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PRESS RELEASE

Oasmia announces private placement of new shares

Uppsala, Sweden, October 22, 2016 -- Oasmia Pharmaceutical AB (publ) ("Oasmia" or the "Company") hereby announces the launch of a private placement of new shares ("New Shares") through a directed new share issue to international institutional investors and qualified investors in Sweden (the "Private Placement").

The price of the New Shares will be determined through an accelerated book building procedure. The book building will begin on October 22, 2016.

The Company intends to use the proceeds from the Private Placement to strengthen the working capital as well as finance the continued operations and further development of additional human and veterinary products based on the XR17 technology.

The Private Placement is subject to, inter alia, a resolution by the Board of Directors of Oasmia, pursuant to the authorization granted by the annual general meeting held on September 26, 2016, to issue New Shares following the completion of the Private Placement book building procedure. The reason for deviating from the shareholders' preferential rights by conducting a directed new share issue is to broaden the shareholder base and that the costs of the procedure and the timing collectively and with sufficient strength indicate that it is in the Company's and thus the shareholders' interest that the issue is made with deviation from the shareholders' preferential rights.

For more information, please contact:

Julian Aleksov, Executive Chairman
Tel: +46 18 50 54 40
E-mail: julian.aleksov@oasmia.com

Notes to editors:

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 NASDAQ Capital Markets (OASM.US), Frankfurt Stock Exchange (OMAX.GR, ISIN SE0000722365) and NASDAQ Stockholm (OASM.ST).

IMPORTANT INFORMATION

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Information is also available at www.oasmia.com www.nasdaqomxnordic.com www.boerse-frankfurt.de twitter.com/oasmia

“Oasmia is required under the Financial Instruments Trading Act to make the information in this press release public. The information was submitted for publication at 12.00 CET on October 22, 2016.”