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PRESS RELEASE

The Board of Directors in Oasmia proposes a rights issue of approximately SEK 400 million

The Board of Directors in Oasmia Pharmaceutical AB ("Oasmia" or the "Company") today announces a notice to an extra general meeting on 6 November 2019. It is proposed that the extra general meeting resolves to authorise the Board of Directors to carry out a rights issue of approximately SEK 400 million (the "Rights Issue"). The proceeds from the Rights Issue will primarily be used to finance and accelerate the commercialization of Apealea® and capture new business opportunities based on the Company's proprietary XR17 platform. Moreover, Oasmia intends to create a stable financial position enabling a solid platform for growth. The Company's major shareholder Per Arwidsson through Arwidsro Investment AB and related parties ("Arwidsro") has undertaken to subscribe for its pro-rata share in the Rights Issue, corresponding to approximately SEK 100 million or 25 percent. Oasmia has also received a financing commitment from Arwidsro enabling Oasmia to repay the convertible loan on 31 October 2019.

Summary

- The Board of Directors in Oasmia today announces a notice to an extra general meeting on 6 November 2019. The extra general meeting is proposed to authorise the Board of Directors to carry out a rights issue of approximately SEK 400 million with preferential right for the Company's shareholders to subscribe for new shares.
- The proceeds from the Rights Issue will primarily be used to finance and accelerate the commercialization of Apealea® and capture new business opportunities based on the Company's proprietary XR17 platform. Moreover, Oasmia intends to create a stable financial position for the Company enabling an expansion into new territories and the creation of a robust pipeline of projects.
- Provided that the extra general meeting authorises the Board of Directors and that the Board of Directors subsequently resolves to carry out the Rights Issue, the Company's major shareholder Arwidsro has undertaken to subscribe for its pro-rata share in the Rights Issue. This subscription undertaking amounts to approximately SEK 100 million or 25 percent of the Rights Issue. In addition, Arwidsro has also undertaken to vote in favour of the proposal of authorisation to issue shares on the extra general meeting on 6 November 2019.
- Furthermore, the Company has received a financing commitment up to SEK 45 million from Arwidsro. The loan commitment is intended for repayment of the outstanding convertible loan that matures on 31 October 2019. To the extent drawn-upon, the commitment will be settled through the Rights Issue.
- The subscription period in the Rights Issue is planned to be in the end of Q4 2019.

New business opportunities as well as background and reasons to the Rights Issue

"I am very happy seeing Oasmia's transition to the commercial state. With a stepwise focused market introduction, I expect Oasmia to grow in a healthy manner creating value for the shareholders. Not to forget, we operate in an area of urgent medical need and many years of development will now help future patients", says Jörgen Olsson, Chairman of the Board.

Oasmia is an integrated pharmaceutical company that develops, manufactures and markets an enhanced generation of drugs within human and veterinary oncology. The Company's products and product candidates are based on the proprietary technology platform XR17, which allows for the production of water soluble nano-sized particle formulations of otherwise non-soluble active pharmaceutical ingredients (API). Oasmia has been successful in driving its first product candidate, Apealea[®], through clinical development and achieving Market Authorization in the European Union and other countries. Oasmia has strengthened its management team to accelerate commercialization and initiated a commercialization phase for the product Apealea[®] with the aim of making the product accessible to patients and to generate returns for the Company's shareholders. In the short term, Oasmia's ambition is to commercialize Apealea[®] on the Nordic and European market. Simultaneously, the Company's goal is to start the discussions with FDA regarding a market authorization application of Apealea[®] in the US. Further, the Company intends to continue to invest in medical development aiming for further use and other cancer indications for Apealea[®] in order to gain higher market penetration as well as continue clinical development of the drug candidates in the portfolio.

Oasmia's oncology products intend to represent a range of cytostatic drugs adapted to be combined with so-called targeted treatment such as immuno-oncology drugs, which is the leading form of treatment based on the number of cancer treatments performed.

Extra general meeting

The Board of Directors of Oasmia has today published a notice to an extra general meeting that will be held in the Company's premises at Vallongatan 1 in Uppsala on 6 November 2019, to authorise the Board of Directors to resolve on a rights issue. Notice to the extra general meeting will be announced through a separate press release.

Short term financing commitment and repayment of convertible loan

On 31 October 2018, the Company issued a convertible loan with a nominal amount of approximately SEK 51 million. The convertible loan matures on 31 October 2019, unless the convertible loan is converted into new shares before the maturity date. These convertibles may be converted into shares in the Company at a price of SEK 14.50 per share. If all convertibles were to be converted to shares, the Company would issue 3 517 236 new shares which however seems less likely under current market conditions. In order to enable Oasmia to repay the convertible loan (unless conversion is fully or partly achieved) the Company has received a financing commitment from the Company's major owner Arwidsro amounting to SEK 45 million. No compensation will be paid to Arwidsro for this financing commitment. To the extent drawn-upon, the commitment will be settled through the Rights Issue.

Subscription and voting commitment from Arwidsro

Provided that the extra general meeting resolves to authorise the Board of Directors and that the Board of Directors resolves to carry out the Rights Issue, the Company's major shareholder Arwidsro has undertaken to subscribe for its pro-rata share in the Rights Issue. This subscription commitment amount to approximately SEK 100 million or 25 percent of the Rights Issue. No compensation will be paid to Arwidsro for this subscription commitment. In addition, Arwidsro has also committed to vote in favour of the proposal of authorisation to issue shares on the extraordinary general meeting on 6 November 2019. Furthermore, Arwidsro's subscription means that the Swedish Securities Council

(Sw. Aktiemarknadsnämnden) is to approve an application for an exemption of a mandatory tender offer, that otherwise could arise depending on the subscription outcome in the Rights Issue.

Advisors

ABG Sundal Collier is the financial advisor to Oasmia and Hannes Snellman is the legal advisor to Oasmia in connection with the Rights Issue. Baker McKenzie is the legal advisor to ABG Sundal Collier.

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About Oasmia Pharmaceutical AB

Oasmia Pharmaceutical AB develops, manufactures and markets 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 Nasdaq Stockholm (OASM.ST) and Frankfurt Stock Exchange (OMAX.GR, ISIN SE0000722365).

This information constitutes inside information in accordance with the EU Market Abuse Regulation 596/2014 that Oasmia Pharmaceutical AB is obliged to make public. The information was submitted for publication through the agency of the contact person set out above, at the time stated by Oasmia Pharmaceutical AB's news distributor GlobeNewswire at publication of this press release.

Important information

The information in this press release do not contain any offering to purchase, subscribe or in any other way trade with shares or any other financial instruments in Oasmia.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.