



Ad hoc announcement pursuant to Art. 53 LR

## **Basilea announces acquisition of rights for oncology asset BAL0891 by SillaJen and updates financial guidance**

- **Upfront and near-term milestone payments of USD 14 million**
- **Additional milestone payments of approximately USD 320 million and tiered royalties on net sales**
- **Second oncology transaction as part of strategic refocusing on anti-infectives**
- **Full-year 2022 revenue guidance increased, resulting in improved expected operating result and operating cash flow**

**Basel/Allschwil, Switzerland, September 20, 2022**

Basilea Pharmaceutica Ltd. (SIX: BSLN), a commercial-stage biopharmaceutical company committed to meeting the needs of patients with severe bacterial and fungal infections, announced today that it has entered into an asset purchase agreement and a sub-license agreement with SillaJen, Inc. for Basilea's novel kinase inhibitor, BAL0891, a potential first-in-class mitotic checkpoint inhibitor, that drives aberrant tumor cell division leading to tumor cell death.

Basilea in-licensed BAL0891 in 2018 from the Dutch precision medicine company NTRC. Under the asset purchase agreement Basilea is selling its intellectual property rights generated under the license and collaboration agreement with NTRC. In addition, Basilea is sub-licensing its rights and obligations under the license and collaboration agreement with NTRC to SillaJen.

Adesh Kaul, Chief Financial Officer of Basilea, said: "We are pleased to have found in SillaJen an experienced oncology partner for the further development of BAL0891. This transaction marks an important step on our path to be a focused anti-infectives company. We are proud to have advanced BAL0891 through preclinical development to the start of clinical studies. The unique inhibition profile of BAL0891, targeting both TTK and PLK1 kinases, differentiates the compound and offers the potential for development in multiple cancers. Through the structure of the transaction we continue to participate in the long-term value creation potential of this promising program."

Jaegyeong Kim, MD, CEO at SillaJen, Inc. stated: "We are excited to acquire the rights to BAL0891. This agreement for a first-in-class anti-cancer drug, demonstrates our commitment to enhance lives of patients suffering from advanced solid tumors. In addition to our leading pipeline of Pexa-Vec, and the next generation SJ-600 series of oncolytic virus modalities, we are committed to advance and further develop medicines that will address the greatest unmet needs in cancer treatment. We hope to successfully deliver these products and help alleviate the burden of cancer patients worldwide."



Under the terms of the agreement, Basilea will receive upfront and near-term milestone payments of USD 14 million. Basilea is also eligible to receive further payments of up to approximately USD 320 million upon the achievement of predefined development, regulatory and sales milestones and tiered royalties on net sales starting in the single digit range going up to double-digits. Basilea remains responsible for making milestone and royalty payments to NTRC according to the license and collaboration agreement with NTRC.

In February this year Basilea announced its intention to focus on becoming a leading anti-infectives company and therefore to separate its oncology assets. Basilea has already made significant progress in the implementation of the new strategy and expects no material expenses related to oncology activities beyond 2022. Basilea is on track to achieve sustainable profitability from 2023.

Basilea updates its full-year 2022 financial guidance. It expects higher total revenues of CHF 116 to 122 million (previously CHF 106 to 112 million), an improved operating result of CHF -10 to -15 million (previously CHF -20 to -25 million) and improved cash flow from operating activities of CHF 0 to -5 million (previously CHF -10 to -15 million).

#### **About SillaJen, Inc.**

SillaJen, Inc. (KOSDAQ:215600) is one of the leading biotech companies in the development of oncolytic vaccinia immunotherapy. It is headquartered in Seoul, South Korea, with research center and satellite offices in Busan, South Korea and San Francisco, CA. SillaJen, Inc. is conducting Phase 2 trials for the treatment of renal cell carcinoma with the company's lead pipeline, Pexa-Vec. The company is also developing intravenous injectable oncolytic vaccinia virus pipelines (SJ-600 series) to be more applicable and efficacious against various tumors. Additional information about SillaJen, Inc. is available at [www.sillajen.com](http://www.sillajen.com).

#### **About BAL0891**

BAL0891 is a first-in-class mitotic checkpoint inhibitor that pushes cells through mitosis without adequate time for correct chromosome segregation. This results in aberrant tumor cell division leading to tumor cell death. The compound is a unique dual inhibitor of threonine tyrosine kinase (TTK) and polo-like kinase 1 (PLK1). Both kinases collaborate in activating the mitotic spindle assembly checkpoint (SAC), a cell division mechanism regulating correct chromosome alignment and segregation. The dual action of BAL0891 leads to a rapid disruption of the SAC driving cells through mitosis before the chromosomes are properly aligned, leading to premature cell division and tumor cell death. BAL0891 has shown anti-proliferative activity across diverse tumor cell lines in vitro and single agent efficacy in in-vivo models of solid human cancers. BAL0891 was in-licensed from NTRC in 2018.



## About Basilea

Basilea is a commercial-stage biopharmaceutical company founded in 2000 and headquartered in Switzerland. We are committed to discovering, developing and commercializing innovative drugs to meet the needs of patients with severe bacterial and fungal infections. We have successfully launched two hospital brands, Cresemba for the treatment of invasive fungal infections and Zevtera for the treatment of bacterial infections. In addition, we have several preclinical anti-infective assets in our portfolio. Basilea is listed on the SIX Swiss Exchange (SIX: BSLN). Please visit [basilea.com](http://basilea.com).

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