EDISON

Oasmia Pharmaceutical

Outlook for 2021/22

Focused on pillars of growth

Pharma & biotech

Oasmia Pharmaceutical has made steady progress in its ongoing transition into an R&D-driven, speciality pharma company with commercially available assets. The in-licensing of Cantrixil from Kazia Therapeutics in March is the first of its 'string of pearls' strategy to bolster the pipeline. Oasmia now has three oncology assets under its belt. Partner Elevar Therapeutics now expects to initiate the additional trials required by the FDA to enable the NDA submission for Apealea (Cremophor-free paclitaxel) in ovarian cancer in 2022 (we forecast US launch in 2025). Over the next 12 months, we expect divestment of the animal health business, further in-licensing deals and optimisation of its platform technologies, which represent value drivers beyond Apealea. Our revised valuation is SEK2.89bn or SEK6.45/share.

Year end	Revenue (SEKm)	PBT* (SEKm)	EPS* (SEK)	DPS (SEK)	P/E (x)	Yield (%)
04/19	2.0	(168.5)	(0.7)	0.00	N/A	N/A
04/20	201.8	(43.4)	0.0	0.00	N/A	N/A
12/21e**	15.5	(166.1)	(0.3)	0.00	N/A	N/A
12/22e**	46.8	(139.1)	(0.3)	0.00	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **New reporting period from 1 January 2021.

Focus on expanding the oncology portfolio

Lead asset Apealea, approved in Europe for ovarian cancer in 2018, has now been fully out-licensed, with US-based Elevar responsible for its global development and commercialisation. The main strategic focus for Oasmia is threefold; the development of its early to mid-stage clinical stage assets Cantrixil and docetaxel micellar, expansion of the oncology pipeline by in-licensing deals and leveraging the proprietary XR-17 solubility-enhancing platform technology internally and externally. Oasmia plans to initiate a Phase IIa trial evaluating in-licensed asset Cantrixil in ovarian cancer in 2022. Furthermore, the Phase Ib docetaxel micellar trial in prostate cancer has initiated in partnership with Swiss Group for Clinical Cancer Research (SAKK).

Financials: Optimising the cost base

Oasmia has significantly optimised its cost base such that the monthly cash burn run rate is now SEK12m. However, as the business progresses and in-licensing opportunities are identified, we would expect costs, particularly R&D, to increase to support pipeline development. Divestiture of the animal health business could free up significant funds for reinvestment. Apealea US sales and royalty contributions are key to reaching maiden profitability, which we forecast for FY25. This is predicated on timely completion of the required additional Phase III US trial.

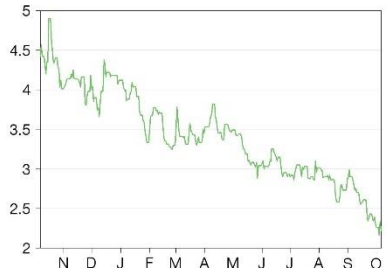
Valuation: SEK2.89bn or SEK6.45/share

Our updated valuation is SEK2.89bn or SEK6.45/share versus SEK2.84bn or SEK6.34/share previously. Our valuation includes net cash of SEK176.3m plus rNPVs for Apealea (ovarian cancer), Cantrixil (ovarian cancer), docetaxel micellar (prostate cancer) and an indicative value for the animal health business. We do not include the XR-17 platform or other cancer indications in our valuation.

7 October 2021

Price	**SEK2.22**
Market cap	**SEK995m**
	$0.12/SEK
Net cash (SEKm) at 30 June 2021 (including short-term investments)	176.3
Shares in issue	448.4m
Free float	75%
Code	OASM
Primary exchange	Stockholm
Secondary exchange	Frankfurt

Share price performance



%	1m	3m	12m
Abs	(22.2)	(24.9)	(51.9)
Rel (local)	(14.6)	(23.1)	(61.4)
52-week high/low	SEK4.90	SEK2.16	

Business description

Oasmia Pharmaceutical is a Swedish speciality pharma company focusing on its proprietary XR-17 technology platform to develop novel formulations of well-established cytostatic oncology treatments for human and animal health. Key assets include Apealea (partnered with Elevar), docetaxel micellar and Cantrixil.

Next events

Potential divestment of animal health business	Late 2021/ early 2022
Oncology in-licensing/M&A deals	2021/22
Start of Apealea US studies (PK and Phase III in ovarian cancer)	2022

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Edison profile page

Investment summary

Company description: En route to sustainable profitability

Oasmia Pharmaceutical's R&D innovation capabilities are centred on its XR-17 and XR-19 technology platform, which enables nano-sized particle formulations of active pharmaceutical ingredients (APIs) to be water soluble. Management has outlined the four pillars of its growth strategy for investors to focus on and benchmark the company's progress into Oasmia 2.0 against, as it focuses on building a sustainable oncology business. Key to this is expansion of the pipeline through in-licensing, leveraging its promising technology platform capabilities (internal development and out-licensing) and successful development of its trio of oncology assets (Apealea, Cantrixil and docetaxel micellar). Oasmia is thus at a major inflection point as it transforms towards its vision of becoming a profitable company, which we forecast from FY25 onwards, contingent on achieving milestone payments from Elevar.

Valuation: SEK2.89bn or SEK6.45/share

Assigning a fundamental valuation to Oasmia requires consideration of the inherent value of its technology platform, potential clinical pipeline candidates and future partnership deals. However, our valuation of SEK2.89bn or SEK6.45/share including net cash (plus short-term investments) of SEK176.3m (at 30 June 2021) is exclusively based on a risk-adjusted model of the future royalties and milestones we expect from the Elevar deal for Apealea in ovarian cancer only (SEK1.53bn), Cantrixil in ovarian cancer (SEK320.9m) and docetaxel micellar in prostate cancer (SEK377.5m), plus an indicative value of the animal health business (SEK488.2m), which is in late clinical stage and which we expect to be divested. We have not ascribed value at this point to the technology platform and unconfirmed candidates at early stages of preclinical development. Consequently, we see upside potential as the pipeline progresses with potential out-licensing deals, and as Apealea moves into additional indications.

Sensitivities: Lower development risk, higher execution risk

Oasmia is subject to various sensitivities common to speciality pharmaceutical companies, including commercialisation (pricing, reimbursement, uptake and competition) and financing risks. The key sensitivities for Oasmia relate to successful commercialisation of Apealea by partner Elevar (Apealea represents 53% of our valuation) plus crystallising value from its earlier-stage pipeline. Oasmia is a turnaround story, thus successful execution and delivery of strategic objectives by the new management is key. Our forecast profitability is dependent on royalties on sales and, more importantly, milestone revenues from existing partners. Delay or failure to receive future milestones would compromise our premise that profitability is achievable in FY25.

Financials: Lower cost base reinforces cash runway

In H121, reported net sales were SEK4.6m versus SEK201.2m in H120 as the prior period benefited from the upfront payment of SEK201.0m ($20m) from Elevar. The operating loss for the period was SEK97.0m versus an operating profit of SEK50.3m in H120. Net cash at 30 June 2021 was SEK176.3m ($20.6m). We forecast total revenues of SEK15.5m in FY21 and SEK46.8m in FY22. With the tightening of the cost base post restructuring, we expect that Oasmia can reach break-even in FY25. We forecast an operating loss of SEK158.5m in FY21 and SEK129.4m FY22. Oasmia has guided to a cash burn of SEK12m per month, which implies a cash runway through to FY22.

Oncology portfolio expanded to three assets

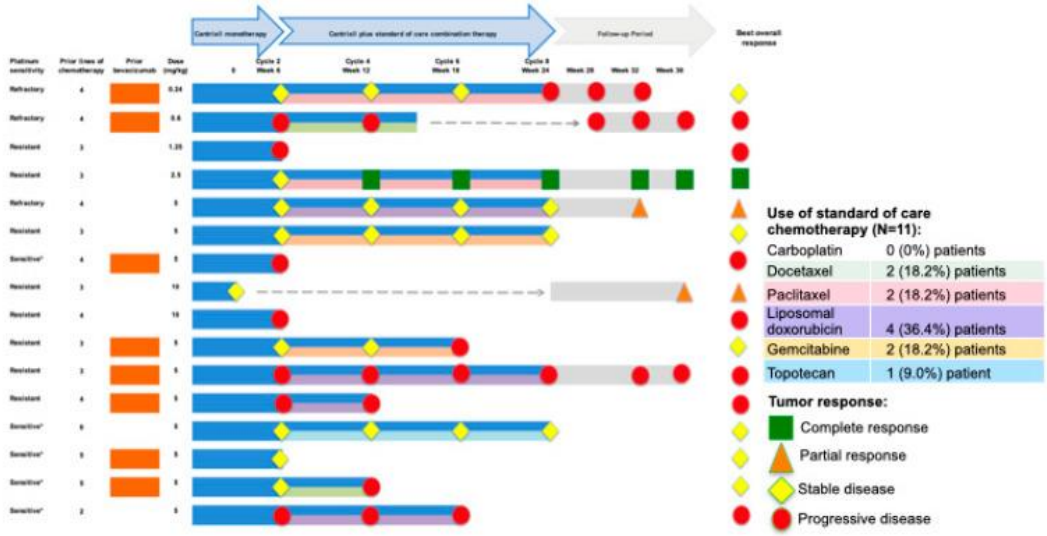
During 2021 Oasmia successfully expanded its R&D oncology pipeline to three clinical-stage assets with the in-licensing of Cantrixil (all indications) from Kazia Therapeutics. Lead asset Apealea is approved in Europe, with its European launch in the hands of partner Inceptua, while its US development is being progressed by global partner Elevar Therapeutics. This means Oasmia can focus on building critical mass in oncology and, as such, it is seeking further in-licensing opportunities. Management is currently evaluating products in development for resistant cancer types and is not limiting its search to any specific modality. Importantly, Oasmia is focusing on the clinical development of Cantrixil and docetaxel micellar, leveraging its proprietary XR-17 platform technology as it continues to look to add to its 'string of pearls' strategy. Management expects royalties on sales of Apealea will contribute to funding the development of the R&D pipeline and proprietary platform.

Cantrixil targets resistant ovarian cancer

In March 2021, Oasmia acquired global development rights for Cantrixil (in all indications) from Kazia Therapeutics for $4m upfront, with $42m worth of development milestones and double-digit royalties on sales. Cantrixil consists of the pharmaceutically active ingredient TRXE-002-01, a third-generation benzopyran SMETI inhibitor, encapsulated in a cyclodextrin excipient to improve its solubility. Cantrixil is a potential first-in-class antineoplastic agent (inhibits the development of tumours) and, while its novel mechanism is still poorly defined, it is believed to target an array of cancer cells, including tumour-initiating cells (cancer stem cells) that are thought to play a key role in metastasis and disease relapse.

Cantrixil's proof-of-concept was successfully established in 16 relapsed and refractory ovarian cancer patients in an open-label Phase I study in the US and Australia (19% ORR, Exhibit 4). Notably, one patient treated with a combination of Cantrixil and paclitaxel achieved a complete response and remained in remission three years after the final dose. Complete data from the Phase I study were published in a scientific journal earlier this year. Cantrixil was granted orphan drug designation for ovarian cancer by the US FDA in 2015.

Exhibit 4: Patient response in Cantrixil Phase I study



Source: Cancers, 2021, 13 (13), 3196

Oasmia expects to initiate a Phase II study in relapsed and refractory ovarian cancer in H222 with Cantrixil in its original formulation and has begun regulatory interactions with the EMA and FDA.

While initial development will focus on ovarian cancer, Cantrixil also has the potential to find utility in other cancers that have spread to the abdominal cavity (bladder and colorectal cancer), as well as potential use as a first-line treatment (it may complement the use of standard-of-care, platinum-based chemotherapy). Oasmia will also investigate potential synergies with lead asset Apealea and its XR-17 technology platform, which could enable different methods of administration (currently administered via intraperitoneal injection), such as an intravenous formulation (subject to feasibility studies).

Peak sales potential of more than $300m

For Cantrixil, we assume a 40% blended royalty rate on sales to capture both sales milestones and royalties from a potential partnership deal for valuation purposes and include a 10% pay away to Kazia Therapeutics for royalties on sales. We have assigned a preliminarily priced to the product of $4,000 per cycle in the US and $2,000 per cycle in the EU and assume eight cycles per treatment. We note this pricing could be conservative if the asset can demonstrate a significant improvement in patient outcomes. We will revisit our initial assumptions as clinical trial data evolve. With a Phase II study in relapsed and refractory ovarian cancer expected to initiate in 2022, we forecast potential approval and launch in 2027, with peak sales of $302m in 2032 (our assumptions include both intraperitoneal and iv administration). Our US analysts have used different assumptions for Kazia Therapeutics. We do not value Cantrixil in any additional indications that have not yet been announced, in earlier lines of treatment or in combination with Apealea. All of these possibilities represent upside to our valuation and we will revisit our assumptions as Cantrixil progresses through clinical development.

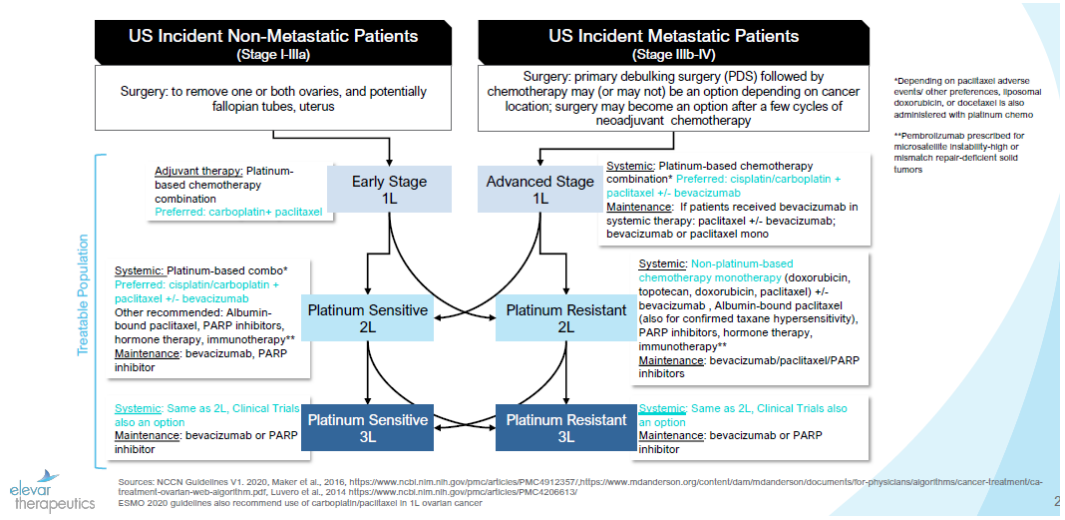
Ovarian cancer

The American Cancer Society estimates that 21,410 new cases of ovarian cancer will be diagnosed in 2021 and c 13,770 women will die from the disease. In key European markets, c 33,400 women were diagnosed in 2020 (source: Globocan). Ovarian cancer is characterised by minimal, non-specific or no symptoms at all, therefore most cases are diagnosed in an advanced stage. Prognosis in ovarian cancer is closely related to the stage at diagnosis, thus survival rates for these patients remain poor (OS across all stages is 46%).

Treatment involves aggressive debulking surgery followed by chemotherapy and novel targeted therapies. Surgery is considered curative for a small percentage of patients (certain histology-type tumours in stage I), so most patients receive some form of chemotherapy after the surgery (neoadjuvant chemotherapy is also used). The standard-of-care, first-line chemotherapy for epithelial ovarian cancer is a combination of paclitaxel and carboplatin.

Despite optimal surgery and appropriate first-line chemotherapy, 70–80% of patients will relapse, with around 25% of patients relapsing within six months of completing primary chemotherapy and 60% relapsing after six months, therefore a maintenance therapy is considered following standard-of-care, platinum-based chemotherapy. Exhibit 5 outlines the current 2020 National Comprehensive Cancer Network (NCCN) guidelines for the treatment of ovarian cancer in the US.

Exhibit 5: NCCN guidelines for the treatment of ovarian cancer



Source: Oasmia Pharmaceutical corporate presentation

Docetaxel micellar

Docetaxel micellar is a nanoparticulate formulation (using Oasmia's XR-17 platform technology) of docetaxel, the pharmaceutically active ingredient of Sanofi's Taxotere, one of the most commercially successful and widely used chemotherapies (it generated global sales in excess of €2.2bn in 2009, before the expiration of the patent in 2010). In June 2020, Oasmia signed a partnership agreement with the SAKK to conduct the first clinical trial of docetaxel micellar in patients with advanced prostate cancer in Switzerland. SAKK will be responsible for management of the Phase Ib trial (n=18), while Oasmia will supply docetaxel micellar and fund the costs of the trial, which are not deemed material. The first patient was dosed in June and top-line results, expected within the next 12–18 months, will determine the future development path. The dossier prepared from the Phase Ib Switzerland trial will be US compatible, allowing Oasmia to launch into a global Phase II study if the results are positive.

Prostate cancer is a growing opportunity

Prostate cancer is the second most common cancer and Globocan estimates that more than 1.4 million new patients were diagnosed with the disease in 2020. This is expected to increase to more than 2.2 million by 2040 with an ageing population and improving screening capabilities. Prostate cancer is a slow growing disease with a five-year survival rate of more than 97%. Treatment options are determined by the stage of disease and patients with localised tumours and early-stage disease are placed under active surveillance. While these patients do not receive any treatment for their existing tumours, they undergo regular testing (prostate-specific antigen blood tests, biopsy, imaging and examinations) to monitor disease progression. Patients with progressive disease and growing tumours receive definitive therapies such as surgery, whole gland radiation and hormone therapy, which have well-known debilitating side effects (including incontinence and infertility). Patients with cancer that does not respond to these so-called androgen deprivation therapies are referred to as castrate resistant.

Oasmia's Phase Ib study is focusing on patients with metastatic castrate-resistant prostate cancer that has spread outside the prostate gland. Docetaxel is the first choice of chemotherapy for these patients, although it has an inherently low aqueous solubility. To enable iv administration, docetaxel is solubilised through micelle formation with polysorbate 80 and ethanol, under the brand name

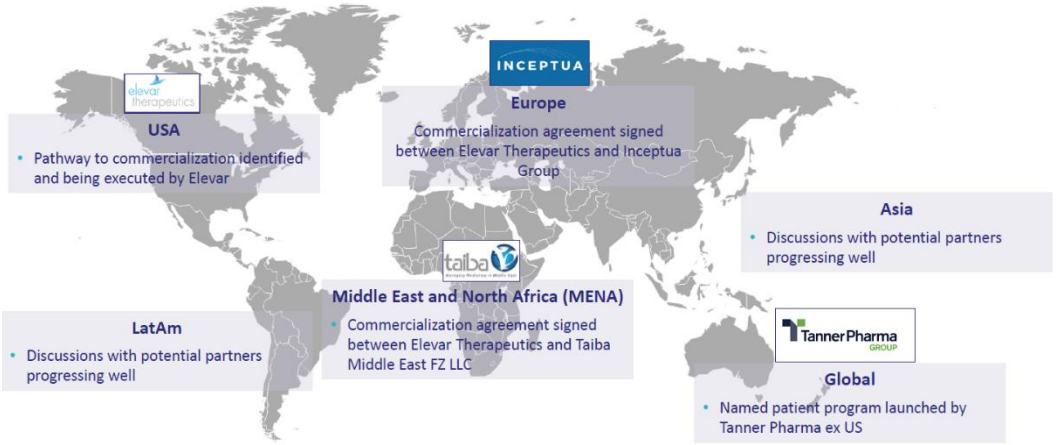
Taxotere. Premedication with prednisone corticosteroid is always required to manage the severe side effects of these solubilising agents, which can have a detrimental impact on the therapeutic performance of the chemotherapy. Oasmia's solubility-enhancing XR-17 technology enables the iv administration of docetaxel without the need for the solubilising agents, and thus no mandatory requirement for steroid premedication.

Partners driving Apealea commercialisation

Apealea, a water-soluble, iv formulation of paclitaxel that is solvent free (no Cremophor EL solubilising agent used in Taxol), can be viewed as a bioequivalent, cost-effective alternative to Abraxane (albumin-bound paclitaxel formulation), which is approved for multiple cancer indications but not ovarian cancer. The worldwide commercialisation of Apealea is now mainly in the hands of partner Elevar Therapeutics (deal terms included $20m upfront plus up to $678m in milestones and double-digit royalties on sales). Elevar has subsequently achieved sub-licence agreements for Apealea's commercialisation with Inceptua Group covering Europe and Taiba Middle East in the Middle East and North Africa region, Exhibit 1. Oasmia also recently signed a licence agreement with Switzerland-based FarmaMondo Group for commercialisation in Russia and the Commonwealth of Independent States (CIS).

Inceptua is a privately held managed care company that will focus on expanding its sales and marketing infrastructure to support Apealea relaunch (minimal treatment sales since approval in 2018), now expected in 2022 (versus late 2021 previously). The UK and Germany launches are expected in H122, followed by Switzerland in H222. Further market launches are under evaluation, and pricing and reimbursement submissions will be made throughout 2022.

Exhibit 1: Apealea out-licensed to Elevar and its partners



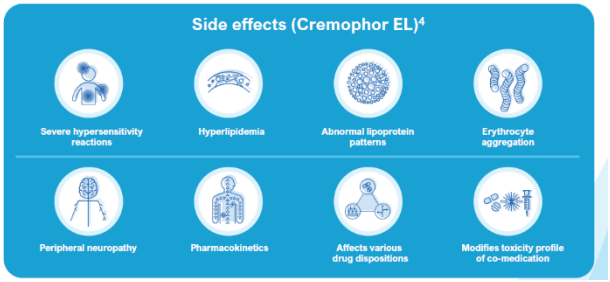
Source: Oasmia Pharmaceutical presentation

Apealea US trials expected to initiate in 2022

In the US, two additional studies are required by the FDA to enable the NDA filing. These include a pharmacokinetic (PK) study that will take around 12 months to complete and a pivotal Phase III superiority study to demonstrate Apealea safety and efficacy in second-line epithelial ovarian cancer (expected to take 24–36 months to complete). Elevar will fund both studies and plans to seek FDA feedback by Q122 before initiating either study, and intends to file the IND for Apealea in Q122. Elevar will work closely with the GOG Foundation to plan and execute the Phase III study. Elevar is still finalising the trial design, but it will likely compare Apealea to paclitaxel in combination with platinum chemotherapy (potentially with/without Avastin), which is the current standard of care in second-line platinum-sensitive ovarian cancer. Establishing superiority is a higher-risk strategy than non-inferiority but, if confirmed, it could lead to improved reimbursement and higher uptake in

the US and other key territories. We expect royalties on sales to start trickling in from 2022 (versus 2021 previously) and further sublicensing deals covering Latin America and Asia through the year. Our valuation of the Elevar deal largely focuses on potential milestone payments in the near term, with tiered royalties on sales (15–18%) for Apealea in ovarian cancer. We forecast US launch in 2025 and global peak sales of $282m in this indication alone.

Exhibit 2: Apealea (non-Cremophor EL formulation of paclitaxel)



Source: Oasmia Pharmaceutical presentation

Exhibit 3: Apealea development timeline

Source: Oasmia Pharmaceutical presentation

Enhancing and partnering technology platforms

Apealea was developed through Oasmia's proprietary XR-17 solubility-enhancing platform technology, which enables water-soluble nanoparticulate formulations of previously insoluble APIs that can be intravenously administered to patients. De novo drug development is both costly and time consuming. This is magnified by the high rates of attrition during clinical trials and the difficulty of meeting rising safety standards while maintaining clinical efficacy and an overall disease benefit. Oasmia is able to significantly de-risk this development process by using its proprietary XR-17 platform technology to reformulate approved drugs that are off patent and already have proven safety and efficacy. These reformulated drugs are in principle patentable. The XR-17 technology is compatible with a wide range of compounds (including established drugs such as paclitaxel) and Oasmia is currently assessing a number of in-licensing opportunities to leverage potential synergies. Oasmia also has the opportunity to out-license its XR-17 technology and forge partnerships with companies that have promising APIs that could benefit from its proven solubility-enhancing technology.

The XR-17 solubility-enhancing technology offers a number of potential advantages that include:

- Shorter infusion times, enhancing convenience for patients and hospital throughput.
- Easily administrable and more predictable dosing with XR-17.
- Removes the risk of severe hypersensitivity, allowing for a larger therapeutic dosing window with potentially higher doses.
- Removes the need for pre/post-medication.
- Increased drug load capacity due to a higher API to cosolvent ratio (higher dosing potential).
- Improved dosing profiles of combination therapies by dual encapsulation of both water soluble and insoluble APIs in one micelle.

Oasmia is also developing a next-generation solubility-enhancing technology platform, XR-18, and a dual encapsulation solubilisation platform, XR-19, which could have the potential to enable combination therapies to be delivered in a single intravenous administration, Exhibit 6. The next-generation XR-18 platform looks to provide technical improvements (stability and storage) and longer-term IP protection, while the XR-19 platform looks to exploit the increasing trend towards the use of combination treatments in oncology.

In March 2021 Oasmia announced a collaboration with the Karolinska Institute in Sweden aiming to develop new APIs. It will also work to gain a deeper understanding of the biological properties of the XR-17 platform, which could enable new study protocols and the development of new therapeutics.

Exhibit 6: XR platform technologies

Source: Oasmia Pharmaceutical company presentation

Valuation

Our updated valuation of Oasmia is SEK2.89bn or SEK6.45/share (Exhibit 7), versus SEK2.84bn or SEK6.34/share previously, and is based on a risk-adjusted net present valuation (NPV) model of Apealea for the treatment of ovarian cancer (US, EU5 and the rest of the world; RoW), Cantrixil for resistant ovarian cancer and docetaxel micellar in prostate cancer plus an indicative value of the animal health business.

We have rolled our model forward and include net cash of SEK176.3m (at 30 June 2021). Our valuation does not include Oasmia's proprietary technology platform and unconfirmed candidates at an early stage in preclinical development; consequently, additional indications for Apealea and docetaxel micellar, plus advancing new candidates into the clinic would provide further upside. Oasmia's valuation is sensitive to the contribution from Apealea. Given Elevar's intention to fund and conduct additional clinical trials (Phase II/III required for other indications) we have previously illustrated the potential value of an additional indication to Oasmia shareholders.

Exhibit 7: Oasmia SOTP NPV

Product	Indication	Launch	Peak sales ($m)	Value (SEKm)	Probability of success	rNPV (SEKm)	NPV/share (SEK/share)
Apealea US	Ovarian cancer	2025	128	686.6	75%	514.9	1.15
Apealea EU5	Ovarian cancer	2020/22	62	581.4	100%	581.4	1.30
Apealea RoW	Ovarian cancer	2020	92	479.6	90%	431.7	0.96
Docetaxel micellar Global	Prostate cancer	2025	239	1,468.1	25%	377.5	0.84
Cantrixil Global	Ovarian cancer	2027	302	1,109.6	35%	320.9	0.72
Animal health	Multiple cancers	2024	163	976.4	50%	488.2	1.09
Net cash at 30 June 2021				176.3	100%	176.3	0.39
Valuation				**5,478.0**		**2,891.0**	**6.45**

Source: Edison Investment Research

Financials

From 1 January 2021, Oasmia started using the calendar year as its financial year (previously 1 May to 30 April). In H121 Oasmia reported consolidated net sales of SEK4.6m in H121 (vs SEK201.2m in H120), which comprised primarily sales of supplies (SEK4.6m vs SEK0.3m in H120).

The significant decrease in net sales is a result of the prior year benefiting from the upfront licence payment of SEK201.0m ($20m) from Elevar relating to the global licensing of Apealea.

The operating loss for the period amounted to SEK97.0m (vs profit of SEK50.3m in H120). Other operating expenses saw a significant decrease (SEK43.9m vs SEK103.8m) due to lower consulting, subcontracting and legal costs in relation to the Elevar deal and required inventory building. Changes in inventories of products saw a decrease of SEK22.7m (vs an increase of SEK11.2m) owing to the write-down of inventory due to expired or soon to be expired finished products (SEK17.4m) intended for the Nordic market where marketing activities have been delayed due to the COVID-19 pandemic. Additionally, employee benefit expenses decreased (SEK22.6m vs SEK39.7m) due to a significant decrease in the number of employees (25 vs 62) following the strategic cost-reduction programme. Oasmia confirmed it will achieve its goal of annualised cost savings of SEK100m with a monthly cash burn in line with its SEK12m target.

Oasmia had a net cash position of SEK176.3m at 30 June 2021. We do not include the short-term liability relating to the MGC Capital claim (SEK80m) in our net cash calculation and note that this contingent liability is largely offset by a counter claim held by Oasmia that has a face value of SEK60m (book value SEK40m).

We now forecast total revenues of SEK15.5m in FY21 based on European relaunch by Inceptua in 2022 (vs later 2021 previously) and continue to forecast SEK46.8m in FY22 due to increased contributions from supply of XR-17 to Elevar and other distribution partners plus milestone payments based on company guidance. We now expect royalties on sales of Apealea in Europe to start contributing from FY22. We expect the tightening of the cost base after restructuring to be somewhat offset by an increase in R&D expenses as docetaxel micellar and Cantrixil enter the next stage of clinical development. We continue to forecast R&D expenses of SEK17.1m in FY21 and SEK34.2m in FY22; this includes the docetaxel micellar Phase Ib prostate cancer trial and preparatory costs for Cantrixil in FY21, ahead of the expected start of the Phase II Cantrixil study in FY22. We forecast an operating loss of SEK158.5m in FY21 and SEK129.4m FY22. As the business evolves and Oasmia looks to expand its clinical pipeline, R&D and capex costs (in-licensing/M&A) could increase. Under our current assumptions, Oasmia has sufficient capital to fund operations through FY22. Additionally, divestment of the animal health business, Apealea royalties and revenues from potential out-licensing/partnering of the XR-17 platform could extend the cash reach further. Given Oasmia's current cash burn rate and our forecast Apealea revenues in Europe and RoW, we forecast maiden profitability in FY25, contingent on timely US launch in 2025.

Exhibit 8: Financial summary

Accounts: IFRS, year-end: 31 December, SEK000s	2019	2020	2019 (8M)	2020 (8M)	2021e	2022e
	01/05/18–30/04/19	01/05/19–30/04/20	01/05/19–31/12/19	01/05/20–31/12/20	01/01/21–31/12/21	01/01/22–31/12/22
PROFIT & LOSS						
Operating revenues	1,980	201,843	565	482	15,500	46,780
Total operating expenses*	(121,211)	(211,897)	(109,629)	(103,047)	(150,644)	(153,238)
EBITDA (reported)	(119,231)	(10,054)	(109,064)	(102,565)	(135,144)	(106,458)
Depreciation and amortisation	(31,005)	(20,032)	(8,193)	(28,930)	(23,336)	(22,953)
Reported operating Income	(150,236)	(30,086)	(117,257)	(131,495)	(158,480)	(129,411)
Operating margin %	N/A	N/A	N/A	N/A	N/A	N/A
Finance income/(expense) excluding lease expense	(18,240)	(12,267)	(8,829)	(8,777)	(7,120)	(9,151)
Leasing expense	0	(1,003)	0	0	(502)	(502)
Exceptionals and adjustments	0	0	0	0	0	0
Reported PBT	(168,476)	(43,356)	(126,086)	(140,272)	(166,101)	(139,064)
Income tax expense (includes exceptionals)	(32,822)	32,822	32,822	0	0	0
Reported net income	(201,298)	(10,534)	(93,264)	(140,272)	(166,101)	(139,064)
Basic average number of shares, m	253.3	398.4	260.4	448.4	448.4	448.4
Year-end number of shares, m	294.6	448.4	447.4	448.4	448.4	448.4
Basic EPS (SEK)	(0.8)	(0.0)	(0.4)	(0.3)	(0.4)	(0.3)
Adjusted EPS (SEK)	(0.7)	0.0	(0.3)	(0.2)	(0.3)	(0.3)
Dividend per share (SEK)	0	0	0	0	0	0
BALANCE SHEET						
Property, plant and equipment	14,701	28,014	36,322	17,630	16,067	14,887
Intangible assets	10,497	9,759	10,040	9,197	47,545	51,705
Capitalised development costs	433,130	433,357	433,507	420,334	400,901	381,468
Other non-current assets	2,002	2,002	2,002	302	302	302
Total non-current assets	460,330	473,132	481,871	447,463	464,815	448,362
Cash and equivalents	116,272	201,018	325,658	40,128	32,569	765
Short-term investments	0	234,080	0	247,277	97,277	2,277
Inventories	7,420	28,837	15,833	51,496	16,850	17,535
Trade and other receivables	6,545	43,907	50,634	44,552	50,738	54,576
Other current assets	14,472	24,372	19,863	32,628	32,628	32,628
Total current assets	144,709	532,214	411,988	416,081	230,062	107,780
Non-current loans and borrowings	0	0	0	0	0	0
Long-term leasing liabilities	0	8,845	10,183	6,545	6,545	6,545
Other non-current liabilities	32,822	0	0	0	0	0
Total non-current liabilities	32,822	8,845	10,183	6,545	6,545	6,545
Trade and other payables	17,666	22,524	22,570	10,678	8,111	8,440
Current loans and borrowings	139,568	80,000	80,000	80,000	80,000	80,000
Short-term leasing liabilities	0	5,320	5,296	4,204	4,204	4,204
Other current liabilities	31,485	69,268	37,321	81,919	81,919	81,919
Total current liabilities	188,719	177,112	145,187	176,801	174,234	174,563
Equity attributable to company	383,498	819,390	738,491	680,197	514,096	375,032
CASH FLOW STATEMENT						
Operating Profit/(loss)	(150,236)	(30,086)	(117,257)	(131,495)	(158,480)	(129,411)
Depreciation and amortisation	6,005	13,651	0	0	23,336	22,953
Share based payments	0	120	0	0	0	0
Other adjustments	32,086	12,738	0	0	0	0
Movements in working capital	(3,657)	1,065	(10,176)	(33,817)	25,893	(4,193)
Interest paid/received	(3,037)	(4,354)	(4,125)	(677)	(5,120)	(7,151)
Income taxes paid	0	0	0	0	0	0
Other financing charges	0	0	0	0	(2,502)	(2,502)
Cash from operations (CFO)	(118,839)	(6,866)	(131,558)	(165,989)	(116,872)	(120,304)
Capex**	(12,031)	(12,873)	(9,749)	(4,366)	(6,500)	(6,500)
Acquisitions & disposals net	0	0	0	0	(34,188)	0
Other investing activities	(2,000)	(275,251)	(40,251)	(10,000)	150,000	95,000
Cash used in investing activities (CFIA)	(14,031)	(288,124)	(50,000)	(14,366)	109,312	88,500
Net proceeds from issue of shares	151,852	401,863	402,951	0	0	0
Movements in debt	81,648	0	0	0	0	0
Other financing activities	0	(22,141)	(20,616)	(4,010)	0	0
Cash from financing activities (CFF)	233,500	379,722	382,335	(4,010)	0	0
Cash and equivalents at beginning of period	15,580	116,272	116,272	201,018	40,129	32,569
Increase/(decrease) in cash and equivalents	100,630	84,732	200,777	(184,365)	(7,560)	(31,804)
Effect of FX on cash and equivalents	62	15	8	(5,938)	0	0
Cash and equivalents at end of period	116,272	201,019	317,057	10,715	32,569	765
Net (debt)/cash	56,704	435,098	325,658	287,405	129,846	3,042

Source: Company accounts, Edison Investment Research. Note: From 1 January 2021, Oasmia will use the calendar year as its financial year. *Includes non-capitalised R&D costs. **Includes capitalised development costs.

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Management team	
CEO: Dr Francois Martelet	**CFO: Fredrik Järrsten**
Dr Francois Martelet was appointed as CEO of Oasmia Pharmaceutical in 2020. Prior to this he was CEO of Avax and Topotarget. He has held executive roles at senior level at Roche, Eli Lilly, Novartis and MSD. He has been based in six countries in Europe (including Sweden) and in the United States. Dr Martelet is a French medical doctor, with a master's degree in business. He speaks four languages, among them Swedish.	Fredrik Järrsten has over 25 years of experience across the financial, medical technology and life sciences sectors in the Nordic region and internationally. He serves as CFO and deputy CEO at Karolinska Development and previously held executive roles at Bactiguard and Aleris. He holds a degree in accounting and finance from the Stockholm School of Economics and an international business degree from the University of Michigan.
CSO: Reinhard Koenig	**CMO: Heidi B Ramstad**
Reinhard Koenig has more than 30 years of pharma and biotechnology experience. He has extensive experience of leading positions within global pharmaceutical companies. Previous companies he has worked at include Genentech, Boehringer Mannheim and Piramal Critical Care.	Heidi B Ramstad has more than 20 years' experience as a medical doctor and biopharmaceutical executive in the healthcare sector. Recent positions include working for Nisonic as chief medical officer and as managing director of NorMed Consulting. Previous companies she has worked at include Roche, GSK and Pfizer.

Principal shareholders	(%)
Per Arwidsson with related parties	24.8
Avanza Pension	5.9
Nordnet Pension Insurance	2.8
Mastan AB (Håkan Lagerberg)	2.0
Swedbank Insurance	1.6

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