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Press release

Basilea successfully places CHF 125 million senior convertible bonds

Basel, Switzerland, June 24, 2020

Basilea Pharmaceutica Ltd. (SIX: BSLN, the "Issuer") successfully completed the offering of CHF125 million senior unsecured convertible bonds due 2027 (the "Bonds"), fully exercising an increase option of CHF25 million. Such provisional allocation of the increase option remains subject to a pro-rata reduction, subject to the final amount of Outstanding Bonds tendered in the Tender Offer. The offering attracted meaningful demand from domestic and international investors.

With the envisaged issuance of the Bonds, Basilea aims to extend its debt maturity profile and to optimize its debt structure, targeting part of the outstanding senior unsecured convertible bonds due 2022 issued by the Issuer (the "Outstanding Convertible Bonds").

The proceeds from the offering will be used to finance a planned tender offer for the Outstanding Convertible Bonds and for general corporate purposes. In accordance with the Articles of Association, the aggregate principal amount of the Outstanding Convertible Bond and the Bonds will not exceed CHF 250 million upon completion of the transaction.

On the back of the successful pricing and provisional allocation today, Basilea plans to invite all eligible holders of its outstanding senior unsecured convertible bonds due 2022 to tender their Outstanding Convertible Bonds for cash during the tender offer period (the "Tender Offer"). The publication of the Tender Offer notice is planned tomorrow, June 25, 2020 and the tender offer period is expected to commence on July 10, 2020 and expire July 16, 2020 at 4pm CEST. This Press Release is not an offer for the repurchase of the Outstanding Convertible Bonds, but only discloses the most important terms of the planned Tender Offer.

The Bonds will have a maturity of seven years and will be convertible into shares sourced from existing conditional capital and existing treasury shares (the "Shares"). Holders of the Bonds will be entitled to request an early redemption of their Bonds on the fifth anniversary of their issue, at 100% of the principal amount. The Bonds will carry a coupon of 3.25% per annum, payable semi-annually in arrear, and have a conversion price set at a premium of 25% over the reference share price, being the placement price per Share in the Delta Placement (as further described below). The Bonds in the denomination of CHF 5,000 will be issued at par and, unless previously converted or repurchased and cancelled, redeemed at 100% of their principal amount.

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At the request of the Issuer, the Joint Global Coordinators intend to facilitate sales of Shares by buyers of the Bonds who wish to sell these Shares in short sales, at a placement price to be determined via an accelerated bookbuilding process, to purchasers procured by the Global Coordinators, in order to hedge the market risk to which the buyers of Bonds are exposed with respect to the Bonds (the "Delta Placement"). The Delta Placement is expected to take place within the first four business days after the successful completion of the Tender Offer. The Issuer will not receive any proceeds from any sale of Shares in any such offering.

The Bonds will be provisionally allocated to investors participating in today's bookbuilding. Such provisional allocation of the Bonds remains subject to a pro-rata reduction of the increase option, subject to the final amount of Outstanding Bonds tendered in the Tender Offer.

The final allocation and issuance of the Bonds is subject to the following conditions precedents:

- 1) The Issuer reserves the right not to proceed with the issue of the Bonds if less than CHF 90 million of the aggregate principal amount of the Outstanding Convertible Bonds have been tendered in the planned Tender Offer.
- 2) The Bonds shall not be issued if the setting of the reference share price and Delta Placement have not occurred.
- 3) The Bonds shall not be issued if the conversion price is below CHF 46.9993.

The final terms of the Bonds, with the initial conversion price, are expected to be announced after the Delta Placement, provided the conditions precedents are met or waived. The number of shares to be potentially delivered upon conversion will be determined at pricing and shall be sourced from existing conditional capital and from existing treasury shares.

Basilea intends to make an application for the Bonds to be admitted for listing and trading on the SIX Swiss Exchange with provisional trading expected to start on or about 28th July 2020. Payment and settlement of the Bonds is expected on or about 28th July 2020.

Basilea agreed to a lock-up of 90 days from the payment date, subject to customary exceptions.

Goldman Sachs International and UBS are acting as Joint Global Coordinators and Joint Bookrunners on the offering.

Indicative timeline of the transaction

24 June 2020	Launch of the placement of Bonds ("New Issue") Pricing / Allocation of the New Issue (excl. Reference Price)
25 June 2020	Planned publication of intended Tender Offer

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16 July 2020	End of the planned Tender Offer (expected to expire at 4pm CEST)
Expected on or around 20 July 2020	Expected Delta Placement, subject to market conditions Setting of the reference price Final Allocation
Expected on 28 July 2020	New Issue Payment Date

About Basilea

Basilea Pharmaceutica Ltd. is a commercial-stage biopharmaceutical company, focused on the development of products that address the medical challenges in the therapeutic areas of oncology and infectious diseases. With two commercialized drugs, the company is committed to discovering, developing and commercializing innovative pharmaceutical products to meet the medical needs of patients with serious and life-threatening conditions. Basilea Pharmaceutica Ltd. is headquartered in Basel, Switzerland and listed on the SIX Swiss Exchange (SIX: BSLN). Additional information can be found at Basilea's website www.basilea.com.

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