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**Press release**

## **Basilea launches the placement of CHF 100 million senior convertible bonds with an increase option of CHF 25 million**

**Basel, Switzerland, June 24, 2020**

Basilea Pharmaceutica Ltd. (SIX: BSLN, the "Issuer") announces the launch of CHF 100 million senior unsecured convertible bonds due 2027 (the "Bonds"), with a provisional increase option of up to CHF 25 million that may be exercised at the Company's discretion on the pricing date. Such provisional allocation of the increase option remains subject to a pro-rata reduction, subject to the final amount of Outstanding Convertible Bonds tendered in the Tender Offer. 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.

If the pricing and provisional allocation of the Bonds takes place today successfully, 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 tender offer price is planned to amount to at least 100% of the principal amount plus accrued and unpaid interest. 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 on 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 are expected to carry a coupon of between 2.75% and 3.75% per annum, payable semi-annually in arrear, and have a conversion price set at a premium of between 25% and 30% 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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The Issuer will be entitled to redeem the Bonds at the principal amount, plus accrued interest, in accordance with the terms and conditions of the Bonds at any time (i) on or after the day which falls 15 calendar days after the fifth anniversary of the payment date, if the volume-weighted average price of the Shares is at least 130% of the conversion price on at least 20 out of 30 consecutive trading days or (ii) if less than 15% in aggregate of the total principal amount of the Bonds remains outstanding.

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 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 Bonds will be provisionally allocated to investors participating in today's bookbuilding. Such 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 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 July 28, 2020. Payment and settlement of the Bonds is expected on or about July 28, 2020.

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

The offering consists of a public offering in Switzerland and private placements in certain jurisdictions outside of Switzerland and the United States in reliance on Regulation S (Category 1)

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under the U.S. Securities Act of 1933, as amended, and in accordance with applicable securities laws, rules and regulations.

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
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](http://www.basilea.com).

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