approval, there is the legal complication that most of the patents that Oasmia has access to are still registered in the name of the previously related company Ardenia Investment Ltd., which is controlled by Julian Aleksov and Bo Cederstrand. Ardenia's involvement may thus complicate applications etc. to drug authorities and other bodies on the basis of patents which are available to Oasmia but not registered in Oasmia's name.

Collaborations and partnerships
Oasmia's business model includes collaborations with other companies for clinical trials, manufacturing, marketing, distribution and sale of products. The company is therefore dependent on these collaborations working well and on its partners' success in penetrating markets. One risk of partnerships is that the principal does not have an alternative in place in case a partnership does not function satisfactorily or that the partner is unsuccessful.

The company is responsible for the manufacture and supply of XR-17™, including for Elevar's production of Apealea®, as well as product candidates for use in clinical trials. Manufacture of products and product candidates requires compliance with the FDA, EMA and international cGMP and other international legal requirements. Problems in Oasmia's manufacturing process, failure to follow current regulations when manufacturing or unexpected increases in the company's manufacturing costs can harm Oasmia's business, results and financial position.

As a consequence of the partnership deal with Elevar, the company is dependent on Elevar to gain access to Apealea® for the markets to which the company still has the distribution and sales rights.

An increase in the value of inventories over time regarding both raw materials and finished and semi-finished goods can naturally increase the risk of obsolescence. There is always a risk that the goods will not be sold or further refined before their shelf life expiration date.

The company seeks to reduce risks associated with collaborations and partnerships by being the manufacturer of drugs for clinical trials, being able to manufacture on a small scale for the market, seeking partnerships with well-established companies and identifying alternatives to suppliers and manufacturers.

Intellectual property protection and patent risk
Oasmia has patent protection for its technology. A number of risks are associated with intellectual property and patents in the pharmaceutical industry.

There is the risk that:

- product development leads to a product that cannot be patented
- current or future patent applications do not lead to patents
- approved patents do not offer sufficient protection
- another patent supersedes the company's own patent
- substances or processes are used that are patented or patent pending by someone else
- patent protection may be difficult to retain due to the fact that patents are registered in the name of someone else

Oasmia has reduced the risks above by use of the technical platform XR-17™ for each product candidate. XR-17™ is patented in the form of a so-called New Chemical Entity, which is the highest level of intellectual property protection for pharmaceuticals.

There is also a risk that competitors will violate Oasmia's patent rights. So far Oasmia has not been involved in any patent or trademark dispute. This is a risk that Oasmia accepts because the company believes that its patents have full protection in all relevant markets. In addition to these risks, there is also the fact that the patents are in certain cases not registered in Oasmia's name but in that of Ardenia. This can make collaboration more difficult (see also under the previous heading) as well as the defense of rights in the event of third-party violation and when various measures are taken regarding extensions.

Market risks
As a relatively new player in the market, Oasmia may face competitors who have advantages in that they already have established products and market channels. This makes it difficult to predict the rate at which Oasmia's drug candidates can be established after market approval. There is also uncertainty about appropriate pricing levels for Oasmia's product candidates compared to competing products in the market, where currently many generic products exist.

Many pharmaceutical sales depend on the ability of the end user to obtain reimbursement from a paying third party such as the public sector or private insurance companies. Changes in such third party policies and their ability to affect the prices and demand for pharmaceuticals may affect Oasmia either negatively or positively.

The market for cancer medicines for dogs is relatively new and untested. Consequently, it is difficult to assess the extent and the speed at which anti-cancer medicines may be accepted by veterinarians.

Oasmia's business model includes licensing and distribution agreements which entail milestone payments. These payments fall unevenly over time and result in fluctuations in sales and earnings. Milestone payments are unsustainable revenues, so in the longer term Oasmia is dependent on the successful market introduction of its pharmaceutical candidates if it is to achieve stable revenues.

Covid-19 pandemic
The ongoing Covid-19 pandemic has significantly hampered and delayed the launch of Apeala in the Nordic region. If the pandemic and its effects on society continue for a long time, there is a significant risk that these difficulties will persist and continue to have a detrimental effect on the company's commercial launch.

Key personnel and recruitment
Oasmia is highly dependent on key employees and skilled labor. If Oasmia were to lose key employees and/or fail to recruit such additional skilled employees at a desired rate for future needs, business performance could be delayed or disrupted.

Proposal for allocation of non-restricted equity
The following non-restricted equity is available for distribution by the Annual General Meeting:

SEK	Note	APR 30, 2020	APR 30, 2019
Share premium reserve		1,904,463,055	1,479,826,299
Retained earnings	4	-1,107,956,026	-946,517,750
Income for the year	4	-50,066,902	-157,406,781
Total		**746,440,127**	**375,901,768**

The Board proposes that the 2020 Annual General Meeting adopts a resolution that the above amount available of SEK 746,440,127 (375,901,768) be carried forward.

Corporate governance report 2019/2020

Oasmia Pharmaceutical AB ("Oasmia" or the "Company") is the Parent Company of the wholly-owned Swedish subsidiaries Qdoxx Pharma AB and Oasmia Incentive AB, which are at present dormant companies, and AdvaVet Inc, Oasmia Pharmaceutical Asia Pacific Limited and Oasmia RUS LLP. Oasmia is a public limited liability company listed on Nasdaq Stockholm and the Frankfurt Stock Exchange. Governance at Oasmia is based on the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code and other relevant laws, rules and regulations in Sweden and abroad.

Management, guidance and internal control are allocated between the shareholders (through the Annual General Meeting), the Board of Directors, the CEO and corporate management. Oasmia also works in accordance with the internal instructions and guidelines adopted by Oasmia's Board and management team. This report has been drawn up in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the "Code") and comprises Oasmia's corporate governance report for the 2019/2020 financial year. The corporate governance report has been reviewed by Oasmia's auditor.

Swedish Corporate Governance Code

Oasmia complies with the Code given that the company's shares are admitted to trading on Nasdaq Stockholm and, accordingly, the company must follow good securities market practices. The Code is available at www.bolagsstyrning.se. The Code is based on the principle of "comply or explain", which means that companies applying the Code may choose to deviate from individual rules, but must then report the deviation and the reason for so doing. Oasmia has not deviated from the Code in the 2019/2020 financial year.

The share and shareholders

Oasmia's share has been listed on NASDAQ Stockholm since June 24, 2010 and on the Frankfurt Stock Exchange since January 24, 2011. On April 30, 2020, the total number of shares in Oasmia amounted to 448,369,546 and each share carries one vote at the general meeting of shareholders. As of April 30, 2020, the number of known shareholders amounted to 14,134. With 24.8% of the share capital and votes, the holding of Per Arwidsson and related parties represents at least 10% of all votes in Oasmia. The ten largest shareholders owned 41.1 % of the total number of shares. For additional information on the ownership structure, see "The Share" section on page 19.

General meeting of shareholders

The general meeting of shareholders is the highest decision-making body in a limited company. The shareholders can exercise their right to vote at the general meetings. Each Oasmia shareholder, who is entitled to vote, can vote for the full number of shares owned and represented. The General Meeting approves the income statement and balance sheet, the appropriation of the company's earnings, decides on discharge from liability, elects the Board of Directors and auditors, and approves fees, addresses other statutory matters as well as making decisions pertaining to proposals from the Board and shareholders. In addition to that stipulated by law regarding the right to attend general meetings, Oasmia's Articles of Association require prior notification to the general meeting within the time limit specified in the notice and, where applicable, notice by shareholders of any assistants they intend to bring.

The Annual General Meeting is to be held within six months of the close of the financial year. Notice of the Annual General Meeting is published in Post- och Inrikes Tidningar and by a notice made available on the company's website. Announcement of the notice is to be advertised in Dagens Nyheter.

Annual General Meeting 2019

The 2019 Annual General Meeting was held on September 26 on Oasmia's premises in Uppsala. The resolutions adopted included the following:

- The General Meeting resolved, in accordance with the Board's proposal, to authorize the Board to, on one or several occasions during the period up until the 2020 Annual General Meeting, decide on issues of shares, warrants and/or convertible instruments with or without deviation from the shareholders' pre-emption rights. A maximum of 62 million shares may be issued under the authorization (including any new shares following the exercise or conversion of warrants and convertible bonds issued under the authorization).

2019 Extraordinary General Meeting

On October 14, 2019, the company's Board issued notice of an Extraordinary General Meeting to be held on November 6, 2019. The company held this Extraordinary General Meeting on November 6, 2019 at Oasmia's premises in Uppsala.

In accordance with the Board's proposal, the Meeting resolved that the Board may, on one or more occasions, decide to issue new shares, within the limits of the Articles of Association, with preferential rights for existing shareholders to be paid in cash, by non-cash consideration or through set-off, until the 2020 Annual General Meeting. Under this authorization, the Board is entitled to decide on new issues up to an aggregated amount of approximately MSEK 400.

The authorization to decide new issues as resolved by the AGM on 26 September 2019 applies alongside the above authorization, irrespective of whether the above authorization is applied or not.

2020 Extraordinary General Meeting

On April 17, the company's Board issued notice of an Extraordinary General Meeting to be held on May 14, 2020. The company held this Extraordinary General Meeting on May 14, 2020 at Oasmia's premises in Uppsala.

The resolutions adopted included the following:

- The Board up to the next Annual General Meeting shall consist of five Board members.
- Former Board member Anders Härfstrand was elected the new Chairman of the Board and Birgit Stattin Norinder a new member of the Board. Jörgen Olsson, former Chairman of the Board, and Gunilla Öhman, former Board member, stepped down from the Board.
- An increase in Board fees to SEK 250,000 for Board members and SEK 500,000 for the Chairman of the Board as well as SEK 50,000 of the Chairman of a Committee and SEK 25,000 for members of a Committee
- To approve the Board's decision to issue employee stock options to CEO François Martelet. The Board has in connection with the employment agreement negotiations for new CEO François Martelet offered 896,739 employee stock options which, subject to continued employment for three years, can be exercised during the period between February 13, 2023 and February 13, 2024, and with an agreed upon strike price of SEK 7.36 per share (corresponding to approximately 150% of the prevailing share price when the employment was agreed and published). The stock options are issued free of charge, and thus in addition to fixed base salary, short-term variable incentives and other usual employee benefits, with the purpose of creating a long-term incentive for the CEO in line with the interests of the shareholders. The subsequent costs incurred by the company are accounted for on an ongoing basis in accordance with IFRS 2, whereby the fair value of the options when the program was approved by the Annual General Meeting in May is accrued as an expense over the vesting period. To the extent that earnings conditions for continued employment are not met, no IFRS 2 cost is reported and the previously reported cost is reversed. In addition, the cost of social security contributions is reported over the vesting period, based on the fair value of the options at the respective closing date and finally on the possible benefit value that forms the basis for social security contributions.

2020 Annual General Meeting

The 2020 Annual General Meeting will be held on Wednesday, September 9, 2020 in Uppsala.

Nomination Committee

The main task of the Nomination Committee is to draw up and make proposals for the election of Board members and the Chairman of the Board and to determine their fees. The Nomination Committee also presents proposals to the Annual General Meeting for the election of a chairman for the Meeting, the election of auditors, any remuneration for committee work and remuneration for the external auditor. The Nomination Committee's proposals are made public no later than in conjunction with the notice of the AGM.

The Nomination Committee's proposal regarding the selection criteria for the Nomination Committee for the next AGM was adopted at the 2019 AGM. The criteria were as follows: one member shall be the Chairman of the Board (convener) and two members shall be appointed by the two shareholders who have the largest shareholding in Oasmia Pharmaceutical AB on December 31, 2019 in terms of the number of votes. The Nomination Committee's mandate extends to when the next Nomination Committee has been appointed. The Nomination Committee members for the 2020 Annual General Meeting consist of Per Arwidsson (Chairman), Håkan Lagerberg and Chairman of the Board Anders Härfstrand. The Nomination Committee's full proposal for the 2020 AGM will be presented in the AGM notice. Per Arwidsson was appointed by Arwidsro Investment AB and Håkan Lagerberg owns his shares privately.

Auditor

According to the Articles of Association, the company shall have one or two external auditors with not more than two deputies, or one or two accounting firms. The accounting firm that was elected as the new auditor at the 2019 Annual General Meeting is KPMG AB with Authorized Public Accountant Duane Swanson as auditor in charge.

Board of Directors

Oasmia's Articles of Association stipulate that its Board of Directors consist of at least three and at the most eight members with not more than three deputy members. Oasmia's Board consists of five members, including the Chairman. Board assignments are for a fixed term in accordance with the Swedish Companies Act, which means that the mandate will last until the first Annual General Meeting after the year the Board members were appointed.

Attendance, 2019/2020 financial year

For the period May 1, 2019 until April 30, 2020

	Independent[1]	Board meetings	Audit Committee[2]	Remuneration Committee[2]
Jörgen Olsson	Yes/Yes	30/30	–	–
Gunilla Öhman	Yes/Yes	30/30	–	–
Sven Rohmann	No/Yes	30/30	–	–
Peter Zonabend	Yes/No	28/30[3]	–	–
Anders Härfstrand[4]	Yes/Yes	17/19	–	–
Hege Hellström[4]	Yes/Yes	18/19	–	–

1) Independent of the company and its management and independent of major shareholders.

2) Committee meetings have taken place as a part of regular board meetings.

3) Peter Zonabend has not attended two meetings based on the provisions of the Swedish Companies Act regarding conflict of interest.

4) Anders Härfstrand and Hege Hellström were elected as board members at the Annual General Meeting on September 26, 2019.

Board duties

The Board has the overall task of managing the company's affairs on behalf of the shareholders. The Board operates in accordance with the Swedish Companies Act, the Articles of Association and internal regulations and continually assesses the Group's financial situation and the operational management. The Board appoints the CEO and decides on significant changes in the company's organization and operations. The Board is also responsible for ensuring that the company's internal control of financial conditions is satisfactory and that the information regarding financial and overall performance is communicated accurately in the company's financial reports.

Chairman of the Board

The Chairman follows, by regular contact with the CEO, the company's development and is responsible for ensuring that Board members regularly receive the information needed to fulfill their duties. In addition, the Chairman leads the Board's work and ensures that the Board's decisions are implemented. The Chairman also ensures that the work of the Board is evaluated annually and that the Nomination Committee is informed about the evaluation results. In addition, the Chairman is responsible for preparing the Corporate Governance Report and a report on how internal controls, as they relate to financial reporting, are organized and how effectively they worked during the last financial year.

Board procedures

In accordance with the Swedish Companies Act, Oasmia's Board has adopted a formal written work plan and related CEO instructions that are reviewed once a year or as needed. This formal work plan governs how the work should be distributed between the Board members, the frequency of Board meetings (at least four times a year in addition to the statutory Board meeting), and how the work is divided between the Board and the Audit Committee. The CEO instructions contain, inter alia, restrictions regarding decisions on investments and acquisitions. The instructions on reporting, which complement the Board's formal work plan and the CEO's instructions, regulate the CEO's regular reporting to the Board and the Board's external reporting.

Evaluation of the Board and CEO

The Board annually evaluates its work regarding its procedures and work climate, the focus of the Board's work, and access to and the need for special competence on the Board. The results of the evaluation are reported to the Nomination Committee and form the basis of the Committee's work on evaluating the composition of the Board and its remuneration.

The Board evaluates the work of the CEO by monitoring the development of operations in terms of the set goals. A formal evaluation is conducted once each year.

The Board's work during the financial year

During the 2019/2020 financial year the Board held 30 minuted meetings. On these occasions the Board mainly addressed issues relating to the continued funding of the Group's business operations and negotiations for/the signing of new partnership agreements, followed up liquidity forecasts, updates regarding ongoing regulatory processes and made a decision regarding the transfer of veterinary assets.

Audit Committee

During the period March 19, 2019 to April 30, 2019, the Audit Committee consisted of the entire Board during the transition period to April 30, 2019. From October 4, 2019, the Audit Committee consisted of Jörgen Olsson, Chairman, Hege Hellström and Gunilla Öhman. From May 14, 2020, the Audit Committee has consisted of Peter Zonabend, Chairman, Hege Hellstrom and Anders Härfstrand. The Audit Committee's primary task is assisting the Board in overseeing the accounting and financial reporting processes and ensuring the quality of these reports and processes. The Audit Committee shall also monitor the auditors' work and the choice of auditing firm and scrutinize the auditors' objectiveness and independence and that the costs for services over and above the auditing assignment are at an appropriate level in relation to the auditing fee so as to not run the risk of impacting independence. The Audit Committee's responsibilities and tasks appear in specially prepared internal instructions.

Remuneration Committee

From October 4, 2019, the Remuneration Committee has consisted of Jörgen Olsson, Chairman, Peter Zonabend and Anders Härfstrand. From May 14, 2020, the Remuneration Committee has comprised Birgit Stattin Norinder (Chairman) and Anders Härfstrand. The role of the Committee is to prepare the Board's decisions on matters pertaining to remuneration principles, remuneration and other terms of employment for the company management. Additionally, the Committee is tasked with monitoring and evaluating variable remuneration programs for the company's management, both ongoing and concluded during the year, and following and evaluating how the guidelines for remuneration of senior executives, as decided by the General Meeting, are applied as well as the current remuneration structures and levels in the company.

Internal control over financial reporting

Oasmia's process for internal control is designed to manage and minimize the risk of errors in financial reporting. The Board annually evaluates the need for an internal audit function and has determined that the company's current size and risk exposure do not justify a separate internal audit function. The following description explains how internal controls are organized. The description is limited to internal controls over financial reporting.

Control environment

The basis of the internal controls concerning financial reporting is the overall control environment. The control environment requires that the organizational structure, decision-making processes and authorities are clearly defined and communicated in the form of internal policy documents such as policies, guidelines, manuals and codes. The control environment also includes laws and external regulations.

The Board has ultimate responsibility for internal controls over financial reporting. Effective Board work is therefore the basis for sound internal control. Oasmia's Board has established a formal work plan and clear instructions for its work, including the work of the Audit Committee. The Audit Committee's primary task is assisting the Board in overseeing the accounting and financial reporting processes and ensuring the quality of these reports and processes.

The Audit Committee's duties are supervisory. Responsibility for maintaining an effective control environment and the ongoing work regarding risk management and internal control over financial reporting is delegated to the CEO. Managers at various levels of the company are in turn responsible for their respective areas. Responsibility and authority are defined in the CEO instructions, instructions for authorization, manuals, other policies, procedures and codes.

The Board determines the company's major policies on information/communication, financing and risk management. Company management establishes instructions and the responsible managers issue guidelines and monitor implementation of all policies and instructions. The company's accounting and reporting instructions are defined in an accounting manual which is available to all financial staff. Along with laws and other external regulations, the organizational structure and the internal guidelines constitute the control environment.

Risk assessment

The goal of risk assessment is to identify areas of high risk within the business and to define the controls needed to manage these risks. Balance sheet and income statement items that are based on estimates or generated by complex processes are relatively more prone to error than other items.

The Board initiates an annual risk identification process and the results of the risk identification are evaluated by the Board in order to make an assessment of what steps need to be taken. The Board believes that the company has effective internal controls over financial reporting.

Control activities

Control activities are designed to prevent, detect and correct errors and deviations. The controls are integrated into the company's processes for payments, accounting and financial reporting and include authorization and approval procedures, reconciliation, performance analysis, division of administrative control and performance functions, and controls embedded in IT systems.

Information and communication

Information that it is assessed will affect the company's share price (price-sensitive information) is made public in a rapid and non-discriminatory manner. Company publications are done through press releases sent simultaneously to the Stock Exchange, established news agencies and newspapers. The information will also be simultaneously published on the company website. Oasmia is represented publicly in all matters primarily by the CEO. The CEO has delegated certain responsibilities to the Communications Officer. The CEO and Communications Officer may, on behalf of the company, inform/comment on matters relating to the company's operations.

The company applies quiet periods, which occur thirty days before the publication of annual and interim reports. In the instance of a leak of price-sensitive information or other special situations that may affect the valuation of the company, the Stock Exchange is to be notified, followed by a press release containing the same information. The company's public disclosures are governed by an information policy that is intended to ensure the quality of both internal and external information. Furthermore, the policy should facilitate compliance with applicable laws, regulations and agreements. The management of inside information is regulated by specific guidelines stated in the company's insider policy and insider list policy (formerly logbook policy).

Board

Anders Härfstrand

Independent non-executive Chairman of the Board since May 2020, and member of the Board since September 2019.

Born: 1956

Share holdings: –

Education: MD and Ph.D from Karolinska Institutet in Stockholm.

Previous experience: Director of Karolinska Development AB from 2017 to 2019 and as Chief Executive Officer of BBB Therapeutics BV from 2014 to 2015. Prior to that, he was President and Chief Executive Officer Europe of Makhteshim Agan Industries Ltd. (now ADAMA); President and Chief Executive Officer of Humabs BioMed SA; and Chief Executive Officer of Nitec Pharma AG (now Horizon Pharmaceuticals). He has also served in various executive roles at Serono, Pfizer and Pharmacia. He has a significant operational global experience of the pharmaceutical industry especially from the US, Japan and Europe.

Other assignments: Chairman of Härfstrand Consulting AG and board member of Prothena Inc.

Independent in relation to Oasmia, the company management and to major shareholders of the company.

Hege Hellström

Member of the Board since September 2019.

Born: 1965

Share holdings: –

Education: B.Sc., Medical Laboratory Scientist, 1985, Oslo Metropolitan University, Norway

Previous experience: Hege worked at the biotechnology company Sobi from 2013 until 2018 and was president for EMENAR (Europe, Middle East, North Africa and Russia). Prior to that, she was globally responsible for the Cardiovascular business area within Sanofi, VP Renal Europe and Head of Regional Liaisons at Sanofi, VP Renal and Endocrine Europe at Genzyme and General Manager Benelux at Genzyme. Before Genzyme, she was 13 years at Baxter.

Other assignments: Founder and manager of Belnor BVBA, a consultancy and investment company. She is also a non-executive Board member at Camurus AB (CAMX.ST), a Swedish biotech company, and Advicenne (Euronext: ADVIC), a French pharmaceutical company.

Independent in relation to Oasmia, the company management and to major shareholders of the company.

Sven Rohmann

Member of the Board since March 2019.

Born: 1962

Share holdings: 230,630 shares.

Education: MD Johannes Gutenberg University, PhD Erasmus University and MBA European Business School and Kellogg's University.

Previous experience: CMO for Immudyne Inc, CEO of Adiuvo Investments SA, General Manager Europe for healthcare venture fund Burrill & Co, Vice President Biotec Pharmacon ASA, venture capital fund manager for Novartis Pharma AG, Managing Partner for Nextech Venture, Switzerland, CEO of BioVision AG, CEO of Ganymed Pharmaceuticals AG, and globally responsible for oncology for Merck Serono.

Other assignments: Chairman of Helix Biopharma Corp., ImVision GmbH & Inc. Advisor and Chief Business Development Officer to Oryx GmbH (translational medicine) and Center for Molecular Medicine, KI and TCER AB.

Not independent in relation to Oasmia and the company management, independent in relation to major shareholders of the company.

Birgit Stattin Norinder

Member of the Board since May 2020.

Born: 1948

Share holdings: –

Education: M.Sc in Pharmacy from Uppsala University

Previous experience: Extensive experience from international pharmaceutical and biotechnology companies in Sweden, USA and United Kingdom. Amongst many positions she has served as CEO and Chairman of Profilix Ltd., Senior VP Worldwide Product Development, Pharmacia & Upjohn and Dir. Int. Reg. Affairs Division, Glaxo Group Research Ltd. Birgit has also held several board and chairman positions of European biotechnology companies.

Other assignments: Member of the Board of AddLife AB, Hansa Biopharma AB and Jettesta AB.

Independent in relation to Oasmia, the company management and to major shareholders of the company.

Peter Zonabend

Member of the Board since March 2019.

Born: 1980

Share holdings: 500,000 shares.

Education: LL.M from Stockholm University, EMLE from Erasmus School of Law, Bsc in Business and Economics from Stockholm University and DU EAED from Aix Marseille Université.

Previous experience: CEO of Victoria Investments Holding Ltd, 2010-2017, Law Firm Fylgia, Law Firm Björn Rosengren.

Other assignments: CEO Arwidsro, board assignment within Arwidsro.

Independent in relation to Oasmia and company management, not independent of major shareholders in the company.

Auditor in charge
Duane Swanson
Authorized auditor, KPMG AB

Group management

François Martelet

Chief Executive Officer

Born: 1960

Shareholding: 896,739 stock options

Francois Martelet is an experienced Pharma executive with a proven track record of shaping companies and turning around underperforming units. He has held three CEO positions in the last 12 years. He has spent most of his career in the oncology field, as CEO of Avax and Topotarget, as well as in executive roles at senior level at Roche, Eli Lilly, Novartis and MSD. He has been based in six countries in Europe (including Sweden) and in the US. Francois Martelet is a French Medical Doctor, with a Masters Degree in Business. He speaks four languages, among them Swedish.

Elin Trampe

Chief Technical Officer

Born: 1980

Shareholding: –

Elin Trampe has a Master of Science in Industrial Engineering and Management and has many years of experience from various leading positions within Supply Chain, Project Management and Category Development in large international companies. Most recently she was at General Electric Global Operations, working towards the Healthcare business.

Reinhard Koenig

Acting Chief Medical Officer

Born: 1960

Shareholding: –

Reinhard Koenig has more than 30 years of pharma and biotechnology experience. He has extensive experience of leading positions within global pharmaceutical companies. Previous companies include Genentech, Boehringer Mannheim and Piramal Critical Care.

Michael af Winklerfelt

Chief Financial Officer

Born: 1972

Shareholding: 37,760 shares

Michael af Winklerfelt has more than 15 years of experience from senior finance roles in leading international companies. He worked for ten years in China for the Atlas Copco Group and most recently spent three years in the United States in the medical device field. He has an MBA, an M.Sc. in Economics and Business and an unfinished B.A. in Chinese.

Consolidated accounts

Consolidated income statement

TSEK	Note	May 1, 2019– Apr 30, 2020[1)]	May 1, 2018– Apr30, 2019[2)]
Net sales	5	201,843	1,980
Other operating income	7, 14	427	755
Change in inventories of products in progress and finished goods	8	20,904	-5,148
Capitalized development costs	6	4,356	8,431
Raw materials and consumables	8, 14	-11,258	-4,998
Other operating expenses	9, 10, 14	-162,539	-68,183
Employee benefit expenses	11	-63,787	-52,068
Depreciation, amortization and impairment	4, 6, 12, 13	-20,032	-31,006
Operating loss		**-30,086**	**-150,237**
Financial income		1,169	19
Financial expenses		-14,439	-18,259
Financial income and expenses - net	**14, 15**	**-13,270**	**-18,240**
Income before taxes		**-43,356**	**-168,477**
Income taxes	**16**	**32,822**	**-32,822**
Income for the year		**-10,533**	**-201,300**
Income for the year attributable to:			
Parent Company shareholders		-10,533	-201,305
Non-controlling interests		0	6
Earnings per share before and after dilution, SEK *	4, 17	-0.03	-0.79

* Has been adjusted for the comparison periods for the bonus issue component in the rights issue carried out during the year.

Consolidated statement of comprehensive income

TSEK	Note	May 1, 2019– Apr 30, 2020[1)]	May 1, 2018– Apr30, 2019[2)]
Income for the year	**4**	**-10,533**	**-201,300**
Other comprehensive income:			
Items that may subsequently be transferred to the income statement:			
– Translation differences		-559	-623
Total other comprehensive income		**-559**	**-623**
COMPREHENSIVE INCOME FOR THE YEAR		**-11,092**	**-201,923**
Comprehensive income for the year attributable to:			
Parent Company shareholders		-11,092	-201,928
Non-controlling interests		0	6

Consolidated statement of financial position

TSEK	Note	Apr 30, 2020[1)]	Apr30, 2019[2)]
ASSETS			
Non-current assets			
Property, plant and equipment	12	28,014	14,701
Capitalized development costs	6	433,357	433,130
Other intangible assets	4, 13	9,759	10,497
Financial non-current assets		2,002	2,002
Total non-current assets		**473,132**	**460,330**
Current assets			
Inventories	8	28,837	7,420
Accounts receivable	18	59	3,534
Other current receivables	18, 20	43,848	3,011
Prepaid expenses and accrued income	18, 19	24,372	14,472
Short-term investments	18	234,080	–
Cash and cash equivalents	18	201,018	116,272
Total current assets		**532,215**	**144,710**
TOTAL ASSETS		**1,005,347**	**605,040**

TSEK	Note	Apr 30, 2020[1)]	Apr30, 2019[2)]
EQUITY			
Equity and reserves attributable to Parent Company shareholders			
Share capital	21	44,837	22,490
Other capital provided		1,904,150	1,479,513
Reserves		-1,211	-652
Retained earnings including income for the year	4	-1,128,386	-1,117,853
Equity attributable to Parent Company shareholders		**819,389**	**383,499**
Equity attributable to non-controlling interests		0	0
Total equity		**819,389**	**383,499**
Liabilities			
Long-term liabilities			
Lease liabilities, long-term	10	8,845	–
Deferred tax liability		–	32,822
Total long-term liabilities		**8,845**	**32,822**
Current liabilities			
Convertible debt instruments	18	1	59,568
Other short-term borrowings	18	80,000	80,000
Accounts payable	18	22,524	17,666
Lease liabilities, short-term	10	5,320	–
Other current liabilities	18, 22	3,488	3,217
Accrued expenses and deferred income	18, 23	65,780	28,268
Total current liabilities		**177,112**	**188,719**
Total liabilities		**185,957**	**221,541**
TOTAL EQUITY AND LIABILITIES		**1,005,347**	**605,040**

1) Restated after error correction compared with the Year-end report for 2019/2020, see Note 4.
2) Restated after error correction compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019, see Note 4.

1) Restated after error correction compared with the Year-end report for 2019/2020, see Note 4.
2) Restated after error correction compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019, see Note 4.

Consolidated statement of changes in equity

		Attributable to Parent Company shareholders						
TSEK	Note	share capital	Other capital	Reserves*	Retained earnings	Total equity attributable to shareholders	Non-controlling interests	Total capital
Opening balance, May 1, 2018		**17,641**	**1,232,290**	**-29**	**-904,860**	**345,041**	**-6**	**345,035**
Adjustment due to changed accounting policies		–	–	–	-1,427	-1,427	–	-1,427
Correction of error	4	–	–	–	-10,260	-10,260	–	-10,260
Opening balance, May 1, 2018		**17,641**	**1,232,290**	**-29**	**-916,548**	**333,356**	**-6**	**333,349**
Income for the year	4	–	–	–	-201,306	-201,306	6	-201,300
Other comprehensive income		–	–	-623	–	-623	–	-623
Comprehensive income for the year		0	0	-623	-201,306	-201,929	6	-201,923
Warrants		–	0	–	–	0	–	0
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	21	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, April 30, 2019	**4**	**22,490**	**1,479,513**	**-652**	**-1,117,854**	**383,499**	**0**	**383,499**
Opening balance, May 1 2019	**4**	**22,490**	**1,479,513**	**-652**	**-1,117,854**	**383,499**	**0**	**383,499**
Income for the year	4	–	–	–	-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	21	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**

* Translation differences

Consolidated statement of cash flows

TSEK	Note	May 1, 2019– Apr 30, 2020[1)]	May 1, 2018– Apr30, 2019[2)]
Operating activities			
Operating loss	4	-30,086	-150,237
Adjustments for non-cash items	4, 25	26,509	38,092
Interest received	15	19	31
Interest paid	15	-4,373	-3,068
Cash flow from operating activities before changes in working capital		**-7,931**	**-115,182**
Changes in working capital			
Change in inventories	8	-26,821	-4,099
Change in accounts receivable	18	-23	112
Changes in other current receivables	18, 19, 20	-12,891	-7,935
Change in accounts payable	18	4,732	8,226
Changes in other current liabilities	18, 22, 23	36,068	39
Cash flow from operating activities		**-6,866**	**-118,839**

TSEK	Note	May 1, 2019– Apr 30, 2020[1)]	May 1, 2018– Apr30, 2019[2)]
Investing activities			
Investments in intangible assets	6, 13	-4,458	-9,536
Investments in property plant and equipment	12	-8,415	-2,495
Investments in financial assets	18	-40,251	-2,000
Investments in short-term investments	18	-280,000	–
Divestment of short-term investments	18	45,000	–
Cash flow from investing activities		**-288,124**	**-14,031**
Financing activities			
Increase in liabilities to credit institutions		–	4,801
Repayment of liabilities to credit institutions		–	-4,801
Repayment of other loans	25	–	-37,552
Convertible debt instruments	18, 25	–	119,200
Repaid convertible loan	18, 25	-62,000	–
Repayment of lease liability	25	-5,141	–
Advances in connection with new share issue	25, 26	45,000	–
New share issues	18, 21, 25, 26	428,551	165,018
Issue expenses	21	-26,688	-13,166
Cash flow from financing activities		**379,722**	**233,500**
Cash flow for the year		**84,731**	**100,630**
Translation differences		**15**	**62**
Cash and cash equivalents at beginning of year		**116,272**	**15,580**
Cash and cash equivalents at end of year	**18**	**201,018**	**116,272**

1) Restated after error correction compared with the Year-end report for 2019/2020, see Note 4.
2) Restated after error correction compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019, see Note 4.

Parent Company financial statements

Parent Company income statement

TSEK	Note	May 1, 2019– Apr 30, 2020[1]	May 1, 2018– Apr30, 2019[2]
Net sales	5	201,843	1,980
Change in inventories of products in progress and finished goods	8	20,904	-5,148
Capitalized development costs	6	4,356	8,431
Other operating income	7, 14	427	666
Raw materials and consumables	8	-11,258	-4,998
Other operating expenses	9, 10, 14	-167,052	-61,642
Employee benefit expenses	11	-58,667	-47,429
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	4, 6, 12, 13	-14,528	-31,006
Operating loss		**-23,975**	**-139,146**
Result from financial items			
Result from participations in Group companies	26	-14,519	-163
Other interest income and similar income	14, 15	1,863	162
Interest expenses and similar expenses	14, 15	-13,436	-18,259
Financial income and expenses – net		**-26,092**	**-18,260**
Income before taxes		**-50,067**	**-157,406**
Income taxes	16	–	–
Income for the year		**-50,067**	**-157,406**

Parent Company statement of comprehensive income

TSEK	Note	May 1, 2019– Apr 30, 2020[1]	May 1, 2018– Apr30, 2019[2]
Income for the year		-50,067	-157,406
COMPREHENSIVE INCOME FOR THE YEAR		**-50,067**	**-157,406**

1) Restated after error correction compared with the Year-end report for 2019/2020, see Note 4.
2) Restated after error correction compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019, see Note 4.

Parent Company balance sheet

TSEK	Note	Apr 30, 2020[1]	Apr30, 2019[2]
ASSETS			
Non-current assets			
Intangible non-current assets			
Capitalized development costs	6	433,357	323,722
Concessions, patents, licenses, trademarks and similar rights	4, 13	9,759	10,497
Property, plant and equipment			
Equipment, tools and fixtures and fittings	12	10,722	13,501
Construction in progress and advance payments for property, plant and equipment	12	2,455	1,201
Financial assets			
Participations in Group companies	27	60	109,663
Other securities held as non-current assets		2,001	2,001
Total non-current assets		**458,354**	**460,585**
Current assets			
Inventories			
Raw materials and supplies	8	6,427	5,915
Products in progress	8	7,890	1,505
Finished goods	8	14,520	–
		28,837	**7,420**
Current receivables			
Accounts receivable	18	59	3,534
Receivables from Group companies	26	–	7,142
Other current receivables	18, 20	43,847	3,010
Prepaid expenses and accrued income	18, 19	25,399	14,325
		69,305	**28,011**
Short-term investments	18	234,080	–
Cash and bank balances	18	200,819	115,112
Total current assets		**533,041**	**150,543**
TOTAL ASSETS		**991,395**	**611,128**

TSEK	Note	Apr 30, 2020[1]	Apr30, 2019[2]
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	21	44,837	22,490
Statutory reserve		4,620	4,620
Reserve for development costs		28,231	24,199
		77,688	**51,309**
Non-restricted equity			
Share premium reserve		1,904,463	1,479,826
Retained earnings	4	-1,107,956	-946,518
Income for the year	4	-50,067	-157,407
		746,440	**375,901**
Total equity		**824,128**	**427,211**
Current liabilities			
Convertible debt instruments	18	–	59,568
Other short-term borrowings	18	80,000	80,000
Accounts payable	18	20,741	14,748
Liabilities to Group companies	26	2,784	2,784
Other current liabilities	18, 22	2,005	1,735
Accrued expenses and deferred income	18, 23	61,736	25,082
Total current liabilities		**167,267**	**183,917**
TOTAL EQUITY AND LIABILITIES		**991,395**	**611,128**

1) Restated after error correction compared with the Year-end report for 2019/2020, see Note 4.
2) Restated after error correction compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019, see Note 4.

Parent Company statement of changes in equity

		Restricted equity			Non-restricted equity		
TSEK	Note	Share capital	Statutory reserve	Reserve for development costs	Share premium reserve	Retained earnings	Total equity
Opening balance, May 1, 2018		**17,641**	**4,620**	**16,940**	**1,232,603**	**-927,571**	**344,232**
Adjustment due to changed accounting policies		–	–	–	–	-1,427	-1,427
Correction of error	4	–	–	–	–	-10,260	-10,260
Adjusted opening balance, May 1, 2018		**17,641**	**4,620**	**16,940**	**1,232,603**	**-939,258**	**332,544**
Income for the year	4	–	–	–	–	-157,407	-157,407
Provision to Reserve for development costs		–	–	8,430	–	-8,430	0
Reversal of Reserve for development costs		–	–	-1,171	–	1,171	0
Equity component in issue of convertible debt instruments		–	–	–	2,997	–	2,997
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	21	3,101	–	–	186,917	–	190,018
Redemption of convertibles		1,748	–	–	76,452	–	78,200
Issue expenses		–	–	–	-10,454	–	-10,454
Closing balance, April 30, 2019		**22,490**	**4,620**	**24,199**	**1,479,826**	**-1,103,924**	**427,211**
Opening balance, May 1, 2019		**22,490**	**4,620**	**24,199**	**1,479,826**	**-1,103,924**	**427,211**
Income for the year	4	–	–	–	–	-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	21	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**

Parent Company cash flow statement

TSEK	Note	May 1, 2019– Apr 30, 2020[1)]	May 1, 2018– Apr30, 2019[2)]
Operating activities			
Operating loss	4	-23,975	-139,146
Adjustments for non-cash items	4, 25	20,955	38,547
Interest received	15	18	31
Interest paid	15	-4,373	-3,068
Cash flow from operating activities before changes in working capital		**-7,375**	**-103,609**
Changes in working capital			
Change in inventories	8	-26,821	-4,099
Change in accounts receivable	18	-23	112
Changes in other current receivables	18, 19, 20	-18,218	-14,438
Change in accounts payable	18	5,993	5,492
Changes in other current liabilities	18, 22, 23	35,108	-2,977
Cash flow from operating activities		**-11,336**	**-119,519**

TSEK	Note	May 1, 2019– Apr 30, 2020[1)]	May 1, 2018– Apr30, 2019[2)]
Investing activities			
Capital contribution provided	26	-50	-63
Investments in intangible assets	6, 13	-4,458	-9,536
Investments in property plant and equipment	12	-8,059	-2,496
Investments in financial assets	18	-40,251	-2,000
Investments in short-term investments	18	-280,000	–
Divestment of short-term investments	18	45,000	–
Cash flow from investing activities		**-287,818**	**-14,095**
Financing activities			
Increase in liabilities to credit institutions		–	4,801
Repayment of liabilities to credit institutions		–	-4,801
Repayment of other loans	25	–	-37,552
Convertible debt instruments	18, 25	–	119,200
Repayment of convertible debt instruments	18, 25	-62,000	–
Advances in connection with new share issue	25, 26	45,000	–
New share issues	18, 21, 25, 26	428,551	165,018
Issue expenses	21	-26,688	-13,166
Cash flow from financing activities		**384,863**	**233,500**
Cash flow for the year		**85,709**	**99,886**
Cash and cash equivalents at beginning of year		**115,112**	**15,227**
Cash and cash equivalents at end of year	**18**	**200,819**	**115,112**

1) Restated after error correction compared with the Year-end report for 2019/2020, see Note 4.
2) Restated after error correction compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019, see Note 4.

Notes

NOTE 1 – GENERAL INFORMATION

Oasmia Pharmaceutical AB (Reg. No. 556332-6676 and the Parent Company of the Oasmia Group) is a limited company domiciled in Stockholm, Sweden. The address of the company is Vallongatan 1, Uppsala, where the Parent Company has its office, research and manufacturing facilities.

The company's shares are listed on NASDAQ Stockholm and on the Frankfurt Stock Exchange. The Group's operations are described in the Administration Report on pages 34-43. The Annual Report for Oasmia Pharmaceutical AB for the financial year ending April 30, 2020 was approved for publication by the Board on August 18, 2020. The Group and Parent Company financial statements will be submitted to the Annual General Meeting on September 9, 2020 for adoption.

NOTE 2 – ACCOUNTING POLICIES

The principal accounting policies applied in these financial statements are set out below.

Basis of preparation

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. Furthermore, the recommendation RFR 1, Supplementary accounting regulations for Groups, issued by the Swedish Financial Reporting Board, has been applied.

The Parent Company applies the same accounting policies as the Group except in the cases listed below under "Parent Company accounting policies." The differences between the Parent Company and the Group are a result of limitations in the application of IFRS in the Parent Company as a result of the Swedish Annual Accounts Act.

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates for accounting purposes. It also requires management to exercise its judgment in applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated accounts are disclosed in Note 3.

The Group's accounting policies

2.1 New accounting policies

Application 2019/2020

IFRS 16 Leases

Oasmia has applied IFRS 16 Leases, which replaced the former lease standard IAS 17, from May 1, 2019. IFRS 16 came into force on January 1, 2019, which means that it is applied by the Group as from the 2019/2020 financial year. Pursuant to RFR 2, the Parent Company has elected not to apply IFRS 16 Leases in legal entities.

IFRS 16 states that at the beginning of a lease agreement the lessee recognizes the right to use the leased assets in the statement of financial position and at the same time recognizes a lease liability. Exceptions are made for low-value leases and leases with a term of less than 12 months.

Leased assets (right-of-use assets) are initially recognized at cost, which comprises the present value of future lease payments, direct costs for signing the lease and lease payments made at or before the commencement date when the underlying assets became available for use. The right-of-use assets may also be revalued during the lease term depending on whether the lease liability is remeasured. Right-of-use assets are depreciated on a straight line basis to the earlier of the end of the useful life of the asset or the end of the lease term. Leased assets are tested for impairment.

Lease liabilities are initially valued at the present value of future lease payments. Each lease payment is recognized divided between repayment of the lease liability and interest expenses in profit or loss. The lease liability may be remeasured during the lease term depending on whether certain circumstances, such as new lease terms and conditions, are introduced.

The application of IFRS 16 requires certain estimates and assessments. The estimates and assessments that entail a considerable risk of significant adjustments in the carrying amounts for assets and liabilities in the next financial year are listed below.

- When the lease term is established, available information is considered that provides an incentive to exercise an extension option or not exercise a termination option. The option to extend a lease is included only if it is reasonably certain that the lease will be extended. This assessment is reconsidered if any event or change occurs that impacts the assessment.

- Assumptions for determining the discount rate are required to calculate the present value of future lease payments. This rate is based on an estimation of the borrowing rate that Oasmia would have obtained when borrowing from financial institutes for corresponding durations.

Transition to IFRS 16:

Oasmia has elected to apply the modified retrospective approach for 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 it is applied.

The implementation of IFRS 16 primarily impacts the recognition of Oasmia's rental contracts for premises and the recognition of leased equipment. These leases are classified in accordance with IAS 17 as operating leases and payments over the lease term are recognized as other external expenses in the income statement on a straight line basis over the lease term. After implementation, leases are recognized as right-of-use assets and lease liabilities in the statement of financial position. Right-of-use assets are depreciated over their useful lives and lease payments are recognized as repayment and interest expenses. The impact on the opening balance at May 1, 2019 in the consolidated statement of financial position is that there are additional right-of-use assets of approximately MSEK 20 and additional lease liabilities of approximately MSEK 19 as well a reduction of prepaid expenses of approximately MSEK 1. When calculating the remaining lease term, periods are included where there is an extension option if Oasmia is reasonably certain that it will exercise this option. Oasmia has elected to use the practical expedient of using the same discount rate for all leases regarding the rental of premises as they have similar characteristics. This discount rate is based on an estimation of the borrowing rate that Oasmia would have obtained when borrowing from financial institutes for corresponding durations. Furthermore, Oasmia has elected to use the practical expedient of not including leases where the lease term ends within 12 months of the first day the agreement came into force. The effect on earnings for the year is TSEK -433 compared with recognition under the former rules. Detailed information is presented in Note 10.

Other IFRS

Other amended IFRSs applicable from 2019/2020 did not impact the consolidated accounts.

New IFRSs and interpretations that have not yet started to be applied

New or amended IFRSs, including statements that have been adopted by the IASB to date, are not deemed to have any material impact on the Group's accounts.

2.2 Classification

Non-current assets comprise amounts that are expected to be recovered or paid more than 12 months after the closing day. Long-term liabilities comprise amounts due for payment more than 12 months after the closing day and other amounts for which the company has an unconditional right to defer settlement of the liability for at least 12 months after the closing day. Other assets and liabilities are recognized as current assets and current liabilities, respectively.

2.3 Subsidiaries

Subsidiaries are companies where the Parent Company has a controlling interest. The Parent Company has a controlling interest in a company when it is exposed to or is entitled to variable return from its holding in the company and is able to affect the return through its controlling interest in the company.

Subsidiaries are included in the consolidated accounts as from the day on which the controlling interest is transferred to the Group. They are excluded from the consolidated accounts as from the day on which the controlling interest ends.

The acquisition method is applied to the recognition of acquisitions of subsidiaries. This means that acquired assets and liabilities are initially measured at fair value. If a deviation then arises against the acquisition cost, this is recognized as goodwill in the consolidated statement of financial position when the deviation is positive and in the income statement if it is negative.

Eliminations are made for intra-Group transactions and balance-sheet items, and for unrealized gains on transactions between Group companies.

2.4 Translation of foreign currencies

The Parent Company uses SEK as its functional currency and reporting currency. Transactions in foreign currency are translated to the functional currency according to the exchange rates on the transaction date. Translation gains or losses arising from payments for such transactions and from translation of monetary assets and liabilities in foreign currency at closing day exchange rates are recognized in operations. Currency gains and losses arising from the translation of bank accounts in foreign currencies are recognized under Net financial items.

Individual subsidiaries have another functional currency than SEK. In the presentation of the consolidated accounts, the current rate method is used, whereby assets and liabilities are translated to the closing day rate of exchange while revenues and expenses are translated using the average exchange rate for the year. The translation differences that thus arise are recognized in other comprehensive income.

2.5 Segment reporting

An operating segment is a part of a company that conducts business activities from which revenues can be generated and costs can be incurred, and for which independent financial information is available. Furthermore, the operating income of the segment are reviewed on a regular basis by the company's chief operating decision maker as the basis for the decision on allocation of resources to the segment and the evaluation of its result. The Group management has been identified as the chief operating decision maker. Group management assesses the business as a whole, that is as one segment, and therefore does not include information by segment in the accounts. Note 5 reports the division of revenues into product groups and geographic markets as well as the value of non-current assets in Sweden and in other countries. Information is also provided about the customer structure in the same note.

2.6 Property, plant and equipment

Property, plant and equipment are recognized at acquisition cost, with deductions for depreciation and impairment. Cost includes the purchase price and costs directly attributable to the asset for bringing it to the location and condition necessary for its intended us. Property, plant and equipment also include right-of-use assets for lease assets, see "IFRS 16 Leases." above.

Additional expenses are added to the carrying amount of the asset or are recognized as a separate asset, depending on what is most suitable, only when it is probable that the future economic benefits connected with the asset will accrue to the Group and the acquisition cost of the asset can be measured in a reliable way. The carrying amount of the replaced part is removed from the balance sheet. All other types of repairs and maintenance are recognized as expenses in the income statement in the period in which they arise.

Depreciation is based on the original cost less the estimated residual value. Depreciation takes place on a straight line basis over the estimated useful life of the assets as follows:

• Vehicles	3–5 years
• Equipment and production equipment	5–15 years
• Right-of-use assets	2–5 years
• Leasehold improvements	5–20 years

At each reporting date, an assessment is made as to whether there is any indication that an asset may have decreased in value. If there is such an indication, the recoverable amount is estimated and if it is lower than the carrying amount the asset is written down to the recoverable amount.

Gains or losses arising on divestment or disposal of an asset comprise the difference between the and sales price and the carrying amount of the asset less direct selling expenses. Gains and losses are recognized in Other operating income and Other operating expenses, respectively.

2.7 Intangible assets

2.7.1 Capitalized development costs

Expenditures for research are expensed immediately. Development costs which are attributable to production and tests of novel or improved products are capitalized to the extent that they are expected to generate future economic benefits. Oasmia capitalizes development costs consisting of the company's work on clinical trials in Phase III for the product candidate Paccal Vet® and for which all the preconditions for capitalization pursuant to IAS 38 have been met. Costs for Paclical/Apealea® were also capitalized up until March 2020 but in connection with the launch in the Nordic countries and the commercialization partnership agreement in large parts of the rest of the world, which was signed in March 2020 and is described elsewhere in this Annual Report, capitalization ended and amortization of the capitalized costs attributable to Paclical/Apealea® began. The portions of the capitalized development costs for Paclical/Apealea® that are attributable to the Russian market have been amortized since the 2018/2019 financial year.

It is the assessment of the company that it is technically possible to complete Paccal Vet® and make it available for sale, and that the beginning of a Phase III study is the earliest time when all criteria for capitalization can be met. This assessment is made in the light of several factors.

The products is based on a well-known and well-documented substance, paclitaxel, and Oasmia's own excipient XR-17™.

The company has both the resources and the competence to itself produce these two products for the clinical studies preceding a phase III study. Production can take place in the company's own approved premises and employees or at approved contract manufacturers.

The company both intends and is able to sell this product in various markets, both through existing distributors or through its own sales channels.

The oncology markets for pets are both large and growing, which means that the company assesses that it is possible that this product will be able to generate considerable economic benefits in the future.

Other development costs are recognized as an expense as and when they arise. Development costs previously recognized as an expense are not capitalized as an asset in subsequent periods. Straight-line amortization is applied to capitalized development costs over the period in which the expected benefits are expected to accrue to the company, and is begun at the earlier of when the product has obtained all necessary approvals for sales in a market or has otherwise started to generate revenues for Oasmia.

2.7.2 Acquired research projects

The Group has acquired a research project that is still in a pre-clinical phase. This has been capitalized at acquisition cost minus any impairment.

2.7.3 Other intangible assets

The Group capitalizes fees to authorities for patents to the extent they are expected to generate future economic benefits. They are recognized at acquisition cost, reduced by the accumulated amortization. Amortization is performed on a straight-line basis in order to distribute the cost over the estimated useful life. The estimated useful life for patents is a maximum of 20 years.

The capitalized patent expenses comprise registration costs such as initial expenses for e.g. authorities and legal fees. The gain or loss arising when an intangible asset is divested or disposed of is determined as the difference between the settlements received and the carrying amount and is recognized in Other operating income or Other operating expenses.

2.8 Inventories

Inventories are recognized at the lowest of acquisition cost and net realizable value. The acquisition cost is established by using the first in, first out method (FIFO).

The acquisition cost for Raw materials and supplies consists of the purchase price invoiced by the supplier. The acquisition cost for Products in progress and for Finished goods consists of the costs for the constituent raw materials, with a mark-up for manufacturing costs and quality control costs.

The net realizable value is the estimated sales price in the operating activities, with deductions for applicable variable selling expenses.

2.9 Impairment of non-financial assets

The capitalized development costs and the capitalized research projects which are not yet current are not amortized, but are instead tested annually for impairment. Group management assesses the expected useful lives of the assets at each reporting date. If there are indications that an asset's value has diminished, the recoverable amount of the asset is determined. This amount is either the net realizable value of the asset, with deductions for selling expenses, or its value in use, whichever is the higher. The asset is written down to the recoverable amount via the income statement. For impairment testing, the assets are grouped into cash generating units, which is the smallest group of assets that enables positive cash flows that are essentially independent of the cash flow from other assets or groups of assets.

2.10 Financial instruments

Financial instruments are agreements that give rise to a financial asset or liability. Financial assets are cash, equity instruments in other companies and such agreements that give entitlement to cash or other financial assets. Financial liabilities are agreements that oblige the company to pay cash or other financial assets to another company.

This means that there are several receivables and liabilities that are not financial instruments. For example receivables or liabilities that can be expected to be settled other than in cash or through other financial assets are not dealt with in accordance with the accounting policies that apply to financial instruments. The same applies to receivables or liabilities that are not based on agreements.

Financial instruments are recognized in the statement of financial position when Oasmia is one of the parties in the conditions of the agreement governing the instrument. Accounts receivable are recognized when they are issued. A financial asset is derecognized from the statement of financial position when the rights in the agreement are terminated, as they have been realized or Oasmia loses control of them. A financial liability is derecognized from the statement of financial position when the obligation in the agreement has been fulfilled or in some other way ceases to apply.

Oasmia's financial instruments are measured at fair value or at amortized cost:

- Fair value is the price that would be obtained if an asset were sold or paid in the settling of a liability in an orderly transaction between knowledgeable and independent parties.
- Amortized cost is initially the fair value plus or minus transaction costs. Subsequent measurement is according to the effective interest method and includes any provisions for expected credit losses.

Measurement of financial instruments

On initial recognition, a financial asset is classified as subsequently measured at: amortized cost; fair value through other comprehensive income; or fair value through profit or loss.

Oasmia's financial assets are measured at amortized cost unless they have been identified as financial investments. Financial investments in fixed-income funds generate cash flows that are not solely payments of principal and interest, and are therefore measured at fair value through profit or loss. Financial liabilities are classified as measured at amortized cost. Financial assets are not reclassified after initial recognition except when the Group amends the purpose and the model for managing the financial assets. Oasmia does not hold any derivative instruments and does not apply hedge accounting.

• Financial assets and liabilities measured at fair value through profit or loss

Changes in fair value are recognized in profit or loss.
This category includes:

– Short-term investments in fixed-income funds. The individual securities included in these funds have a remaining term of more than 3 months and may be exposed to more than insignificant fluctuations in value. Accordingly, they are recognized as Short-term investments and not as Cash and cash equivalents. The funds are traded on an active finance market and an official market price is published every trading day that comprises the fair value of the funds and at which they are valued.

• Financial assets measured at amortized cost

Financial assets measured at amortized cost encompass debt instruments that are managed with the aim of realizing the instruments' cash flows through receiving contractual cash flows comprised solely of principal repayments and interest on the principal outstanding. This category includes:

– Cash and cash equivalents consist of bank balances in Swedish and foreign commercial banks. Where they are denominated in a currency other than SEK, they are translated at the closing day rate of exchange.
– Accounts receivable, other current receivables and accrued income.

• Financial liabilities measured at amortized cost

This category includes:

– Borrowings.
– Convertible loans.
– Accounts payable, prepaid expenses and accrued expenses.

Impairment of financial assets

An assessment is made on initial recognition and on an ongoing basis of any expected credit losses pertaining to financial assets at amortized cost. The loss allowance is measured and recognized initially at 12-month expected credit losses. On each reporting date an assessment is made as to whether the expected credit losses for a financial instrument have significantly increased since initial recognition and if this is the case then a loss allowance is recognized based on lifetime expected credit losses. The loss allowance for accounts receivable, which do not contain significant financing components, is always measured at an amount corresponding to expected credit losses for the remaining lifetime of the receivable. Changes in loss allowances are recognized in profit or loss. The recognized gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering the financial asset in its entirety or in part.

Offsetting

Financial assets and financial liabilities are offset and the net amount is recognized in the statement of financial position only where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

For further disclosures on Oasmia's financial instruments, see Note 18 Financial instruments and financial risks.

2.11 Equity

Common stock are classified as equity. Transaction costs which can be attributed directly to new share issues or warrants are recognized, net after tax, in equity as a deduction from the funds generated by the issue.

Convertible debt instruments comprise a debt component and an equity component, see the description below.

2.12 Convertible debt instruments

Compared to a bond loan, a convertible loan includes not only an entitlement to receive interest but also the opportunity to receive a certain number of shares instead of repayment of the loan. This additional advantage means that the rate of interest of the convertible loan is lower than the market interest rate for a corresponding bond loan.

Convertible debt instruments are recognized as a compound financial instrument comprising a debt component and an equity component. The fair value of the liability on the issue date is calculated by discounting the future payment flows with the current market rate for a similar liability, without the conversion option. The value of the equity instrument is calculated as the difference between the issue proceeds when the convertible debt instrument was issued and the fair value of the financial liability on the issue date. The fair value of the benefit to Oasmia due to this lower rate of interest is booked, after deductions for issue expenses, directly against equity. Transaction costs in connection with the issue of a compound financial instrument are divided between the debt component and the equity component in proportion to the allocation of the issue proceeds. The interest expenses are recognized in income for the year and are calculated using the effective interest method.

2.13 Income taxes

Tax revenues and expenses are constituted by current and deferred tax. Current tax is the tax calculated on the taxable income of each legal entity in the Group for the current or a previous period.

Deferred tax is tax on temporary differences between assets' and liabilities' carrying amount and tax base. A deferred tax revenue also arises to the extent that the tax effect of loss carryforwards is entered as a deferred tax asset. However, a deferred tax asset is only recognized to the extent that there are convincing reasons that a future taxable surplus will be available, against which the deferred tax asset can be offset. As it is not yet possible to reliably calculate when Oasmia will achieve such a surplus, no deferred tax assets have been recognized.

2.14 EMPLOYEE BENEFITS

2.14.1 Short-term employee benefits

Short-term employee benefits to employees is calculated without discounting and is recognized as an expense when the services concerned are obtained.

2.14.2 Employee stock options

Oasmia classifies its share based incentive programs as transactions regulated by equity instruments. The cost of the instruments' fair value on the grant date is distributed over the vesting period by reporting the value of the estimated number of earned employee stock options as an employee benefit expense with a corresponding increase in equity. Each closing day, Oasmia revises the calculations of the number of expected earned instruments. When the original estimates are changed, Oasmia reports the change in the income statement. Equity is adjusted accordingly. In addition, employers' fees are expected to be paid attributable to the share-based compensation programs. They are expensed in the income statement over the vesting period and are calculated on the fair value of the earned instruments at the closing day. When the options are exercised, the company issues new shares. When the options are exercised, payments received, after deduction of any directly attributable transaction costs, are recognized as an increase in equity.

2.14.3 Pension obligations

The Group has defined-contribution pension plans. A defined-contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Defined-contribution pension plan obligations are recognized as employee benefit expenses as and when they are earned by employees carrying out services for the company in any given period. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available to the Group.

2.14.4 Severance pay

Severance pay is awarded when notice is given to an employee by Oasmia before the normal pension date, or when an employee accepts voluntary resignation in exchange for such payments. The Group recognizes severance pay when it is obliged either to give notice to the employee according to a detailed formal plan without the possibility of recall, or to pay remuneration when notice is given as a result of an offer made to encourage voluntary resignation. Benefits which are due more than 12 months after closing day are discounted to the present value.

2.15 Revenue recognition

Operating income is recognized when the control of the rights, goods and services and their benefits has been passed to the customers. Revenue is measured at the fair value of what was received or will be received, excluding amounts collected for third parties, discounts and value-added tax, and after eliminating intra-Group sales. Oasmia's revenue comprises license rights, sold goods and services. More detailed disclosures about revenue recognition are provided in Note 5.

Oasmia's contracts with customers are analyzed in terms of performance obligation, that is what Oasmia has undertaken to carry out under the agreement, and in terms of the transaction price, that is what the customer undertakes to pay as well as the carrying out of the performance obligation.

Performance obligations
Oasmia undertakes the obligation to provide the customer with license rights in certain defined markets to market and sell Oasmia's products.

Oasmia has also undertaken, based on contract combined with purchase orders from customers to deliver goods of a certain quality to a certain destination within a certain period of time.

If a contract contains more than one performance obligation, these are analyzed to determine if these obligations are distinct. Each distinct performance obligation is recognized as revenue separately. If a performance obligation of an agreement is not distinct, such an obligation is grouped together with other performance obligations that together comprise a single joint and distinct performance obligation.

Transaction price
The transaction price comprises the consideration that Oasmia receives for satisfying its performance obligations under each contract with a customer. The transaction price is allocated to each performance obligation based on the price and the performance commanded in a stand-alone transaction. This allocation includes a certain level of assessment for cases in which no past stand-alone transactions are available for comparison. Sales prices must be estimated when market prices for stand-alone performance obligations are not available. Three methods are used to estimate stand-alone sales prices for each distinct performance obligation:

i. Adjusted market assessment approach – estimated expected price in the intended market, estimate based on prices from competitors for similar goods/services plus adjustments for Oasmia's costs and margins.

ii. Expected cost plus a margin approach

iii. Residual approach – the amount remaining of the total contracted sales price after allocation to other performance obligations.

For customer contracts including both the obligation to provide license rights and other performance obligations, the transaction price is allocated to the licensing obligation based on the residual approach. This is because license rights are generally unique, which is why it is difficult to identify a separate market-based price.

When the performance obligation carried out and payment from the customer deviate from each other, an assessment is made as to whether the payment contains a significant financing component. If this is assessed to be the case, the value of the financing component is separated from the actual transaction price and recognized in the financial results, while the transaction price is recognized as operating income. The purpose of taking into account the financing component is to adjust the transaction price so that this represents the sales price for a cash sale on the date that the performance obligation is satisfied. An advance payment means that interest expense is recognized during the period that the advance payment (contract liability) exists. Payment received a significant time after satisfying the performance obligation entails that interest income is recognized. The contra item for the interest component is attributed to the transaction price which, according, is adjusted upward or downward in an amount corresponding to the interest expenses and interest income. This is because the total of the adjusted transaction price and interest are to correspond to the invoiced amount. The adjustment of the transaction price of the financing component is recognized as deferred income and recognized in profit or loss as income when the performance obligation is satisfied.

Certain contracts include variable remuneration that is dependent on future events occurring or not occurring. This primarily applies to sales of licenses for intellectual property (IP) for which the contractual terms may include sales-based royalties and milestones. Milestones may be based on approval of products in certain markets and achieving certain threshold levels of sales volumes. Sales of goods components in licensing agreements are usually measured at cost incurred plus market-based margins.

Satisfying the performance obligation
Revenue is recognized when Oasmia has satisfied its performance obligation. For sales of licenses, this means that control of the right has passed to the customer and Oasmia has completed delivery and does not have any further obligations regarding the license rights in question.

For licensing Oasmia's IP to customers, which comprises separate, distinct performance obligations, a distinction is made between two types of granting a license that affect whether revenue is to be recognized at a point in time or over time.

a) Right to access IP – the contract requires, or the customer can reasonably expect, that Oasmia will carry out activities that will significantly affect the rights to which the customer has access. These activities directly impact the customer and the activities do not entail that the goods/services are passed to the customer while the activities are carried out. The performance obligation and thus revenue are recognized over time, usually on a straight line basis.

b) Right to use IP – the customer only has the right to use IP in its existing condition at the time that the customer is given the right. The performance obligation is initially satisfied, at a point in time.

For deliveries of goods, the performance obligation is satisfied when control of the goods has passed to the customer, which usually takes place when the customer receives the goods.

Variable consideration is not recognized as revenue until it is highly probable that Oasmia will collect such consideration and it is highly probable that a significant reversal of accumulated revenue will not need to be made when the uncertainty is resolved. For sales-based royalty revenue from licensing agreements comprising a distinct performance obligation, Oasmia applies that exemption rule entailing that royalties are recognized in revenue at the later of when the underlying sales takes place and when the associated performance obligation is satisfied. Revenue is recognized at the royalty amount that Oasmia is entitled to collect at this point in time based on actual sales achieved. Milestone consideration from licensing agreements that is paid on a sales basis is recognized in accordance with the exemption rule at the point in time when the milestone has been achieved. Other milestone consideration that is based on receiving approval for sales in certain markets is recognized in accordance with the main rule, taking into account the risk of revenue reversal. Accordingly, such milestones are first recognized when approval has been received.

Cost of obtaining a contract
Oasmia has engaged an external advisor to identify suitable global partners. The advisor is entitled to received variable consideration based on the revenue accruing to Oasmia from the licensing agreement with the partner. The fees for the advisor comprise a specific cost for securing the customer contract. Oasmia recognizes the expenses for fees for the advisor at the point of time that Oasmia is entitled to receive payment for licensing revenues from the partner since it is not until this point in time that mutual rights and obligations exist for Oasmia and the advisor. Oasmia's expenses for fees for the advisor are expensed when Oasmia's performance obligation is satisfied.

2.16 Leases
Oasmia has applied IFRS 16 Leases, which replaced the former lease standard IAS 17, from May 1, 2019. IFRS 16 states that at the beginning of a lease agreement the lessee recognizes the right to use the leased assets in the statement of financial position and at the same time recognizes a lease liability.

Leased assets (right-of-use assets) are initially recognized at cost, which comprises the present value of future lease payments, direct costs for signing the lease and lease payments made at or before the commencement date when the underlying assets became available for use. The right-of-use assets may also be revalued during the lease term depending on whether the lease liability is remeasured. Right-of-use assets are depreciated straight line to the earlier of the end of the useful life of the asset or the end of the lease term. Leased assets are tested for impairment.

Lease liabilities are initially valued at the present value of future lease payments. Each lease payment is recognized divided between repayment of the lease liability and interest expenses in profit or loss. The lease liability may be remeasured during the lease term depending on whether certain circumstances, such as new lease terms and conditions, are introduced.

Lease payments made for low-value leases and leases with a term of less than 12 months are recognized as an expenses on a straight line basis over the lease term.

Recognition of operating leases prior to May 1, 2019:
Payments made during the lease term (after deduction of any incentives from the lessor) were carried as an expense in the income statement on a straight-line basis over the term of the lease. Oasmia has no finance leases.

2.17 Financial income and expenses
Financial income and expenses comprise interest income on bank funds and receivables, interest expenses on liabilities and changes in fair value of financial investments. Interest income on receivables and interest expenses on liabilities are calculated by applying the effective interest method. The effective interest is the interest rate that exactly discounts the estimated future inward and outward payments over the expected term of the financial instruments to the recognized gross value of a financial assets or the accrued cost of a financial liabilities. Interest income and interest expenses include allocated amounts of the transaction costs and any discounts and premiums. Dividend revenue is recognized when the right to receive payment is judged to be safe. Earnings from sales of financial investments are recognized on the trade date.

Interest expenses are charged to earnings in the period to which they are attributable except to the extent that they are included in the cost of an asset. An asset for which interest is included in costs is an asset that necessarily takes a significant amount of time to complete for its intended use or sale.

2.18 Dividends paid
Dividends paid to the Parent Company's shareholders are recognized as liabilities in the consolidated accounts in the period in which the dividends are approved by Parent Company shareholders.

2.19 Cash flow
Cash flow statements are prepared using the indirect method.

2.20 PARENT COMPANY ACCOUNTING POLICIES
The Parent Company's accounts are presented in accordance with the Annual Accounts Act (1995:1554) and recommendation RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. RFR 2 states that in the annual report for the legal entity the Parent Company shall apply all IFRS and announcements adopted by the EU as far as possible within the framework of the Annual Accounts Act, and with regard to the connection between accounting and taxation. The recommendation lists which exceptions and additions are to be made from IFRS.

The differences between the accounting policies of the Group and the Parent Company are described below. The accounting policies stated below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements, unless otherwise stated.

(a) New accounting policies 2019/2020
IFRS 16 Leases replaces IAS 17 Leases and the new standard is applied in the Group as from the 2019/2020 financial year. Pursuant to RFR 2, the Parent Company has elected not to apply IFRS 16 Leases in legal entities. Instead the Parent Company recognizes leases pursuant to RFR 2, sections 2–12, which for Oasmia means that, as with previous accounting policies, lease payments are recognized on a straight-line basis over the lease period.

(b) Classification and forms of presentation
The Parent Company uses the terms Balance Sheet, Changes in Equity and Cash flow statement for the reports that in the Consolidated Accounts are named the Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. The form of presentation of the Parent Company's income statement and balance sheet is based on the table presented in the Annual Accounts Act, which entails differences compared to the consolidated accounts, where the presentations are based on IAS 1 Presentation of Financial Statements, in particular with regard to the classification of equity and the naming of certain items.

(c) Group and shareholder contributions for legal entities
Shareholder contributions are accounted for as equity by the recipient and as an increase in participations in Group companies by the donor.

Group contributions made by the Parent Company to a subsidiary are reported as an increase in participations in Group companies in the Parent Company accounts.

Group contributions from a subsidiary to the Parent Company are accounted for as financial revenue in the Parent Company.

(d) Reserve for development costs
According to the Annual Accounts Act companies shall form a reserve under restricted equity corresponding to the value that has been recognized in the balance sheet as Capitalized development costs. This does not apply to Capitalized development costs as of April 30, 2016 and earlier but only to development costs capitalized after May 1, 2016.

NOTE 3 SIGNIFICANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

Assessment regarding the going concern
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 year, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue expenses. In addition, the contract presented under the head "Partnership deal" above has given an initial non-refundable payment of MUSD 20, corresponding to approximately MSEK 201.

These two transactions have meant that, at April 30, 2020, Oasmia had MSEK 201 in cash and cash equivalents and MSEK 234 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 and that these financial statement are thus to be based on the going concern assumption.

Significant estimates and assumptions for accounting purposes
Group management makes estimates and assessments about the future. The resulting estimates for accounting purposes will by definition seldom correspond to the actual outcome. The estimates and assessments that entail a considerable risk of significant adjustments in the carrying amounts for assets and liabilities in the coming financial year are listed below.

(a) Impairment tests for intangible assets
The Group HAS capitalized development costs for two pharmaceutical candidates, Paclical/Apealea® and Paccal Vet®. The Group's capitalized development costs, as of April 30, 2020, amounted to TSEK 433,357 (433,130), of which TSEK 323,949 (323,722) was attributable to Paclical/Apealea® and TSEK 109,408 (109,408) to Paccal Vet®.

As of April 30, 2020, the capitalized development costs for Paclical/Apealea® were utilized and amortization commenced. These are to be reviewed for impairment to determine if there is an indication of decline in value.

Capitalized development costs that have not yet been utilized for Paccal Vet® are subject to an annual assessment of whether there is an impairment requirement, regardless of any indication of a decline in value. Oasmia's impairment tests show that there is no need for impairment as of April 30, 2020.

Impairment testing takes place by discounting expected future cash flows at a present value, which comprises the recoverable amount of the capitalized development costs. If this is lower than the carrying amount, it is to be written down to the recoverable amount in profit or loss.

Such a procedure includes estimates and assessments of a large number of parameters, such as a discount rate, market size and Oasmia's potential share of this market, the sales price of the products, production costs, the probability of securing the necessary approvals, etc. It may well prove to be the case at a later date that these assessments were insufficient or that the parameters developed in a negative manner for Oasmia that could not be predicted when the impairment test took place. This may lead to all or some of the capitalized development costs having to be written down.

As of April 30, 2020 capitalized development costs amounted to 52% (110) of equity on the same date.

(b) Assessments in connection with revenue recognition
In 2019/2020, Oasmia signed a global strategic agreement with Elevar Therapeutics, Inc., which is described in Note 5. In addition to the upfront payment received and recognized in revenue in 2019/2020, the agreement also include the possibility of several different future revenue flows of significant amounts. These flows will be recognized in revenue when the terms and conditions contingent on the revenue under the agreement have been deemed to be fulfilled at such a level of certainty that the probability that the revenue will need to be reserved for deemed to be very low.

(c) Income taxes
The Group is required to pay tax in Sweden. The Group's companies have so far showed negative taxable income, and as a result significant taxable deficits exist in the Group. 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.

Accumulated taxable deficits in the Group are described in Note 16.

(d) Contingent liabilities
A contingent liability is a possible liability whose occurrence will possibly be confirmed by future events which wholly or partly, are beyond Oasmia's control and whose probability of occurring is low or difficult to estimate. It may also be an existing liability, the size of which cannot be calculated or the settlement of which is unlikely to result in any outflow of resources.

It is obviously in the nature of contingent liabilities that their occurrence and size are particularly uncertain and therefore they are not recognized in the balance sheet. Instead information is provided in Note 24. In those cases where amounts of contingent liabilities can be estimated, they are, as previously stated, based largely on management's estimates.

(e) Leases
When the lease term is established, available information is considered that provides an incentive to exercise an extension option or not exercise a termination option. The option to extend a lease is included only if it is reasonably certain that the lease will be extended. This assessment is reconsidered if any event or change occurs that impacts the assessment.

Assumptions for determining the discount rate are required to calculate the present value of future lease payments. This rate is based on an estimation of the borrowing rate that Oasmia would have obtained when borrowing from financial institutes for corresponding durations.

NOTE 4 – CORRECTION OF ERROR IN PRIOR PERIODS

In the 2017/2018 financial year, Oasmia made a payment of TSEK 10,550 to what was a related company at the time. The payment was classified as acquisition of patent rights and was recognized as an asset in the balance sheet, and amortization subsequently took place. The bookings recognized to date are as follows:

Other intangible non-current assets

	Annual Report		Year-end report
TSEK	2017/2018	2018/2019	2019/2020
Opening acquisition cost	–	10,550	10,550
Purchases for the year	10,550	–	–
Closing accumulated cost	**10,550**	**10,550**	**10,550**
Opening accumulated amortization	–	-290	-871
Amortization for the year	-290	-581	-581
Closing accumulated amortization	**-290**	**-871**	**-1,452**
Closing carrying amount	**10,260**	**9,679**	**9,098**

As described in the Administration Report, the Swedish Tax Agency performed an audit of Oasmia and one of the items its examined was this payment. In connection with this, Oasmia conducted its own investigation and the results were submitted to the Tax Agency.

It was established at this time that the abovementioned payment of TSEK 10,550 was based on a false invoice and did not comprise an acquisition of patents. This means that the original booking of the payment and the subsequent amortization are material errors that have been retroactively corrected in this Annual report as shown below.

The Tax Agency informed Oasmia of its assessment in a document dated June 26, 2020, after the Year-end report for the financial year May 1, 2019–April 30, 2020 has been published on June 18, 2020. This means that this Annual Report deviates from the Year-end report.

The errors that arose in periods prior to the reported comparative periods contained in this Annual report have been corrected by restating the opening balances as of May 1, 2018, see below. The multi-year review was adjusted retroactively after the error arose around the end of 2017.

The effect of these corrections on the Group's and the Parent Company's financial statements is shown below. The corrections affected adjustments for non-cash amortization and depreciation items for the consolidated statement of cash flows and the Parent Company cash flow statement.

Recalculation of opening balance as of 1 May 2018

Group
Condensed, consolidated statement of financial position

TSEK	Before correction May 1, 2018	Correction	After correction May 1, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	15,527	–	15,527
Capitalized development costs	426,079	–	426,079
Other intangible assets	45,957	-10,260	35,697
Financial non-current assets	2	–	2
Total non-current assets	**487,565**	**-10,260**	**477,305**
Total current assets	**79,082**	**0**	**79,082**
TOTAL ASSETS	**566,648**	**-10,260**	**556,387**
EQUITY			
Share capital	17,641	–	17,641
Other capital provided	1,232,290	–	1,232,290
Reserves	-29	–	-29
Retained earnings, including income for the year	-906,287	-10,260	-916,547
Equity attributable to Parent Company shareholders	**343,615**	**-10,260**	**333,355**
Equity attributable to non-controlling interests	-6		-6
Total equity	**343,609**	**-10,260**	**333,349**
LIABILITIES			
Total liabilities	**223,039**	**0**	**223,039**
TOTAL EQUITY AND LIABILITIES	**566,648**	**-10,260**	**556,387**

Parent Company
Condensed balance sheet

TSEK	Before correction May 1, 2018	Correction	After correction May 1, 2018
ASSETS			
Non-current assets			
Intangible non-current assets			
Capitalized development costs	426,079		426,079
Concessions, patents, licenses, trademarks and similar rights	45,957	-10,260	35,697
Property, plant and equipment			0
Equipment, tools and fixtures and fittings	15,381		15,381
Construction in progress and advance payments for property, plant and equipment	146		146
Financial assets			0
Participations in Group companies	355		355
Other securities held as non-current assets	1		1
Total non-current assets	**487,919**	**-10,260**	**477,659**
Total current assets	**79,216**	**0**	**79,216**
TOTAL ASSETS	**567,135**	**-10,260**	**556,875**
EQUITY			
Restricted equity			
Share capital	17,641		17,641
Statutory reserve	4,620		4,620
Reserve for development costs	16,940		16,940
	39,201	**0**	**39,201**
Non-restricted equity			
Share premium reserve	1,232,603		1,232,603
Retained earnings	-928,998	-10,260	-939,258
	303,605	**-10,260**	**293,345**
Total equity	**342,805**	**-10,260**	**332,545**
LIABILITIES			
Total liabilities	**224,330**		**224,330**
TOTAL EQUITY AND LIABILITIES	**567,135**	**-10,260**	**556,875**

Correction of previous financial reports

Group

Income statement TSEK	Year-end report MAY 1, 2019–APR 30, 2020	Correction	Annual Report[1] MAY 1, 2019–APR 30, 2020	Before correction MAY 1, 2018–APR 30, 2019	Correction	Annual report[2] MAY 1, 2018–APR 30, 2019
Net sales	201,843		201,843	1,980		1,980
Other operating income	427		427	755		755
Change in inventories of products in progress and finished goods	20,904		20,904	-5,148		-5,148
Capitalized development costs	4,356		4,356	8,431		8,431
Raw materials, consumables and goods for resale	-11,258		-11,258	-4,998		-4,998
Other operating expenses	-162,539		-162,539	-68,183		-68,183
Employee benefit expenses	-63,787		-63,787	-52,068		-52,068
Depreciation, amortization and impairment	-20,613	581	-20,032	-31,587	581	-31,006
Operating income/loss	**-30,667**	**581**	**-30,086**	**-150,818**	**581**	**-150,237**
Financial income	1,169		1,169	19		19
Financial expenses	-14,439		-14,439	-18,259		-18,259
Financial income and expenses - net	**-13,270**	**0**	**-13,270**	**-18,240**		**-18,240**
Income before taxes	**-43,937**	**581**	**-43,356**	**-169,058**	**581**	**-168,477**
Income taxes	32,822		32,822	-32,822		-32,822
Income for the year	**-11,114**	**581**	**-10,533**	**-201,881**	**581**	**-201,300**
Income for the year attributable to:						
Parent Company shareholders	-11,114	581	-10,533	-201,886	581	-201,305
Non-controlling interests	0		0	6		6
Earnings per share before and after dilution, SEK	-0.03	0.00	-0.03	-0.80	0.01	-0.79

Condensed statement of financial position TSEK	Year-end report APR 30, 2020	Correction	Annual Report[3] APR 30, 2020	Before correction APR 30, 2019	Correction	Annual report[4] APR 30, 2019
ASSETS						
Non-current assets						
Property, plant and equipment	28,014		28,014	14,701		14,701
Capitalized development costs	433,357		433,357	433,130		433,130
Other intangible assets	18,857	-9,098	9,759	20,176	-9,679	10,497
Financial non-current assets	2,002		2,002	2,002		2,002
Total non-current assets	**482,230**	**-9,098**	**473,132**	**470,010**	**-9,679**	**460,331**
Total current assets	**532,215**	**0**	**532,215**	**144,710**	**0**	**144,710**
TOTAL ASSETS	**1,014,445**	**-9,098**	**1,005,347**	**614,719**	**-9,679**	**605,040**
EQUITY						
Share capital	44,837		44,837	22,490		22,490
Other capital provided	1,904,150		1,904,150	1,479,513		1,479,513
Reserves	-1,211		-1,211	-652		-652
Retained earnings, including income for the year	-1,119,288	-9,098	-1,128,386	-1,108,174	-9,679	-1,117,853
Equity attributable to Parent Company shareholders	**828,488**	**-9,098**	**819,389**	**393,178**	**-9,679**	**383,499**
Equity attribute tonon-controlling interests	0		0	0		0
Total equity	**828,488**	**-9,098**	**819,389**	**393,178**	**-9,679**	**383,499**
LIABILITIES						
Total liabilities	**185,957**	**0**	**185,957**	**221,541**	**0**	**221,541**
TOTAL EQUITY AND LIABILITIES	**1,014,445**	**-9,098**	**1,005,347**	**614,719**	**-9,679**	**605,040**

Impact on earnings per share TSEK	Year-end report MAY 1, 2019–APR 30, 2020	Correction	Annual Report[1] MAY 1, 2019–APR 30, 2020	Before correction MAY 1, 2018–APR 30, 2019	Correction	Annual report[2] MAY 1, 2018–APR 30, 2019
Earnings attributable to						
Parent Company shareholders	-11,114	581	-10,533	-201,886	581	-201,306
Weighted average number of common stock outstanding	398,395		398,395	253,312		253,311
Earnings per share (SEK per share)	-0.03	0.00	-0.03	-0.80	0.01	-0.79

Parent Company

Income statement TSEK	Year-end report MAY 1, 2019–APR 30, 2020	Correction	Annual Report[1] MAY 1, 2019–APR 30, 2020	Before correction MAY 1, 2018–APR 30, 2019	Correction	Annual report[2] MAY 1, 2018–APR 30, 2019
Net sales	201,843		201,843	1,980		1,980
Change in inventories of products in progress and finished goods	20,904		20,904	-5,148		-5,148
Capitalized development costs	4,356		4,356	8,431		8,431
Other operating income	427		427	666		666
Raw materials and consumables	-11,258		-11,258	-4,998		-4,998
Other operating expenses	-167,052		-167,052	-61,642		-61,642
Employee benefit expenses	-58,667		-58,667	-47,429		-47,429
Depreciation, amortization and impairment of tangible and intangible non-current assets	-15,109	581	-14,528	-31,587	581	-31,006
Operating income/loss	**-24,556**	**581**	**-23,975**	**-139,727**	**581**	**-139,146**
Result from participations in Group companies	-14,519		-14,519	-163		-163
Other interest income and similar income	1,863		1,863	162		162
Interest expenses and similar expenses	-13,436		-13,436	-18,259		-18,259
Financial income and expenses – net	**-26,092**	**0**	**-26,092**	**-18,260**	**0**	**-18,260**
Income before taxes	**-50,648**	**581**	**-50,067**	**-157,988**	**581**	**-157,407**
Income taxes	–		0	0		0
Income for the year	**-50,648**	**581**	**-50,067**	**-157,988**	**581**	**-157,407**

Condensed statement of financial position TSEK	Year-end report APR 30, 2020	Correction	Annual Report[3] APR 30, 2020	Before correction APR 30, 2019	Correction	Annual report[4] APR 30, 2019
ASSETS						
Non-current assets						
Intangible non-current assets						
Capitalized development costs	433,357		433,357	323,722		323,722
Concessions, patents, licenses, trademarks and similar rights	18,857	-9,098	9,759	20,176	-9,679	10,497
Property, plant and equipment						0
Equipment, tools and fixtures and fittings	10,722		10,722	13,501		13,501
Construction in progress and advance payments for property, plant and equipment	2,455		2,455	1,201		1,201
Financial non-current assets						
Participations in Group companies	60		60	109,663		109,663
Other securities held as non-current assets	2,001		2,001	2,001		2,001
Total non-current assets	**467,452**	**-9,098**	**458,354**	**470,264**	**-9,679**	**460,585**
Total current assets	**533,041**	**0**	**533,041**	**150,543**	**0**	**150,543**
TOTAL ASSETS	**1,000,493**	**-9,098**	**991,395**	**620,807**	**-9,679**	**611,128**

Condensed statement of financial position TSEK	Year-end report APR 30, 2020	Correction	Annual Report[3] APR 30, 2020	Before correction APR 30, 2019	Correction	Annual report[4] APR 30, 2019
EQUITY AND LIABILITIES						
Equity						
Restricted equity						
Share capital	44,837		44,837	22,490		22,490
Statutory reserve	4,620		4,620	4,620		4,620
Reserve for development costs	28,231		28,231	24,199		24,199
	77,688		**77,688**	**51,309**		**51,309**
Non-restricted equity						
Share premium reserve	1,904,463		1,904,463	1,479,826		1,479,826
Retained earnings	-1,098,277	-9,679	-1,107,956	-936,258	-10,260	-946,518
Income for the year	-50,648	581	-50,067	-157,988	581	-157,407
	755,538	**-9,098**	**746,440**	**385,580**	**-9,679**	**375,901**
Total equity	**833,226**	**-9,098**	**824,128**	**436,890**	**-9,679**	**427,211**
LIABILITIES						
Total liabilities	**167,267**		**167,267**	**183,917**		**183,917**
TOTAL EQUITY AND LIABILITIES	**1,000,493**	**-9,098**	**991,395**	**620,807**	**-9,679**	**611,128**

1) The financial statements for the May 1, 2019 to April 30, 2020 period have been corrected in the Annual Report for 2019/2020 compared with the Year-end report for 2019/2020.
2) The May 1, 2018 to April 30, 2019 period has been corrected in the Annual Report for 2019/2020 compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019.
3) The balance sheet as of April 30, 2020 has been corrected in the Annual Report for 2019/2020 compared with the Year-end report for 2019/2020.
4) The balance sheet as of April 30, 2019 has been corrected in the Annual Report for 2019/2020 compared with the Year-end report for 2019/2020 and the Annual Report for 2018/2019. Opening balances for May 1, 2018 have also been restated.

NOTE 5 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Global agreement with Elevar Therapeutics, Inc.

On March 25, 2020, Oasmia signed a global strategic partnership deal with the US-based company Elevar Therapeutics, Inc. regarding commercialization of Apealea®.

The signing of this agreement meant that Oasmia received an upfront one-time payment for the license rights of MUSD 20, which was paid in April 2020. The compensation of TSEK 201,100 was recognized as license revenues since the licensing period began in April 2020, see below.

Oasmia's contractual obligations

Under the agreement, Oasmia grants Elevar an exclusive license to further develop, produce, market, sell and sub-license Apealea® worldwide, except for in the Nordic countries, the Baltic States, Russia and some other CIS countries.

Oasmia has also under this agreement undertaken to deliver XR-17™, an input product in the production of Apealea®, to Elevar.

Future revenue flows from the agreement

In addition to the previously mentioned initial upfront payment, Oasmia may receive three forms of revenue in the future:
– Sales revenue from the sales of XR-17™ to Elevar.
– Sales-based royalty revenue on Elevar's revenue from sales or sub-licensing.
– Milestone payments depending on certain performance criteria.

Sales revenue from XR-17™

Under the agreement, Elevar has been granted the exclusive right to produce Apealea®. XR-17™, Oasmia's proprietary and patented excipient, is required to be able to produce Apealea® and Oasmia has thus undertaken to deliver this to Elevar. The price has been agreed as being Oasmia's manufacturing cost plus a certain mark-up.

The purpose of this part of the agreement is to enable Elevar to produce and sell Apealea® and, accordingly, the price of XR-17™ agreed between the parties is intended to cover Oasmia's manufacturing costs plus a certain portion of expenses. This means that the agreed price is less than the estimated market price of XR-17™. In order to correctly present the fair value of the sale of XR-17™ to Elevar, revenue from the sale will be recognized at the estimated market price and not at the invoiced lower price. Reallocation takes place to revenues attributable to the license rights.

Oasmia's revenue from the sale of XR-17™ to Elevar is deemed to comprise a very small portion of the total revenue that the agreement is expected to generate for Oasmia.

Royalty revenue

Elevar has been granted the exclusive right to sell Apealea® in the abovementioned markets and also has the right to sub-license the product.

Oasmia will receive a double-digit royalty percentage on Elevar's sales revenue. The royalty percentage depends on Elevar's annual sales – the higher the sales, the higher Oasmia's royalty percentage.

If Elevar's revenue comprises royalty revenue from sub-licensing, Oasmia will receive a share of this revenue. This share may vary depending on the market and time of sub-licensing.

Royalty revenue will be recognized at the contractual amount when the terms and conditions for the royalties have been met, that is to say when Elevar has realized the royalty-based sales and the sales under the sub-licensing framework.

Milestone payments

Elevar has assumed responsibility for further developing Apealea® under this agreement. In addition to simply product development, it also involves carrying out certain clinical trials and regulatory activities. The aim of this is to make the product usable and approved for several diagnoses in more markets than at present. Some of the milestone payments contracted in this agreement that may accrue to Oasmia in the future are dependent on a certain level of success in these development activities, for example, sales approval in certain markets or approval for new diagnoses.

These development-based milestone payments will be recognized in revenue when each condition is met.

In addition to the abovementioned development-based milestone payments, the agreement also contains a number of milestone payments that are triggered when Elevar achieves certain sales targets. These will be recognized in revenue when each condition is met.

The sum of all of the potential development-based and sales-based milestone payments amounts to MUSD 678.

Costs for the agreement

During the process of finding a suitable partner, Oasmia has taken the help of advisors. Their remuneration is paid in the form of a revenue-dependent, single-digit percentage, which is calculated on Oasmia's revenue from the agreement. This means that in connection with the receipt of the upfront payment, an expense has been reported as part of "Other external expenses" in the income statement. The amount was paid in April 2020

Such expenses will also arise for future revenue and they will be recognized when the corresponding revenue recognition takes place.

Other accounting consequences of the agreement

As described in Note 2 Accounting policies, Oasmia has capitalized the development costs deriving from Apealea®'s clinical phase III trials and thus the associated regulatory costs. There are two consequences relating to capitalized development costs now that Elevar is taking over all further development of Apealea® under this agreement:

– Oasmia will no longer incur any development costs for Apealea®.

– Since Oasmia will no longer further develop Apealea® itself or receive revenue for Apealea®, the capitalized development costs deriving from the markets encompassed by the agreement started to be amortized when the agreement was signed with Elevar.

Accordingly, the license rights are reported as a Right to use intellectual property (IP) – the customer only has the right to use IP in its existing condition at the time that the customer is given the right. The performance obligation is initially satisfied, at a point in time. The variable and conditional remuneration for license rights are recognized, as per the above, when the conditions have been satisfied.

Risks inherent in the agreement
No sales of Apealea® take or have taken place in any of the markets encompassed by the agreement. Of these markets, Apealea® is approved for sale only in Europe, but Apealea® is not an established product there.

In order to realize the potential future revenue described here, the following must take place:

- Elevar must successfully market and sell Apealea® in the, to date, unprocessed European market.

- Elevar must successfully carry out the necessary clinical studies and regulatory processes in other countries to obtain sales approval there and then successfully market and sell Apealea® in these equally unprocessed markets.

For a more detailed description of the risks associated with these processes, refer to the risk section of the Administration Report.

Other customer contracts

Agreement with Russian distributor
Oasmia has a supply and distribution agreement with a partner for the Russian market, Hetero Labs Ltd., comprising the three products Paclical (the name of Apealea® in Russia), Doxophos and Docecal. Three different categories of revenue may arise from this agreement:

- One-time payments (entrance fees) for each of the three products that the agreement covers.

- Sales of goods when goods are delivered from Oasmia to the Russian partner.

- Profit sharing when the Russian partner has in turn sold the products.

The agreement was signed in June 2017 and is valid for a period of five years, with a possible extension of a further two years. As described below, revenue is distributed over time with the assumption that the option to extend will be utilized and, accordingly, a contract time of seven years has been applied.

One-time payments (entrance fees)
Under the agreement the distributor will pay a one-time fee for each of the products that the agreement covers when each product is ready for commercialization. During the 2017/2018 financial year, TUSD 200 was invoiced for Paclical and for Doxophos, which was recognized as revenue of TSEK 1,595.

For these one-time amounts Hetero obtains the exclusive right to market and sell each product for the duration of the agreement in the markets stipulated in the agreement. Oasmia undertakes to carry out all necessary regulatory work and to further develop the products and their manufacturing processes. The licensing agreement is assessed as a Right to access intellectual property (IP), whereby Oasmia undertakes to conduct future activities that materially impact the rights the customer is entitled to and which entail the transfer of services to the customer when these activities are carried out. The performance obligation and, therefore, the revenue are recognized in a straight line over the assessed contractual period of seven years.

As these amounts can thus be considered to be advance payments for future performance obligations, it was assessed that they contain a considerable financing component, which means that invoiced amounts are adjusted up to include interest and are recognized as license revenues (transaction price) over the contractual period in conjunction with an interest expense being recognized as a financial cost calculated using the effective interest method over the same period.

Of the originally invoiced TUSD 200, TUSD 100 was paid for Paclical in 2017/2018, while the remaining TUSD 100 for Doxophos was written down as a customer loss on April 30, 2019.

The impact of the financing component on the income statement and balance sheet:

Deferred income

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Opening balance	-793	-1,882
Recognized as revenue during the year	149	297
Adjustments for the year resulting from customer loss	–	792
Closing balance	**-644**	**-793**

Prepaid interest expenses

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Opening balance	180	454
Recognized as financial expense during the year	-57	-94
Adjustments for the year resulting from customer loss	–	-180
Closing balance	**123**	**180**

Sales of goods
Under the agreement Oasmia has undertaken to deliver goods, which is assessed as comprising a separate and distinct performance obligation. Under the agreement Oasmia is obliged to deliver goods as soon as the Russian partner places an order. Before this there is no performance obligation for Oasmia. At April 30, 2020 there was no order and consequently no obligation for Oasmia either.

Upon delivery, when the goods are under the control of the Russian partner, Oasmia invoices the production costs for the goods, in accordance with the agreement. These invoices are recognized as "Revenue from sales of goods" and fall due for payment after 60 days.

Sales of goods, Group

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Sales of goods	0	1,287
Accounts receivable	0	1,346

The accounts receivable outstanding as of April 30, 2019 were written off as a customer loss in the 2019/2020 financial year.

Profit sharing
Under the agreement, the Russian partner regularly provides Oasmia with sales statistics and reports of its own selling expenses. On the basis of these, Oasmia calculates the total profits from sales and then invoices the partner so that these profits are shared equally between Oasmia and the Russian partner. This revenue is recognized as royalty revenue.

Like last year, no profit sharing was recognized this year.

Agreement concerning certain distribution rights
As of April 30, 2019, Oasmia had a supply and distribution agreement with a partner for Apealea®/Paclical. Under this agreement Oasmia committed to two undertakings:

- To give the partner an exclusive license for Apealea®/Paclical in Israel and Turkey.

- To deliver Apealea®/Paclical to the partner.

The agreement is assessed as comprising two distinct performance obligations: sales of licenses and sales of goods. The transaction prices for the respective performance obligations are expected to coincide with the respective agreed prices for the license rights and sold goods, with the exception of an adjustment for the financing component of licenses, see below.

In the preceding financial year, Oasmia invoiced EUR 200,000 in a milestone payment as compensation for the exclusive license. Oasmia undertakes to carry out all necessary regulatory work and to further develop the products. The licensing agreement is assessed as a Right to access intellectual property (IP), whereby Oasmia undertakes to conduct future activities that materially impact the rights the customer is entitled to and which entail the transfer of services to the customer when these activities are carried out. The performance obligation and, therefore, the revenue are recognized in a straight line over the assessed contractual period of 12 years.

The initial amount invoiced, which at the exchange rate current at the time of the transaction was recognized at TSEK 2,069, was thus considered to contain a pure sales price and a financing component. This means that invoiced amounts are adjusted up to include interest and are recognized as license revenues (transaction price) over the contractual period in conjunction with an interest expense being recognized as a financial cost calculated using the effective interest method over the same period.

However, during the financial year, the parties agreed on the basis of a mutual understanding and without any future obligations from any party to terminate this agreement. Until this agreement came into effect, royalty revenue and financial expenses continued to be recognized in accordance with the above and on the effective date all balance-sheet items were recognized from profit or loss as customer losses. The agreement expired before any sales of goods had started.

Deferred income

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Opening balance	-3,353	0
Deferred income for the year	–	-3,474
Derecognized from profit or loss	3,160	–
Recognized as royalty revenue during the year	193	121
Closing balance	**0**	**-3,353**

Prepaid interest expenses

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Opening balance	1,309	0
Prepaid expense for the year		1,405
Derecognized from profit or loss	-1,163	–
Recognized as financial expense during the year	-146	-96
Closing balance	**0**	**1,309**

Accounts receivable

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Opening balance	2,128	0
Invoicing for the year	–	2,069
Currency adjustment	3	59
Expense recognized in current earnings	-2,131	–
Closing balance	**0**	**2,128**

Sales of supplies
Oasmia has its own production facility in Uppsala where limited commercial production can be carried out in addition to production for the company's own research and development. For technical reasons a surplus of certain supplies is produced. This surplus is sold to a small number of Swedish customers. A revenue is recognized upon delivery to the customer and the invoice that is then drawn up falls due for payment after 30 days.

Revenue during the year and outstanding accounts receivable from sales of supplies are presented in the following table:

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Sales of supplies	399	276
Accounts receivable (including VAT)	56	60

Net sales per type of revenue
Summary of the revenue presented above:

	Group		Parent Company	
TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Licensing revenues	201,442	417	201,442	417
Supplies	399	276	399	276
Sales of goods	2	1,287	2	1,287
Total	**201,843**	**1,980**	**201,843**	**1,980**

Net sales per geographic area
The division into geographic areas below is based on where the customer is domiciled:

	Group		Parent Company	
TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
USA	201,100	–	201,100	–
Russia	149	1,584	149	1,584
Sweden	401	276	401	276
Other countries	193	120	193	120
Total	**201,843**	**1,980**	**201,843**	**1,980**

Non-current assets located in Sweden amounted to TSEK 478,576 (489,354) and non-current assets located in Germany another country amounted to TSEK 3,654 (5,656, of which 4,602 in Germany and 1,054 in China).

NOTE 6 – CAPITALIZED DEVELOPMENT COSTS

Group

	MAY 1, 2019 – APR 30, 2020			MAY 1, 2018 – APR 30, 2019		
TSEK	**Apealea®/Paclical**	**Paccal Vet®**	**Total**	**Apealea®/Paclical I**	**Paccal Vet®**	**Total**
Opening acquisition cost	325,102	109,408	434,510	316,671	109,408	426,079
Capitalized expenditure for the year	4,356	–	4,356	8,431	–	8,431
Closing accumulated acquisition cost	**329,458**	**109,408**	**438,866**	**325,102**	**109,408**	**434,510**
Opening accumulated amortization	-1,379	–	-1,379	–	–	0
Amortization for the year	-4,130	–	-4,130	-1,379	–	-1,379
Closing accumulated amortization	**-5,509**	**0**	**-5,509**	**-1,379**	**0**	**-1,379**
Closing carrying amount	**323,949**	**109,408**	**433,357**	**323,722**	**109,408**	**433,130**

Parent Company

	MAY 1, 2019 – APR 30, 2020			MAY 1, 2018 – APR 30, 2019		
TSEK	**Apealea®/Paclical**	**Paccal Vet®**	**Total**	**Apealea/Paclical I**	**Paccal Vet®**	**Total**
Opening acquisition cost	325,102	0	325,102	316,671	109,408	426,079
Divestments for the year	–		0	–	-109,408	-109,408
Capitalized expenditure for the year	4,356	109,408	113,764	8,431	–	8,431
Closing accumulated acquisition cost	**329,458**	**109,408**	**438,866**	**325,102**	**0**	**325,102**
Opening accumulated amortization	-1,379	–	-1,379	–	–	0
Amortization for the year	-4,130	–	-4,130	-1,379	–	-1,379
Closing accumulated amortization	**-5,509**	**0**	**-5,509**	**-1,379**	**0**	**-1,379**
Closing carrying amount	**323,949**	**109,408**	**433,357**	**323,722**	**0**	**323,722**

Capitalized development costs amounted to TSEK 4,356 (8,431) for the financial year and research and development costs which were not capitalized amounted to TSEK 84,815 (55,653), in total TSEK 88,874 (64,084).

During the preceding year, amortization was started for that part of the recognized acquisition cost for Apealea®/Paclical that applies to the Russian market. During the year, the remaining part of the acquisition costs for Apealea®/Paclical started to be amortized, which relates to the global agreement for Apealea® that was signed with Elevar during the year, see Note 5 Revenue from Contracts with Customers and Segment Information.

The rights to Paccal Vet® were transferred free of charge from the Parent Company to the American subsidiary, AdvaVet, Inc. in the preceding year. However, the financial and legal significance of this transaction were reexamined during the year. In order to better reflect this new assessment, the capitalized development costs, recognized at TSEK 109,408, 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 participations in AdvaVet has been reduced by the corresponding value in the Parent Company's balance sheet.

NOTE 7 – OTHER OPERATING INCOME

	Group		Parent Company	
TSEK	**May 1, 2019– Apr 30, 2020**	**May 1, 2018– Apr 30, 2019**	**May 1, 2019– Apr 30, 2020**	**May 1, 2018– Apr 30, 2019**
Costs charged intra-Group	–	–	–	24
Exchange-rate differences	323	512	323	512
Other	104	243	104	130
Total	**427**	**755**	**427**	**666**

NOTE 8 – INVENTORIES

	Group		Parent Company	
TSEK	**May 1, 2019– Apr 30, 2020**	**May 1, 2018– Apr 30, 2019**	**May 1, 2019– Apr 30, 2020**	**May 1, 2018– Apr 30, 2019**
Raw materials and supplies	6,427	5,915	6,427	5,915
Products in progress	7,890	1,505	7,890	1,505
Finished goods	14,520	–	14,520	–
Total	**28837**	**7420**	**28837**	**7420**

During the year, goods of TSEK 0 (0) were carried as an expense and goods valued at TSEK 5,404 (11,953) were written down.

The change in the items "Products in progress" and "Finished goods" during the year is recognized in the income statement in "Change in inventories of products in progress and finished goods."

NOTE 9 – REMUNERATION TO AUDITORS

	Group and Parent Company	
TSEK	**MAY 1, 2019– APR 30, 2020**	**MAY 1, 2018– APR 30, 2019**
	KPMG	**PwC**
Auditing	1,725	1,796
Auditing activities in addition to auditing	565	300
Tax consulting	–	85
Other services	–	–
Total	**2,290**	**2,181**

Auditing involves reviews of the Annual Report, of the accounting records, and of the management of the Board of Directors and CEO, and other tasks that the company's auditors are required to undertake. Auditing activities in addition to auditing include the review of interim reports and quality assurance services.

NOTE 10 – LEASES

Transition to IFRS 16

IFRS 16 Leases has replaced IAS 17 and has been applied as from Oasmia's financial year beginning on May 1, 2019. For further information concerning the new standard, see Note 2 Accounting Policies and Note 3 Significant Estimates and Assessments for Accounting Purposes. Pursuant to RFR 2, the Parent Company has elected not to apply IFRS 16 Leases in legal entities. Below an explanation is presented of the difference between the operating lease commitments recognized pursuant to IAS 17 at April 30, 2019 and the lease liability recognized at May 1, 2019 and the transitional impact on the consolidated statement of financial position.

Operating lease commitments at April 30, 2019	18,633
Discounting applying the Group's incremental borrowing rate of 6.0%	-1,919
Short-term lease agreements (less than 12 months) expensed on a straight-line basis	-290
Adjustments due to changes in index or rate attributable to variable fees	2,537
Lease liability recognized at May 1, 2019	18,960

TSEK	**OB May 1, 2019**	**Restatement IFRS 16**	**Adjusted OB May 1, 2019**
ASSETS			
Property, plant and equipment	14,701	19,985	34,686
Capitalized development costs	433,130	0	433,130
Other intangible assets	20,176	0	20,176
Financial non-current assets	2,002	0	2,002
Total non-current assets	**470,009**	**19,985**	**489,994**
Inventories	7,420	0	7,420
Accounts receivable	3,534	0	3,534
Other current receivables	3,011	0	3,011
Prepaid expenses and accrued income	14,472	-1,025	13,447
Cash and cash equivalents	116,272	0	116,272
Total current assets	**144,710**	**-1,025**	**143,684**
TOTAL ASSETS	**614,719**	**18,960**	**633,678**
EQUITY			
Total equity	**393,178**	**0**	**393,178**
LIABILITIES			
Lease liability, long-term	0	13,876	13,876
Deferred tax liability	32,822	0	32,822
Total long-term liabilities	**32,822**	**13,876**	**46,698**
Convertible debt instruments	59,568	0	59,568
Other short-term borrowings	80,000	0	80,000
Accounts payable	17,666	0	17,666
Lease liability, short-term	0	5,083	5,083
Other current liabilities	3,217	0	3,217
Accrued expenses and deferred income	28,268	0	28,268
Total current liabilities	**188,719**	**5,083**	**193,801**
Total liabilities	**221,541**	**18,960**	**240,501**
TOTAL EQUITY AND LIABILITIES	**614,719**	**18,960**	**633,678**

Recognition of leases for which Oasmia is the lessee

The Group has leases for premises, vehicles and equipment for which the Group is lessee. Leases are normally signed for terms of three years. Most of the leases include an extension option. Leases can include both lease and non-lease components. Oasmia separates lease components from non-lease components for rent for premises and vehicles. Oasmia has decided to apply the exemption for short-term leases and low-value leases. Oasmia did not have any low-value leases during the financial year. Oasmia's short-term leases comprised canceled leases for premises for which the remaining term on the transition to IFRS 16 was less than 12 months and thus could be classified as short-term leases.

The Group did not accrue any revenue for sub-leasing of right-of-use assets or for any sale and leaseback transactions.

Amounts for leases recognized in balance sheet

	April 30, 2020
Right-of-use assets	
Land and buildings	14,177
Equipment and vehicles*	660
Total	**14,837**

* Additional right-of-use assets in the 2019/2020 financial year amounted to TSEK 356

Lease liabilities	
Short-term	5,320
Long-term	8,845
Total	**14,165**

Amounts recognized in income statement

	MAY 1, 2019– APR 30, 2020
Depreciation of right-of-use assets, Land and buildings	5,294
Depreciation of right-of-use assets, Equipment and vehicles	210
Interest expenses for lease liabilities	1,004
Expenses for short-term leases	356
Expenses for low-value leases	–
Expenses for variable lease payments not included in the measurement of lease liabilities	184

The total cash flow for leases for the financial year was TSEK 6,535.

Lease expenses were TSEK 6,615 (6,546) for the financial year. These consisted of minimum lease payments of TSEK 6,093 (5,692) and variable payments of TSEK 522 (854). Future minimum lease payments for operating leases are as follows:

	Group		Parent Company	
TSEK	MAY 1, 2019– APR 30, 2020	MAY 1, 2018– APR 30, 2019	MAY 1, 2019– APR 30, 2020	MAY 1, 2018– APR 30, 2019
Nominal value of future minimum lease payments is divided up as follows:				
Due for payment within a year	6,046	5,492	6,046	5,492
Due for payment later than a year but within five years	9,378	13,141	9,378	13,141
Due for payment later than five years	0	0	0	0
Total	**15,424**	**18,633**	**15,424**	**18,633**

NOTE 11 – EMPLOYEES AND REMUNERATION

Average number of employees

	Group		Parent Company	
TSEK	MAY 1, 2019– APR 30, 2020	MAY 1, 2018– APR 30, 2019	MAY 1, 2019– APR 30, 2020	MAY 1, 2018– APR 30, 2019
Sweden				
Women	31	28	31	28
Men	28	29	28	29
Total Sweden	**59**	**57**	**59**	**57**
USA				
Women	0.4	0.3	–	–
Men	0.2	0.3	–	–
Total USA	**1**	**1**	**0**	**0**
Russia				
Women	–	0.4	–	–
Total Russia	**0**	**0**	**0**	**0**
Total average number of employees	**60**	**58**	**59**	**57**

Salaries and benefits

Employee benefit expenses recognized in the income statement are specified as follows:

	Group		Parent Company	
TSEK	MAY 1, 2019– APR 30, 2020	MAY 1, 2018– APR 30, 2019	MAY 1, 2019– APR 30, 2020	MAY 1, 2018– APR 30, 2019
Salaries and other benefits	42,124	37,595	––37,045–	33,066
Share-based remuneration	120	–	120	–
Defined-contribution pension plans	5,094	2,945	5,094	2,945
Defined medical benefits	387	336	387	316
Social security contributions by law and agreement	10,712	9,516	10,671	9,425
Special employer's contribution on pension expenses and medical insurance	1,320	780	1,320	780
Other employee benefit expenses	4,029	897	4,029	897
Recognized employee benefit expenses	**63,787**	**52,068**	**58,667**	**47,429**

Salaries and other benefits
Salaries and other benefits include base salary, fees and other benefits, such as company car, housing and similar.

Share-based remuneration
Costs for share-based remuneration refer to the cost for services rendered excluding estimated social security contributions that impact income for the year.

Defined-contribution pension expenses
The Group has only defined-contribution pension plans.

Defined medical benefits
Oasmia offers its employees free medical care up to the cost ceiling and free medicines up to the cost ceiling. Oasmia has taken out health insurance and certain senior executives also have medical insurance.

Other employee benefit expenses
Other employee benefit expenses include costs for recruitment, preventive health care, training, internal representation and similar employee benefit expenses.

Benefits for senior executives

Board of Directors and Board committees
Remuneration of the Chairman of the Board of Directors and Board members is decided by the Annual General Meeting. No separate fees were paid for Committee work during the financial year. The Board members receive their Board fees for services that comprise a basis for employers' fees in Oasmia. At April 30, 2019 parts of the Oasmia's Board had received consultancy fees for assignments over and above their work on the Board, which are presented in Note 26 Transactions with related parties.

The former Executive Chairman of the Board, Julian Aleksov, was an employee of the company and received a monthly salary. Remuneration was reviewed on April 1 each year. Under the terms of his employment contract he was entitled to pension insurance whereby the company annually paid an amount corresponding to 25 percent of his pensionable salary to a company of his choice. He was also entitled to individual health insurance and medical insurance. The assignment as Executive Chairman of the Board ended in March 2019 and his employment at Oasmia Pharmaceutical AB was terminated in July 2019.

In their capacity as Board members of the subsidiary AdvaVet, Inc. for the 2018/2019 financial year Julian Aleksov and Per Langö's Board fees amounting to TSEK 406 are reported.

CEO
Remuneration paid to Mikael Asp, Oasmia's CEO between May 2015 and July 2019, consisted of base salary, which is reviewed on April 1 each year. Under his employment contract, he is entitled to pension insurance under the ITP1 plan, health insurance and medical insurance. In April 2020, an agreement was reached with Mikael Asp to terminate his employment in May after which he has no obligation to work and retains his salary and benefits during a notice period of 12 months.

Remuneration of Sven Rohmann, who served as acting CEO between July 2019 and June 2020, is recognized in Note 26 Transactions with related parties. He is not employed by the company and invoiced his remuneration for his assignment as CEO and consultant.

François R. Martelet took office as CEO in March 2020. Under his employment contract, he is entitled to base salary, variable remuneration that primarily comprises the possibility of a discretionary bonus of a maximum of 50% of his annual base salary, share-based remuneration, other benefits such as company car and housing, a pension corresponding to 10% of his base salary including vacation pay and medical insurance. He is also entitled to a resettlement allowance. The mutual period of notice is 12 months. On termination of employment, the CEO may receive severance pay of a maximum of six monthly salaries.

Terms of employment for other senior executives
"Other senior executives" refers to the individuals who together with the CEO comprise Oasmia's Group management.

Sven Rohmann, Reinhard Koenig and Joakim Lindén were part of Oasmia's management team for the financial year but are not employed by the company and invoiced for their fees, see Note 26 Transactions with related parties.

Remuneration to Oasmia's other senior executives for the financial year consisted of base salary. Salaries are reviewed annually on April 1. According to their employment contracts other senior executives are entitled to pension insurance corresponding to the ITP scale or the like as well as individual health insurance. Some are also entitled to a discretionary bonus and/or medical insurance under their employment contract. No bonus was paid to employees during the financial year or expensed.

Remuneration to the Board and senior executives

May 1, 2019 – Apr 30, 2020

TSEK	Base salary/ Board fee	Severance pay	Social security incl. special employer's contribution	Pension/ Health & medical benefits	Share-based remuneration	Variable remuneration and other benefits
Chairman of the Board Jörgen Olsson [1]	300	–	94	–	–	–
Board Member, Anders Härfstrand [1), 2)]	90	–	28	–	–	–
Board Member, Hege Hellström [1) 2)]	90	–	28	–	–	–
Board Member, Gunilla Öhman [1)]	150	–	47	–	–	–
Board Member, Sven Rohmann [1)]	150	–	47	–	–	–
Board Member, Peter Zonabend [1)]	150	–	47	–	–	–
CEO François R.Martelet [3)]	439	–	94	51	120	11
CEO Mikael Asp [4)]	1,376	1,444	542	961	–	17
Other senior executives (4 persons at end of year, 4.37 persons on average during the financial year) [5)]	4,452	0	1,179	1,097	–	81
Total Parent Company	**7,197**	**1,444**	**2,108**	**2,109**	**120**	**109**
Board members, CEO and other senior executives in subsidiaries	**1,359**	**3,720**	**42**	**–**	**–**	**–**
Total Group	**8,556**	**5,164**	**2,149**	**2,109**	**120**	**109**

1) A certain portion of which is accrued Board fees attributable to the financial year. See Note 26 Transactions with related parties for other transactions with Board members.
2) Took up position in September 2019.
3) Took up position in March 2020.
4) Stepped down as CEO in June 2019. Remained a member of Group management for the remainder of the financial year.
5) Reported remuneration to other senior executives is only for employed personnel. See also Note 26 Transactions with related parties.

MAY 1, 2018 – APR 30, 2019

TSEK	Base salary/ Board fee	Social security incl. special employer's contribution	Pension/ Health & medical benefits	Variable remuneration
Chairman of the Board Jörgen Olsson [1]	35	11	–	–
Board member, Gunilla Öhman [1]	18	6	–	–
Board member, Sven Rohmann [1]	18	6	–	–
Board member, Peter Zonabend [1]	18	6	–	–
Chairman of the Board Julian Aleksov [2] [3]	1,754	667	483	18
Board member, Bo Cederstrand [2]	138	22	–	–
Board member, Lars Bergkvist [2]	138	43	–	–
Board member, Alexander Kotsinas [2]	138	43	–	–
Board member, Per Langö [2]	138	43	–	–
CEO Mikael Asp	1,417	527	345	5
Other senior executives (5 persons at the end of the year, 1 person on average during the financial year) [4]	1,910	708	453	20
Total Parent Company	**5,719**	**2,082**	**1,281**	**43**
Julian Aleksov, member of AdvaVet's Board	406	–	–	–
Per Langö, member of AdvaVet's Board	406	–	–	–
Other Board members, CEO and other senior executives in subsidiaries	3,063	91	20	653
Total Group	**9,595**	**2,173**	**1,301**	**697**

1) Took up position in March 2019. Reported remuneration is accrued Board fee at April 30, 2019. See also Note 26 Transactions with related parties.
2) Stepped down in March 2019.
3) Employment ended in July 2019.
4) In April 2019 the Group management was expanded. Reported remuneration to other senior executives is only for employed personnel.

Gender distribution on the Board and in management

Group	Apr 30, 2020 Number on closing day	Number of men	Apr 30, 2019 Number on closing day	Number of men
Board members	13	11	16	15
CEO and other senior executives	6	4	11	6
Parent Company				
Board members	6	4	4	3
CEO and other senior executives	6	4	9	5

The information on gender distribution for Board members in the Group shows all Board positions. Where the same person is on several company Boards in the Oasmia Group, this person is included for each Board position.

Share-based remuneration

Oasmia hired Dr. François Martelet as its new CEO during the financial year. In connection with Dr. Martelet's employment, Oasmia committed to issue 896,739 four-year, vesting employee stock options. This was approved by the Extraordinary General Meeting on May 14, 2020. The purpose of the program is to create a long-term incentive for the CEO in line with the shareholders' interests. The plan gives the CEO options with terms of service during the vesting period that extend until February 12, 2023. If employment were to be terminated before the end of the vesting period, the reason for the termination of employment will determine how previously earned options are to be handled. The employee stock options can be exercised between February 13, 2023 and February 13, 2024 at a strike price of SEK 7.36 per share, which corresponds to approximately 150% of the share price when the employment was agreed and published. The options are paid free of charge and in addition to fixed base salary, short-term variable incentives and other customary employment benefits. The estimated fair value of the options on the date of allocation was SEK 2.75 per option.

The fair value on the date of allocation has been calculated using the Black & Scholes valuation model. The inputs for the model were:

- The options are allotted free of charge and are vested over a three-year period starting from when the contract was signed in February 2020. Options vested can be redeemed one year after vesting.
- Number of options: 896,739
- Strike price: SEK 7.36, which corresponds to 150% of the share price when the employment was agreed and published
- Allotment date: May 14, 2020
- Term: 3.2 years. Calculated from the allotment date until an average first date for possible subscription for shares and the final date for subscription for shares.
- Expiry date: February 13, 2024
- Share price on allotment date: SEK 7.27 corresponding to the volume-weighted average price on the trading day closest to the valuation date.
- Volatility: 55.8% Calculated based on an analysis of the historical volatility of Oasmia's and comparable companies' share price over the past four years.
- Expected dividend: None
- Risk-free interest rate: -0.276%

Since the allotment date was the date on which the Extraordinary General Meeting approved the plan on May 14, 2020, Oasmia had no allotted options at the end of the financial year. Recognized costs for earned options for the services rendered during the financial year amounted to TSEK 120 pertaining to services rendered from the start of employment until the end of the financial year and TSEK 38 in estimated social security contributions.

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of vehicles, inventory and production equipment, leasehold improvements, and construction in progress and advance payments for machinery and equipment. The Group also has right-of-use assets for buildings, land and equipment.

Group May 1, 2019 – Apr 30, 2020

TSEK	Vehicles	Equipment and Production equipment	Leasehold improvements	Land and buildings, right-of-use assets	Equipment and vehicles, right-of-use assets	Construction in progress and advance payments for machinery and equipment	Total
Opening acquisition cost	225	45,288	8,437	0	0	1,201	55,151
Adjustment due to changed accounting policies	–	–	–	19,471	513	–	19,984
Adjusted opening acquisition cost	225	45,288	8,437	19,471	513	1,201	75,135
Investments for the year		399			356	7,660	8,415
Sales/disposals	–	–	–	–	–	-25	-25
Closing accumulated acquisition cost	**225**	**45,687**	**8,437**	**19,471**	**869**	**8,836**	**83,525**
Opening depreciation	-225	-36,007	-4,217	0	0	0	-40,450
Depreciation for the year	0	-2,737	-440	-5,294	-210	–	-8,681
Sales/disposals	–	–	–	–	–	–	0
Closing accumulated depreciation	**-225**	**-38,744**	**-4,657**	**-5,294**	**-210**	**0**	**-49,131**
Opening accumulated impairment	0	0	0	0	0	0	0
Impairment for the year	–	–	–	–	–	-6,380	-6,380
Closing accumulated impairment	**0**	**0**	**0**	**0**	**0**	**-6,380**	**-6,380**
Closing carrying amount	**0**	**6,942**	**3,780**	**14,177**	**659**	**2,456**	**28,014**

Parent Company May 1, 2019 – Apr 30, 2020

TSEK	Vehicles	Equipment and Production equipment	Leasehold improvements	Construction in progress and advance payments for machinery and equipment	Total
Opening acquisition cost	225	45,288	8,437	1,201	55,151
Investments for the year		399		7,660	8,059
Reclassifications	–	–	–	–	0
Sales/disposals	–	–	–	-25	-25
Closing accumulated acquisition cost	**225**	**45,687**	**8,437**	**8,836**	**63,185**
Opening depreciation	-225	-36,007	-4,217	0	-40,450
Depreciation for the year	–	-2,737	-440	–	-3,177
Sales/disposals	–	–	–	–	0
Closing accumulated depreciation	**-225**	**-38,744**	**-4,657**	**0**	**-43,627**
Opening accumulated impairment	0	0	0	0	0
Impairment for the year	–	–	–	-6,380	-6,380
Closing accumulated impairment	**0**	**0**	**0**	**-6,380**	**-6,380**
Closing carrying amount	**0**	**6,943**	**3,780**	**2,455**	**13,177**

Sales/disposals of property, plant and equipment resulted in a capital loss of TSEK 25 (0) arising in the Parent Company and the Group.

During the year, impairment of TSEK 6,380 (0) was recognized for construction in progress and advances. This impairment derives from investments made with a planned future subcontractor. However, this partnership was ended during the year and the possibility of reinvesting these investments is deemed to be low.

Oasmia has applied IFRS 16 Leases since May 1, 2019. The transition to applying this standard meant that opening acquisition costs were adjusted. IFRS 16 impacts only the Group. For further information, see Note 2 Accounting Policies.

Group and Parent Company May 1, 2018 – Apr 30, 2019

TSEK	Vehicles	Equipment and Production equipment	Leasehold improvements	Construction in progress and advance payments for machinery and equipment	Total
Opening acquisition cost	225	43,847	8,437	146	52,656
Investments for the year	–	1,441	–	1,055	2,496
Closing accumulated acquisition cost	**225**	**45,288**	**8,437**	**1,201**	**55,151**
Opening depreciation	-150	-33,201	-3,777	0	-37,129
Depreciation for the year	-75	-2,806	-440	–	-3,321
Closing accumulated depreciation	**-225**	**-36,007**	**-4,217**	**0**	**-40,450**
Closing carrying amount	**0**	**9,281**	**4,220**	**1,201**	**14,701**

NOTE 13 – OTHER INTANGIBLE ASSETS

Other intangible assets consist of the costs of patents and of acquired research projects.

		Group and Parent Company May 1, 2019 – Apr 30, 2020			Group and Parent Company May 1, 2018 – Apr 30, 2019		
TSEK	Note	Patents	Research projects	Total	Patents	Research projects	Total
Opening acquisition cost		25,580	25,000	50,580	35,025	25,000	60,025
Correction of error	4			0	-10,550		-10,550
Adjusted Opening acquisition cost		25,580	25,000	50,580	24,475	25,000	49,475
Purchases for the year		101	–	101	1,105	–	1,105
Closing accumulated acquisition cost		**25,681**	**25,000**	**50,681**	**25,580**	**25,000**	**50,580**
Opening accumulated amortization		-15,082	0	-15,082	-14,067	–	-14,067
Correction of error	4	–	–	0	290	–	290
Adjusted accumulated amortization		-15,082	0	-15,082	-13,777	0	-13,777
Amortization for the year		-840	–	-840	-1,305	–	-1,305
Closing accumulated amortization		**-15,922**	**0**	**-15,922**	**-15,082**	**0**	**-15,082**
Opening accumulated impairment		–	-25,000	-25,000	0	0	0
Impairment for the year		0	0	0	0	-25,000	-25,000
Closing accumulated impairment		**0**	**-25,000**	**-25,000**	**0**	**-25,000**	**-25,000**
Closing carrying amount		**9,759**	**0**	**9,759**	**10,498**	**0**	**10,497**

NOTE 14 – TRANSLATION DIFFERENCES – NET

Translation differences are recognized in the income statement as follows:

	Group		Parent Company	
TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Other operating income	323	512	323	512
Other operating expenses	-781	-703	-781	-703
Financial items - net	-1,387	10	-1,387	10
Total	**-1,845**	**-181**	**-1,845**	**-181**

NOTE 15 – FINANCIAL INCOME AND EXPENSES

		Group		Parent Company	
TSEK		May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Financial income					
Bank accounts	Financial assets measured at amortized cost	18	19	18	19
Loans to Group companies	Financial assets measured at amortized cost	–	–	694	143
Loan receivables	Financial assets measured at amortized cost	1,151	–	1,151	–
Total financial income		**1,169**	**19**	**1863**	**162**
Interest expenses					
Liabilities to credit institutions	Financial liabilities measured at amortized cost	-37	-95	-37	-95
Convertible debt instruments	Financial liabilities measured at amortized cost	-2,790	-5,760	-2,790	-5,760
Other short-term borrowings	Financial liabilities measured at amortized cost	-6,819	-10,285	-6,819	-10,285
Accounts payable	Financial liabilities measured at amortized cost	-28	-40	-28	-40
Lease liability	–	-1,003	–	–	–
Other	–	-203	-369	-203	-369
		-10,880	**-16,549**	**-9,877**	**-16,549**
Other financial expenses and currency differences					
Short-term investments	Financial assets measured at fair value	-920	–	-920	–
Bank accounts	Financial assets measured at amortized cost	-1,406	–	-1,406	–
Convertible debt instruments	Financial liabilities measured at amortized cost	-1,233	-1,701	-1,233	-1,701
Other	–	–	-9	–	-9
		-3,559	**-1,710**	**-3,559**	**-1,710**
Total financial expenses		**-14,439**	**-18,259**	**-13,436**	**-18,259**

NOTE 16 – INCOME TAXES

For financial years beginning on or after January 1, 2019, the Swedish income tax rate was lowered from 22% to 21.4%. At the same time, the possibility of making tax deduction for interest expenses have been limited to a maximum of 30% of operating income adjusted for certain items. If the adjusted operating income was negative, a simplification rule comes into effect under which interest expenses of TSEK 5,000 may be deducted. Oasmia has applied this simplification rule. These changes apply to Oasmia for the 2019/2020 financial year.

The Parent Company and two subsidiaries have their fiscal domicile in Sweden, where the tax rate for the 2019/2020 financial year is 21.4% (22.0).

In addition, one subsidiary has its fiscal domicile in the USA, one in Russia and one in Hong Kong.

The income tax on Group earnings before tax is shown in the table below:

	Group		Parent Company	
TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Income before taxes	-43,356	-168,477	-50,067	-157,406
Tax at applicable tax rate, 21.4% (22.0)	9,278	37,065	10,714	34,629
Tax effect of non-deductible interest expenses	-1,805	–	-1,805	–
Non-deductible expenses	-354	-1,221	-291	-1,221
Impairment of participations in and receivables from subsidiaries	–	–	-3,107	-14
Deferred tax due to changed tax base	–	-32,822	–	–
Reversal of deferred tax from preceding year	32,822	–	–	–
Taxable deficits for which no deferred tax asset is recognized	-7,119	-35,844	-5,511	-33,395
Recognized effective tax	**32,822**	**-32822**	**0**	**0**

Deductible issue expenses of TSEK 26,637 (10,454) that give rise to loss carryforwards were recognized directly against equity during the year.

At April 30, 2020 the Group had accumulated loss carryforwards from previous years and from the financial year amounting to TSEK 1,252,890 (1,192,988) and the Parent Company had such loss carry-forward of TSEK 1,223,257 (1,170,869). There are at present no sufficiently convincing reasons to assume that the loss carryforwards will be able to be utilized against future profits, and thus no deferred tax asset has been recognized in the balance sheet.

In the preceding year, the right-of-use was recognized for intangible veterinary assets that were transferred from the Parent Company to the US subsidiary AdvaVet, see Note 6. As a result of this transaction a temporary difference (the difference between the carrying amount of the assets and their tax values) of TSEK 109,408 arose for which a deferred tax expense of TSEK 32,822 was recognized in the consolidated income statement in the 2018/2019 financial year and a deferred tax liability was recognized in the in the consolidated statement of financial position as of April 30, 2019. The US tax rate was used to calculate the deferred tax effect.

During the year, Oasmia carried out an investigation into the economic and civil legal significance of this transaction.

This investigation showed that the transaction will not result in any taxation and thus will not affect the Parent Company's loss carryforwards. After the closing day, this opinion was also confirmed by the Swedish Tax Agency after the transaction in question was examined as part of a tax audit.

Oasmia's investigation has also led to the company making a whole new assessment of the transaction in question. This assessment means, inter alia, 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 derecognized from the consolidated statement of financial position, which led to a tax revenue of the same amount in 2019/2020.

NOTE 17 – EARNINGS PER SHARE

Earnings per share are calculated by dividing earnings attributable to Parent Company shareholders by the weighted average number of common stock outstanding during the period.

Group TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Earnings attributable to Parent Company shareholders (TSEK)	-10,533	-201,306
Weighted average number of common stock outstanding (thousands)*	398,395	253,312
Earnings per share (SEK per share) *	-0.03	-0.79

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

The following instruments outstanding at April 30, 2020 have not given rise to any dilution effect, but could do so in the future:

	Number of warrants	Maximum number of shares	Issue 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
Maximum number of shares		**3,981,102**	

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.

In addition, after the closing day, on May 14, 2020, an Extraordinary General Meeting approved an employee stock option program directed to the company's CEO. This means that 896,739 options will be issued which can be converted into the same number of shares at a price of SEK 7.36. For more information about the these and the related terms and conditions, see Note 11 Employees and remuneration.

NOTE 18 – FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Financial risks

Oasmia's business, like all business activities, is subjected to a large number of risks. In general these may be divided into such risks that directly affect the Group's financial situation (financial risks) and such risks that only affect the financial situation indirectly (operational risks). What operational risks Oasmia is subjected to and how these are managed is described in the Administration Report.

The financial risks that Oasmia's financial instruments are to varying extents subjected to are primarily:

Credit risk, meaning the risk that a debtor does not pay its liability to Oasmia.

Liquidity risk, meaning the risk that Oasmia does not have sufficient funds to pay a liability when it falls due for payment or that a lack of liquidity significantly limits Oasmia in its business operations.

Market risk, meaning the risk that values that are dependent on the development of the financial markets affect the value of Oasmia's financial instruments negatively.

The market risks that affect Oasmia's financial instruments are primarily:

- Market price risk, meaning the risk that the market price of fixed-income funds (short-term investments) in which Oasmia has invested its surplus liquidity will perform negatively.
- Currency risk: the risk that the exchange rates for the currencies that Oasmia's financial instruments are denominated in develop unfavorably.
- Interest-rate risk: the risk that Oasmia's cash flow or the fair value of financial instruments vary unfavorably due to changes in market interest rates. Interest-rate risk can lead to changes in fair value and changes in cash flow. At April 30, 2020, all interest-bearing financial assets and financial liabilities are subject to fixed interest until maturity and, accordingly, are not exposed to interest-rate risk in terms of variable cash flows. However, there is a risk that fair values could change for these receivables and liabilities. See note 10 with regard to lease liabilities.

The following sensitivity analysis shows the market price risk in TSEK if the market price of Oasmia's fixed-income funds were to change by 1%:

Market price risk

Financial instrument	Currency	Apr 30, 2020	Apr 30, 2019
Short-term investments (fixed-income funds)	SEK	2,341	–

The following sensitivity analysis shows the currency risk in TSEK if exchange rates were to change by 10%:

Currency risk

Financial instrument	Currency	Apr 30, 2020	Apr 30, 2019
Accounts receivable, accrued income and cash and cash equivalents	USD	3,742	233
	EUR	–	1
	HKD	–	5
Total currency risk		**3,743**	**239**

Currency risk

Financial instrument	Currency	Apr 30, 2020	Apr 30, 2019
Accounts payable and other current liabilities	EUR	1,078	667
	USD	356	379
	GBP	61	3
	HKD	–	3
	DKK	22	2
Total currency risk		**1,517**	**1,054**

These risks, how they are managed and what financial instruments are affected by them are discussed further below in the sections "Financial risk management" and "Financial instruments".

Financial risk management

The Group financial policy determined by the Board regulates how management should identify financial risks and, when possible and necessary, take measures to limit risk.

Risk consists of two components:
- The risk that a negative events occurs
- The risk that there are substantial consequences if a negative event were to occur.

A correct assessment of risk, and thus a decision on appropriate risk management measures, is based on a true assessment of both these components. Obviously there can be situations where it is not profitable to actively take measures to prevent a negative event even if there is a risk that it may occur, if at the same time the consequences of such a negative event are small. In such a case it is probably best to accept the risk.

In other cases, where the consequences of a negative event may be more extensive, risk management can consist of taking appropriate measures to try to minimize both components. Depending on the nature of the risk, these measures can be directed more at one or the other of them. In certain cases, above all where market risk is concerned, the individual company can often not influence the risk parameters at all. In those cases risk management is directed entirely at reducing the consequences of negative events.

Credit and liquidity risks are mainly largely governed by events that can be managed through active preventive work.

The dominant financial risks for Oasmia are financing and consequently liquidity risks, as described above. This means that most of the financial risk management work is directed at these two risks. In practice, this means that Group management focuses intensely on finding and developing different financing opportunities, through both creditors and owners. During the year, this meant for example that a rights issue could be carried out that resulted in an inflow of MSEK 399 for Oasmia before issue expenses. A payment of MSEK 201 was also received from a customer contract in April 2020, see Note 5. With these payments, Oasmia has more cash and cash equivalents than is necessary for the operations for the next year. Accordingly, this surplus has been invested in short-term fixed-income funds with a low risk to thereby minimize its market price risk.

The credit risk inherent in both cash and cash equivalents and short-term investments is handled by having only accounts with large, well-reputed banks with a high credit rating.

The carrying amount of financial assets presents the maximum credit exposure.

Capital management

The company is still only at the start of a commercialization and launch phase and does not generate any profits or positive cash flow yet, which means that the company's capital management focuses exclusively on the external raising of capital. For the same reason, no dividend policy has been formulated yet.

The overarching objective of the company's capital management is to provide the business with capital and liquidity until such a time as profitability and a positive operating cash flow have been achieved. This is done by issuing new shares and convertible loans, supplemented by external loans. This management and this objective have not changed compared to the previous year and there are no external capital requirements that have to be taken into consideration.

Financial instruments

Oasmia's financial instruments can be divided into the following categories:
- Financial assets measured at fair value
- Financial assets measured at amortized cost
- Financial liabilities measured at amortized cost

Financial instruments by category
Group, April 30, 2020

TSEK	Financial assets measured at fair value	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total
Financial assets				
Accounts receivable	–	59	–	59
Other current receivables	–	40,251	–	40,251
Accrued income	–	22,339	–	22,339
Short-term investments	234,080		–	234,080
Cash and cash equivalents		201,018	–	201,018
Total financial assets	**234,080**	**263,667**	**0**	**497,747**
Financial liabilities				
Lease liabilities	–	–	14,165	14,165
Other short-term borrowings	–	–	80,000	80,000
Accounts payable	–	–	22,524	22,524
Other current liabilities	–	–	110	110
Accrued expenses	–	–	50,413	50,413
Total financial liabilities	**0**	**0**	**167,212**	**167,212**

Financial instruments by category
Group, April 30, 2019

TSEK	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Total
Financial assets			
Accounts receivable	3,534	–	3,534
Other current receivables	–	–	0
Accrued income	–	–	0
Short-term investments	–	–	0
Cash and cash equivalents	116,272	–	116,272
Total financial assets	**119,806**	**0**	**119,806**
Financial liabilities			
Convertible debt instruments	–	59,568	59,568
Other short-term borrowings	–	80,000	80,000
Accounts payable	–	17,666	17,666
Other current liabilities	–	139	139
Accrued expenses	–	13,922	13,922
Total financial liabilities	**0**	**171,295**	**171,295**

Financial assets measured at fair value

Financial instruments' fair value can be calculated according to different measurement techniques, which in turn are based on different inputs. These inputs may be observable to varying degrees. The calculated fair values are divided into three different levels, primarily depending on how observable these inputs are.

Level 1: Listed prices in an active market for identical assets or liabilities constitute the fair value of financial instruments at level 1.

Level 2: Inputs for fair value calculations at level 2 are constituted by other directly or indirectly observable inputs than listed prices.

Level 3: When calculating fair value at level 3, inputs are not observable but are based, for example, on reasonable estimates.

The financial instruments measured at fair value held by Oasmia comprise fixed-income funds, TSEK 234,080 (0) that invest in secure interest-bearing securities and other fixed-income instruments. Most of the securities included in these funds have a remaining term of more than 3 months and may be exposed to more than insignificant fluctuations in value. Accordingly, they were recognized in the statement of financial position as Short-term investments.

The fixed-income funds are traded in an active finance market and can be realized in one to two banking days. An official market price is published every trading day that comprises the fair value of the funds. They are thus measured in accordance with level 1 above. Changes in value for the year amount to TSEK -920 (0) and these were recognized in profit or loss as financial expenses.

These fixed-income funds encompass a market price risk entailing the risk of the market value declining. However, since these funds invest in short-term securities from blue-chip issuers, the market risk is deemed to be low.

Financial assets measured at amortized cost

The carrying amount of cash and cash equivalents, accounts receivable, other current receivables and accrued income comprises a reasonable approximation of fair value.

- Cash and cash equivalents of TSEK 201,018 (116,272) consist of bank balances of TSEK 200,988 (115,255) in Swedish commercial banks and of bank balances of TSEK 30 (1,017) in foreign commercial banks. Of cash and cash equivalents, TSEK 37,426 (1,042) is balances in foreign currency. These have been translated using the Swedish Riksbank's end-of-month quotation at closing day. Cash and cash equivalents have an underlying credit risk. However, this risk is deemed to be very low since cash and cash equivalents are deposited in bank accounts with large, well-reputed commercial banks. That part of the liquid assets which are in other currencies than SEK has an underlying currency risk, which means that there is a risk that the exchange rates for these currencies develop negatively. As far as possible, the company strives to minimize risk by matching these assets against expenses in corresponding currencies.

- Accounts receivable of TSEK 59 (3,534).

Accounts receivable by currency:

	Apr 30, 2020		Apr 30, 2019	
Currency	Value in currency	Recognized in SEK	Value in currency	Recognized in SEK
EUR	–	–	200	2,128
USD	–	–	142	1,346
SEK	59	59	60	60
Total		**59**		**3,534**

Age of accounts receivable relative to due date:

TSEK	Apr 30, 2020	Apr 30, 2019
Not yet due	56	60
Past due date:		
1–30 days	–	–
31–60 days	3	–
Older than 60 days	–	3,474
Total	**59**	**3,534**

Accounts receivable are recognized at the value at which it is estimated they will be received. Accounts receivable in foreign currency are translated at the closing day exchange rate.

Accounts receivable include a credit risk and a currency risk. Accounts receivable are individually assessed for expected credit losses and a loss allowance is made for the entire lifetime. No loss allowance has been made as the amounts are not material and the amounts due are expected to be received shortly.

During the year, accounts receivable amounting to TSEK 3,497 (951) were written off as a bad debt.

- Other current receivables of TSEK 40,251 (0).
  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 the acquisition date 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, since this was assessed to comprise the fair value at the transaction date. The intention is to use this receivable at its nominal value as part of settling Oasmia's debt to MGC of TSEK 80,000. Provided that full offset is possible, an income of TSEK 20,000 will be recognized.
  The interest on this receivable was calculated during the year and the interest is recognized as interest income in profit or loss. Both this receivable and the abovementioned liability to MGC are subject to legal proceedings.
  The risk associated with this receivable is the risk that the outcome of the legal proceedings will be to Oasmia's disadvantage. The probability of this is deemed to be low, see also the heading Legal issues in the Administration Report.

- Accrued income of TSEK 22,339 (0). This comprises accrued insurance payments of TSEK 21,188 (0) and accrued interest income of TSEK 1,151 (0) on the receivable of TSEK 40,251 described in the preceding paragraph.
  The accrued insurance payments derive from the settlement reached after the closing day with a group of investors who sued Oasmia, see the heading Legal issues in the Administration Report. This item is to be seen in the context of the reserve for accrued expenses for settlement which amounted to TSEK 23,506.
  This item carries no risk since it will be possible to net against said reservation upon settlement.

Financial liabilities measured at amortized cost

The carrying amount of borrowings, accounts payable, other short-term accrued expenses and accrued expenses comprises a reasonable approximation of fair value.

- Lease liabilities of TSEK 14,165 (0). Detailed information about these is provided in Note 10 Leases.

- Borrowings of TSEK 80,000 (80,000) comprise a loan from MGC Capital Ltd.
  The loan plus accrued interest amount to TSEK 89,669, which comprises a reasonable approximation of its fair value.
  During the year, interest expenses of TSEK 6,819 (6,438) for this liability were recognized in profit or loss as financial expenses. As the interest rate up until maturity is pursuant to a written agreement, there is a liquidity risk but no interest-rate risk.
  This liability is to be seen in the context of the receivable of TSEK 40,251 described above, see Other current receivables.

- Convertible debt instruments of TSEK 0 (59,568).
  The convertible debt instruments that were open on April 30, 2019 were repaid and no conversion has taken place.

- Accounts payable of TSEK 22,524 (17,666), Accrued expenses TSEK 50,413 (13,922) and Other current liabilities TSEK 110 (139), in total TSEK 73,047 (31,727), comprise minor liabilities to a large number of suppliers and accrued interest for the abovementioned loans. Amortized cost equals fair value. Of these amounts, TSEK 15,554 (10,539) comprises liabilities in a currency other than SEK. These involve a currency risk. In addition to this currency risk, there is also a liquidity risk attached to these liabilities.
  Accrued expenses also includes a reserve for expenses in connection with the legal dispute with a group of investors that is described under the heading Other current receivables above and in the Administration Report.

Remaining time until maturity of financial liabilities

Group, April 30, 2020

TSEK	<3 months	3–6 months	6–12 months	More than 1 year
Lease liabilities	1,534	1,534	2977	9,378
Other borrowings*)	–	–	89,669	–
Accounts payable	22,524	–	–	–
Other current liabilities	6	6	12	86
Accrued expenses	40,744	–	–	–
Total	**64,808**	**1,540**	**92,658**	**9,464**

*) This liability, including interest, is subject to legal proceedings and thus its exact maturity date cannot be given.

Group, April 30, 2019

TSEK	<3 months	3–6 months	6–12 months	More than 1 year
Convertible debt instruments, including interest	–	65,430	–	–
Other borrowings, including interest	–	85,667	–	–
Accounts payable	17,666	–	–	–
Other current liabilities	8	8	15	109
Accrued expenses	9,230	–	–	–
Total	**26,904**	**151,104**	**15**	**109**

NOTE 19 – PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
TSEK	Apr 30, 2020	Apr 30, 2019	Apr 30, 2020	Apr 30, 2019
Other prepaid expenses	1,400	4,115	1,429	3,967
Prepaid insurance premiums	495	475	495	475
Prepaid interest expenses	123	1,489	123	1,489
Prepaid technical development expenses	–	7,307	–	7,307
Prepaid rent	16	1,086	1,012	1,086
Accrued insurance payments	21,188	–	21,188	–
Accrued interest income	1,151	–	1,151	–
Total	**24,372**	**14,472**	**25,399**	**14,325**

Rent and lease payments are recognized in the Group but not in the Parent Company in accordance with IFRS 16, which means that prepaid rent differs between the Group and the Parent Company.

NOTE 20 – OTHER CURRENT RECEIVABLES

	Group		Parent Company	
TSEK	**Apr 30, 2020**	**Apr 30, 2019**	**Apr 30, 2020**	**Apr 30, 2019**
Current financial receivables	40,251	–	40,251	–
VAT receivable	2,936	2,719	2,936	2,719
Other current receivables	661	292	660	291
Total	**43,848**	**3,011**	**43,847**	**3,010**

Current financial receivables comprise a receivable from MGC Capital Ltd. that was acquired under the framework of the settlement with Arwidsro, as described in Note 24 Contingent liabilities, pledged assets and contingent assets.

NOTE 21 – SHARE CAPITAL

Specifications of changes in equity are presented in this report for the Group immediately after the statement of financial position and for the Parent Company immediately after the balance sheet. The total number of shares as of April 30, 2020 was 448,369,546 type A (224,900,646 as of April 30, 2019) with a quota value of SEK 0.10 per share. All issued shares are fully paid-up. The development of the number of shares since May 1, 2018 is shown below.

	Number of shares	Share capital, SEK
OB May 1, 2018	**176,406,372**	**17,640,638**
2018 Conversion of warrants	8,064,516	806,452
2018/2019 Conversion of conversion loan	17,481,223	1,748,122
2019 Private placement	22,948,535	2,294,854
CB Apr 30, 2019	**224,900,646**	**22,490,065**
2019 Conversion of warrants	24,193,548	2,419,355
2019 Rights issue	199,275,352	19,927,535
CB Apr 30, 2020	**448,369,546**	**44,836,955**

NOTE 22 – OTHER CURRENT LIABILITIES

	Group		Parent Company	
TSEK	**Apr 30, 2020**	**Apr 30, 2019**	**Apr 30, 2020**	**Apr 30, 2019**
Cash payments for warrants that proved to be invalid	1,480	1,480	–	–-
Employee withholding tax/social security contributions	1,891	1,596	1,891	1,596
Other	117	141	114	139
Total	**3,488**	**3,217**	**2,005**	**1,735**

NOTE 23 – ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
TSEK	**Apr 30, 2020**	**Apr 30, 2019**	**Apr 30, 2020**	**Apr 30, 2019**
Accrued expenses for disputes and business negotiations	26,154	532	26,154	532
Employee benefit expenses	14,335	9,874	10,748	7,016
Accrued interest expenses	9,669	4,691	9,669	4,691
Accrued expenses for clinical trials	3,549	5,823	3,549	5,823
Other accrued expenses	11,429	3,203	10,972	2,875
Deferred income	644	4,145	644	4,145
Total	**65,780**	**28,268**	**61,736**	**25,082**

NOTE 24 – CONTINGENT LIABILITIES, PLEDGED ASSETS AND CONTINGENT ASSETS

Contingent liabilities

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.

As described in the Administration Report and in Note 4 Correction of error in prior periods, the Swedish Tax Agency performed an audit of Oasmia and one of the items examined was a payment of TSEK 10,550 made in 2017/2018. In connection with this, Oasmia conducted its own investigation and the results were submitted to the Tax Agency.

It was noted that the method use to report the payment in 2017/2018 was erroneous. The error has been corrected in this Annual Report, see Note 4. The Tax Agency has informed Oasmia of its assessment with regard to how the outgoing payment should be interpreted from an income standpoint. Oasmia does not share the Tax Agency's assessment and has filed an objection to the assessment. Oasmia believes it has strong support for its interpretation and has therefore not made any provisions in this Annual Report for any costs, in the form of social security contributions and surcharges, that could arise should the interpretation of the Swedish Tax Agency ultimately prevail. If this were to be the case, an expense of about TSEK 4,000 would be recognized in the company's profit or loss.

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 MSEK 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 previous made assessments as to the outcome of these disputes.

Contingent assets

In July 2019, Oasmia acquired a claim on MGC from Arwidsro Investment AB as part of the settlement agreement between Arwidsro and Oasmia described in Note 26 Transactions with related parties. 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 is 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.

Pledged assets

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

NOTE 25 – CASH FLOW STATEMENTS

Adjustments for non-cash items

		Group		Parent Company	
TSEK	**Note**	**Apr 30, 2020**	**Apr 30, 2019**	**Apr 30, 2020**	**Apr 30, 2019**
Depreciation, amortization, impairment and disposals: non-current assets	6, 12, 13	20,057	31,006	14,554	31,006
Employee stock options	11	120	–	120	–
Impairment of receivables	5, 18	1,502	–	1,502	–
Impairment of inventories	8	5,404	6,425	5,404	6,425
Non-realized exchange rate differences	18	-574	661	-625	1,142
Total		**26,509**	**38,092**	**20,955**	**38,574**

Inflow from convertible loans

		Group		Parent Company	
TSEK	**Note**	**Apr 30, 2020**	**Apr 30, 2019**	**Apr 30, 2020**	**Apr 30, 2019**
Convertible loan 2017:3	18	–	7,000	–	7,000
Convertible loan 2018:1	18	–	26,000	–	26,000
Convertible loan 2018:2	18	–	35,200	–	35,200
Convertible loan 2018:3	18	–	51,000	–	51,000
Total		**0**	**119,200**	**0**	**119,200**

Inflow from convertible loans

			Group		Parent Company	
TSEK	**Number of shares**	**Note**	**Apr 30, 2020**	**Apr 30, 2019**	**Apr 30, 2020**	**Apr 30, 2019**
Private placement in March 2019	22,948,535	21	–	165,018	–	165,018
Conversion of warrants in July 2019	24,193,548	21	75,000	–	75,000	–
Rights issue in November 2019 *	199,275,352	21	398,551	–	398,551	–
Total inflow from issues including advances			**473,551**	**165,018**	**473,551**	**165,018**

* Of which an advance of TSEK 45,000 was paid in October 2019

Reconciliation of liabilities from financing operations

Group

	Opening balance	Cash flows	Changes that do not affect cash flow		Closing balance
TSEK	MAY 1, 2019	2019/20	Restatement of opening balance IFRS 16	Recognized in profit or loss	Apr 30, 2020
Lease liabilities, long-term	0	-5,141	13,876	110	8,845
Convertible debt instruments	59,568	-62,000	–	2,432	0
Other short-term borrowings	80,000	0	–	–	80,000

Parent Company

	Opening balance	Cash flows	Changes that do not affect cash flow	Closing balance
TSEK	May 1, 2019	2019/20	Recognized in profit or loss	Apr 30, 2020
Convertible debt instruments	59,568	-62,000	2,432	0
Other short-term borrowings	80,000	0		80,000

Group and Parent Company

	Opening balance	Cash flows	Changes that do not affect cash flow			Closing balance
TSEK	May 1, 2019	2019/20	Recognized in equity	Reversed form other balance-sheet items	Recognized in profit or loss	APR 30, 2020
Convertible debt instruments	52,841	119,200	-83,892	-33,000	4,419	59,568
Other short-term borrowings	134,419	-37,552	-16,867			80,000

NOTE 26 – TRANSACTIONS WITH RELATED PARTIES

Group companies

The Group consists of the Parent Company Oasmia Pharmaceutical AB, the Swedish subsidiaries Qdoxx Pharma AB and Oasmia Incentive AB, AdvaVet, Inc. in the US, Oasmia Pharmaceutical Asia Pacific, Ltd. based in Hong Kong, and Oasmia RUS LLC. in Russia. The subsidiaries are 100% owned. The subsidiaries are thus under the control of the Parent Company. For further information on the Group, see Note 27 Participations in Group companies.

Transactions between Parent Company and subsidiaries

There have been no sales of goods between the Parent Company and the subsidiaries, either during this year or the previous year.

Transactions between Parent Company and Swedish subsidiaries

The following table shows the loan transactions during the year between the Parent Company and the Swedish subsidiaries and the opening and closing liabilities:

	Qdoxx Pharma		Oasmia Incentive	
TSEK	2019/20	2018/19	2019/20	2018/19
Parent Company's opening liability	42	42	2,741	2,741
Transactions during the year	–	–	–	–
Parent Company's closing liability	**42**	**42**	**2,741**	**2,741**

The Parent Company made a capital contribution of TSEK 50 to Qdoxx Pharma during the year.

Transactions between the Parent Company and AdvaVet, Inc., USA
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. During the year, the Parent Company lent TUSD 658 to AdvaVet under the framework of this loan commitment, and on April 30, 2020, the Parent Company's receivable from AdvaVet, including accrued interest, amounted to TUSD 1,462, which was recognized at TSEK 14,039. 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 year. This transaction has been eliminated in the consolidated accounts and thus has not affected the Group's results.

In previous financial reports, a transaction was reported 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. During the year, management reviewed the financial and legal significance of this transaction. In order to better reflect this new assessment, the capitalized development costs, recognized 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 participations in AdvaVet has been reduced by the corresponding value in the Parent Company's balance sheet.

Transactions between the Parent Company and Oasmia Pharmaceutical Asia Pacific, Ltd., Hong Kong
No transactions took place between the Parent Company and Oasmia Pharmaceutical Asia Pacific during the year. There were no dealings between the companies at April 30, 2020.

Transactions between the Parent Company and Oasmia RUS, Russia
No transactions took place between the Parent Company and Oasmia RUS during the year and there were no dealings between the two companies at April 30, 2020.

Transactions with key people in senior positions

For salaries and remuneration to the Board and senior executives, see Note 11.

In addition to their Board fees, some members of the Board also performed certain other services for which they received the following consultancy fees:

TSEK	2019/20	2018/19
Sven Rohmann	3,952	776
Jörgen Olsson	960	360
Gunilla Öhman	1,040	169
Lars Bergkvist	–	112
Total	**5,952**	**1,417**

Instead of receiving salary, certain other senior executives invoiced consultancy fees totaling TSEK 3,378 (253).

There were no other transactions with key individuals.

Transactions with principal owners

A settlement was reached in the first quarter of 2019/2020 for the arbitration procedure and outstanding balances on April 30, 2019 with Arwidsro Investment AB, Oasmia's principal owner, which are detailed in Oasmia's 2018/2019 Annual Report. This settlement agreement means that all transactions between Arwidsro and Oasmia are finally settled and that the arbitration procedure has been concluded. See also Note 24 Contingent liabilities, pledged assets and contingent assets.

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

NOTE 27 – PARTICIPATIONS IN GROUP COMPANIES

Parent Company	Reg. no	Domicile	Share of equity, %	Votes, %	Carrying amount APR 30, 2020	Carrying amount APR 30, 2019
Qdoxx Pharma AB	556609-0154	Uppsala	100	100	50	50
Oasmia Incentive AB	556519-8818	Uppsala	100	100	10	10
AdvaVet, Inc.	E0300362015-6	Nevada, USA	100	100	0	109,553
Oasmia Pharmaceutical Asian Pacific, Ltd.	2383363	Hong Kong	100	100	0	50
Oasmia RUS LLC.	1177746442620	Moscow	100	100	0	0
Total					**60**	**109,663**

Parent Company

TSEK	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Opening acquisition cost	122,315	12,844
Investments for the year	50	109,471
Closing accumulated acquisition cost	122,365	122,315
Opening impairment	-12,652	-12,489
Reclassifications for the year	-109,408	–
Impairment for the year	-245	-163
Closing accumulated impairment	**-122,305**	**-12,652**
Closing carrying amount	**60**	**109,663**

Impairment for the year, TSEK -245 (-163), is recognized in the Parent Company income statement under the item Result from participations in Group companies.

In the 2018/2019 financial year, capitalized development costs of TSEK 109,408 were transferred for Paccal Vet® from the Parent Company to AdvaVet, see also Note 6. This is recognized in the 2018/2019 Annual Report as Investments in participations. In 2019/2020, management reviewed the financial and legal significance of this transaction. In order to better reflect this new assessment, the capitalized development costs have been reclassified to the Parent Company's balance sheet, see also Note 26. The value of the participations in AdvaVet has been reduced by the corresponding value in the Parent Company's balance sheet, which is presented in the table above as "Reclassifications for the year."

NOTE 28 – ALLOCATION OF NON-RESTRICTED EQUITY

The following non-restricted equity is available for distribution by the Annual General Meeting:

SEK	Note	Apr 30, 2020	Apr 30, 2019
Share premium reserve		1,904,463,055	1,479,826,299
Retained earnings	4	-1,107,956,026	-946,517,750
Income for the year	4	-50,066,902	-157,406,781
Total		**746,440,127**	**375,901,768**

The Board proposes that the 2020 Annual General Meeting adopts a resolution that the above amount available of SEK 746,440,127 (375,901,768) be carried forward.

NOTE 29 – EVENTS AFTER CLOSING DAY

- At May 13, 2020, Oasmia presented a strategic review aimed at delivering long-term, profitable growth as a specialty pharma company.

- The company held an Extraordinary General Meeting on May 14, 2020 that resolved on the following changes in the Board of Directors up to the next Annual General Meeting. Former Board member Anders Härfstrand became the new Chairman of the Board and Birgit Stattin Norinder became a new member of the Board. Jörgen Olsson, former Chairman of the Board, and Gunilla Öhman, former Board member, left the Board.

- On June 1, 2020, Oasmia announced that it had entered into a comprehensive settlement agreement with the plaintiffs in a class action filed against the company in the United States in 2019. The consequent effects were taken into account when closing the books at April 30, 2020

- On June 8, 2020, Oasmia announced that it had signed a phase 1b trial agreement with the Swiss Group for Clinical Cancer Research (SAKK) for the evaluation of docetaxel micellar in advanced prostate cancer patients.

- The company received a document from the Swedish Tax Agency announcing the Agency's assessment of a large payment made in the 2017/2018 financial year that differs from the manner in which this payment has been recognized. This resulted in a correction to previous accounting, see Note 4.

- On July 27, 2020, Oasmia announced that its strategic partner, Elevar Therapeutics, and Tanner Pharma had started a partnership for a named patient program. This will provide a legal means for physicians to prescribe Apealea® in markets outside of the US, where the product is not commercially available as yet.

NOTE 30 – KEY DEFINITIONS

In addition to the key ratios that can be directly seen from the financial
statements, the following key definitions are used in this Annual Report:

Equity per share
Equity 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 (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
Operating income plus financial income as a percentage of the 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:

	May 1, 2019– Apr 30, 2020	May 1, 2018– Apr 30, 2019
Equity per share		
Equity at end of period, TSEK **	819,389	383,499
Number of shares at end of period, thousands*	448,370	294,620
Equity per share, SEK	**1.83**	**1.30**
Equity/assets ratio		
Equity at end of period, TSEK	819,389	383,499
Total assets at end of period, TSEK	1,005,347	605,040
Equity/assets ratio, %	**82**	**64**
Net liability, TSEK		
Convertible debt instruments	–	59,568
Other short-term borrowings	80,000	80,000
Total borrowings	**80,000**	**139,568**
Short-term investments	234,080	–
Cash and cash equivalents	201,018	116,272
Total cash and cash equivalents and short-term investments	435,098	116,272
Net liability	**-355,098**	**23,296**
Debt/equity ratio		
Net liability, TSEK	-355,098	23,296
Equity, TSEK	819,389	383,499
Debt/equity ratio, %	**-43**	**6**
Return on total assets		
Operating income plus financial income, TSEK	-28,917	-150,217
Total assets at beginning of period, TSEK	605,040	556,875
Total assets at end of period, TSEK	**1,005,347**	**605,040**
Average total assets, TSEK	805,194	580,957
Return on total assets, %	**-4**	**-26**
Return on equity		
Income before taxes, TSEK	-43,356	-168,477
Equity at beginning of period, TSEK	383,499	345,042
Equity at end of period, TSEK	819,389	393,178
Average equity, TSEK	601,444	369,110
Return on equity, %	**-7**	**-46**

* Historical amounts adjusted for the bonus issue component in the rights issue carried out in 2019/2020.

** Adjusted for error 2017/18, see Note 4.

Signing of the Annual Report

The Board of Directors and Chief Executive Officer hereby provide assurance that the consolidated accounts have been presented in accordance with international financial reporting standards, IFRS, as they have been adopted by the EU, and give a true and fair view of the financial position and results of the Group. The Annual Report is presented in accordance with generally accepted accounting principles and gives a true and fair view of the financial position and results of the Parent Company. The Administration Report for the Group and Parent Company gives a true and fair view of the development of the Group's and the Parent Company's activities, position and results, and describes significant risks and uncertainty factors to which the Parent Company and the companies that are part of the Group are subject.

The income statements and balance sheets will be presented for adoption by the Annual General Meeting on September 9, 2020.

Uppsala, August 19, 2020

Anders Härfstrand
Chairman of the Board

Hege Hellström
Board member

Sven Rohmann
Board member

Francois Martelet
CEO

Birgit Stattin Norinder
Board member

Peter Zonabend
Board member

Our Auditor's Report was submitted on August 19, 2020

KPMG AB

Duane Swanson
Authorized auditor
Main auditor

Henrik Lind
Authorized auditor

Auditor’s report

To the general meeting of the shareholders of Oasmia Pharmaceutical AB (publ), corp. id 556332-6676

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Oasmia Pharmaceutical AB (publ) for the financial year 2019-05-01—2020-04-30, except for the corporate governance statement on pages 44-51. The annual accounts and consolidated accounts of the company are included on pages 34-91 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 30 April 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 April 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 44-51. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the income statement and statement of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Matter

The audit of the annual accounts for the financial year 2018-05-01—2019-04-30 was performed by another auditor who submitted an auditor´s report dated 20 August 2019, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition

See the accounting principles on pages 63-64 and Note 5 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The company has recorded income of 201,100 tkr from license income resulting from the upfront payment related to a global commercialization agreement of Apealea®.

The agreement also includes future revenues related to the sales of XR-17 compound, royalties and additional payments based on acheivement of certain milestones.

IFRS 15, Revenue from Contracts with Customers, requires that performance obligations be identified and assessed as to whether they are distinct which determines whether they can be recognized separately. Further IFRS 15 requires that the transaction price must be allocated to the performance obligations.

The assessment of performance obligations and allocation of the transaction price requires significant judgment and knowledge and a detailed review of the contract terms and accounting standards.

Response in the audit

We have reviewed the commercialization agreement as to the terms and various performance obligations identified by management.

We have assessed the conclusions made by management as to the performance obligations as to whether they are distinct.

Our procedures also included assessing judgements and assumptions made by management when allocating the transaction price to the performance obligations.

We have also assessed accounting principles and the disclosures related to revenue included in the annual accounts and consolidated accounts.

Capitalized development costs

See accounting principles on pages 61-62 and Notes 3 and 6 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Capitalized development costs amount to 433,357 tkr as of April 30, 2020 representing 43% of total assets. An amount of 323,949 tkr relates to Apealea®/Paclical while the remaining amount totalling 109,408 tkr is related to Paccal Vet®.

Capitalized development costs related to Apealea®/Paclical are currently being amortized over their estimated useful life and management is required to assess whether there are any indications of impairment. Management have also performed a impairment test related to Paccal Vet® based on the recoverable value based on the discounted cash flows for theses assets.

The assessment of impairment and calculation of recoverable amount are based on projections and assumptions prepared by management. In regards to Paccal Vet®, this includes assumptions related to future revenue streams, gross profit as well as discount rates.

Response in the audit

We have reviewed managements assessment whether there are any indications of impairment of capitalized development costs for Apealea®/Paclical. We have also assessed whether the impairment test related to capitalized development costs for Paccal Vet® has been prepared in accordance with IAS 36 Impairment. We have evaluated the managements assumptions for future cash flows including sales forecasts and profit margins as well as the discount rate used and the documentation prepared by management.

We have reviewed a sensitivity analysis prepared by management measuring sensitivity to negative changes in material parameters that on an individual or collective basis could result in a need for impairment arising

We have also assessed accounting principles and the disclosures related to capitalised development costs included in the annual accounts and consolidated accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-33 and 96-97. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.
In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company’s and the group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director’s responsibilities and tasks in general, among other things oversee the company’s financial reporting process.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company’s internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

– Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Oasmia Pharmaceutical AB (publ) for the financial year 2019-05-01—2020-04-30 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

– has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

– in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality.

This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 44-51 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Oasmia Pharmaceutical AB (publ) by the general meeting of the shareholders on the 26 September 2019. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm 19 August 2020

KPMG AB

Duane Swanson
Authorized Public Accountant
Lead Partner

Henrik Lind
Authorized Public Accountant

Quarterly data

	2019/20					2018/19				
Group	**Q1**	**Q2**	**Q3**	**Q4**	**Full-year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full-year**
TSEK	**May–Jul**	**Aug–Oct**	**Nov–Jan**	**Feb–Apr**	**May–Apr**	**Maj–Jul**	**Aug–Oct**	**Nov–Jan**	**Feb–Apr**	**May–Apr**
Net sales	182	252	144	201,265	201,843	128	158	1,427	266	1,980
Change in inventories of products in progress and finished goods	2,291	5,849	-373	13,137	20,904	-230	0	-260	-4,658	-5,148
Capitalized development costs	1,085	778	1,655	839	4,356	2,449	3,858	2,642	-518	8,431
Operating expenses */***	-39,392	-54,345	-58,961	-105,211	-257,908	-28,831	-26,699	-30,143	-70,585	-156,257
Operating loss **	-35,764	-47,436	-57,563	110,677	-30,086	-26,427	-22,482	-26,283	-75,046	-150,237
Income after tax **	-39,783	-18,309	-59,067	106,626	-10,533	-30,957	-60,837	-30,115	-79,393	-201,300
Earnings per share, SEK */**	-0.13	-0.06	-0.16	0.24	-0.03	-0.13	-0.25	-0.10	-0.29	-0.79
Weighted average number of shares, in thousands *	303,577	326,313	363,648	448,370	398,395	231,836	242,896	296,492	278,406	253,312
Equity per share, SEK */**	1.28	1.22	1.59	1.83	1.83	1.33	1.34	1.31	1.30	1.30
Equity/assets ratio, % **	63	67	82	82	82	59	66	70	63	63
Net liability	32,002	50,961	Neg	Neg	Neg	167,861	118,780	78,187	23,296	23,296
Debt/equity ratio, % **	8	13	Neg	Neg	Neg	54	30	20	6	6
Number of employees at end of period	55	56	62	63	63	57	57	57	60	60

* Recalculation of historical values has been done taking into account capitalization issue elements in the rights issues carried out in the 2019/20 financial year.

** Adjusted for error 2017/18, see Note 4.

*** Operating expenses excluding change in inventories and capitalized development costs.

Information and contacts

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Future report dates

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

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