Oasmia Pharmaceutical AB (publ)

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

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- In August Oasmia appointed Peter Selin as Chief Business Officer.
- Oasmia's CFO Michael af Winklerfelt resigned from his role in August and Fredrik Järrsten was appointed as Chief Financial Officer in September.
- In September Oasmia's Nomination Committee revised its proposal for the AGM regarding Board of Directors and Sven Rohmann notified that he is no longer available for re-election.
- In September Oasmia brought an action against the company's former Board of Directors as a direct result of findings from an investigation into the former Board of Directors' responsibilities by the auditing firm Deloitte.
- In October Oasmia's partner Elevar Therapeutics signed an agreement with Taiba Middle East FZ LLC for commercialization of Apealea® in the Middle East and North Africa Region.
- In October the disciplinary committee of Nasdaq Stockholm ordered Oasmia to pay a fine due to the former Board of Directors, in connection with the EGM in March 2019, in several respects violating generally accepted behavior in the securities market.
- Oasmia announced in October that the company has continued to secure IP rights, including the approval of XMeNa patent in India and soon in Australia as well as approved Apealea trademark registrations in Switzerland, Israel, South Africa, Malaysia and Indonesia.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- In November Robert Maiorana joined Oasmia as acting CFO, with effect from December 1, 2020 until Fredrik Järrsten commenced in the role. Thereafter, Robert will work as Finance Manager and support Fredrik.
- On 3rd December Oasmia shared an update from its partner Elevar Therapeutics on the development plan for Apealea® (paclitaxel micellar) in ovarian cancer.

SECOND QUARTER[2]: AUGUST 1, 2020 – OCTOBER 31, 2020

- Consolidated net sales amounted to TSEK 154 (252)
- Operating profit/loss was TSEK -53,693 (-47,436)[3]
- Net profit/loss after tax amounted to TSEK –53,538 (-18,309)[3]
- Earnings per share was SEK -0.12 (-0.06)[3,4]

THE PERIOD[2]: MAY 1, 2020 – OCTOBER 31, 2020

- Consolidated net sales amounted to TSEK 362 (433)
- Operating profit/loss was TSEK -102,914 (-83 201)[3]
- Net profit/loss after tax amounted to TSEK –106,643 (-58,093)[3]
- Earnings per share was SEK -0.24 (-0.18)[3,4]

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

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

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

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

Oasmia Pharmaceutical AB is a specialty pharma company dedicated to improving the lives of patients by enhancing the intravenous delivery of established and novel drugs in significant diseases, including cancer. Product development is based on the Company's proprietary drug delivery technology platform XR-17™ which can be applied to medicines used in many therapeutic areas, to develop water soluble formulations of drugs that currently require chemical solubilizers for dissolution. The first product approved using this technology is Apealea® (paclitaxel micellar). Apealea has received market authorization in the European Union and several other territories for the treatment of first relapse in platinum-sensitive ovarian cancer, in combination with carboplatin. The Company is making Apealea accessible to patients through its partnership with Elevar Therapeutics, together with its existing commercial operations in the Nordic region. Oasmia's shares are traded on the Nasdaq Stockholm stock exchange (ticker: OASM). To find out more about Oasmia please visit www.oasmia.com.

CEO'S COMMENTS

The last quarter at Oasmia has seen us focusing on building on the solid foundations we have laid so far this year following the implementation of recommendations highlighted by the strategic review initiated following my appointment as CEO in March. Since then, we have focused our activities on R&D and lab testing in line with our new strategy and reduced our rate of cash burn as the consequence of the rightsizing of our Company. Throughout the period we have continued to make progress on delivering our vision of creating a sustainable specialty pharma company.

In early December Elevar Therapeutics, our global strategic partner shared an update on the development plan for Apealea® (paclitaxel micellar) in ovarian cancer. Following interactions with the FDA Elevar has decided to complete two new studies with Apealea which will be initiated in the first half of 2021 before filing the new drug application (NDA). These studies of Apealea may potentially help to secure a successful registration in the U.S. and provide new data to support a strong product label.

Over the period we have also been working with Elevar to support their partnering efforts for Apealea® in key global territories. In October, Elevar announced an agreement with Taiba Middle East FZ LLC for the commercialization of Apealea® in the Middle East and North Africa region. This is the first regional partnership deal for Apealea® and Elevar is in late stage discussions with a number of potential partners for other regions around the world. Most recently, Elevar and Tanner Pharma Group announced the launch of a global Named Patient program to provide access to Apealea® in areas outside of the United States and Middle East North Africa (MENA) where Apealea® is not yet commercially available.

As previously communicated Oasmia retains marketing rights for Apealea® in the Nordic countries and has made the product commercially available earlier this year. The COVID-19 pandemic continues to significantly impact the ability of our medical scientific liaisons to meet oncologists in the Nordics. However, we are pleased to report that as of November we have started to record initial sales in Finland. In Sweden a positive interest for Apealea has been shown in a few centres in a highly competitive oncology ward environment that is mostly closed to any face-to-face interactions with the Industry. In Denmark, against a negative outcome from the health technology assessment submission we are working on alternatives to generate clinical data.

A central pillar of our new strategy is to explore licensing and partnering opportunities for our existing assets. To drive this process forward in a timely manner I have appointed consultancy firms that will aid us in finding and selecting partners for our Animal Health division as well as the wider XR-17™ platform.

To maximise the value of our platform we have hired a strategic firm to assist Oasmia and facilitate analysis, selection and engagement with potential partners related to licensing/M&A. A four-step project has therefore been initiated with developing a positioning analysis of the XR-17 ™ platform against competing alternatives based on identification and validation of perceived industry needs among potential licensees.

I have also appointed an international investment bank focusing on healthcare with animal health experts to provide us strategic advisory services related to our Animal Health portfolio.

Our pipeline of development programmes continues to progress well. Docetaxel micellar is poised to enter on time in clinical development for advanced prostate cancer with the renowned Swiss Group for Clinical Cancer Research (SAKK). We are also working on adding a novel product

candidate in pre-clinical development, using our XR-17™ technology. I hope to be able to disclose further details soon provided a positive outcome.

Protecting intellectual property is critical at any innovative company in our sector, and during the period we worked to bolster our already strong position in this area. In October we announced that our XMeNa patent was approved in India and will soon to be approved in Australia. The XMeNa patent protects an improved method for producing our technology platform XR-17™, which is a unique carrier system for anticancer drugs. We have also secured new trademark registrations for Apealea® in Switzerland, Israel, South Africa, Malaysia and Indonesia during the year.

A key objective for Oasmia is to ensure that we have the right people in place to execute our plans and deliver success. We have made several senior level executive appointments over the last few months including the appointment of two senior scientists to our technical operations team. We believe that investing in this crucial area of the business will enable us to further develop and potentially upgrade our XR-17 platform.

In September we announced that Peter Selin would be joining us as Chief Business Officer and he is now on board since the start of November. His expertise in business development and strategy in the life sciences sector will be invaluable to Oasmia as we continue to pursue growth by seeking M&A and licensing opportunities that complement our technology and business model. Another key addition to the team, announced in October, was the appointment of Fredrik Järrsten as Chief Financial Officer. He has over 25 years of experience across the financial, medical technology and life sciences sectors in the Nordic region and internationally. I know that Fredrik will be an incredible asset to Oasmia when he joins us early next year.

With this experienced new senior team in place I look forward to the remainder of 2020 and beyond with confidence and optimism. Oasmia is in great shape to deliver our strategic objectives as a business and I look forward to keeping you up to date on our progress.

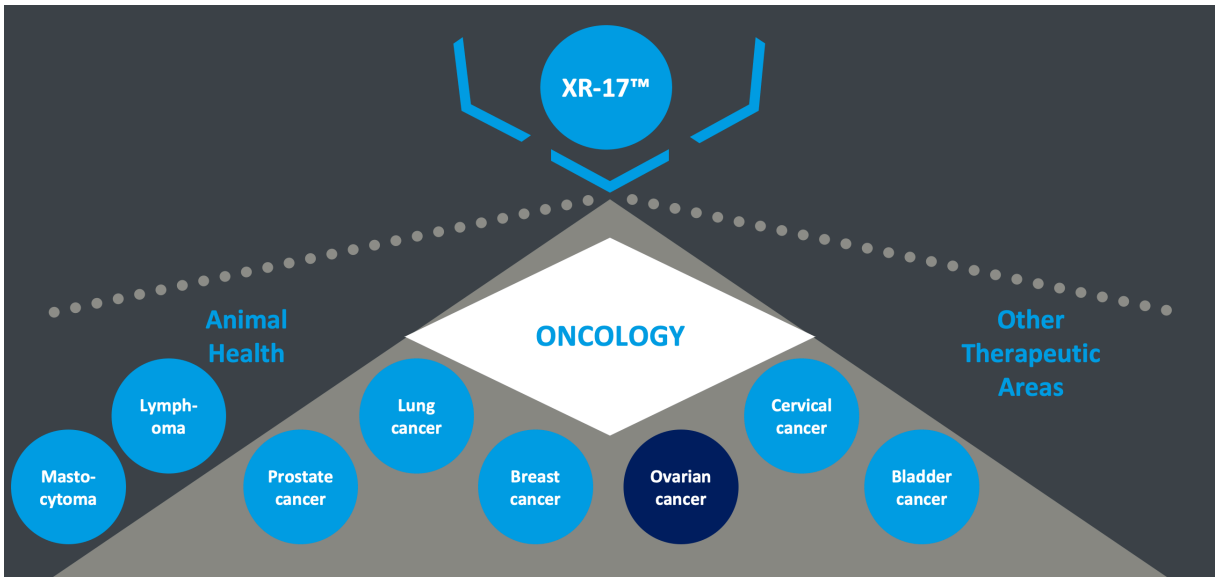
Dr. Francois Martelet, M.D., CEO of Oasmia

OASMIA IN BRIEF

Oasmia is a specialty pharmaceutical company dedicated to improving the lives of patients by enhancing the intravenous delivery of established and novel drugs in significant diseases, in several indications, including cancer.

Strategy
The goal is to establish Oasmia as a leading specialty pharmaceutical company that develops and commercializes new formulations based on the company's 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 the company's own product pipeline using the XR-17™ platform.
- Assessment of the dual encapsulation technology platform XR-19.
- Strategic review of Animal Health business.

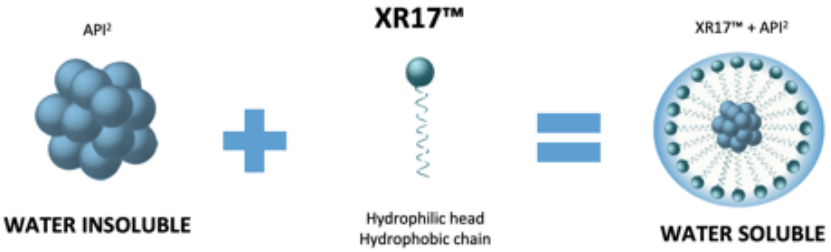


Key value drivers Short Term (12 month)
- Docetaxel micellar clinical development plan – Phase 1 study initiation
- XR-17™ technology platform partnering
- M&A opportunities
- XR-19 value assessment
- Review of Animal Health Business assets
- Reduce burn-rate and increase efficiencies

Key value drivers Mid Term (12-24 month)
- Apealea® milestone payments and royalties
- Docetaxel micellar Phase 1 study results
- Realization of cost control measures
- M&A opportunities
- Transition to Specialty Pharma Company

XR-17™ TECHNOLOGY PLATFORM

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



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

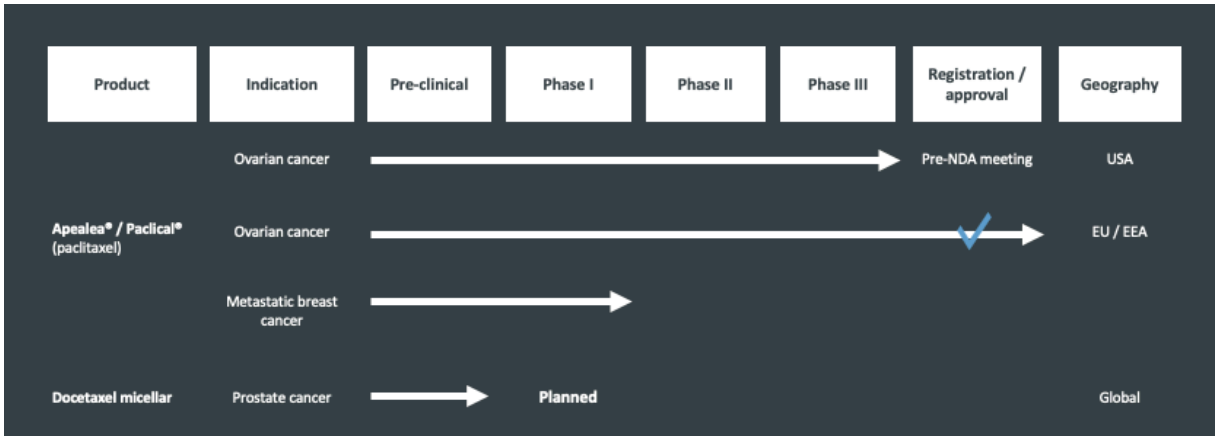
In light of this, Oasmia developed and patented the unique XR-17™ platform, which has the special ability that it can increase the solubility of insoluble compounds. XR-17™ is based on a mixture of two isomers of a proprietary amphiphilic synthetic derivative of retinoic acid (XMeNa and 13XMeNa) that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

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

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

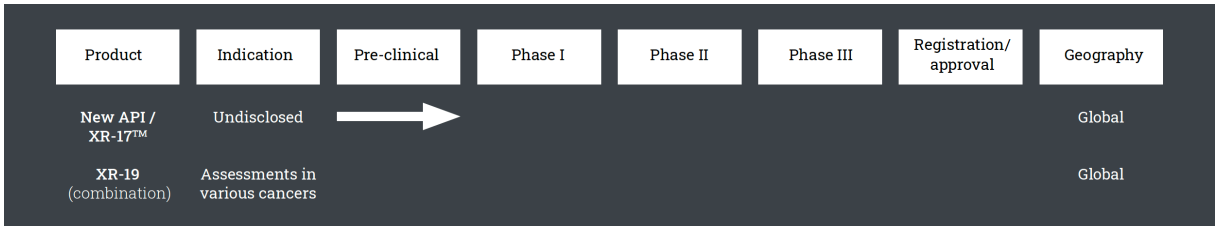
PRODUCT & PROJECT PORTFOLIO

Oasmia's product development is based on the company's proprietary drug delivery technology platform XR-17™ which can be applied to medicines used in many therapeutic areas, to develop water soluble formulations of drugs that currently require chemical solubilizers for dissolution. The first product approved using this technology is Apealea® (paclitaxel micellar).



Apealea®
Apealea® is a patented formulation of paclitaxel in combination with XR-17™. Apealea has received market authorization in the European Union and several other territories for the treatment of first relapse in platinum-sensitive ovarian cancer, in combination with carboplatin. Oasmia is making Apealea accessible to patients through its partnership with Elevar Therapeutics, together with its existing commercial operations in the Nordic region.

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.



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

XR-19
XR-19 is Oasmia's 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 synergistic APIs for a given indication in one micelle. Proof-of- concept studies have shown promising results and Oasmia is evaluating the potential of various combinations that may be used for future development.

ANIMAL HEALTH PORTFOLIO

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

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

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

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

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

COMMERCIALIZATION OF APEALEA®

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

Ovarian cancer indication
The yearly incidence of ovarian cancer[5] is approximately 25 000 in the US, 27 000 in the five major European markets (EU5), and 1 800 in the Nordics. Surgery and post-surgery therapy is the standard therapy according to ESMO (European Society for Medical Oncology) treatment guidelines, whereof standard chemotherapy treatment post-surgery is paclitaxel plus carboplatin, a regimen which has been used for over 15 years. For patients who develop an allergy to, or do not tolerate paclitaxel, the combination of docetaxel and carboplatin, or pegylated liposomal doxorubicin (PLD) together with carboplatin can be considered an alternative. Despite optimal upfront surgery followed by front-line paclitaxel–carboplatin chemotherapy, approximately 70 percent of patients will relapse in the first 3 years6. Apealea® in combination with carboplatin is indicated for the treatment of adult patients with first relapse of platinum-sensitive epithelial ovarian cancer, primary peritoneal cancer and fallopian tube cancer.

Indication expansion strategy
Initially, the strategy is to aim for a group of patients, a niche group, who are seen, of several reasons, not suitable for having the solvent-based generic paclitaxel (hypersensitivity to the solvent Cremophor-EL, hypertension, diabetes, high blood pressure)[7,8,9,10]. Following this first step, aiming for the niche populations, when the hospital physicians get increasing experience from Apealea® treatment, next step will be to expand Apealea® usage to cover the whole labelled indication.

Global – Strategic partnership with Elevar
In March 2020, Oasmia and US-based Elevar Therapeutics Inc., a subsidiary of multinational HLB, signed a global strategic partnership deal regarding the commercialization of Apealea®. The agreement includes milestone payments with a potential of up to MUSD 678 depending on Elevar's achievement of future sales milestones, clinical development milestones and regulatory approval milestones. Elevar will also pay Oasmia double-digit royalties on sales of Apealea®. Oasmia has received MUSD 20 as an upfront payment and retains sole control over development of XR-17™.

Elevar has exclusive rights to commercialize Apealea, with the exception of the Nordics, Baltics, and the Russian Federation in which Oasmia will continue to drive commercialization. Elevar is also responsible for NDA filing in the United States. The arrangement gives Elevar the right to sub-license Apealea® to other strategic partners, including, for example, in Europe.

Elevar is exploring the potential utility of Apealea in other indications beyond ovarian cancer. Apealea has received Orphan Drug Designation from the FDA for the treatment of ovarian cancer, which could lead to benefits including seven years of market exclusivity.

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

On 3rd December Oasmia shared an update from Elevar on the development plan for Apealea® in ovarian cancer. Elevar has had interactions with the FDA and received guidance for further advancing the development program for Apealea®. Following these interactions, Elevar has

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

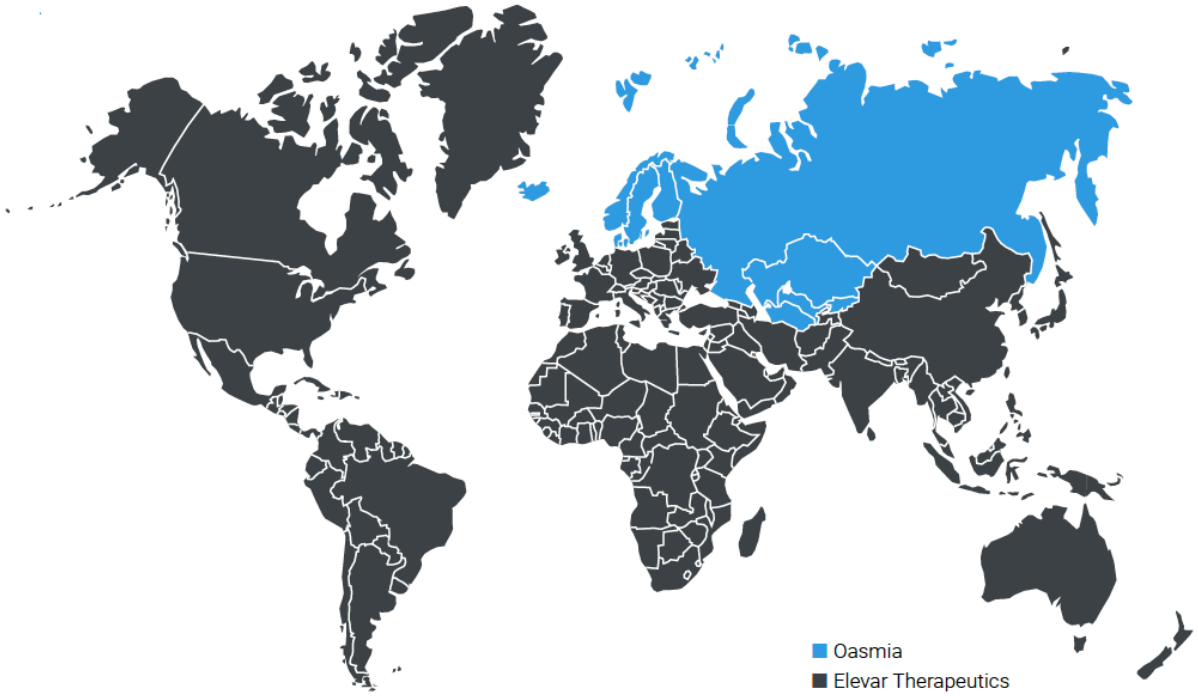
decided to complete two new studies with Apealea, which will both be initiated in the first half of 2021 before filing the new drug application (NDA). The first study planned by Elevar is a pharmacokinetics study which Elevar aims to initiate in the first half of 2021. This study is expected to take approximately 12 months to complete. Elevar is also planning to initiate a pivotal superiority study to investigate the safety and efficacy of Apealea in epithelial ovarian cancer. Elevar is working closely with The GOG Foundation (GOG-F) through its GOG Partners program in the U.S. to plan and execute this global study in the first half of 2021. This study is expected to take approximately 24-36 months to complete.

In July 2020, Elevar 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, and in October 2020, Elevar signed an agreement with Taiba Middle East FZ LLC for commercialization of Apealea® in the Middle East and North Africa Region. Elevar is currently considering potential partners for Europe and other key markets.

The Nordics – Launch heavily affected by Covid 19-pandemic situation

Oasmia is making Apealea® accessible to patients through its existing commercial operations in the Nordic region since 2020. The corona pandemic situation has continued to make it difficult to access the Health Care Professionals (HCPs) for pursuing changes in current treatment programs.

In Denmark, Oasmia has received a negative outcome from the compulsory HTA (Health Technology Assessment) dossier that was submitted in August, and the company is working on alternatives to generate clinical data. In Sweden, a national Registry trial is under discussion. In Finland, the first sale and treatment of a patient with Apealea® occurred during the reporting period.



Oasmia has since 2020 a strategic partnership with US-based Elevar Therapeutics Inc. for the commercialization of Apealea®. Within the agreement Elevar has the global exclusive rights to commercialize Apealea®, with the exception of the Nordics, Baltics, and Russian Federation. In the Nordics Oasmia is launching Apealea® through its existing commercial operations.

FINANCIAL INFORMATION

Condensed consolidated income statement

TSEK	2020 Aug–Oct	2019 Aug–Oct	2020 May–Oct	2019 May–Oct	2019/20 May–Apr
Net sales	154	252	362	433	201,843
Operating profit/loss	-53,693	-47,436	-102,914	-83,201	-30,086
Profit/loss for the period	-53,538	-18,309	-106,643	-58,093	-10,533
Earnings per share before and after dilution, SEK[1,2]	-0.12	-0.06	-0.24	-0.18	-0.03

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

[2)] The figures for the period and the second quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on October 31, 2019.

SECOND QUARTER

August 1, 2020–October 31, 2020

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

Net sales
Net sales amounted to TSEK 154 (252), of which sales of supplies amounted to TSEK 117 (142) and licensing revenues to TSEK 37 (110).

Operating profit/loss for the quarter
The operating loss for the quarter was TSEK -53,693 (-47,436*).

Raw materials and consumables amounted to TSEK -3,047 (-1,622), employee benefit expenses to TSEK -18,114 (-14,449), and depreciation, amortization and impairment to TSEK -10,569 (-3,057), and were up year-on-year for the quarter. Furthermore, a fine of MSEK 3.1 was imposed by Nasdaq Stockholm during the quarter for the previous Board of Directors' breach of good stock market practices in the beginning of 2019, refer also to "Legal and supplementary information" below.

However, these cost increases were somewhat offset by lower costs for consulting services and legal fees.

The higher costs for raw materials and consumables were attributable to increased production of goods during the quarter. Employee benefit expenses were mainly attributable to an expense recognized for employee severance costs.

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

This entailed a significant increase in amortization in the second quarter of this year compared with the corresponding quarter last year. Moreover, the reduced need for premises in Uppsala has resulted in a write-down of MSEK 3.4 for capitalized right-of-use assets pertaining to properties.

The number of employees at the end of the quarter was 49 (56).

Net financial items for the quarter
Net financial items for the quarter of TSEK 155 (-3,695) consisted of financial income amounting to TSEK 2,074 (368) and financial expenses of TSEK 1,919 (4,063). The financial income comprised capital gains on short-term investments of TSEK 852 (0), foreign exchange gains on cash and cash

equivalents of TSEK 869 (15) and interest income from current financial receivables of TSEK 353 (353).

Financial expenses consisted of interest expenses attributable to other borrowings of TSEK 1,714 (1,714), interest expenses from leases of TSEK 184 (346) and other financing costs of TSEK 21 (70). Moreover, an expense for financing costs for convertible debt instruments of TSEK 1,933 was recognized in the first quarter last year.

Profit/loss before tax for the quarter
Income before tax amounted to TSEK -53,538 (-51,131*). The year-on-year difference was due to the deterioration in operating income, which was partly offset by the improvement in net financial items.

Income tax
Reported income tax for the quarter was TSEK 0 (32,822). In the 2018/2019 financial year, a transaction was carried out with the US subsidiary AdvaVet that gave rise to the recognition of a deferred tax liability of TSEK 32,822. In the second quarter of last year, this deferred tax liability was reversed in profit or loss, which resulted in tax income of TSEK 32,822.

Profit/loss for the quarter
The net loss after tax was TSEK -53,538 (-18,309*). The difference compared with last year was mainly due to income tax, see above.

Cash flow and capital expenditure
Net cash flow for the quarter was TSEK 3,906 (-79,770) and consisted of Cash flow from operating activities of TSEK -23,433 (-58,913), Cash flow from investing activities of TSEK 28,538 (-2,543) and Cash flow from financing activities of TSEK -1,199 (-18,314).

Cash flow from operating activities
The cash flow from operating activities for the quarter was TSEK -23,433 (-58,913). While inventories increased substantially due to the completion of some production batches during the quarter, these had largely been paid for in advance, and did not significantly affect cash flow in the quarter. Large parts of the stock built up during the quarter will later be taken over by Elevar, which made a partial advance payment to Oasmia during the quarter.

Cash flow from investing activities
Cash flow from investing activities for the quarter was TSEK 28,538 (-2,543).

Investments in property, plant and equipment and in intangible assets
Capital expenditure during the quarter consisted of investments in intangible assets of TSEK 0 (846) and investments in property, plant and equipment of TSEK 1,462 (1,697). Investments in intangible assets consisted of capitalized development costs of TSEK 0 (778) and of patents of TSEK 0 (68). Investments in property, plant and equipment mainly consisted of capital expenditure for production equipment.

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

Cash flow from financing activities
The cash flow from financing activities amounted to TSEK -1,199 (-18,314) and comprised amortization of lease liabilities of TSEK -1,199 (-1,314). These primarily comprised rental payments which were recognized as amortization pursuant to IFRS 16.

Last year's cash flow from financing activities also included advance payments for a new issue that raised TSEK 45,000 and the repayment of convertible debt instruments amounting to TSEK 62,000.

THE PERIOD

May 1, 2020 – October 31, 2020

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

Net sales
Net sales amounted to TSEK 362 (433), of which sales of supplies amounted to TSEK 288 (214) and licensing revenues to TSEK 74 (219).

Operating profit/loss for the period
The operating loss for the period was TSEK -102,914 (-83,201*). The deterioration in earnings was mainly attributable to the increase in Employee benefit expenses, TSEK -39,994 (-29,065), and higher depreciation, amortization and impairment, TSEK -17,740 (-6,145*).

The increase in Employee benefit expenses primarily pertained to severance costs for personnel.

Furthermore, a fine of MSEK 3.1 was imposed by Nasdaq Stockholm during the quarter for the previous Board of Directors' breach of good stock market practices in the beginning of 2019, refer also to "Legal and supplementary information" below.

During the fourth quarter of the last financial year, the capitalization of development costs for Apealea®/Paclical was halted and amortization of capitalized development costs for this product started. This entailed a significant increase in amortization in the second quarter of this year compared with the corresponding quarter last year. Moreover, the reduced need for premises in Uppsala has resulted in a write-down of MSEK 3.4 for capitalized right-of-use assets pertaining to properties.

The increased costs were, however, compensated by decreases in other costs items, primarily lower costs for consultants and lawyers.

The number of employees at the end of the period was 49 (56).

Net financial items for the period
Net financial items for the period of TSEK -3,730 (-7,714) consisted of financial income amounting to TSEK 3,658 (468) and financial expenses of TSEK 7,388 (8,182). The financial income comprised capital gains on short-term investments of TSEK 2,950 (0), foreign exchange gains on cash and cash equivalents of TSEK 2 (15) and interest income from current financial receivables of TSEK 706 (453).

Financial expenses consisted of interest expenses attributable to other borrowings of TSEK 3,428 (3,428), exchange losses on cash and cash equivalents of TSEK 3,501 (0), interest expenses from leases of TSEK 389 (536) and other financing costs of TSEK 70 (196). Moreover, an expense for financing costs for convertible debt instruments of TSEK 4,023 was recognized in the corresponding period last year.

Profit/loss before tax for the period
Income before tax amounted to TSEK -106,643 (-90,915*). The year-on-year difference was due to the deterioration in operating income, which was partly offset by the improvement in net financial items.

Income tax
Reported income tax for the period was TSEK 0 (32,822). In the 2018/2019 financial year, a transaction was carried out with the US subsidiary AdvaVet that gave rise to the recognition of a

deferred tax liability of TSEK 32,822. In the second quarter of last year, this deferred tax liability was reversed in profit or loss, which resulted in tax income of TSEK 32,822.

Profit/loss for the period
The net loss after tax was TSEK -106,643 (-58,093*). The difference compared with last year was mainly due to income tax, see above, but also due to the deterioration in income before tax.

Cash flow and capital expenditure
Net cash flow for the period was TSEK -144,962 (-87,244) and consisted of Cash flow from operating activities of TSEK -97,954 (-93,349), Cash flow from investing activities of TSEK -44,461 (-49,286) and Cash flow from financing activities of TSEK -2,547 (55,391).

Cash flow from operating activities
The cash flow from operating activities for the period was TSEK -97,954 (-93,349). Inventories have been built up during the period, the majority of which will be taken over by Elevar. This is recognized under the item Change in inventories in the cash flow statement. Elevar has made partial prepayments for these inventories, which is reflected in the item Change in other current liabilities.

Cash flow from investing activities
Cash flow from investing activities for the period was TSEK -44,461 (-49,286).

Investments in property, plant and equipment and in intangible assets
Capital expenditure during the period consisted of investments in intangible assets of TSEK 0 (1,960) and investments in property, plant and equipment of TSEK 4,461 (7,075). Investments in intangible assets consisted of capitalized development costs of TSEK 0 (1,862) and of patents of TSEK 0 (98). Investments in property, plant and equipment mainly consisted of capital expenditure for production equipment.

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

Short-term investments
During the period, TSEK 100,000 (0) was invested in sort-term fixed-income funds and short-term fixed-income funds amounting to TSEK 60,000 (0) were divested. These flows are reported respectively in the cash flow statement as short-term investments and divestments of short-term investments.

Cash flow from financing activities
The cash flow from financing activities amounted to TSEK -2,547 (55,391) and comprised amortization of lease liabilities of TSEK -2,547 (-2,609). These primarily comprised rental payments which were recognized as amortization pursuant to IFRS 16.

Last year's cash flow from financing activities also included a new issue that raised TSEK 75,000 and advance payments of TSEK 45,000 in conjunction with a new issue. Moreover, convertible debt instrument repayments of TSEK 62,000 were made.

Financing and financial position

Cash and cash equivalents
The Group's cash and cash equivalents at the end of the quarter amounted to TSEK 52,558 (29,039).

Short-term investments
The company's liquidity surplus was invested in short-term fixed-income funds. The funds' rates are subject to low volatility and the fund units can be converted into cash within a few banking days. As of October 31, 2020, the value of the funds was TSEK 277,030 (0).

Other borrowings
On October 31, 2020, Oasmia had a debt to MGC Capital Ltd amounting to TSEK 80,000 (80000), which is reported in the balance sheet as "Other borrowings." This debt fell due on August 24, 2019 and, on submission of this report, remained disputed and had not been settled. In July 2019, Oasmia acquired a claim on MGC of TSEK 60,251 from Arwidsro Investment AB. This receivable was acquired for TSEK 40,251 and is reported in the balance sheet under "Other current receivables" at this value. This receivable fell due on August 24, 2019 and, on the submission of this interim report, remained disputed and had not been settled. However, when the debt to MGC has been settled, the nominal value of TSEK 60,251 is expected to be offset, whereby an income of approximately TSEK 20,000 is expected to arise. See also Note 6.

In accordance with IFRS 16 Leases, the Group recognizes the present value of future lease payments as interest-bearing liabilities. At the end of the quarter, the reported lease liabilities amounted to TSEK 12,093 (16,409), of which long-term debt was TSEK 6,298 (11,268).

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

Equity
At the end of the quarter, equity amounted to TSEK 713,597 (397,708*), the equity/assets ratio was 78% (67*), and the debt/equity ratio was negative (13*). The reason that the debt/equity ratio is negative is that net debt is negative, meaning that the sum of cash and cash equivalents and short-term investments is greater than borrowing.

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

	No. of options	Max. No. of shares	Subscription price
Warrants which can be converted to three shares	1,280,250	3,840,750	USD 4.06
Employee stock options which can be converted to one share	896,739	896,739	SEK 7.36
Maximum number of shares		4,737,489	

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.

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

Effects of the Covid-19 pandemic
Market
The effects of the Covid-19 outbreak have been felt worldwide. As a result of the global pandemic, the company is continuing to experience a clear impact on the company's marketing activities as a result of drastically reduced access to healthcare providers and oncologists.

Personnel
The company has implemented continuity protocols and most of the company's employees have continued to work as before. The company has implemented measures to protect its employees and introduced a policy for remote working where possible.

Supply chain
The Covid-19 outbreak has negatively impacted the supply chain, for example, with increased lead times for certain consumables, though not to any significant extent.

Legal and supplementary information

Action against former Board of Oasmia

At the 2019 Annual General Meeting of Oasmia the review of the company that had been carried out regarding the former Board's management of the company was presented. The former Board means Joulian Aleksov, Lars Bergkvist, Bo Cederstrand, Alexander Kotsinas and Per Langö in this context. At the AGM, Svante Forsberg, a public accountant from the audit firm Deloitte, presented a summarized assessment of his review of the former Board. The AGM subsequently resolved to instruct Oasmia's Board of Directors (the "Board") to continue to work with the information that was presented in Svante Forsberg's report. The AGM further resolved not to grant the former board members discharge from liability.

The Board thereafter, with support of the law firm Hannes Snellman and other external expertise, investigated whether it is possible to hold the former Board accountable. The conclusion was that the former Board should be held accountable. The Board of Oasmia therefore resolved in September 2020 to bring action before the District Court of Stockholm against the former board members.

The claim put forward is essentially attributable to the former board members' handling of and involvement in a previous ownership dispute between Arwidsro and the former owner MGC (the "Ownership dispute"), loss of interest income due to unlawful loans during 2015–2017, costs for Oasmia in connection with the tax audit initiated by the Swedish Tax Authority in May 2019, deficient cover liability (Sw: Bristtäckningsansvar) following a fraudulent transaction scheme, as well as costs for Oasmia as a result of the class action lawsuit filed against the company in the United States in July 2019.

Oasmia claims compensation (joint and several liability) from the former board members, insofar as the amounts can be determined, of approximately MSEK 30 together with interest thereon and reimbursement of legal costs. Furthermore, Oasmia requests the court to declare the former board members jointly and severally liable for any further loss that may result from certain actions and decisions by the former Board in connection with the Ownership dispute, a purchase of IP rights from Ardenia as well as any further loss following the tax audit initiated by the Swedish Tax Authority.

Fine ordered by the Disciplinary Committee of Nasdaq Stockholm

On October 14, 2020, Oasmia was notified of a decision by the Disciplinary Committee of Nasdaq Stockholm to order Oasmia to pay a fine of 15 annual fees, corresponding to a total amount of approximately MSEK 3.1, due to the former Board of Oasmia, in connection with the Extraordinary General Meeting in the company in March 2019, in several respects violating good stock market practices.

As described above, Oasmia has brought action against the former Board. In that action, the company seeks compensation covering the fine issued by the Disciplinary Committee.

The Disciplinary Committee's decision is available at Oasmia's website.

Parent Company

The Parent Company's net sales for the period amounted to TSEK 362 (433) and income before tax was TSEK -106,931 (-97,126*). At October 31, 2020, the Parent Company's cash and cash equivalents amounted to TSEK 52,359 (28,847) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 277,030 (0).

Key metrics and other information

	2020 Aug–Oct	2019 Aug–Oct	2020 May–Oct	2019 May–Oct	2019/20 May–Apr
No. of shares at end of period, before and after dilution, thousand[1]	448,370	326,313	448,370	326,313	448,370
Weighted average No. of shares, before and after dilution, thousand[1]	448,370	326,313	448,370	314,945	398,395
Earnings per share before and after dilution, SEK[1,2]	-0.12	-0.05	-0.24	-0.18	-0.03
Equity per share, SEK[1,2]	1.59	1.22	1.59	1.22	1.83
Equity/assets ratio, %[2]	78	67	78	67	82
Net liability, TSEK	neg.	50,961	neg.	50,961	neg.
Debt/equity ratio, %[2]	neg.	13	neg.	13	neg.
Return on total assets, %[2]	neg.	neg.	neg.	neg.	neg.
Return on equity, %[2]	neg.	neg.	neg.	neg.	neg.
Number of employees at period end	49	55	49	55	63

[1)] The key figures for the comparison periods have been adjusted for the bonus issue component in the rights issue carried out in 2019/2020.
[2)] The figures for the first quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on July 31, 2019.

Definitions

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

The key definitions found above are generic definitions often used in analyses and comparisons between different companies. They are therefore given to enable the reader to rapidly and summarily evaluate Oasmia's financial situation and possibly compare with other companies. These have been calculated as follows:

	2020 Aug–Oct	2019 Aug–Oct	2020 May–Oct	2019 May–Oct	2019/20 May–Apr
Equity per share					
Equity attributable to Parent Company shareholders at the end of the period, TSEK[2]	713,597	397,708	713,597	397,708	819,389
Number of shares at end of period, thousand[1]	448,370	326,313	448,370	326,313	448,370
Equity per share, SEK[1,2]	**1.59**	**1.22**	**1.59**	**1.22**	**1.83**
Equity/assets ratio					
Closing balance, equity, TSEK[2]	713,597	397,708	713,597	397,708	819,389
Closing balance, total assets, TSEK[2]	918,680	590,695	918,680	590,695	1,005,347
Equity/assets ratio[2]	**78%**	**67%**	**78%**	**67%**	**82%**
Net liability, TSEK					
Other borrowings	80,000	80,000	80,000	80,000	80,000
Total borrowings	80,000	80,000	80,000	80,000	80,000
Short-term investments	277,030	–	277,030	–	234,080
Cash and cash equivalents	52,558	29,039	52,558	29,039	201,018
Total short-term investments, and cash and cash equivalents	329,588	29,039	329,588	29,039	435,098
Net liability	**-249,588**	**50,961**	**-249,588**	**50,961**	**-355,098**

Debt/equity ratio					
Net liability, TSEK	-249,588	50,961	-249,588	50,961	-355,098
Equity, TSEK[2]	713,597	397,708	713,597	397,708	819,389
Debt/equity ratio[2]	**-35%**	**13%**	**-35%**	**13%**	**-43%**
Return on total assets					
Income before deduction of interest expenses[2]	-51,619	-47,068	-99,255	-82,733	-28,917
Average total assets[2]	929,010	597,868	960,293	591,397	805,193
Return on total assets[2]	**-6%**	**-8%**	**-10%**	**-14%**	**-4%**
Return on equity					
Income before taxes[2]	-53,538	-51,131	-106,643	-90,915	-43,356
Total equity[2]	741,201	390,603	766,493	369,110	601,444
Return on equity[2]	**-7%**	**-13%**	**-14%**	**-25%**	**-7%**

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

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

Consolidated income statement

TSEK	Note	2020 Aug–Oct	2019 Aug–Oct	2020 May–Oct	2019 May–Oct	2019/20 May–Apr
Net sales		154	252	362	433	201,843
Other operating income		258	30	679	100	427
Change in inventories of products in progress and finished goods		19,417	5,849	21,303	8,141	20,904
Capitalized development costs		–	778	–	1,862	4,356
Raw materials and consumables used		-3,047	-1,622	-3,589	-2,900	-11,258
Other external expenses		-41,793	-35,217	-63,936	-55,627	-162,539
Employee benefit expenses		-18,114	-14,449	-39,994	-29,065	-63,787
Depreciation, amortization and impairment[2]		-10,569	-3,057	-17,740	-6,145	-20,032
Operating profit/loss[2]		**-53,693**	**-47,436**	**-102,914**	**-83,201**	**-30,086**
Financial income[3]		2,074	368	3,658	468	1,169
Financial expenses[3]		-1,919	-4,063	-7,388	-8,182	-14,439
Financial income and expenses - net		**155**	**-3,695**	**-3,730**	**-7,714**	**-13,270**
Profit/loss before taxes[2]		**-53,538**	**-51,131**	**-106,643**	**-90,915**	**-43,356**
Income tax	2	–	32,822	–	32,822	32,822
Profit/loss for the period[2]		**-53,538**	**-18,309**	**-106,643**	**-58,093**	**-10,533**
Profit/loss for the period attributable to:						
Parent Company shareholders[2]		-53,538	-18,309	-106,643	-58,093	-10,533
Non-controlling interests		–	–	–	–	–
Earnings per share before and after dilution, SEK[1]		-0.12	-0.06	-0.24	-0.18	-0.03

Consolidated statement of comprehensive income

TSEK	Note	2020 Aug–Oct	2019 Aug–Oct	2020 May–Oct	2019 May–Oct	2019/20 May–Apr
Profit/loss for the period[2]		**-53,538**	**-18,309**	**-106,643**	**-58,093**	**-10,533**
Other comprehensive income						
Items that may subsequently be transferred to the income statement:						
Translation differences		-1,881	-87	426	-170	-559
Total other comprehensive income		**-1,881**	**-87**	**426**	**-170**	**-559**
Comprehensive profit/loss for the period[2]		**-55,419**	**-18,396**	**-106,218**	**-58,263**	**-11,092**
Comprehensive profit/loss attributable to:						
Parent Company shareholders[2]		-55,419	-18,396	-106,218	-58,263	-11,092
Non-controlling interests		–	–	–	–	–

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

[2)] The figures for the period and the second quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on October 31, 2019.

[3)] During the quarter, a currency item, which comprised an exchange loss as of July 31, developed positively and was therefore reported in the quarter under the item Financial income. However, the accumulated item at October 31 remained an exchange loss and was therefore reported in profit or loss for the period under Financial expenses. This means that the total for Financial income in the first quarter, as reported in the interim report dated July 31, and Financial income for the second quarter, as reported in this interim report, does not tally with the total stated for Financial income for the period. In a similar fashion, the same applies for Financial expenses. Net financial items were unaffected by the above.

Consolidated statement of financial position

TSEK	Note	Oct 31, 2020	Oct 31, 2019	Apr 30, 2020
ASSETS				
Non-current assets				
Property, plant and equipment		24,924	37,415	28,014
Capitalized development costs	3	423,589	433,613	433,357
Other intangible assets[1]		9,337	10,177	9,759
Financial assets		2,002	2,002	2,002
Total non-current assets[1]		**459,853**	**483,206**	**473,132**
Current assets				
Inventories	4	49,351	16,484	28,837
Accounts receivable		71	3,583	59
Other current receivables		43,690	44,636	43,848
Prepaid expenses and accrued income		32,686	13,748	24,372
Short-term investments		277,030	–	234,080
Cash and cash equivalents		52,558	29,039	201,018
Total current assets		**455,386**	**107,489**	**532,215**
TOTAL ASSETS[1]		**915,239**	**590,695**	**1,005,347**
EQUITY				
Equity and reserves attributable to Parent Company shareholders				
Share capital		44,837	24,909	44,837
Other capital provided		1,904,574	1,549,564	1,904,150
Reserves		-785	-822	-1,211
Retained earnings, including income for the period[1]		-1,235,030	-1,175,945	-1,128,386
Equity attributable to Parent Company shareholders[1]		**713,597**	**397,708**	**819,389**
Equity attributable to non-controlling interests		0	0	0
Total equity[1]		**713,597**	**397,708**	**819,389**
LIABILITIES				
Long-term liabilities				
Lease liabilities, long-term		6,298	11,268	**8,845**
Total long-term liabilities		**6,298**	**11,268**	**8,845**
Current liabilities				
Other borrowings		80,000	80,000	80,000
Accounts payable		17,864	14,516	22,524
Lease liabilities, short-term		5,795	5,141	5,320
Other current liabilities		5,531	48,131	3,488
Accrued expenses and deferred income		86,155	33,931	65,780
Total current liabilities		**195,344**	**181,720**	**177,112**
Total liabilities		**201,642**	**192,987**	**185,957**
TOTAL EQUITY AND LIABILITIES[1]		**915,239**	**590,695**	**1,005,347**

[1)] The figures for October 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on October 31, 2019.

Consolidated statement of changes in equity

	Attributable to Parent Company shareholders						
TSEK	Share capital	Other capital provided	Reserves	Retained earnings, including income for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, May 1, 2019[1]	**22,490**	**1,479,513**	**-652**	**-1,117,854**	**383,499**	**0**	**383,499**
Income for the period[1]	–	–	–	-58,093	-58,093	–	-58,093
Other comprehensive income	–	–	-170	–	-170	–	-170
Comprehensive income for the period[1]	**0**	**0**	**-170**	**-58,093**	**-58,263**	**0**	**-58,263**
New share issues	2,419	72,581	–	–	75,000	–	75,000
Issue expenses		-2,530	–	–	-2,530	–	-2,530
Closing balance, October 31, 2019[1]	**24,909**	**1,549,564**	**-822**	**-1,175,945**	**397,708**	**0**	**397,708**
Opening balance, May 1, 2019[1]	**22,490**	**1,479,513**	**-652**	**-1,117,854**	**383,499**	**0**	**383,499**
Income for the year	–	–	–	-10,533	-10,533	–	-10,533
Other comprehensive income	–	–	-559	–	-559	–	-559
Comprehensive income for the year	**0**	**0**	**-559**	**-10,533**	**-11,092**	**0**	**-11,092**
Employee stock options	–	120	–	–	120	–	120
New share issues	22,347	451,204	–	–	473,551	–	473,551
Issue expenses	–	-26,687	–	–	-26,687	–	-26,687
Closing balance, April 30, 2020	**44,837**	**1,904,150**	**-1,211**	**-1,128,386**	**819,389**	**0**	**819,389**
Opening balance, May 1, 2020[1]	**44,837**	**1,904,150**	**-1,211**	**-1,128,386**	**819,389**	**0**	**819,389**
Income for the period	–	–	–	-106,643	-106,643	–	-106,643
Other comprehensive income	–	–	426	–	426	–	426
Comprehensive income for the period	**0**	**0**	**426**	**-106,643**	**-106,218**	**0**	**-106,218**
Employee stock options	–	424	–	–	424	–	424
Closing balance, October 31, 2020	**44,837**	**1,904,574**	**-784**	**-1.235.030**	**713,597**	**0**	**713,597**

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

Consolidated statement of cash flows

TSEK	2020 Aug–Oct	2019 Aug–Oct	2020 May–Oct	2019 May–Oct	2019/20 May–Apr
Operating activities					
Operating loss[1]	-53,693	-47,436	-102,914	-83,201	-30,086
Adjustments for non-cash items[1]	8,910	2,958	18,590	5,967	26,509
Interest received	3	15	3	15	19
Interest paid	-137	-3,698	-437	-3,890	-4,373
Cash flow from operating activities before changes in working capital	**-44,918**	**-48,162**	**-84,758**	**-81,109**	**-7,931**
Changes in working capital					
Change in inventories	-18,071	-6,933	-20,514	-9,063	-26,821
Change in accounts receivable	37	-90	-12	-49	-23
Change in other current receivables	12,365	-3,893	-7,474	-1,362	-12,891
Change in accounts payable	3,935	695	-4,660	-3,223	4,732
Change in other current liabilities	23,219	-530	19,465	1,457	36,068
Cash flow from operating activities	**-23,433**	**-58,913**	**-97,954**	**-93,349**	**-6,866**
Investing activities					
Investments in intangible assets	–	-846	–	-1,960	-4,458
Investments in property, plant and equipment	-1,462	-1,697	-4,461	-7,075	-8,415
Investments in financial assets	–	–	–	-40,251	-40,251
Short-term investments	–	–	-100,000	–	-280,000
Divestment of short-term investments	30,000	–	60,000	–	45,000
Cash flow from investing activities	**28,538**	**-2,543**	**-44,461**	**-49,286**	**-288,124**
Financing activities					
Repayment of convertible debt instruments	–	-62,000	–	-62,000	-62,000
Amortization of lease liability	-1,199	-1,314	-2,547	-2,609	-5,141
Advances in connection with new share issue	–	45,000	–	45,000	45,000
New share issues	–	–	–	75,000	428,551
Issue expenses	–	–	–	–	-26,688
Cash flow from financing activities	**-1,199**	**-18,314**	**-2,547**	**55,391**	**379,722**
Cash flow for the period	**3,906**	**-79,770**	**-144,962**	**-87,244**	**84,731**
Effects of exchange rate changes on cash and cash equivalents	**812**	**23**	**-3,498**	**11**	**15**
Cash and cash equivalents at the beginning of the period	**47,840**	**108,786**	**201,018**	**116,272**	**116,272**
Cash and cash equivalents at the end of the period	**52,558**	**29,039**	**52,558**	**29,039**	**201,018**

[1)] The figures for the period and the second quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on October 31, 2019.

Parent Company income statement

TSEK	Note	2020 Aug-Oct	2019 Aug-Oct	2020 May-Oct	2019 May-Oct	2019/20 May-Apr
Net sales		154	251	362	433	201,843
Change in inventories of products in progress and finished goods		19,417	5,850	21,303	8,141	20,904
Capitalized development costs		–	777	–	1,862	4,356
Other operating income		258	30	679	100	427
Raw materials and consumables used		-3,047	-1,622	-3,589	-2,900	-11,258
Other external expenses		-48,805	-35,676	-70,708	-57,086	-167,052
Employee benefit expenses		-18,114	-10,409	-39,994	-23,962	-58,667
Depreciation, amortization and impairment of tangible and intangible non-current assets[1]		-5,736	-1,695	-11,516	-3,422	-14,528
Operating profit/loss[1]		**-55,873**	**-42,494**	**-103,463**	**-76,833**	**-23,975**
Profit/loss from participations in Group companies		-66	-13,116	-127	-13,116	-14,519
Other interest income and similar income[2]		2,074	368	3,658	468	1,863
Interest expenses and similar expenses[2]		-1,786	-3,716	-6,999	-7,645	-13,436
Financial income and expenses - net		**221**	**-16,464**	**-3,468**	**-20,293**	**-26,092**
Profit/loss before tax[1]		**-55,652**	**-58,958**	**-106,931**	**-97,126**	**-50,067**
Income tax	2	–	–	–	–	–
Profit/loss for the period[1]		**-55,652**	**-58,958**	**-106,931**	**-97,126**	**-50,067**

[1)] The figures for the period and the second quarter of 2019 have been restated after error correction for 2019/2020 compared with the interim report on October 31, 2019.

[2)] During the quarter, a currency item, which comprised an exchange loss as of July 31, developed positively and was therefore reported in the quarter under the item Other interest income and similar income. However, the accumulated item at October 31 remained an exchange loss and was therefore reported in profit or loss for the period under Interest expenses and similar expenses. This means that the total for Other interest income and similar income in the first quarter, as reported in the interim report dated July 31, and Other interest income and similar income for the second quarter, as reported in this interim report, does not tally with the total stated for Other interest income and similar income for the period. In a similar fashion, the same applies for Interest expenses and similar expenses. Net financial items were unaffected by the above.

Parent Company balance sheet

TSEK	Note	Oct 31, 2020	Oct 31, 2019	Apr 30, 2020
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	3	423,589	433,613	433,357
Concessions, patents, licenses, trademarks[1] and similar rights		9,337	10,177	9,759
Property, plant and equipment				
Equipment, tools and fixtures and fittings		15,070	12,153	10,722
Construction in progress and advance payments for property, plant and equipment		648	8,000	2,455
Financial assets				
Participations in Group companies	5	60	255	60
Other securities held as non-current assets		2,001	2,001	2,001
Total non-current assets[1]		**450,706**	**466,199**	**458,354**
Current assets				
Inventories, etc.	4			
Raw materials and supplies		5,638	5,366	6,427
Products in progress		10,308	11,118	7,890
Finished goods		33,405	–	14,520
		49,351	16,484	28,837
Current receivables				
Accounts receivable		71	3,583	59
Receivables from Group companies		–	30	–
Other current receivables		43,688	44,635	43,847
Prepaid expenses and accrued income		33,719	14,742	25,399
		77,478	62,990	69,305
Short-term investments		277,030	–	234,080
Cash and bank balances		52,359	28,847	200,819
Total current assets		**456,218**	**108,321**	**533,041**
TOTAL ASSETS[1]		**906,924**	**574,520**	**991,395**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		44,837	24,909	44,837
Statutory reserve		4,620	4,620	4,620
Reserve for development costs		27,380	25,961	28,231
		76,837	55,490	77,688
Non-restricted equity				
Share premium reserve		1,904,887	1,549,876	1,904,463
Retained earnings[1]		-1,157,172	-1,105,686	-1,107,956
Income for the period[1]		-106,931	-97,126	-50,067
		640,784	347,064	746,440
Total equity[1]		**717,621**	**402,554**	**824,128**
Current liabilities				
Other borrowings		80,000	80,000	80,000
Accounts payable		16,262	12,598	20,741
Liabilities to Group companies		2,784	2,784	2,784
Other current liabilities		4,048	46,649	2,005
Accrued expenses and deferred income		86,208	29,935	61,736
Total current liabilities		**189,303**	**171,966**	**167,267**
TOTAL EQUITY AND LIABILITIES[1]		**906,924**	**574,520**	**991,395**

[1)] The figures for October 31, 2019 have been restated after error correction for 2019/2020 compared with the interim report on October 31, 2019.

Parent Company statement of changes in equity

	Restricted equity			Non-restricted equity		
TSEK	Share capital	Statutory reserve	Reserve for development costs	Share premium reserve	Retained earnings, including income for the year	Total equity
Opening balance, May 1, 2019[1]	**22,490**	**4,620**	**24,199**	**1,479,826**	**-1,103,924**	**427,211**
Income for the period					-97,126	-97,126
Provision to Reserve for development costs	–	–	1,862	–	-1,862	0
Reversal of Reserve for development costs	–	–	-100	–	100	0
New share issues	2,419	–	–	72,581	–	75,000
Issue expenses	–	–	–	-2,530	–	-2,530
Closing balance, October 31, 2019[1]	**24,909**	**4,620**	**25,961**	**1,549,876**	**-1,202,812**	**402,554**
Opening balance, May 1, 2019[1]	**22,490**	**4,620**	**24,199**	**1,479,826**	**-1,103,924**	**427,211**
Income for the year	–	–	–	–	-50,067	-50,067
Provision to Reserve for development costs	–	–	4,356	–	-4,356	0
Reversal of Reserve for development costs	–	–	-324	–	324	0
Employee stock options	–	–	–	120	–	120
New share issues	22,347	–	–	451,204	–	473,551
Issue expenses	–	–	–	-26,687	–	-26,687
Closing balance, April 30, 2020	**44,837**	**4,620**	**28,231**	**1,904,463**	**-1,158,023**	**824,128**
Opening balance, May 1, 2020	**44,837**	**4,620**	**28,231**	**1,904,463**	**-1,158,023**	**824,128**
Income for the period	–	–	–	–	-106,931	-106,931
Reversal of Reserve for development costs	–	–	-851	–	851	0
Employee stock options				424	0	424
Closing balance, October 31, 2020	**44,837**	**4,620**	**27,380**	**1,904,887**	**-1,264,103**	**717,621**

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

NOTE 1 – Accounting policies, etc.

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

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

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

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

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

Note 2 Income taxes

The Group had accumulated loss carryforwards from previous years and from the financial year amounting to TSEK 1,346,378 (1,274,852) and the Parent Company had such loss carryforwards of TSEK 1,321,457 (1,246,870). There are at present no sufficiently convincing indications as to when loss carryforwards will be able to be utilized against future profits, and thus no deferred tax asset has been taken into consideration in the balance sheet.

Note 3 Capitalized development costs

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

	Group and Parent Company		
TSEK	Oct 31, 2020	Oct 31, 2019	Apr 30, 2020
Paclical	314,181	324,205	323,949
Paccal Vet	109,408	109,408	109,408
Total	423,589	433,613	433,357

During the 2018/2019 financial year, amortization was started for that part of the capitalized development costs for Paclical/Apealea® that was attributable to the Russian market and, in 2019/2020, amortization of the other portions of the capitalized development costs pertaining to Paclical/Apealea® was started. Amortization in the quarter amounted to TSEK 9,767 (1,379).

Note 4 Inventories

TSEK	Oct 31, 2020	Oct 31, 2019	Apr 30, 2020
Measured at cost			
Raw materials and supplies	5,638	5,366	6,427
Products in progress	10,308	11,118	7,890
Finished goods	33,405	0	14,520
Total	49,351	16,484	28,837

Goods have been expensed and written down as follows:

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

Note 5 Transactions with related parties

The Parent Company has undertaken, on certain conditions, when necessary, to finance the US subsidiary AdvaVet with financial loans up to a total of TUSD 1,500. On October 31, 2020, the Parent Company's receivable from AdvaVet, including accrued interest, amounted to TUSD 1,511, which was recognized at TSEK 13,466. However, since management believes that AdvaVet will not be able to repay this receivable, it has been written down in the Parent Company.

During the period, expenses in the form of consultancy fees to members of the Board or management were recognized in an amount of TSEK 1,686.

Otherwise, no material transactions with related parties were conducted during the quarter other than the remuneration disbursed to Board members and employees.

Note 6 Contingent liabilities, pledged assets and contingent assets

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

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

Balance with MGC Capital LTD. (MGC)

MGC presented a claim for compensation from Oasmia as a result of MGC not being allowed to subscribe for shares by means of 23.2 million warrants. The associated claim is set at approximately MSEK 230 and is based on the assumption that 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 previously made assessments as to the outcome of these disputes.

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

Note 7 Risk factors

The Group is exposed to various types of risk through its operations. Through creating awareness of the risks inherent to operations, these risks can be limited, controlled and managed at the same time as business opportunities can be leveraged to increase earnings. The risks pertaining to Oasmia's operations are detailed in the Annual Report for the financial year from May 1, 2019 to April 30, 2020.

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

Uppsala, December 9, 2020

Anders Härfstrand, Chairman of the Board

Hege Hellström, Member of the Board

Birgit Stattin Norinder, Member of the Board

Peter Zonabend, Member of the Board

François Martelet, CEO

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

This information is information that Oasmia Pharmaceutical AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 08:00 CET on December 9, 2020.

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

Review report

Oasmia Pharmaceutical AB (publ)
Corp. id. 556332-6676

Introduction
We have reviewed the condensed interim financial information (interim report) of Oasmia Pharmaceutical AB (publ) as of October 31, 2020 and the six-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, December 9, 2020

KPMG AB

Duane Swanson
Authorized Public Accountant
Auditor in charge

Henrik Lind
Authorized Public Accountant

OTHER INFORMATION

Annual General Meeting 2020
The company held an Annual General Meeting on September 9 at the offices of the company in Uppsala. At the Annual General Meeting all resolutions were adopted in accordance with the proposals described in detail in the general meeting documents which are available at the company's website, www.oasmia.com.

Company information

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Domicile: Stockholm

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Financial calendar

Year-end report (May-Dec 2020)	February 19, 2021
Annual Report publication	Week 17, 2021
Interim report Q1 (Jan-Mar 2021)	May 27, 2021
Annual General Meeting 2021	May 27, 2021
Interim report Q2 (Jan-Jun 2021)	August 19, 2021
Interim report Q3 (Jan-Sep 2021)	November 18, 2021
Year-end report (Jan-Dec 2021)	February 24, 2022