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PRESS RELEASE

Oasmia updates regarding MGC disputes

During the preceding weekend, the initially yearly promissory note loan which Nexttobe provided to Oasmia back in 2015 has finally fallen due after several extensions. Also, it was the intended refinancing of this loan that gave rise to Oasmia's issuance to Arwidsro and MGC of warrants for subscription, which warrants in turn gave rise to the so called ownership dispute, after MGC having acquired this loan claim in August 2018 mainly against deferred payment. In the relation between Arwidsro and Oasmia, the so called ownership dispute has subsequently been settled. See further Oasmia's Q4/year-end report announced on 28 August 2019 and Oasmia's press announcement regarding this settlement on 5 July 2019. As is also set out in this year-end report and this press announcement, Oasmia accounted for the remainder of this note loan as indebtedness, in a principal amount of MSEK 80 plus interest, with a due date of 24 August 2019.

During July and August, MGC has sought to initiate legal action against Oasmia, inter alia by a lawsuit claiming MSEK 229 plus interest in damages due to the alleged non-delivery of warrants/shares after the so called ownership dispute, as well as by pursuing claims for premature payment (inclusive of bankruptcy claims) under the abovementioned note loan. This has happened before as well as after the settlement as between Arwidsro and Oasmia. As has been communicated earlier, these claims have been contested by Oasmia as being without any merit; the said bankruptcy filings have been dismissed or withdrawn.

Ahead of the said due date of 24 August, Oasmia has together with its legal advisors carefully reviewed the various disputes and the underlying relevant facts. Oasmia has then reached the conclusion not to pay MGC anything in cash with regard to this note loan currently being booked as indebtedness of MSEK 80 in principal. Oasmia has, and will pursue, counterclaims in excess of this amount.

These counterclaims primarily consist of a claim in an preliminary amount as of today of MSEK 62, acquired from Arwidsro. (See further the above-mentioned press announcement on 5 July 2019, at which time this claim amounted to MSEK 60.2.). Moreover there are counterclaims made or prepared in relation to MGC's various contractual breaches of its pledge commitments and other commitments that MGC entered into in connection with MGC's acquisition of the said note loan from Nexttobe. There are also claims for compensation against MGC that result from MGC's groundless bankruptcy filing actions.

Oasmia will vigorously safeguard Oasmia's interests in these matters, in court where necessary and will seek compensation for all the related harm caused to Oasmia. As a start, it can be concluded that MGC's legal actions so far have rested on unclear authority and capacity to sue, and also that MGC actions in large parts are brought to the wrong court (Uppsala District Court instead of the correct Stockholm District Court.) In case Oasmia's formal objections in these regards will not be accepted by the court so that that MGC will be

allowed to pursue its attempted lawsuits, Oasmia will inter alia contest the groundless allegations made by MGC's stated attorney to the effect that Oasmia should not have become be the lawful owner of the said counterclaim of preliminarily MSEK 62 and/or should not be entitled to claim the full amount as a consequence of the claims transfer.

The fact that Oasmia is awaiting further clarity on the procedural situation and that Oasmia in accordance with the foregoing is withholding the entire note loan remainder of MSEK 80 plus interest is currently not leading to any amended accounting or any further reservations or income relative to the year-end report.

Based on the argumentation so far, the damages claims via so called class actions that are being prepared in US courts with reference to Oasmia's ADR programme, lack any connection with the MGC disputes. As these damages claims are not deemed to incur any risks for losses to Oasmia, nor has these litigation risks lead to any specific reservations.

For more information:

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About Oasmia Pharmaceutical AB

Oasmia Pharmaceutical AB develops, manufactures, markets and sells new generations of drugs in the field of human and veterinary oncology. The company's product development aims to create and manufacture novel nanoparticle formulations and drug-delivery systems based on well-established cytostatics which, in comparison with current alternatives, show improved properties, reduced side-effects, and expanded applications. The company's product development is based on its proprietary in-house research and company patents. Oasmia is listed on Frankfurt Stock Exchange (OMAX.GR, ISIN SE0000722365) and NASDAQ Stockholm (OASM.ST).