

Oasmia announces outcome of strategic review to deliver long-term, profitable growth as a specialty pharma company

Uppsala, Sweden, May 13, 2020. Oasmia Pharmaceutical AB, an innovation-focused specialty pharmaceutical company, today announced the outcome of a strategic review assessing all aspects of the business to maximise the company's resources, to achieve the full potential of its XR17 platform technology and to optimise Oasmia's path towards long-term, profitable growth.

The review was undertaken by Oasmia following the appointment of Francois Martelet as Chief Executive Officer in February 2020. In March, Oasmia announced a global strategic partnership with Elevar Therapeutics, the U.S. subsidiary of HLB Co. Ltd, to commercialise Oasmia's anticancer product Apealea®, which is based on its XR17 technology. Under the terms of the agreement, Oasmia has received an upfront payment of USD 20 million and is eligible to receive milestone payments of up to USD 678 million and double-digit royalties on future sales.

As a result of the review, Oasmia has identified a number of areas of strategic focus allowing the company to achieve its long-term goals, including:

- Explore additional opportunities to apply the company's proprietary XR17™ solubility-enhancing technology platform in oncology and other therapeutic areas, including out-licensing of non-core applications
- Continue to drive the development of Oasmia's existing pipeline of XR17-based products, including Docecal (docetaxel) in breast and prostate cancers and its combination cancer therapy XR19
- Leverage the company's GMP manufacturing facilities for R&D and clinical trial production
- Expand Oasmia's pipeline through potential acquisitions or in-licensing deals with a focus on late-stage assets that will move the company towards positive cash flow.

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

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

Francois Martelet, Chief Executive Officer of Oasmia, said:

"Since joining Oasmia in March, I have been impressed by the quality and potential of its technology and pipeline. With Apealea approved in Europe and becoming available to patients, Oasmia has demonstrated its ability to bring promising new products to market that meet unmet need and enhance drug safety. The transformative global agreement with Elevar has further

underlined Oasmia's clinical, regulatory and commercial strengths. We are now ideally placed to move into the next phase of growth, establishing Oasmia as a leading Sweden-based specialty pharmaceutical company, maximising the potential of our proven XR17 technology platform and leveraging our skills and expertise through the acquisition or in-licensing of promising assets. Management is now fully focused on delivering these objectives, which will provide benefits to patients and build value for shareholders."

Jörgen Olsson, resigning Chairman of the Board of Oasmia, comments:

"In the Board, we are very impressed and pleased by the sharp analysis, speed and decision-making qualities that our new CEO shows in this short time. We very much look forward to the new, commercial future for Oasmia."

Oasmia will host a telephone conference on May 13, 2020, at 11.30am CET.

Follow the link below for call-in details:

Weblink <https://tv.streamfabriken.com/2020-05-13-pressconference-2020>

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About Oasmia Pharmaceutical AB

Oasmia Pharmaceutical AB develops, manufactures, markets and sells an improved generation of drugs within human and veterinary oncology. Oasmia produces novel formulations of well-established cytostatic agents which show improved performance, an improved side-effect profile and a wider range of therapeutic areas compared with existing alternatives. Product development is based on Oasmia's proprietary technology platform XR17. Oasmia has been successful in driving its first product candidate, Apealea® (paclitaxel micellar), through clinical development, and has

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applied for and achieved market approval in the European Union and other territories. Oasmia is in the process of transitioning into the commercialization phase of the product Apealea and making the product accessible to patients via its partnership with Elevar and its existing operations and partnerships in its retained territories.

This information is information that Oasmia Pharmaceutical is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2020-05-13 10:00 CEST.

Attachments

[Oasmia announces outcome of strategic review to deliver long-term, profitable growth as a specialty pharma company](#)