Oasmia Pharmaceutical AB (publ)

Interim report for the period May 1 – October 31, 2019

EVENTS IN SECOND QUARTER

- Oasmia ADSs were delisted from NASDAQ in the US to reduce complexity and costs.
- Oasmia recruited two General Managers to its management team.
- Oasmia published its annual report for 2018/2019 and adjusted accounts due to write-downs. The company's auditors did not recommend former Board to be granted discharge from liability.
- The special examiner appointed by Oasmia's Board, Svante Forsberg (Deloitte), submitted his report on investigation of liability issues ahead of the upcoming Annual General Meeting.
- Oasmia's Annual General Meeting resolved to grant the present Board members, elected at the EGM on March 19, 2019, and the former CEO discharge from liability towards the company for the management for the period covered by the Annual Report. The AGM resolved to not grant discharge from liability for the previous Board of Directors. The AGM also resolved that the limits in the Articles of Association regarding share capital and number of shares will be increased.
- Oasmia's Board of Directors proposed a rights issue of approximately SEK 400 million and sent out a notice to an Extraordinary General Meeting on November 6, 2019.

EVENTS AFTER THE BALANCE SHEET DATE

- Michael af Winklerfelt was appointed as new CFO.
- An Extraordinary General Meeting resolved to authorize the Board of Directors of Oasmia to carry out the proposed rights issue of shares with preferential rights for Oasmia's shareholders.
- A fully subscribed rights issue generated proceeds of approximately SEK 399 million before issue costs.

SECOND QUARTER August 1, 2019 – October 31, 2019

- Consolidated net sales amounted to TSEK 252 compared to TSEK 158 in the corresponding quarter the previous year
- Operating loss was TSEK (47,581) compared to TSEK (22,627) in the corresponding quarter the previous year
- Net loss after tax amounted to TSEK (18,454) compared to TSEK (60,982) in the corresponding quarter the previous year
- Loss per share was SEK (0.07) compared to SEK (0.33) in the corresponding quarter the previous year

THE PERIOD May 1, 2019 – October 31, 2019

- Consolidated net sales amounted to TSEK 433 compared to TSEK 287 in the corresponding period the previous year
- Operating loss was TSEK (83,491) compared to TSEK (49,199) in the corresponding period the previous year
- Net loss after tax amounted to TSEK (58,382) compared to TSEK (92,084) in the corresponding period the previous year
- Loss per share was SEK (0.24) compared to SEK (0.51) in the corresponding period the previous year

CHAIRMAN OF THE BOARD'S COMMENTS

During the autumn, the work of the Board of Directors has been intensive, with two clear work processes. One has been dealing with a number of issues that have historically been handled in a questionable way. After a long series of measures, we are now almost finished, and we have succeeded in providing Oasmia with a stable and professional foundation for continued development. A clear acknowledgement of this work is that in September, the observation status of Oasmia's shares was removed by Nasdaq Stockholm.

The second part comprises developing the core business and preparing the company for the commercialization that is now getting closer. A launch plan for Apealea and a commercialization plan for our XR17 platform are now ready, as well as a business plan and strategy for the entire company. As we wrote in the previous quarterly report, the Board also evaluated, as part of this work, strategic and long-term financing alternatives in order to support the new business plan. Following the end of the quarter, a rights issue was then carried out, which provided the company with a gross liquidity of approximately SEK 400 million. It is very gratifying that the issue was oversubscribed and that our existing owners as well as new ones gave us the trust to realize the company's potential.

The company will mainly use the net cash for the following activities and in the following order of priority:
• Financing and accelerating the commercialization of Apealea, which includes, among other things, costs for marketing, market access, sales, production, technology transfer, machinery and equipment (approximately SEK 200 million)
• Taking advantage of new business opportunities based on the company's proprietary XR17 platform (approximately SEK 30 million)
• Further development of the product portfolio, such as Docecal, and new collaborations (approximately SEK 25 million)
• Continued expansion into new markets, which mainly includes the application for market approval in the US (approximately SEK 20 million)
• Other working capital including administration (approximately SEK 40 million)

Oasmia intends to use the remaining part of the issue proceeds to improve the Company's financial position, which further enables expansion in new areas as well as a stable flow of new projects.

Jörgen Olsson, Chairman of the Board of Oasmia

VISION

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

MISSION

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

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CEO'S COMMENTS

Oasmia's move towards becoming a fully integrated commercial pharmaceutical company is keeping pace.

Thanks to the rights issue that was recently successfully completed, we now have the resources required for the very exciting and important period we are facing. Our priorities for the next 18 months are clear. The company is in a transition from a development focus to becoming a commercially driven, revenue-generating organization that improves patients' quality of life. We are now in the final stages of completing the necessary marketing and communications material to support the launch of our first product, Apealea. Our ambition is to launch in the EU during the first quarter of 2020 – preferably together with a strategic partner. We have therefore started production of Apealea in sufficient volumes for the launch, together with our manufacturing partner Baxter Oncology. In the coming year, we will also strengthen the clinical value of Apealea and create increased product awareness by facilitating Investigator Initiated Trials (IIT:s). In addition, we intend to prepare the scientific and clinical ground for a partner strategy within the field of immuno-oncology - a very interesting field for Oasmia going forward.

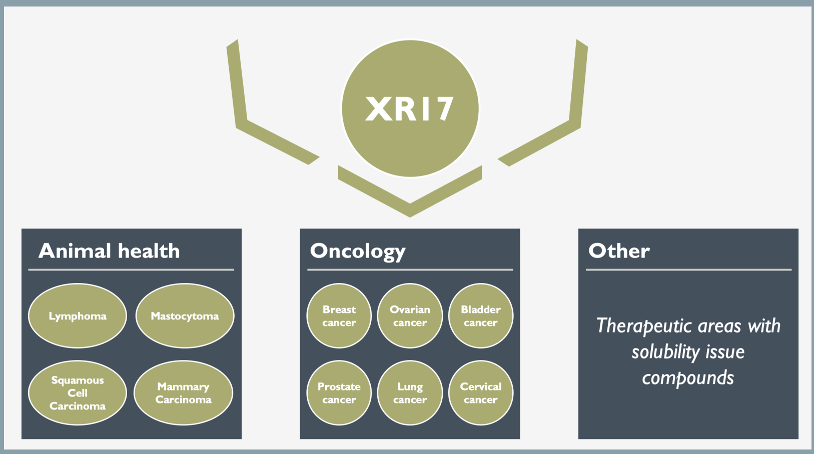
In 2021, we will also implement the regulatory strategy for the US market and apply for market approval. We will seek partners for the US market, which in value is the largest globally.

In summary, the whole company is very excited for the coming year, it will be hard work but hopefully also thrilling milestones for Oasmia. We will make every effort to realize the potential of our proprietary XR17 platform and the products it can generate – and to add clear value to future patients.

Sven Rohmann,
interim CEO of Oasmia

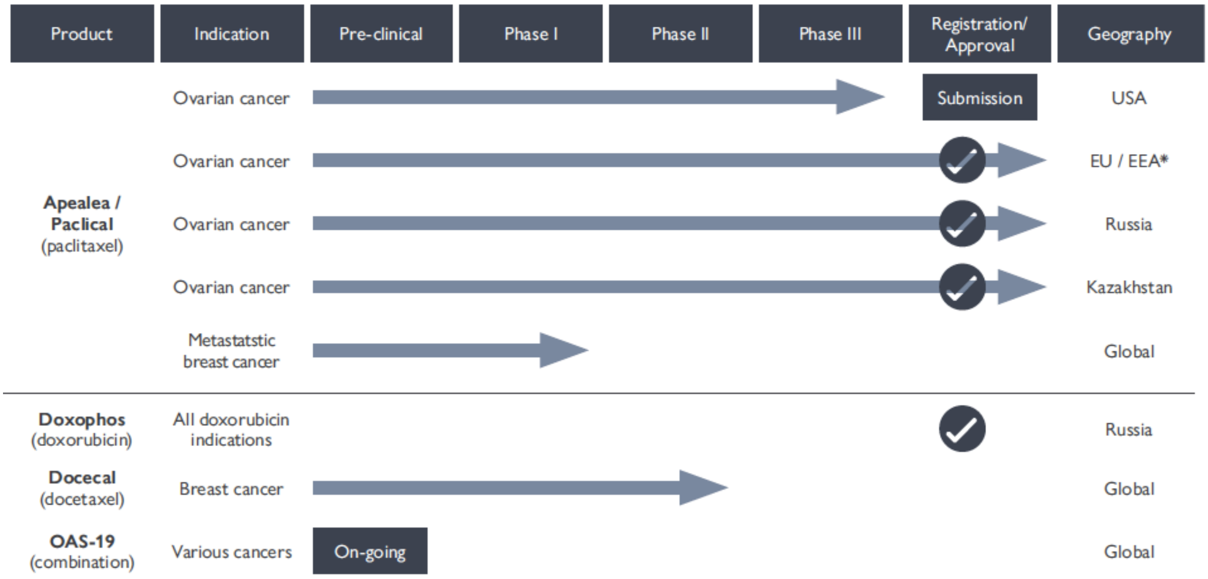
STRATEGY AND FOCUS AREAS

- Transition from development focus to a commercially driven organization
- Launch of Apealea in the EU
- Strategic global partnership for distribution of Oasmia's products
- FDA approval and launch of Apealea
- Expand Apealea indications
- Expand pipeline of products with clinical value



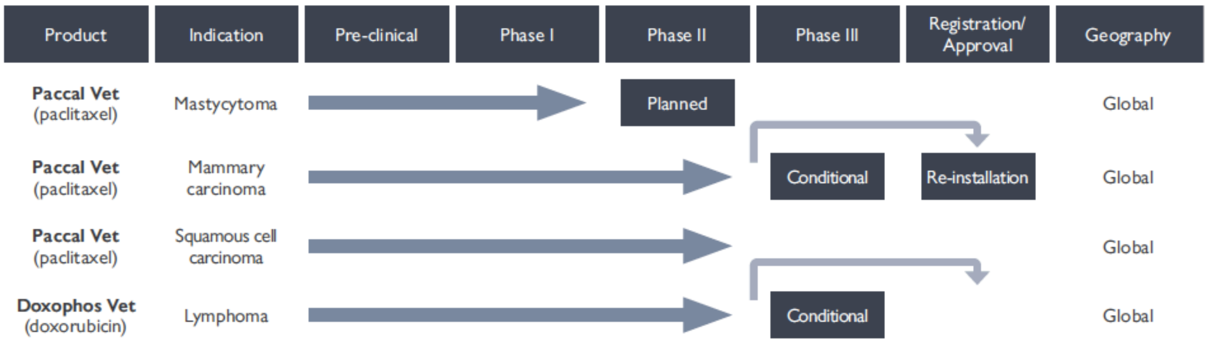
PROJECT PORTFOLIO

PROJECT PORTFOLIO HUMAN HEALTH



Additional partners: Paclical partnered with Medison Pharma in Turkey & Israel
* EU, Norway, Iceland and Liechtenstein

PROJECT PORTFOLIO ANIMAL HEALTH



FINANCIAL INFORMATION[1]

Consolidated income statement in brief

TSEK	2019 Aug-Oct	2018 Aug-Oct	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Net sales	252	158	433	287	1,980
Change in inventories of products in progress and finished goods	5,849	-	8,141	(230)	(5,148)
Capitalized development costs	778	3,858	1,862	6,307	8,431
Other operating income	30	201	100	258	755
Operating expenses	(54,490)	(26,844)	(94,027)	(55,819)	(156,837)
Operating income (loss)	(47,581)	(22,627)	(83,491)	(49,199)	(150,818)
Net income (loss) for the period	(18,454)	(60,982)	(58,382)	(92,084)	(201,881)
Earnings (loss) per share, before and after dilution in SEK *	(0.07)	(0.33)	(0.24)	(0.51)	(1.04)
Comprehensive income (loss) for the period	(18,541)	(61,099)	(58,552)	(92,196)	(202,503)

* The key figures in this report have not yet been adjusted for the bonus issue component in the rights issue carried out after the balance sheet date.

SECOND QUARTER

August 1, 2019 – October 31, 2019

Net sales

Net sales amounted to TSEK 252 compared to TSEK 158 in the second quarter the previous year and consisted of sales of supplies of TSEK 142 compared to TSEK 84 in the second quarter the previous year and of royalties of TSEK 110 compared to TSEK 74 in the second quarter the previous year.

Change in inventories of products in progress and finished goods

The change in inventories of products in progress and finished goods amounted to TSEK 5,849 during the quarter compared to TSEK 0 in the corresponding quarter the previous year. This is because Oasmia has increased its inventory ahead of the expected launch in the near future.

Capitalized development costs

Capitalized development costs, which refer to phase III clinical trials for the product candidates Paclical and Paccal Vet, amounted to TSEK 778 compared to TSEK 3,858 in the second quarter the previous year. The capitalized development costs during the quarter, as in the second quarter of the previous year, are attributable to Paclical in their entirety. The Paccal Vet studies did not have any activity during the quarter.

Other operating income

Other operating income amounted to TSEK 30 compared to TSEK 201 in the corresponding quarter the previous year.

Operating expenses

Operating expenses, including depreciation, amortization and impairments, were higher than for the corresponding quarter the previous year and amounted to TSEK 54,490 compared to TSEK 26,844 in the second quarter the previous year. The increase is primarily attributable to increased costs for consultants and lawyers as well as increased staff costs. This is partly due to a substantial reinforcement and increase in skills of the company's management and market organization and partly to the investigations that were going on during the quarter. The staff costs include severance pay to the former management of Oasmia's American subsidiary, AdvaVet.

The number of employees at the end of the quarter was 56 compared to 57 at the end of the second quarter the previous year.

[1] Figures within parentheses represent negative amounts.

Operating income for the quarter
Operating income for the quarter was lower than during the corresponding quarter the previous year and amounted to a loss of TSEK 47,581 compared to a loss of TSEK 22,627. This is due to higher operating expenses this year.

Income (loss) before taxes
Income before taxes amounted to a loss of TSEK 51,277 compared to a loss of TSEK 28,160 in the corresponding quarter the previous year. The greater loss compared to the corresponding quarter the previous year is attributable to the lower operating income.

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

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

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

Net loss for the quarter
The net loss after tax was TSEK 18,454 compared to TSEK 60,982 in the second quarter the previous year. The change compared to the corresponding quarter the previous year is attributable to the lower operating income, which was overcompensated by the fact that the company this year booked a tax revenue of TSEK 32,822, while last year was burdened by a tax expense of TSEK 32,822.

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

PERIOD
May 1, 2019 – October 31, 2019

Net sales
Net sales amounted to TSEK 433 compared to TSEK 287 in the period the previous year and consisted of sales of supplies of TSEK 214 compared to TSEK 138 in the period the previous year and of royalties of TSEK 219 compared to TSEK 149 in the period the previous year.

Change in inventories of products in progress and finished goods
The change in inventories of products in progress and finished goods amounted to TSEK 8,141 during the period compared to TSEK (230) in the corresponding period the previous year. This is because Oasmia has increased its inventory ahead of the expected launch in the near future.

Capitalized development costs
Capitalized development costs, which refer to phase III clinical trials for the product candidates Paclical and Paccal Vet, amounted to TSEK 1,862 compared to TSEK 6,307 in the period the previous year. The capitalized development costs during the period, as in the corresponding period the previous year, are attributable to Paclical in their entirety. The Paccal Vet studies did not have any activity during the period.

Other operating income
Other operating income amounted to TSEK 100 compared to TSEK 258 in the corresponding period the previous year.

Operating expenses
Operating expenses, including depreciation, amortization and impairments, were higher than for the corresponding period the previous year and amounted to TSEK 94,027 compared to TSEK 55,819 in corresponding period the previous year. The increase is primarily attributable to increased costs for

consultants and lawyers as well as increased staff costs. This is partly due to a substantial reinforcement and increase in skills of the company's management and market organization and partly to the investigations that were going on during the period.

The number of employees at the end of the period was 56 compared to 57 at the end of the corresponding period the previous year.

Operating income for the period
Operating income for the period was lower than during the corresponding period the previous year and amounted to a loss of TSEK 83,491 compared to a loss of TSEK 49,199. This is due to higher operating expenses this year.

Income (loss) before taxes
Income before taxes amounted to a loss of TSEK 91,204 compared to a loss of TSEK 59,262 in the corresponding period the previous year. The greater loss compared to the corresponding period the previous year is attributable to the lower operating income.

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

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

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

Net loss for the quarter
The net loss after tax was TSEK 58,382 compared to TSEK 92,084 in the corresponding period the previous year. Compared to the corresponding period the previous year, the net loss was significantly greater, which, however, was overcompensated by the fact that the company this year booked a tax revenue of TSEK 32,822, while last year was burdened by a tax expense of TSEK 32,822.

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

Cash flow and capital expenditure
The cash outflow from operating activities was TSEK 93,349 compared to TSEK 44,539 in the corresponding period the previous year. The lower cash flow from operating activities during the period compared with the corresponding period the previous year is primarily due to the higher costs and to the fact that accounts payable have been paid off to a significantly higher extent this year.

The cash outflow from investing activities was TSEK 49,286 compared to an outflow of TSEK 7,960 in the corresponding period the previous year. Capital expenditure during the period consisted of investments in intangible assets of TSEK 1,960 compared to TSEK 7,331 in the corresponding period the previous year, investments in property, plant and equipment of TSEK 7,075 compared to TSEK 628 in the corresponding period the previous year and investments in financial assets of TSEK 40,251 compared to TSEK 0 in the corresponding period the previous year. Investments in intangible assets consisted of capitalized development costs of TSEK 1,862 compared to TSEK 6,307 in the corresponding period the previous year and of patents of TSEK 98 compared to TSEK 1,024 in the corresponding period the previous year. Investments in property, plant and equipment consisted of capital expenditure for production equipment. Investments in financial assets consisted of an acquired claim on the company MGC Capital Ltd. within the framework of the settlement reached with Arwidsro Investment AB during the period, which is reported elsewhere in this report, see Note 5 and 6.

The cash inflow from financing activities amounted to TSEK 55,391 compared to TSEK 41,515 in the corresponding period the previous year. This was due to an inflow of TSEK 75,000 arising from a new issue of 24,193,548 shares in connection with Arwidsro's redemption of equal number of options at a price of SEK 3.10 per share. This new share issue was made as part of the settlement with Arwidsro Investment AB. Arwidsro advanced TSEK 45,000 in the planned rights issue in which Arwidsro also committed to subscribe for shares for approximately MSEK 98. The company has not paid any compensation to Arwidsro.

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

In addition, cash flow from financing activities also consisted of amortization of leasing liability amounting to TSEK (2,609) compared to TSEK 0 in the corresponding period the previous year. This leasing liability has arisen and is recognized in the balance sheet as a result of the introduction of the new accounting standard IFRS 16 on May 1, 2019, see also Note 1.

Last year's cash flow from financing activities consisted of inflows from utilization of loan facilities from banks of TSEK 4,801 and repayment thereof to the same amount and from issuance of convertible loans of TSEK 68,200 and an outflow of TSEK (26,000) consisting of repayment of loans.

Net cash flow for the period was TSEK (87,244), compared to TSEK (10,984) in the corresponding period the previous year.

Financing and financial position

Cash and cash equivalents
The Group's cash and cash equivalents at the end of the period amounted to TSEK 29,039, compared to TSEK 4,607 in the corresponding period the previous year.

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

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

As of October 31, 2019, there were no outstanding convertible loans.

Other borrowing
On October 31, 2019, Oasmia had a debt to MGC Capital Ltd amounting to TSEK 80,000, which is reported in the balance sheet as other borrowing. This debt has become due on August 24, 2019 and, on submission of this interim report, is disputed and not repaid. The corresponding item was TSEK 11,552 on October 31, 2018 and consisted of a debt to MGC of TSEK 5,552 and other loans amounting to a total of TSEK 6,000.

In July 2019, Oasmia acquired a claim on MGC of TSEK 60,251 from Arwidsro. This receivable was acquired for TSEK 40,251, see also Note 6. It is reported in the balance sheet as Other current receivable at this value. This receivable was due on August 24, 2019 and, upon submission of this interim report, is disputed and not repaid. However, when the debt to MGC is settled, the nominal value of TSEK 60,251 is estimated to be offset, whereby an income of TSEK 20,000 is expected to arise. See also Notes 5 and 6.

Alceco International S.A.
On October 31, 2019, there was a credit facility of TSEK 40,000, compared to TSEK 40,000 at the end of the corresponding period the previous year, made available to Oasmia from one of the company's

previous principal owners, Alceco International S.A. The interest rate on utilization was 5 percent. As of October 31, 2019, this loan facility was completely unutilized and was terminated by Alceco on March 18, 2019. The loan commitment matures on December 31, 2019. However, Alceco must be assumed to be insolvent and this credit facility is therefore assumed to be of no value. As Alceco is no longer a major shareholder and cannot, in any way, exert a direct or indirect controlling influence over Oasmia, Alceco is no longer a related party to Oasmia and is therefore not included in Note 5 Transactions with related parties in this report.

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

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

After the balance sheet date, during the end of November 2019 and the beginning of December 2019, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue costs. Arwidsro advanced MSEK 45 in that issue and also undertook to subscribe for approximately MSEK 98. The company has not paid any compensation to Arwidsro for this commitment or the advance payment. The advance was reported in the balance sheet as of October 31, 2019 as Other current liability. After the balance sheet date, this liability was set off against Arwidro's payment for shares subscribed for in the rights issue.

Bank loans
Oasmia has an unused credit facility with the bank for TSEK 5,000, compared to TSEK 5,000 at the end of the corresponding period the previous year.

Equity
At the end of the period, equity was TSEK 407,096, compared to TSEK 400,937 at the end of the corresponding period the previous year, the equity/assets ratio was 68 percent, compared to 67 percent at the end of the corresponding period the previous year, and the debt/equity ratio was 13 percent, compared to 30 percent at the end of the corresponding period the previous year.

Outstanding warrants and other instruments that can increase the number of shares in Oasmia
As per October 31, 2019 the following instruments were outstanding:

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

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

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

Future financing
Oasmia has two products approved, but this does not allow the company's business operations to generate sufficient cash flow. Work is therefore continuously conducted on finding other financing alternatives. This work includes the company engaging in discussions with potential collaboration partners about the licensing of distribution and sales rights, negotiations with new and existing investors,

financiers and lenders, and the company securing resources so that future forecast revenue flows materialize in regions where the company's products are registered.

After the balance sheet date, during the end of November 2019 and the beginning of December 2019, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue costs. Consequently, management believes that the Group's financing and liquidity needs for the coming year are covered.

Parent Company
The Parent Company's net sales for the period amounted to TSEK 433 compared to TSEK 287 for the corresponding period the previous year and the net loss before tax was TSEK (97,417) compared to TSEK (55,927) for the corresponding period the previous year. The Parent Company's cash and cash equivalents at October 31, 2019 amounted to TSEK 28,847 compared to TSEK 4,285 at the end of the corresponding period the previous year.

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

Key ratios and other information

	2019 Aug-Oct	2018 Aug-Oct	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Number of shares at the end of the period, before and after dilution, in thousands*	249,094	222,215	249,094	222,215	224,901
Weighted average number of shares, before and after dilution, in thousands*	249,094	185,417	240,416	181,196	193,368
Earnings (loss) per share, before and after dilution, SEK*	(0.07)	(0.33)	(0.24)	(0.51)	(1,04)
Equity per share, SEK*	1.63	1.80	1.63	1.80	1.75
Equity/assets ratio, %	68	67	68	67	64
Net debt, TSEK	50,961	118,780	50,961	118,780	23,296
Net debt/equity ratio, %	13	30	13	30	6
Return on total assets, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Number of employees at the end of the period	56	57	56	57	60

* The key figures in this report have not yet been adjusted for the bonus issue component in the rights issue carried out after the balance sheet date.

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

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

These have been calculated as follows:

	2019 Aug-Oct	2018 Aug-Oct	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Equity per share					
Equity attributable to Parent Company shareholders at end of period, TSEK	407,096	400,951	407,096	400,951	393,178
Number of shares at end of period, thousands	249,094	222,215	249,094	222,215	224,901
Equity per share, SEK	**1.63**	**1.80**	**1.63**	**1.80**	**1.75**
Equity/assets ratio					
Equity at end of period, TSEK	407,096	400,937	407,096	400,937	393,178
Total assets at end of period, TSEK	600,083	598,907	600,083	598,907	614,719
Equity/assets ratio	**68%**	**67%**	**68%**	**67%**	**64%**
Net debt, TSEK					
Convertible debt instruments	-	111,835	-	111,835	59,568
Other borrowings	80,000	11,552	80,000	11,552	80,000
Total borrowings	80,000	123,387	80,000	123,387	139,568
Cash and cash equivalents	29,039	4,607	29,039	4,607	116,272
Total cash and cash equivalents	29,039	4,607	29,039	4,607	116,272
Net debt	**50,961**	**118,780**	**50,961**	**118,780**	**23,296**
Net debt/equity ratio					
Net debt, TSEK	50,961	118,780	50,961	118,780	23,296
Equity, TSEK	407,096	400,937	407,096	400,937	393,178
Net debt/equity ratio	**13%**	**30%**	**13%**	**30%**	**6%**

Consolidated income statement

TSEK	Note	2019 Aug-Oct	2018 Aug-Oct	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Net sales		252	158	433	287	1,980
Change in inventories of products in progress and finished goods		5,849	-	8,141	(230)	(5,148)
Capitalized development costs		778	3,858	1,862	6,307	8,431
Other operating income		30	201	100	258	755
Raw materials, consumables and goods for resale		(1,622)	(354)	(2,900)	(1,325)	(4,998)
Other external expenses		(35,217)	(15,465)	(55,627)	(29,828)	(68,183)
Employee benefit expenses		(14,449)	(9,741)	(29,065)	(22,106)	(52,068)
Depreciation, amortization and impairment		(3,202)	(1,285)	(6,435)	(2,560)	(31,587)
Operating income (loss)		**(47,581)**	**(22,627)**	**(83,491)**	**(49,199)**	**(150,818)**
Financial income		368	5	468	14	19
Financial expenses		(4,063)	(5,538)	(8,182)	(10,077)	(18,259)
Financial income and expenses – net		**(3,695)**	**(5,533)**	**(7,714)**	**(10,063)**	**(18,240)**
Income (loss) before taxes		**(51,277)**	**(28,160)**	**(91,204)**	**(59,262)**	**(169,058)**
Taxes	2	32,822	(32,822)	32,822	(32,822)	(32,822)
Income (loss) for the period		**(18,454)**	**(60,982)**	**(58,382)**	**(92,084)**	**(201,881)**
Income (loss) for the period attributable to:						
Parent Company shareholders		(18,454)	(60,982)	(58,3382)	(92,076)	(201,886)
Non-controlling interests		-	-	-	(8)	6
Earnings (loss) per share, before and after dilution, SEK		(0.07)	(0.33)	(0.24)	(0.51)	(1.04)

Consolidated statement of comprehensive income

TSEK	Note	2019 Aug-Oct	2018 Aug-Oct	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Income (loss) for the period		**(18,454)**	**(60,982)**	**(58,382)**	**(92,084)**	**(201,881)**
Other comprehensive income (loss)						
Items that may be subsequently reclassified to the income statement:						
Translation differences		(87)	(117)	(170)	(112)	(623)
Total other comprehensive income (loss)		**(87)**	**(117)**	**(170)**	**(112)**	**(623)**
Comprehensive income (loss) for the period		**(18,541)**	**(61,099)**	**(58,552)**	**(92,196)**	**(202,503)**
Comprehensive income (loss) attributable to:						
Parent Company shareholders		(18,541)	(61,099)	(58,552)	(92,188)	(202,509)
Non-controlling interests		-	-	-	(8)	6

Consolidated statement of financial position

TSEK	Note	October 31, 2019	October 31, 2018	Apr 30, 2019
ASSETS				
Non-current assets				
Property, plant and equipment		37,415	14,524	14,701
Capitalized development costs	3	433,613	432,386	433,130
Other intangible assets		19,565	46,053	20,176
Financial non-current assets		2,002	2	2,002
Total non-current assets		**492,595**	**492,965**	**470,009**
Current assets				
Inventories	4	16,484	11,141	7,420
Accounts receivable		3,583	1,710	3,534
Other current receivables	5	44,636	82,036	3,011
Prepaid expenses and accrued income		13,748	6,448	14,472
Cash and cash equivalents		29,039	4,607	116,272
Total current assets		**107,489**	**105,942**	**144,710**
TOTAL ASSETS		**600,083**	**598,907**	**614,719**
EQUITY				
Capital and reserves attributable to Parent Company shareholders				
Share capital		24,909	19,439	22,490
Ongoing rights issue/conversion		-	2,782	-
Other capital provided		1,549,564	1,377,234	1,479,513
Reserves		(822)	(141)	(652)
Retained earnings including income (loss) for the period		(1,166,556)	(998,364)	(1,108,174)
Equity attributable to Parent Company shareholders		**407,096**	**400,951**	**393,178**
Equity attributable to non-controlling interests		-	(14)	-
Total equity		**407,096**	**400,937**	**393,178**
LIABILITIES				
Long-term liabilities				
Leasing debt		11,268	-	-
Deferred tax liability		-	32,822	32,822
Total long-term liabilities		**11,268**	**32,822**	**32,822**
Current liabilities				
Convertible debt instruments		-	111,835	59,568
Other short-term borrowings		80,000	11,552	80,000
Accounts payable		14,516	14,820	17,666
Other current liabilities	5	53,272	3,371	3,217
Accrued expenses and deferred income		33,931	23,570	28,268
Total current liabilities		**181,720**	**165,148**	**188,719**
Total liabilities		**192,987**	**197,970**	**221,541**
TOTAL EQUITY AND LIABILITIES		**600,083**	**598,907**	**614,719**

Any contingent liabilities and pledged assets are reported in note 6

Consolidated statement of changes in equity

	Attributable to Parent Company shareholders							
TSEK	Share capital	Ongoing rights issue/conversion	Other capital provided	Reserves	Retained earnings incl. income (loss) for the period	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**(29)**	**(904,860)**	**345,042**	**(6)**	**345,036**
Adjustment due to changed accounting principles	-	-	-	-	(1,427)	(1,427)	-	(1,427)
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**(29)**	**(906,287)**	**343,616**	**(6)**	**343,609**
Income (loss) for the period	-	-	-	-	(92,076)	(92,076)	(8)	(92,084)
Other comprehensive income (loss)	-	-	-	(112)	-	(112)	0	(112)
Comprehensive income (loss) for the period	**0**	**0**	**0**	**(112)**	**(92,076)**	**(92,188)**	**(8)**	**(92,196)**
Equity component in issue of convertible debt instruments	-	-	4,276	-	-	4,276	-	4,276
Reversal of costs of converting convertible loan	-	-	1,105	-	-	1,105	-	1,105
Reversal of equity in connection with redemption of warrants	-	-	(10,617)	-	-	(10,617)	-	(10,617)
New share issues	806	-	101,631	-	-	102,438	-	102,438
Redemption of convertibles	992	-	36,008	-	-	37,000	-	37,000
Ongoing rights issue/conversion	-	2,782	12,698	-	-	15,481	-	15,481
Issue expenses	-	-	(158)	-	-	(158)	-	(158)
Closing balance as of October 31, 2018	**19,439**	**2,782**	**1,377,234**	**(141)**	**(998,364)**	**400,951**	**(14)**	**400,937**
Opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**(29)**	**(904,860)**	**345,042**	**(6)**	**345,036**
Adjustment due to changed accounting policies	**-**	**-**	**-**	**-**	(1,427)	(1,427)	**-**	(1,427)
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**1,232,290**	**(29)**	**(906,288)**	**343,616**	**(6)**	**343,609**
Income (loss) for the period	-	-	-	-	(201,886)	(201,886)	6	(201,881)
Other comprehensive income (loss)	-	-	-	(623)	-	(623)	0	(623)
Comprehensive income (loss) for the period	**0**	**0**	**0**	**(623)**	**(201,886)**	**(202,509)**	**6**	**(202,503)**
Equity component in issue of convertible debt instruments	-	-	2,997	-	-	2,997	-	2,997
Reversal of expenses upon conversion of convertible debt instruments	-	-	1,928	-	-	1,928	-	1,928
Reversal of equity in connection with redemption of warrants	-	-	(10,617)	-	-	(10,617)	-	(10,617)
New share issues	3,101	-	186,917	-	-	190,018	-	190,018
Redemption of convertibles	1,748	-	76,452	-	-	78,200	-	78,200
Issue expenses	-	-	(10,454)	-	-	(10,454)	-	(10,454)
Closing balance as of April 30, 2019	**22,490**	**0**	**1,479,513**	**(652)**	**(1,108,174)**	**393,178**	**0**	**393,178**
Opening balance as of May 1, 2019	**22,490**	**0**	**1,479,513**	**(652)**	**(1,108,174)**	**393,178**	**0**	**393,178**
Income (loss) for the period	-	-	-	-	(58,382)	(58,382)	-	(58,382)
Other comprehensive income	-	-	-	(170)	-	(170)	-	(170)
Comprehensive income (loss) for the period	**0**	**0**	**0**	**(170)**	**(58,382)**	**(58,552)**	**0**	**(58,552)**
New share issues	2,419		72,581	-	-	75,000	-	75,000
Issue expenses	-	-	(2,530)	-	-	(2,530)	-	(2,530)
Closing balance as of October 31, 2019	**24,909**	**0**	**1,549,564**	**(822)**	**(1,166,556)**	**407,096**	**0**	**407,096**

Consolidated cash flow statement

TSEK	2019 Aug-Oct	2018 Aug-Oct	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Operating activities					
Operating income (loss) before financial items	(47,582)	(22,627)	(83,491)	(49,199)	(150,818)
Adjustments for non-cash items	3,103	1,284	6,257	2,560	38,673
Interest received	15	41	15	49	31
Interest paid	(3,698)	(506)	(3,890)	(927)	(3,068)
Cash flow from operating activities before working capital changes	**(48,162)**	**(21,807)**	**(81,109)**	**(47,516)**	**(115,182)**
Change in working capital					
Change in inventories	(6,933)	92	(9,063)	(1,395)	(4,099)
Change in accounts receivable	(90)	(141)	(49)	(132)	112
Change in other current receivables	(3,893)	(581)	(1,362)	(3)	(7,935)
Change in accounts payable	695	(877)	(3,223)	5,351	8,226
Change in other current liabilities	(530)	(2,355)	1,457	(844)	39
Cash flow from operating activities	**(58,913)**	**(25,669)**	**(93,349)**	**(44,539)**	**(118,839)**
Investing activities					
Investments in intangible assets	(846)	(4,400)	(1,960)	(7,331)	(9,536)
Investments in property, plant and equipment	(1,697)	(628)	(7,075)	(628)	(2,495)
Investments in financial assets	-	-	(40,251)	-	(2,000)
Cash flow from investing activities	**(2,543)**	**(5,029)**	**(49,286)**	**(7,960)**	**(14,031)**
Financing activities					
Increase in liabilities to credit institutions	-	-	-	4,801	4,801
Repayment of liabilities to credit institutions	-	(4,801)	-	4,801	(4,801)
Repayments of loans	-	(11,000)	-	(26,000)	(37,552)
Amortization of leasing debt	(1,314)	-	(2,609)	-	-
Convertible debt instruments	-	51,200	-	68,200	119,200
Raising of short-term loan	45,000	-	45,000	-	-
Repayments of convertible debt instruments	(62,000)	-	(62,000)	-	
New share issues	-	18	75,000	18	165,018
Issue expenses	-	(703)	-	(703)	(13,166)
Cash flow from financing activities	**(18,314)**	**34,714**	**55,391**	**41,515**	**233,500**
Cash flow for the period	**(79,770)**	**4,016**	**(87,244)**	**(10,984)**	**100,630**
Exchange rate differences in cash and cash equivalents	**23**	**8**	**11**	**11**	**62**
Cash and cash equivalents at beginning of the period	**108,786**	**584**	**116,272**	**15,580**	**15,580**
Cash and cash equivalents at end of the period	**29,039**	**4,607**	**29,039**	**4,607**	**116,272**

Parent Company income statement

TSEK	Note	2019 Aug-Oct	2018 Aug-Oct	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Net sales		251	158	433	287	1,980
Change in inventories of products in progress and finished goods		5,850	-	8,141	(230)	(5,148)
Capitalized development costs		777	3,858	1,862	6,307	8,431
Other operating income		30	222	100	279	666
Raw materials and consumables		(1,622)	(354)	(2,900)	(1,326)	(4,998)
Other external expenses		(35,676)	(13,812)	(57,086)	(26,500)	(61,642)
Employee benefit expenses		(10,409)	(9,718)	(23,962)	(22,057)	(47,429)
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		(1,840)	(1,284)	(3,712)	(2,560)	(31,587)
Operating income (loss)		**(42,640)**	**(20,930)**	**(77,124)**	**(45,801)**	**(139,727)**
Result from participations in Group companies	5	(13,116)	(63)	(13,116)	(63)	(163)
Other interest income and similar income		368	6	468	14	162
Interest expenses and similar expenses		(3,716)	(5,538)	(7,645)	(10,077)	(18,259)
Financial items, net		**(16,464)**	**(5,595)**	**(20,293)**	**(10,126)**	**(18,260)**
Income (loss) before taxes		**(59,104)**	**(26,525)**	**(97,417)**	**(55,927)**	**(157,988)**
Income taxes	2	-	-	-	-	-
Income (loss) for the period		**(59,104)**	**(26,525)**	**(97,417)**	**(55,927)**	**(157,988)**

Parent Company balance sheet

TSEK	Note	October 31, 2019	October 31, 2018	April 30, 2019
ASSETS				
Non-current assets				
Intangible non-current assets				
Capitalized development costs	3, 5	433,613	322,978	323,722
Concessions, patents, licenses, trademarks and similar rights		19,565	46,053	20,176
Property, plant and equipment				
Equipment, tools, fixtures and fittings		12,153	13,749	13,501
Construction in progress and advance payments for property, plant and equipment		8,000	775	1,201
Financial non-current assets				
Participations in Group companies	5	255	109,763	109,663
Other securities held as non-current assets		2,001	1	2,001
Total non-current assets		**475,587**	**493,319**	**470,264**
Current assets				
Inventories etc	4			
Raw materials and consumables		5,366	4,718	5,915
Products in progress		11,118	6,423	1,505
		16,484	11,141	7,420
Current receivables				
Accounts receivable		3,583	1,710	3,534
Receivables from Group companies	5	30	2,613	7,142
Other current receivables	5	44,635	82,034	3,010
Prepaid expenses and accrued income		14,742	6,445	14,325
		62,990	92,802	28,011
Cash and bank balances		28,847	4,285	115,112
Total current assets		**108,321**	**108,228**	**150,543**
TOTAL ASSETS		**583,908**	**601,547**	**620,807**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		24,909	19,439	22,490
Ongoing rights issue/conversion		-	2,782	-
Statutory reserve		4,620	4,620	4,620
Reserve for development costs		25,961	22,177	24,199
		55,490	49,018	51,309
Non-restricted equity				
Share premium reserve		1,549,876	1,377,547	1,479,826
Retained earnings		(1,096,007)	(934,235)	(936,258)
Net income (loss) for the period		(97,417)	(55,927)	(157,988)
		356,452	387,385	385,580
Total equity		**411,942**	**436,403**	**436,890**
Current liabilities				
Convertible debt instruments		-	111,835	59,568
Other short-term borrowings		80,000	11,551	80,000
Accounts payable		12,598	14,584	14,748
Liabilities to Group companies		2,784	2,784	2,784
Other current liabilities	5	46,649	1,750	1,735
Accrued expenses and deferred income		29,935	22,639	25,082
Total current liabilities		**171,966**	**165,144**	**183,917**
TOTAL EQUITY AND LIABILITIES		**583,908**	**601,547**	**620,807**

Any contingent liabilities and pledged assets are reported in note 6

Parent Company changes in equity

TSEK	Share capital	Ongoing rights issue/ conversion	Statutory reserve (Restricted equity)	Reserve for development costs (Restricted equity)	Share premium reserve (Non-restricted equity)	Retained earnings including income (loss) for the period (Non-restricted equity)	Total equity
Opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**(927,571)**	**344,232**
Adjustment due to changed accounting principles						(1,427)	(1,427)
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**(928,998)**	**342,805**
Equity component in issue of convertible debt instruments	-	-	-	-	4,276	-	4,276
Adjustment of non-restricted and restricted equity	-	-	-	5,237	-	(5,237)	0
Return of costs of converting convertible loan	-	-	-	-	1,105	-	1,105
Reversal of equity in connection with redemption of warrants	-	-	-	-	(10,617)	-	(10,617)
New share issue	806	-	-	-	101,631	-	102,438
Redemption of convertibles	992	-	-	-	36,008	-	37,000
Ongoing rights issue/conversion	-	2,782	-	-	12,698	-	15,481
Issue expenses	-	-	-	-	(158)	-	(158)
Income (loss) for the period	-	-	-	-	-	(55,927)	(55,927)
Closing balance as of October 31, 2018	**19,439**	**2,782**	**4,620**	**22,177**	**1,377,547**	**(990,162)**	**436,403**
Opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**(927,571)**	**344 232**
Adjustment due to changed accounting policies	-	-	-	-	-	(1,427)	(1,427)
Adjusted opening balance as of May 1, 2018	**17,641**	**0**	**4,620**	**16,940**	**1,232,603**	**(928,998)**	**342,806**
Equity component in issue of convertible debt instruments	-	-	-	-	2,997	-	2,997
Adjustment of non-restricted and restricted equity	-	-	-	7,259	-	(7,259)	0
Reversal of expenses upon conversion of convertible debt instruments	-	-	-	-	1,928	-	1,928
Reversal of equity in connection with redemption of warrants	-	-	-	-	(10,617)	-	(10,617)
New share issues	3,101	-	-	-	186,917	-	190,018
Redemption of convertibles	1,748				76,452	-	78,200
Issue expenses	-	-	-	-	(10,454)	-	(10,454)
Income (loss) for the period	-	-	-	-	-	(157,988)	(157,988)
Closing balance as of April 30, 2019	**22,490**	**0**	**4,620**	**24,199**	**1,479,826**	**(1,094,246)**	**436,890**
Opening balance as of May 1, 2019	**22,490**	**0**	**4,620**	**24,199**	**1,479,826**	**(1,094,246)**	**436,890**
Income (loss) for the period	-	-	-	-	-	(97,417)	(97,417)
Other comprehensive income (loss)	-	-	-	-	-	-	0
Comprehensive income (loss) for the period	**0**	**0**	**0**	**0**	**0**	**(97,417)**	**(97,417)**
Adjustment of non-restricted and restricted equity	-	-	-	1,762	-	(1,762)	0
New share issue	2,419	-	-	-	72,581	-	75,000
Issue expenses	-	-	-	-	(2,530)	-	(2,530)
Closing balance as of October 31, 2019	**24,909**	**0**	**4,620**	**25,961**	**1,549,876**	**(1,193,424)**	**411,942**

Note 1 Accounting policies etc

This report is presented in accordance with IAS 34, Interim Financial Reporting and the Swedish Securities Market Act. The consolidated accounts are presented in accordance with the International Financial Reporting Standards (IFRS) such as they have been adopted by the EU and interpretations by the International Financial Reporting Interpretations Committee (IFRIC), RFR 1, Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The accounting policies and calculation methods for the Group are unchanged compared to those described in the Annual Report for the financial year May 1, 2018 – April 30, 2019, apart from the fact that the company has applied IFRS 16 since May 1, 2019. An account of this is given below.

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

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

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

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

IFRS 16 Leases:

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

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

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

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

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

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

Transition to IFRS 16:

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

The implementation of IFRS 16 affects the accounting of Oasmia's leases for premises and the accounting of leased equipment. These agreements were classified in accordance with IAS 17 as operational leasing and payments during the leasing period were reported as other external expenses in the income statement on a straight-line basis over the leasing period. After the implementation, the leasing contracts are reported as utilization assets and leasing liabilities, respectively, in the statement of financial position. Utility rights are amortized over the useful life and lease payments are reported as amortization and interest expenses. The starting effect as of 1 May 2019 in the report on financial position is that rights of use of about MSEK 20 and lease liabilities of about MSEK 19 have been added and a reduction of prepaid costs by approximately MSEK 1. When calculating the remaining lease period, periods that are covered by the possibility of extending the lease agreement are included in the event that Oasmia is reasonably confident of utilizing that opportunity. Oasmia has chosen to use the practical solution to use the same discount rate on all local rental agreements as they have similar properties. This discount rate is based on an estimate of the borrowing rate that Oasmia would have received from financial institutions for corresponding maturities. Furthermore, Oasmia has chosen to use the practical solution not to include leasing contracts for which the lease period ends within 12 months from the first application date. For the period, the effect on earnings is TSEK (253) compared with accounting in accordance with previous rules.

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

Note 2 Taxes

The Group has accumulated losses carried forward, related to previous years and this period, amounting to TSEK 1,274,852 compared to TSEK 1,068,146 at the end of the period the previous year, and the Parent Company has TSEK 1,246,870 compared to TSEK 1,053,826 at the end of the period the previous year. There are currently no sufficiently convincing reasons to assume that tax losses carried forward can be utilized against future profits and therefore no deferred tax asset has been considered in the balance sheet.

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

Note 3 Capitalized development costs

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

	The Group			The Parent Company		
TSEK	October 31, 2019	October 31, 2018	April 30, 2019	October 31, 2019	October 31, 2018	April 30, 2019
Paclical	324,205	322,978	323,722	324,205	322,978	323,722
Paccal Vet	109,408	109,408	109,408	109,408	-	-
Total	433,613	432,386	433,130	433,613	322,978	323,722

During the last financial year the company began to amortize that part of the capitalized development costs for Paclical that are attributable to the Russian market. Amortization for the period amounted to TSEK 1,379 compared to TSEK 0 for the corresponding period the previous year.

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

Note 4 Inventories

TSEK	October 31, 2019	October 31, 2018	Apr 30, 2019
Valued at cost of acquisition			
Raw materials and consumables	5,366	4,718	5,915
Products in progress	11,118	6,423	1,505
Finished goods	-	-	-
Total	16,484	11,141	7,420

Goods have been expensed or written down as follows:

TSEK	2019 May-Oct	2018 May-Oct	2018/19 May-Apr
Goods expensed	-	-	-
Goods written down	-	-	11,953

Note 5 Transactions with related parties

The Parent Company has undertaken to, under certain circumstances, if necessary, finance the American subsidiary AdvaVet with financial loans of up to TUSD 1,500. On October 31, 2019, the Parent Company's claim on AdvaVet, including accrued interest, amounted to TUSD 1,381, which has previously been reported at TSEK 13,116. However, since management believes that AdvaVet will not be able to repay this receivable, it has been written down in the Parent Company income statement as of October 31, 2019. This transaction has been eliminated in the consolidated financial statements and thus has not affected the Group's results.

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

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

After the balance sheet date, during the end of November 2019 and the beginning of December 2019, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue costs. Arwidsro advanced MSEK 45 in that issue and also undertook to subscribe for approximately MSEK 98. The company has not paid any compensation to Arwidsro for this commitment or the advance payment. The advance was reported in the balance sheet as of October 31, 2019 as Other current liability. After the balance sheet date, this liability was set off against Arwidro's payment for shares subscribed for in the rights issue.

Due to the situation the company is in, several functions, which are generally held by hired staff, such as the CEO, IR and CFO (after the balance sheet date a new CFO has been hired), are held by appointed persons on a consultancy basis. During the period, costs of a total of TSEK 4,649 were booked in the form of consultancy fees to persons on the Board and/or management.

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

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

Note 6 Contingent liabilities, pledged assets and contingent assets

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

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

Balance with MGC Capital LTD (MGC)

MGC has made claims for compensation as a result of MGC not being allowed to subscribe for shares with the support of 23.2 million warrants. The claim for this reason is stated in a claim for damages of approximately MSEK 230 and is based on the assumption that MGC was entitled to the warrants and that MGC should have sold all shares during November 2018. MGC has applied for a subpoena partly for the claim of MSEK 80 and for damages as above, which have been adjusted to approximately MSEK 230. Oasmia's Board assesses MGC's claim for damages to be without merits and has therefore disputed it. For more information, also read page 3.

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

Note 7 Risk factors

The Group is subjected to a number of different risks through its business. By creating awareness of the risks involved in the business these risks can be limited, controlled and managed at the same time as business opportunities can be utilized to increase earnings. The risks in Oasmia's operations are reported in the annual report for the financial year 1 May 2018 - 30 April 2019. Apart from these, no risks were added during the period.

Note 8 Future financing

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

After the balance sheet date, during the end of November 2019 and the beginning of December 2019, Oasmia completed a rights issue that brought in approximately MSEK 399 before issue costs. Consequently, management believes that the Group's financing and liquidity needs for the coming year are covered.

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

December 30, 2019

Uppsala

Jörgen Olsson, Chairman of the Board	Sven Rohmann, Interim CEO and Member of the Board
Hege Hellström, Member of the Board	Anders Härfstrand, Member of the Board
Peter Zonabend, Member of the Board	Gunilla Öhman, Member of the Board

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

This information is information that Oasmia Pharmaceutical AB (publ) is obliged to make public pursuant to the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on December 30, 2019.

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

To the Board of Directors of 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 31 October 2019 and the six-month period then ended. The Board of Directors and the Managing Director 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 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 30 December 2019

KPMG AB	KPMG AB
Duane Swanson Authorized Public Accountant	Henrik Lind Authorized Public Accountant

OTHER INFORMATION

Annual General Meeting in Oasmia
The company held its Annual General Meeting on September 26, at the offices of the company in Uppsala.

The AGM resolved that no dividend be paid and that the share premium reserve of SEK 1,479,826,299, the retained earnings of SEK (936,258,117) and the loss for the year of SEK (157,987,515), in total SEK 385,580,667, will be carried forward.

The AGM resolved to grant the present Board members, elected at the EGM on March 19, 2019, and the former CEO discharge from liability towards the company for the management for the period covered by the Annual Report. The AGM resolved to not grant discharge from liability for the previous Board of Directors.

COMPANY INFORMATION

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Corp. reg. no. 556332-6676
Domicile: Stockholm

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FUTURE REPORT DATES

Interim report May 2019 – January 2020	March 27, 2020
Year-end report May 2019 – April 2020	June 18, 2020

OASMIA IN BRIEF

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

XR17

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

HUMAN HEALTH

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

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

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

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

ANIMAL HEALTH

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

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