Oasmia Pharmaceutical AB (publ)

Interim report for the period January 1, 2021 – March 31, 2021

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- In January, Oasmia appointed Dr. Heidi B. Ramstad as Chief Medical Officer.
- In March Fredrik Järrsten took up the position as Chief Financial Officer. Robert Maiorana, who has been acting CFO since December 2020, will continue as Head of Accounting for the company.
- In March, Oasmia signed an agreement with Kazia Therapeutics, an Australian oncology-focused biotechnology company, to acquire exclusive global development and commercialization rights for Cantrixil, a product candidate in development intended for the treatment of ovarian cancer.
- In March Oasmia entered into a collaboration agreement with Karolinska Institutet in Stockholm. The collaboration will generate new information for the potential development of new therapeutic APIs in various cancer indications.
- In March, an arbitral tribunal in Stockholm upheld Oasmia's right to record assignment of its patents and patent applications in its own name, which enables a faster re-registration process.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- In April, Oasmia appointed Dr Reinhard Koenig as Chief Scientific Officer.
- In April, Oasmia presented Cantrixil final Phase I data at the 2021 AACR Annual Meeting.
- In April, a Phase 1b trial of Oasmia's Docetaxel Micellar in advanced prostate cancer was granted ethical committee approval by Swissmedic.
- In April, Andrea Buscaglia was proposed as a new Board member by the Nomination Committee.

FIRST QUARTER: JANUARY 1, 2021 – MARCH 31, 2020

- Consolidated net sales amounted to TSEK 37 (201,220)
- Operating profit/loss was TSEK –40,843 (128,607)
- Net profit/loss after tax amounted to TSEK –41,209 (124,706)
- Earnings per share was SEK –0.09 (0.36)

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 platforms 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 REVIEW – WELL POSITIONED FOR FUTURE GROWTH

Oasmia achieved several key goals in the first quarter, making further important progress in implementing the strategic transformation initiated when I joined last year.

A critical goal for Oasmia is to significantly expand our pipeline of development-stage oncology assets through M&A and in-licensing opportunities that we believe will fit with our strategic goals. This ambitious 'string of pearls strategy' will capitalize on our proven oncology development and regulatory skills and expertise. We have a solid cash position to execute on the current strategy as laid out, with the possibility to reevaluate the financing need when these opportunities occur and with the progress of our development projects.

The acquisition of global development and commercialization rights for Cantrixil from Kazia Therapeutics in March was an exciting development for Oasmia and represented the first stage in this pipeline expansion - the first "pearl" added to our portfolio. The acquisition brings to us a promising clinical program in late-stage ovarian cancer, an area we know exceedingly well. In April, we presented final Phase I results for Cantrixil at the prestigious American Association of Cancer Research (AACR) 2021 Annual Meeting. These highly promising results underscore our optimism about this program. Cantrixil is believed to target a wide spectrum of cancer cells, including chemotherapy-resistant tumor-initiating cells that are thought to be responsible for disease relapse. In addition to its promise as stand-alone therapy, Cantrixil has the potential to complement Oasmia's lead product for ovarian cancer, Apealea®, through treatment protocols to be developed.

Since acquiring the rights to Cantrixil, we have been working to establish an advisory board of experts to provide input on the clinical development plan and have initiated discussions with regulators at the EMA and FDA. We have also made progress towards securing drug supply for forthcoming clinical trials.

Apealea® (paclitaxel micellar), a non-Cremophor based formulation of paclitaxel, is Oasmia's most advanced development program, approved in Europe and in development elsewhere for advanced ovarian cancer. Since it was out licensed to Elevar Therapeutics last year, we've been working closely with Elevar and its partners to support development and commercialization activities. Post period, in April, Elevar received notification from the FDA authorizing a pharmaco-kinetic study in the US. In parallel, preparations are being made for an additional clinical study. Both studies are intended to support an NDA application in the US.

We're also pleased to report that Docetaxel micellar, a solvent-free formulation of docetaxel to avoid the need for solubility enhancers and mandatory high-dose steroid premedication, has been granted ethical committee approval in Switzerland, paving the way for the Swiss Group for Clinical Cancer Research (SAKK) to initiate a Phase Ib trial in advanced prostate cancer.

Our technology platforms remain an important part of our business and complement our development and regulatory expertise. During the period we signed a collaboration agreement with the world renowned Karolinska Institutet here in Stockholm. The goal is to generate additional data to help us gain a deeper understanding of the potential of our proprietary XR-17 platform technology, with a focus on niche cancer indications. Over the longer term this will help us generate new pipeline candidates.

A vital part of our transformation is building a leadership team with the experience to drive our future growth. I'm pleased to say that with Fredrik Järrsten joining as CFO, and Heidi B. Ramstad

and Reinhard Koenig's appointments as CMO and CSO, we have completed our leadership team. This greatly strengthens our ability to execute our strategy and thrive as a business in the future.

Business transformations take time to achieve, but in 12 months we have put in place the right leadership team supported by a stronger Board with new expertise to take us to the next level of success. We have clearly defined and started executing on our strategy to become a leading cancer biopharma company with an emerging oncology pipeline. Thank you for your continued support during this period as we transition to an exciting future.

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

STRATEGY FOR GROWTH

Oasmia is a research and development biotechnology company currently focus on oncology. The company uses its proprietary technology platforms to improve the intravenous delivery of established and novel drugs in a range of diseases, tackling the issue of poor solubility that prevents many drugs from reaching patients.

Oasmia is aiming to become a leading European specialty pharma company with sustainable and profitable growth. This transformation will primarily be through in-house R&D, M&A, and in-licensing of clinical assets. In the spring of 2021 Oasmia acquired the global rights for Cantrixil, a clinical stage cancer program, as its first step in the "string of pearls" strategy set to bolster the company's oncology portfolio in order to reach a critical mass as an oncology biotech company.

To fortify Oasmia as a sustainable, profitable specialty pharma company, Oasmia has developed a 4-pillar growth strategy that, among others, includes executing on Apealea® partnership, in-house R&D, M&A activities and licensing deals.

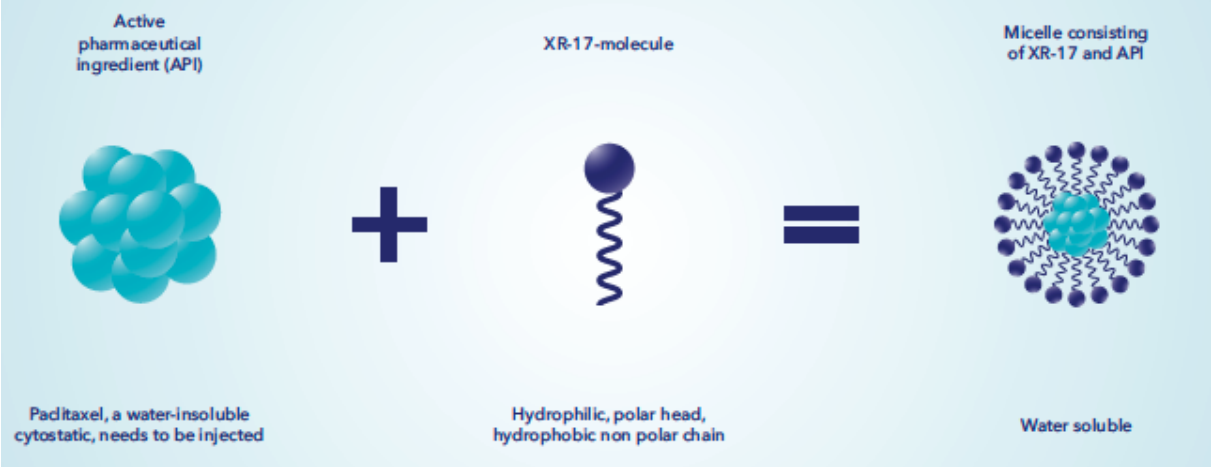
POTENTIAL VALUE DRIVERS

Oasmia has identified multiple potential near and mid-term catalyst and business drivers in in the company's path forward.

- Elevar partnering for Apealea in key territories and milestone payments and royalties
- XR-18 platform development andXR-19 lab proof of concept
- SAKK Docetaxel micellar Phase Ib study
- Partnering of XR-17 and Animal Health assets
- M&A and in-licensing opportunities to build critical mass in oncology

TECHNOLOGY PLATFORMS

Oasmia's products and product candidates are based on the company's proprietary and patented technology platform, XR-17. Novel, innovative formulations can be created by combining XR-17 with a pharmaceutical ingredient. Oasmia is also developing XR-18 and XR-19 – next-generation technology platforms.



The problem of poor aqueous solubility
Many active pharmaceutical ingredients (APIs) for intravenous use are insoluble or have poor aqueous solubility. According to some estimates, 70–90 percent of all drugs under development are classified as being of poor solubility. The same is true for about 40 percent of all approved drugs. In many cases, the development of promising substances may be discontinued due to inadequate aqueous solubility. Alternatively, various excipients may be used, such as polymers or lipid derivatives. These excipients could cause undesired effects. Side effects caused by excipients have been accepted in cancer treatments, since the drugs are efficacious, and the alternative would otherwise be for the patient to forgo treatment. In comparison, Oasmia's proprietary and patented XR-17 technology platform is unique, in that it can improve the solubility of otherwise insoluble compounds.

XR-17 improves solubility
XR-17 is based on a blend of two isomers of a proprietary synthetic amphiphile derivative of vitamin-A acids (XMeNa and 13XMeNa), which can solubilize largely water-insoluble compounds, such as paclitaxel. XR-17 demonstrates amphiphile properties since its molecules contain both hydrophilic and hydrophobic (lipophilic) structural regions. As a result, XR-17 molecules can spontaneously form nano-sized structures, known as micelles, within aqueous environments. During the process, hydrophobic substances are dissolved in the hydrophobic core of the XR-17 micelles.

The particles formed by the combination of XR-17 with a pharmaceutical ingredient (API) are extremely small, usually between 20 and 60 nanometers in size (a human hair is about 70,000 nanometers in diameter). The particle has a hydrophilic surface and a lipo-soluble interior, which encapsulates molecules with poor aqueous solubility inside the micelle core. The combined micelle-compound particles then take on hydrophilic properties, and are thereby soluble when administered in the bloodstream.

By utilizing a smaller volume of excipients in relation to the API volume, XR-17 advantageously allows for the reformulation of hitherto existing and approved drugs as well as be a apart of novel drugs under development.

Potential advantages of XR-17
XR-17 encapsulates pharmaceutical ingredients in micelles, rendering the combined compound hydrophilic and suitable for intravenous administration. Oasmia's toxicological and clinical studies indicate that XR-17 has beneficial properties that may achieve:

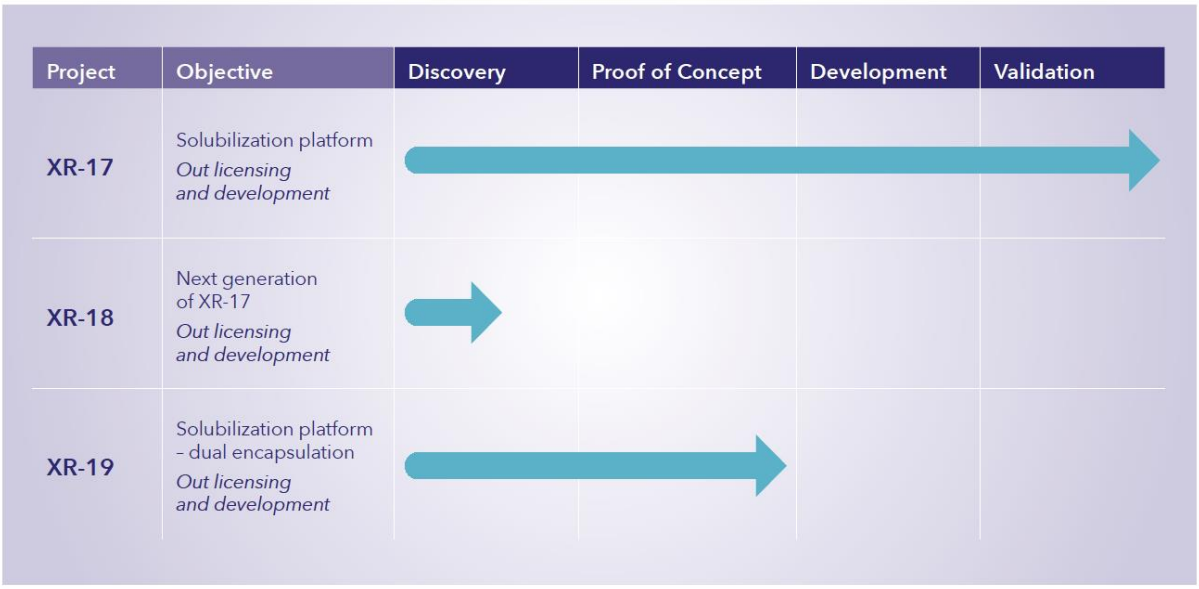
- Improved administration of selected intravenous APIs, with the aim of avoiding the use of corticosteroids and antihistamines as required premedication.
- Shortened infusion time, which may facilitate healthcare for patients.
- Depending on the API chosen, a favorable API/solvent ratio is desired – aimed at maintaining a low amount of pharmaceutical excipients per dose while maximizing the delivery of API.
- Free from alcohol and human and/or animal protein.

XR-17 Intellectual Property
Oasmia's technology platform is covered by patents and know-how and the company pursues the expansion of Intellectual Property on an ongoing basis in many jurisdictions throughout the world.

Applicable to various drug classes
Oasmia is currently active in the development of cancer therapies based on the XR-17 technology, including the product Apealea (paclitaxel micellar), which is approved for use in the treatment of advanced ovarian cancer in certain countries. However, the applications of XR-17 and the company's other platforms are not limited to cancer treatments and Oasmia is considering the use of its technologies for other drug classes that could benefit from improved solubility.

XR-19 Ongoing Research
Combination therapies are the norm for several types of cancers, such as ovarian cancer, breast cancer prior to metastasis, prostate cancer and lung cancer. The XR-19 technology formulation candidate enables the encapsulation of two suitable pharmaceutical ingredients or other molecules within the same solution. Oasmia believes that XR-19 could enable single-dose intravenous administration of certain therapies, rather than two separate infusions, which may be advantageous for patients and the healthcare system. Studies of the concept have shown promising results. Oasmia is evaluating the potential of various API combinations that could be candidates for future development.

XR-18
In its endeavor to improve drug therapies for patients with serious illnesses, the company pursues continuous research to advance the established XR-17 platform. The company regards XR-18 as an enhanced platform for satisfying the pharmaceutical industry's need to make poorly soluble substances available to patients. XR-18 is currently in an early phase of development.



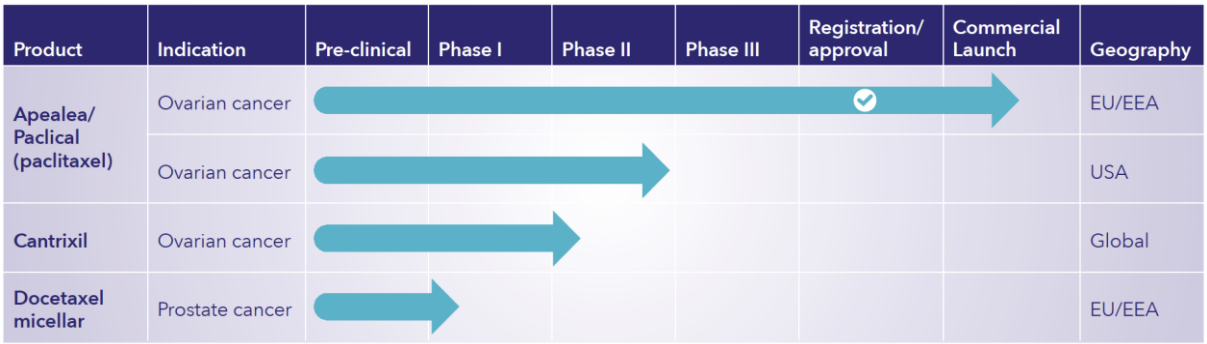
PRODUCTS & PROJECT PORTFOLIO

Oasmia is developing new formulations of drugs, primarily within oncology. The product development leverages the company's proprietary technology platforms to manufacture novel drug formulations which, in comparison with current alternatives, are intended to show improved properties, which aim to a reduced side-effect profile and expanded therapeutic use.

Apealea
Apealea is a patented solvent-free formulation: it applies paclitaxel – a cornerstone within chemotherapy for many different forms of cancer – through Oasmia's XR-17 technology platform. Apealea, in combination with carboplatin, has been granted market approval in the EU and several other territories as a treatment for adult patients suffering from the first relapse of platinum-sensitive epithelial ovarian cancer, or primary peritoneal cancer or fallopian tube cancer. Apealea has also received orphan drug designation from the FDA for the treatment of epithelial ovarian cancer, which could entail several potential benefits, including seven years of market exclusivity. Oasmia is working to make Apealea available to patients through its partnership with Elevar Therapeutics and the company's own commercial efforts in the Nordic countries.

Cantrixil
Cantrixil is a product candidate in clinical stage being developed for the treatment of ovarian cancer. Cantrixil consists of the active molecule, a potent and selective third generation benzopyran SMETI inhibitor named TRXE-002-01, encapsulated in a cyclodextrin. It is believed to target a wide spectrum of cancer cells, including chemotherapy-resistant tumor-initiating cells that are thought to be responsible for disease relapse. In December 2020, top-line results of a Phase I open-label study (NCT02903771), conducted at sites in the USA and Australia, was released. The Phase I study met its primary endpoints, establishing clinical proof of concept, subject to further clinical evaluation and confirmation. A Phase II study with Cantrixil is expected to be initiated in 2022. Oasmia acquired the global development and commercialization rights for Cantrixil from Kazia Therapeutics in March 2021. Since acquiring these rights, Oasmia has been working to put in place the functions required to continue the development of this asset. Management is in the process of setting up an advisory board to provide input on the clinical development plan and has commenced regulatory interactions with the EMA and FDA. Oasmia has also begun negotiations to secure drug supply for forthcoming clinical trials.

Docetaxel micellar
Docetaxel micellar is a product candidate in early clinical development and is a novel formulation that combines XR-17 with docetaxel – a well-established cytotoxin, currently administered intravenously and containing ethanol. In June 2020, Oasmia partnered with the Swiss Group for Clinical Cancer Research (SAKK) with the aim of conducting the first clinical study on the treatment of metastasized prostate cancer with Oasmia's Docetaxel micellar formulation as an investigator initiated trial.



PROJECT PORTFOLIO – VETERINARY MEDICINE

Oasmia's product candidates within veterinary medicine use the XR-17 technology platform to facilitate the administration of intravenously delivered solvent-free active pharmaceutical ingredients. Oasmia's development work focuses on the creation of new formulations of well-established chemotherapy drugs that may be usable for the treatment of cancer in pets. Oasmia currently has two product candidates within veterinary oncology: Doxophos Vet and Paccal Vet. Both product candidates are in the clinical phase and require additional investments before regulatory approval can be granted.

Strategic assessment of veterinary medicine operations
Oasmia is currently evaluating strategic alternatives for the company's assets within veterinary medicine operations, with the aim of generating value for Oasmia's shareholders, such as through partnership agreements, out-licensing or divestments of the company's veterinary medicine assets.

Paccal Vet
Paccal Vet utilizes Oasmia's formulation of paclitaxel with its XR-17 encapsulation technology for the treatment of canine mastocytoma. The development program for Paccal Vet is currently on hold, awaiting further strategic decisions.

Doxophos Vet
Doxophos Vet is a patented formulation of doxorubicin, one of the most efficacious and widely used chemotherapeutic substances for the treatment of cancer. Oasmia has developed Doxophos Vet for the treatment of lymphoma, one of the most frequent forms of canine cancer. Pre-clinical and earlier clinical studies have been conducted on dogs with cancer. In the first attempt, Doxophos Vet showed promising efficacy against hematological tumors. The development program is currently on hold, awaiting further strategic decisions.

Product	Indication	Pre-clinical	Phase I	Phase II	Phase III	Registration/ approval	Commercial Launch	Geography
Paccal vet (paclitaxel)	Mammary Carcinoma	→	→	→				USA
Doxophos vet (doxorubicin)	Lymphoma	→	→	→				USA

FINANCIAL INFORMATION

As the Annual General Meeting on September 9, 2020 resolved to change the company's fiscal year to the calendar year, the comparative figures in this Interim Report cover the corresponding periods last year, i.e. for the period January 1 to March 31, 2020 and January 1 to December 31, 2020, respectively.

Condensed consolidated income statement

TSEK	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Net sales	37	201,220	201,760
Operating profit/loss	-40,842	128,607	-44,323
Profit/loss for the period	-41,209	124,706	-57,541
Earnings per share before and after dilution, SEK	-0.09	0.28	-0.13

FIRST QUARTER

January 1 – March 31, 2021

Net sales

Net sales amounted to TSEK 37 (201,220) and comprised sales of goods for TSEK 0 (83) and licensing revenues of TSEK 37 (201,137). In March 2020, Oasmia and Elevar Therapeutics, Inc. entered a global strategic partnership to commercialize Apealea® with an upfront payment of MUSD 20. The compensation corresponding to TSEK 201,100 was recognized as licensing revenues with the licensing period beginning in April 2020.

Other operating income

Other operating income amounted to TSEK 728 (534) and comprised recharged costs of TSEK 695 (0), disposal of equipment of TSEK 20 (0) and foreign exchange gains on customer invoices of TSEK 13 (534).

Operating profit/loss for the quarter

The operating loss for the quarter amounted to TSEK -40,842 (128,607).

The year-on-year difference in operating profit/loss was largely attributable to the licensing revenues received from Elevar, see the above section on net sales. Moreover, the partnership agreement with Elevar entails, as previously announced, the shutdown of a considerable share of the company's in-house production, which enabled a substantial staff reduction and led to the impairment of production equipment. These measures were implemented in autumn 2020 and we are now noting the effects of this cost-reduction program.

Other operating expenses amounted to TSEK -23,267 (-57,666). The majority of the year-on-year decrease was attributable to other external services TSEK -17,669 (-37,957), primarily lower consulting costs and legal expenses. Moreover, a non-recurring expense attributable to the preparation of a partnership agreement with Elevar was charged to the first quarter of last year.

Employee benefit expenses amounted to TSEK -11,168 (-15,897). The year-on-year decrease in employee benefit expenses was due to the aforementioned cost-reduction program.

Depreciation, amortization and impairment was higher during the quarter than last year and totaled TSEK -7,133 (-3,072). During the last quarter of the 2019/2020 fiscal year (Feb–Apr 2020), the capitalization of development costs for Apealea®/Paclical was concluded and amortization of capitalized development costs for this product started.

During the quarter, notice was given on the current premises and the head office was moved to more appropriate premises in Stockholm after the end of the quarter. Development activities will remain in Uppsala. The number of employees at the end of the quarter was 30 (63).

Net financial items for the quarter
Net financial items for the quarter of TSEK -367 (-3,902) consisted of financial income amounting to TSEK 1,588 (196) and financial expenses of TSEK 1,955 (4,098). The financial income comprised capital gains on short-term investments of TSEK 1,145 (-153) and interest income from current financial receivables of TSEK 443 (349).

Financial expenses consisted of interest expenses attributable to other borrowings of TSEK 1,726 (1,748), exchange losses on cash and cash equivalents of TSEK 134 (2,120) and interest expenses from leases of TSEK 96 (230). The exchange losses and gains on cash and cash equivalents primarily resulted from the Parent Company's USD holdings.

Profit/loss before tax for the quarter
The income before tax amounted to TSEK -41,209 (124,706). The difference was due primarily to the inclusion of licensing revenues from Elevar of TSEK 201,100 in the year-earlier period and the effect of the cost-reduction program. Compared with the corresponding period last year, other external expenses and employee benefit expenses decreased TSEK 39,129. Financial items also had a positive impact of TSEK 3,535.

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

Profit/loss for the quarter
The net loss after tax was TSEK -41,209 (124,706).

Cash flow and capital expenditure
Net cash flow for the quarter was TSEK -29,031 (-300,214) and consisted of Cash flow from operating activities of TSEK -34,133 (-60,560), Cash flow from investing activities of TSEK 6,593 (-237,572) and Cash flow from financing activities of TSEK -1,490 (-2,082).

Cash flow from operating activities
The cash flow from operating activities for the quarter was TSEK -34,133 (-60,560). The year-on-year improvement in cash flow from operating activities was primarily due to the effects of the cost-reduction program.

Cash flow from investing activities
Cash flow from investing activities for the quarter was TSEK 6,593 (-237,572).

Investments in property, plant and equipment and in intangible assets
Capital expenditure during the quarter consisted of investments in intangible assets of TSEK 33,236 (2,140) and investments in property, plant and equipment of TSEK 171 (432). Investments in intangible assets comprised license rights acquisitions of TSEK 33,236 (0) and capitalized development costs of TSEK 0 (2,140). Investments in property, plant and equipment mainly consisted of capital expenditure for IT equipment in the quarter.

The acquisition of license rights pertained to the global development and commercialization rights for Cantrixil – a clinical-stage ovarian cancer program. The agreement is the first step in Oasmia's strategy to reach critical mass in its oncology portfolio.

Short-term investments
Investments in short-term fixed-income funds during the first quarter previous year amounted to TSEK 280,000. During the quarter, short-term fixed-income funds amounting to TSEK 40,000 (45,000) were divested. These flows are reported in the cash flow statement as investments in and divestments of short-term investments.

Cash flow from financing activities
The cash flow from financing activities amounted to TSEK -1,490 (-2,082) and comprised amortization of lease liabilities which mainly comprised rental payments recognized as amortization pursuant to IFRS 16.

During the third quarter for the broken financial year 2019/2020, a rights issue was completed, adding a net contribution of TSEK 328,134 cash to the company. For the first quarter of the calendar year 2020, items related to this rights issue remained, which in the cash flow from financing activities entailed an inflow of TSEK 1,891 and an outflow of TSEK 2,448 due to issue expenses.

Financing and financial position

Cash and cash equivalents
The Group's cash and cash equivalents at the end of the quarter amounted to TSEK 12,108 (25,449).

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 March 31, 2021, the value of the funds was TSEK 207,375 (233,283).

Other borrowings
On March 31, 2021, Oasmia had a debt to MGC Capital Ltd amounting to TSEK 80,000 (80,000), which is reported in the balance sheet as Other borrowings. This debt fell due on August 24, 2019 and, on submission of this report, remained disputed and had not been settled. In July 2019, Oasmia acquired a claim on MGC of TSEK 60,251 from Arwidsro Investment AB. This receivable was acquired for TSEK 40,251 and is reported in the balance sheet under Other current receivables at this value. This receivable fell due on August 24, 2019 and, on the submission of this interim report, remained disputed and had not been settled. However, when the debt to MGC has been settled, the nominal value of TSEK 60,251 is expected to be offset, whereby an income of approximately TSEK 20,000 is expected to arise. See also Note 6.

In accordance with IFRS 16 Leases, the Group recognizes the present value of future lease payments as interest-bearing liabilities. At the end of the quarter, the reported lease liabilities amounted to TSEK 6,178 (14,175), of which long-term liabilities were TSEK 3,345 (8,855). The change in reported lease liabilities compared with the corresponding quarter last year is a result of a write-down of future right-of-use assets for unused premises as a result of the relocation of operations of TSEK 4,057 as well as amortization.

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 639,597 (860,785), the equity/assets ratio was 78% (84), and the debt/equity ratio was negative (negative). 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 March 31, 2021, the number of financial instruments outstanding was as follows:

	No. of options	Max. No. of shares	Subscription price, interval
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[1)]	896,739	896,739	SEK 7.36
Employee stock options which can be converted to one share[2)]	375,000	375,000	SEK 5.31–7.84
Max. No. of shares		5,112,489	

1) Directed at the CEO

2) Directed at other senior executives

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 directed at the company's CEO entails 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.

Furthermore, the AGM on September 9, 2020 adopted an employee stock option program directed at other senior executives recruited in 2020. The program encompasses not more than 400,000 options, of which 375,000 have been issued to three senior executives as of March 31, 2020. These can be converted into the same number of shares at strike prices of SEK 5.31, SEK 5.54 and SEK 7.84, respectively, over a 12-month period following a three-year vesting period subject to the senior executive's continued employment for three years.

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, completed on March 21, 2021.

Tax audit
In a decision dated 2021-03-21, the Swedish Tax Agency has decided to reverse amortization of a total of SEK 1,055,000 in accordance with the Swedish Tax Agency's proposed decision. The effects of the Swedish Tax Agency's decision are that the company's taxable earnings is increased by a total of SEK 1,055,000 corresponding to the reversed amortization. The changes only affect the company's tax loss carryforwards. In the decision, however, the company is not charged any social security contributions of SEK 3,314,810 and tax surcharges of SEK 662,962, which thus deviates from the Swedish Tax Agency's proposed decision.

Arbitration patent
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. In 2019, Oasmia 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. On March 24, 2021, an arbitral tribunal in Stockholm upheld Oasmia's right to record the company's patents and patent applications in its own name. The arbitral tribunal also ruled that all costs related to the litigation were to be borne by Ardenia. The work of registering Oasmia as the holder of the patents in the few remaining jurisdictions will therefore be completed. Ardenia has appealed the arbitration award in the Svea Court of Appeal, which has to examine whether there have been formal errors in the arbitration procedure that give reason to set aside the arbitration award. However, the Svea Court of Appeal has also decided that the review shall not prevent the enforcement of the arbitration award. Oasmia therefore considers that the re-registration process is not delayed by the appeal.

During the quarter, apart from the above-mentioned events, there was no legal event or change of significance in relation to what was reported in the annual report for 2020.

Parent Company
The Parent Company's net sales for the quarter amounted to TSEK 37 (201,220) and income before tax was TSEK -41,142 (123,462). As of March 31, 2021, the Parent Company's cash and cash equivalents amounted to TSEK 11,916 (25,276) and short-term investments, which within a few banking days can be converted into cash, amounted to TSEK 207,375 (233,283).

Key metrics and other information

	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
No. of shares at end of period, before and after dilution, thousand	448,370	448,370	448,370
Weighted average No. of shares, before and after dilution, thousand	448,370	448,370	448,364
Earnings per share before and after dilution, SEK	-0.09	0.28	-0.13
Equity per share, SEK	1.43	1.92	1.52
Equity/assets ratio, %	78	84	79

Net liability, TSEK	-139,482	-178,732	-207,405
Debt/equity ratio, %	neg.	neg.	neg.
Return on total assets, %	neg.	13	neg.
Return on equity, %	neg.	16	neg.
Number of employees at period end	30	63	29

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:

	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Equity per share			
Equity attributable to Parent Company shareholders at the end of the period, TSEK	639,597	860,785	680,197
No. of shares at end of period, thousand	448,370	448,370	448,370
Equity per share, SEK	**1.43**	**1.92**	**1.52**
Equity/assets ratio			
Equity at end of period, TSEK	639,597	860,785	680,197
Total assets at end of period, TSEK	823,760	1,026,146	863,542
Equity/assets ratio	**78%**	**84%**	**79%**
Net liability, TSEK			
Other borrowings	80,000	80,000	80,000
Total borrowings	80,000	80,000	80,000
Short-term investments	207,375	233,283	247,277
Cash and cash equivalents	12,108	25,449	40,128
Total short-term investments, and cash and cash equivalents	219,482	258,732	287,405
Net liability	**-139,482**	**-178,732**	**-207,405**
Debt/equity ratio			
Net liability, TSEK	-139,482	-178,732	-207,405
Equity, TSEK	639,597	860,785	680,197
Debt/equity ratio	**-22%**	**-21%**	**-30%**
Return on total assets			
Income before deduction of interest expenses	-39,254	128,803	-39,717
Average total assets	843,651	960,003	878,700
Return on total assets	**-5%**	**13%**	**-5%**
Return on equity			
Profit/loss before tax	-41,209	124,706	-57,541
Average equity	659,897	799,638	709,344
Return on equity	**-6%**	**16%**	**-8%**

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: Earnings before taxes as a ratio of average equity.

Consolidated income statement

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Net sales		37	201,220	201,760
Other operating income		728	534	2,904
Change in inventories of products in progress and finished goods		-174	2,274	35,170
Capitalized development costs		–	2,140	2,140
Raw materials and consumables		135	-925	-11,500
Other external expenses		-23,267	-57,666	-164,562
Employee benefit expenses		-11,168	-15,897	-69,467
Depreciation, amortization and impairment		-7,133	-3,072	-40,768
Operating profit/loss		**-40,842**	**128,607**	**-44,323**
Financial income		1,588	196	4,606
Financial expenses		-1,955	-4,098	-17,823
Financial income and expenses – net		**-367**	**-3,902**	**-13,217**
Profit/loss before tax		**-41,209**	**124,706**	**-57,541**
Income tax	2	–	–	–
Profit/loss for the period		**-41,209**	**124,706**	**-57,541**
Profit/loss for the period attributable to:				
Parent Company shareholders		-40,814	123,274	-58,044
Non-controlling interests		–	–	–
Earnings per share before and after dilution, SEK		-0.09	0.28	-0.13

Consolidated statement of comprehensive income

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Profit/loss for the period		**-41,209**	**124,706**	**-57,541**
Other comprehensive income				
Items that may subsequently be transferred to the income statement:				
Translation differences		395	-1,432	-503
Total other comprehensive income		**395**	**-1,432**	**-503**
Comprehensive income for the period		**-40,814**	**123,274**	**-58,044**
Comprehensive income attributable to:				
Parent Company shareholders		-40,814	123,274	-58,044
Non-controlling interests		–	–	–

Consolidated statement of financial position

TSEK	Note	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS				
Non-current assets				
Property, plant and equipment		15,604	34,582	17,630
Capitalized development costs	3	415,450	434,958	420,334
Other intangible assets		42,022	9,829	9,197
Financial assets		302	2,002	302
Total non-current assets		**473,379**	**481,371**	**447,462**
Current assets				
Inventories	4	51,322	20,455	51,496
Accounts receivable		862	70	1,489
Other current receivables		43,953	245,765	43,063
Prepaid expenses and accrued income		34,762	19,753	32,628
Short-term investments		207,375	233,283	247,277
Cash and cash equivalents		12,108	25,449	40,128
Total current assets		**350,382**	**544,775**	**416,079**
TOTAL ASSETS		**823,760**	**1,026,146**	**863,542**
EQUITY				
Equity and reserves attributable to Parent Company shareholders				
Share capital		44,837	44,837	44,837
Other capital provided		1,904,975	1,904,030	1,904,760
Reserves		-349	-1,672	-743
Retained earnings, including income for the period		-1,309,866	-1,086,410	-1,268,657
Equity attributable to Parent Company shareholders		**639,597**	**860,785**	**680,197**
Equity attributable to non-controlling interests		0	0	0
Total equity		**639,597**	**860,785**	**680,197**
LIABILITIES				
Long-term liabilities				
Lease liabilities, long-term		3,345	8,855	6,545
Total long-term liabilities		**3,345**	**8,855**	**6,545**
Current liabilities				
Other borrowings		80,000	80,000	80,000
Accounts payable		12,401	19,975	10,678
Lease liabilities, short-term		2,833	5,320	4,204
Other current liabilities		4,096	3,377	4,660
Accrued expenses and deferred income		81,488	47,835	77,259
Total current liabilities		**180,818**	**156,507**	**176,800**
Total liabilities		**184,163**	**165,362**	**183,345**
TOTAL EQUITY AND LIABILITIES		**823,760**	**1,026,146**	**863,542**

Consolidated statement of changes in equity

TSEK	Attributable to Parent Company shareholders						
	Share capital	Other capital provided	Reserves	Retained earnings incl. profit/loss for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance, January 1, 2020	**44,837**	**1,905,010**	**-240**	**-1,211,116**	**738,491**	**0**	**738,491**
Profit/loss for the period	–	–	–	124,706	124,706	–	124,706
Other comprehensive income	–	–	-1,432	–	-1,432	–	-1,432
Comprehensive income for the period	**0**	**0**	**-1,432**	**124,706**	**123,274**	**0**	**123,274**
Issue expenses	–	-979	–	–	-979	–	-979
Closing balance, March 31, 2020	**44,837**	**1,904,030**	**-1,672**	**-1,086,410**	**860,785**	**0**	**860,785**
Opening balance, January 1, 2020	**44,837**	**1,905,010**	**-240**	**-1,211,116**	**738,491**	**0**	**738,491**
Profit/loss for the period	–	–	–	-57,541	-57,541	–	-57,541
Other comprehensive income	–	–	-503	–	-503	–	-503
Comprehensive income for the period	**0**	**0**	**-503**	**-57,541**	**-58,044**	**0**	**-58,044**
Employee stock options		729			729	–	729
Issue expenses		-979			-979	–	-979
Closing balance, December 31, 2020	**44,837**	**1,904,760**	**-743**	**-1,268,657**	**680,197**	**0**	**680,197**
Opening balance, January 1, 2021	**44,837**	**1,904,760**	**-743**	**-1,268,657**	**680,197**	**0**	**680,197**
Profit/loss for the period	–	–	–	-41,209	-41,209	–	-41,209
Other comprehensive income	–	–	394	–	394	–	394
Comprehensive income for the period	**0**	**0**	**394**	**-41,209**	**-40,815**	**0**	**-40,815**
Employee stock options	–	215	–	–	215	–	215
Closing balance, March 31, 2021	**44,837**	**1,904,975**	**-349**	**-1,309,866**	**639,597**	**0**	**639,597**

Consolidated statement of cash flows

TSEK	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Operating activities			
Operating profit/loss	-40,842	128,607	-44,323
Adjustments for non-cash items	5,364	3,135	47,323
Interest received	0	3	6
Interest paid	-143	-232	-913
Cash flow from operating activities before changes in working capital	**-35,621**	**131,514**	**2,093**
Changes in working capital			
Change in inventories	174	-4,622	-41,066
Change in accounts receivable	626	-123	-1,541
Change in other current receivables	-3,025	356	-11,504
Change in accounts payable	1,723	-1,865	-10,417
Change in other current liabilities	1,990	-185,821	41,951
Cash flow from operating activities	**-34,133**	**-60,560**	**-20,485**
Investing activities			
Investments in intangible assets	-33,236	-2,140	-2,140
Investments in property, plant and equipment	-171	-432	-5,350
Short-term investments	–	-280,000	-380,000
Divestment of short-term investments	40,000	45,000	135,000
Cash flow from investing activities	**6,593**	**-237,572**	**-252,490**
Financing activities			
Amortization of lease liability	-1,490	-1,525	-5,535
New share issues	–	1,891	1,891
Issue expenses	–	-2,448	-2,979
Cash flow from financing activities	**-1,490**	**-2,082**	**-6,623**
Cash flow for the period	**-29,031**	**-300,214**	**-279,598**
Effects of exchange rate changes on cash and cash equivalents	**1,011**	**5**	**-5,932**
Cash and cash equivalents at the beginning of the period	**40,128**	**325,658**	**325,658**
Cash and cash equivalents at the end of the period	**12,108**	**25,449**	**40,128**

Parent Company income statement

TSEK	Note	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Net sales		37	201,220	201,760
Change in inventories of products in progress and finished goods		-174	2,274	35,170
Capitalized development costs		–	2,140	2,140
Other operating income		728	535	2,904
Raw materials and consumables		135	-926	-11,501
Other external expenses		-24,573	-60,183	-174,990
Employee benefit expenses		-11,169	-15,888	-69,445
Depreciation, amortization and impairment of PPE and intangible assets		-5,855	-1,682	-31,148
Operating profit/loss		**-40,871**	**127,490**	**-45,109**
Profit/loss from participations in Group companies		–	-356	-1,773
Other interest income and similar income		1,588	196	5,716
Impairment of financial non-current assets				
Interest expenses and similar expenses		-1,859	-3,868	-16,892
Financial income and expenses – net		**-271**	**-4,028**	**-12,948**
Profit/loss before tax		**-41,142**	**123,462**	**-58,057**
Income tax on profit/loss for the period	2	–	–	–
Profit/loss for the period		**-41,142**	**123,462**	**-58,057**

Parent Company balance sheet

TSEK	Note	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	3	415,450	434,958	420,334
Concessions, patents, licenses, trademarks and similar rights		42,022	9,829	9,197
Property, plant and equipment				
Equipment, tools and fixtures and fittings		8,921	10,972	9,310
Construction in progress and advance payments for property, plant and equipment		648	8,309	655
Financial assets				
Participations in Group companies	5	60	60	60
Other securities held as non-current assets		301	2,001	301
Total non-current assets		**467,402**	**466,129**	**439,857**
Current assets				
Inventories, etc.	4			
Raw materials and consumables		7,414	9,269	7,414
Products in progress		10,531	5,033	10,810
Finished goods		33,377	6,153	33,271
		51,322	20,455	51,496
Current receivables				
Accounts receivable		862	70	1,489
Other current receivables		44,014	245,764	43,061
Prepaid expenses and accrued income		35,023	21,289	33,970
		79,899	267,123	78,520
Short-term investments		207,375	233,283	247,277
Cash and bank balances		11,916	25,276	39,957
Total current assets		**350,512**	**546,137**	**417,249**
TOTAL ASSETS		**817,914**	**1,012,266**	**857,105**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		44,837	44,837	44,837
Statutory reserve		4,620	4,620	4,620
Reserve for development costs		26,670	28,371	27,096
		76,127	77,828	76,553
Non-restricted equity				
Share premium reserve		1,905,288	1,904,343	1,905,073
Retained earnings		-1,296,411	-1,240,055	-1,238,780
Profit/loss for the period		-41,142	123,462	-58,057
		567,735	787,751	608,235
Total equity[1]		**643,862**	**865,579**	**684,788**
Current liabilities				
Other borrowings		80,000	80,000	80,000
Accounts payable		10,832	18,164	9,093
Liabilities to Group companies		2,784	2,834	2,784
Other current liabilities		2,609	1,894	3,177
Accrued expenses and deferred income		77,827	43,795	77,262
Total current liabilities		**174,052**	**146,687**	**172,317**
TOTAL EQUITY AND LIABILITIES		**817,914**	**1,012,266**	**857,105**

Parent Company statement of changes in equity

TSEK	Share capital	Statutory reserve	Reserve for development costs	Share premium reserve	Retained earnings, including profit/loss for the year	Total equity
Opening balance, January 1, 2020	**44,837**	**4,620**	**26,281**	**1,905,321**	**-1,237,965**	**743,094**
Profit/loss for the period	–	–		–	123,462	123,462
Provision to Reserve for development costs	–	–	2,140	–	-2,140	-
Reversal of Reserve for development costs	–	–	-50	–	50	-
Employee stock options	–	–	–	-979	–	-979
Closing balance, March 31, 2020	**44,837**	**4,620**	**28,371**	**1,904,343**	**-1,116,593**	**865,579**
Opening balance, January 1, 2020	**44,837**	**4,620**	**26,281**	**1,905,323**	**-1,237,965**	**743,096**
Profit/loss for the year	–	–	–	–	-58,057	-58,057
Provision to Reserve for development costs	–	–	2,140	–	-2,140	-
Reversal of Reserve for development costs	–	–	-1,325	–	1,325	-
Employee stock options	–	–	–	729	–	729
Issue expenses	–	–	–	-979	–	-979
Closing balance, December 31, 2020	**44,837**	**4,620**	**27,096**	**1,905,073**	**-1,296,837**	**684,789**
Opening balance, January 1, 2021	**44,837**	**4,620**	**27,096**	**1,905,073**	**-1,296,837**	**684,789**
Profit/loss for the period	–	–	–	–	-41,142	-41,142
Provision to Reserve for development costs	–	–	–	–	–	-
Reversal of Reserve for development costs	–	–	-426	–	426	-
Employee stock options	–	–	–	215	–	215
Closing balance, March 31, 2021	**44,837**	**4,620**	**26,670**	**1,905,288**	**-1,337,553**	**643,862**

NOTE 1 – Accounting policies, etc.

This 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 fiscal year from May 1, 2020 to December 31, 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 January 1, 2021 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.

As a result of the Annual General Meeting on September 9, 2020 resolving to change the fiscal year to the calendar year, the comparative figures for corresponding periods last year given in this report encompasses the periods from January 1 to March 31, 2020 and January 1 to December 31, 2020.

Note 2 Income taxes

The Group had accumulated loss carryforwards from previous years amounting to TSEK 1,413,235 (1,150,146) and the Parent Company had such loss carryforwards of TSEK 1,391,415 (1,123,408). 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.

TSEK	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Paclical	306,042	325,550	310,926
Paccal Vet	109,408	109,408	109,408
Total	415,450	434,958	420,334

During the 2018/2019 fiscal 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 4,883 (690).

Note 4 Inventories

TSEK	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Measured at cost			
Raw materials and consumables	7,414	11,136	7,414
Products in progress	10,531	3,166	10,811
Finished goods	33,377	6,153	33,271
Total	51,322	20,455	51,496

Goods have been expensed and written down as follows:

TSEK	2021 Jan–Mar	2020 Jan–Mar	2020 Jan–Dec
Expensed goods	–	–	134
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 March 31, 2021, the Parent Company's receivable from AdvaVet, including accrued interest, amounted to TUSD 1,590, which amounts to TSEK 13,494. However, since management has made the assessment that AdvaVet will not be able to repay this receivable, the receivable in the Parent Company has been written down in previous periods in its entirety. The Board decided prior to the close of the previous fiscal year to liquidate AdvaVet.

During the quarter, expenses in the form of consultancy fees to members of the Board or management were recognized in an amount of TSEK 590.

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 fiscal year, warrants programs were issued for the Board and management. As these were invalid, however, the 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. After the dismissal of initial procedural objections by the District Court, the case was appealed by MGC to the Svea Court of Appeal and subsequently withdrawn.

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 fiscal year from May 1, 2020 to December 31, 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, May 27, 2021

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 May 27, 2021.

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

This report has not been reviewed by the company's auditors.

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Financial calendar

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