

Oasmia announces global settlement of all disputes with MGC Capital, former Board Members of Oasmia and members of former management

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Solna, Sweden, September / October 21, 2021 – Oasmia Pharmaceutical AB, an oncology-focused specialty pharmaceutical company, today announces that it has reached agreements settling:

- i. all claims for compensation from MGC Capital Ltd (“MGC”)
- ii. all claims against former Board Members of Oasmia (the “former Board Members”)
- iii. all claims from members of former management: Jouljan Aleksov and Anders Blom, and
- iv. the challenge proceedings concerning an arbitral award launched by Ardenia Investments Ltd (“Ardenia”).

On the MGC disputes, the claims between MGC and Oasmia (et vv) relates to Oasmia needing to refinance a loan given by former shareholder Nexttobe AB (“Nexttobe”). To that purpose, in 2017, agreements were made by Oasmia with MGC on the one hand and Arwidsro Investment AB and Per Arwidsson on the other (jointly referred to as “Arwidsro”) to secure refinancing. As part of the refinancing package Oasmia issued warrants to MGC and Arwidsro in 2018.

On 19 March 2019, Oasmia’s shareholders’ meeting decided to remove the former Board Members following an ownership dispute between certain shareholders of Oasmia. The dispute became public *inter alia* through court injunctions and other legal actions between Arwidsro and MGC.

MGC has presented a claim for compensation after not being allowed to subscribe for shares by means of 23.2 million warrants on Oasmia. Oasmia did not accept MGC as entitled to subscribe for those shares.

Based on Oasmia not permitting subscription of shares, MGC presented a claim for damages against Oasmia in the amount of approximately MSEK 230 (the “MGC Warrant Claim”) on two occasions. In February 2020, a summons application was dismissed by Stockholm District Court due to an arbitration agreement set out in the relevant agreement between MGC and Oasmia. In September 2020, MGC commenced arbitral proceedings in relation to the MGC Warrant Claim against Oasmia via the Arbitration Institute of the Stockholm Chamber of Commerce (the “SCC”). The SCC dismissed the arbitral proceedings in December 2020. Since then, no further attempts have been made by MGC to advance the MGC Warrant Claim, but it had not been settled through a final judgment and was thus potentially open for MGC to pursue.

Also, there were claims between Oasmia and MGC et vv in respect of the loan from Nexttobe to Oasmia and the subsequent re-payment measures. MGC claimed an amount of approximately MSEK 80 relating to the Nexttobe loan and Oasmia presented a counter-claim against MGC in the

amount of approximately MSEK 57 relating to the Nexttobe loan. There are two ongoing disputes at Stockholm District Court (cases no T 9563-19 and T 12532-19) between MGC and Oasmia, both originating from the Nexttobe loan and the subsequent actions between Oasmia, MGC and Arwidsro.

On the dispute with the former Board Members, the legal action initiated by Oasmia related to the former Board Members' alleged handling of amongst others the MGC and Arwidsro warrants. Oasmia's claim against the former Board Members was in part not yet quantified.

On the disputes with the former members of management, Anders Blom and Jouljan Aleksov, the disputes concern Jouljan Aleksov's and Anders Blom's respective employments with Oasmia being terminated without notice. Both Aleksov and Blom initiated legal proceedings alleging unlawful termination claiming damages, Stockholm District Court's cases no T 15819-19 and T 164-20.

The Ardenia disputes relates to IP rights and dispositions between Oasmia and Ardenia which resulted in an arbitral award with Oasmia being successful in its claims in 2021. Ardenia then initiated challenge proceedings at Svea Court of Appeal, case no T 3635-21, requesting the award to be set aside. Following the award, Oasmia initiated proceedings in Gibraltar for the enforcement of the award.

On the Settlement, Oasmia entered into several settlement agreements constituting a global settlement deal package covering the disputes set out above, on 21 October 2021. The decision to enter into each settlement agreement was made after a thorough case assessment analysis as well as an analysis of the package deal. The full and final global settlement, includes payments from and to Oasmia, and results in a net payment from Oasmia in the amount of MSEK 24.5, whereby all involved parties have been fully discharged.

On the effects for Oasmia

Oasmia has a debt to MGC amounting to MSEK 80 (plus accrued interest) as well as a receivable of MSEK 40 (plus accrued interest) reported in the balance sheet (under the heading "Other borrowings") in the Interim report for the period January 1, 2021 – June 30, 2021, which will be nullified with the full and final settlement also leading to a positive earnings effect which will be reported in the income statement.

With the full and final settlement, Oasmia will, in summary, have a total positive earnings effect of MSEK 32.5 and a negative cashflow effect of MSEK 24.5.

The effects on earnings and cash flow are of a non-recurring nature and will impact the Interim report for the fourth quarter of 2021.

Anders Härfstrand, Chairman of the Board of Oasmia, commented: "We are pleased to have resolved these historic disputes arising from the period before the governance of the current board of directors. The new Board and management of Oasmia have spent a significant amount of time and effort since March 2020 on resolving these complex legal issues. With the settlement agreements in place, our focus is now firmly on delivering our strategy of building a sustainable global oncology business by expanding our portfolio, driving success in our pipeline and positioning Oasmia as a partner of choice for innovation to meet the needs of hard to treat cancer patients."

For More Information:

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About Oasmia Pharmaceutical AB

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

This information is information that Oasmia Pharmaceutical is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-10-21 09:04 CEST.

Attachments

[Oasmia announces global settlement of all disputes with MGC Capital, former Board Members of Oasmia and members of former management](#)