

Ad hoc announcement pursuant to Art. 53 LR

Basilea reports strong financial results 2022 based on successful implementation of new strategy

- 22% year-on-year increase of royalty income from antifungal Cresemba®
- Operating profit of CHF 18.5 million and net profit of CHF 12.1 million
- Strengthened balance sheet through non-dilutive repayment of convertible bonds
- Expecting approximately 20% growth in Cresemba and Zevtera related revenue in 2023 and significant increase in net profit
- Well positioned for building an anti-infectives R&D portfolio to support sustainable long-term growth

Basel/Allschwil, Switzerland, February 14, 2023

Basilea Pharmaceutica Ltd. (SIX: BSLN), a commercial-stage biopharmaceutical company committed to meeting the needs of patients with severe bacterial or fungal infections, announced today its results for the financial year ended December 31, 2022.

David Veitch, Chief Executive Officer, stated: “2022 was a year of transition and execution and we are well on track towards our strategic goal of becoming a leading anti-infectives company. Our commercial-stage anti-infectives brands made great progress in 2022 and are well positioned to continue their success story in 2023 and beyond. 2023 will be an important year for our antibiotic Zevtera, as we are preparing the submission of a New Drug Application for the United States by March/April this year, seeking approval for the treatment of *Staphylococcus aureus* bacteremia, acute bacterial skin and skin structure infections and community-acquired bacterial pneumonia. We believe the United States represents around 80 to 90 percent of the global sales potential for Zevtera and we intend to enter into a commercial partnership, prior to the regulatory decision.”

Adesh Kaul, Chief Financial Officer, said: “We are pleased to report a net profit for 2022, based on the continued commercial success of our marketed brands, our oncology asset transactions and our reduced operating expenses. In addition, we have significantly reduced our debt level in 2022, whilst avoiding dilution for our shareholders. Our strong financial prospects are reflected in our 2023 financial guidance. To support sustainable long-term growth, we will focus on building an R&D portfolio for the treatment of severe bacterial and fungal infections, with the first transactions expected in 2023.”

Financial summary

Basilea recorded total revenue in the full year (FY) 2022 of CHF 147.8 million (FY 2021: CHF 148.1 million). This included royalty income from Cresemba, which increased by 22.4% to CHF 65.0 million (FY 2021: CHF 53.1 million), and Cresemba and Zevtera milestone payments of CHF 23.4 million (FY 2021: CHF 49.4 million). Other revenue amounted to CHF 25.4 million

(FY 2021: CHF 16.6 million). This included CHF 15.0 million from the oncology transactions and CHF 8.4 million BARDA reimbursements (FY 2021: CHF 14.0 million). These BARDA reimbursements are offsetting a substantial portion of the ceftobiprole phase 3 development expenses and are lower than in the previous year because the ongoing phase 3 study was successfully completed, reporting positive topline results end-June 2022.¹

In 2022, research and development expenses decreased by 20.8% to CHF 73.8 million (FY 2021: CHF 93.2 million). The expenses were mainly related to activities for the phase 1/2 development program of the FGFR-inhibitor derazantinib, preclinical and clinical activities for other oncology assets, for the ceftobiprole phase 3 program, the pediatric development programs for isavuconazole and ceftobiprole, as well as for activities on compounds in the research portfolio.

Selling, general and administrative expenses remained stable at CHF 30.8 million (FY 2021: CHF 29.7 million) and cost of products sold amounted to CHF 24.6 million (FY 2021: CHF 24.1 million).

In 2022, an operating profit of CHF 18.5 million was recorded (FY 2021: CHF 1.2 million), significantly above guidance. In addition, a net profit was recorded, amounting to CHF 12.1 million (FY 2021: net loss of CHF 6.8 million), resulting in a basic and diluted earnings per share of CHF 1.02 (FY 2021: loss per share CHF 0.58).

In 2022, a positive net cash flow of CHF 7.1 million was provided by operating activities (FY 2021: net cash used in operating activities of CHF 32.0 million). Cash and cash equivalents, restricted cash and short-term investments amounted to CHF 108.6 million as of December 31, 2022, compared to CHF 150.0 million as of December 31, 2021. The convertible bonds maturing in December 2022 (ISIN CH0305398148) with a final outstanding nominal amount of CHF 113.8 million were fully repaid in December 2022, financed through a CHF 75.0 million two-year loan and cash at hand.

Key financial figures

(in CHF million, except per share data)	FY 2022	FY 2021
Product revenue	32.7	26.2
Contract revenue	89.6	105.2
Revenue from R&D services	-	0.2
Other revenue	25.4	16.6
Total revenue	147.8	148.1
Cost of products sold	(24.6)	(24.1)
Research & development expenses, net	(73.8)	(93.2)
Selling, general & administrative expenses	(30.8)	(29.7)
Total cost and operating expenses	(129.2)	(147.0)
Operating profit	18.5	1.2
Net profit/loss	12.1	(6.8)
Net cash provided by / used in operating activities	7.1	(32.0)
Basic earnings/loss per share, in CHF	1.02	(0.58)
Diluted earnings/loss per share, in CHF	1.02	(0.58)
(in CHF million)	Dec 31, 2022	Dec 31, 2021
Cash and cash equivalents, short-term investments and restricted cash	108.6	150.0

Note: Consolidated figures in conformity with US GAAP; rounding was applied consistently.

The consolidated financial statements of Basilea Pharmaceutica Ltd for the financial year 2022 can be found on the Company's website at <https://www.basilea.com/financial-reports>.

2023 financial guidance and board nominations for AGM 2023

Basilea expects to remain profitable and generate positive cash flow from operating activities in 2023, based on further increasing revenue from Cresemba and Zevtera and an expected significant reduction in operating expenses in 2023 versus 2022. Basilea provides the following financial guidance for FY 2023, excluding the potential impact from any in-licensing transactions:

- Cresemba & Zevtera related revenue is expected to grow by 19% - 21% to CHF 145 – 148 million (FY 2022: CHF 122.3 million), reflecting the continued commercial success of Basilea's marketed products.
- Operating profit is expected to increase to CHF 45 – 50 million (FY 2022: CHF 18.5 million) and net profit to CHF 36 – 41 million (FY 2022: CHF 12.1 million).
- The Company expects to continue reducing its debt level through the partial repayment of the senior secured loan in the amount of approximately CHF 37 million.



(in CHF million)	FY 2023e	FY 2022
Cresemba & Zevtera related revenue	145 to 148	122.3
Royalty income	~74	65.0
Total revenue	155 to 158	147.8
Cost of products sold	25 to 28	24.6
Operating expenses	~80	104.5
Operating profit	45 to 50	18.5
Net profit	36 to 41	12.1

The board of directors has nominated Domenico Scala (chairman), Leonard Kruimer, Dr. Martin Nicklasson, Dr. Nicole Onetto and Dr. Thomas Werner for re-election as board members. After 14 years of serving on the board of directors, Steven Skolsky has decided not to stand for re-election. The board has nominated Dr. Carole Sable for election as a new board member. The board of directors will continue to be composed of six members.

Conference call and webcast

Basilea Pharmaceutica Ltd will host a conference call and webcast today, Tuesday, February 14, 2023, at 4 p.m. (CET), to discuss the company's financial and operating results and to provide an outlook.

Via audio webcast with presentation

The live audio webcast of the results presentation can be followed here:

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=rK4oAHzi>. Please note that there is no function to ask questions via webcast. For questions, please additionally dial-in via phone (see below).

Via phone

To listen by phone and ask questions, please use the dial-in details below. To ensure prompt access, please call approximately five minutes prior to the scheduled start of the call.

+41 (0) 58 310 5000 (Europe and Rest of World)

+1 (1) 866 291 4166 (USA)

+44 (0) 207 107 0613 (U.K.)

Replay

The webcast, along with the presentation will be available [online](#) shortly after the event and accessible for three months.

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 or 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.

Disclaimer

This communication expressly or implicitly contains certain forward-looking statements, such as "believe", "assume", "expect", "forecast", "project", "may", "could", "might", "will" or similar expressions concerning Basilea Pharmaceutica Ltd and its business, including with respect to the progress, timing and completion of research, development and clinical studies for product candidates. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Basilea Pharmaceutica Ltd to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Basilea Pharmaceutica Ltd is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

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This ad hoc announcement can be downloaded from www.basilea.com.

References

1. Basilea's ceftobiprole phase 3 program is funded in part (up to USD 136.4 million, which is approximately 70% of the total potential program costs) with federal funds from the US Department of Health and Human Services; Administration for Strategic Preparedness and Response; Biomedical Advanced Research and Development Authority (BARDA), under contract number HHSO100201600002C.