

OASMIA RESOLVES ON A FULLY SECURED RIGHTS ISSUE OF APPROXIMATELY SEK 151 MILLION

The Board of Directors of Oasmia Pharmaceutical AB (“Oasmia” or the “Company”) has today resolved on a new issue of shares with preferential rights for existing shareholders of approximately SEK 151 million (the “Rights Issue”), subject to approval by an Extraordinary General Meeting to be held on 21 February 2022.

Summary

- The purpose of the Rights Issue is to finance the continued development of the Company and its projects in accordance with its business plan and strategy.
- Shareholders in Oasmia have preferential right to subscribe for one (1) new share per every five (5) existing shares, i.e. a subscription ratio of 1:5.
- The subscription price has been set to SEK 1.68 per share which, assuming that the Rights Issue is fully subscribed, amounts to issue proceeds of approximately SEK 151 million before the deduction of issue costs.
- The subscription period runs from 8 March 2022 through 22 March 2022.
- The record date for the Rights Issue is 4 March 2022. The last day of trading in Oasmia’s shares including right to receive subscription rights in the Rights Issue is 2 March 2022 and the first day of trading in Oasmia’s shares without receiving subscription rights in the Rights Issue is 3 March 2022.
- Trading in subscription rights will take place on Nasdaq Stockholm during the period from 8 March 2022 through 17 March 2022.
- The Company’s largest shareholder, Per Arwidsson through Arwidsro Investment AB and Fastighets AB Arwidsro, representing approximately 24.8 percent of the total number of shares and votes in Oasmia, has undertaken to subscribe for its pro-rata share of the shares in the Rights Issue. Additionally, a consortium of external investors have given guarantee commitments to Oasmia of SEK 113 million, corresponding to approximately 75.2 percent of the Rights Issue. Thus, the Rights Issue is fully secured.
- The Rights Issue comprises a maximum of 89,673,909 shares.
- The Board of Directors’ resolution on the Rights Issue is subject to approval by the Extraordinary General Meeting on 21 February 2022.

Francois Martelet, Chief Executive Officer of Oasmia

“The transformation initiated when I joined eighteen months ago has already helped to build a solid foundation for the future by reducing unnecessary operating expenditure, eliminating risks such as legacy litigation, and building and progressing a promising pipeline of hard-to-treat cancer projects. This Rights Issue aims to strengthen Oasmia’s balance sheet to help us achieve the next step in our transformation and make further progress towards becoming a Nordic oncology powerhouse, focused on hard-to-treat cancers.”

Background and rationale

Oasmia is an oncology-focused specialty pharmaceutical company headquartered in Solna. Oasmia's vision is to create a Nordic oncology powerhouse focused on hard-to-treat cancers with a mission to build a diversified pipeline focused on hard-to-treat and late-stage cancers using different mechanisms of action.

Since March 2020, the new management and Board has transformed Oasmia into a company with a strong team with the expertise to develop promising oncology assets from early-stage development through to partnering and commercialization. With these capabilities in place, Oasmia is an attractive partner for innovative assets and companies and is well placed to achieve its mission. In order to build value, Oasmia has adopted a growth strategy focusing on broadening the pipeline through acquisition and in-licensing of additional oncology assets. In 2021, Oasmia initiated the first step of its string-of-pearls strategy through the acquisition of clinical stage oncology asset Cantrixil. Additional assets are continuously being evaluated with the aim of broadening the project portfolio further in 2022.

To highlight the Company's vision of creating a Nordic oncology powerhouse, focused on hard-to-treat cancers, the Board of Directors has proposed that the Extraordinary General Meeting on 21 February 2022 resolves to amend the Company's name to Vivesto. Vivesto reflects the Company's commitment to enhancing quality of life for patients with cancer, and its focus on R&D and innovation. The new name will, after being resolved by the Extraordinary General Meeting, be formally registered with the Companies Registration Office following completion of the Rights Issue.

The foundation of Oasmia is the Company's developed drug delivery technology XR-17™, which can be used to enhance the solubility of drugs in water in order to improve efficacy and safety. The technology has been successfully applied to the development of Oasmia's leading oncology product, Apealea® (paclitaxel micellar), which is approved in Europe and will be launched in 2022 by Oasmia's partner Inceptua S.A. The market launch by Inceptua is part of a larger strategic partnership that Oasmia signed in 2020 with Elevar Therapeutics, Inc. for the commercialization of Apealea® in return for an upfront payment of USD 20 million, milestone payments of up to USD 678 million and double-digit royalties. Since the agreement was announced, Elevar has sublicensed Apealea® to Inceptua Group for commercialization in Europe.

In addition to Apealea®, Oasmia's pipeline includes Cantrixil for advanced ovarian cancer, and Docetaxel micellar for advanced prostate cancer. In March 2021, Oasmia acquired the global development and commercialization rights for Cantrixil from Australian biotech company Kazia Therapeutics Ltd. Oasmia is currently preparing for a Phase II trial of Cantrixil.

Oasmia's third oncology development program is Docetaxel micellar, in development for advanced prostate cancer, which also uses the XR-17™ drug delivery and formulation technology to enable intravenous administration of docetaxel without

solubility enhancers. Docetaxel micellar is currently undergoing a Phase Ib trial initiated by SAKK – the Swiss Group for Clinical Cancer Research.

Oasmia is one of only a few fully integrated biotech companies that has a strong platform with a wide range of in-house capabilities as well as experience from taking a development project all the way to market approval. With capabilities and experiences, Oasmia is well positioned to execute on its strategy to build a broad development portfolio consisting of both internally generated and acquired or in-licensed projects.

To finance the general business operations, further develop the general project portfolio and position the Company for additional acquisitions and in-licensing opportunities, Oasmia needs to strengthen its financial position, which is why the Board of Directors has resolved on the Rights Issue.

The Board of Directors intends to carry out the Rights Issue to ensure the continued development of the Company and its projects in accordance with its business plan and strategy. The proceeds from the Rights Issue is intended to fund the following activities:

- Ongoing business activities including management and administration, sales and marketing activities together with partners and business development activities targeting additional acquisition and in-licensing opportunities – approximately 40 percent
- Development of the Company's two clinical stage assets; Cantrixil and Docetaxel micellar – approximately 25 percent
- Research and development regarding the Company's technology platform and pre-clinical stage projects – approximately 35 percent

The Rights Issue

Oasmia's Board of Directors today resolved on, subject to approval from the Extraordinary General Meeting on 21 February 2022, to carry out the Rights Issue of approximately SEK 151 million before deduction of issue costs.

Those who are registered as shareholders on the record date of 4 March 2022 have the preferential right to subscribe for new shares in proportion to their existing shareholdings. Subscription of shares may also take place without subscription rights.

The Board of Directors' resolution on the Rights Issue is subject to approval by the Extraordinary General Meeting on 21 February 2022. For further information, please see separate press release with notice of the Extraordinary General Meeting.

Terms of the Rights Issue

Those who are registered shareholders in Oasmia on the record date 4 March 2022, receive one (1) subscription right for each (1) share. The subscription rights grant the holder preferential right to subscribe for new shares, whereby five (5) subscription rights entitle the shareholder to subscribe for one (1) new share. In addition, investors are offered the possibility to subscribe for shares without subscription rights.

In the event that not all shares are subscribed for under subscription rights, the Board of Directors shall, within the maximum amount of the Rights Issue, resolve on allotment of shares without subscription rights. Allotment will then take place in the following order of priority: primarily, allotment shall be made to those who subscribed for shares under subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, pro rata in relation to the number of subscription rights exercised for subscription and, to the extent that this cannot be done, by drawing lots; secondarily, allotment shall be made to others who have signed up for subscription without subscription rights. In the event that they cannot receive full allotment, allotment shall be made pro rata in proportion to the number of shares subscribed for by each and, to the extent that this cannot be done, by drawing lots; and in the third and final stage, any remaining shares shall be allotted to the parties who have guaranteed the Rights Issue, in relation to the guarantee undertakings made.

The subscription price is SEK 1.68 per new share. Assuming that the Rights Issue is fully subscribed, the share capital will be increased by a maximum of SEK 8,967,390.9 from SEK 44,836,954.6 to SEK 53,804,345.5, by new issue of a maximum of 89,673,909 new shares, resulting in the total number of shares increasing from 448,369,546 shares to 538,043,455 shares. Assuming full subscription, Oasmia will receive total proceeds of approximately SEK 151 million, before deduction of issue costs.

The subscription period runs from 8 March 2022 through 22 March 2022. The Board of Directors of Oasmia is entitled to extend the subscription period and the time for payment which, if applicable, will be announced by the Company in a press release no later than 22 March 2022. Trading in subscription rights will take place on Nasdaq Stockholm during the period from 8 March 2022 through 17 March 2022 and the trading in paid-up subscribed shares (Sw: betalda tecknade aktier) during the period from 8 March 2022 through 4 April 2022.

Shareholders who choose not to participate in the Rights Issue will, assuming that the Rights Issue is fully subscribed, have their shareholdings diluted by approximately 16.7 percent, but are able to financially compensate for this dilution by selling their subscription rights.

Subscription commitments and guarantee undertakings

The Company's largest shareholder, Per Arwidsson through Arwidsro Investment AB and Fastighets AB Arwidsro, representing approximately 24.8 percent of the total number of shares and votes in Oasmia, has undertaken to subscribe for its pro-rata share of the shares in the Rights Issue.

Additionally, a consortium of external investors have given guarantee commitments to Oasmia of SEK 113 million, corresponding to approximately 75.2 percent of the Rights Issue. Thus, the Rights Issue is fully secured. For the guarantee undertakings, a cash compensation of 6.5 percent is paid on the guaranteed amount.

Prospectus

Complete terms and conditions for the Rights Issue and other information about the Company as well as information about subscription commitments and guarantee undertakings will be available in the prospectus that the Company is expected to publish on 3 March 2022.

Preliminary timetable

The below timetable for the Rights Issue is preliminary and may be adjusted.

2 March 2022	Last day of trading in shares including right to participate in the Rights Issue
3 March 2022	First day of trading in shares excluding right to participate in the Rights Issue
3 March 2022	Estimated date for publication of the prospectus
4 March 2022	Record date for participation in the Rights Issue, i.e. holders of shares who are registered in the share register on this date will receive subscription rights for participation in the Rights Issue
8 March – 17 March 2022	Trading in subscription rights
8 March – 22 March 2022	Subscription period
8 March – 4 April 2022	Trading in paid-up subscribed shares (Sw: betalda tecknade aktier)
24 March 2022	Estimated date for publication of preliminary results of the Rights Issue
25 March 2022	Estimated date for publication of final results of the Rights Issue

Online presentation today at 14:00 CET

The company will hold an online presentation today at 14:00 CET. The presentation will be given by CEO Francois Martelet and CFO Fredrik Järrsten in English. The presentation will be broadcast live via the link: <https://youtu.be/SVqz40v8Wkw>.

Questions can be sent in advance to seminarium@penser.se or by phone to +46 72-376 90 10.

Advisers

In connection with the Rights Issue, Oasmia has appointed Danske Bank A/S, Danmark, Sverige Filial as financial adviser and Sole Bookrunner. Törngren Magnell & Partners Advokatfirma KB acts as legal adviser to the Company and Schjødt acts as legal adviser to Danske Bank.

FOR MORE INFORMATION:

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About Oasmia

Oasmia is a specialty pharmaceutical company focused on the development of new therapeutic options for patients suffering from hard-to-treat cancers. It has a growing pipeline of clinical-stage assets targeting late-stage cancers. Apealea® (paclitaxel micellar) is being made available to ovarian cancer patients through a partnership with Elevar Therapeutics, Inc. Development programs include Cantrixil, in clinical development for late-stage ovarian cancer, and docetaxel micellar, in development for advanced prostate cancer. Oasmia has proprietary drug delivery technology designed to improve solubility, efficacy and safety. Oasmia's shares are traded on Nasdaq Stockholm (OASM). To find out more about Oasmia please visit www.oasmia.com.

Important information

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The information in this press release may not be published or distributed, directly or indirectly, within or into the United States of America (including its territories and possessions, any state of the United States and the District of Columbia, the "USA"), Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa or South Korea or any jurisdiction where doing so might be unlawful, subject to legal restrictions or require other actions than the ones prescribed under Swedish law. Actions in violation of these instructions may constitute a breach of applicable securities law. This press release does not constitute an offer or invitation to acquire or subscribe for shares or other securities in the USA. No shares, paid-up subscribed shares, subscription rights or other securities issued by the Company (the "Securities") have been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws in any other state or jurisdiction in the USA and no Securities may be offered, subscribed, used, pledged, sold, retailed, delivered or transferred, directly or indirectly, in or into the USA other than pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the USA. The Securities have not been and will not be approved or registered by the Securities and Exchange Commission, any state securities authority or other authority in the USA. No such authority has assessed or made any statements about the Rights Issue or the accuracy or reliability of the prospectus. To assert the contrary is a criminal act in the USA.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. In any EEA Member State, other than Sweden, this communication is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the

Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Matters discussed in this press release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should” and 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 these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond the Company’s control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by such forward-looking statements.

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 2022-01-19 07:30 CET.

Attachments

[OASMIA RESOLVES ON A FULLY SECURED RIGHTS ISSUE OF APPROXIMATELY SEK 151 MILLION](#)