



November 11, 2014

PRESS RELEASE

Oasmia Pharmaceutical AB announces a fully committed and underwritten rights issue of approximately SEK 176 million.

- New share issue of approximately SEK 176 million with preferential rights for the shareholders in Oasmia Pharmaceutical AB (publ) ("Oasmia" or the "Company") (the "Rights Issue").
- Nine (9) shares in Oasmia entitle the holder to subscribe for one (1) new share. The Rights Issue thereby entails an issue of up to 9,785,814 new shares.
- The subscription price is SEK 18.0 per new share, which corresponds to a discount of approximately 1.5 percent compared to the theoretical share price following the detachment of subscription rights¹, based on Oasmia's closing share price on November 10, 2014.
- The Rights Issue is fully committed and underwritten by a combination of subscription and guarantee commitments. Certain larger shareholders, including Alceco International S.A. and Nexttobe AB, have undertaken to subscribe for their *pro rata* shares in the Rights Issue. Additionally, certain larger shareholders, including Alceco International S.A., have committed to subscribe and pay for any remaining part of the Rights Issue not subscribed for through subscription with or without preferential rights.
- The proceeds from the Rights Issue will be used for operational costs and investments relating to the registration of Paccal Vet® and Paclical, costs relating to increasing the production capacity, costs for clinical studies and costs for obligations to the Company's creditors.

Background and rationale

Oasmia develops a new generation of drugs within human and veterinary oncology. The product development aims to manufacture novel formulations based on well-established cytostatics which, compared to current alternatives, show improved properties, a reduced side-effect profile and an expanded therapeutic area. Product development is based on in-house research within nanotechnology and proprietary patents.

The product candidate which is closest to being launched in the market is Paclical for epithelial ovarian cancer. Oasmia has recently conducted a phase III study regarding Paclical and the complete report from the trial of Paclical for epithelial ovarian cancer shows that Paclical has a

¹ The theoretical share price following the detachment of subscription rights based on Oasmia's closing share price on November 10, 2014, of SEK 18.30, amounts to SEK 18.27.

positive risk/benefit profile. The data will form the basis for an application for marketing approval to the European Medicines Agency, EMA, which the Company aims to submit during 2015. In late 2012, the Company conducted an interim analysis from which the results form the basis for an application for marketing approval in Russia. An approval in Russia may give the Company approval to sell the product in the entire CIS-region.

The Company's product Paccal Vet[®]-CA1, for the treatment of mammary carcinoma and squamous-cell carcinoma in dogs have been granted conditional marketing approval in the U.S. and the Company is currently planning to commence complementary studies in order to again submit an application for full approval to EMA regarding the EU and to the FDA regarding the U.S. during the second half of 2017.

During the next twelve months, Oasmia expects to have a capital requirement consisting of costs and investments that amounts to slightly more than SEK 230 million. The costs can be divided as follows.

1. Operational costs and investments slightly in excess of SEK 115 million, consisting of costs in relation to the registration of Paccal Vet[®] and Paclical as well as costs relating to the ramp-up of production facilities.
2. Costs in relation to clinical studies amounting to slightly more than SEK 50 million.
3. Costs for obligations to the Company's creditors amounting to approximately SEK 65 million.

Oasmia has access to working capital of approximately SEK 72 million, consisting of cash and committed credit facilities. Consequently the existing working capital is not sufficient to cover the requirements for the next twelve months.

Oasmia's Board of Directors has, in the light of the above, decided to carry out a new issue of shares of approximately SEK 176 million, with preferential rights for the existing shareholders in Oasmia. Net proceeds to Oasmia following the deduction of transaction related costs will amount to approximately SEK 165 million.

The Board of Directors is of the opinion that the Company's current strategy and activities, in combination with a capital injection, will form the basis on which to realize the earnings potential that the Company possesses. Based on the current cash position and committed credit facilities, in combination with the proceeds from the Rights Issue, the Board of Directors of Oasmia is of the opinion that the Company, given certain prerequisites², has access to sufficient financing to execute the plan for the next twelve months.

² I.a. that the Company's remaining credits that mature at the end of 2014 are prolonged.

The Rights Issue

On September 29, 2014, the Annual General Meeting in Oasmia decided to authorize the Board of Directors of the Company to make, on one or more occasions until the next Annual General Meeting, with or without deviation from shareholders' preferential rights, new share issues of not more than 20,000,000 shares for cash payment and/or in kind or offset.

In the light of the planned operational costs and investments relating to the registration of Paccal Vet® and Paical, costs relating to increasing the production capacity, costs for clinical studies and costs for obligations to the Company's creditors, the Board of Directors decided on November 10, 2014 to exercise the authorization from the Annual General Meeting and carry out the Rights Issue.

Shareholders in Oasmia will have preferential rights to the subscription of new shares in proportion to the number of shares held on the record date. If all new shares are not subscribed for with support from subscription rights, the Board of Directors shall decide on allocation of shares subscribed for without support from subscription rights. The allocation shall in that case be in accordance the Board's decision and in accordance with the order of priority set forth in the Board's decision on November 10, 2014, as will be set forth in the issue prospectus.

Shareholders registered in the share ledger of Oasmia at the record date will receive one (1) subscription right for each share held. Nine (9) subscription rights entitle the holder to subscribe for one (1) new share, which will result in a new issue of up to 9,785,814 new shares, corresponding to an increase in the share capital of up to SEK 978,581.4. The subscription price is SEK 18.0 per share, which brings total proceeds from the Rights Issue to approximately SEK 176 million before deduction of transaction related expenses.

The subscription price corresponds to a discount of approximately 1.5 percent compared to the theoretical share price following the detachment of subscription rights of SEK 18.27, based on Oasmia's closing share price on November 10, 2014, of SEK 18.30.

The record date for participation in the Rights Issue will be November 18, 2014. Subscription for new shares will take place during the subscription period which will run from November 19, 2014 until December 5, 2014. Trading in subscription rights will take place from November 19, 2014 until December 3, 2014. The Board of Directors is entitled to extend the subscription period as well as the period for trading in subscription rights.

Commitments and underwriting

Certain larger shareholders in Oasmia, including Alceco International S.A., holding around 39.2 percent of the shares and votes in the Company, and Nexttobe AB, holding around 20.0 percent of the shares and votes, have committed to subscribe and pay for their respective *pro rata* shares of the Rights Issue, corresponding to in aggregate approximately SEK 109 million or 62.0 percent of the Rights Issue proceeds.

Certain of the Company's larger shareholders, including Alceco International S.A., have also committed to subscribe and pay for any remaining part of the Rights Issue that are not covered by commitments as described above and which are not subscribed for through subscription with or without preferential rights.

The Rights Issue is therefore fully committed and underwritten by the subscription and guarantee commitments described above.

Indicative time table for the Rights Issue

November 14, 2014	Last day of trading in the shares including preferential rights to participate in the Rights Issue
November 17, 2014	First day of trading in the shares excluding preferential rights to participate in the Rights Issue
November 17, 2014	Estimated date of publication of the prospectus
November 18, 2014	Record date for participation in the Rights Issue, i.e. shareholders who are registered in Oasmia's share ledger on this day will receive subscription rights for participation in the Rights Issue
November 19 – December 5, 2014	Subscription period
November 19 – December 3, 2014	Trading in subscription rights
November 19 – December 15, 2014	Trading in paid subscribed shares (BTA)
December 8, 2014	Announcement of preliminary outcome of the Rights Issue
December 10, 2014	Announcement of final outcome of the Rights Issue
December 17, 2014	First day of trading with the new shares

Financial and legal advisors

Carnegie Investment Bank AB (publ) is financial advisor and Gernandt & Danielsson Advokatbyrå KB is legal advisor to Oasmia.

For more information, please contact:

Anders Lundin, CFO

Mobile: +46 702 09 63 00

E-mail: anders.lundin@oasmia.com

About Oasmia

Oasmia develops a new generation of drugs within human and veterinary oncology. The product development aims to manufacture novel formulations based on well-established cytostatics which, compared to current alternatives, show improved properties, a reduced side-effect profile and an expanded therapeutic area. Product development is based on in-house research within nanotechnology and proprietary patents. Oasmia's shares, ISIN SE0000722365, are listed on NASDAQ Stockholm (OASM) and the Frankfurt Stock Exchange (OMAX).

IMPORTANT INFORMATION

Issuance, publication or distribution of this press release in certain jurisdictions could be subject to restrictions. The recipient of this press release is responsible for using this press release and the constituent information in accordance with the rules and regulations prevailing in the particular jurisdiction. This press release does not constitute an offer or an offering to acquire or subscribe for any Oasmia Pharmaceutical AB (publ) securities in any jurisdiction, neither from Oasmia Pharmaceutical AB (publ), Carnegie Investment Bank AB (publ) nor anyone else.

Oasmia is required to announce the information in this press release in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published 08.25 am on November 11, 2014.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be offered or sold in the United States absent registration or an exemption from registration as provided in the U.S. Securities Act of 1933, as amended. Oasmia does not intend to register any portion of the offering of the securities in the United States or to conduct a public offering of the securities in the United States. Copies of this announcement are not being made and may not be distributed or sent into, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or the United States or in any jurisdiction in which the distribution of this release would be unlawful.

This document has not been approved by any regulatory authority. This document is an advertisement and not a prospectus and investors should not subscribe for, or purchase, any

securities referred to in this document, except on the basis of information provided in the prospectus to be published by Oasmia on its web site due to the rights issue.

Oasmia has not authorized any offer to the public of shares or rights in any Member State of the European Economic Area other than Sweden and any other jurisdiction into which the offering of shares or rights has been passported or in which other exemptions are applicable. With respect to each Member State of the European Economic Area other than Sweden (and any other jurisdiction into which the offering of shares or rights has been passported) and which has implemented the Prospectus Directive (each, a “Relevant Member State”), no action has been undertaken to date to make an offer to the public of shares or rights requiring a publication of a prospectus in any Relevant Member State. As a result, the shares or rights may only be offered in a Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity meeting two or more of the following criteria: (1) a balance sheet total pursuant to the balance sheet equivalent to not less than EUR 20 million; (2) net turnover pursuant to the balance sheet equivalent to not less than EUR 40 million; and shareholders’ equity pursuant to the balance sheet equivalent to not less than EUR 2 million; or

(c) in any other circumstances, not requiring Oasmia to publish a prospectus as provided under Article 3(2) of the Prospectus Directive.

For the purposes hereof, the expression an “offer to the public of Shares or Rights” in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares or rights to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC as amended and includes any relevant implementing measure in each Relevant Member State.

Carnegie is acting for Oasmia and no one else in connection with the rights offering and will not be responsible to anyone other than Oasmia for providing the protections afforded to its clients or for providing advice in relation to the rights offering and/or any other matter referred to in this announcement.

Carnegie accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with Oasmia and the new shares, or the rights offering, and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Carnegie accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this announcement or any such statement.

This press release contains forward-looking statements, which are statements related to future events. In this context, forward-looking statements often address Oasmia's expected future business and financial performance, and often contain words such as "expect", "anticipate", "intend", "plan", "believe", "seek", or "will". Forward-looking statements by their nature address matters that are, to different degrees, uncertain and can be influenced by many factors, including the behavior of financial markets, fluctuations in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of regulation and regulatory, investigative and legal actions; strategic actions; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These factors may cause Oasmia's actual future results to be materially different than those expressed in its forward-looking statements. Oasmia does not undertake to update its forward-looking statements.

You are advised to read this announcement and, once available, the prospectus and the information incorporated by reference therein, in their entirety for a further discussion of the factors that could affect Oasmia's future performance and the industries in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.