

Invitation to subscribe for shares in Oasmia Pharmaceutical AB (publ)



AS A SHAREHOLDER IN OASMIA PHARMACEUTICAL AB (PUBL) YOU WILL RECEIVE SUBSCRIPTION RIGHTS. PLEASE NOTE THAT THE SUBSCRIPTION RIGHTS ARE EXPECTED TO HAVE AN ECONOMIC VALUE.

In order not to lose the value of the subscription rights, holders must either:

- exercise the subscription rights received and subscribe for new shares not later than 5 July 2017, or
- not later than 3 July 2017, sell the subscription rights received but not exercised.

Please note that shareholders whose shares are registered in the name of a nominee subscribe for new shares through their respective nominees and that the subscription period may vary.

Please note that it is also possible to register to subscribe for new shares without subscription rights.



IMPORTANT INFORMATION FOR INVESTORS

This document is a translation of the Swedish prospectus. The Swedish prospectus (the "Prospectus") and this English translation have been prepared by the Company in connection with the issue of not more than 50,439,266 new shares with pre-emption rights (the "Rights Issue") for existing shareholders in Oasmia Pharmaceutical AB, Corporate ID Number 556332-6676, (the "Company", the "Group" or "Oasmia") and the admission to trading of the new shares on Nasdaq Stockholm. For definitions of these and other terms used in this Prospectus, please see the section "Glossary".

This Prospectus has been prepared in a Swedish version and an English translation. In the event of any discrepancy between the Swedish version and the English translation, the Swedish version shall prevail. The Swedish Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Finansinspektionen) in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (SFS 1991:980). The approval and registration does not imply that the Swedish Financial Supervisory Authority guarantees that the information is factually accurate or complete. Any disputes arising in connection with this Prospectus, the Offer and related legal matters shall be settled exclusively in accordance with Swedish Law and by Swedish Courts, in the first instance by Stockholm District Court.

The Offer is not directed at people resident in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or the United States, or in any other jurisdiction where participation would require additional prospectuses, registration or other measures than those required pursuant to Swedish law. No subscription rights, interim paid subscribed shares (BTA) or new shares may be offered, subscribed for, sold or transferred, directly or indirectly, in or to the United States. The prospectus may therefore not be distributed within or to any jurisdiction where distribution or the Offer according to this Prospectus would require such measures or contravene the rules of such jurisdiction. Subscription and acquisition of subscription rights, interim BTAs or new shares in contravention of the above restrictions may be invalid. Those receiving copies of this Prospectus must ensure they are informed about and comply with such restrictions. Measures that contravene the restrictions may constitute a violation of applicable securities legislation. Oasmia reserves the right, at its sole discretion, to declare void any subscriptions for shares that Oasmia or its agents believe may involve a violation of or disregard for the laws, rules or regulations of any jurisdiction.

An investment in subscription rights, interim BTAs or new shares is associated with certain risks (see section "Risk Factors"). In making an investment decision, investors must rely on their own assessment of Oasmia and the Offer according to this Prospectus, including the current circumstances and risks. Before making an investment decision, potential investors should use their own professional advisers and carefully evaluate and consider the investment decision. Investors may only rely on the information in this Prospectus and any supplements to this Prospectus. Nobody has been authorised to give any information or make any representations other than those contained in this Prospectus. Should this happen, such information or representations should not be considered to have been approved by Oasmia, and Oasmia is not responsible for such information or representations. Neither the publication of this Prospectus nor any transactions effected as a result of the Prospectus shall under any circumstances be considered to mean that the information in this Prospectus is accurate and applicable at any time other than at the date of publication of this Prospectus, or that there has been no change in Oasmia's operations after that date.

FORWARD-LOOKING STATEMENTS AND MARKET INFORMATION

This Prospectus contains various forward-looking statements that reflect the Company's current view of future events and financial and operational performance. Any statements that are not purely historical facts constitute such information. Furthermore, the forward-looking statements are identified by terminology including, but not limited to, terms such as "may", "will", "expect", "believe", "assume", "plan", "intend", "anticipate", "want", "estimate", "project", "target", "forecast" "seeks", "aims", "could", "should", "strives", "desires" or, in each case, the negative of such terms or other variations on such terms or comparable terminology. These forward-looking statements only apply to the situation at the date of publication of this Prospectus and the Company does not undertake to publish updates or revisions of forward-looking statements as a result of new information, future events or otherwise. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that these forward-looking statements will materialise or prove to be accurate, and accordingly, potential investors should not place undue reliance on these forward-looking statements.

The Prospectus contains certain market and industry information received from third parties. Market and industry information is by its nature forward-looking, subject to uncertainty and does not necessarily reflect actual market and industry conditions. Although information has been accurately reproduced and Oasmia considers the sources to be reliable, Oasmia has not independently verified the information and therefore its accuracy and completeness cannot be guaranteed. As far as Oasmia is aware and is able to ascertain through comparisons with other data published by these sources, no information has been omitted which would render the reproduced information inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Oasmia's financial statements for the financial years 1 May 2014 to 30 April 2015 and 1 May 2015 to 30 April 2016, and the year-end report for the period 1 May 2016 to 30 April 2017 will be incorporated by reference in, and form part of, this Prospectus. Some financial and other information presented in this Prospectus has been rounded to make the information more easily accessible to the reader. Consequently, the figures in some columns do not precisely match the stated total amount. Other than the Company's audited consolidated financial statements for the financial years 1 May 2014 to 30 April 2015 and 1 May 2015 to 30 April 2016, no information in this Prospectus has been audited or reviewed by the Company's auditor. Oasmia's year-end report for the period 1 May 2016 to 30 April 2017 has thus been neither audited nor reviewed by the auditor. Some of the key performance indicators presented in the Prospectus are non-IFRS-measures, i.e. financial measures not defined in IFRS. A financial measure not defined in IFRS is defined as a measure of historical or future financial performance, financial position or cash flows that excludes or includes figures that would not be adjusted in the same way in the most directly comparable IFRS measure. These financial measures should be considered in isolation from, or as a substitute for, the performance measures determined in accordance with IFRS. Furthermore, such measures defined by the Company may not be comparable with similarly titled measures used by other companies.

DOCUMENTS INCORPORATED BY REFERENCE

The following previously published documents shall be incorporated by reference and form part of the Prospectus:

1. Pages 16–56 of Oasmia's audited annual accounts for the financial year 2014/2015, including the auditor's report.
2. Pages 17–59 of Oasmia's audited annual accounts for the financial year 2015/2016, including the auditor's report.
3. Oasmia's year-end report for the period 1 May 2016 – 30 April 2017.

THE RIGHTS ISSUE IN BRIEF

Pre-emption rights

Every existing share entitles the holder to two (2) subscription rights. Five (5) subscription rights entitle the holder to subscribe for one (1) new share. Any new shares not subscribed for using subscription rights should be offered to shareholders and other investors.

Subscription price

SEK 3.25 per share

Exercise of subscription rights and payment

Subscription rights are exercised to subscribe for shares by making a simultaneous cash payment during the subscription period.

Trading in subscription rights

21 June 2017 – 3 July 2017

ISIN codes

Subscription rights: SE0010101170

Interim paid subscribed shares (BTA): SE0010101188

Share: SE0000722365

IMPORTANT DATES

Record date 19 June 2017

Subscription period 21 June 2017 – 5 July 2017

FINANCIAL CALENDAR

Oasmia's Annual Report for the financial year 2016/2017 will be published on 7 July 2017.

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Summary

Prospectus summaries consist of elements that must contain certain information. These elements are numbered in sections A–E (A.1–E.7). This summary contains all the elements that must be included in a summary for a new issue of shares with pre-emption rights for existing shareholders. Since some elements do not need to be addressed, there are gaps in the numbering sequence of the elements. Even though an element may be required to be included in the current summary, relevant information concerning that element may be missing. In these cases, the summary contains a brief description of the information requirement together with the statement “Not Applicable”.

SECTION A – INTRODUCTION AND WARNINGS		
A.1	Introduction and warnings	<ul style="list-style-type: none"> This summary should be read as an introduction to the Prospectus. Any decision to invest in securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim related to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent to the use of the Prospectus	<ul style="list-style-type: none"> Not applicable. Financial intermediaries are not entitled to use this Prospectus for subsequent resale or final placement of securities.

SECTION B – ISSUER		
B.1	Legal and commercial name	<ul style="list-style-type: none"> The Company's registered legal and commercial name is Oasmia Pharmaceutical AB.
B.2	Domicile, legal form, etc.	<ul style="list-style-type: none"> The Company has its registered office in Stockholm Municipality and its legal form is a public limited company. The Company was founded in Sweden and operates under Swedish legislation.
B.3	Principal activities	<ul style="list-style-type: none"> Oasmia develops a new generation of pharmaceuticals within human and veterinary oncology. Product development aims to produce novel formulations of well-established cytostatic agents which show improved performance, an improved side-effect profile and a wider range of therapeutic areas compared with existing alternatives. Product development is based on in-house research within nanotechnology and proprietary patents.
B.4a	Trends	<ul style="list-style-type: none"> Cancer is an age-related disease and the number of patients is increasing as the average life expectancy of the population increases. The global market for cancer drugs was estimated to be worth USD 112 billion in 2015 and it is expected to grow by an average of 7.4% in the period 2016–2021. One of the drivers in the market is the development of new methods for the diagnosis of cancer, which means that the number of patients in treatable stages increases. In the USA and Europe, the number of pets is growing. In addition, households are becoming increasingly likely to spend money on their pets, which leads to a larger share of companion animals undergoing veterinary treatment both for cancer and other diseases. Cancer in animals is similar to cancer in humans and the risk of being affected increases with age.

B.4a	Trends, continued	<ul style="list-style-type: none"> A number of clinical trials within oncology are ongoing and there is competition for patients for these trials. The companies on the market are also becoming aware of pressure on prices as the number of drugs whose patents are expiring increases and because governments around the world are becoming increasingly cost-conscious. The Company believes that there is some excess production capacity, to some extent as a result of mergers in the industry, which the Company believes could exert price pressure also on the production side. The Company is involved in production, sales and stock building only to a limited extent, and it does not have the kind of expenses that would enable it to discern any particular trend during the current financial year up until the date of the publication of this Prospectus. The Company has been granted approval for Paclical in Russia. An application for marketing approval for Paclical was submitted to EMA in February 2016 and the Company expects a decision in 2017. The compilation of survival data from the Paclical Phase III study was finalised in April 2016, and this will form the basis for an application for marketing approval from the FDA, which is expected to be submitted in autumn 2017. During 2016–2017 a study concerning Doxophos Vet is carried out which will form the basis for an application for conditional marketing approval from the FDA. 																					
B.5	The Group	<ul style="list-style-type: none"> Oasmia is the parent company of the group, which comprises five companies. 																					
B.6	Major shareholders	<ul style="list-style-type: none"> Oasmia's largest shareholders as at 30 April 2017 are shown below. The number of shares registered with Euroclear in May increased to 126,098,166 following conversion of convertible bond 2017:1. In connection with conversion of convertibles, Granitplattan AB has increased its ownership to 16,000,840 shares, corresponding to 12.7% of votes and capital. <table border="1" data-bbox="550 1120 1366 1370"> <thead> <tr> <th colspan="3" style="background-color: #c6c6c6;">OWNERSHIP STRUCTURE</th> </tr> <tr> <th style="text-align: left;">Name</th> <th style="text-align: right;">Shareholding</th> <th style="text-align: right;">% of votes and capital</th> </tr> </thead> <tbody> <tr> <td>Alceco International S.A.</td> <td style="text-align: right;">25,717,364</td> <td style="text-align: right;">21.6</td> </tr> <tr> <td>Granitplattan AB</td> <td style="text-align: right;">13,900,000</td> <td style="text-align: right;">11.7</td> </tr> <tr> <td>Försäkringsaktiebolaget Avanza Pension</td> <td style="text-align: right;">10,434,357</td> <td style="text-align: right;">8.8</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">68,987,589</td> <td style="text-align: right;">58.0</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">119,039,310</td> <td style="text-align: right;">100</td> </tr> </tbody> </table>	OWNERSHIP STRUCTURE			Name	Shareholding	% of votes and capital	Alceco International S.A.	25,717,364	21.6	Granitplattan AB	13,900,000	11.7	Försäkringsaktiebolaget Avanza Pension	10,434,357	8.8	Others	68,987,589	58.0	Total	119,039,310	100
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B.7	Selected historical financial information	<p><i>Oasmia's financial performance in the financial years 2015/2016 and 2014/2015, and in the period 1 May 2016 – 30 April 2017 is presented below. The information is extracted from the audited consolidated financial statements for the relevant periods, prepared in accordance with IFRS as adopted by the EU. Information for the period 1 May 2016 – 30 April 2017 is extracted from Oasmia's year-end report for the financial year 2016/2017, which has been prepared in accordance with IAS 34 but not audited or revised by the auditor. No other information in this Prospectus has been reviewed or audited by the Company's auditor. The information contained in this section should be read in conjunction with the financial statements and year-end report incorporated by reference in, and forming part of, this Prospectus. All financial statements and the year-end report are available on Oasmia's website www.oasmia.com/en/</i></p>																					

B.7

Selected historical financial information, continued

CONSOLIDATED INCOME STATEMENT, SELECTED INFORMATION

	2016/17	2015/16	2014/15
SEK THOUSANDS	May–April	May–April	May–April
Net sales	172	6,373	2,070
Change in inventories of work in progress and finished goods	-1,405	9,509	-
Work performed by the company for its own use and capitalised	7,023	16,727	16,797
Other operating income	420	2	221
Operating expenses	-146,691	-165,301	-127,313
Operating profit/loss	-140,481	132,691	-108,225
Profit/loss after tax	-160,243	141,539	-117,497
Profit/loss for the period	-160,230	141,557	-117,497

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SELECTED INFORMATION

SEK THOUSANDS	30/04/2017	30/04/2016	30/04/2015
ASSETS			
Non-current assets	471,464	443,010	427,879
<i>Property, plant and equipment</i>	18,368	21,172	22,852
<i>Intangible assets</i>	453,093	421,836	405,025
<i>Non-current financial assets</i>	2	2	2
Current assets	50,119	72,570	86,690
<i>Cash and cash equivalents and short-term investments</i>	28,001	46,215	76,990
TOTAL ASSETS	521,583	515,579	514,569
EQUITY			
Share capital	11,904	10,721	9,786
Unregistered share capital	706	-	-
Other contributed capital	1,074,619	941,961	850,996
Reserves	-6	-19	-
Retained earnings incl. profit for the year	-786,853	-626,610	-485,071
TOTAL EQUITY	300,371	326,053	375,710
LIABILITIES			
Non-current liabilities	-	-	-
Current liabilities	221,212	189,527	138,858
TOTAL LIABILITIES	221,212	189,527	138,858
TOTAL EQUITY AND LIABILITIES	521,583	515,579	514,569

CONSOLIDATED CASH FLOW STATEMENT, SELECTED INFORMATION

	2016/17	2015/16	2014/15
SEK THOUSANDS	May–April	May–April	May–April
Cash flow from operating activities	-133,011	-128,126	-107,665
Cash flow from investing activities	12,038	10,066	-69,755
Cash flow from financing activities	122,755	117,449	156,017
Cash flow for the period	1,782	-610	-21,404

B.7	Selected historical financial information, continued	Cash and cash equivalents at the beginning of the period	26,208	26,837	48,241																																																																								
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<p>The Company regularly uses alternative performance measures as a complement to key performance indicators based on generally accepted accounting principles (GAAP). The alternative performance measures are derived from the Company's consolidated financial statements and are not measures of financial performance or liquidity under IFRS, and, accordingly, should not be considered as an alternative to net income, operating profit/loss or any other performance measures derived according to IFRS or as an alternative to cash flow as a measure of Oasmia's liquidity. Furthermore, such performance measures, as defined by the Company, should not be compared to other similarly titled measures used by other companies. This is due to the fact that these performance measures may be defined differently and calculated differently by other companies.</p> <p>Please note, therefore, that the tables and calculations below have not been revised and are not IFRS-based, unless otherwise stated. The performance measures that are not IFRS-based are so-called alternative performance measures (APM).</p>																																																																													
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<p>¹⁾ IFRS-based key ratios. Historical figures have been adjusted for the bonus element of the rights issue carried out in the third quarter of 2014/15.</p> <p>²⁾ Operating margin, profit margin and dividend per share are derived from the Company's year-end report for the period 1 May 2016 – 30 April 2017, which has not been audited or reviewed. All other key performance indicators have been extracted from the Company's year-end report for the period 1 May 2016 – 30 April 2017, which has not been audited or reviewed.</p> <p>³⁾ Operating margin, profit margin and dividend per share are derived from the Company's audited financial statements for the financial year 2015/16. All other key performance indicators have been extracted from the Company's audited financial statements for the financial year 2015/16.</p> <p>⁴⁾ Operating margin, profit margin and dividend per share are derived from the Company's audited financial statements for the financial year 2014/15. All other key performance indicators have been extracted from the Company's audited financial statements for the financial year 2014/15.</p>																																																																													

B.7	Selected historical financial information, continued	<p>Definitions of alternative performance measures not defined in IFRS</p> <p>Oasmia presents some financial measures in this Prospectus which are not defined in IFRS. Oasmia believes that these measures provide valuable, additional information for investors and the Company management because they allow for an evaluation of the Company's performance. Because not all companies calculate performance measures in an identical manner, these performance measures may not be comparable to measures used by other companies. Accordingly, these financial measurements should not to be regarded as a substitute for the performance measures defined in accordance with IFRS.</p> <table border="1"> <thead> <tr> <th>Performance measure (APM)</th> <th>Description</th> <th>Reason for use</th> </tr> </thead> <tbody> <tr> <td>Operating margin, %</td> <td>Operating profit in relation to net sales</td> <td>Provides a better understanding of the Company's profitability.</td> </tr> <tr> <td>Profit margin, %</td> <td>Profit after financial items in relation to net sales</td> <td>Provides a better understanding of the Company's profitability.</td> </tr> <tr> <td>Return on assets, %</td> <td>Earnings before interest expense in relation to average total assets</td> <td>Provides a better understanding of the Company's profitability.</td> </tr> <tr> <td>Return on equity, %</td> <td>Earnings before tax in relation to average equity</td> <td>Provides a better understanding of the Company's profitability.</td> </tr> <tr> <td>Equity/assets ratio, %</td> <td>Equity in relation to total assets</td> <td>Provides a better understanding of the Company's capital structure.</td> </tr> <tr> <td>Net debt</td> <td>Total borrowing (comprises the balance sheet items liabilities to credit institutions, convertible bonds and other borrowing) less cash and cash equivalents and short-term investments</td> <td>Provides a better understanding of the Company's financial risk.</td> </tr> <tr> <td>Debt/equity ratio, %</td> <td>Net debt in relation to equity</td> <td>Provides a better understanding of the Company's financial risk.</td> </tr> <tr> <td>Number of shares at the end of period, before and after dilution</td> <td>Number of shares at the beginning of the period adjusted for share transactions during the period</td> <td>Provides a better understanding of the Company's performance.</td> </tr> <tr> <td>Equity per share</td> <td>Equity in relation to the number of shares at the end of the period</td> <td>Provides a better understanding of historic return per share.</td> </tr> <tr> <td>Dividend per share</td> <td>Oasmia has so far never, with the exception of repayment of shareholders' contributions to Alceco International S.A., paid a dividend</td> <td>Provides a better understanding of historic return per share.</td> </tr> <tr> <td>Number of employees at the end of the period</td> <td>Total number of employees in the Company at the end of the period</td> <td>Provides a better understanding of the Company's performance.</td> </tr> </tbody> </table> <p>Significant changes in financial position and operating profit/loss after 30 April 2017</p> <ul style="list-style-type: none"> No significant changes in the financial situation and operating profit have occurred after 30 April 2017. <p>Significant events after 30 April 2017</p> <ul style="list-style-type: none"> The Company has decided to separate its veterinary assets into its wholly-owned US subsidiary in order to streamline development and strengthen strategic partnerships, as well as provide more vigour and resources for marketing and sales in the world's largest market for domestic animals. 	Performance measure (APM)	Description	Reason for use	Operating margin, %	Operating profit in relation to net sales	Provides a better understanding of the Company's profitability.	Profit margin, %	Profit after financial items in relation to net sales	Provides a better understanding of the Company's profitability.	Return on assets, %	Earnings before interest expense in relation to average total assets	Provides a better understanding of the Company's profitability.	Return on equity, %	Earnings before tax in relation to average equity	Provides a better understanding of the Company's profitability.	Equity/assets ratio, %	Equity in relation to total assets	Provides a better understanding of the Company's capital structure.	Net debt	Total borrowing (comprises the balance sheet items liabilities to credit institutions, convertible bonds and other borrowing) less cash and cash equivalents and short-term investments	Provides a better understanding of the Company's financial risk.	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B.7	Selected historical financial information, continued	<ul style="list-style-type: none"> As a result of reporting in the EU Clinical Trials registry regarding the OAS-12DOC BIO study, the Company clarified in a press release on 29 May 2017 that work at one of the clinics participating in the study has been ended. This does not affect the ongoing study, which is proceeding as planned. At the Extraordinary General Meeting of the Company, held on 2 June 2017, the meeting resolved to authorize the Board of Directors to decide whether to carry out a rights issue in the Company and to issue subscription warrants in the Company On 8 June 2017, the Board of Directors of Oasmia decided to replace its convertible loan 2016:2 with new debt, in the form of simple debt instruments. The total amount of the new debt securities amounts to SEK 42 million, which corresponds to the total nominal amount of the previous convertible loan. The Company held a capital market day on 15 June 2017, at which the management presented the business and discussed, among other things, the market and strategy regarding the Company's human and veterinary products. The Company entered into a new exclusive marketing and distribution agreement with Hetero Group concerning Russia and the CIS countries (including Ukraine, Georgia and Turkmenistan).
B.8	Selected pro forma financial information	<ul style="list-style-type: none"> Not applicable; the Prospectus does not contain pro forma financial information.
B.9	Profit forecast	<ul style="list-style-type: none"> Not applicable; the Prospectus does not contain a profit forecast or estimate of projected earnings.
B.10	Qualifications in the audit report	<ul style="list-style-type: none"> The auditor's report in the Annual Report for 2015/16 contains a disclosure of particular significance that reads as follows: "Without it affecting our statements above, we would like to draw attention to information given in the Directors' Report, according to which the Group's ability to continue as a going concern is dependent on it obtaining a capital contribution or other form of financing. Should the Company fail to obtain funding to the extent envisaged by the Board of Directors, this could present a substantial risk to the Company's ability to continue as a going concern."
B.11	Insufficient working capital	<ul style="list-style-type: none"> Oasmia's working capital requirements are associated with operational costs and investments, costs of clinical studies and costs for fulfilling the Company's obligations to its creditors, and amounts to SEK 193 million during the next twelve months (including the Company's convertible loan 2017:2 in the amount of SEK 26 million and the debt in the form of non-negotiable promissory notes in the amount of SEK 42 million that replaced the Company's convertible loan 2016:2). The Board of Directors of Oasmia believes that the available working capital, as at the date of the Prospectus, is insufficient for its needs during the next twelve months. This statement is based on the fact that, as at the date of this prospectus, the available working capital consists of the Company's cash and cash assets and committed credit facilities, which together amount to SEK 50 million. Based on the assumptions above, the total deficit in working capital during the next twelve months amounts to approximately SEK 143 million and the deficit would arise in September 2017, when a loan from one of the Company's creditors are due. However, the Company has no commitments regarding the implementation of the planned investments or clinical trials and these may be terminated at any time. If clinical trials are terminated, this can lead to that the Company may postpone projects. The postponement of projects could result in Oasmia having to repay milestone payments which it has already received. The Rights Issue, which is fully covered by subscription commitments and underwriting guarantees, is expected to bring Oasmia approx. SEK 150 million in cash, after issue-related costs. In view of the current liquidity, available credit facilities and the proceeds from the Rights Issue (which are expected to amount to approximately SEK 150 million after issue-related costs) and provided that

B.11	Insufficient working capital, continued	<p>the Company's credit that is due in September 2017, the Company's convertible loan 2017:2 (which is due in April 2018), and the debt in the form of non-negotiable promissory notes that replaced the Company's convertible loan 2016:2 (which are due in June 2018) are extended or replaced, the Board of Directors considers that the Group has access to sufficient funding to implement the current plan during the next twelve months. The Company strongly believes that the loan which mature in September 2017 will be extended, and if this does not happen, that this credit can be replaced through other credit and that the convertible loan 2017:2 and the debt in the form of non-negotiable promissory notes that replaced the Company's convertible loan 2016:2, are extended, and if this does not happen, that these credits can be replaced by new credit.</p> <ul style="list-style-type: none"> • If the expected proceeds from the Rights Issue are received as planned, but are used for all commitments to the Company's creditors, i.e. that some of the credits are not extended and mature in September 2017, deficit will occur during the spring 2018 provided that the Company not have obtained revenue from sales or from one-time payments. • If a need for working capital should arise, the Group would seek out alternative financing solutions, including, in the first instance, by renegotiating current bank financing and/or procuring new bank financing, and second, by reducing investments and revising its strategy, and third, by raising new capital and fourth, by selling assets. If all of these actions were to fail, it could lead to delays in Oasmia's business activities or postponement of planned actions for an indefinite period, which, ultimately, could lead to the Company completely ceasing business activities.
SECTION C – SECURITIES		
C.1	Securities being offered	<ul style="list-style-type: none"> • Shares in Oasmia (ISIN code SE0000722365).
C.2	Denomination	<ul style="list-style-type: none"> • The shares are denominated in SEK.
C.3	Total number of shares in the Company	<ul style="list-style-type: none"> • The Company's registered share capital amounts to SEK 12,609,817 divided into 126,098,166 shares. Each share has a quotient value of SEK 0.10. All shares are fully paid. Following the completion of the Rights Issue, the Company's share capital will amount to not more than SEK 17,653,743.20 divided into not more than 176,537,432 shares.
C.4	Rights attached to the securities	<ul style="list-style-type: none"> • Each share entitles the holder to one vote at General Meetings. All shares carry equal rights to a share in the Company's profit and any surplus upon liquidation. Resolutions on dividends are passed by the General Meeting and paid via Euroclear Sweden AB. Shareholders registered in the share register maintained by Euroclear Sweden AB on the record date established by the General Meeting are eligible for dividends.
C.5	Restrictions on free transferability of the securities	<ul style="list-style-type: none"> • Not applicable; the shares are not subject to any restrictions on transferability.
C.6	Admission to trading	<ul style="list-style-type: none"> • The new shares will be, and existing shares are, traded on Nasdaq Stockholm, Frankfurt Stock Exchange and Nasdaq Capital Market.
C.7	Dividend policy	<ul style="list-style-type: none"> • In the next few years, Oasmia expects the Company's product portfolio to be in a development phase, which means that any surplus capital will be reinvested in the business. Therefore, the Board of Directors does not intend to propose a dividend for the current year or commit itself to a fixed dividend payout ratio. In the current situation, it is unclear if and when dividends will be paid.

SECTION D – RISKS

D.1	Risks associated with the issuer or the industry	<ul style="list-style-type: none">• The Company is to a large extent dependent on the success of the Company's products and product candidates, and there is a risk that none of these may receive full regulatory approval or be successfully commercialised. The Company's short-term prospects, including its ability to finance the business, enter into strategic collaborations and generate revenue, are directly dependent on the successful development and commercialisation of the Company's products and product candidates, particularly Apealea/Paclical. The Company will perhaps never be able to generate sufficient revenue or any revenue from sales of its products and product candidates.• The Company's products and product candidates may not achieve market recognition, which could limit the Company's ability to generate revenue from new products. The Company's current products and product candidates or other planned products may fail to achieve market recognition and generate revenue, if and when they obtain the requisite regulatory approvals.• Manufacturing of the Company's products and product candidates is subject to compliance with current international Good Manufacturing Practices ("cGMP") and other international regulations. If the Company is unable to manufacture, or outsource the manufacture of, the Company's products and product candidates in accordance with current specifications, or if the manufacturing process is interrupted, the Company may not be able to meet demand for its products or supply products in sufficient quantities for use in clinical trials, and this may harm the Company's ability to commercialise Apealea/Paclical and its other product candidates in a timely and cost-effective manner, if at all. If the Company is unable to comply with current manufacturing regulations, the Company may be subject to fines, unforeseen expenses, recall of permissions or seizure of approved products, or legal action such as injunctions, civil legal action for damages or criminal prosecution.• The Company expects to face substantial competition, which may result in others discovering, developing and commercialising products before, or more successfully than, the Company. The development and commercialisation of new medicinal products is highly competitive. In addition to existing treatments and therapies for the indications the Company is targeting with its products and product candidates, the Company also faces competition from other drug candidates being developed by other companies. In addition to the competition the Company may encounter from products manufactured by other companies in general, the Company may also face competition from generic alternatives to its products.• Serious adverse events or other safety risks could force the Company to abandon development and preclude, delay or limit approval of the Company's products and product candidates, or limit the scope of any approved labels or market recognition. If any of the Company's products or product candidates cause serious or unexpected side effects or are associated with other safety risks, this may lead to a number of potentially negative consequences. The Company may voluntarily suspend or terminate its clinical trials at any time. In addition, regulatory agencies or ethics committees may at any time recommend temporary or permanent discontinuation of the Company's clinical trials.• The Company may not be successful in its efforts to expand its pipeline of product candidates that are safe and effective.• The veterinary market the Company is seeking to enter with the product candidate Paccal Vet® and its other pharmaceuticals for pets is untested. It is difficult to assess to what extent cytostatic therapies for cancer might become an accepted form of treatment by veterinarians.• Apealea/Paclical and the Company's other product candidates are manufactured and distributed using technically complex processes requiring specialised facilities, highly specific raw materials and other production constraints. The complexity of these processes exposes the Company to production risks.• There is a high rate of failure for drug candidates going through clinical trials. The Company may suffer significant setbacks in its clinical trials
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D.1	Risks associated with the issuer or the industry, continued	<p>even after receiving promising results in earlier trials. Even if the Company considers the results of a clinical trial to be positive, regulatory authorities may disagree with the Company's interpretation of data.</p> <ul style="list-style-type: none"> • Clinical trials for the Company's product candidates are expensive, time-consuming, uncertain and susceptible to change, delay or suspension. • The regulatory approval process is uncertain, requires the Company to utilise significant resources, and may prevent the Company or its commercial partners from obtaining approvals for the commercialisation of some or all of the Company's product candidates. Even if the Company receives approval, the Company will be subject to ongoing obligations with respect to regulatory bodies and continued regulatory review, which may result in significant additional expense. Additionally, the Company's products and any product candidates, if approved, will be subject to labelling and manufacturing requirements and could be subject to other restrictions. Failure to comply with these regulatory requirements or the occurrence of unforeseen problems with the Company's products could have significant consequences. • If the Company fails to attract and keep senior management and key scientific personnel, the Company may be unable to successfully develop its products or its current or future product candidates, conduct its outlicensing and development efforts or commercialise its products or any of its current or future product candidates. • The Company is subject to various claims and legal actions arising in the ordinary course of its business. The Company and its partners face potential product liability exposure related to the testing of its products and product candidates in human and animal clinical trials. • The Company is exposed to currency risks. Because the Company's financial statements are presented in SEK, changes in exchange rates have had and may continue to have a significant effect on the Company's financial performance. • The Company does not have a sales and marketing operation and is expected to rely on the expertise and commercial skills of the Company's commercial partners to sell the Company's product candidates. A failure by the Company's partners to successfully market the Company's product candidates, or the termination of agreements with the Company's cooperation partners, would have a negative impact on the Company's business, performance and financial position. • The Company may be forced to take legal action to enforce or defend its intellectual property rights, or the intellectual property rights of the Company's licensors. The Company may be unable to adequately prevent disclosure of trade secrets and other information protected under intellectual property rights. The Company may become subject to claims by third parties, alleging infringement of intellectual property rights, or demands to invalidate the Company's intellectual property rights, which would be costly, time-consuming and, if successfully asserted against the Company, would delay or prevent the development and commercialisation of the Company's products and its current or future product candidates. If the Company's efforts to protect its intellectual property rights relating to the Company's products or any of its current or future product candidates are not adequate, the Company may not be able to compete effectively in its market. • Changes in patent legislation could diminish the value of patents in general, thereby damaging the Company's ability to protect its products. Obtaining and maintaining the Company's patent protection depends on compliance with various procedural requirements, document submissions, fee payments and other requirements imposed by governmental patent agencies, and the Company's patent protection could be reduced if the Company fails to comply with these requirements. • There are relationships among the Company's directors and its largest shareholders and creditors that may pose a conflict of interest. These directors may have actual or potential conflicts of interest with respect to matters involving or affecting the Company and Alceco International S.A. and/or Nexttobe AB. • The Company has incurred significant losses since its inception. The Company expects to incur losses in the future and there is a risk that the
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D.1	Risks associated with the issuer or the industry, continued	<p>Company may never achieve or maintain profitability. Because of the numerous risks and uncertainties associated with pharmaceutical product development, the Company is unable to accurately predict the timing or amount of increased expenses and when, or if, the Company will be able to achieve profitability. The Company may need substantial additional funding, including to extend or replace current credits, after this offer. If such financing is not available to the Company on acceptable terms or at all, or if the Company is unable to extend or replace current credits, the Company may have to be forced to delay, reduce or eliminate its product development programmes or its commercialisation efforts.</p> <ul style="list-style-type: none"> • If any of the risks above should materialise, this could have an adverse effect on the Company's business, performance, financial position and future prospects. • The description of risk factors is not exhaustive and contains only examples of the kind of risk factors that investors should take into consideration together with all other information in this Prospectus.
D.3	Risks associated with the securities	<ul style="list-style-type: none"> • Potential investors should be aware that an investment in shares, interim paid subscribed shares (BTA), and subscription rights in the Company is associated with a high level of risk and that the share price of the Company can develop unfavourably. In addition to Oasmia's performance, the share price is dependent on several other factors that Oasmia cannot influence, such as the economic climate in general, market interest rates, capital flows, political instability and market behaviour. Furthermore, the market liquidity of Oasmia's shares on Nasdaq Stockholm, Frankfurt Stock Exchange and Nasdaq Capital Markets has been limited. • The subscription rights are expected to have an economic value that can only accrue to their holder if the holder either exercises the rights for the subscription of new shares not later than 5 July 2017 or sells them not later than 3 July 2017. After 3 July 2017 and without notice, unexercised subscription rights will be removed from the holder's securities account, whereupon the holder will forfeit the anticipated economic value of the subscription rights. If a shareholder does not exercise his or her subscription rights, his or her proportional ownership and percentage of voting rights in Oasmia will be reduced by a corresponding amount. Both subscription rights and interim paid subscribed shares (BTA) will be subject to trading on Nasdaq Stockholm for a limited period of time. Trading in these instruments may be restricted, which may cause problems for individual holders looking to sell their subscription rights and/or interim paid subscribed shares. • Oasmia may in the future decide to issue further shares to raise capital. Any such additional issue could reduce the proportional ownership and percentage of voting rights of the Company's shareholders, as well as earnings per share in the Company, and any new share issue could have a negative impact on the market price of the shares. • The shareholder Granitplattan AB which owns approximately 12.7% of the shares in the Company, has undertaken to subscribe for new shares in the Rights Issue corresponding to its shareholding in the Company. A guarantee consortium has also undertaken to subscribe for shares in the Company up to a total amount of SEK 164 million. Refer to the section "Legal Information and Additional Information - Subscription and guarantee commitment" below. These subscription and underwriting commitments are not secured. There is therefore a risk that one or more members of the consortium will not be able to meet their respective subscription and underwriting commitments. • When Oasmia issues new shares in a Rights Issue, as a rule, existing shareholders have pre-emptive rights to acquire new shares in proportion to their existing shareholdings at the time of the share issue. Shareholders in some other countries may, however, be subject to restrictions preventing them from participating in such Rights Issues, or their participation may otherwise be impeded or limited. The Company is under no obligation to apply for registration or approval according to legislation in other jurisdictions outside Sweden with regard to any subscription rights or shares, and such a procedure in future may be both impractical and expensive. To the extent that shareholders in jurisdictions outside Sweden are prevented from taking up their subscription rights in

D.3	Risks associated with the securities, continued	<p>any future Rights Issues, their shareholding may be diluted or decrease in value, and the Company may be unable to raise new capital on acceptable terms.</p> <ul style="list-style-type: none"> Alceco International S.A.'s shareholding in Oasmia, at the date of this Prospectus, is approximately 17.2%. Per Arwidsson's shareholding in Oasmia, through Granitplattan AB, at the date of this Prospectus, is approximately 12.7%. Alceco International S.A. and Per Arwidsson, through Granitplattan AB, are thus able to exercise significant influence over all matters requiring shareholder approval, and may also be able to prevent a change in control or take other measures that may benefit Alceco International S.A. or Per Arwidsson, through Granitplattan AB, but which may put other shareholders at a disadvantage, both before and after the Rights Issue. In addition, a sale of a large number of shares in the Company by Alceco and/or Per Arwidsson, through Granitplattan AB, within a short period of time, may cause the Company's share price to fall.
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SECTION E – OFFER		
E.1	Issue proceeds and issue expenses	<ul style="list-style-type: none"> The Rights Issue will raise a maximum of just over SEK 163.9 million for Oasmia before issue expenses. Issue expenses, estimated at just under SEK 14 million, will be deducted from the issue proceeds.
E.2a	Reasons for the offer and use of proceeds	<ul style="list-style-type: none"> The proceeds from the Rights Issue will be used for costs relating to the registration of Apealea/Paclical and Docecal, costs associated with the upscaling of production facilities, continued clinical studies and the costs of obligations to the Company's creditors. The opinion of the Company management and the Board of Directors is that Oasmia's outstanding loans will be extended or, alternatively, replaced with other loans on maturity, and the proceeds from the Rights Issue are therefore not intended to be used to redeem these loans. The management and the Board of Directors are of the opinion that Oasmia's current financial assets are insufficient to realise the Company's full potential. Accordingly, the Board of Directors has decided to implement the Rights Issue, which will provide the Company with approximately SEK 150 million, net of issue expenses.
E.3	Terms and conditions of the Offer	<ul style="list-style-type: none"> On 11 June 2017, the Board of Oasmia took a decision, based on the authorisation issued by the General Meeting on 26 September 2016, and the Extraordinary General Meeting on 2 June 2017 to carry out a new issue of shares with preferential rights for the Company's shareholders. The decision by the Board of Directors means that Oasmia's share capital will increase by up to SEK 5,043,926.60 through an issue of not more than 50,439,266 new shares. The Company's shareholders have preferential rights to subscribe for the new shares in proportion to the number of shares held. The record date for participation in the Rights Issue is 19 June 2017. Every existing share entitles the holder to two (2) subscription rights. Five (5) subscription rights entitle the holder to subscribe for one (1) new share. In the event that not all rights are taken up to subscribe for shares, the Board of Directors may decide to allocate shares to shareholders and investors who have registered to purchase shares without subscription rights, up to the maximum amount of the Rights Issue. Subscription shall take place during the period from 21 June 2017 to 5 July 2017, or on such later date as determined by the Board of Directors. The subscription price has been set at SEK 3.25 per share.
E.4	Interests material to the Offer	<ul style="list-style-type: none"> Subscription commitments and guarantee commitments have been provided regarding the Rights Issue. The parties that have submitted these may have an interest in the successful completion of the Rights Issue. Some members of the Board of Directors and senior management have economic interests in the form of shareholdings in the Company. This includes Julian Aleksov and Bo Cederstrand, who control Alceco International S.A, which is the Company's largest current shareholder and issuer of a credit facility to the Company.

E.4	Interests material to the Offer, continued	<ul style="list-style-type: none"> • Remium will assist in the Rights Issue as a financial advisor. As financial adviser, Remium has financial interests in Oasmia in the form of the remuneration Remium may receive upon completion of a new share issue. Remium conducts securities business operations, which include transactions on its own and on customers' behalf in securities and other financial instruments. In the securities business operations, Remium may trade in or take positions in securities directly or indirectly linked to the Company. • For the Rights Issue, Aktieinvest will assist as an issuer agent. As an issuer agent, Aktieinvest has financial interests in Oasmia in the form of the remuneration Aktieinvest may receive upon completion of a new share issue. Aktieinvest conducts securities business operations, which include transactions on its own and on customers' behalf in securities and other financial instruments. In the securities business operations, Aktieinvest may trade in or take positions in securities directly or indirectly linked to the Company.
E.5	Sellers of securities and lock-up agreements	<ul style="list-style-type: none"> • Not applicable.
E.6	Dilution	<ul style="list-style-type: none"> • The Rights Issue will, if fully subscribed, increase the number of shares in the Company from 126,098,166 to 176,537,432 shares, corresponding to an increase of approximately 40 per cent. Shareholders who decide not to take up their subscription rights in the Rights Issue will see their holding diluted by not more than 50,439,266 new shares, corresponding to not more than around 29 per cent of the total number of shares in the Company after the Rights Issue.
E.7	Expenses charged to investors by the Issuer	<ul style="list-style-type: none"> • Not applicable; no expenses will be charged to investors by the Issuer.

Risk factors

An investment in subscription rights, interim paid subscribed shares (BTA) and/or shares is associated with a number of risks. A number of factors outside of Oasmia's control, as well as a number of factors which Oasmia is able to influence through its conduct, could directly or indirectly have a negative impact on the Company's operations, performance and financial position or cause the value of the Company's shares, interim paid subscribed shares (BTA) and subscription rights to decrease. Oasmia's operations and profitability are affected by both operational and financial risks. The risks described below are not ranked in order of priority and do not claim to be exhaustive. This means that there are additional risks that may affect Oasmia's business and performance. In addition to the information contained in the Prospectus, investors should therefore carry out their own assessment of all of the risk factors and their potential impact on the Company's future performance, as well as a general assessment of global conditions. This prospectus contains forward-looking statements which are dependent on future events, risks and uncertainty factors. The actual results of the Company may differ significantly from the projected results in the forward-looking statements owing to many different factors, including, but not limited to, the risks described below and elsewhere in the Prospectus.

RISKS ASSOCIATED WITH THE ISSUER OR THE INDUSTRY

Risks relating to the Company's products and product candidates

The Company is to a large extent dependent on the success of the Company's products and product candidates, and there is a risk that some of these may not receive full regulatory approval or be successfully commercialised.

Apealea/Paclical has received approval in the Russian market and some African markets and it is still too early to say if it will be commercially successful in these markets. It has not yet been approved for full commercial distribution in other markets, and neither have the Company's other product candidates. To date, the Company has invested nearly all its resources in research and development of the Company's products. As at the date of this Prospectus, the Company's product portfolio for human use consists of the following: Apealea/Paclical for ovarian cancer, which has been approved in e.g. Russia. The Company is awaiting a decision on approval from the EMA, while an application for conditional approval from the FDA is underway. Other product candidates include Doxophos, a drug for the treatment of breast cancer and other cancers in humans, for which an application for approval has been submitted in Russia. Docecal is primarily intended for the treatment of breast cancer in humans, while OAS-19 is for different forms of cancer in humans and KB9520 for different forms of cancer in humans. In respect of veterinary medicine, the Company has a portfolio comprising the candidates Paccal Vet for different forms of cancer in dogs and Doxophos Vet for lymphoma in dogs. The Company's short-term prospects, including its ability to finance the business, enter into strategic collaborations and generate revenue, are directly dependent on the successful development and commercialisation of the Company's products and product candidates, particularly Apealea/Paclical and Paccal Vet®.

The development and commercial success of the Company's products and product candidates will depend on a number of factors, including, but not limited to, the following:

- rapid initiation and successful completion of preclinical studies and clinical trials for the Company's product candidates;
- demonstration of the safety and efficacy of the Company's products and product candidates, to the satisfaction of the FDA, the EMA and other relevant regulatory authorities, to obtain regulatory and marketing approval for the Company's products and product candidates in the USA, Europe and elsewhere;
- continued compliance with all clinical and regulatory requirements applicable to the Company's products and product candidates;
- maintenance of an acceptable safety profile for the Company's products following regulatory approval;
- competition with other treatment methods;
- creation, maintenance and protection of the Company's portfolio of intellectual property rights, including patents and trade secrets, and regulatory exclusivity for the Company's products and product candidates;
- effectiveness of the Company's and the Company's partners' marketing, sales, distribution strategy and operations;

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- ability of the Company's third-party manufacturers to manufacture supplies of its product and product candidates and to develop, validate and maintain commercially viable manufacturing processes;
 - ability to launch commercial sales of the Company's products and product candidates following regulatory approval, whether alone or in collaboration with others;
 - recognition of the Company's human health product candidates from doctors, third party payers, patients and the medical community; and
 - recognition of the Company's animal health products and product candidates by veterinary surgeons, pet owners and the animal health community.

Many of these factors are beyond the Company's control, and the Company may never be able to generate sufficient revenue from sales of its products and product candidates. The Company's failure to achieve any of the above factors or to successfully commercialise one or more of its products and product candidates, or any significant delay in doing so, could have a material adverse impact on the Company's operations, performance and financial position, and the value of an investment could decrease substantially.

The Company's products and product candidates may not achieve market recognition, which could limit the Company's ability to generate revenue from new products.

Even if the Company develops its products and product candidates and gains regulatory approvals for its products, unless veterinary surgeons, doctors, and patients recognise its products, the Company may not be able to sell its products and generate significant revenue. The Company's current product and product candidates or other planned products may fail to achieve market recognition and generate revenue (if and when they obtain the requisite regulatory approvals). Market recognition of any product depends on a number of factors, including, but not limited to:

- product indication and warnings approved by regulatory authorities for the product label;
- continued demonstration of efficacy and safety in commercial use;
- willingness by doctors and veterinary surgeons to prescribe the product to patients;
- reimbursement from third-party payers such as government healthcare systems and insurance companies;
- the price of the product, including pet owners' willingness to pay for treatment;
- the nature of any post-approval risk management plans mandated by regulatory authorities;
- competition; and
- the effectiveness of marketing and distribution support.

Failure by the Company's products or any product candidates to achieve market recognition or commercial success could have a material adverse effect on the Company's business, performance and financial position.

Problems in the Company's manufacturing process, failure to comply with manufacturing regulations or unexpected increases in its manufacturing costs could harm the Company's business, performance and financial position.

The Company is responsible for the manufacture and supply of Apealea/Paclical and its other product candidates for its commercial partners and for use in clinical trials. Manufacturing of the Company's products and product candidates is subject to compliance with current international Good Manufacturing Practices ("GMP") and other international regulations. Even if the Company outsources parts of the manufacturing of Apealea/Paclical and the Company's other product candidates to third parties, the Company is liable for marketing authorisation relating to Apealea/Paclical. As the responsible manufacturer and supplier, even if the Company could potentially have a claim against one or more third parties, the Company is legally liable for any noncompliance with current marketing authorisations relating to Apealea/Paclical, and the Company expects to be legally liable in respect of future product candidates, too.

If the Company is unable to manufacture, or outsource the manufacture of, the Company's products and product candidates in accordance with current specifications, or if the manufacturing process is interrupted due to damage, loss or failure to pass regulatory inspections of manufacturing facilities, the Company may not be able to meet demand for its products or supply products in sufficient quantities for use in clinical trials, and this may harm the Company's ability to commercialise Apealea/Paclical and its other product candidates in a timely and cost-effective manner, if at all. The Company is also expected to expand and upgrade other parts of its manufacturing facilities in the future. These activities may lead to delays, interruptions in supply, or may prove to be more costly than anticipated. Any problems in the Company's manufacturing process could have a material adverse effect on its business, performance and financial position.

In addition, under its current licence agreements, the Company expects to generate revenue from the supply of commercial products to its partners, and thus any increases in its manufacturing costs could adversely affect the Company's margins and its financial position.

Before the Company can begin commercial manufacture of Apealea/Paclical or its other product candidates for sale in the USA, the Company must obtain FDA regulatory approval for the product, which requires a successful FDA inspection of the Company's manufacturing facilities, processes and quality systems in addition to other product-related approvals. Although the Company has successfully passed an FDA Pre-Approval Inspection of its manufacturing facility in Uppsala in Sweden, the Company's pharmaceutical facilities will remain subject to continuous inspections by the FDA and other regulatory authorities, even after the Company has been granted product approval.

Due to the complexity of the processes used to manufacture its products and product candidates, the Company may be unable initially to pass, or continue to pass, federal, state or international regulatory inspections in a cost-effective manner. If the Company is unable to comply with current manufacturing regulations, the Company may be subject to fines, unforeseen expenses, recall of permissions or seizure of approved products, or legal action such as injunctions, civil legal action for damages or criminal prosecution. These possible sanctions could have a material adverse effect on the Company's business, performance and financial position. The regulatory approval process is uncertain, requires the Company to utilise significant resources, and may prevent the Company or its commercial partners from obtaining approvals for the commercialisation of some or all of the Company's product candidates.

The Company expects to face substantial competition, which may result in others discovering, developing and commercialising products before, or more successfully than, the Company.

The development and commercialisation of new medicinal products is highly competitive. The Company faces competition with respect to its current and future products and product candidates from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. In addition to existing treatments and therapies for the indications the Company is targeting with its products and product candidates, the Company also faces competition from other drug candidates being developed by other companies. The Company's potential competitors include large healthcare companies such as Merck & Co., Inc., Sanofi S.A., Eli Lilly and Company, Bayer AG, Novartis AG and Celgene Corp. Several of these companies also have a presence in the animal health market. The Company also knows of several smaller start-up companies that are developing products for use in the human or veterinary oncology products market. The Company expects the product candidates Paccal Vet® and Doxophos Vet to face competition from Palladia, developed by Zoetis, Inc., and AT-004 and AT-005, developed by Aratana Therapeutics, Inc. The Company may also face competition from generic medicines and products approved for use in humans that are used off-label (i.e. the use of a pharmaceutical outside its approved indication) for pets. Some of the potential competing agents referred to above are being developed by large, well-financed and experienced pharmaceutical and biotechnology companies or in partnership with such companies, which may give them development, regulatory and marketing advantages over the Company's products.

The Company's commercial opportunities could be reduced or eliminated if the Company's competitors develop and commercialise products that are safer, more effective, have fewer or less severe adverse events, are more convenient and/or are less expensive than any products that the Company may develop. The Company's competitors also may obtain regulatory approval for their products sooner than the Company, which could result in the Company's competitors establishing a strong market position before the Company is able to enter the market. In addition, the Company's ability to compete may in many cases be affected by insurance companies or other third-party payers looking to encourage the use of generic products. Generic products are currently on the market for the indications that the Company's products are pursuing. If the Company's product candidates achieve marketing approval, the Company expects that they will be priced at a significant premium over competing generic products.

Some of the companies against which the Company is competing or against which it may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than the Company does. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated in a smaller number of the Company's competitors. Smaller companies and other start-up companies may also prove to be significant competitors, particularly through collaborations with large and established companies. These external parties compete with the Company in recruiting and retaining qualified scientific and administrative personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the Company's activities.

If the Company is unable to compete successfully, it may be unable to grow and sustain its revenue, which could have a material adverse effect on its business, performance and financial position.

Generic products may be viewed as being more cost-effective than the Company's products.

In addition to the competition the Company may encounter from products manufactured by other companies in general, the Company may also face competition from generic alternatives to its products. For

example, Apealea/Paclical is expected to compete with the generic form of Taxol. Generic alternatives are generally less expensive, and competitors who market generic drugs are becoming more aggressive in terms of pricing. Consequently, generic products account for an increasing percentage of both aggregate human and animal health sales in certain regions. If consumers of human and veterinary oncology products increase their use of new or existing generic products, or if the Company is unable to compete with existing generic products, this could have a material adverse effect on its business, performance and financial position.

Serious adverse events or other safety risks could force the Company to abandon development and preclude, delay or limit approval of the Company's products and product candidates, or limit the scope of any approved labels or market recognition.

If Apealea/Paclical or any of the Company's other product candidates, before or after approval for commercial sale, were to cause serious or unexpected adverse reactions or were to be associated with other safety risks such as misuse, abuse or diversion, this could result in a number of potentially negative consequences, including:

- Regulatory authorities may suspend, delay or halt clinical trials;
- Regulatory authorities may deny regulatory approval of the Company's product candidates;
- Regulatory authorities may require inclusion of specific texts on labels, such as warnings or contraindications or limitations on the indications for use, or impose restrictions on distribution in the form of a Risk Evaluation and Mitigation Strategy ("REMS"), in connection with approval;
- Regulatory authorities may withdraw their approval, require more onerous labelling statements or impose a more restrictive REMS in respect of an approved product;
- The Company may be required to change the way the product is administered or conduct additional clinical trials;
- The Company's relationships with its commercial partners may suffer;
- The Company could be sued and held liable for harm caused to patients; or
- The Company's reputation may suffer.

The Company may voluntarily suspend or terminate its clinical trials if at any time the Company believes that they present an unacceptable risk to participants or if preliminary data demonstrate that the Company's products and product candidates are unlikely to receive regulatory approval or are unlikely to be successfully commercialised. In addition, regulatory agencies or ethics committees may at any time recommend temporary or permanent discontinuation of the Company's clinical trials or request that the Company ceases to use investigators in the clinical trials, if the regulatory authorities find that the clinical trials are not being conducted in accordance with applicable regulatory requirements or that they present an unacceptable safety risk to participants. In spring 2017, the Company has withdrawn the temporary marketing authorisation granted for Paclical Vet by the FDA. The reason for this is to develop a more in-depth, new treatment strategy. Such an event may damage the commercial potential of such a product and the Company's ability to generate product revenue from this product may be delayed or eliminated, should the Company choose to, or be forced to, suspend or terminate a clinical trial of Apealea/Paclical or any of the Company's product candidates. Furthermore, any of these events could prevent the Company or its commercial partners from achieving or sustaining market recognition in respect of the affected product. This could also substantially increase the costs of commercialising the Company's products and product candidates and materially reduce the Company's ability to generate revenue from the commercialisation of these products either by the Company or by its commercial partners, which could have a material adverse effect on the Company's business, performance and financial position.

If the Company fails to achieve and sustain an adequate level of reimbursement for the Company's products by third-party payers, sales and profitability will be adversely affected.

Medical treatment of patients is and will remain expensive. The Company expects that most patients and their families will not be able to pay for the Company's products themselves. It is therefore unlikely that there will be a commercially viable market for Apealea/Paclical or the Company's other human healthcare products and product candidates without reimbursement from so-called third-party payers. Even if there were to be a commercially viable market, but the level of third-party reimbursement is inadequate from the patient's perspective, the Company's revenue and gross margin will be adversely affected.

The Company's view is that the current trend in healthcare is moving towards increased cost control. Large public and private payers, active clinical commissioning groups, group purchasing organisations and similar organisations exert ever increasing influence over decisions on the use of, and reimbursement levels for, specific treatments. Third-party payers, e.g. state-owned payers, including Medicare in the USA, and private healthcare insurers, carefully scrutinise and increasingly question, the prices of medical products and services, and reimbursement thereof. Many third-party payers limit cover for or reimbursement of recently approved healthcare products. Reimbursements from private healthcare insurers vary depending on the company, the

type of insurance and other factors. Cost control initiatives could reduce the price the Company or its commercial partners set for products, which could result in reduced product revenue and profitability.

Reimbursement systems in international markets vary significantly by country and by region, and reimbursement approvals must be obtained on a country-by-country basis. The Company's partners may elect to reduce the price of its products in order to increase the likelihood of obtaining reimbursement approvals.

In many countries, products cannot be commercially launched until reimbursement is approved. In some countries, these negotiations may take longer than twelve months. In some countries, pricing and decisions on reimbursement approvals may also be affected by decisions taken in other countries. This could result in obligatory price reductions and/or further restrictions on the right to reimbursement in a number of other countries, which could have an adverse effect on the Company's sales and profitability. If countries set prices that are not sufficient to allow the Company or its partners to generate a profit, the Company's partners may refuse to launch the product in such countries or withdraw the product from the market, which would adversely affect the Company's sales and profitability. This could have a material adverse effect on the Company's business, performance and financial position.

The Company may not be successful in its efforts to expand its pipeline of product candidates.

One element of the Company's strategy is to expand its pipeline of pharmaceuticals based on its XR17 formulation and advance these product candidates through clinical development for the treatment of a variety of indications. Although the Company's research and development efforts to date have resulted in a number of development programmes based on XR17, the Company may not ultimately be able to develop product candidates that are safe and effective. Even if the Company is successful in continuing to expand its pipeline, the potential product candidates that the Company identifies may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to receive marketing approval and/or be well-received in the market. In addition, if the Company attempts to apply XR17 technology to develop product candidates for indications outside of cancer, the Company will need to conduct genotoxicity, carcinogenicity and immunotoxicity trials, the results of which may be uncertain. If the Company does not manage to successfully develop and commercialise product candidates based on its technological approach, the Company will not be able to generate product revenue in the future, which would make it unlikely that it would ever achieve profitability.

The veterinary market the Company is seeking to enter with Paccal Vet® and its other medicines for pets is untested.

The market for cancer drugs for dogs is nascent and changing. Consequently, it is difficult to assess to what extent cytostatic treatment of cancer might become an accepted form of treatment by veterinary surgeons, which complicates both estimates of market size and the Company's potential share thereof. If a market does not develop, or the Company's share thereof is not meaningful, it could have a material adverse effect on the Company's business, performance and financial position.

For the Company's animal health products, changes in distribution channels could negatively impact the Company's market share and distribution of its animal health products.

Because the Company's veterinary oncology product candidates are designed to be given intravenously by veterinary surgeons, pet owners will not be able to obtain the Company's products via pharmacies or via the internet. Increasingly, pet owners purchase animal health products from sources other than veterinary surgeons, e.g. from internet-based retailers, shopping centres or other distribution channels. This trend has been demonstrated by the significant shift away from veterinary surgeons as a distribution channel for sales of parasiticides and vaccines in recent years.

Pet owners also could decrease their reliance on, and visits to, veterinary surgeons as they rely more on internet-based animal health information. Because the Company expects to market its animal health products through the vet distribution channel, any decrease in visits to veterinary surgeons by pet owners could reduce the Company's market share for such products and have a material adverse effect on the Company's operating results and financial position.

Business interruptions could delay the Company in the process of developing its products and product candidates and could disrupt its product sales.

Damage to the Company's manufacturing facilities, warehouses or laboratory facilities through accidents, fire or other causes could have an adverse effect on the Company's ability to meet demand for its products, continue product development activities and conduct its business. Failure to supply the Company's partners with a commercial product may have negative consequences, including the right of some partners to take over responsibility for product supply. The Company has insurance coverage to compensate it for such business interruptions, but should such coverage prove insufficient to fully compensate the Company for damage to its business resulting from any significant loss of property or damage to its inventories or facilities, it could have a material adverse effect on the Company's business, performance and financial position.

Product recalls or inventory losses caused by unforeseen events, cold chain interruption and testing difficulties may adversely affect the Company's operating results and financial position.

Apealea/Paclical and the Company's other product candidates are manufactured and distributed using technically complex processes requiring specialised facilities, highly specific raw materials and other production constraints. The complexity of these processes, as well as the strict company and government standards for the manufacture of the Company's products, subject the Company to production risks. While product batches released for use in clinical trials or for commercialisation undergo sample testing, some defects may only be identified following product release. In addition, process deviations or unforeseen effects of changes to tried and tested processes may result in these intermediate products not complying with stability requirements or specifications. Most of the Company's products must be stored and transported at temperatures within a certain range, which is known as "strict cold chain" storage and transportation. If these environmental conditions deviate, the remaining shelf lives of the Company's products could be impaired or their efficacy and safety could be adversely affected, making them unsuitable for use. The occurrence or suspected occurrence of production and distribution difficulties can lead to lost inventories, and in some cases product recalls, resulting in damage to the Company's reputation and risk of product liability. Investigation and follow-up of any identified problems may cause production delays, substantial expense, lost sales and delays in new product launches, any of which could have a material adverse effect on the Company's business, performance and financial position.

Risks relating to development and regulatory approval of the Company's products and product candidates

There is a high rate of failure for drug candidates going through clinical trials.

Generally, there is a high rate of failure for drug candidates going through clinical trials. The Company may suffer significant setbacks in its clinical trials even after receiving promising results in earlier trials, which is something a number of other companies in the pharmaceutical and biotechnology industries have experienced. Furthermore, even if the Company considers the results of a clinical trial to be positive, regulatory authorities may disagree with the Company's interpretation of the data.

For instance, because a large percentage of subjects in the Company's pivotal trials for Apealea/Paclical and the Company's other product candidates for cancer treatment are being enrolled at sites outside the USA, differences in efficacy results between US and non-US sites could cause the FDA to require additional trials.

In the event that:

- the results of the Company's Phase III trials are negative;
- the Company receives poor clinical results for its other product candidates;
- regulatory authorities place a clinical hold on the Company's Phase III trials due to potential chemistry, manufacturing and controls issues or other hurdles; or
- the FDA does not approve the Company's New Drug Application (NDA) for Apealea/Paclical or for the Company's other product candidates;

then:

- the Company may not be able to generate sufficient revenue or obtain financing to continue its operations;
- the Company's ability to carry out its current business plan will be materially impaired;
- the Company's reputation in the industry and in the investment community would likely be significantly damaged; and
- the price of the shares would likely decrease significantly.

Any of these results could have a material adverse effect on the Company's business, performance or financial position.

Clinical trials for the Company's product candidates are expensive, time-consuming, uncertain and susceptible to change, delay or suspension.

Clinical trials are expensive, time-consuming and difficult to design and implement. The result of a clinical trial may be undesirable and could result in a clinical trial having to be cancelled or re-evaluated and supplemented. Even if the results of the Company's clinical trials are favourable, the clinical trials for a number of its new products are expected to continue for several years and may even take significantly longer to complete. In addition, the Company, an ethics committee or a regulatory authority, in the EU, the USA or elsewhere, may suspend, postpone or terminate the Company's clinical trials at any time, for various reasons, including:

- lack of efficacy of a product candidate during clinical trials;
- discovery of serious or unexpected toxicity, side effects or other safety issues;

- slow rate of subject recruitment or enrolment rates in clinical trials;
- difficulty in retaining subjects who have participated in a clinical trial but may have withdrawn due to adverse effects from the therapy, insufficient efficacy, fatigue due to the clinical trial process or for any other reason;
- delays or inability with regard to manufacturing or obtaining sufficient quantities of materials for use in clinical trials due to manufacturing or regulatory constraints;
- inadequacies or changes in the Company's manufacturing process or product formulation;
- changes in applicable laws and regulations;
- delays or failure in reaching agreement on acceptable terms in clinical trial contracts or protocols with potential clinical trial sites;
- delays or failure to supply product for use in clinical trials which conforms to regulatory specification;
- unfavourable results from ongoing preclinical studies and clinical trials;
- failure of the Company's contract research organisations ("CROs"), or other third-party contractors to comply with all contractual requirements or to perform their services in a timely or acceptable manner;
- failure by the Company, its employees, its CROs or their employees to comply with all applicable laws and regulations or other requirements relating to the conduct of clinical trials;
- scheduling conflicts with participating clinics and clinical institutions;
- failure to design appropriate clinical trial protocols; or
- regulatory concerns with regard to pharmaceutical products generally and the potential for abuse.

Any of these results could have a material adverse effect on the Company's business, performance or financial position.

The regulatory approval process is uncertain, requires the Company to utilise significant resources, and may prevent the Company or its commercial partners from obtaining approvals for the commercialisation of some or all of the Company's product candidates.

The research, manufacturing, labelling, approval, sale, marketing and testing of the Company's products and product candidates are subject to extensive regulation by regulatory authorities and regulatory requirements applicable to the Company's products and product candidates differ from country to country. Neither the Company nor any commercial partner is permitted to market any of the Company's current or future product candidates in the USA until the Company receives approval from the FDA of an NADA for its animal oncology products or an NDA for its human health products. Obtaining approval of either an NADA or an NDA can be an uncertain process that requires the Company to utilise significant resources. Furthermore, regulatory authorities have broad discretion regarding processing time and usually request additional information and raise questions which have to be answered. There is considerable uncertainty regarding the times at which products may be approved. In addition, failure to comply with regulatory requirements may subject the Company to administrative or court-imposed sanctions, including: warning letters, civil and criminal penalties, injunctions, withdrawal of approved products from the market, product seizure or detention, product recalls, total or partial suspension of production, and refusal to approve pending applications or supplements to approved applications.

The process required by the FDA and most regulatory authorities before human healthcare pharmaceuticals may be marketed generally involves (i) nonclinical laboratory and animal tests; (ii) submission of an Investigational New Drug ("IND") application, which must be approved before clinical trials may begin; (iii) adequate and well-controlled human clinical trials to establish the safety and efficacy of the proposed drug for its intended use or actual use; (iv) pre-approval and inspection of manufacturing facilities and clinical trial sites; (v) and regulatory approval of an NDA or similar, which must occur before a drug can be marketed or sold.

In order to gain approval to market a pet medicine for a particular species of pet, the Company must provide regulatory authorities with data from animal safety and effectiveness studies that adequately demonstrate the safety and efficacy of that product in the target animal for the intended indication applied for in the NADA or other regulatory filing. Conditional approval is available under the FDA Minor Use and Minor Species ("MUMS") designation, which gives the applicant the right to market a product before all of the efficacy data necessary for full approval are available. If approved, this provides the applicant with seven years of market exclusivity. Even for conditional approval, the development of animal health products is a lengthy, expensive and uncertain process, and delay or failure can occur at any stage of any of the Company's development efforts. Success in prior target animal studies or even in the treatment of human beings with a product candidate does not entail that the Company's studies will be successful and the results of development efforts by other parties may not be indicative of the results of the Company's studies and other development efforts.

Regulatory approval of an NADA or an NDA, or any supplements of either, is not guaranteed, and the approval process requires the Company to utilise significant resources, sometimes over several years. The process of obtaining regulatory approval is also dependent on the actions of regulatory authorities. Despite the time and expense required, failure can occur at any stage, and the Company could encounter problems that cause it to abandon or have to repeat or perform additional studies. If the Company's current and future products or product candidates fail to demonstrate safety and efficacy in the Company's studies, or for any other reason does not gain regulatory approval, this will have a material and negative impact on the Company's business and performance.

In addition, separate regulatory authorisations are required to market a product in many jurisdictions, including the USA, EEA (which comprises the 28 EU member states and Norway, Iceland and Liechtenstein), etc. Approval procedures vary from country to country and could involve further investigations and testing, and the time required for approval may differ. Studies conducted in one country may not be accepted by regulatory authorities in other countries. Approval by a regulatory authority does not ensure approval by regulatory authorities in other countries. However, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in others. Foreign regulatory approval processes may involve all of the risks associated with obtaining FDA approval. The Company may be unable to apply for regulatory approvals or to do so within specified time limits and, even if the Company manages to do this, the Company may not receive necessary approvals to commercialise its products in any market. Any of these scenarios could have a material adverse effect on the Company's business, performance and financial position.

Even if the Company receives regulatory approval for any of its current or future product candidates, the Company will be subject to ongoing obligations with respect to regulatory bodies and continued regulatory review, which may result in significant additional expense. Additionally, the Company's products and any product candidates, if approved, will be subject to labelling and manufacturing requirements and could be subject to other restrictions. Failure to comply with these regulatory requirements or the occurrence of unforeseen problems with the Company's products could have significant consequences.

Any regulatory approvals that the Company or any of its commercial partners receive for any of its current or future product candidates may be subject to conditions of approval or limitations on the approved indicated uses for which the product may be marketed, or may contain requirements for potentially costly surveillance to monitor the safety and efficacy of the product candidate. In addition, the Company's current and future products or product candidates, if approved by regulatory bodies, will be subject to extensive and ongoing regulatory requirements regarding manufacturing processes, labelling, packaging, distribution, adverse event reporting, storage, advertising, marketing and documentation.

These requirements will include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP, good laboratory practice (GLP) and good clinical practice (GCP) for any studies that the Company conducts post-approval. Later discovery of previously unknown problems with a product, including adverse events of unforeseen severity or frequency, or with the Company's third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- fines, warning letters or stopped target studies;
- refusal by the relevant regulatory body to approve pending applications or supplements to approved applications submitted by the Company or its commercial partners, and suspension or revocation of approvals or product licences;
- product seizure or detention, or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

The policies of regulatory bodies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of the Company's product candidates. The Company cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action. If the Company is slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if the Company is not able to maintain regulatory compliance, it may lose any marketing approval that it may have obtained and it may not achieve or sustain profitability, which would have a material adverse effect on the Company's business, performance and financial position.

The Company's current and future products or product candidates, if approved, may cause or contribute to adverse medical events that the Company is required to report to regulatory authorities, and if the Company fails to do so, the Company could be subject to sanctions that would materially harm its business.

If the Company is successful in commercialising its products and any of its current or future product candidates, the regulations of the regulatory authorities require that the Company reports certain information about adverse medical events if those products may have caused or contributed to those adverse events. The timing of the Company's obligation to report would be triggered on the date the Company becomes

aware of the adverse event. The Company may fail to report adverse events of which it becomes aware within the prescribed timeframe. The Company may also fail to appreciate that it has become aware of a reportable adverse event, especially if it is not reported to the Company as an adverse event or if it is an adverse event that is unexpected or does not take place in connection with the use of the Company's products. If the Company fails to comply with its reporting obligations, regulatory authorities could take action including criminal prosecution, fines, seizure of the Company's products, or delays in approval of future products, which could have a material adverse effect on the Company's business, performance and financial position.

Legislative or regulatory reforms with respect to human or animal health products may make it more difficult and costly for the Company to obtain regulatory approval for any of its current or future product candidates and to produce, market, and distribute its products after approval is obtained.

From time to time, legislation is drafted and introduced that could significantly change the statutory provisions governing the testing, regulatory approval, manufacture and marketing of regulated products. In addition, regulations and guidance by regulatory authorities may be revised or reinterpreted in ways that may significantly affect the Company's business and its products. Any new regulations, revisions or reinterpretations of statutory provisions may impose additional costs or lengthen evaluation times of the Company's current or future product candidates. The Company cannot determine what effect such changes in regulations, laws, legal interpretation or policies may have on the Company's business in the future. Such changes could, among other things, require:

- requests for additional endpoints or studies;
- changes to manufacturing methods;
- recall, replacement, or discontinuation of certain products; and
- additional documentation requirements.

Each of these would likely entail substantial time and expense and could have a material adverse effect on the Company's financial position.

The Company's ability to market its products and product candidates, if approved, will be limited to use for the treatment of the indications for which they are approved, and if the Company wants to expand the indications for which it may market its products and product candidates, it will need to obtain additional regulatory approvals, which may not be granted.

If the Company's product candidates are approved, regulatory authorities will restrict the Company's ability to market them only for the indications for which they are approved. If the Company later decides to attempt to develop, promote and commercialise new treatment alternatives, clinical trial protocols for the Company's products and product candidates must be accepted and the results of the trials must be according to the study plan, but this is not possible to predict. The Company would receive necessary approval to do so. The Company would be required to conduct additional studies to enable application for new indications, which would consume additional resources and may produce results that do not result in marketing approvals. If the Company does not obtain additional marketing approvals, the Company's ability to expand its business in the relevant markets would be adversely affected, which could have a material adverse effect on the Company's business, performance and financial position.

The anticipated development of a REMS for Apealea/Paclical and the Company's other human health product candidates could cause delays in the approval process and would add additional layers of regulatory requirements that could impact the Company's ability to commercialise its human health product candidates in the USA and reduce their market potential.

As a condition of approval of an NDA, the FDA may require a REMS to ensure that the benefits of the drug outweigh the potential risks. REMS elements can include medication guides, communication plans for healthcare professionals, and elements to assure safe use ("ETASU"). These may include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registers. Moreover, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. The Company may be required to adopt a REMS for Apealea/Paclical and its other human health product candidates to ensure that the benefits outweigh the risks of abuse, misuse, diversion and other potential safety concerns. Even if the risks of abuse, misuse or diversion are not as high as for some other products, there can be no assurance that the FDA will approve a manageable REMS for Apealea/Paclical and the Company's other human health product candidates, which could result in significant limits on the Company's ability to successfully commercialise its human health product candidates in the USA. Delays in the REMS approval process could result in delays in the NDA approval process. In addition, as part of the REMS, the FDA could require significant restrictions, such as restrictions on the prescription, distribution and patient use of the product, which could significantly impact the Company's ability to effectively commercialise Paclical and its other human health candidates, and dramatically reduce their market potential, thereby adversely impacting the Company's business, performance and financial position. Even if initial REMS are not restrictive, if, after launch, Apealea/Paclical or the Company's other human health product candidates were to be subject to significant abuse/non-medical use or diversion from legitimate channels, this could lead to negative

regulatory consequences, including a more restrictive REMS, which could have a material adverse effect on the Company's business, performance and financial position.

If the Company is found to have violated fraud and abuse laws, the Company may be required to pay a penalty and/or be suspended from participation in government-run healthcare programmes, which may adversely affect the Company's business, financial position and performance.

If the Company is successful in obtaining marketing approval for its products in the USA and elsewhere, it will be subject to various healthcare-related fraud and abuse laws, including anti-bribery legislation, false claims laws and other laws intended to reduce fraud and abuse in government-run healthcare programmes, which could affect the Company, particularly upon successful commercialisation of the Company's products. For example, the Medicare and Medicaid Patient Protection Act of 1997 (otherwise known as the federal "Anti-Kickback Statute") makes it illegal for any person, including a prescription drug manufacturer (or a party acting on its behalf), knowingly and wilfully to solicit, receive, offer or pay any remuneration that is intended to induce the referral of business, including the purchase, order or prescription of a particular drug for which payment may be made under a US healthcare programme such as Medicare or Medicaid.

Under federal government regulations in the USA, some arrangements, known as safe harbours, are deemed not to violate the Anti-Kickback Statute. Although the Company seeks to structure its business arrangements in compliance with all applicable requirements, these laws are broadly written, and it is often difficult to determine precisely how the law will be applied in specific circumstances. Accordingly, it is possible that the Company's business practices may be challenged under the Anti-Kickback Statute and/or similar laws in other jurisdictions. Marketing legislation, including false claims laws, prohibits anyone from knowingly and wilfully presenting or causing to be presented for payment to third-party payers, including government payers, reimbursement claims for drugs or services that are false or fraudulent, claims for items or services that were not provided as claimed, or claims for medically unnecessary items or services. Cases have been brought under false claims laws alleging that pharmaceutical products have been marketed for indications other than approved use, or the payment of bribes or kickbacks to pharmaceutical providers has resulted in the submission of false reimbursement claims to governmental healthcare programmes.

Under laws such as the Health Insurance Portability and Accountability Act in the USA, the Company is prohibited from knowingly and wilfully executing a scheme to defraud any healthcare benefit programme or knowingly and wilfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including fines and/or exclusion or suspension from government-run healthcare programmes such as Medicare and Medicaid and debarment from contracting with the USA and other governments. In addition, in the USA, private individuals have the ability to bring actions on behalf of the government under the federal False Claims Act as well as under state false claims laws.

Many states in the USA have adopted laws similar to the federal Anti-Kickback Statute, some of which apply to the referral of patients for healthcare services reimbursed by any source, not just governmental payers. In addition, California and a few other states in the USA have passed laws that require pharmaceutical companies to comply with certain codes of conduct when interacting with healthcare professionals. In addition, several states have imposed other marketing restrictions or require pharmaceutical companies to make marketing or price disclosures to the state. There are ambiguities as to what is required to comply with these state requirements, and if the Company fails to comply with an applicable state law requirement, the Company could be subject to penalties.

The Company has yet to receive definitive guidance on the application of fraud and abuse laws to the Company's business. Authorities are increasingly focused on enforcing these laws, and it is possible that some of the Company's practices may be challenged under these laws. While the Company believes it has structured its business arrangements to comply with these laws, it is possible that the government could allege violations of, or convict the Company of violating, these laws. If the Company is found to be in breach of one of these laws, it could be required to pay a penalty and could be suspended or excluded from participation in certain government-run healthcare programmes, which could have a material adverse effect on the Company's business, performance and financial position.

Risks relating to the Company's business and industry

If the Company fails to attract and keep senior management and key scientific personnel, the Company may be unable to successfully develop its products or its current or future product candidates, conduct its outlicensing and development efforts or commercialise its products or any of its current or future product candidates.

The Company's future growth and success depends in part on its continued ability to attract, retain and motivate highly qualified management and scientific personnel. The Company is highly dependent upon its senior management, particularly Julian Aleksov, now Executive Vice Chairman of the Board, as well as its senior scientists and other members of the Company's senior management team. The loss of the services of any of these individuals could delay or prevent the successful development of the Company's current or future product pipeline, completion of its planned development efforts and/or the commercialisation of its products or product candidates. Although the Company has entered into an employment agreement with

Julian Aleksov, the agreement does not contain any non-compete clauses on competitive activities or non-solicitation clause after the termination of employment.

The Company may have trouble hiring additional qualified personnel.

As the Company expands its development and commercial activities, the Company will need to hire additional personnel and could experience difficulties attracting and retaining qualified employees. Competition for qualified personnel in the biopharmaceutical field is intense due to the limited number of individuals who possess the skills and experience required by that industry. The Company may not be able to attract and retain quality personnel on favourable terms, or at all. In addition, to the extent the Company hires personnel from competitors, the Company may be subject to allegations that such personnel have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output. Any of these difficulties could have a material adverse effect on the Company's business, performance and financial position.

The Company is subject to risks relating to disputes.

The Company is subject to various claims and disputes arising in the ordinary course of its business. Any such legal action could be very costly and could distract the Company's management from focusing on its core activities. Such legal action could harm the Company's business, performance and financial position. The outcome of any actual or potential disputes is uncertain and an unfavourable result in a legal proceeding could adversely affect the Company's reputation, financial position and performance.

If action relating to product liability were to be successfully brought against the Company, the Company would incur substantial liabilities and could be required to limit the commercialisation of Apealea/Paclical, and the Company's other product candidates.

The Company and its partners face potential product liability exposure related to the testing of its products and product candidates in human and animal clinical trials. The Company will face exposure to claims by an even greater number of people if the Company begins marketing and distributing its products commercially in the USA and elsewhere, including claims relating to misuse of Apealea/Paclical and the Company's other product candidates. Now, and in the future, an individual may bring a liability claim against the Company alleging that its product or one of its product candidates caused harm. While the Company continues to take what the Company believes are appropriate precautions, the Company may be unable to avoid significant liability if any action relating to product liability is brought against the Company. If the Company cannot successfully defend itself against product liability claims, the Company will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- reduced demand for Apealea/Paclical and the Company's other product candidates, if approved;
- damage to the Company's reputation;
- withdrawal of participants in the Company's clinical trials;
- costs of disputes;
- substantial monetary awards to patients, pet owners and others;
- increased cost of liability insurance;
- loss of revenue; and
- inability to successfully commercialise the Company's products.

Failure of the Company's IT systems could significantly disrupt the operation of its business.

The Company's ability to execute its business plan and to comply with regulatory requirements with respect to data control and data integrity depends, in part, on the continued and uninterrupted performance of the Company's IT systems. These systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and back-up measures, some of the Company's servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures the Company has taken to prevent unforeseen problems that could affect the Company's IT systems, there are no assurances that electronic break-ins, computer viruses and similar disruptive problems, and/or sustained or repeated system failures or problems arising during the upgrade of any of the Company's IT systems that interrupt its ability to generate and maintain data will not occur. The occurrence of any of the above with respect to the Company's IT systems could have a material adverse effect on its business, performance and financial position.

The Company is subject to the US Foreign Corrupt Practices Act (FCPA) and other anti-corruption laws, as well as export control laws, customs laws, sanctions laws and other laws governing the Company's operations. Should the Company fail to comply with these laws, the Company could be subject to civil or criminal

penalties, other remedial measures, and legal expenses, which could adversely affect the Company's business, performance and financial position.

The Company's operations are subject to certain anti-corruption laws, including the US Foreign Corrupt Practices Act ("FCPA"), and other anti-corruption laws that apply in countries where the Company has operations. The FCPA and other anti-corruption laws generally prohibit the Company and its employees and intermediaries from giving or receiving bribes or making other prohibited payments to government officials or other persons for the purpose of obtaining or retaining business or gain some other business advantage. The Company and its commercial partners operate in a number of jurisdictions that pose a high risk of potential FCPA violations and the Company participates in collaborations and relationships with third parties whose actions could potentially subject the Company to liability under the FCPA or local anti-corruption laws. In addition, the Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's international operations might be subject or the manner in which existing laws might be applied or interpreted.

The Company is also subject to other laws and regulations governing its international operations, including applicable export control regulations, economic sanctions on countries and persons, customs requirements and currency exchange regulations (collectively, "Trade Control Laws").

There is no assurance that the Company will be completely effective in ensuring its compliance with all applicable anti-corruption laws or other legal requirements, such as Trade Control Laws. Any investigation of potential violations of the FCPA, other anti-corruption laws or Trade Control Laws by US, EU or other authorities could have an adverse impact on the Company's reputation, performance and financial position. Furthermore, should the Company be found not to be in compliance with the FCPA, other anti-corruption laws or Trade Control Laws, the Company may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, any of which could have a material adverse effect on the Company's reputation and liquidity, as well as on its business, performance and financial position.

The Company is exposed to currency risks.

The Company's primary contract manufacturer and all of the Company's clinical trials are located outside of Sweden. Because the Company's financial statements are presented in SEK, changes in exchange rates have had and may continue to have a significant effect on the Company's financial performance. Exchange rate fluctuations between local currencies and SEK create risk in several ways, including the following:

- weakening of the Swedish krona may increase the SEK cost of overseas research and development expenses and the cost of purchases of product components sourced outside Sweden;
- strengthening of the Swedish krona may decrease the value of the Company's revenues denominated in other currencies;
- the exchange rates for non-SEK transactions and items can distort our financial results; and
- the pricing and profit margins of Apealea/Paclical and the Company's other product candidates may be affected by currency fluctuations.

In addition, to the extent the Company's need for contract manufacturing increases once the Company's products reach the commercial market, the Company's exposure to currency risks will increase proportionally. It is possible that fluctuations in currency exchange rates could have a material adverse effect on the Company's business, performance and financial position.

If the Company is unable to use its accumulated losses towards deductions from future profits, thereby reducing future tax payments, the Company's business, performance and financial position may be adversely affected.

As a Company that is registered and listed in Sweden, the Company is subject to Swedish corporate taxation. As of 30 April 2015, the Company had cumulative tax losses carried forward of SEK 521 million, and as of 30 April 2016, the Company had cumulative tax losses carried forward of SEK 721 million, and as of 30 April 2017, the Company had cumulative tax losses carried forward of SEK 878 million. These tax losses can be offset against future profits, unlimited in time. If, however, Swedish tax legislation were to change unexpectedly, affecting tax loss carry-forwards, the Company's business, performance and financial position may be adversely affected.

The Company's activities involve tax risks.

The Company has, and may have, operations both in Sweden and other countries. Tax regulations are complex and subject to different interpretations, and there is therefore a risk that the Company's interpretation and implementation of applicable laws, rules, case law and other administrative practices in the jurisdictions in which Oasmia has, or may have, operations has been, or may continue to be, incorrect. Furthermore, such laws, rules and practices may change in such a way that the Company's current interpretation and implementation is deemed to be incorrect. In the event that the Company's interpretation and implementation in any given case is incorrect, or if one or more authorities succeed in introducing negative tax adjustments or laws, rules of practices are changed with retroactive effect, the Company's

current and historic management of tax matters may be called into question. Should tax authorities successfully assert claims, this could lead to increased tax expense, penalties and interest, which could have an adverse effect on the Company's business, performance and financial position.

Risks relating to the Company's reliance on third parties

The Company depends to a significant extent on the commercial expertise of its commercial partners.

The Company does not have a sales and marketing operation and is expected to rely on the expertise and commercial skills of the Company's commercial partners to sell Apealea/Paclical and other product candidates. The Company has entered into agreements with Nippon Zenyaku Kogyo for the global commercialisation of Paccal Vet® in Japan. The Company has entered into agreements for the commercialisation of Paclical with Medison Pharma in Israel and Turkey and with Hetero Group in Russia and the CIS countries, as well as Ukraine, Georgia and Turkmenistan. The Company's partners also have the right, under certain circumstances, to terminate their collaboration with the Company. A failure by the Company's partners to successfully market Paccal Vet®, Paclical Doxophos Vet and the Company's other product candidates, or the termination by the Company's partners of agreements with the Company, would have an adverse effect on the Company's business, performance and financial position.

The Company is dependent on contract manufacturers for the manufacturing of the Company's products, which can create uncertainties in production.

The Company depends on a limited number of suppliers for materials and components required to manufacture Paccal Vet®, Paclical and the Company's other product candidates. The loss of these suppliers, or their failure to supply the Company with materials and components on a timely basis, could cause delays in the Company's current and future capacity and have an adverse effect on the Company's business.

The majority of the raw materials used in the production of the Company's pharmaceuticals are purchased from a limited number of suppliers. As a result, there is a risk that the Company may not be able to obtain sufficient quantities of critical materials and components in the future. A delay or interruption by the Company's suppliers may harm the Company's business, performance and financial position. In addition, the lead time needed to establish a relationship with a new supplier can be lengthy, and the Company may experience delays in meeting demand in the event that the Company must switch to a new supplier. The time and effort required to find new suppliers and, where applicable, obtain regulatory approval for a new supplier, could result in additional costs, diversion of resources or reduced manufacturing yields, any of which would have a negative impact on the Company's performance. The Company's dependence on a limited number of suppliers exposes the Company to numerous risks, including:

- the Company's suppliers could cease or reduce production or deliveries, raise prices or renegotiate terms;
- the Company may be unable to locate a suitable replacement supplier on acceptable terms or on a timely basis, or at all; and
- delays caused by supply issues may harm the Company's reputation, frustrate its customers and cause them to turn to the Company's competitors for future needs.

Any one of these occurrences could have an adverse effect on the Company's business, performance and financial position.

Risks relating to the Company's intellectual property rights

The Company may be forced to take legal action to enforce or defend its intellectual property rights, or the intellectual property rights of the Company's licensors.

The Company may be forced to take legal action to enforce or defend its intellectual property rights against infringement and unauthorised use by competitors. In so doing, the Company may place its intellectual property rights at risk of being invalidated, held unenforceable or narrowed in scope. Further, an adverse result in any legal proceedings may lead to the Company's intellectual property rights being extinguished. In addition, if any licensor fails to enforce or defend its intellectual property rights, this may adversely affect the Company's ability to develop and commercialise its products and product candidates, as well as its ability to prevent competitors from manufacturing, using, and selling competing products. Any such legal action could be very costly and could distract the Company's management from focusing on the Company's core business. The existence or outcome of any such legal action could harm the Company's business, performance and financial position.

Furthermore, because of the substantial amount of material that must be presented in connection with this type of legal action, there is a risk that some of the Company's confidential information and intellectual property could be compromised. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of the Company's share.

The Company may be unable to adequately prevent disclosure of trade secrets and other information protected under intellectual property rights.

The Company relies on trade secrets to protect its proprietary know-how and technology, especially where the Company does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. The Company relies in part on confidentiality agreements with its employees, external consultants, sponsored researchers and other advisors to protect the Company's trade secrets. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. In addition, others may discover the Company's trade secrets and proprietary information. Costly and time-consuming legal action could be necessary to determine the scope of the Company's intellectual property rights. Failure to obtain or maintain trade secret protection or failure to adequately protect the Company's intellectual property rights could enable competitors to develop generic products or use the Company's proprietary information to develop other products that compete with the Company's products, resulting in additional adverse effects on its business, performance or financial position.

The transfer of technology and knowledge to contract manufacturers for production of the Company's products also creates a risk of uncontrolled distribution and copying of concepts, methods and processes relating to the Company's products. Such uncontrolled distribution and copying could have an adverse effect on the value of the Company's products if used for the production of competing products or otherwise used commercially without the Company receiving financial compensation.

The Company may become subject to third parties' claims alleging infringement of patents and intellectual property rights or seeking to invalidate the Company's patents or intellectual property rights, which would be costly, time-consuming and, if successfully asserted against the Company, delay or prevent the development and commercialisation of the Company's products and its current or future product candidates.

There have been substantial disputes regarding patents and other intellectual property rights in the pharmaceutical industry, as well as patent challenge proceedings, including proceedings before the US Patent and Trademark Office (PTO) and the European Patent Office (EPO), and other comparable proceedings in other jurisdictions. There is a risk that the Company's current or future products and product candidates may infringe on existing or future patents. The Company may be unaware of patents that have already been issued that a third party might assert are infringed by the Company's products or its current or future product candidates. Because the patent application process can take many years before patents are granted and patent applications may be confidential for eighteen months or more after being submitted, there may be applications now pending of which the Company is unaware and which may later result in issued patents that the Company may infringe by commercialising its products and product candidates. In addition, third parties may obtain patents in the future and claim that use of the Company's technologies infringes upon these patents. Moreover, the Company may face claims from non-practicing entities (commonly referred to as "patent trolls"), which have no relevant product revenue and against whom the Company's own patent portfolio may thus have no deterrent effect.

The Company may be subject to third-party claims in the future against the Company or its commercial partners that would cause the Company to incur substantial expenses and, if successful, could cause the Company to pay substantial damages, including punitive damages such as US-style treble damages, and solicitor's fees if the Company is found to have wilfully infringed a third party's patents. If legal action for patent infringement were to be brought against the Company or its collaborators, the Company or its collaborators could be forced to stop or delay research, development, manufacturing or sales of the product candidate that is the subject of the dispute. As a result of patent infringement claims, or in order to avoid potential claims, the Company or its collaborators may choose to seek, or be required to seek, a licence from the third party and would most likely be required to pay licence fees or royalties or both. These licences may not be available on acceptable terms to the Company, or at all. Even if the Company or its collaborators were able to obtain a licence, the rights may be nonexclusive, which would give the Company's competitors access to the same intellectual property rights. Ultimately, the Company could be prevented from commercialising a product, or forced to redesign it, or to cease some aspect of the Company's business operations if, as a result of actual or threatened patent infringement claims, the Company or its collaborators are unable to enter into licence agreements on acceptable terms. Even if the Company were to be successful in defending such claims, legal proceedings relating to infringement and intellectual property rights can be expensive and time-consuming and divert management's attention from the Company's core business. Any of these events could affect the Company's business significantly.

In addition to infringement claims against the Company, if third parties have prepared and filed patent applications in the USA that also claim technology to which the Company has rights, the Company may have to participate in interference proceedings in the US PTO to determine the priority of invention. Third parties may also initiate proceedings in the US PTO relating to examination and review of the Company's patent. The Company may also become involved in similar proceedings in the EPO or comparable institutions in other jurisdictions regarding the Company's intellectual property rights with respect to its products and technology. Any of these claims could have an adverse effect on the Company's business, performance and financial position.

If the Company's efforts to protect its intellectual property rights relating to the Company's products or any of its current or future product candidates are not adequate, the Company may not be able to compete effectively in its market.

The Company relies on a combination of patents, trade secret protection, confidentiality and licensing agreements to protect the intellectual property rights relating to the Company's products and current product candidates and development programmes.

Composition-of-matter patents on an active pharmaceutical ingredient are generally considered to be the strongest form of intellectual property protection, as such patents provide protection without regard to any particular method of use or manufacture. The Company cannot be certain that the claims in the Company's current patent applications will be considered patentable by the patent offices and courts in any jurisdiction. Method-of-use patents protect the use of a product for the specified method. This type of patent does not prevent a competitor from manufacturing and marketing a product that is identical to the Company's product for an indication that is outside the scope of the patented method. Moreover, for the Company's animal health products in particular, even if competitors do not actively market their products for the indications targeted by the Company's products, veterinary surgeons may recommend that pet owners use these competing products for the indications targeted by the Company's products, or pet owners may do so themselves. Although off-label use may infringe or contribute to the infringement of method-of-use patents, the Company believes the practice is common and such infringement is difficult to prevent or prosecute.

The strength of patents in the field of human and veterinary oncology products involves complex legal and scientific issues and can therefore be uncertain. The Company's patent applications or licences may fail to win approval. Even if patents are granted, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. Furthermore, even if they are unchallenged, the Company's patents and patent applications may not adequately protect the Company's intellectual property rights or prevent others from designing around the Company's patent. If the breadth or strength of protection provided by the Company's patents is threatened, it could threaten the Company's ability to commercialise its current products or future product candidates. Further, if the Company encounters delays in its development efforts, the period of time during which the Company could market its current or future products and product candidates under patent protection could be reduced. Since patent applications in the USA and most other countries are confidential for a period of time after being submitted, the Company cannot be certain that the Company was the first to submit any patent application relating to the Company's products or current and future product candidates. Furthermore, for US patent applications entitled to a priority date before 16 March 2013, proceedings may be instituted by a third party or the US PTO to determine who was the first to invent any of the subject matter covered by the scope of patent protection. For patent applications not entitled to a priority date before 16 March 2013, there is a greater degree of uncertainty in US patent law because of the introduction of the America Invents Act, which took effect on that date and resulted in significant changes to US patent laws that have yet to be well defined, and which has introduced new procedures for challenging pending patent applications and issued patents. A primary change under this reform is creating a "first to file" system in the USA, which requires the Company to minimise the time from invention to filing of a patent application.

Even where laws provide protection, costly and time-consuming proceedings could be necessary to enforce and determine the scope of the Company's immaterial property rights, and the outcome of such legal action would be uncertain. Moreover, any action the Company may bring to enforce the Company's intellectual property rights against its competitors could provoke them to bring counterclaims against the Company, and some of its competitors have substantially greater intellectual property portfolios than the Company has.

The Company also relies on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce, and any other elements of the Company's product development processes that involve proprietary know-how, information or technology that is not covered by patents. Although the Company endeavours to enter into confidentiality agreements with all of the Company's employees, consultants, advisors and any third parties who have access to the Company's proprietary know-how, information or technology, the Company cannot be certain that it has executed such agreements with all parties who may have helped to develop the Company's intellectual property rights or know-how, nor that such agreements will not be breached. The Company cannot guarantee that its trade secrets and other confidential information will not be disclosed or that competitors will not otherwise gain access to the Company's trade secrets or independently develop substantially equivalent information and technology. Furthermore, the laws of some other countries do not protect these assets in the same way as laws in the EU or the USA. As a result, the Company may encounter significant problems when it seeks to protect and defend its intellectual property rights both in the USA and elsewhere. If the Company is unable to prevent disclosure of the intellectual property rights associated with the Company's technologies to third parties, the Company will not be able to establish or maintain a competitive advantage in its market, which could have an adverse effect on the Company's business, performance and financial position.

Any disclosure or misappropriation by third parties of the Company's confidential information could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding the Company's competitive position in its market.

Changes in patent legislation could diminish the value of patents in general, thereby damaging the Company's ability to protect its products.

As is the case with other biopharmaceutical companies, the Company's success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity. Therefore, obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. In addition, the USA has recently enacted and is currently implementing wide-ranging reforms of patent legislation. The US Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in other situations. In addition to increasing uncertainty with regard to the Company's ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the US Congress, the federal courts, and the US PTO, the laws and regulations governing patents could change in ways that would weaken the Company's ability to obtain new patents or to enforce the Company's existing licensed patents and patents that the Company might obtain in the future. Similarly, changes in EU patent legislation and elsewhere could negatively affect the value of the Company's patents registered outside of the USA.

Obtaining and maintaining the Company's patent protection depends on compliance with various procedural requirements, document submissions, fee payments and other requirements imposed by governmental patent agencies, and the Company's patent protection could be reduced if the Company fails to comply with these requirements.

Governmental patent agencies require compliance with a number of procedural regulations and regulations on documentation, fee payments and other provisions during the patent process. There are situations in which noncompliance with these regulations can result in patent applications being invalidated, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case, which could have an adverse effect on the Company's business, performance and financial position.

The Company may not be able to protect its intellectual property rights throughout the world.

Applying for and defending patents on products and product candidates throughout the world is expensive. Competitors may use the Company's technologies in jurisdictions where the Company has not obtained patent protection to develop their own products and, further, exports may infringe on products in territories where the Company has patent protection, but where enforcement is not as strong as that in e.g. the USA. These products may compete with the Company's products in jurisdictions where the Company does not have any issued or licensed patents and the Company's patent claims or other intellectual property rights may not be sufficiently effective or adequate to prevent them from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal system in some countries, and in developing countries in particular, may not be favourable for enforcing patent rights or intellectual property rights, particularly rights relating to biopharmaceutical drugs. This could make it difficult for the Company to prevent infringement of the Company's patents or marketing of competing products in violation of the Company's intellectual property rights in general. Proceedings to enforce the Company's patent rights in foreign jurisdictions could result in substantial cost and divert the Company's efforts and attention from other aspects of its business.

Risks relating to the Company's financial position and capital requirements, etc.

There are relationships among the Company's directors and its largest shareholders that could pose a conflict of interest.

There are relationships among some of the members of the Company's Board of Directors and its largest shareholders that could pose a conflict of interest. Two of the Company's directors, Julian Aleksov, now the Company's Executive Vice Chairman, and Bo Cederstrand, control Alceco International S.A., which owns approximately 20.4 per cent of the ordinary shares in the Company as of the date of this Prospectus and is the Company's largest shareholder. In addition to their joint controlling stake in Alceco International S.A., Julian Aleksov and Bo Cederstrand also have a family connection. Julian Aleksov is the father of Bo Cederstrand's two grandchildren. Alceco International S.A has also extended a credit facility of SEK 40 million to the Company, which as of 30 April 2017 is unutilised.

Another member of the Company's board, Alexander Kotsinas, is an independent consultant to Nexttobe AB, which previously was the second-largest shareholder in the Company. Nexttobe AB is also the Company's largest creditor, having granted loans to the Company of a total of SEK 111 million since February 2012.

These directors and/or shareholders may have actual or potential conflicts of interest with respect to matters involving or affecting the Company and Alceco International S.A. and/or Nexttobe AB. Examples of possible conflicts include:

- The Board of Directors may have to decide whether to use funds for operating expenses or the repayment of loans to Alceco International S.A. and/or Nexttobe AB;

- Issues or disputes could arise under the commercial agreements that exist between the Company and Alceco International S.A. and Nexttobe AB;
- Under the terms of Alceco International S.A.'s loan agreements, one or more of Alceco International S.A.'s creditors could become shareholders and could exercise their voting rights in a manner that could conflict with other shareholders' interests;
- Nexttobe AB, a venture capital company, could own or come to own interests in companies that compete with the Company; and
- Given the close relationship between Bo Cederstrand and Julian Aleksov, Bo Cederstrand's views could be in conflict with those of other board members with regard to decisions on the compensation and employment status of Julian Aleksov.

Apart from the guidelines on conflicts of interest contained in the Company's Code of Ethics and Business Conduct, the Company and Alceco International S.A. and/or Nexttobe AB have not established any formal procedures for the Company, Alceco International S.A. and/or Nexttobe AB to resolve potential or actual conflicts of interest between the companies. There can be no assurance that any of the highlighted conflicts would be resolved in a manner that does not adversely affect the Company's business, financial position or performance.

The Company has incurred significant losses since its inception. The Company expects to incur losses in the future and there is a risk that the Company may never achieve or maintain profitability.

Since inception, the Company has incurred significant operating losses. The Company incurred net losses of SEK 117.5 million and SEK 141.5 million respectively in the financial years ended 30 April 2015 and 30 April 2016, and losses of SEK 160.4 in the financial year ended 30 April 2017. To date, the Company has primarily funded its operations through private placements of shares and milestone payments from the Company's commercial partners.

The Company has devoted virtually all of its financial resources and efforts to research and development, including preclinical studies and clinical trials. The Company expects to continue to incur substantial costs and operating losses until the Company's products and product candidates have been commercialised. The Company's net losses may fluctuate significantly from quarter to quarter and year to year. The Company anticipates that its expenses will increase substantially as the Company:

- continues to conduct clinical development of Apealea/Paclical for the treatment of indications other than ovarian cancer;
- conducts further efficacy studies on dogs in order to collect all necessary efficacy data for Paccal Vet® and Doxophos Vet®, in the event that the Company is unable to raise external financing for these projects;
- continues to conduct clinical trials of Docecal;
- continues research and development for, and commences clinical trials of, Doxophos, OAS-19 and KB9520;
- seeks to discover and develop additional product candidates;
- conducts late-stage clinical trials and seeks regulatory approvals for any product candidates that successfully complete clinical trials;
- ultimately establishes a sales, marketing and distribution infrastructure and scales up external manufacturing capabilities to commercialise any products that the Company chooses not to license to a third party and for which the Company may obtain regulatory approval;
- maintains, expands and protects its intellectual property portfolio;
- hires additional clinical and scientific personnel; and
- adds operational and financial information systems and personnel, including personnel to support the Company's product development and planned future commercialisation efforts.

To become and remain profitable, the Company must succeed in developing and eventually commercialising products that generate significant revenue. This will require the Company to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of the Company's product candidates, discovering additional product candidates, potentially entering into collaboration and licence agreements, obtaining regulatory approval for product candidates and manufacturing, marketing and selling any products for which the Company may obtain regulatory approval. The Company is only in the preliminary stages of most of these activities. The Company may never succeed in these activities and, even if the Company does, may never achieve profitability.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, the Company is unable to accurately predict the timing or amount of increased expenses or when, or if, the

Company will be able to achieve profitability. If the Company is required by regulatory authorities to perform studies in addition to those currently expected, or if there are any delays in completing the Company's clinical trials or the development of any of its product candidates, its expenses could increase.

Even if the Company does achieve profitability, the Company may not be able to sustain or increase profitability on a quarterly or annual basis. The Company's failure to become and remain profitable would depress the value of the Company and could impair its ability to raise capital, expand the Company's business, maintain its research and development efforts, diversify the Company's product offerings or even continue its operations. A decline in the value of the Company could also cause an investor to lose all or part of their investment.

The Company may need substantial additional funding, which may not be available to the Company on acceptable terms, or at all. If the Company is unable to raise capital when needed, or to extend or replace current credits, the Company could be forced to delay, reduce or eliminate its product development programmes or its commercialisation efforts.

The Company's operations have consumed substantial capital since inception. Excluding revenue from milestone payments, the Company's cash flow used for operating activities for the financial year ended 30 April 2015 and 30 April 2016 was approximately SEK -107.7 million and SEK -128.1 million, respectively, with development costs, which are capitalised, for those years totalling approximately SEK 16.8 million and SEK 16.7 million, respectively. The Company's cash flow, excluding revenue from milestone payments, which are used for operating activities, for the period 1 May 2016 to 30 April 2017, amounted to approximately SEK -133.0 million, with capitalised development costs for the period totalling approximately SEK 7.9 million. The Company expects the operating, management and administrative expenses of the business to remain significant and even to increase sharply as a result of the Company's planned research and development and continued product commercialisation. Even if the proceeds from the Rights Issue is received as planned, Oasmia will have limited financial resources. The Company may need to raise additional capital, including by extending existing or replacing credits following this Offer to obtain financing for continued clinical trials in support of potential marketing approvals. If the Company is unable to raise capital when needed or on beneficial terms, or to extend or replace current credits, the Company could be forced to:

- delay, reduce or eliminate its research and development programmes or any future commercialisation efforts;
- relinquish or license on unfavourable terms the Company's rights to technologies, products, or product candidates that the Company otherwise would seek to develop or commercialise itself;
- seek collaborators for the Company's product or one or more of its product candidates at an earlier stage than otherwise would be desirable or on terms that are less favourable than might otherwise be available; or
- cease operations altogether, in which case all shareholders would lose their entire paid in share capital.

In view of the current liquidity position, the Company's current credit facilities, the proceeds from this Rights Issue, which is estimated to amount to SEK 150 million after issue expenses, and provided that the Company's credit that is due in September 2017, the Company's convertible loan 2017:2 (which is due in April 2018), and the debt in the form of non-negotiable promissory notes that replaced the Company's convertible loan 2016:2 (which are due in June 2018) are extended or replaced, the Board of Directors believes that the Company is sufficiently funded and able to carry out its operating plan for the coming twelve months. The Company has based this estimate on assumptions that may prove to be wrong, and the Company could use up its capital resources sooner than the Company currently expects. The Company does not expect its capital resources, including net proceeds from this Offer, to be sufficient to fully commercialize its products and product candidates. The Company therefore expects it will have to raise further capital in the future. The Company's future capital requirements depend on many factors, including:

- potential revenue relating to commercial sales of the Company's products and product candidates for which the Company has received marketing approval, including royalties and milestone payments from existing and future commercial partners;
- the scope, progress, results and costs of preclinical development, laboratory testing and clinical trials for the Company's other product candidates, including Docecal, Doxophos Vet, Doxophos, OAS-19 and KB 9520;
- the Company's ability to enter into collaborative agreements for the development and commercialisation of the Company's product candidates;
- the number of product candidates, and their development requirements, that the Company is trying to develop;
- the costs, timing and outcome of regulatory review of the Company's product candidates or any future product candidates;

- the costs and timing of future commercialisation activities including manufacturing, marketing, sales and distribution of the Company's products or any of its product candidates for which the Company receives marketing approval;
- any product liability or other legal proceedings relating to the Company's products;
- the expenses necessary to attract and retain skilled personnel; and
- the costs involved in preparing, filing and prosecuting patent applications, maintaining and enforcing the Company's intellectual property rights and defending any intellectual property-related claims, both in the USA and outside the USA.

Identifying potential product candidates and conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete. The Company may never generate the necessary data or results required to obtain regulatory approval and achieve product sales. In addition, the Company's products and its product candidates, if approved, may not achieve commercial success. The Company's potential commercial revenues will come from future sales of products and these can be difficult to predict. Therefore, the Company must continue to rely on additional funding to achieve its business goals. Adequate additional financing may not be available to the Company on acceptable terms, or at all. In addition, the Company may seek additional capital due to favourable market conditions or strategic considerations, even if the Company believes it has sufficient funds for its current or future operating plans.

The milestone payments the Company receives are not reliable sources of income and in some cases must be returned at a later date.

Much of the Company's revenue has consisted of, and may in the future take the form of, milestone payments, which are contractual one-time payments from the Company's partners as it reaches certain targets. There have been times when the Company has not reached the targets and there is no guarantee that the Company will be able to reach such targets in the future. The Company may also be required to repay already obtained milestone payments if the agreed upon schedules are not kept or if the required marketing approvals are not obtained. Further, milestone payments occur irregularly over time, causing fluctuations in the Company's revenue and performance. Milestone payments are not a sustainable form of revenue and any dependence on milestone payments could have a material adverse effect on the Company's business, performance and financial position.

The Company's limited operating history may make it difficult for investors to evaluate the success of the Company's business to date and to assess its future profitability.

The Company commenced active operations in 1999, and the Company's operations thus far have been limited to organising and staffing the Company, business planning, raising capital, identifying potential product candidates, undertaking preclinical studies and conducting clinical trials. So far, the Company has had limited commercial operations. Two of the Company's six product candidates are still in a preclinical development phase. The Company has not yet shown its ability to fully operate sales and marketing activities, which are required for successful product commercialisation. Consequently, any assessments investors make about the Company's future success or viability may not be as accurate as they could be if the Company had a longer operating history.

In addition, as a business with a limited operating history, the Company may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. The Company will need to expand its capacity to support commercial activities. The Company may not be successful in adding such capacity.

The Company expects its financial position and performance to continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond the Company's control. Accordingly, an investor should not rely upon the results of any past annual or interim periods as indications of future performance.

Incentive programme.

Oasmia's Extraordinary General Meeting in November 2016 passed a resolution on an incentive scheme, under which warrants will be issued to the Company's senior management and Board members. These incentive schemes were replaced by the incentive schemes approved by an Extraordinary General Meeting in June 2017, see section "Share-based incentive schemes". The purpose of the Company's incentive scheme is to encourage employees and Board members to invest in the Company in order to be able to share in and help promote positive value growth in the Company's share in the period covered by the scheme, and to enable Oasmia to retain and recruit competent and committed employees. There is a risk that these goals will not be achieved, however, which could result in the participants in incentive schemes performing their work less efficiently than expected. There is also a risk that Oasmia and the participants in the incentive schemes may interpret the terms and conditions of the schemes in different ways, or that other disputes concerning the incentive scheme could arise, which could add to the expense and reduce or completely counteract the effectiveness of the scheme. Further, share-based incentive schemes are always associated with an element of tax risk, since the Company's assessment of applicable tax legislation may prove to be incorrect, which could lead to a higher tax burden in the future and in Oasmia being subject to tax-related penalties. In addition, other unforeseen costs related to incentive programmes may arise. In addition, share-

based incentive schemes in the form of warrants also dilute the holdings of existing shareholders when the warrants are exercised.

RISKS ASSOCIATED WITH THE SECURITIES

Share performance.

Potential investors should be aware that an investment in shares, interim paid subscribed shares (BTA), and subscription rights in the Company is associated with a high level of risk and that the share price of the Company can develop unfavourably. In addition to Oasmia's performance, the share price is dependent on several other factors that Oasmia cannot influence, such as the economic climate in general, market interest rates, capital flows, political instability and market behaviour. The price of the shares may also be subject to considerable fluctuations. Furthermore, the market liquidity of Oasmia's shares on Nasdaq Stockholm, Frankfurt Stock Exchange and Nasdaq Capital Markets has been limited. A non-liquid market can present difficulties for shareholders when trying to sell their shares. There is therefore a risk that shareholders will not be able to sell their shares, or will only be able to sell their shares at a loss.

It is not certain that an active market for subscription rights or interim paid subscribed shares (BTA) will develop, or that there will be sufficient market liquidity in subscription rights or interim paid subscribed shares (BTA). Furthermore, failure to participate in the Rights Issue or disposals of subscription rights may lead to a pro rata reduction in these shareholders' proportional shareholding and voting interest in the Company.

Registered Oasmia shareholders as at the record date will receive subscription rights in relation to their existing shareholdings. The subscription rights are expected to have an economic value that can only accrue to their holder if the holder either exercises the rights for the subscription of new shares not later than 5 July 2017 or sells them not later than 3 July 2017. After 3 July 2017 and without notice, unexercised subscription rights will be removed from the holder's securities account, whereupon the holder will forfeit the anticipated economic value of the subscription rights. If a shareholder does not exercise his or her subscription rights, his or her proportional ownership and percentage of voting rights in Oasmia will be reduced by a corresponding amount. Even if a shareholder chooses to sell his or her unexercised subscription rights, the compensation he or she receives may not reflect the immediate dilution of his or her percentage stake in the Company's share capital when the Rights Issue has been completed. Both subscription rights and interim paid subscribed shares (BTA), which after payment has been made will be registered in the securities accounts belonging to investors who subscribed for new shares, will be subject to trading on Nasdaq Stockholm for a limited period of time. Trading in these instruments may be restricted, which may cause problems for individual holders looking to sell their subscription rights and/or interim paid subscribed shares. Limited liquidity may also intensify the fluctuations in the market price of subscription rights and/or paid interim paid subscribed shares (BTA). The pricing of these instruments may therefore be incorrect or misleading.

Future new issues may further dilute the holdings of existing shareholders.

Oasmia may in the future decide to issue further shares to raise capital. Any such additional issue could reduce the proportional ownership and percentage of voting rights of the Company's shareholders, as well as earnings per share in the Company, and any new share issue could have a negative impact on the market price of the shares.

Investors with a reference currency other than the Swedish krona will be subject to certain currency risks if they invest in the shares.

The majority of the Company's shares are listed on Nasdaq Stockholm. The shares on Nasdaq Stockholm are listed in SEK. Any dividend that may be paid on these shares will be paid in SEK. Investors with a reference currency other than SEK may therefore be adversely affected by a decline in the value of the SEK in relation to the reference currencies of the respective investors. Such investors may also be affected by additional transaction costs arising from the exchange of SEK to other currencies.

The subscription and underwriting commitments are not secured.

The shareholder Granitplattan AB, with approximately 12.7% of the shares in the Company, has undertaken to subscribe for new shares in the Rights Issue corresponding to its shareholding in the Company. A guarantee consortium has also undertaken to subscribe for shares in the Company up to a total amount of SEK 164 million. Refer to the section "Legal Information and Additional Information - Subscription and guarantee commitment" below. These subscription and underwriting commitments are not secured. There is therefore a risk that one or more members of the underwriting consortium will not be able to meet their respective subscription and underwriting commitments. If these commitments are not fulfilled, it would affect the Company's ability to successfully complete the Rights Issue. Failure to implement the Rights Issue would adversely affect the Company's operations, financial position and performance.

Dividend.

To date, Oasmia has never paid out any dividends (other than reimbursement of shareholder contributions to Oasmia S.A.¹ in 2007). Because the Company will be in a phase of developing the Company's product portfolio over the next few years, any surplus capital will be reinvested in the business. Therefore, the Board of

¹ Oasmia S.A. is the former name of Alceco International S.A.

Directors does not intend to propose a dividend for the current year or commit itself to a fixed dividend payout ratio. If Oasmia's cash flow from operating activities subsequently exceeds the Company's capital requirements, the Board of Directors intends to propose that the General Meeting pass a resolution on payment of a dividend. Furthermore, as a rule, shareholders cannot decide on a dividend higher than that proposed or approved by the Board. Only in certain circumstances may the General Meeting decide on a specific dividend at the request of minority shareholders. In light of the above, dividends on the shares in Oasmia may never be paid in full or at all.

Certain foreign shareholders may be prevented from exercising their subscription rights.

When Oasmia issues new shares in a Rights Issue, as a rule, existing shareholders have pre-emptive rights to acquire new shares in proportion to their existing shareholdings at the time of the share issue. Shareholders in some other countries may, however, be subject to restrictions preventing them from participating in such Rights Issues, or their participation may otherwise be impeded or limited. Shareholders in the USA may for instance be prevented from subscribing for new shares if the shares or subscription rights have not been registered in compliance with the US Securities Act of 1933, as it currently stands, and no exemption from the registration requirements applies. Shareholders in other jurisdictions outside Sweden may be similarly affected if the subscription rights or new shares have not been registered or approved by the relevant authorities in these jurisdictions. The Company is under no obligation to apply for registration under the US Securities Act of 1933, as it currently stands, or to seek equivalent approval according to legislation in other jurisdictions outside Sweden with regard to any subscription rights or shares, and such a procedure in future may be both impractical and expensive. To the extent that shareholders in jurisdictions outside Sweden are prevented from taking up their subscription rights in any future Rights Issues, their shareholding may be diluted or decrease in value, and the Company may be unable to raise new capital on acceptable terms.

Concentration of ownership.

Alceco International S.A.'s shareholding in Oasmia, at the date of this Prospectus, is approximately 17.2%. Alceco International S.A. is therefore able to exercise significant influence over all matters requiring shareholder approval, and may also be able to prevent a change in control or take other measures that may benefit Alceco International S.A. but which may put other shareholders at a disadvantage, both before and after the Rights Issue. Furthermore, a sale of a large number of the Company's shares by Alceco International S.A. within a short period of time could cause the price of the Company's share to fall, making it harder for the Company to raise capital through future offers of shares or to acquire other companies with the shares as payment.

It may be difficult for foreign shareholders outside Sweden to take legal action and enforce foreign judgements against the Company.

The rights of the Company's shareholders are set out in the Articles of Association and Swedish law. These rights may differ from the rights conferred on shareholders in foreign companies. The bulk of the Company's assets are currently in Sweden. As a result, it may be expensive and time-consuming for shareholders outside Sweden to initiate legal proceedings and enforce foreign judgements against the Company and its Board members.

Invitation to subscribe for shares in Oasmia

On 11 June 2017, the Board of Oasmia took a decision, based on the authorisation issued by the General Meeting on 26 September 2016, and the Extraordinary General Meeting on 2 June 2017 to carry out a new issue of shares with preferential rights for the Company's shareholders. The Board of Directors' decision means that up to 50,439,266 new shares will be issued at a subscription price of SEK 3.25 per share.

Shareholders have preferential rights to subscribe for new shares pro rata to their shareholding in the Company on the record date of 19 June 2017. The Company's shareholders will receive two (2) subscription rights for each existing share held. Five (5) subscription rights entitle the holder to subscribe for one (1) new share at the subscription price of SEK 3.25 per new share. The subscription period runs from 21 June 2017 to 5 July 2017 or such later date as determined by the Board. The new shares shall confer the same rights as the existing shares in the Company.

New shares can also be subscribed for without subscription rights. See section "Terms and conditions and instructions" below for more information.

Through the Rights Issue, the Company's share capital will increase by up to SEK 5,043,926.60 from SEK 12,609,816 to not more than SEK 17,653,743.20. If fully subscribed, the Rights Issue will raise approximately SEK 163.9 million for the Company before issue expenses, which are estimated to amount to around SEK 14 million.

Shareholders who choose not to participate in the Rights Issue will have their holdings diluted by not more than around 29 per cent, but have the opportunity to sell their subscription rights to obtain compensation for the dilution.

The shareholder Granitplattan AB, who hold around 12.7 per cent of the share capital and votes in the Company, have undertaken to take up its subscription rights in the Rights Issue and thus subscribe for new shares pro rata to its current shareholding in the Company. This corresponds to approximately SEK 20.8 million and 12.7 per cent of the total proceeds of the Rights Issue.

In addition, a guarantee consortium, consisting of 15 guarantors, has entered into guarantee commitments up to a total amount of SEK 164 million. According to the agreements described above, the Rights Issue is thus fully covered by subscription and underwriting commitments.

Oasmia's shareholders are hereby invited to subscribe for new shares in Oasmia on a pre-emptive basis, in accordance with the terms set out in this Prospectus.

Uppsala, 19 June 2017

Oasmia Pharmaceutical AB (publ)

Board of Directors

Background and rationale

Oasmia is developing a new generation of drugs within human and veterinary oncology. Product development aims to produce novel formulations of well-established cytostatic agents which show improved performance, an improved side-effect profile and a wider range of therapeutic areas compared with existing alternatives. Product development is based on in-house research within nanotechnology and proprietary patents.

The Company's product Paclical has been granted approval in Russia for the treatment of ovarian cancer. Oasmia has completed a Phase III trial in respect of Paclical in which all targets were achieved. The complete report from the trial of Paclical for treatment of ovarian cancer shows that Paclical has a positive risk/benefit profile. The data will form the basis for an application for marketing approval to the EMA that was submitted in February 2016. The Company expects to submit an application for marketing approval to the FDA in the USA in 2017.

The Board of Directors has decided that veterinary assets shall be transferred to the wholly-owned subsidiary in the USA in order to streamline development and strengthen strategic partnerships, as well as provide more vigour and resources for marketing and sales.

During the next twelve months, Oasmia expects to require working capital due to incurred costs and investments of just over SEK 125 million which shall be covered by the proceeds from the Rights Issue. These costs can be divided as follows.

1. Operational costs and investments of just over SEK 100 million, consisting of costs associated with the registration of Apealea/Paclical as well as costs relating to the upscaling of production facilities.
2. Costs relating to clinical trials of approximately SEK 10 million.
3. Costs of obligations to the Company's creditors in the form of interest of approximately SEK 15 million.

At the date of this Prospectus, Oasmia has access to working capital amounting to approximately SEK 50 million, consisting of cash and cash equivalents and agreed credit facilities. Consequently, the existing working capital is not sufficient to cover the requirements for the next twelve months.

In light of the above, Oasmia's Board of Directors has decided to carry out a new issue of 50,439,266 shares of approximately SEK 164 million, with preferential rights for the existing shareholders in Oasmia. Oasmia's net proceeds from the Rights Issue following the deduction of issue expenses will amount to approximately SEK 150 million. The Rights Issue is fully covered by the subscription and guarantee commitments.

The Board of Directors is of the opinion that the Company's current strategy and ongoing activities, in combination with a capital injection, will allow the Company to develop and realise its earnings potential in the quickest possible way. Based on the Company's current liquidity and committed credit facilities, together with the proceeds from the Rights Issue, and provided that the Company's convertible loan 2017:2 (which is due in April 2018), and the debt in the form of non-negotiable promissory notes that replaced the Company's convertible loan 2016:2 (which are due in June 2018), are extended or replaced, the Board of Directors also believes that the Company has access to sufficient financing to execute the plan for the next twelve months. The capital acquisition that will now occur through the proposed issuance, will also give the Company the financial strength and stamina necessary to create a favourable negotiating position in current and future negotiations with potential partners.

The Board of Directors of Oasmia is responsible for the content of this Prospectus. The Board of Directors of Oasmia hereby declares that it has taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of the Board's knowledge, in accordance with the facts and contains no omission likely to affect its import.

Uppsala, 19 June 2017

Oasmia Pharmaceutical AB (publ)

Board of Directors

Terms and conditions and instructions

PRE-EMPTION RIGHTS

Those who, on the settlement date of 19 June 2017, are registered as shareholders in the Company, have preferential right to subscribe for two (2) new shares for each five (5) of their shares.

SUBSCRIPTION PRICE

The new shares in Oasmia will be issued at a price of SEK 3.25 per share. No commission will be charged. The issue price in the Rights Issue has been determined by the Company's Board of Directors in consultation with Remium, based on the last traded market price with a discount taking into account primarily that the new issue is a rights issue.

RECORD DATE

The record date for Euroclear Sweden AB to establish which shareholders are entitled to subscription rights is 19 June 2017. The Company's shares will be trading cum rights up until 15 June 2017. The shares will be trading ex rights as of 16 June 2017.

INFORMATION FROM EUROCLEAR SWEDEN AB FOR DIRECTLY REGISTERED SHAREHOLDERS

A pre-printed issue account statement with payment notice attached and an application form with payment instructions will be distributed to shareholders or representatives of shareholders in the Company who on the record date of 19 June 2017 are registered in the register of shareholders maintained by Euroclear Sweden AB on behalf of the Company and who are entitled to subscribe for new shares in the Rights Issue. The pre-printed issue statement includes, among other things, information on the number of subscription rights received and the number of new shares that may be subscribed for. A separate securities notice showing the registration of subscription rights in the shareholder's securities account will not be sent out. Those entered in the separate list of pledgees and trustees kept in connection with the register of shareholders will not receive an issue statement, but will instead be informed separately.

NOMINEE-REGISTERED SHAREHOLDINGS

Shareholders whose shareholdings in the Company are registered in nominee accounts with a bank or other nominee will not receive an issue statement from Euroclear Sweden AB. Notification of subscription and payment will instead take place in accordance with instructions from the nominee.

SUBSCRIPTION RIGHTS

Every existing share in the Company held on the record date entitles the holder to two (2) subscription rights. Five (5) subscription rights entitle the holder to subscribe for one (1) new share.

TRADING IN SUBSCRIPTION RIGHTS

Trading in subscription rights will take place on Nasdaq Stockholm in the period 21 June 2017 – 3 July 2017. Banks and securities institutions with the requisite licences in Sweden can assist with buying and selling subscription rights. Customary commission will be charged for such trading.

EXERCISE OF SUBSCRIPTION RIGHTS

Subscription rights must be exercised to subscribe for shares by making a payment in the period 21 June 2017 – 5 July 2017. Subscription rights not exercised by the end of the subscription period will lapse and become worthless. After 3 July 2017, unexercised subscription rights will be deleted from the holders' securities accounts without further notice from Euroclear Sweden AB. The Board of Directors has the right to extend the subscription period, which if implemented, will be announced no later than 5 July 2017.

SHAREHOLDERS RESIDENT IN SWEDEN

Subscription for new shares through the exercise of subscription rights takes place by making a cash payment in accordance with the distributed pre-printed payment notice or through simultaneous cash payment and notification of acceptance on the dedicated application form, which should be sent to Aktieinvest FK AB, 113 89 Stockholm. Payment must be made not later than 3:00 p.m. on 5 July 2017. The pre-printed payment notice which is attached to the pre-printed issue account statement should be used if all subscription rights, shown on the issue account statement as "equal subscriptions" are exercised. In this case, the application form described below should not be used. The non-pre-printed application form with payment instructions should be used if subscription rights are purchased or sold, transferred from another securities account or if not all of the rights designated "equal subscriptions" in the Euroclear Sweden AB's issue account statement are exercised. Application forms will be distributed to registered shareholders in the Company on the record date and can also be obtained from Aktieinvest by calling 08-5065 1795, or downloaded from Aktieinvest's website, www.aktieinvest.se.

SHAREHOLDERS RESIDENT IN CERTAIN OTHER JURISDICTIONS THAN SWEDEN

Allotment of subscription rights and issuance of new shares on acceptance of the rights issue to persons who are resident in, or citizens of, countries other than Sweden may be affected by securities legislation in such countries, see section "Important information for investors" above. Consequently, subject to certain exceptions, shareholders whose existing shares are registered directly in a VPC account and whose registered address is in, e.g., Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or the USA will not receive this prospectus. They will also not receive any subscription rights in their respective VPC accounts. The subscription rights which otherwise would have been registered for such shareholders will be sold and the sales proceeds, less deductions for costs, will be paid to such shareholders. Amounts of less than SEK 100 will not be paid out.

SHAREHOLDERS RESIDENT OUTSIDE SWEDEN

Shareholders who are not resident in Sweden and are unable to use the pre-printed payment notice must always use the distributed application form for subscription. The application form should be sent to the address provided below and, in conjunction therewith, payment for subscribed shares shall be made in SEK through any bank via SWIFT to the Swedish bank account shown below.

Aktieinvest FK AB
S.W.I.F.T: NDEASESS
Bank account number: 1510 24 04539
IBAN: SE5930000000015102404539

On payment, the subscriber's name and address as well as VPC account must be given. The application form and payment must be received by Aktieinvest not later than 3:00 p.m. on 5 July 2017.

INTERIM PAID SUBSCRIBED SHARES (BTA)

A few days after payment and subscription, Euroclear Sweden AB will send out a notice confirming that the interim paid subscribed shares (BTA) have been registered in the shareholder's VPC account. Newly subscribed shares are registered as interim paid subscribed shares (BTA) in the VPC account until the Rights Issue has been registered at the Swedish Companies Registration Office. Registration with the Swedish Companies Registration Office is expected to take place around 14 July 2017. Thereafter the interim paid subscribed shares (BTA) will be converted into ordinary shares and registered in the shareholders' VPC accounts. A VPC account statement will not be distributed in connection with such conversion. BTA will be admitted to trading at Nasdaq Stockholm as of 21 June 2017 and is expected to be traded when the new issue is registered with the Swedish Companies Registration Office.

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

Applications to subscribe for shares without preferential rights should be made on a dedicated application form. Application forms for subscription without preferential rights can be obtained from Aktieinvest by calling 08-5065 1795, or downloaded from Aktieinvest's website, www.aktieinvest.se. Applications for subscription without preferential rights should be submitted by post to Aktieinvest FK AB, 113 89 Stockholm. The application form must be received by Aktieinvest no later than 5 July 2017. Please note that for subscriptions exceeding EUR 15,000, a certified copy of a valid ID document should be attached in order for the application form to be valid.

ALLOTMENT

In the event that the Rights Issue is not fully subscribed, the Board of Directors should decide on an allotment of shares without preferential rights. Allotment should be made as follows:

First, allotment will be made to those persons who registered for subscription and who subscribed for shares by exercising subscription rights, whether or not the subscriber was a shareholder on the record date, and, in case of over-subscription, *pro rata* in relation to the number of subscription rights used by such persons for subscription of shares, and, where this is not possible, by the drawing of lots.

Second, allotment will be made to other persons who registered for subscription without preferential rights and, in case of over-subscription, *pro rata* in relation to the number of shares stated in each subscription application, and, where this is not possible, by the drawing of lots.

Ultimately, any remaining shares shall be awarded to persons who guaranteed the issue *pro rata* in relation to the guaranteed amount, and to the extent that this cannot be done, by lottery.

As confirmation of allotment of shares subscribed without preferential rights, a transaction note will be sent, which is expected to take place around 7 July 2017. Subscribed and allotted shares must be paid in cash in accordance with the instructions on the transaction note not later than two business days after the subscriber has been notified of the allotment. The new shares will be delivered as soon as possible after the settlement date, with notification from Euroclear Sweden AB.

Please note that shareholders whose holdings are registered in nominee accounts with a bank or other nominee should subscribe for new shares without preferential rights through their nominee or, where applicable, nominees.

TRADING IN NEW SHARES

The Company's shares are traded on Nasdaq Stockholm, Frankfurt Stock Exchange and Nasdaq Capital Market. Once the Swedish Companies Registrations Office has registered the Rights Issue, the new shares will be admitted to trading on Nasdaq Stockholm and Frankfurt Stock Exchange. The new shares are expected to be subject to trading on Nasdaq Stockholm, Frankfurt Stock Exchange and Nasdaq Capital Market in connection with the new shares being registered in the shareholders' VPC accounts.

RIGHT TO DIVIDEND

The new shares will carry rights to dividends for the first time on the first dividend record date after registration of the new shares with the Swedish Companies Registration Office. The new shares will have the same right to dividend as the existing shares, see section "Share capital and ownership structure – Dividends and dividend policy".

OTHER INFORMATION

The Company is not entitled to terminate the Rights Offering. In the event that the amount paid by a subscriber for new shares is larger than required, the Company will arrange for the excess amount to be refunded. Subscription for new shares, with or without subscription rights, is irrevocable and subscribers may not cancel or alter a subscription for new shares. Incomplete or incorrectly completed application forms may be disregarded. If the subscription payment is paid too late, is insufficient or is paid incorrectly, the subscription application may be disregarded or subscription may be made for a lesser amount. In such cases, any unutilised subscription remittances will be reimbursed.

Only one application form of the same kind may be submitted. If more than one application form of the same kind is submitted, only the first application form received by Aktieinvest will be considered. The results of the Rights Issue will be announced in a press release around 7 July 2017.

Market

The Company's initial development efforts have been focused on the fields of veterinary and human oncology. The Company believes that its XR-17 technology can be applied to address commercially attractive opportunities in these two markets based on the limitations of existing therapies.

MARKET OPPORTUNITIES IN VETERINARY ONCOLOGY

The USA is the single largest pet market, with 78 million pet dogs and 86 million pet cats, according to the American Pet Products Association (APPA) 2015–2016 National Pet Owners Survey. The market for veterinary services for pets was estimated at USD 15.9 billion in 2016, according to APPA. According to The European Pet Food Industry Federation 2014 Facts & Figures, there are approximately 80 million pet dogs and 97 million pet cats in Europe.

Dogs in particular are receiving increased amounts of veterinary care. According to APPA, approximately 78% of dog owners in the USA treated their dogs with medications in 2010, compared with 50% in 1998. The increased spending is largely due to a changing attitude of owners toward their pets, as they increasingly view pets as family members. Accordingly, owners are willing to seek quality veterinary care for their pets.

Due to the limited number of registered available oncology treatments for companion animals, the Company believes that there is a significant commercial opportunity to apply its XR17 formulation technology within veterinary oncology. According to the Center for Cancer Research and CanineCancer.com, approximately six million dogs in the USA are diagnosed with cancer each year. Of these cases, approximately one-third involve skin cancers. Current treatments consist largely of surgery, chemotherapy, and radiation therapy. For dogs in need of chemotherapy, treatment has largely involved off-label use of cytostatic agents for humans such as cisplatin, doxorubicin, carboplatin and vincristine. Most existing injectable cytostatic agents have been formulated for humans and have not been optimised or clinically tested for animals. Because of this fact, together with broad acceptance of the medicines' anti-cancer effect, the Company believes that its intravenous cytostatic therapies developed specifically for use in dogs will be viewed favourably by the veterinary community and pet owners.

Based on the attributes of XR17, the Company believes that there is a significant commercial opportunity to apply its patented XR17 formulation technology within veterinary oncology to enable the safe delivery, for the first time, of well-established chemotherapeutics approved specifically for animal use.

Market drivers for veterinary cytostatic treatment for pets

The Company considers the following drivers to be of particular significance in the market for cytostatic treatment of cancer in dogs, which is Oasmia's primary market within animal health¹:

- Ageing population
 - As in humans, age and cancer frequency have a strong correlation, which means that the number of cancer patients will increase as the average lifespan in the dog population increases.
- Stronger relationships between dogs and their owners
 - Relationships between dogs and owners are becoming stronger. In addition, dog owners are becoming increasingly aware of different treatment options, and are also increasingly willing to pursue treatment.
- Increased awareness among veterinary surgeons
 - Improved knowledge about diagnosing of cancer and cancer treatment leads to more dogs receiving treatment. In addition, the access to oncology specialists has improved and veterinary surgeons are becoming more and more willing to refer to specialists.
- More drugs are being approved for use in animals
 - Today, drugs are widely used that are not approved for the specific treatment, so-called off-label use. One such example is human medicines, which are also being used to treat animals. Veterinary surgeons support the development of drugs specifically created for dogs as there is a great need for this type of medicine. The fact that more and more drugs are being approved for use in animals is expected to have a positive impact on market development.
- The number of insured pets is increasing
 - The Company believes that more and more pets are being insured, which means that there are more dogs that can be treated for cancer, among other things.

MARKET OPPORTUNITIES IN HUMAN ONCOLOGY

Cancer is a serious, widespread and growing group of diseases. According to the World Health Organisation (WHO), an estimated 8.8 million people died of cancer in 2015, which corresponds to nearly one in six global deaths. The number of cancer cases in the world is expected to increase by 70% in the next two decades.

¹ Vetnosis Ltd.,

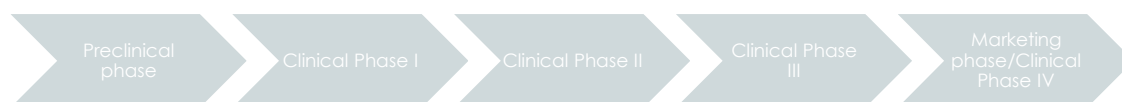
Despite the development and introduction of new drugs to treat cancer, chemotherapeutic agents, used in combination with other treatments such as surgery or radiation, remain the primary treatment of cancer worldwide. Cytostatic agents normally work by preventing cell division. This prevents cancer cells from reproducing, inhibiting tumour growth. Many new drugs that have obtained marketing approval for the treatment of cancer are used in combination with one or more chemotherapeutic agents. In addition, many drug candidates under development across are not water soluble and will require innovative formulations to enable intravenous use. The Company believes that the widespread use of cytostatic agents worldwide and the potential use of the Company's XR17 formulation technology with new drug candidates present a large commercial opportunity.

Market drivers in human cytostatic therapy

The Company considers the following drivers to be of particular significance in the market for cytostatic treatment of cancer, which is Oasmia's primary market within human health:

- Ageing population with increased cancer incidence¹
 - Age and cancer frequency have a strong correlation, which means that the number of cancer patients will increase as the average lifespan of the world's population gets longer.
- Improved access to diagnosis and treatment²
 - Thanks to improved diagnostics, cancer can be detected at an earlier stage in the disease progression than was previously possible. As a result, the number of patients is increasing while at the same time the period of treatment is extended, which in turn means that more cycles of cytostatic treatment will be needed.
- Rapidly growing global middle class
 - The rapidly growing global middle class means that more people will develop cancer as they adopt a Western lifestyle,³ at the same time as more people will gain access to healthcare and pharmaceuticals. This leads to an increase in the number of patients and also means additional cycles of cytostatic agents will be needed.
- Increase in cancer cases in developing countries
 - Increased air pollution, more cigarette smoking and an increased lifespan contributes to more cancer cases.

ROUTE TO MARKETING APPROVAL FOR HUMAN DRUGS



Preclinical phase

In the preclinical phase, scientists study the substance in experimental studies, initially on tissues and cell cultures, to determine whether a substance has the potential to slow down growth of cancer cells. Toxicological studies are performed on animals to discover any harmful effects in the new substance before it is administered to humans. Pharmacokinetic studies are conducted to determine what happens to the substance in the patient's body with respect to absorption, distribution, metabolism and secretion. The optimal type of preparation is also studied. A patent application is normally submitted as early as possible to protect the drug candidate.

Clinical Phase I

In Phase I, the drug is tested in humans for the first time. This requires approval from drug regulatory agencies based on the documentation from the preclinical studies and the plan for the structure of the study in question. The experimental group usually consists of healthy individuals, but cytostatic agents, for example, cannot be given to healthy individuals. The study covers safety, tolerance, pharmacokinetics and pharmacodynamics (e.g. the drug's effect on blood pressure).

Clinical Phase II

Once the safety of the compound has been confirmed in Phase I studies, Phase II studies are conducted using patients with the disease that the products aims to treat when the product has entered the market. Phase II studies are designed to demonstrate the effect of the drug on a particular disease and the doses examined in Phase I, and also to confirm the safety and tolerance for the intended patient group.

Clinical Phase III

In the Phase III study, the drug is compared to other drugs used to treat the same disease. The goal is usually to demonstrate an equal or better effect but the Phase III study also entails gathering additional information

¹ The Swedish Cancer Society, "Cancer Society Report 2014".

² The Swedish Cancer Society, "Cancer Society Report 2010".

³ The Swedish Cancer Society, "Cancer Society Report 2014".

with respect to safety, tolerance, etc. After the Phase III studies are completed, the documentation from the clinical studies is compiled in a market registration application to relevant drug regulatory agencies in relevant countries.

Marketing phase

Once the drug has been approved and registered, it can be launched on the market and can start being used commercially.

Clinical Phase IV

Phase IV studies can be conducted after the drug has been launched on the market in order to obtain more detailed information about the product's efficacy and safety profile. Attempts are made at this stage, for example, to ensure that no new, rare side effects have been discovered. Phase IV studies can also be requested by an authority.

THE ROUTE TO MARKETING APPROVAL FOR VETERINARY DRUGS

The process of obtaining marketing approval for veterinary drugs is largely the same as for human drugs. In addition to the information provided under "Market - The route to marketing approval for human drugs" above, the following should be taken into account:

- The clinical studies can be shorter for veterinary drugs.
- Since there are few drugs to compare with within veterinary medicine, it is possible to compare with a placebo. The effect is assumed to be "better than" a placebo and thus fewer patients are required for studies of veterinary drugs.
- No studies are carried out on humans, only on animals.
- The FDA may give conditional approval under certain, specific circumstances.
- Phase IV studies, after marketing approval has been obtained, are not as common for veterinary drugs.

Operations

THE COMPANY IN BRIEF

Oasmia is a pharmaceutical company focusing on innovative treatments within veterinary and human oncology. The Company's products and product candidates utilise a proprietary, nanoparticle formulation technology, XR17, which has unique properties that are designed to facilitate the administration of poorly soluble active pharmaceutical ingredients (APIs). Therefore it is possible to avoid adding more or less toxic solvents. The Company believes that its formulation technology may result in improved safety and a better side effects profile, efficacy and a simplified way of administering the drug compared with existing pharmaceutical products based on these ingredients.

HISTORY AND DEVELOPMENT

1990s

Oasmia's background is as a private research project within bioorganic chemistry that began in 1990. The project initially studied cell ageing, but early on became more focused on developing more effective cancer drugs with fewer side effects compared with existing treatment options.

The Company in its present form was founded in 1999.

2000s

In the 2003-2004 period, the Company completed most of its basic research relating to its oncology platform based on XR17. At the end of 2004, clinical trials of the Company's first product candidate, Paclical, commenced.

In 2005, Oasmia Pharmaceutical was introduced on NGM Nordic MTF. By then, the Company had moved to new facilities designed for in-house GMP production. In the same year, the subsidiary Qdoxx Pharma AB was acquired. In the same period, up until 2006, the Company continued to invest in Paclical, and it acquired 51 per cent of what today is Oasmia Animal Health AB.

In 2007, the new Animal Health department was formed. In the autumn of that year, Oasmia changed listing from NGM Nordic to NGM Equity in order to boost trade in the Company's shares. In late 2007, Oasmia signed a distribution and licensing agreement with Orion Corporation of Finland for Paclical in the Nordic countries.

In 2007 and 2008 respectively, Paccal Vet® and Paclical entered clinical Phase III. In early 2008, Oasmia signed a licensing agreement with Orion Corporation for Paccal Vet®, too. The agreement initially covered the Nordic countries, Poland, the Czech Republic and Hungary. In late 2008, Oasmia expanded the cooperation with Orion for Paccal Vet® to cover most of Europe.

In 2009, Oasmia was granted MUMS status by the FDA for Paccal Vet® for the indication mastocytoma grade II and III in dogs who have previously not received treatment except with cortisone. In 2009, Oasmia also signed a distribution and licensing agreement with Abbott Laboratories of the USA for Paccal Vet® in the USA and Canada. In the same year, Paclical was granted Orphan Drug designation by the FDA for the indication ovarian cancer in the USA.

2010

In early 2010, clinical Phase I/II trials were initiated for Doxophos Vet. In the spring of 2010, a distribution and licensing agreement was signed with Japan's Nippon Zenyaku Kogyo Co. Ltd. for Paccal Vet® in Japan. In May of that year, positive Phase III results were presented for Paccal Vet®.

In late June 2010, Oasmia changed stock exchange list from NGM Equity to Nasdaq Stockholm. The change was implemented in order to offer a more appropriate market place for trading in Oasmia's shares.

In August 2010, registration documentation for Paccal Vet® was submitted to the FDA and EMA.

2011

In January, Oasmia was listed on the Frankfurt Stock Exchange.

In March, an agreement was signed with Baxter Oncology for commercial production of Oasmia's product candidates, primarily Paccal Vet® and Paclical.

In May, an agreement was signed with Medison Pharma Ltd. concerning license and distribution rights for Paclical in Israel and Turkey.

In June, Oasmia was granted MUMS status by the FDA for Paccal Vet® for the indication squamous cell carcinoma that has not previously been treated with cytostatic agents or radiation.

In August, the license agreement with Orion Corporation was terminated.

In November, EU GMP approval was obtained for the manufacturing of animal health products.

2012

In January, Oasmia was granted MUMS status by the FDA for Paccal Vet® for the indication inoperable mammary carcinoma that has not previously been treated with cytostatic agents or radiation.

2013

In January, the agreement with Abbott Laboratories was expanded to include Doxophos Vet and it became global, with the exception of Russia, the CIS countries, Ukraine, Turkmenistan, Georgia and, in respect of Paccal Vet®, Japan.

In December, Oasmia's production facility was approved for GMP manufacture by the FDA. In 2014, it was also approved for manufacture of human pharmaceuticals by the EMA.

2014

In February, Oasmia was granted conditional approval by the FDA for Paccal Vet®-CA1 for treatment of mammary tumours and squamous cell carcinoma.

Oasmia's production facility was approved by both the FDA and the EMA.

Oasmia carries out a Rights Issue of approximately SEK 176 million, corresponding to approximately 9.8 million shares. The issue is carried out in order to obtain sufficient working capital.

2015

Paclical was granted marketing approval in Russia.

Oasmia was listed on Nasdaq Capital Market in New York.

2016

Oasmia applied for marketing approval for Apealea (Paclical) in the EU.

The Company reported positive clinical results for XR17.

Oasmia issues two convertible bonds in a total amount of SEK 70 million.

Oasmia applied for marketing approval for Doxophos in Russia.

Clinical trials for Docecal commenced.

One of Oasmia's previous larger shareholder, Nexttobe AB, sells its entire holdings of shares in Oasmia.

A new cancer project was acquired from Karo Pharma. The purchase price for the project was paid through a new issue of shares by way of set-off.

2017

Oasmia is moved from Nasdaq Stockholm Mid-Cap to Nasdaq Stockholm Small-Cap.

Positive results were reported for Paclical/Apealea for weekly treatment of breast cancer.

Anders Lönner, which was elected as chairman of the board of directors on the extraordinary general meeting in November 2016, announces in February 2017 his resignation from the board of directors.

The Company issues convertible bonds in the Company for an amount totalling SEK 26 million, to the holders of the Company's convertible bonds in program 2016:1. Payment was made by way of set-off of approximately 93% of the total nominal amount for the convertible bond program 2016:1, i.e. approximately SEK 23 million.

Conversion will take place in April under the Company's convertible loan 2017:1, amounting to approximately SEK 42 million. Through the conversion, the number of shares in the Company will increase by 7,058,856.

The Company's veterinary assets were hived off to the US subsidiary.

The Company replaces its outstanding convertible bonds under the convertible bond programme 2016:2 with new debt securities in the form of simple debentures, amounting to a total of SEK 42 million.

The Company enters into a new exclusive marketing and distribution agreement with Hetero Group concerning Russia and CIS (including Ukraine, Georgia and Turkmenistan).

DESCRIPTION OF THE COMPANY'S OPERATIONS

Oasmia is a pharmaceutical company focusing on innovative treatments within veterinary and human oncology. The Company's products and product candidates utilise a proprietary, nanoparticle formulation technology, XR17, that is designed to facilitate the administration of intravenously-delivered active pharmaceutical ingredients (API), without the addition of toxic solvents. The Company believe that its formulation may result in improved safety, efficacy and ease of administration over existing drugs.

The Company's lead products (Paccal Vet[®] and Paclical) utilise paclitaxel, the active ingredient of Taxol and Abraxane, two widely used cancer drugs marketed by Bristol-Myers Squibb and Celgene respectively. Based on the potential benefits of the Company's proprietary formulation technology, XR17, the Company is pursuing a strategy to partially replace the use of existing paclitaxel-based products in multiple cancers with the Company's novel formulations. The Company also has one other veterinary oncology product candidate (Doxophos Vet) and four human oncology product candidates (Docecal, Doxophos, OAS-19 and KB9520) in preclinical and clinical development.

The Company believes that its strategy of applying its formulation technology to existing chemotherapeutic drugs will allow it to use the 505(b)(2) regulatory pathway in the USA. The 505(b)(2) regulatory pathway permits the filing of a New Drug Application (so-called NDA), which is a simplified application, where some of the information required for approval is already known and which the applicant can refer to without conducting a complete clinical programme of its own, i.e. only a Phase III study.

XR17 FORMULATION TECHNOLOGY

Drug solubility/dissolution: An ongoing issue in drug development

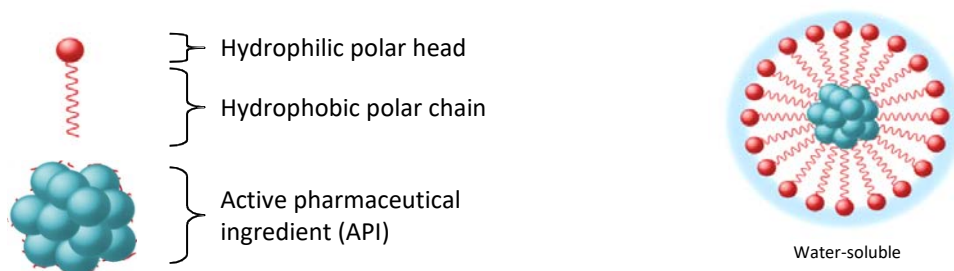
Solubility is a major challenge in the development of new formulations. It is difficult for the body to absorb drugs from the bloodstream if the drugs are not water-soluble. Historically, salts have been used to increase solubility; however, this approach often only provides marginal improvements, particularly with larger, more complex, or highly hydrophobic (water-repelling) molecules. Newer, more effective methods of improving solubility have been successfully applied to commercial products, including the use of lipids, proteins, nanoparticles and mixed micelles.

Within oncology, emulsifying solvents have typically been used in recent years to improve the solubility of cytostatic agents. However, while these solvents create water-soluble formulations, many cause toxic side effects that limit the amount of active drug that can be administered to patients, or may require patients to be pre-treated with steroids and other medications.

Overview of XR17

The Company has developed a patented, nanoparticle formulation technology, XR17, which makes a single API or multiple APIs water soluble. XR17 forms spherical structures called micelles, which divert and encapsulate the active substance. A micelle containing a water insoluble substance consists of the active ingredient surrounded by XR17 with the hydrophobic (water-repelling), non-polar chain pointing inwards towards the active ingredient and the hydrophilic (water-attracting) polar head pointing outwards (see below). The micelles are extremely small, 20 to 60 nm depending on the API, and are considered nanoparticles.

All of the Company's XR17-based therapeutics undergo lyophilization, or freeze-drying, to improve shelf life and create a sterile powder form of the product. The finished product is stored in injection vials. For administration, the sterile powder is dissolved in a saline solution before intravenous use.



Advantages of XR17

XR17 technology enables the encapsulation of individual APIs as well as combinations of multiple APIs with different solubility profiles. The beneficial properties of XR17 technology have been confirmed in the Company's toxicological and clinical studies. The Company believes the following are possible advantages of XR17:

- Improves solubility, which facilitates safer administration of APIs to animals and humans;
- Shortens infusion time, making treatment more convenient for patients;
- Reduces severe hypersensitivity, allowing for higher dosage of APIs, given its reduced toxicity; and
- Improves dose profiles and combination therapies by enabling dual encapsulation of water-soluble and water-insoluble APIs in one nanoparticle.

THE COMPANY'S PRODUCTS AND PRODUCT CANDIDATES

The following table contains key information about the Company's products and its most advanced product candidates:

Commercial rights		
Paccal Vet® (paclitaxel)	Paclical (paclitaxel)	Docecal (docetaxel)
Oasmia: Global, excluding Japan	Oasmia: Global (excluding Israel, Turkey, Russia/CIS, Ukraine, Georgia and Turkmenistan)	Oasmia: Global
Nippon Zenyaku Kogyo: Japan	Medison Pharma: Israel and Turkey Hetero Group: Russia and CIS (including Ukraine, Georgia and Turkmenistan)	
Doxophos Vet (doxorubicin)	Doxophos (doxorubicin)	OAS-19 (combination)
Oasmia: Global	Oasmia: Global	Oasmia: Global
KB9520 Oasmia: Global	KB9520 Oasmia: Global	KB9520 Oasmia: Global

Stage of development and anticipated milestones		
Paccal Vet® (paclitaxel)	Paclical (paclitaxel)	Docecal (docetaxel)
Intention is to conduct further efficacy studies on dogs in 2017 in order to optimise dose	Granted marketing approval in Russia in late 2015	Clinical Phase I trial for Docecal is being conducted in three countries. Patient recruitment began in September 2016
FDA has previously approved the production facility for the product	Final report for Phase III study against Taxol for ovarian cancer, showing positive results, was presented in April 2016	Patient recruitment for a safety and tolerance study began in March 2016.

	<p>Application for marketing approval was submitted to the EMA in February 2016 and a response is expected in 2017</p> <p>Apply for marketing approval in the USA in 2017</p> <p>Report on dose-finding study for weekly treatment of metastasising breast cancer was completed in December 2016</p>	
Doxophos Vet (doxorubicin)	Doxophos (doxorubicin)	OAS-19 (combination)
<p>Is going through a safety study on dogs. The results from the study is expected during the summer of 2017. The results will form the basis for the approval for conditional approval to the FDA.</p>	<p>In autumn 2015, an application was submitted to the Russian authorities for approval as a hybrid drug. A response from the regulatory bodies is expected in 2017.</p> <p>Awaiting Phase II study in dogs before taking a decision on next study for human use</p>	<p>Preclinical development work is ongoing</p>

Overview of Paccal Vet®

Paccal Vet® is a new XR17-based formulation of paclitaxel. Paclitaxel is a well-established, widely used chemotherapeutic that on its own is practically insoluble in water. Paccal Vet® is the Company's first product in veterinary oncology. The Company previously had a commercial partner, Abbott Animal Health (the animal health division of Abbott Laboratories), a leading animal health company, which launched the product in summer 2014. Abbott Animal Health was acquired by Zoetis (previously Pfizer Animal Health) in early 2015. Shortly thereafter, and for other reasons, Zoetis implemented an extensive rationalisation of its operations and refocused on its core activities, which did not include this type of drugs for pets. Consequently, all rights to Paccal Vet and Doxophos Vet were returned to Oasmia, without compensation.

Paccal Vet® is the first injectable chemotherapeutic agent authorised for marketing for the treatment of squamous cell carcinoma and mammary carcinoma in dogs. In February 2014, the Company received conditional approval under the Minor Use and Minor Species ("MUMS") designation in the USA by the FDA for Paccal Vet®-CA1 for the treatment of inoperable stage III, IV or V mammary carcinoma and operable as well as inoperable squamous cell carcinoma. In respect of both indications, the tumours must not have undergone previous treatment with either cytostatic agents or radiation. Conditional approval allows veterinary surgeons to treat dogs with Paccal Vet®-CA1 for the approved cancer diseases. When the Company was granted conditional approval in accordance with MUMS, the Company's commercial partner Abbott Animal Health was able to begin sales of Paccal Vet®-CA1 in the USA. Conditional approval provides Oasmia with seven year's market exclusivity on the US market and allows the Company to market/sell the product before all efficacy data required for full approval is available. Conditional approval also enables the Company to keep the product on the market through annual renewals for up to five years while the required efficacy data for a full approval is collected. During the period that Abbot Animal Health and Zoetis sold the product, Oasmia found that the side effect profile for dogs treated with the product was a matter of concern for veterinary surgeons who often had to help pet owners to treat dogs for nausea, which is a common side effect of treatment with strong doses of cytostatic agents. In order to improve this issue, but hopefully maintain a good level of efficacy, the Company is preparing a study with a lower dose. To facilitate such a study, Oasmia withdrew its conditional approval in January 2017.

Based on the planned study in the USA, the Company will later take a decision on how to proceed to obtain full registration in the USA as well as Europe.

In addition to the commercialisation and development of Paccal Vet® for dogs, the Company might also investigate the use of Paccal Vet® for cats.

Other than Paccal Vet®, there is no current injectable cytostatic agent with specific approval for pets, even if pharmaceuticals for humans are often used outside their intended area of use.

Overview of Paclical/Apealea

Paclical, or Apealea, which is the name used for the application to the EMA, is the Company's XR17 formulation of paclitaxel for use for cancer in humans. The Company's XR-17 technology increases the solubility of paclitaxel without the use of toxic solvents. The Company believes this facilitates ease of administration and allows for higher doses than some of the other existing products on the market.

Based on the potential benefits of XR17, the Company is pursuing a strategy to partially replace the use of existing paclitaxel-based products in treating multiple types of cancer. Its initial focus is on obtaining

regulatory approval for the treatment of ovarian cancer and expanding use through additional regulatory approvals, starting with treatment of breast cancer.

The Company has received orphan designation for Paclical for epithelial ovarian cancer in Europe and in the USA based on the hypothesis that Paclical provides potential advantages with regard to safety and tolerability compared with Taxol, which is currently used as a treatment for epithelial ovarian cancer. Both Paclical and Taxol are administered in combination with carboplatin, a platinum-based chemotherapeutic that is the current standard treatment for ovarian cancer.

Carboplatin has historically been given as a monotherapy for the treatment of ovarian cancer, but some studies have demonstrated an incremental survival benefit by adding Taxol. In June of 2014, the Company was able to inform that the study target for the Phase III study had been achieved and in October 2014, the Company presented the results of the study. This data formed the basis for the marketing approval application submitted to the EMA in February 2016. The Company continued to follow patients from the study in order to measure survival, and in April 2016 it received positive survival data for Paclical compared with Taxol. The Company expects to be able to use the 505(b)(2) regulatory pathway to obtain approval for Paclical in the USA and is aiming to submit an application for marketing approval in 2017.

In addition to the development of Paclical for treatment of ovarian cancer, the Company intends to enhance the commercial potential of Paclical by demonstrating the potential advantages of Paclical over other paclitaxel-based therapies in additional clinical trials. The Company believes that the data from its planned trials will support its strategy to obtain approval for Paclical in multiple cancer indications. In addition, this data can be used in the Company's discussions with funding organisations and doctors to help drive market acceptance of Paclical.

In addition to the Company's efforts in the EU and the USA, the Company obtained approval for Paclical in Russia in late 2015.

Overview of Docecal

Docecal is the Company's patented formulation of docetaxel, the active ingredient in Taxotere. Taxotere is a widely used chemotherapeutic medication that generated worldwide sales of more than USD 2.8 billion in 2010, which is when its patent expired. Taxotere contains ethanol, which is administered intravenously. Ethanol can have negative effects on patients. The FDA has issued specific warnings regarding injectable pharmaceuticals containing ethanol. Taxotere also contains the solvent Polysorbate 80, which is linked to adverse side effects such as acute hypersensitivity and oedema. To minimise these effects of Polysorbate 80, patients typically undergo premedication with steroids. Like Paclical, Docecal is free of toxic solvents. The Company believes Docecal may be able to deliver equal, or potentially greater, amounts of docetaxel as Taxotere, but without the effects of Polysorbate 80 and, if approved, may be able to compete with Taxotere and generic versions of Taxotere.

A safety and tolerance study was initiated in three countries in March 2016, and a clinical Phase I study commenced in September 2016 and is now underway in three countries.

Overview of Doxophos Vet

Doxophos Vet is a patented formulation of doxorubicin in combination with XR17. Oasmia is developing Doxophos Vet for the treatment of lymphoma, which is one of the most common forms of cancer in dogs. Doxophos Vet has been granted MUMS designation in the USA for the indication lymphoma.

Oasmia has completed a Phase I study for Doxophos Vet to establish the dose for the future clinical programme. Oasmia has completed the study report for the Phase I study, which will form part of the application for conditional approval from the FDA.

In February 2015, the Company began a Phase II trial to study response frequencies in treated dogs. The study was completed recently and we are waiting for the results. The Phase II study will form the basis for the application for conditional approval in the USA for treatment of lymphoma in dogs. In a follow-up study, the dogs will be followed for relapse. All dogs have been treated with at least one dose, and recruitment has been completed.

If the results are positive, the Company plans to initiate a larger field study for Doxophos Vet, which is required for full approval, and the plan is that this study should start after the "proof of concept" study has been completed and discussions have been held with the FDA and the EMA.

Overview of Doxophos

Doxophos is the Company's patented formulation of doxorubicin for treatment of cancer in humans. The efficacy of doxorubicin is high but significant cardiovascular toxicity, including irreversible cardiomyopathy, has been observed and the cumulative dose should not exceed 550 mg/m².

The Company has this year been planning a clinical Phase I trial for the indication metastasising breast cancer but has decided to await safety data from the ongoing Doxophos Vet study. The Company has submitted an application for marketing approval of Doxophos in Russia.

Overview of OAS-19

Historically, chemotherapeutic agents have been used as single agents. However, combination therapies have become standard treatment for a number of cancers, such as ovarian cancer, first line breast cancer, prostate cancer and lung cancer. OAS-19 is a combination of XR17 and two widely-used cytostatic agents in a single micelle. OAS-19 applies a dual chemotherapeutic agent encapsulation and release mechanism in one infusion and may provide the Company with a new platform for further product candidate development. Through the combination of two possible cytostatic agents in one formulation the Company is of the opinion that OAS-19 may afford doctors the possibility of administering cytostatic agents in one single infusion instead of two consecutive infusions. The Company is of the view that infusion times can be reduced this way, hospital stays shortened and treatment costs lowered. The Company is currently evaluating OAS-19 in preclinical studies.

Acquisition of KB9520 from Karo Pharma

In November 2016, the Company acquired the substance KB9520 from Karo Pharma for SEK 25 million plus future royalties of 20% of all of Oasmia's future revenue generated by the product. In preclinical studies the substance has been shown to contribute to reduced side effects of treatment with cytotoxic drugs when KB9520 is combined with cytotoxic treatment. In preclinical models, KB9520 has also been shown to be effective in several different forms of cancer. In these disease models, treatment has been found to produce a significant reduction in tumour size by stimulating apoptosis (programmed cell death) and inhibiting cell growth.

OASMIAS STRATEGY

The Company's goal is to establish Oasmia as a leading pharmaceutical company that develops and commercialises novel treatment methods based on the Company's patented nanoparticle formulation technology for a variety of target groups/indications. Major elements of the Company's strategy include:

- **Develop the Company's animal health business.** The Company has decided to transfer all its assets relating to Paccal Vet® and Doxophos Vet® to the Company's wholly owned subsidiary in the USA. The purpose of this is to strategically facilitate collaboration, development and commercialisation in the world's largest market for pets. The Company is planning to conduct a clinical trial to find a better side effect profile which nonetheless retains efficacy in order to make it possible for Paccal Vet to reach a wider circle of veterinary surgeons and, ultimately, treat more dogs. Further, the Company is planning to conduct further studies to support full approval of Paccal Vet® in the USA and the EU and the Company's plans to expand the indications of Paccal Vet® to additional cancer symptoms in dogs. The Company is also considering pursuing development to include cats. The Company has not ruled out collaboration with other strategic partners, whether financial partners or marketing partners, to assist with future development.
- **Continue the Company's other veterinary oncology development activities.** The Company's product candidate Doxophos Vet is currently undergoing a safety trial for dogs. The results of the study are expected in summer 2017. The results will form the basis for an application for conditional approval to the FDA.
- **Obtain approval of Paclical for treatment of ovarian cancer and continue to pursue development in additional indications to partially replace the use of paclitaxel-based products.** The Company has an opportunity to be granted an orphan designation for the use of Paclical for epithelial ovarian cancer in the USA and the EU. The Company has conducted a Phase III study of Paclical for treatment of epithelial ovarian cancer. The study results, which show that Paclical has a positive risk-benefit profile, will form the basis for an application for marketing approval in the EU and other regions. Survival data from the Phase III study were obtained in 2016 and will be used to support the application to the FDA in the USA. In addition, the Company intends to carry out further studies to expand the indications for Paclical in order to capture additional market shares.
- **Maximise the commercial potential of Paclical/Apealea.** Depending on the region and timing of a potential approval of Paclical, the Company may look to enter into regional and global licensing and commercialisation agreements. The Company may also consider the possibility of directly commercialising Paclical itself by first identifying key cancer centres through targeted sales and then receiving support from them.
- **Continue the Company's human oncology development operations.** The Company has a further four human oncology product candidates in different stages of development: Docecal, Doxophos, OAS-19 and KB 9520. The clinical Phase I trial for Docecal is being conducted in three countries. Patient recruitment began in September 2016 after the study was granted approval by regulatory authorities and ethics committees. Patient recruitment for the safety and tolerance study began in March 2016.

- **Further capitalisation of the Company's technology platform.** The Company believes its patented XR17 formulation technology is broadly applicable and it plans to pursue licensing opportunities for new indications, other compounds, whether new or already on the market, and compounds with other methods of administration.

BUSINESS MODEL

Production

The Company's manufacturing unit in Uppsala was during the spring of 2014 approved by the Swedish Medical Products Agency for the manufacture of cytostatic. The approval pertains to the manufacturing of human health pharmaceuticals for sales within the EU. Oasmia also has approval from the Swedish Medical Products Agency to manufacture Paccal Vet®. The manufacturing unit in Uppsala has also passed a so-called *Pre-Approval Inspection* by the FDA for the manufacturing of Paccal Vet®. The Company also has GMP approval from the Swedish Medical Products Agency to manufacture all product candidates for clinical trials at the Company's own production facilities in Uppsala.

Since 2011, the Company has had a collaboration agreement with Baxter Oncology for the contract manufacturing of Paclical and Paccal Vet®, which in 2014 was expanded to also comprise future products. In 2011 and 2012, Oasmia completed further adaptations of Baxter's production plant in order to facilitate commercial production. Production technologies and methods have gradually been transferred to Baxter, where commercial production is now taking place. Labelling, packaging and distribution to licensees is performed in-house by Oasmia.

During the product development phase, Oasmia will produce product candidates for clinical trials and for the launch of new products at its own production facility in Uppsala.

The collaboration with Baxter gives Oasmia access to high-quality facilities that have undergone several official inspections and fulfil all relevant requirements, while Oasmia is able to focus on pharmaceutical development.

Marketing and sales

Oasmia licenses sales and distribution rights to global pharmaceutical companies with established channels. The point in time when licensing and distributions agreements are concluded with commercial partners depends primarily on the development stage of the product candidate and the market situation. These agreements entitle Oasmia to milestone payments and royalties on future sales.

For more information, see section "Legal and supplementary information" below.

Organisation and employees

As of 30 April 2017, Oasmia had 66 employees, most of whom work in production and quality assurance and quality control. Most of the employees have academic degrees or PhDs and have experience from earlier drug development. The Company also has staff with extensive experience in regulatory affairs, which is crucial in order to obtain necessary regulatory approvals. All of the employees are based in Sweden.

NUMBER OF EMPLOYEES		
30/04/2017	30/04/2016	30/04/2015
66	75	79

Raw materials

The Company's most important raw materials are two different types of retinoic acids, 13 Cis retinoid acid and AllTrans retinoid acid, and a third compound known as L-Cysteic acid methyl ester. Both of the retinoic acids are manufactured and sold by numerous suppliers that meet the Company's demands for quality and documentation. Sigma-Aldrich Production GmbH manufactures L-Cysteic acid methyl ester specifically for the Company.

Selected financial information

Oasmia's financial performance in the financial years 2015/2016 and 2014/2015, and in the period 1 May 2016 – 30 April 2017 is presented below. The information is extracted from the audited consolidated financial statements for the relevant periods, prepared in accordance with IFRS as adopted by the EU. Information for the period 1 May 2016 – 30 April 2017 is extracted from Oasmia's year-end report for the financial year 2016/2017, which has been prepared in accordance with IAS 34 but not audited or revised by the auditor. No other information in this Prospectus has been reviewed or audited by the Company's auditor. The information contained in this section should be read in conjunction with the financial statements and year-end report incorporated by reference in, and forming part of, this Prospectus. All financial statements and the year-end report are available on Oasmia's website www.oasmia.com/en/

CONSOLIDATED INCOME STATEMENT, SELECTED INFORMATION

SEK THOUSANDS	2016/17 May–April	2015/16 May–April	2014/15 May–April
Net sales	172	6,373	2,070
Change in inventories of work in progress and finished goods	-1,405	9,509	-
Work performed by the company for its own use and capitalised	7,023	16,727	16,797
Other operating income	420	2	221
Operating expenses	-146,691	-165,301	-127,313
Operating profit/loss	-140,481	-132,691	-108,225
Profit/loss after tax	-160,243	-141,539	-117,497
Profit/loss for the period	-160,230	-141,557	-117,497

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SELECTED INFORMATION

SEK THOUSANDS	30/04/2017	30/04/2016	30/04/2015
ASSETS			
Non-current assets	471,464	443,010	427,879
Property, plant and equipment	18,368	21,172	22,852
Intangible assets	453,093	421,836	405,025
Non-current financial assets	2	2	2
Current assets	50,119	72,570	86,690
Cash and cash equivalents and short-term investments	28,001	46,215	76,990
TOTAL ASSETS	521,583	515,579	514,569
EQUITY			
Share capital	11,904	10,721	9,786
Unregistered share capital	706	-	-
Other contributed capital	1,074,619	941,961	850,996
Reserves	-6	-19	-
Retained earnings incl. profit for the year	-786,853	-626,610	-485,071
TOTAL EQUITY	300,371	326,053	375,710
LIABILITIES			
Non-current liabilities	-	-	-
Current liabilities	221,212	189,527	138,858
TOTAL LIABILITIES	221,212	189,527	138,858
TOTAL EQUITY AND LIABILITIES	521,583	515,579	514,569

CONSOLIDATED CASH FLOW STATEMENT, SELECTED INFORMATION

SEK THOUSANDS	2016/17	2015/16	2014/15
	May–April	May–April	May–April
Cash flow from operating activities	-133,011	-128,126	-107,665
Cash flow from investing activities	12,038	10,066	-69,755
Cash flow from financing activities	122,755	117,449	156,017
Cash flow for the period	1,782	-610	-21,404
Cash and cash equivalents at the beginning of the period	26,208	26,837	48,241
Cash and cash equivalents at the end of the period	28,001	26,208	26,837

KEY PERFORMANCE INDICATORS, CONSOLIDATED

The Company regularly uses alternative performance measures as a complement to key performance indicators based on generally accepted accounting principles (GAAP). The alternative performance measures are derived from the Company's consolidated financial statements and are not measures of financial performance or liquidity under IFRS, and, accordingly, should not be considered as an alternative to net income, operating profit/loss or any other performance measures derived according to IFRS or as an alternative to cash flow as a measure of Oasmia's liquidity. Furthermore, such performance measures, as defined by the Company, should not be compared to other similarly titled measures used by other companies. This is due to the fact that these performance measures may be defined differently and calculated differently by other companies.

Please note, therefore, that the tables and calculations below have not been revised and are not IFRS-based, unless otherwise stated. The performance measures that are not IFRS-based are so-called alternative performance measures (APM).

SEK THOUSANDS	2016/2017	2015/16	2014/15
	May–April ²⁾	May–April ³⁾	May–April ⁴⁾
Operating margin, %	neg.	neg.	neg.
Profit margin, %	neg.	neg.	neg.
Return on assets, %	neg.	neg.	neg.
Return on equity, %	neg.	neg.	neg.
Capital structure			
Equity/assets ratio, %	58	63	73
Net debt, SEK thousand	140,724	93,730	30,010
Debt/equity ratio, %	47	29	8
Data per share			
Number of shares at the end of period, before and after dilution, thousands	126,098	107,209	97,858
Weighted average number of shares, before and after dilution, thousands ¹⁾	112,994	101,753	91,655
Earnings per share, before and after dilution, SEK ¹⁾	-1.42	-1.39	-1.28
Equity per share, SEK	2.38	3.04	3.84
Dividend per share, SEK	-	-	-
Employees			
Number of employees at the end of the period	66	75	79

¹⁾ IFRS-based key ratios. Historical figures have been adjusted for the bonus element of the rights issue carried out in the third quarter of 2014/15.

²⁾ Operating margin, profit margin and dividend per share are derived from the Company's year-end report for the period 1 May 2016 – 30 April 2017, which has not been audited or reviewed. All other key performance indicators have been extracted from the Company's year-end report for the period 1 May 2016 – 30 April 2017, which has not been audited or reviewed.

³⁾ Operating margin, profit margin and dividend per share are derived from the Company's audited financial statements for the financial year 2015/16. All other key performance indicators have been extracted from the Company's audited financial statements for the financial year 2015/16.

⁴⁾ Operating margin, profit margin and dividend per share are derived from the Company's audited financial statements for the financial year 2014/15. All other key performance indicators have been extracted from the Company's audited financial statements for the financial year 2014/15.

Definitions of alternative performance measures not defined in IFRS

Oasmia presents some financial measures in this Prospectus which are not defined in IFRS. Oasmia believes that these measures provide valuable, additional information for investors and the Company management because they allow for an evaluation of the Company's performance. Because not all companies calculate performance measures in an identical manner, these performance measures may not be comparable to measures used by other companies. Accordingly, these financial measurements should not to be regarded as a substitute for the performance measures defined in accordance with IFRS.

Performance measure (APM)	Description	Reason for use
Operating margin, %	Operating profit in relation to net sales	Provides a better understanding of the Company's profitability.
Profit margin, %	Profit after financial items in relation to net sales	Provides a better understanding of the Company's profitability.
Return on assets, %	Earnings before interest expense in relation to average total assets	Provides a better understanding of the Company's profitability.
Return on equity, %	Earnings before tax in relation to average equity	Provides a better understanding of the Company's profitability.
Equity/assets ratio, %	Equity in relation to total assets	Provides a better understanding of the Company's capital structure.
Net debt	Total borrowing (comprises the balance sheet items liabilities to credit institutions, convertible bonds and other borrowing) less cash and cash equivalents and short-term investments	Provides a better understanding of the Company's financial risk.
Debt/equity ratio, %	Net debt in relation to equity	Provides a better understanding of the Company's financial risk.
Number of shares at the end of period, before and after dilution	Number of shares at the beginning of the period adjusted for share transactions during the period	Provides a better understanding of the Company's performance.
Equity per share	Equity in relation to the number of shares at the end of the period	Provides a better understanding of historic return per share.
Dividend per share	Oasmia has so far never, with the exception of repayment of shareholders' contributions to Alceco International S.A., paid a dividend	Provides a better understanding of historic return per share.
Number of employees at the end of the period	Total number of employees in the Company at the end of the period	Provides a better understanding of the Company's performance.

SIGNIFICANT CHANGES IN FINANCIAL POSITION AND OPERATING PROFIT/LOSS AFTER 30 APRIL 2017

- No significant changes in the financial situation and operating profit have occurred after 30 April 2017.

Capital structure and other financial information

EQUITY

The table below contains information on consolidated equity and interest-bearing liabilities as at 30 April 2017.

CONSOLIDATED EQUITY AND LIABILITIES	
SEK THOUSANDS	30 April 2017
Current liabilities	
Secured by collateral	-
Secured by guarantees	-
Unsecured credits	168,726
Total current liabilities	168,726
Non-current liabilities	
Secured by collateral	-
Secured by guarantees	-
Unsecured credits	-
Total non-current liabilities	-
Equity	
Share capital	11,904
Unregistered share capital	706
Statutory reserve	4,620
Other reserves	283,140
Total equity	300,371

NET DEBT

The table below shows consolidated interest-bearing net debt as at 30 April 2017.

CONSOLIDATED NET DEBT	
SEK THOUSANDS	30 April 2017
A) Cash in hand	-
B) Other cash and cash equivalents	28,001
C) Marketable securities	-
D) Total liquidity (A+B+C)	28,001
E) Current receivables	0
F) Short-term debts to banks	-
G) Current portion of non-current liabilities	-
H) Other current liabilities	168,726
I) Total current liabilities (F+G+H)	168,726
J) Net current debt (I-E-D)	140,725
K) Long-term bank loans	-
L) Bonds issued	-
M) Other long-term loans	-
N) Total non-current liabilities (K+L+M)	0
O) Net debt (J+N)	140,725

INDIRECT DEBTS AND CONTINGENT LIABILITIES

The parent company has issued a floating charge amounting to SEK 8,000,000 to bank as security for bank overdraft facilities of SEK 5,000,000 and as limit for currency derivatives of SEK 3,000,000. As at 30 April 2017, the overdraft facilities were unutilised.

During the third quarter of 2016, subscription warrants were issued to senior executives and the independent part of the Board. However, through a formal error, these options were found to be invalid.

As the subscription warrant programme is invalid, the extraordinary general meeting of 2 June decided to cancel them. A possible consequence of this invalidity and cancellation may be that the Company's income statement is affected through the occurrence of negative tax implications. However, it is difficult to calculate or determine the sum of this eventuality. Therefore, this information is provided without indicating the effect on results.

Oasmia has received a claim from one of its suppliers that the Company has disputed in its entirety. It is too early to evaluate a likely outcome or an estimate of potential costs resulting from the claim.

SIGNIFICANT CHANGES IN EQUITY, DEBT AND NET DEBT SINCE 30 APRIL 2017

No other significant changes have taken place in the Group's equity, debt and net debt since 30 April 2017.

FINANCING ARRANGEMENTS

For a statement of the Company's financing arrangements, see the description of the Company's credit agreements in section "Legal and supplementary information" below.

STATEMENT OF WORKING CAPITAL

Oasmia's working capital requirements are associated with operational costs and investments, costs of clinical studies and costs for fulfilling the Company's obligations to its creditors, and amounts to SEK 193 million during the next twelve months (including the Company's convertible loan 2017:2 in the amount of SEK 26 million and the debt in the form of non-negotiable promissory notes in the amount of SEK 42 million that replaced the Company's convertible loan 2016:2).

The Board of Directors of Oasmia believes that the available working capital, as at the date of the Prospectus, is insufficient for its needs during the next twelve months. This statement is based on the fact that, as at the date of this prospectus, the available working capital consists of the Company's cash and cash assets and committed credit facilities, which together amount to SEK 50 million. Based on the assumptions above, the total deficit in working capital during the next twelve months amounts to approximately SEK 143 million and the deficit would arise in September 2017, when a loan from one of the Company's creditors are due.

However, the Company has no commitments regarding the implementation of the planned investments or clinical trials and these may be terminated at any time. If clinical trials are terminated, this can lead to that the Company may postpone projects. The postponement of projects could result in Oasmia having to repay milestone payments which it has already received.

The Rights Issue, which is fully covered by subscription commitments and underwriting guarantees, is expected to bring Oasmia approximately SEK 150 million in cash, after issue-related costs.

In view of the current liquidity, available credit facilities and the proceeds from the Rights Issue (which are expected to amount to approximately SEK 150 million after issue-related costs) and provided that the Company's credit that is due in September 2017, the Company's convertible loan 2017:2 (which is due in April 2018), and the debt in the form of non-negotiable promissory notes that replaced the Company's convertible loan 2016:2 (which are due in June 2018) are extended or replaced, the Board of Directors considers that the Group has access to sufficient funding to implement the current plan during the next twelve months. The Company strongly believes that the loan which mature in September 2017 will be extended, and if this does not happen, that this credit can be replaced through other credit and that the convertible loan 2017:2 and the debt in the form of non-negotiable promissory notes that replaced the Company's convertible loan 2016:2, are extended, and if this does not happen, that these credits can be replaced by new credit.

If the expected proceeds from the Rights Issue are received as planned, but are used for all commitments to the Company's creditors, i.e. that some of the credits are not extended and mature in September 2017, deficit will occur during the spring 2018 provided that the Company not have obtained revenue from sales or from one-time payments.

If a need for working capital should arise, the Group would seek out alternative financing solutions, including, in the first instance, by renegotiating current bank financing and/or procuring new bank financing, and second, by reducing investments and revising its strategy, and third, by raising new capital and fourth, by selling assets. If all of these actions were to fail, it could lead to delays in Oasmia's business activities or postponement of planned actions for an indefinite period, which, ultimately, could lead to the Company completely ceasing business activities.

INVESTMENTS

1 May 2014 – 30 April 2015

During the financial year 1 May 2014 – 30 April 2015, investments in intangible assets amounted to SEK 17.4 million and investments in property, plant and equipment amounted to SEK 3.6 million. Capitalised work for own account comprised SEK 16.8 million of the investments in intangible assets. The investments in property, plant and equipment consisted mainly of investments in production equipment.

1 May 2015 – 30 April 2016

During the financial year 1 May 2015 – 30 April 2016, investments in intangible assets amounted to SEK 18.0 million (SEK 17.4 million) and investments in property, plant and equipment amounted to SEK 2.0 million (SEK 3.6 million). Capitalised work for own account comprised SEK 16.7 million (SEK 16.8 million) of the investments in intangible assets. The investments in property, plant and equipment consisted mainly of investments in production equipment.

1 May 2016 – 30 April 2017

In the period 1 May 2016 – 30 April 2017, investments in intangible assets amounted to SEK 7.4 million (SEK 18.0 million) and investments in property, plant and equipment amounted to SEK 0.5 (SEK 2.0 million). Capitalised

work for own account comprised SEK 7.0 million (SEK 16.7 million) of the investments in intangible assets. The investments in property, plant and equipment consisted mainly of investments in production equipment.

Ongoing and future investments

Oasmia has current investments in intangible assets through capitalised costs for clinical trials in phase III attributable to the product candidates Paccal Vet® and Paclical.

Oasmia has current investments in production capacity both at its own facility in Uppsala and at the contract manufacturer Baxter in Germany. The investments consist of machines and inventories with no single asset representing a significant amount.

At present, the Group has no substantial ongoing or planned investments.

PROPERTY, PLANT AND EQUIPMENT

There are no known environmental factors that affect the Company's use of property, plant and equipment.

FINANCIAL RESOURCES

Cash flows

This section contains a comparison of various opening balances in the Company's cash flow statement for the financial year 2016/2017, while the figures in brackets refer to closing balances for the financial year 2015/2016. In addition, this section contains a comparison of various opening balances in the Company's cash flow statements for the financial years 2015/2016 and 2014/2015, while the figures in brackets refer to closing balances for the financial year 2014/2015.

Comparison between the period 1 May 2016 – 30 April 2017 and the financial year 2015/2016

In the period May 2016 to April 2017, cash flow from operating activities amounted to SEK -133 million (SEK -128.1 million).

Operating income in the period May 2016 to April 2017 was lower than in 2015/2016, primarily due to higher operating costs.

Cash flow from investing activities amounted to SEK 12 million (SEK 10.1 million). The investments included investments in intangible assets of SEK 7.4 million (SEK 18.0 million) and consisted of capitalised work for own account of SEK 7 million (SEK 16.7 million) and of patents of SEK 0.4 million (SEK 1.2 million). Investments in property, plant and equipment amounted to SEK 0.5 million (SEK 2.0 million), primarily comprising production equipment.

Cash flow from investing activities amounted to SEK 122.8 million (SEK 117.4 million).

Comparison between 2015/2016 and 2014/2015

In 2015/2016, cash flow from operating activities amounted to SEK -128.1 million (SEK -107.7 million).

Operating income in 2015/2016 was lower than in 2014/2015, primarily due to higher operating expenses. This was slightly offset by positive changes in working capital.

Cash flow from investing activities amounted to SEK 10.1 million (SEK -69.8 million). In 2014/2015, the Company invested surplus capital amounting to SEK 80 million in short-term investments. Disposals of such short-term investments in fixed interest funds in 2015/2016 contributed cash and cash equivalents of SEK 30.0 million (SEK 30.0 million). The investments included investments in intangible assets of SEK 18.0 million (SEK 17.4 million) and consisted of capitalised work for own account of SEK 16.7 million (SEK 16.8 million) and of patents of SEK 1.2 million (SEK 0.6 million). Investments in property, plant and equipment amounted to SEK 2.0 million (SEK 3.6 million), primarily comprising production equipment.

Cash flow from investing activities amounted to SEK 117.4 million (SEK 156.0 million). In October 2015, the Company completed a new issue in connection with the listing of the Company's shares on Nasdaq Capital Market which raised capital of SEK 75.4 million after issue expenses. In April 2016, the Company carried out a new issue and placement of convertible bonds, which after issue expenses raised capital of SEK 42.1 million for the Company.

Limitations on the use of capital

See above in the section "Statement of working capital" and the section "Legal and supplementary information – Material agreements" below.

TRENDS

Cancer is an age-related disease and the number of patients is increasing as the average life expectancy of the population increases. The global market for cancer drugs was estimated to be worth USD 112 billion in 2015 and it is expected to grow by an average of 7.4% in the period 2016–2021. One of the drivers in the

market is the development of new methods for the diagnosis of cancer, which means that the number of patients in treatable stages increases.

In the USA and Europe, the number of pets is growing. In addition, households are becoming increasingly likely to spend money on their pets, which leads to a larger share of companion animals undergoing veterinary treatment both for cancer and other diseases. Cancer in animals is similar to cancer in humans and the risk of being affected increases with age.

A number of clinical trials within oncology are ongoing and there is competition for patients for these trials. The companies on the market are also becoming aware of pressure on prices as the number of drugs whose patents are expiring increases and because governments around the world are becoming increasingly cost-conscious. The Company believes that there is some excess production capacity, to some extent as a result of mergers in the industry, which the Company believes could exert price pressure also on the production side.

The Company is involved in production, sales and stock building only to a limited extent, and it does not have the kind of expenses that would enable it to discern any particular trend during the current financial year up until the date of the publication of this Prospectus.

In autumn 2014, the Company finalised the report of the Paclical Phase III study and an application for EMA marketing approval was submitted in February 2016. The Company expects a decision from the EMA in 2017. In Europe, the product is known as Apealea.

In late 2015, the Company obtained marketing approval for Paclical on the Russian market.

In April 2016, the Company compiled positive survival data from the Paclical Phase III study, which are required for an application for marketing approval from the FDA. An application to the FDA will also be largely based on the application made to the EMA and is expected to be submitted in 2017.

In 2016–17, the Company is conducting a study for Doxophos Vet, which will form the basis for an application for conditional marketing approval from the FDA.

SIGNIFICANT EVENTS AFTER 30 APRIL 2017

The Company has decided to separate its veterinary assets into its wholly-owned US subsidiary in order to streamline development and strengthen strategic partnerships, as well as provide more vigour and resources for marketing and sales in the world's largest market for domestic animals.

As a result of reporting in the EU Clinical Trials registry regarding the OAS-12DOC BIO study, the Company clarified in a press release on 29 May 2017 that work at one of the clinics participating in the study has been ended. This does not affect the ongoing study, which is proceeding as planned.

The Company held an Extraordinary General Meeting on 2 June 2017. At the Extraordinary General Meeting, the meeting resolved to authorize the Board of Directors to decide whether to carry out a rights issue and to issue subscription warrants in the Company.

On 8 June 2017, the Board of Directors of Oasmia decided to replace its convertible loan 2016:2 with new debt, in the form of simple debt instruments, which was entered into with all the holders of convertible bonds in the convertible bond programme 2016:2. The maturity for the new debt securities amounts to one year, but the debt securities can be repaid in advance by Oasmia. The total amount of the new debt securities amounts to SEK 42 million, which corresponds to the total nominal amount of the previous convertible loan. The new debt securities carry an annual interest rate of 8.5%.

The Company held a capital market day on 15 June 2017 at the Royal Swedish Academy of Engineering Sciences (IVA). At the capital market day, the management presented the business and discussed, among other things, the market and strategy regarding the Company's human and veterinary products.

The Company entered into a new exclusive marketing and distribution agreement with Hetero Group concerning Russia and the CIS countries (including Ukraine, Georgia and Turkmenistan). The agreement replaces the previous agreement with Pharmasyntez and has similar terms and conditions.

Share capital and ownership structure

SHARE INFORMATION

According to Oasmia's current Articles of Association adopted at the Annual General Meeting on 28 September 2015, the share capital must be not less than SEK 8,500,000 and not more than SEK 20,000,000, divided into not fewer than 85,500,000 shares and not more than 200,000,000 shares. As at 30 April 2016, the Company's registered share capital amounted to SEK 11,903,931 divided into 119,039,310 shares. As at the date of this Prospectus, the Company's registered share capital amounted to SEK 12,609,816.60 divided into 126,098,166 shares, all of which are fully paid. The Company does not hold any shares in itself. The Company has only one class of shares which have a quotient value of SEK 0.10 each. The current shares are, and the new shares will be, issued in accordance with Swedish law and denominated in SEK.

All shares have equal rights to the Company's assets and earnings, and are entitled to one vote at General Meetings. At General Meetings, every shareholder may vote for the total number of shares held or represented, without limitation. Each share entitles shareholders to the same preferential rights in issues of new shares, warrants and convertible bonds in relation to the number of shares held, and it confers equal rights to dividends and any surplus capital in the event of liquidation. Shareholders' rights can only be modified in accordance with the procedures set out in the Swedish Companies Act (SFS 2005:551). The shares are not subject to any restrictions on transferability.

The Rights Issue will, if fully subscribed, increase the number of shares in the Company from 126,098,166 to 176,537,432 shares, corresponding to an increase of approximately 40 per cent. Shareholders who decide not to take up their subscription rights in the Rights Issue will see their holding diluted by not more than 50,439,266 new shares, corresponding to not more than around 29 per cent of the total number of shares in the Company after the Rights Issue.

The shares in the Company have not been subject to any public takeover bids during the current or previous financial year, and the shares are not subject to any mandatory offers or offers made as a result of sell-out or squeeze-out rights.

SHARE CAPITAL DEVELOPMENT

The table below shows changes in share capital with effect from May 2014.

SHARE CAPITAL DEVELOPMENT SINCE 2014						
Year	Event	Change in number of shares	Total number of shares	Change in share capital	Total share capital	Quotient value
2014	New share issue	3,800,000	85,572,330	380,000	8,557,233	0.10
2014	New share issue	2,500,000	88,072,330	250,000	8,807,233	0.10
2014	New share issue	9,785,814	97,857,944	978,581	9,785,814	0.10
2015	New share issue	7,684,500	105,542,644	768,450	10,554,264	0.10
2016	New share issue	1,666,666	107,209,310	166,666	10,720,931	0.10
2016	New share issue	8,750,000	115,959,310	875,000	11,595,931	0.10
2016	New share issue	3,080,000	119,039,310	308,000	11,903,931	0.10
2017	Conversion of convertibles	7,058,856	126,098,166	705,886	12,609,817	0.10

DILUTION

Other than the outstanding share warrants and convertible bonds, which are described in the sections "Share-related incentive schemes" and "Outstanding convertible bonds", the Company has no outstanding convertible bonds or other share-related securities that, if utilised, would result in dilution for the Company's shareholders.

AUTHORISATIONS TO ISSUE SHARES

The Board of Directors resolved to implement the Rights Issue on the basis of an authorisation granted by the general meeting on 26 September 2016 and the Extraordinary General Meeting on 2 June 2017, for the Board, on one or more occasions, to issue shares, warrants and/or convertible bonds. The Board of Directors will be able to take decisions on issues with or without regard to pre-emptive rights and/or for non-cash or off-set consideration and otherwise subject to the provisions of Chapter 2, Section 5, second paragraph, points 1-3 and 5 of the Swedish Companies Act. Issues of new shares, warrants and convertible bonds without regard to pre-emptive rights must be issued at a price linked to the share price at the time of the new issue, less any market-related discount the Board of Directors considers necessary. Other terms and conditions will be determined by the Board of Directors, but must be on market terms. The Board of Directors will not be able to take decisions involving an increase in share capital of more than SEK 7,500,000 in total for the two authorisations.

The issue authorisations were registered with the Swedish Companies Registration Office on 6 October 2016 and 5 June 2017 respectively.

OWNERSHIP STRUCTURE

As at 30 April 2017 (including known, later changes), the ownership of the Company was divided among the ten largest shareholders as per the table below. All shares have the same voting rights. In May, the number of shares increased to 126,098,166 through the conversion of convertible bonds.

OWNERSHIP STRUCTURE		
Name	Shareholding	% of votes and capital
Alceco International S.A.	25,717,364	21.6
Granitplattan AB	13,900,000	11.7
Försäkringsaktiefbolaget Avanza Pension	10,434,357	8.8
Danske Bank International S.A	4,858,305	4.1
Nordnet Pensionsförsäkring AB	4,589,540	3.9
JP Morgan Bank Luxembourg	3,077,594	2.6
Bank of New York, NQI	2,515,515	2.1
JP Morgan Securities LLC, W9	1,931,787	1.6
A M Karlsson i Kvicksund AB	1,200,000	1.0
Fraim Sefastsson, Ing-marie	984,724	0.8
Others	50,155,270	42.1
Total	119,039,310¹	100%

¹ As at the date of this Prospectus, the number of shares in the Company stood at 126,098,166, after the Swedish Companies Registration Office registered an increase in the number of shares in the Company on 10 May 2017 following conversion of previous outstanding convertible bonds. In connection with conversion of convertibles, Granitplattan AB has increased its ownership to 16,000,840 shares, corresponding to 12.7% of votes and capital.

CENTRAL SECURITIES DEPOSITORY AND LISTING

Oasmia's Articles of Association contain a so-called CSD clause and the Company's shares are registered in a CSD register in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479). This register is maintained by Euroclear (Euroclear Sweden AB, PO Box 191, SE-101 23 Stockholm, Sweden) and it means that no share certificates have been issued for the Company's shares or will be issued for the new shares. Since 24 June 2010, Oasmia's shares have been listed on Nasdaq Stockholm, where the shares are traded on the Small Cap segment under the symbol OASM. Since 24 January 2011, Oasmia's shares are also listed on the Frankfurt Stock Exchange, where the shares are traded under the symbol OMAX. The ISIN code for the Oasmia share is SE0000722365. Since 23 October 2015, Oasmia's shares are also listed on Nasdaq Capital Markets in New York, where the shares are traded under the symbol OASM.

SHAREHOLDERS' AGREEMENTS

Oasmia's Board of Directors is not aware of any shareholders' agreements or other agreements that could lead to a change of control over the Company.

SHARE-BASED INCENTIVE SCHEMES

Oasmia has introduced a share-based incentive schemes comprising share warrants. The purpose of the incentive schemes is to encourage Oasmia's employees and Board members to invest in the Company in order to be able to benefit from and help promote positive value growth in the Company's share in the period covered by the schemes, and to enable Oasmia to retain and recruit competent and committed employees. The incentive programmes 2017:1 and 2017:2 were introduced following a resolution taken by an Extraordinary General Meeting on 2 June 2017. The incentive scheme 2017:2 applies to independent members of the Board, while 2017:1 is aimed at the Company's independent senior management team members. The Same EGM also decided that warrants issued under the incentive schemes 2016:1 and 2016:2, decided previously by the Board, will be recalled and cancelled.

Scheme 2017:1 comprises 3,750,000 warrants, while scheme 2017:2 comprises 3,000,000 warrants. The warrants will be transferred to the participants of the schemes at the market value of the warrants, provisionally estimated to be SEK 0.31 per warrant, calculated by the independent valuation institution PwC using the Black & Scholes valuation model. Each warrant in the schemes 2017:1 and 2017:2 will entitle the holder to subscribe for one share in the Company during the period 16 June 2019 to 16 August 2019. The subscription price per share should correspond to 175 per cent of the volume-weighted average price of the Company's shares according to the Nasdaq Stockholm official list in the period 9 June 2017 to 16 June 2017.

In the event that all outstanding warrants are exercised to subscribe for shares, the number of shares will increase by a total of 6,750,000, corresponding to dilution of around 5.4 per cent of the number of issued shares on the date of this Prospectus.

OUTSTANDING CONVERTIBLE BONDS

The Company currently has an outstanding convertible bond programme 2017:2. The convertible bonds were issued on 18 April 2017, and were placed with a limited group of previously informed investors. The convertible bond programme 2017:2 amounts to SEK 26,000,000, comprising 26 convertible bond issues of a nominal value of SEK 1 million each. The convertible bonds mature on 18 April 2018, to the extent early conversion or redemption has not taken place. Under the terms and conditions of the bond issues, holders will have the right to exchange the bonds for shares during a period commencing on the date occurring two business days after registration of the convertible bonds with the Swedish Companies Registration Office and ending on 30 March 2018. The Company, too, has the right to call the bonds for conversion into shares in Oasmia during the period 31 October 2017 until 11 November 2017. The conversion price is SEK 8 per share. The terms and conditions of the convertible bonds include provisions on recalculation of the conversion price in the event of new share issues by Oasmia.

In the event that all outstanding convertible bonds are converted into shares, the number of shares will increase by a total of 3,250,000, corresponding to dilution of around 2.6 per cent of the number of issued shares on the date of this Prospectus.

DIVIDEND AND DIVIDEND POLICY

To date, Oasmia has never paid out any dividends (other than reimbursement of shareholder contributions to Oasmia S.A.¹ in 2007). Because the Company expects to be in a phase of developing the Company's product portfolio in the next few years, any surplus capital will be reinvested in the business. Therefore, the Board of Directors does not intend to propose a dividend for the current year or commit itself to a fixed dividend payout ratio. If Oasmia's cash flow from operating activities subsequently exceeds the Company's capital requirements, the Board of Directors intends to propose that the General Meeting pass a resolution on payment of a dividend. In the current situation, it is unclear if and when dividends will be paid.

Dividend payments, if any, are authorised by the General Meeting and the payments are managed by Euroclear. Dividend may only be paid to such an amount that there is full coverage for the Company's restricted equity after the payment, and only if the payment is considered justifiable considering (i) the requirements imposed by the nature, scope and risks of the business on the size of equity, and (ii) the Group's and the Company's need to strengthen the balance sheet, liquidity and financial position (so called prudence rule). As a rule, shareholders may not pass a resolution on a dividend that is greater than the amount proposed or approved by the Board of Directors.

Shareholders registered in the share register maintained by Euroclear on the record date established by the General Meeting are eligible for dividends. If a shareholder cannot be reached through Euroclear, the shareholder's claim on the Company in respect of the dividend payment will remain and is limited only by the rules concerning a ten-year statute of limitation. In the event of limitation, the dividend goes to the Company. Neither the Swedish Companies Act nor Oasmia's Articles of Association contain any restrictions regarding the right to dividend for shareholders outside Sweden. In addition to any restrictions imposed by bank or clearing systems in relevant jurisdictions, payment to such shareholders will be conducted in the same manner as to shareholders resident in Sweden. For shareholders with limited tax liability in Sweden, a withholding tax on dividends known as "coupon tax" is normally deducted, see section "Tax issues in Sweden".

¹ Oasmia S.A. is the former name of Alceco International S.A.

Board of Directors, senior management and auditors

BOARD OF DIRECTORS

Julian Aleksov (b. 1965)

Deputy executive chairman of the board since 2016. Previously executive chairman of the board since 2015, CEO since 2000 and board member since 1999.

Education: Upper secondary business and economics.

Other positions: Chairman of the board for Oasmia Incentive AB, chairman of the board for Qdoxx Pharma AB, board member for Wonderboo AB, board member for Maida Vale Capital AB.

Partnerships/significant influence: Alceco International S.A.

Previous positions in the past five years: -

Other information: Julian Aleksov is one of the founders of Oasmia. He has extensive experience of coordinating research projects and the strategic development of global intangible assets. Julian Aleksov is not independent of the Company's major shareholders, the Company and its management.

Shares held: 21,051 personal shares and 21,651,055 shares through Alceco International S.A., in which Julian Aleksov together with Bo Cederstrand has a controlling interest.

Bo Cederstrand (b. 1939)

Chairman 2000–2011. Board member since 2000.

Education: -

Other positions: Deputy board member for Fruges Aktiebolag.

Partnerships/significant influence: Alceco International S.A.

Previous positions in the past five years: Board member for Hemdjourshallarna.

Other information: Bo Cederstrand has around 40 years of experience as CEO and partner in a number of small and medium-sized companies, primarily in commerce. He has extensive experience of international business. Extensive experience of production. Has been very active in trade association contexts. Bo Cederstrand is not independent of the Company's major shareholders, the Company and its management.

Shares held: 126,000 personal shares and 21,651,055 shares through Alceco International S.A., in which Bo Cederstrand together with Julian Aleksov has a controlling interest.

Lars Bergkvist (b. 1964)

Board member since 2015.

Education: MSc in Business Administration.

Other positions: Chairman of the board for Fasadgruppen Sverige AB (with duties in group companies), chairman of the board for Northside AB, chairman of the board for Wonderboo AB, board member for and CEO of AXLI AB and Axli Invest AB.

Partnerships/significant influence: -

Previous positions in the past five years: Chairman of the board for Jaktia Aktiebolag, chairman of the board for Master Design Sverige AB, chairman of the board for Chainformation Management Systems AB, board member for Servage AB (publ), board member for Warbro Kvarn AB, board member for FDT System Holding AB

Other information: Lars is a business economist and has previously worked in senior positions in several successful businesses. For example, he has worked as CEO of Arken Zoo and Hidden Dinosaur. He also has many years of experience in board work from FDT AB, Master Design AB and Svensk Franchise, among others.

Shares held: -

Alexander Kotsinas (b. 1967)

Board member since 2013.

Education: MSc from the Royal Institute of Technology and MSc in Business Administration from Stockholm School of Economics.

Other positions: Chairman of the board for AllgoTech AB, board member for Delta Projects AB, board member for Intervacc AB, board member for Internet bolaget Sverige AB (with duties in group companies), deputy board member for Fiberdata AB, board member of Fingerprint Cards AB, board member for Sweden Carnica Group AB, board member and CEO for Windride AB.

Partnerships/significant influence: -

Previous positions in the past five years: Chairman of the board for EQUIDx AB, chairman of the board for Network Automation MXC AB, chairman of the board for Tanea Medical AB, chairman of the board for Nordia Innovation AB, chairman of the board for Svenska Brandslangfabriken AB, board member for Bencar AB, board member for Scint-X AB, board member for Linum AB, board member for Lokon Pharma AB, board member for Madraque Capital Partners AB, board member for Care of Company AB, deputy board member for 3S Stadsnät Som Samverkar AB, board member for Linum AB (with duties in group companies), deputy board member for OpenNet International in Europe AB, deputy board member for Q-Med Nordic AB (with duties in group companies), deputy board member for Sweden Carnica Optionsförvaltning AB, deputy board member for VLVbio AB.

Other information: Alexander Kotsinas was deputy CEO and CFO of Q-Med from 2008 to 2011. He has also been CFO of Life Europe AB and mobile operator Three. He has been Vice President of Investor AB and has worked at Ericsson.

Alexander Kotsinas is an employee at Nexttobe AB.

Alexander Kotsinas is independent of the Company's major shareholders, the Company and its management.

Shares held: -

SENIOR MANAGEMENT

Julian Aleksov (b. 1965)

Julian Aleksov has been deputy executive chairman of the board since 2016. Previously executive chairman of the board since 2015, CEO since 2000 and board member since 1999.

See section "Board of Directors" for educational background, other and previous positions and shares held.

Mikael Asp (b. 1962)

Mikael Asp has been CEO since May 2015 and was previously Head of Quality Assurance at Oasmia since 2013.

Education: MSc in Chemical Engineering from the Royal Institute of Technology, Stockholm.

Other positions: -

Partnerships/significant influence: -

Previous positions in the past five years: Quality Assurance Manager/QP Bluefish Pharmaceuticals AB

Other information: Mikael Asp has extensive experience from a number of companies within the international pharmaceuticals industry as regards research, development, production and quality control, and as a qualified person (QP).

Shares held: 8,800 shares

Anders Blom (b. 1969)

Anders Blom has been deputy CEO of Oasmia since October 2014.

Education: MSc in Business Administration from Uppsala University.

Other positions: Board member for Qdoxx Pharma AB, board member for Oasmia Incentive AB, board member for Maida Vale Capital AB, deputy board member for Wonderboo AB.

Partnerships/significant influence: -

Previous positions in the past five years: CEO of Nexttobe AB, board member for Hansa Medical AB, board member for Biolamina AB, board member for VLVbio AB, board member for Delta Projects AB, board member for Bencar AB, chairman for Svenska Elitskon AB, CEO of/board member for Equidx AB, board member for Selago AB, deputy board member for Linum Aktiebolag, deputy board member for Lokon Pharma AB and deputy board member for Tanea Medical AB.

Other information: Anders has more than 15 years of experience of international strategic business development and financing from Q-Med, Galderma and Pharmacia. Anders has also served in the management team of Q-Med AB (publ).

Shares held: 30,000 shares

Fredrik Gynnerstedt (b. 1976)

Fredrik Gynnerstedt is CFO of Oasmia.

Education: MSc in Business Administration from Stockholm University

Other positions: -

Partnerships/significant influence: -

Previous positions in the past five years: Director of Collaboration for the Karnov Group. CFO of Bringwell AB (publ)

Other information: Fredrik Gynnerstedt has 15 years' experience of international financial administration and business. He has previously worked as an accountant and consultant at Ernst & Young.

Shares held: -

AUDITOR

Ernst & Young has been the Company's auditor since 2008. At the Annual General Meeting on 26 September 2016, Ernst & Young was re-elected for a term of one year as the Company's auditor, with certified public accountant Fredrik Norrman, a member of FAR, as chief auditor. For the period between the AGM in 2015 and the AGM in 2016, certified public accountant Oskar Wall, a member of FAR, was the chief auditor. For the period between the AGM in 2008 and the AGM in 2015, certified public accountant Björn Ohlsson, a member of FAR, was the chief auditor. In the financial year 2016/2017, the total fee paid to the Company's auditor amounted to approx. SEK 2.6 million. The address for Ernst & Young and the chief auditors is shown in the "Addresses" section below.

ADDITIONAL INFORMATION ABOUT THE BOARD AND SENIOR EXECUTIVES

All the board members and senior executives can be reached at the Company's address, Vallongatan 1, SE-752 28 Uppsala. All board members are elected for the period until the end of the next Annual General Meeting.

None of Oasmia's board members or senior executives have any familial relationship with any other board member or senior executive, except that Bo Cederstrand is the maternal grandfather of Julian Aleksov's child. There are no conflicts of interest Oasmia and any board members or senior executives. None of the board members or senior executives have been convicted for fraud in the last five years. None of the board members or senior executives have been involved in any bankruptcy, administration of a bankrupt's estate or liquidation in the past five years. Furthermore, no accusations or sanctions have been brought against any of the board members or senior executives by statutory or regulatory authorities (including approved professional organisations) during the last five years. No board member or senior executive has been disqualified by a court of law from acting as a member of a company's administrative, management or supervisory body or from having a managerial or senior role within a company in the past five years.

As started above, several board members and senior executives have financial interests in Oasmia through shareholdings. Bo Cederstrand and Julian Aleksov also control one of the Company's creditors and largest shareholder (Alceco International S.A.), which is also guaranteeing parts of the Rights Issue, see section "Legal and supplementary information – Subscription and guarantee commitments".

REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND SENIOR EXECUTIVES

At the annual general meeting on 26 September 2016, it was decided that board members not employed in the Company shall receive a fee of SEK 150,000 per annum and that the chairman of the board shall receive a fee of SEK 175,000 per annum. At an extraordinary general meeting on 21 November 2016, it was decided that the fee for the chairman of the board should be SEK 300,000 per year. The fee may, subject to an agreement with the Company, be invoiced through a company wholly owned by the board member. If this is done, the invoiced fee will be increased by an amount corresponding to the cost of social insurance contributions and VAT. Remuneration for the auditors should be as invoiced.

The table below presents the remuneration for board members, the CEO and other senior executives for the financial year 2016/2017:

REMUNERATION TO BOARD MEMBERS, CEO AND SENIOR EXECUTIVES				
SEK THOUSANDS	Basic salary/board fee	Social costs incl. payroll tax	Pension/sickness benefits	Variable remuneration
Chairman of the Board Anders Lönner ¹⁾	-	-	-	-
Chairman of the Board/Deputy Chairman of the Board Julian Aleksov ²⁾	1,698	644	449	23
Board member, Bo Cederstrand	150	25	-	-
Board member, Horst Domdey ³⁾	96	30	-	-
Board member, Alexander Kotsinas	89	28	-	-
Board member, Hans Sundin ³⁾	537	88	-	16
Board member, Hans Liljebblad ⁴⁾	63	19	-	-
Board member, Lars Bergkvist	150	47	-	-
CEO Mikael Asp	1,366	479	230	-
Other senior executives (2 people at year-end, an average of two people during the financial year ⁵⁾)	3,127	1,134	621	13
Total	7,275	2,495	1,300	51

¹⁾ Took up office in November 2016 and resigned in February 2017.

²⁾ Elected as chairman of the board in May 2015 and transferred to deputy chairman of the board in November 2016. Julian Aleksov is executive vice chairman and receives a salary.

³⁾ Resigned in November 2016.

⁴⁾ Resigned in September 2016.

⁵⁾ In November 2016, the management team was expanded with one person. A senior executive resigned in March 2017. On average, two other senior executives during the financial year.

None of the board members have any agreements entitling them to remuneration on termination of their duties or bonus. Julian Aleksov is entitled to health and pension insurance, which consists of the Company annually paying an amount corresponding to 25 per cent of his pensionable salary to a pension fund of his choice. The Group has no funds set aside or accrued for pensions or similar benefits after retirement.

Remuneration to the CEO and senior executives

The guidelines applicable to remuneration for senior executives (including, for the avoidance of doubt, the CEO) were adopted at the annual general meeting on 26 September 2016. The guidelines apply to employment agreements entered into after the annual general meeting adopted the guidelines and to all changes to existing employment agreements.

Salary and other benefits

Remuneration for the CEO and other senior executives shall consist of a fixed salary, pension provisions and health insurance.

Notice period and severance pay

When the Company gives notice of termination to the CEO, the notice period should not exceed 12 months. When the CEO gives their notice, the notice period should not exceed three months. For other senior executives, the notice period is normally six months if notice is given by the Company and three months if notice is given by the employee. No severance pay shall be paid.

Incentive programme

Decisions on any share or share price-related incentive programmes aimed at senior executives shall be made by the shareholders' meeting.

Policy

The governing principles for setting the salary for the CEO and other senior executives shall be found in a policy adopted by the Board of Directors.

Deviation in individual case

The Board of Directors shall be entitled to deviate from the above guidelines in exceptional cases. If such deviation occurs, information on this and the reasons for this shall be presented at the next annual general meeting.

CORPORATE GOVERNANCE

Swedish Corporate Governance Code

All companies listed on Nasdaq Stockholm shall apply the Swedish Corporate Governance Code (the "Code", which is available at www.bolagsstyrning.se) from 1 December 2016. The Code supplements the external rules affecting corporate governance, which mainly consist of the Swedish Companies Act, accounting legislation and the applicable listing agreement.

Deviations from the Code

The Company chose to make the following deviations from the Code for the financial year 2015/2016:

- i) Code section 2.4. Most of the election committee members are board members. The reason for this is that the main owners consider themselves to be best represented by their representatives on the company's board.
- ii) Code section 4.3. Two of the board members elected by the shareholders' meeting work in Company management.

The Company is currently making the following deviations from the Code:

- i) Code section 1.5. A shareholder and employee of the Company were appointed to verify the minutes of the shareholders' meeting. None of the non-shareholding employees present at the meeting were willing to verify the minutes, which is why the shareholding employee were appointed to verify the minutes of the meeting.
- ii) Code section 2.3. Most of the election committee members are not independent of the Company and its management, and the executive chairman of the board is a member. The reason for this is that the independent chairman of the board left the Company and the decision of the meeting thus entails such a composition.
- iii) Code section 2.4. Most of the election committee members are board members who are dependent on the company's principal owners. The reason for this is that the principal owners considered themselves best represented by their representatives on the Company's board.
- iv) Code section 9.2. One member was dependent in relation to the company. The reason is that the Company considered that the time when the member would be considered independent was close.
- v) Code section 9.7. The Company has issued share options that the board members have had the opportunity to acquire. The share options have had an earning period of less than three years. The reason for this is that the Company considered such an incentive structure to be the most suitable for achieving the objectives of the Company's incentive programme.

Board committee

Audit committee

The Audit Committee consisted of Horst Domdey, Lars Bergkvist and Hans Liljeblad from the beginning of the financial year until the Annual General Meeting on 26 September 2016. Hans Liljeblad resigned at the Annual General Meeting and was replaced by Hans Sundin. In connection with the extraordinary general meeting of 21 November 2016, Hans Sundin and Horst Domdey resigned, and Alexander Kotsinas and Anders Lönner were elected to the committee. After Anders Lönner's resignation, the committee consists of Alexander Kotsinas and Lars Bergkvist. The primary purpose of the audit committee is to aid the board in monitoring the accounting and financial reporting processes, and to ensure the quality of these reports and processes. The audit committee shall also supervise the auditors' work, oversee the election of the auditing company, review the auditors' objectivity and independence, and ensure the cost of services in addition to the audit task are at a reasonable level in relation to the audit fees in order not to risk affecting independence. The responsibilities and tasks of the audit committee are set out in internal instructions for the audit committee.

During the financial year 2016/2017, the audit committee held 6 meetings, which the auditors attended. The Company also had quarterly contact with the auditors during the financial year.

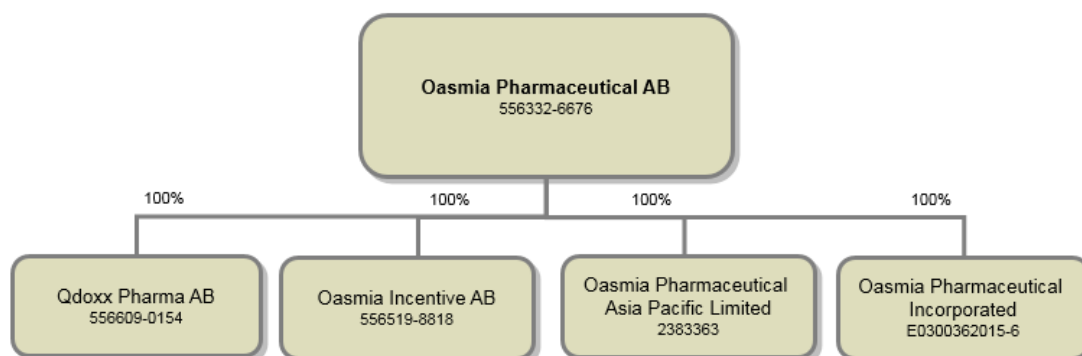
Remuneration committee

Until the annual general meeting in 2016, the remuneration committee was comprised of Bo Cederstrand, Horst Domdey, Alexander Kotsinas, Lars Bergkvist and Hans Liljeblad. In connection with the Annual General Meeting, Hans Liljeblad resigned from the Board and was replaced by Hans Sundin in the committee. Alexander Kotsinas and Bo Cederstrand left the committee in connection with the Annual General Meeting. At an extraordinary general meeting, Horst Domdey resigned and Hans Sundin was replaced by Anders Lönner and Alexander Kotsinas. Anders Lönner resigned from the Board, and Alexander Kotsinas, together with Lars Bergkvist constitute the audit committee. The remuneration committee is a preparatory body for the Company's Board of Directors and is responsible for preparing Board proposals for the annual general meeting regarding remuneration principles and other employment terms for the Company management. The remuneration committee should also make proposals for Board decisions on salaries and other remuneration to the CEO, and make proposals for decisions on option schemes and other forms of remuneration intended for a greater number of employees in the Company. During the financial year 2016/2017, the remuneration committee had 1 meeting.

Legal and supplementary information

GROUP STRUCTURE

The Company, with the legal and trade name Oasmia Pharmaceutical AB (publ), was formed in accordance with Swedish law on 15 April 1988 and registered with the Swedish Companies Registration Office on 22 September 1988. The Company is a public limited company and conducts its operations in this legal form of business activity, which is regulated by the Swedish Companies Act (2005:551). Oasmia Pharmaceutical AB (publ) is the parent company of the Oasmia Group, which also includes wholly owned Swedish subsidiaries Qdoxx Pharma AB, Oasmia Incentive AB, Oasmia Pharmaceutical Asia Pacific Limited and Oasmia Pharmaceutical Incorporated. The parent company undertakes the executive and financial functions, handling issues concerning business development, strategy and production, as well as the direction of the subsidiaries. The parent company also owns and manages the Company's intellectual property rights.



MATERIAL AGREEMENTS

License and distribution agreement with Nippon Zenyaku Kogyo, Japan

Oasmia has entered into a license and distribution agreement with Nippon Zenyaku Kogyo, Japan. The agreement, which is dated 21 April 2010, grants Nippon Zenyaku Kogyo exclusive sales and distribution rights for the product Paccal Vet® in Japan. Furthermore, the agreement gives Nippon Zenyaku Kogyo right of first refusal for the distribution of all future veterinary products launched by Oasmia in Japan. The agreement's initial term runs until (i) ten years from the date of entering into the agreement, and (ii) certain of the Company's patent rights have expired, whichever occurs later. Under the agreement, Nippon Zenyaku Kogyo will launch Paccal Vet® in Japan and assume sole responsibility for sales and marketing costs. Nippon Zenyaku Kogyo is also responsible for the necessary clinical trials required in order to obtain marketing approval for Paccal Vet® in Japan.

Under the agreement, Nippon Zenyaku Kogyo shall purchase the product from Oasmia at a price corresponding to Oasmia's actual cost of production, supply, etc. Furthermore, Nippon Zenyaku Kogyo shall pay certain royalties on its sales. The agreement contains provisions on four milestone payments amounting in total to no more than EUR 3.25 million. Oasmia received the first milestone payment of EUR 0.55 million upon entering into the agreement. The other milestone payments that Nippon Zenyaku Kogyo has undertaken to pay are EUR 0.7 million when marketing approval has been granted in Japan and two payments of EUR 1.0 million each when annual net sales via Nippon Zenyaku Kogyo reach certain levels. Oasmia may be required to repay the first two milestone payments if marketing approval cannot be obtained or if the Company is found to be guilty of breach of contract that results in termination of the agreement or withdrawal of the product from the market. Oasmia may also be liable to compensate Nippon Zenyaku Kogyo for costs incurred in relation to obtaining marketing approval. The Company is also liable to Nippon Zenyaku Kogyo for ensuring that the product meets the agreed quality level, but Nippon Zenyaku Kogyo is solely responsible for all pharmacovigilance.

The agreement may be terminated by either party on several grounds, including if either party commits a material breach of the agreement or if either party becomes insolvent or files for bankruptcy. In the event that the agreement is terminated, regardless of which party terminates the agreement and the grounds for termination, any marketing approval obtained in Japan shall be transferred to Oasmia.

License and distribution agreement with Medison Pharma, Israel

Oasmia has entered into a licensing and distribution agreement with Medison Pharma, Israel. The agreement, which is dated 9 May 2011, grants Medison Pharma exclusive license and distribution rights for the product Paclical in Israel and Turkey. The agreement's initial terms runs until (i) ten years from the date of entering into the agreement, and (ii) certain of the Company's patent rights have expired, whichever occurs later. Under the agreement, Medison Pharma shall do its best to launch Paclical in Israel and Turkey within six months of the product obtaining market approval, and assume sole responsibility for sales and marketing costs. Under

the agreement, Oasmia is responsible for obtaining marketing approval in the respective countries, while Medison Pharma is responsible for obtaining the so-called "reimbursement approval".

Medison Pharma has agreed to purchase certain quantities of Paclical once all approvals have been obtained, and if these commitments are not followed, Oasmia has the right to terminate the license exclusivity. Medison Pharma shall pay a price that corresponds to Oasmia's actual cost of production, supply, etc. Furthermore, Medison Pharma will pay certain royalties on its sales. The agreement contains provisions on two milestone payments amounting in total to no more than EUR 0.4 million, of which Oasmia has already received EUR 0.2 million upon entering into the contract. The Company is further liable to Medison Pharma for, inter alia, ensuring that the product meets the agreed quality level, but Medison Pharma is solely responsible for all pharmacovigilance.

The agreement may be terminated by either party on several grounds, including if either party commits a material breach of the agreement or if either party becomes insolvent or files for bankruptcy. The Company has the right to terminate the agreement in the event that Medison Pharma fails to launch Paclical in Israel and Turkey within six months of the product receiving market approval.

Sales and distribution agreement with Hetero Group, Russia and CIS

Oasmia has entered into a exclusive marketing and distribution agreement with Hetero Group. The agreement was entered into in June 2017. The agreement grants Hetero Group exclusive sales rights for the product Paclical in Russia and CIS (including Ukraine, Georgia and Turkmenistan). The initial term of the agreement is five years. According to the agreement, Hetero Group is solely responsible for the costs of sales and marketing within the market area. The agreement also contains an option for Hetero Group that the products Doxophos and Docecal shall be encompassed by the agreement. Hetero Group is responsible for the costs of marketing approval and sales.

Hetero Group has agreed to purchase certain quantities of Paclical, and if these commitments are not followed Oasmia has the right to terminate the licence exclusivity. The agreement contains rights to milestone payments for Oasmia in the amount of maximum USD 300,000 and Oasmia also has the right to a certain share of the net profit from sales made under the agreement. The Company is also responsible for ensuring that the product meets the agreed quality level and pharmacovigilance.

The agreement may be terminated by either party on several grounds, including if either party commits a material breach of the agreement or if either party becomes insolvent or files for bankruptcy. In the event of the agreement being terminated, irrespective of the reason thereof and irrespective of which party terminates the agreement, marketing approvals obtained in any of the marketing areas shall be transferred to Oasmia.

Production agreement with Baxter

The Company has, since 2011, had a cooperation agreement with Baxter Oncology GmbH regarding contract manufacturing of Paclical and Paccal Vet®. The agreement was extended in 2014 to include future products. The initial term of the agreements is five years, with automatic extension of one year if not terminated.

The agreement may be terminated by either party on several grounds, including if either party commits a material breach of the agreement or if either party becomes insolvent or files for bankruptcy. The Company is also entitled to terminate the agreement if Baxter cannot adequately scale up its production process.

Overdraft facility with Nordea

Oasmia has an overdraft facility at Nordea with a credit limit of SEK 5.0 million. The credit facility will be in place until December 2017 and automatically extended by twelve months at a time, unless otherwise communicated. In conjunction with this, Oasmia also signed a pledge agreement with Nordea. The pledge agreement relates to floating charges in Oasmia with associated floating charge deeds amounting to SEK 8.0 million, and constitutes collateral for the overdraft facility and the limit for currency derivatives under the agreement with Nordea.

Credit facility from Alceco International S.A.

Principal owner Alceco International S.A. has issued a credit facility of SEK 40 million to Oasmia. The term of the credit facility is up to and including 31 December 2017 with automatic extension of twelve months at a time unless terminated by either party no later than three months before the end of the agreement term. The interest rate on utilised credit is 5 per cent. As of the date of this Prospectus, this credit facility was unutilised. The credit facility was last renewed on 31 December 2016.

Loan from Nexttobe AB

Until 30 December 2016, Oasmia had a loan of SEK 94,395,000 from Nexttobe AB. This loan, including accrued interest of SEK 8,024,000, was then replaced by a new loan of SEK 102,419,000, which has an interest rate of 3.5 per cent and falls due for payment on 30 September 2017

Agreement with Syntagon

The company entered into a non-exclusive commercial manufacturing and delivery agreement with Syntagon AB ("Syntagon") in August 2013 ("Syntagon Agreement"). The Syntagon Agreement stipulates that Syntagon will conduct process development and production for technical batches of XR17. Manufacturing will be carried out with special process adaptations due to increased scope/up-scaling. Syntagon may not outsource any activities that they perform in accordance with the Syntagon Agreement to anyone other than Oasmia without Oasmia's written consent. Under the Syntagon Agreement, Syntagon shall indemnify Oasmia for all costs that Oasmia may incur due to defective products or other breach of contract.

The original agreement term for the Syntagon Agreement is until 31 December 2018, with automatic renewal for one year at a time. The agreement with Syntagon may be terminated by either party if the other party commits a material breach of contract, and not rectifies such breach, or becomes insolvent.

Acquisition of KB9520 from Karo Pharma

In November 2016, the Company acquired the substance KB9520 from Karo Pharma for SEK 25 million. The purchase price was paid with 3,080,000 newly issued shares at a price of approximately SEK 8.12 per share. According to the acquisition agreement, in addition to the purchase price, the Company shall pay a future royalty payment of 20 per cent of all of Oasmia's future revenue generated from the product.

Other agreements

Oasmia has entered into agreements that are part of continuing operations with various clinics for clinical trials of the Company's drug candidates and customary commercial agreements of a standard nature with suppliers and partners. However, no agreement other than the licensing and distribution agreements, the credit facility from Alceco International S.A. and the loan agreement with Nexttobe AB, is of such significance to the Company that it could not be replaced by an agreement with equivalent content with another party.

INTELLECTUAL PROPERTY RIGHTS

Oasmia's product portfolio consists of the drug product Paccal Vet® and the drug product candidates Paclical, Doxophos, Docecal and Doxophos Vet. These drug candidates are all based on the Company's excipient model developed with nanotechnology and protected by patents in all countries that the Company considers to be important. As per 30 April 2017, globally the Company owned 138 approved patents and had 25 patent applications pending. The Company owns approved patents based on 14 different patent families. A patent family is a collection of patents and patent applications, regional and national, which cover an invention or a group of related inventions.

See below for information regarding the patent families currently used in the Company's product and product candidates.

Patent families	Products to which the patent family applies	Status (US)	Status (EU)	Status (Japan)	Status (Israel)	Status (Eurasia)	Period of validity
Compositions containing Taxol	Paccal Vet®, Paclical,	Approved	Approved	Approved	-	-	2022
Anticancer composition	Paccal Vet®, Paclical, Docecal Doxophos	Approved	Approved	-	-	-	2022
Water-insoluble	Paccal Vet®, Paclical, Docecal	Ongoing	Ongoing	Approved	-	Approved	2028
Water-soluble	Doxophos Vet, Doxophos	Approved	Ongoing	Approved	-	Approved	2028
Tax-Dox-Mix	OAS-19	Approved	Ongoing	Approved	-	Approved	2028

The Company's strategy for intellectual property rights is intended to protect the Company's core technologies and the application of these. The Company's protection for intellectual property rights is

continually monitored and currently considered to be satisfactory. The Company is to a great extent dependent on its patents. See also section "Legal and supplementary information – Transactions with associated" below.

The duration of the individual patents depends on the countries in which they are obtained. In most countries in which the Company has filed for a patent, the term of the patent is 20 years from the application.

To protect its patent, the Company may need to litigate against infringing third parties, avail itself of the courts or participate in hearings to determine the scope and validity of these patents (or associated rights). See also section "Risk factors – Intellectual property rights".

The Company requires its employees, consultants, external scientific partners, researchers and other advisers to enter into confidentiality agreements in connection with starting employment or consultancy assignments or the starting of the relationship. The Company also relies on trademarks, trade secrets, know-how and continued innovation to reinforce the Company's competitive position. The Company also has a number of domain names registered, including oasmia.se and oasmia.com.

REGULATORY APPROVAL

Oasmia's area of business is subject to significant public control. The development of drugs is subject to extensive control and government agencies all over the world ensure compliance with applicable laws governing the development, production and sale of pharmaceuticals, while also reviewing the quality, safety and efficacy of the pharmaceuticals.

License to manufacture pharmaceuticals

The Company's manufacturing unit in Uppsala was during the spring of 2014 approved by the Swedish Medical Products Agency for the manufacture of cytostatic. The approval pertains to the manufacturing of human health pharmaceuticals for sales within the EU. The production facility in Uppsala has also been inspected by the FDA for the manufacture of Paccal Vet[®] with a satisfactory result.

Oasmia also holds a license from the Swedish Medical Products Board for the manufacture of Paccal Vet[®].

License to manufacture study drugs

Oasmia also holds a license from the Swedish Medicinal Products Agency to manufacture study drugs in Sweden. The licenses are renewed on a regular basis through regular inspections.

Other licenses

Other licenses concern the handling of flammable goods and the purchase of denatured alcohol, among other things.

Application for and marketing authorisation of pharmaceutical products

Oasmia's drug candidates are at various stages in their development; from planning of clinical phase I studies to concluded and reported clinical phase III studies. Oasmia has applied for marketing authorisation for certain product candidates; see also section "Market – the Company's products and product candidates" above.

The registration of a pharmaceutical on the market requires marketing authorisation from the relevant medical products agencies in the countries where market registration is being applied for. The documentation reviewed by relevant authorities relates to the pharmaceutical's quality, efficacy and safety. It is important to ensure that all information filed in support of an application for marketing authorisation meets the applicable national and international requirements. In the EU, there are four different procedures for applying for approval to sell a new pharmaceutical. The main procedure is mandatory for pharmaceuticals whose therapeutic indication is the treatment of cancer, among other things. In the main procedure, the application is sent directly to the European Medicines Agency (EMA). An approval for the main procedure covers all EU member states. In the US, there are also different procedures for obtaining approval to sell a new pharmaceutical. An application is submitted to the US drug administration, the FDA. An FDA approval covers the US market.

SUBSCRIPTION AND GUARANTEE COMMITMENTS

Subscription commitments and guarantee commitments have been provided equivalent to 100 percent of the Rights Issue. The shareholder Granitplattan AB, who hold around 2.7% of the share capital in the Company, have undertaken to take up its preferential subscription rights in the Rights Issue and thus subscribe for new shares pro rata to its shareholdings in the Company. No compensation will be paid for subscription commitments.

A guarantee consortium consisting of the following guarantors has undertaken to subscribe for shares for a total amount of SEK 164 million in the Rights Issue.

Granitplattan AB
Oliver Molse

Tedde Jeansson
Fårö Capital AB

Modelio Equity AB (publ)
Johan Thorell

MW Asset Management AB
Wilhelm Risberg
Per Vasilis

Fredrik Lundgren
John Fällström
Qualcon AB

Lusam Invest AB
Maida Vale Capital AB
Varsity Capital Group AB

Compensation to the guarantee consortium, shall, in accordance with the guarantee agreement, be paid in cash with an amount of 8% of the guaranteed amount. The subscription and guarantee commitments were concluded on 11 June 2017. In respect of the subscription and guarantee commitments provided, the shareholder who entered into subscriptions and guarantee commitments and the participants in the guarantee consortium can be contacted through the Company's adviser, Remium Nordic AB, at the address: Humlegårdsgatan 20, 114 46 Stockholm, tel: 08-454 32 00.

The above subscription and guarantee commitments are not guaranteed. See also section "Risk Factors – The issue is not guaranteed" above.

PROPERTIES AND LEASES

Oasmia owns no property. All leases relating to the Company's existing premises at Vallongatan 1, Uppsala have a lease period until 31 March 2019 (and for one floor until 31 March 2018). The Company also has premises in Fyrislund with a lease period until 31 January 2021 and 31 December 2023 respectively.

LEGAL PROCEEDINGS AND ARBITRATION

Oasmia is not and has not been involved in any legal or arbitration proceedings during the last twelve months which have had, or are likely to have, a significant effect on Oasmia's financial position or profitability, with the exception of an ongoing legal dispute with BWT Pharma AB & Biotec AB ("BWT"). Oasmia, together with its insurance company, has started a dispute resolution process against BWT due to a defective product. Oasmia has sued BWT for SEK 9.5 million. The legal proceedings have begun and the main proceedings will take place in November 2017.

Oasmia is also unaware of any claims that may result in the Company being party to such a process or proceedings, with the exception of an action from Irth Communication LLC ("Irth"), primarily for breach of contract. The claim from Irth has been fully contested by Oasmia. The suit includes a claim for damages of USD 79,817.29 plus interest, as well as compensation for legal and court expenses and some additional compensation. Oasmia has also received a claim from one of its suppliers that the Company has disputed in its entirety. It is too early to evaluate a likely outcome or an estimate of potential loss resulting from the claim.

TRANSACTIONS WITH RELATED PARTIES

Oasmia applies IAS 24 Related Party Disclosures; see also note 6 on page 21 in the year-end report for the period May 2016 to April 2017.

Alceco International S.A. has issued a credit facility for SEK 40 million to Oasmia. Alceco International S.A. is the Company's largest shareholder. The interest rate on utilisation is 5 per cent. This loan facility is completely un-utilised as of 30 April 2017.

Until 30 December 2016, Oasmia had a loan of SEK 94,395,000 from Nexttobe AB. This loan, including accrued interest of SEK 8,024,000, was then replaced by a new loan of SEK 102,419,000 with an interest rate of 3.5 per cent that falls due for payment of 30 September 2017. The loan is recognised at amortised cost, and its fair value based on an estimated market interest rate of 10 per cent is recognised in the Company's financial statements, which means that the loan is reported as amounting to SEK 100,616,000. Until 31 October 2016, Nexttobe AB was Oasmia's second biggest shareholder, with a holding of 18.3 per cent. However, this holding was sold on 1 November 2016, which means that the relationship with Nexttobe AB is no longer a close relationship.

During the third quarter, subscription warrants were issued for an amount of SEK 3,330,000. However, through a formal error, these options were found to be invalid and have therefore been cancelled. Of the amount paid in, SEK 278,000 has been repaid and the remaining SEK 3,052,000 is reported as debt on 30 April 2017.

Ardenia Investment Ltd., which is controlled equally by Oasmia's founders, Bo Cederstrand and Julian Aleksov, is registered as the applicant and the owner, respectively, of the patents that form the basis of Oasmia's operations. Through an agreement between Ardenia and Oasmia, the rights to these patents have been transferred to Oasmia. During the year, Ardenia has re-invoiced to Oasmia management costs for these patents amounting to SEK 1,371,000 (SEK 2,233,000).

During the period, no significant transactions with related parties have been made other than the remuneration of board members and employees.

CONSULTANTS

Remium will assist in the Rights Issue as a financial advisor according to the principle of "best possible execution". As financial adviser, Remium has financial interests in Oasmia in the form of the remuneration Remium may receive for implementation of the Rights Issue. Remium conducts securities business operations,

which include transactions on its own and on customers' behalf in securities and other financial instruments. In the securities business operations, Remium may trade in or take positions in securities directly or indirectly linked to the Company. For the Rights Issue, Aktieinvest will assist as an issuer agent. As an issuer agent, Aktieinvest has financial interests in Oasmia in the form of the remuneration Aktieinvest may receive for implementation of the Rights Issue. Aktieinvest conducts securities business operations, which include transactions on its own and on customers' behalf in securities and other financial instruments. In the securities business operations, Aktieinvest may trade in or take positions in securities directly or indirectly linked to the Company.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may, for the period of validity of the Prospectus, be reviewed during office hours at the Company's head office at Vallongatan 1, SE-752 28 Uppsala:

- Articles of association of the Company,
- Audited annual report, including auditor's report, for the financial year 2014/2015, pages 16–56,
- Audited annual report, including auditor's report, for the financial year 2015/2016, pages 17-59,
- Year-end report for the period 1 May 2016 – 30 April 2017,
- Audited annual reports for the Company's subsidiaries (insofar as they exist) for the financial years 2014/2015 and 2015/2016, including auditor's reports, and
- This Prospectus.

The documents above are available on the Company's website, www.oasmia.com.

Articles of Association

Oasmia Pharmaceutical AB

1. Name

The Company name is Oasmia Pharmaceutical AB. The Company is a public company (publ).

2. Registered office

The Company's registered office is situated in Stockholm Municipality.

3. Operations

The aim of the Company's operations is to develop, manufacture, research, market and sell pharmaceuticals, human and veterinary, and operations compatible therewith.

4. Share capital and number of shares

The share capital shall be not less than SEK 8,500,000 and not more than SEK 20,000,000. The number of shares shall be not less than 85,500,000 and not more than 200,000,000.

5. Type of share

The shares shall be issued in one series, denoted series A.

6. Board of Directors

The Board of Directors shall consist of at least three and no more than eight members with no more than three deputy members.

7. Auditors

For auditing of the Company's annual report and financial statements, as well as the Board's and CEO's management, one or two auditors with no more than two deputies or one or two registered auditing companies shall be appointed.

8. Notice to attend shareholders' meeting

Notice to attend the shareholders' meeting shall be published in Post- och Inrikes Tidningar (the government newspaper and gazette of Sweden) and on the Company's website. Dagens Nyheter (Swedish daily newspaper) will report that notice to attend the shareholders' meeting has been given.

Shareholders who wish to participate in the negotiations at the shareholders' meeting must be noted in printouts of the entire share register concerning the circumstances five business days before the meeting and must notify the Company no later than on the date stated in the notice to attend the meetings, specifying the number of representatives attending.

9. Shareholders' meeting

The shareholders' meeting will be held in either Uppsala or Stockholm Municipality. The following matters shall be discussed at the annual general meeting.

1. Election of chairman for the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons who shall, in addition to the chairman, approve the minutes of the meeting.
5. Determination of whether the meeting has been duly convened.
6. Presentation of the annual report and the auditor's report and, if applicable, the consolidated financial statements and the auditor's report on the consolidated financial statements.
7. Resolutions
 - a. regarding the adoption of the income statement and the balance sheet, and when applicable, the consolidated income statement and the consolidated balance sheet.
 - b. resolution regarding allocation of the Company's profit or loss in accordance with the adopted balance sheet.
 - c. regarding discharge of the Board of Directors and CEO from liability.
8. Determination of the number of board members and deputy board members, and the number of auditors and deputy auditors.
9. Determination of fees for the Board of Directors and, where applicable, the auditors.
10. Election of the Board of Directors and, where applicable, auditors and deputy auditors.
11. Other matters set out in the Swedish Companies Act (2005:551) or in the Company's Articles of Association. The chairman of the board or a person appointed by the Board of Directors shall open the shareholders' meeting and lead the negotiations until a chairman has been elected.

10. Financial year

The financial year shall be 1 May to 30 April.

11. Record day provision

The Company's shares shall be registered in a share register pursuant to the Swedish Financial Instruments Accounts Act (1998:1479).

Adopted at the shareholders' meeting on 28 September 2015

Tax issues in Sweden

The following is a summary of certain Swedish tax issues which in connection with the Rights Issue apply to individuals and limited liability companies who are fully liable to pay tax in Sweden (unless otherwise stated) and who are holders of shares and subscription rights in Oasmia Pharmaceutical AB. The summary is based on current Swedish tax legislation and is only intended to provide general information regarding the shares and subscription rights for the time that the shares and/or subscription rights are traded on Nasdaq Stockholm. The summary does not address:

- Situations where securities are held as inventory in a business
- Situations where securities are held by a limited partnership or a trading company
- Situations in which securities are held in an investment savings account
- The special rules on tax-free capital gains (including the prohibition on deductions of capital losses) and dividends in the corporate sector that may apply if the investor holds shares or subscription rights in Oasmia which for tax purposes are considered to be business-related.
- The special rules that in some cases may apply to shares or subscription rights in companies that are or have been close companies, or to shares that have been obtained by virtue of such shares, or
- Foreign companies operating from a permanent establishment in Sweden.

Special tax rules also apply to certain categories of companies. The tax situation for each holder of securities depends partly on individual circumstances.

Each shareholder and holder of subscription rights should therefore consult an independent tax adviser regarding the specific tax consequences that may arise as a result of the Rights Issue, including the applicability of the effect of foreign tax rules and tax treaties.

The summary below is based on the assumption that the shares and subscription rights in Oasmia Pharmaceutical AB are deemed as listed for tax purposes during the period when the shares and/or subscription rights are traded on Nasdaq Stockholm, Frankfurt Stock Exchange and Nasdaq Capital Market (should the shares and subscription rights not be considered as listed for tax purposes, they will be subject to other tax rules than those described below). However, Oasmia Pharmaceutical AB does not guarantee that the shares and/or subscription rights will be deemed as listed for tax purposes.

GENERAL INFORMATION ON TAX ISSUES

Individuals

For individuals who are fully liable to pay tax in Sweden, income such as interest, dividends and capital gains are considered to be capital income for tax purposes. The rules on capital gains taxation will also normally apply to payment from a Swedish limited liability company in connection with the redemption of the Company's shares and repurchase of own shares, as well as in the event of liquidation of the Company. The tax rate on capital income is 30 per cent.

A capital gain or loss is calculated as the difference between the sales proceeds after deducting sales costs and the cost basis. The cost basis for all shares of the same class and type is aggregated and calculated jointly by applying the average cost method. BTAs are not considered to be of the same type as the existing shares in Oasmia Pharmaceutical AB until the resolution regarding the Rights Issue has been registered with the Swedish Companies Registration Office. Alternatively, in the case of the sale of listed shares, the standardised method may be used. This method means that the cost basis may be defined as 20 per cent of the sales proceeds received after deduction of sales costs.

Capital losses on listed shares and other listed part ownership rights (e.g. subscription rights and BTAs) can be fully offset against taxable capital gains arising in the same year due to the sale of shares and listed part ownership right (with the exception of shares in Swedish investment funds holding only Swedish receivables, so-called fixed income funds). For capital loss not deducted by the aforementioned offsetting option, the deduction of income-based capital is permitted with 70 per cent of the loss. In the event of an income-based capital loss, a tax reduction will be granted for municipal and public tax as well as property tax and municipal property tax. The tax reduction is granted with 30 per cent of the part of the loss that does not exceed SEK 100,000 and 21 per cent of the remaining loss. The loss cannot be carried forward to future income years. For individuals who are fully liable to pay tax in Sweden, preliminary tax of 30 per cent shall be withheld for any dividends received. The preliminary tax is normally withheld by Euroclear or, for nominee-registered shares, by the nominee.

Limited liability companies

For limited liability companies, all income including taxable capitals gains and dividends is taxed as business income with a tax rate of 22 per cent. Capital gains and losses are calculated in the same manner as for individuals as described above.

Deductions for deductible capital losses on shares and other part ownership rights are only permitted for taxable capital gains on shares and other part ownership rights. If a capital loss cannot be deducted by the company incurring the loss, it can be deducted from taxable capital gains on shares and other part ownership rights in another company in the same group if there are group contribution rights between the companies and both companies request this for a tax year that has the same declaration date or that would have had the same date if one of the companies had not ceased to be liable to keep accounts. A capital loss on shares or other part ownership rights that could not be utilised in a certain year should be saved (by the limited liability company that incurred the loss) and deducted from taxable capital gains on shares and other part ownership rights during subsequent tax years without any limitation in time.

Exercising subscription rights

If a shareholder in Oasmia Pharmaceutical AB exercises its subscription rights to acquire new shares, this shall not trigger taxation of the shareholder.

Selling subscription rights

Shareholders who do not wish to exercise their preferential right to participate in the Rights Issue may sell their subscription rights. This will give rise to a taxable capital gain calculation. Subscription rights granted on the basis of a shareholding in Oasmia Pharmaceutical AB are deemed to have been acquired for SEK 0. The standardised method for assessing the cost basis cannot be used in this case.

All sales proceeds after the deduction of sales costs shall thus be taxable. The cost basis for the original shares is not affected. A subscription right that is neither exercised nor sold and therefore expires is deemed to have been disposed of for SEK 0, and there is therefore no capital gain or loss.

Acquired subscription rights

For those who purchase or in a similar manner acquire subscription rights in Oasmia Pharmaceutical AB, what is paid for these constitutes the cost basis. The exercising of acquired subscription rights shall not trigger taxation. The cost basis for the subscription rights along with the issue price shall constitute the cost basis for the shares. If the subscription rights are sold instead, the shareholder shall become subject to capital gains tax. The cost basis for subscription rights is calculated using the average method. The standardised method may be used for listed subscription rights acquired as described above. A subscription right that is neither exercised nor sold and therefore expires is deemed to have been disposed of for SEK 0.

Shareholders and subscription rights holders with limited tax liability in Sweden

For shareholders who are fully liable to pay tax in Sweden and who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally levied. The same applies to payments by a Swedish limited liability company in connection with, among other things, the redemption of shares, the repurchase of shares through an offer to all shareholders or all holders of shares of a certain type, and the liquidation of the company. The tax rate is 30 per cent. The withholding tax rate is however generally reduced through tax treaties. In Sweden, withholding tax is normally deducted at source by Euroclear or, for nominee-registered shares, by the nominee.

In cases where tax is withheld at the source for shareholders not liable to pay tax or where tax is withheld at the source in a higher amount than what is to be paid pursuant to tax treaties, a written request for repayments may be sent to the Swedish Tax Agency before the end of the fifth calendar year after the dividend is paid.

Shareholders and holders of subscription rights who are fully liable to pay tax in Sweden and who do not operate from a permanent establishment in Sweden are normally not liable to pay tax in Sweden on capital gains deriving from the sale of shares or subscription rights. Shareholders and holders of subscription rights may however be liable to pay tax in their country of residence.

According to a special rule, individuals who are partly liable to pay tax in Sweden may however be liable to pay capital gains tax in Sweden on the sale of shares or subscription rights in Oasmia Pharmaceutical AB if they at some point during the calendar year in which the sale took place or during the preceding ten calendar years have been resident in Sweden or have been considered a permanent resident. The applicability of this rule is however in many cases limited by tax treaties.

INFORMATION ON WITHHOLDING TAX IN GERMANY AND THE USA

Given that the new shares will be listed on the Frankfurt Stock Exchange and Nasdaq Capital Market, the status of withholding tax in Germany or the USA is specified below.

The Company withholds no tax at the source in Germany or the USA. For other issues, see what is stated above in the section "Tax issues in Sweden – General information on tax issues".

Abbreviations, explanations, definitions and glossary

API refers to active pharmaceutical ingredients in a pharmaceutical

Aktieinvest refers to Aktieinvest FK AB, corporate ID number 556072-2596, which acts as issuing agent in connection with the Rights Issue

BTA refers to paid subscription shares

CRO refers to contract research organisations

EMA refers to the European Medicines Agency

EPO refers to the European Patent Office

EUR refers to euros

Euroclear refers to Euroclear Sweden AB, 556112-8074, PO Box 191, SE-101 23 Stockholm

FDA refers to the US Food and Drug Administration

Rights Issue refers to the invitation to subscribe for shares in the Issue of not more than 9,785,814 shares with preferential rights for existing shareholders in Oasmia

GMP refers to the applicable international Good Manufacturing Practice

IND refers to Investigational New Drug

The Code refers to the Swedish Corporate Governance Code

The Group refers to the group in which Oasmia Pharmaceutical AB (publ) is the parent company

NADA refers to New Animal Drug Application

NDA refers to New Drug Application

MUMS refers to Minor Uses/Minor Species and is the FDA's designation of pharmaceutical candidates for unusual diseases or rare species in order to incite the development of these.

Oasmia or the **Company**, depending on the context, refers to Oasmia Pharmaceutical AB (publ), corporate identity number 556332-6676, Vallongatan 1, 752 28 Uppsala, or the group in which Oasmia Pharmaceutical AB (publ) is the parent company or one or more subsidiaries in the group

CIS refers to the Commonwealth of Independent States

PTO refers to the United States Patent and Trademark Office

REMIUM refers to Remium Nordic AB, corporate ID number 556101-9174, which acts as financial adviser to the Company in connection with the Rights Issue

REMS refers to certain labelling, such as warnings and contraindications or limits in the indications for use, or restrictions in distribution in the form of risk assessment and risk mitigation, which may be required by regulatory authorities in conjunction with approval

SEK refers to Swedish kronor

USD refers to American dollars

Addresses

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08 454 32 00
www.remium.com

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