basilea

Champion for patients:

Overcoming barriers in the treatment of fungal and bacterial infections

Annual report 2024

Our mission:

People are at the heart of everything we do.

Our purpose:

We strive towards making a difference to patients. With expertise, care and persistence.

Highlights

Our people

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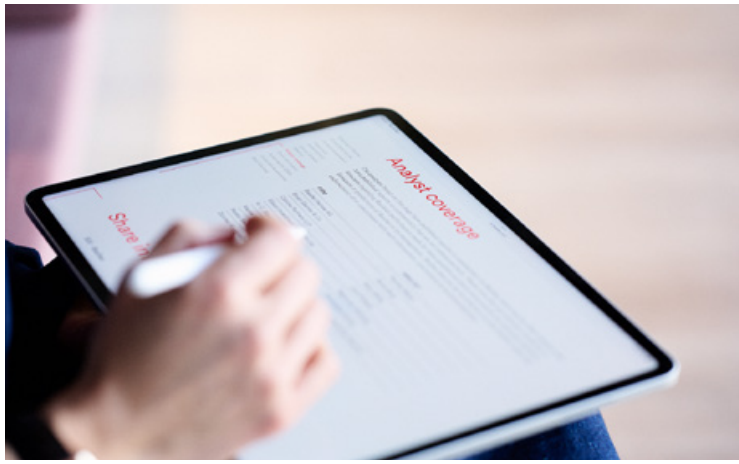

Financial report

Highlights

Our vision:

“We aim to be a leading provider of innovative medicines. For the benefit of patients.”

Dear shareholders

As we reflect on 2024, we are reminded of the urgency of our mission to tackle some of the most serious and growing threats in global healthcare: severe infections caused by bacteria and fungi. A real-life example of the challenges and opportunities that face a Swiss hospital pediatrician treating these infections is the focus of our feature story on page 30.

At Basilea, we have made significant progress in the development of our innovative pipeline, which focuses on addressing critical unmet medical needs. The development of new anti-infectives, specifically antifungals and antibacterials is the core of our strategy. We remain committed to improving the lives of patients worldwide and to creating value for our shareholders.

Success on the market

The last year was a remarkable one for Basilea. Our commercialized product Cresemba® (isavuconazole) for the treatment of severe mold infections continued to be very successful on a global scale.

Severe mold infections primarily affect patients suffering from blood diseases such as leukemia, or other immunodeficiency disorders, and there is a particularly high unmet medical need for new antifungal treatment options for children. Therefore, the recent approval of Cresemba for pediatric patients marked an important clinical achievement, resulting in a two-year market exclusivity extension for the brand in Europe and also triggering a CHF 10 million milestone payment from our partner, Pfizer Inc. Cresemba is marketed in more than 70 countries, including the US, most EU member states, China, Japan, Canada and countries in Latin America and the MENA region (Middle East and North Africa). It is approved for the treatment of the two most common invasive mold infections, aspergillosis and mucormycosis, in adults. In children it is approved in the US and since 2024 also in Europe and Canada.

We are also pleased with the success of Zevtera® (ceftobiprole), our second marketed brand. The major milestones in 2024 were the approval of Zevtera by the US Food and Drug Administration (FDA) in April for the treatment of adult patients with *Staphylococcus aureus* bacteremia (SAB) and two other indications, and in China the inclusion of the brand in the national reimbursement drug list (NRDL) for the treatment of pneumonia. In December, we announced our commercial partnership with Innoviva Specialty Therapeutics (IST) for the commercialization of Zevtera in the US. We are now working closely together with IST preparing for the launch of Zevtera in the US, which is the most significant commercial market for this brand. We look forward to bringing this important medicine to patients in the US as soon as possible, as current treatment options for SAB are limited, particularly when methicillin-resistant *Staphylococcus aureus* (MRSA) is involved. With the regulatory approval and the announcement of a strong partnership, we have created the basis for accelerating of the commercial success of Zevtera over many years to come.

We announced milestone payments totaling almost CHF 40 million for Cresemba in 2024, including first sales milestones in Japan and the MENA region, underscoring

the continued strong performance of the brand around the world. These milestones also confirm the important role that the brand plays in the treatment of patients suffering from life-threatening invasive mold infections. We also achieved a sales milestone for Zevtera in Europe and received a USD 4 million upfront payment from our new US partner IST.

Exciting R&D pipeline

In addition to our two commercial brands, we have one of the most exciting anti-infectives R&D pipelines in the industry. This puts us in an excellent position to become the leading anti-infectives company – continuously serving medical need, driving innovation and creating value.

Our antifungal fosmanogepix is a very promising drug candidate and could over time replace Cresemba revenue. It is one of the most promising antifungal assets currently in late-stage clinical development. In 2024, we initiated a phase 3 study for the treatment of patients with bloodstream yeast infections (candidemia). A second phase 3 study investigating fosmanogepix in the treatment of adult patients with invasive mold infections is expected to start in Q2 2025.

Our second antifungal compound in development, BAL2062, has the potential to become a valuable treatment option against difficult-to-treat invasive mold infections. Our focus in 2025 will be on the preparation of a phase 2 study to start in 2026.

One of the major achievements in the second half of 2024 was the conclusion of the BARDA-OTA contract. The Biomedical Advanced Research and Development Authority (BARDA) of the US Department of Health and Human Services has awarded Basilea an Other Transaction Agreement (OTA), which, to our knowledge, is the first such contract involving antifungals. The OTA is expected to provide us with up to 60% reimbursement of our development costs for the clinical programs under the OTA for the next 12 years. The total value of the agreement is up to USD 268 million, without shareholder dilution. The first USD 29 million of the total amount has already been granted. Such OTA agreements to support an R&D pipeline have been only selectively concluded by BARDA in the past, and then usually with large pharmaceutical companies.

On the antibacterial side, we have been progressing our two drug candidates. For the early-stage asset tonabacase, we have completed our planned preclinical profiling and decided not to exercise our option to initiate exclusive licensing negotiations. This decision demonstrates that

Video message from the CEO, David Veitch, about the 2024 financial year.
Go to video

Our goal:

“Our goal is to become a leading anti-infectives company and serve patients around the world.”

we are very disciplined about making portfolio decisions if we conclude that a project no longer meets our stringent risk-return criteria.

In January 2024, we added another antibacterial program to our portfolio. This preclinical program of antibiotics is from a novel class: the LptA inhibitors. We received a grant for this program from CARB-X, a global non-profit partnership dedicated to supporting the early development of antibacterial products. Our initial preclinical activities in 2024 led to nomination of a drug candidate, BAL2420, and we then received additional funding from CARB-X for the preclinical development of BAL2420 towards first clinical studies.

There continues to be a high medical need for new treatment options for patients with invasive fungal and bacterial infections, and we look forward to further evaluating and developing the profile of our exciting and innovative assets. We aim to be a leading provider of innovative medicines. For the benefit of patients.

Third profitable year in a row
This has been an outstanding year for Basilea, marking our third consecutive year of reporting a net profit and positive operating cash flows. Our total revenue grew by 32%, to CHF 209 million, particularly driven by the strong sales performance of Cresemba that generated royalties of CHF 97 million, which is an increase of more than 20% year-on-year. Total revenue from our brands amounted to almost CHF 195 million. This brings us closer to our goal to become a leading anti-infectives company and serve patients around the world.

We invested about CHF 77 million in research and development, which was partially offset by CHF 11 million in non-dilutive funding. This included CHF 10 million in reimbursements from BARDA for the remaining activities for the phase 3 program for ceftobiprole and under the OTA that was executed in September 2024.

Financially, we reported an operating profit of CHF 61 million, tripling our 2023 result, and a net profit of CHF 78 million. We continue to generate positive cash flows and reported a strong financial position of CHF 125 million of cash, cash equivalents and restricted cash at year-end 2024.

Positive share price development
The Basilea share performed well in 2024, rising 17%, outpacing the Swiss SPI Extra by 13% and the Nasdaq Biotechnology Index (NBI) by 20%. Although the fourth quarter saw sector-wide declines, our overall performance remains strong, positioning us for continued growth and innovation.

“The promising drug candidates in our pipeline ensure that an exciting future lies ahead of us.”

David Veitch, CEO

Outlook for 2025 and beyond

We are poised to enter an exciting phase of growth in 2025, with several important milestones on the horizon. Basilea’s business model focuses not only on identification of the most scientifically exciting anti-infective assets, but also on added value through the design and implementation of the optimal preclinical and clinical development program to bring a compound to market, keeping in mind patient needs and the differentiation required for successful commercial positioning. We will continue to prioritize the further development of our clinical and preclinical drug candidates and the expansion of our R&D portfolio with promising new assets.

We are convinced that the market for antibacterials and antifungals offers significant commercial opportunities, as the medical need for novel effective and safe anti-infectives continues to grow, particularly as new or resistant pathogens emerge.

Our continued investment in R&D, our strategic partnerships, and our commitment to combating infectious diseases will enable us to further improve patient outcomes and deliver value to shareholders.

The promising drug candidates in our pipeline ensure that an exciting future lies ahead of us. Our ability to consistently access non-dilutive funding underscores the value of our R&D pipeline. With the help of our medicines,

doctors have more opportunities to treat severe infections and save more lives. We are recognized as a leader in the anti-infectives area, and we believe this will support long-term value creation for our shareholders.

All this is only possible due to the people of Basilea and their commitment to Basilea's purpose. We would like to thank all our employees for their hard work and dedication in bringing new medicines to patients in need.

Moreover, founded in 2000, this year marks Basilea's 25th anniversary – stay tuned!

Allschwil, February 2025

Domenico Scala
Chairman of the board

David Veitch
Chief Executive Officer

"All this is only possible due to the people of Basilea and their commitment to Basilea's purpose."

Domenico Scala, Chairman of the board

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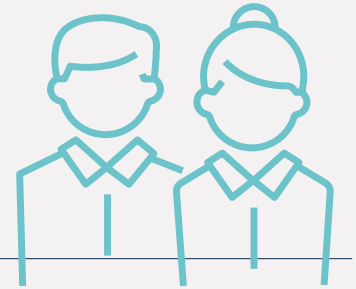
At a glance

Profitable Swiss commercial stage

biopharmaceutical company

Located in Allschwil, near

Basel



164 employees

from 21 countries

Founded in

2000

We are focused on developing treatments for severe

bacterial & fungal infections

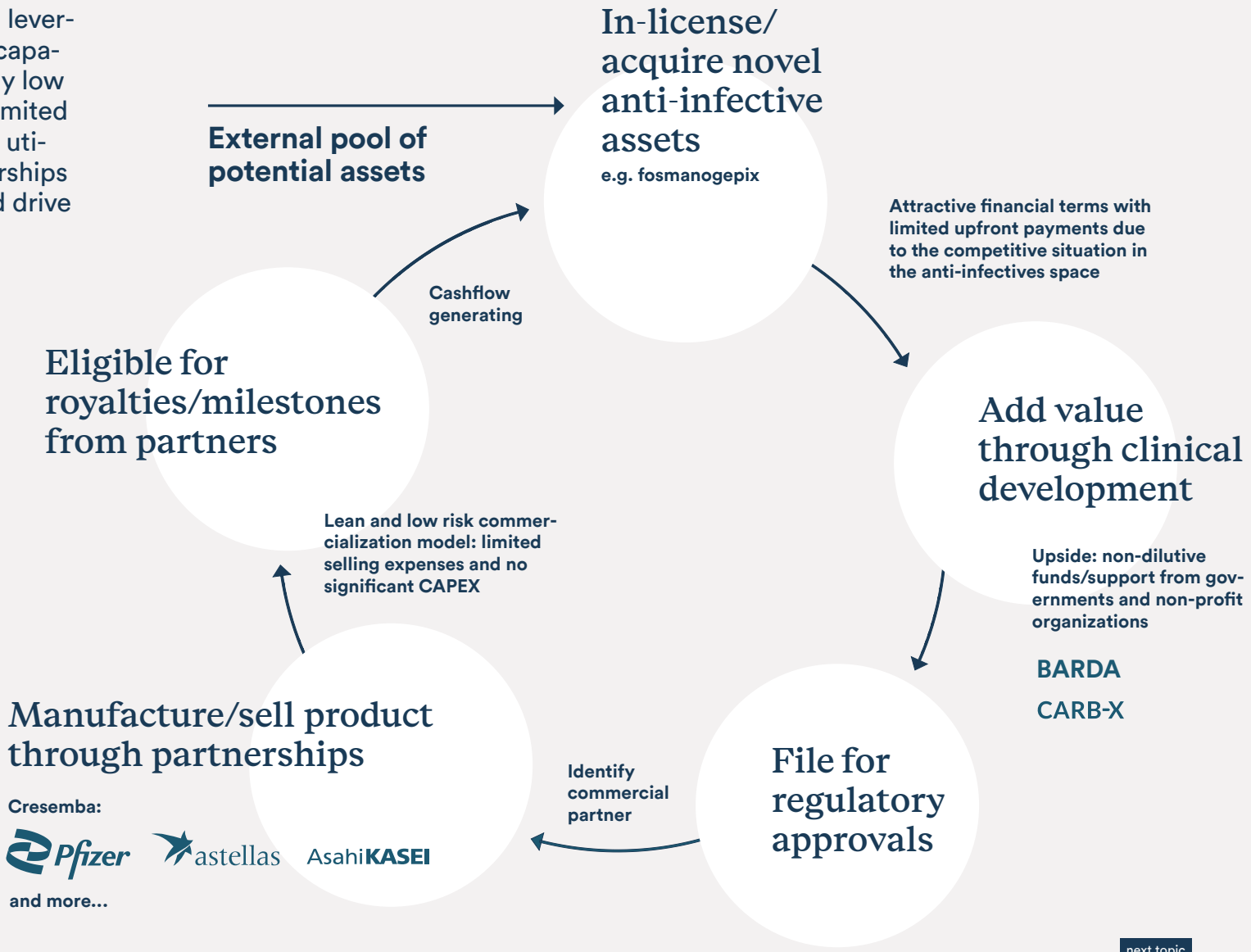
BSLN listed on

SIX

Our business model

Our successful business model leverages our unique development capabilities, capitalizes on inherently low upfront acquisition costs and limited development investments, and utilizes commercialization partnerships to amplify marketing reach and drive profitability.

For more information on our business model, please visit **page 53.** ↗



Our markets & products

Antifungals

The antifungal market is estimated at USD

4.4 billion

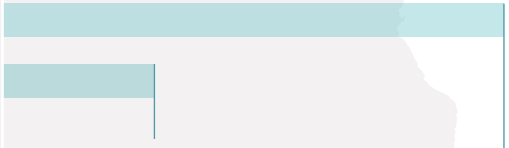
Global systemic antifungal market 2023

6.5

million people are affected by invasive fungal infections every year

Cresemba marketed in

75 countries



19%

Cresemba

USD 533 mn

USD/bn

2.8

Global sales of best-in-class antifungals* (MAT Q3 2024)

* Best-in-class antifungals: Cresemba (isavuconazole), posaconazole, voriconazole, liposomal Amp B, anidulafungin, caspofungin, micafungin, rezafungin

Antibacterials

The antibiotics market is estimated at USD

17.8 billion

Global systemic hospital antibiotics market 2023

7.7

million people die every year due to bacterial infections

Zevtera marketed in

20 countries

For more information on our products, please visit **page 50.** ↗

Established strong partnerships

Commercialization

through partnerships with global, regional and local specialized pharmaceutical partners

License Partners

Pfizer, astellas, AsahiKASEI, CR Gosun, INNOVIVA Specialty Therapeutics

Distribution Partners

ADVANZ PHARMA, hikma., Knight, UNIMEDIC PHARMA, AVIR PHARMA, LANCET

Offsetting R&D expenses

through accessing non-dilutive funding

CARB-X, BARDA

For more information please visit **page 51.** ↗

Our portfolio

For more information on our portfolio, please visit **page 50.** ↗

Products/Product candidates/Indications

Antifungals

Cresemba® isavuconazole

Invasive aspergillosis and mucormycosis (US, EU and several other countries)[1]

Aspergillosis (including invasive aspergillosis and chronic pulmonary aspergillosis), mucormycosis and cryptococcosis (Japan)

Fosmanogepix

Candidemia/invasive candidiasis (including *Candida auris*)

Invasive mold infections (including invasive aspergillosis, fusariosis, *Scedosporium* and *Lomentospora*, mucormycosis and other rare mold infections)

BAL2062

Invasive aspergillosis

Antibacterials

Zevtera® ceftobiprole

Hospital- and community-acquired bacterial pneumonia (HABP, CABP) (major European and several other countries)

Staphylococcus aureus bacteremia (SAB), acute bacterial skin and skin structure infections (ABSSSI) and community-acquired bacterial pneumonia (CABP) (United States)

Tonabacase

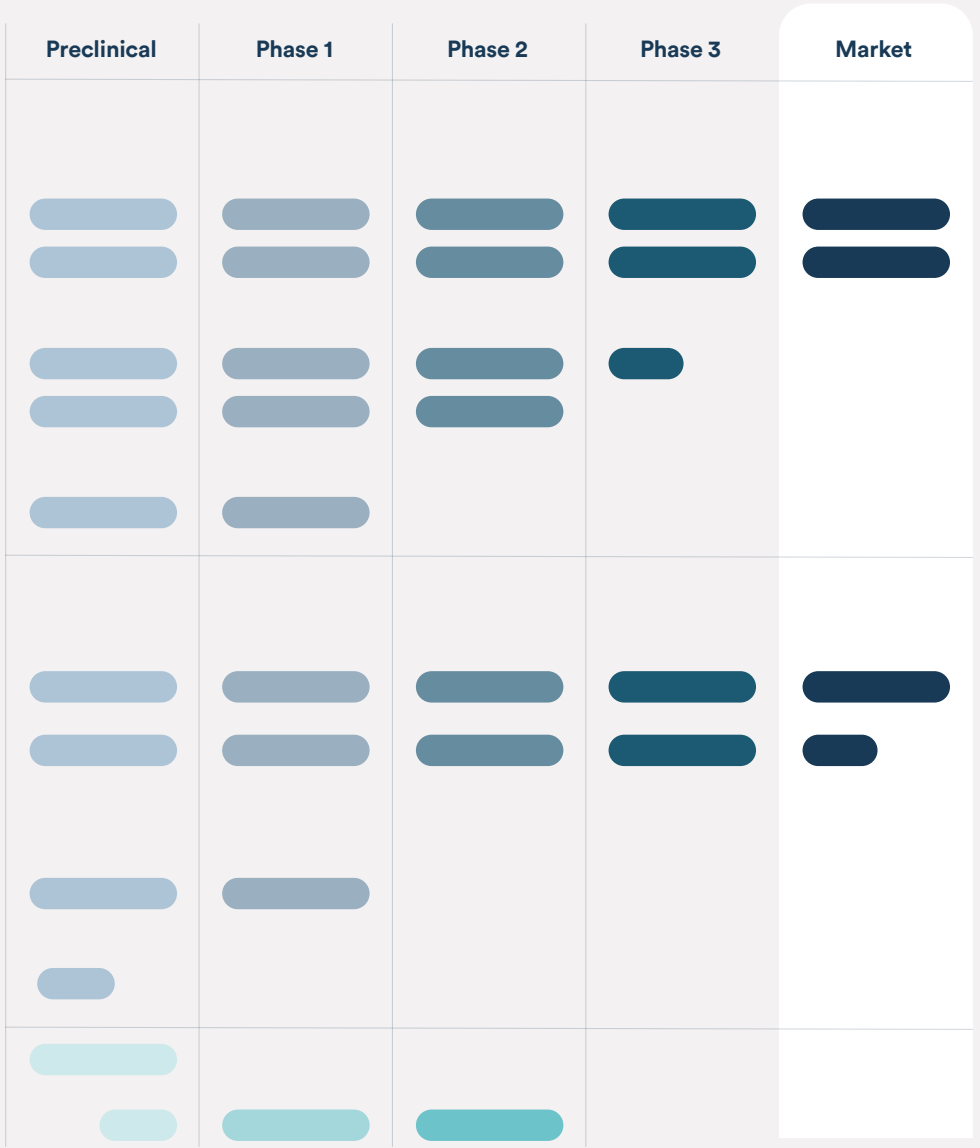
Severe staphylococcal infections

BAL2420 (LptA inhibitor)

Severe Enterobacteriaceae infections

Internal research

Focus for in-licensing and acquisitions



1 The registration status and approved indications may vary from country to country.

Our ESG commitment

For more information on our our ESG commitment, please visit **page 69.** ↗

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Ambition statements

Our ESG focus topics

By focusing our business on the research and development of novel anti-infectives, we contribute to addressing global health priorities – with expertise, care and persistence.

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Focus topics

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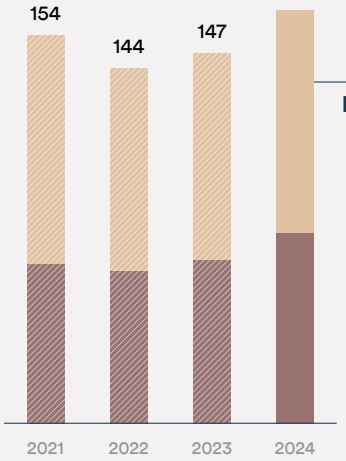
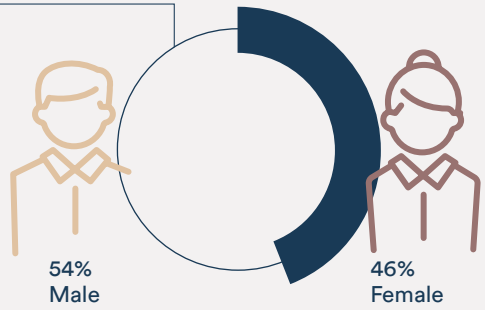
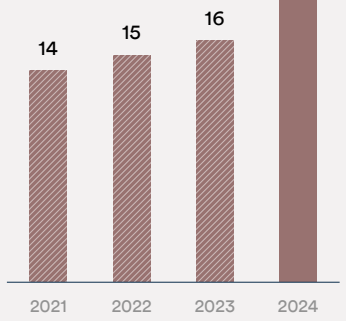
Employees





Different nationalities

21



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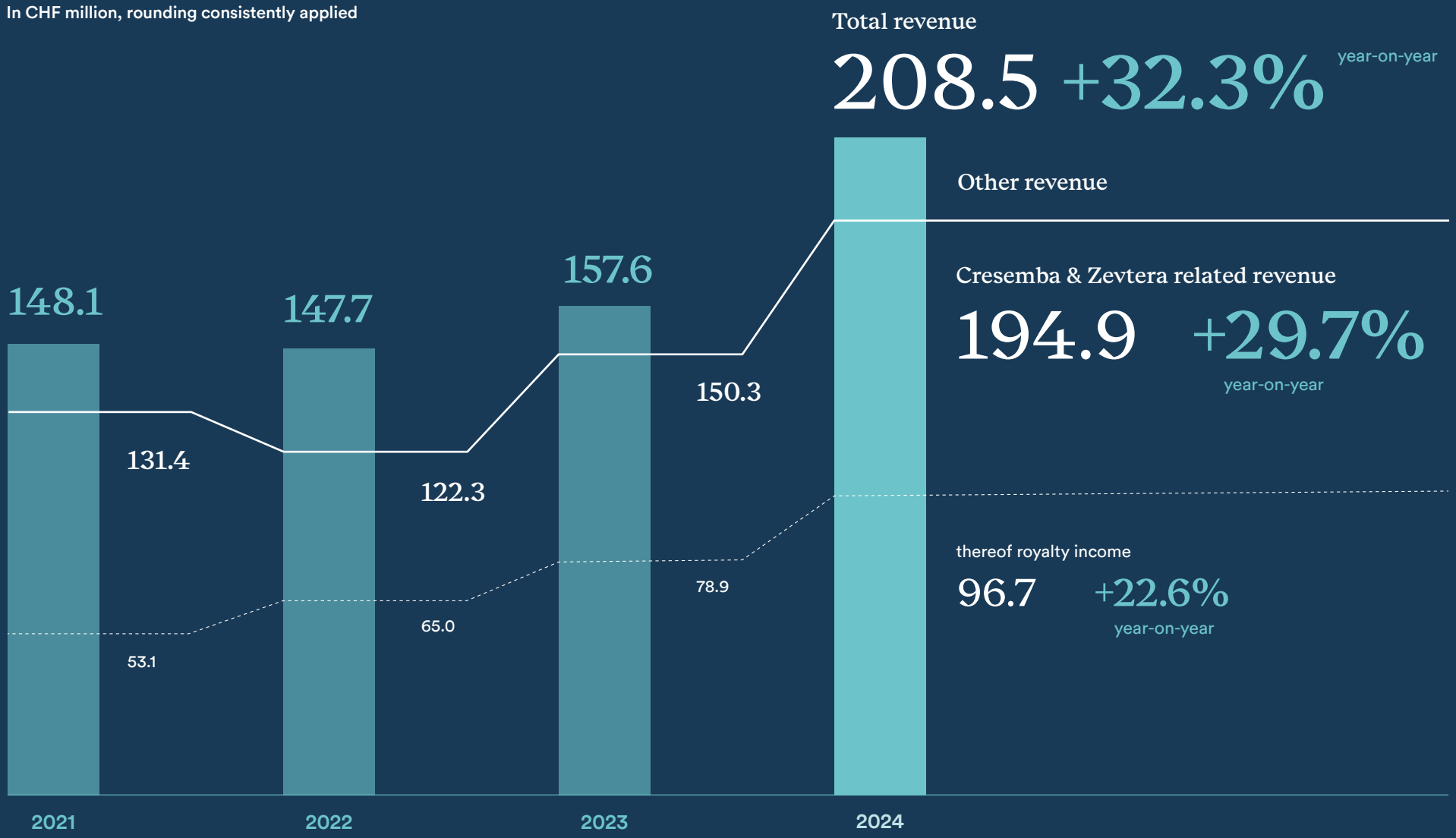
Financial highlights

In CHF million, rounding consistently applied



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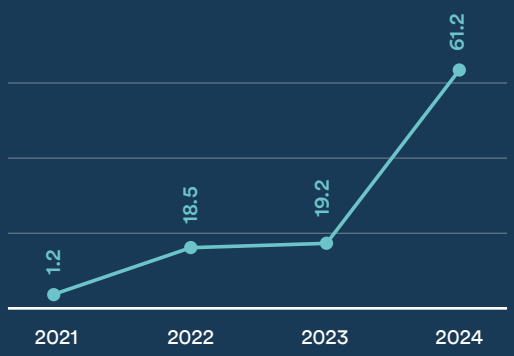
In CHF million, rounding consistently applied

Operating profit

61.2

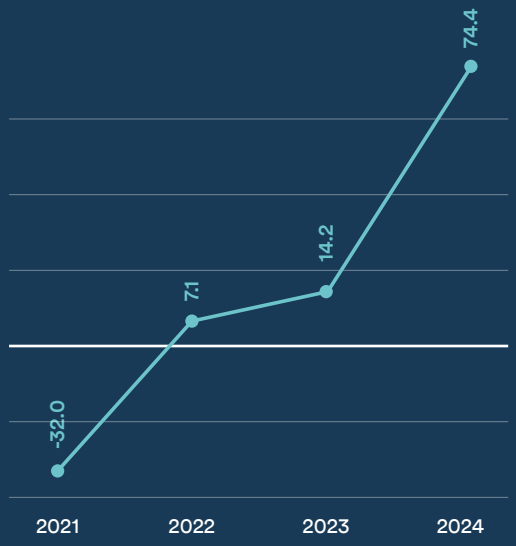
+218.8% year-on-year



Cash flow from operating activities

74.4

+422.0% year-on-year



Net cash, December 31, 2024

28.6

Previous year: –46.6 (Net financial debt)

Cash and cash equivalents and restricted cash, December 31, 2024

124.6

+93.6% year-on-year

For more information on the financial results, please visit **page 170.**

Company highlights 2024

January, 15

Basilea announces acquisition of preclinical antibiotics program from Spexis

January, 19

Cresemba® sales in Latin America trigger first sales milestone payment to Basilea

January, 05

Basilea provides portfolio status update

February, 13

Basilea reports strong 2023 full-year results with profitability significantly above guidance, whilst substantially expanding the R&D portfolio

March, 11

Continued strong Cresemba® (isavuconazole) sales performance in Asia Pacific and China triggers milestone payment to Basilea

April, 04

Basilea announces US FDA approval of antibiotic Zevtera® (ceftobiprole medocaril) for three indications

April, 09

Basilea awarded CARB-X grant to develop recently acquired novel class of antibiotics

April, 24

Basilea shareholders approve all proposals of the board of directors at the annual general meeting

May, 03

Basilea reports presentation of new data for ceftobiprole (Zevtera®) at ESCMID Global 2024

May, 16

Strong Cresemba® (isavuconazole) sales performance in Asia Pacific and China triggers milestone payment to Basilea

June, 20

Basilea partners oncology drug candidate lisavanbulin with Glioblastoma Foundation

August, 13

Basilea reports strong 2024 half-year results and significantly increases full-year revenue and profit guidance

August, 21

Strong Cresemba® (isavuconazole) sales performance in Asia Pacific and China triggers milestone payment to Basilea

August, 27

European Commission Decision to approve the pediatric use of antifungal Cresemba (isavuconazole) and extension of market exclusivity triggers CHF 10 million milestone payment to Basilea

September, 06

Strong Cresemba® (isavuconazole) sales performance in Europe triggers USD 25 million sales milestone payment to Basilea

September, 19

Basilea enters into agreement with BARDA to develop novel antifungals and antibacterials and receives initial funding of USD 29 million

September, 24

Basilea initiates clinical phase 3 study with antifungal fosmanogepix in candidemia and invasive candidiasis

October, 10

Strong Cresemba® (isavuconazole) sales performance in Asia Pacific and China triggers fourth milestone payment for this region to Basilea this year

December, 16

Basilea announces agreement with Innoviva Specialty Therapeutics for the commercialization of antibiotic Zevtera® (ceftobiprole) in the United States

December, 23

Basilea is awarded additional CARB-X funding to develop new drug candidate from a novel class of antibiotics

For more information on our company highlights please see on our website.

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Our people

Our people in short

We strive towards making a difference to patients, and that starts with a commitment to our own people: our employees. In addition to competitive remuneration, our employees receive a variety of benefits ranging from an attractive pension plan to personalized training courses.

From 160 high-risk patients

24%

"We have analyzed data from 160 high-risk patients since 2011 and found it was highly probable that 39 of them had an invasive fungal infection."

Our patients

Invasive fungal diseases are an increasing global health issue due to the growing number of immunosuppressed patients who are at a higher risk of these infections. Together, we are committed to making a difference – to patients, the healthcare system and the society in which we are embedded.

Our people

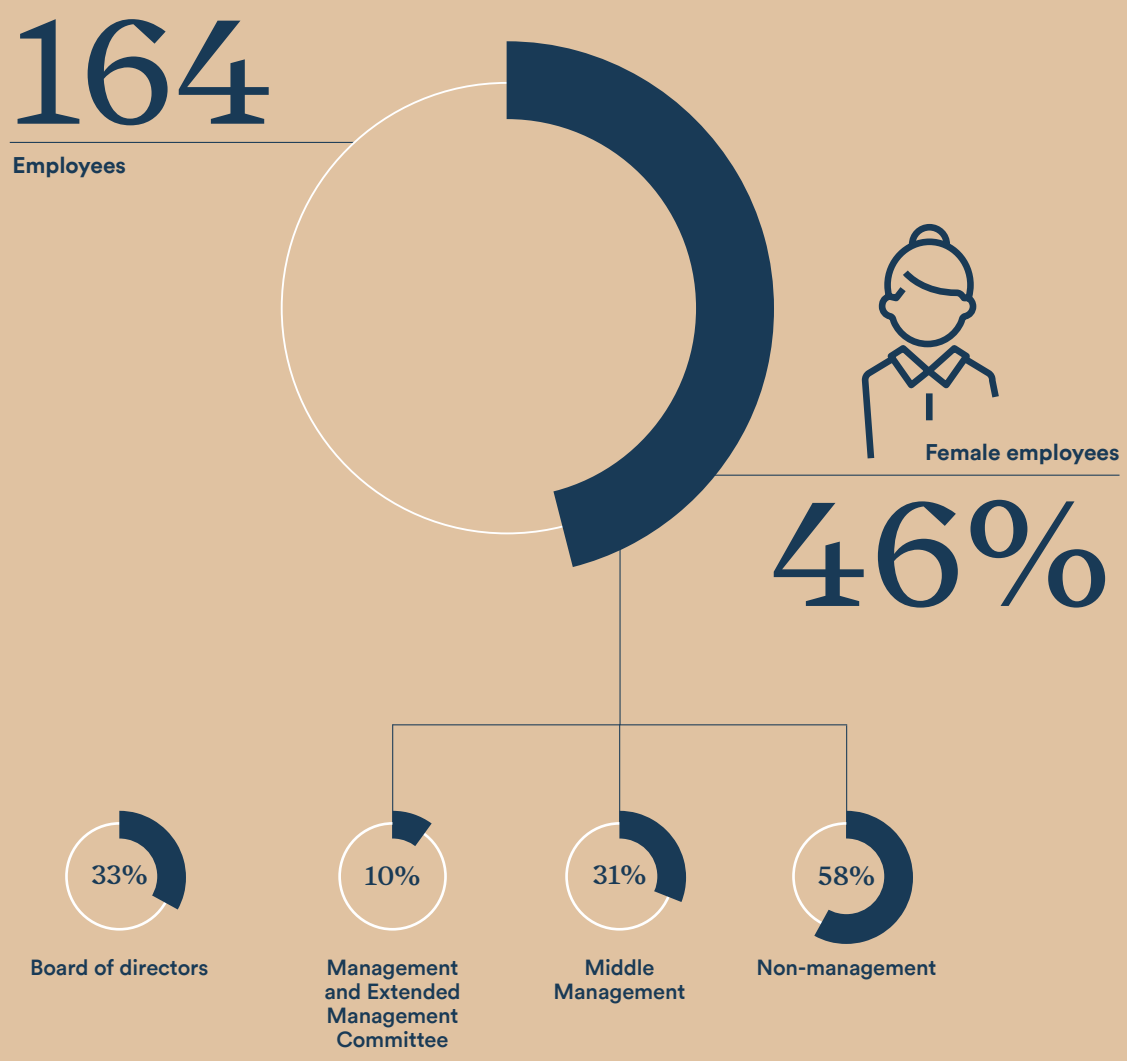
In a small company with big ambitions, we strongly believe that every employee can make an impact. Our diverse employees from all over the world bring their ideas and experiences with them, working together to drive innovation.

"When I step into a treatment room and a child smiles at me, that feeling is priceless."

Dr. Alexandra Schifferli

Highlights

- Make an impact: Each Basilea employee gets the opportunity to work on a range of projects with the freedom to make decisions.
- Personal touch: We believe personal interaction is crucial for teamwork and organizational cohesiveness.
- Teamwork and cross-functional collaboration: Our success is built on passionate people who put collective accomplishments first.
- Tenacity: To meet our challenges head on, it takes people who strive to perform at the highest level and are able to develop novel, out-of-the-box solutions.
- Growth: Our size coupled with our dedication to our employees means that we are able to offer our people the opportunity to work on exciting projects and to develop fast and broadly.



Our patients

“In immunocompromised children, fungal infections can quickly become life-threatening.”

Alexandra Schifferli was born and raised in Geneva. She has been working at the University Children’s Hospital of Basel (UKBB) since 2009 and has been Chief medical officer of the Oncology/Hematology Department since 2021. In addition to her work at UKBB, she is active in the field of medical research. Before joining UKBB, she worked in internal medicine at the University Hospital of Basel and Aarau Children’s Hospital. The 47-year-old began writing her doctoral thesis at the Faculty of Medicine at the University of Basel in 2002 and received her doctorate in February 2005. In 2022 and 2023, she received the prestigious Barbara and Peter T. Pruitt Jr. ITP Research Award for her research as part of a collaborative project over several months in France. She completed her post-doctoral qualification (Habilitation) at the Faculty of Medicine at the University of Basel in July 2024. Schifferli is the mother of two sons (11 and 13) and lives in Binningen.

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The invisible danger: when fungi threaten cancer treatment

Mostly harmless to healthy people, fungi can pose a lethal risk to immunocompromised children. Fungal infections constitute a major challenge in pediatric oncology at the University Children's Hospital of Basel (UKBB). Alexandra Schifferli, chief physician at UKBB, gives insights into her day-to-day work and explains how the hospital is combating invasive fungal infections.

Feature story with
PD Dr. med Alexandra Schifferli,
Chief medical officer of
Oncology/Hematology at the
University Children's Hospital
of Basel (UKBB)

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Half a dozen Bobby Cars are neatly parked under a window, children's drawings hang on the walls and there are various tables and niches for reading aloud, doing handicrafts or simply taking a break. What looks at first glance like a large nursery school is actually Ward C at the University Children's Hospital of Basel. The children who pass through its doors to be treated on an inpatient or outpatient basis usually suffer from severe oncological and/or hematological diseases. Children with cancer are cared for by Dr. Alexandra Schifferli (47), Chief medical officer of Oncology/Hematology at UKBB.

"When I step into a treatment room and a child smiles at me, that feeling is priceless."

Dr. Schifferli, you have been working at UKBB for 15 years. After all these years, what aspects of your job still motivate you?

Oh, a lot. I like going to work every morning. I look forward to interacting with my patients and with the teams from different departments and hospitals. Working with my younger colleagues is also very worthwhile, as I am pleased when I can pass on my experience to them – and learn from them at the same time. The fact that much has happened in the field of oncology in recent years continues to be a source of motivation for me, too.

Before your time at the children's hospital, you also worked in adult medicine. What led you to choose a career in pediatrics?

Working with children is immensely enriching and meaningful. Children have special abilities; their regenerative and healing powers are much higher than those of adults. This is one of the reasons why we repeatedly experience situations at UKBB that can only be described as 'miracles'. What I also find exciting

“I’m always impressed by how much spirit and optimism these young patients show in the face of their difficult situation.”

is the interaction with young patients – with all the opportunities and challenges that come with it. We often accompany children and young people for years at a time. As a result, I end up developing a very special kind of relationship with the child and their family.

Young children in particular are often unable to share how they are feeling or where something hurts. How do you manage to discover what is wrong?

If you come from the field of adult medicine like I do, dealing with young patients is certainly an unfamiliar experience at first. At some point, though, the children do begin to trust you. This is the cornerstone, the foundation. Over time, you learn to interact with children in a playful way to gain their trust. For example, I always bring a bag of paprika chips with me on my rounds (laughs).

Dealing with death – but still keeping things light

Dealing with death is also part of everyday life for Dr. Schifferli and her team. “I don’t know if I’m good at suppressing things or if I’ve simply built up a good level of resilience over the past few years – but as a doctor, I have no choice but to accept even the saddest situations,” she reveals. In difficult situations, Dr. Schifferli is particularly happy and grateful to be able to count on a well-functioning team. “If someone dies, we sit down together, share our thoughts and feelings and support each other.” In addition to the official debriefings with the team, UKBB employees have the opportunity to call on the support of psycho-oncology experts at any time. The team also works closely with the pediatric palliative care unit, which enters the picture when a child no longer has any hope of a cure.

“Many of our young patients are unable to swallow large tablets. What we need is to have the active ingredients as a syrup.”

Despite the many difficult outcomes, Dr. Schifferli still experiences moments of lightness and joy in her work. “They happen every single day,” she asserts. “When I step into a treatment room and a child smiles at me, that feeling is priceless. I’m always impressed by how much spirit and optimism these young patients show in the face of their difficult situation.”

Challenging situations can also arise if the patient’s primary illness is suddenly accompanied by a fungal infection. Why is this an issue at UKBB?

For healthy people, a fungus is generally harmless. You may contract a skin fungus, a nail fungus or the like, but if you have a healthy immune system then there is no need to worry. In immunocompromised children, however, fungal infections can quickly become life-threatening. This occurs when they become invasive, spreading throughout the body and suddenly attacking the lungs, intestines or central nervous system.

How does this happen?

It involves a severe immunodeficiency, the fewer white blood cells the patient has, the greater the risk of an invasive fungal infection. This is exactly why we see it in children with cancer, as their immune systems are weakened by chemotherapy.

What problems do invasive fungi cause?

The symptoms are diverse and range from fever to coughing and pain. The problem with fungi is that they’re everywhere. In the air, in the woods, on food, on walls or in the sand – the danger is omnipresent.

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This is what makes it so difficult to protect yourself against them. Immunocompromised people who inhale fungal spores over an extended period of time are at risk.

How does a fungus thrive in the body of an affected individual?

In pediatrics, we mainly see infections in the lungs, the nasal sinuses and, less frequently, in the brain. In principle, though, the fungus can spread anywhere. Because the fungi grow slowly at first, the symptoms are initially gradual, making them difficult to recognize. Nevertheless, they are very destructive and can even clog the surrounding blood vessels, preventing the drugs from combating the infection in its entirety. In such cases, fungal diseases can lead to life-threatening situations.

What does a fungal infection mean for a child suffering from cancer that you are treating?

If a child undergoing chemotherapy contracts a fungal infection, we cannot continue the chemotherapy. To ensure they can resume their treatment, we first need to stabilize the infection with medication and then wait for the immune system to recover. This can take several weeks, which unfortunately benefits the cancer. However, the fact is that a fungus cannot be completely defeated without the immune system.

Are these isolated cases?

I'm afraid not. We have analyzed data from 160 high-risk patients since 2011 and found it was highly probable that 39 of them had an invasive fungal infection.

"Unfortunately, it is often very difficult to clearly detect a fungal infection," explains Dr. Schifferli. For this reason, many young patients who are suspected of having an infection are treated "blindly" with medication. But this is not without its problems, either, as many of these drugs have side effects and interactions. "In addition, the drugs are often not officially approved for use in pediatrics in Switzerland," states Dr. Schifferli. This is because drugs tend to first be used in adult medicine for years before being tested and approved for use in children. There is therefore an additional administrative effort required to ensure that the costs are covered by health insurance companies. Another problem is that many

"Unfortunately, it is often very difficult to clearly detect a fungal infection."

Alexandra Schifferli on…

Research or practice?

Both! While working with patients inspires me every day, the research work gives me the opportunity to recover from the mental stress and pressure of clinical work and explore new avenues in medicine.

My guilty pleasure

Salt and vinegar chips, a glass of wine and a thriller series on Netflix.

My adopted home

Basel is a college city and I felt at home here from the beginning. I appreciate the high quality of life and the proximity to France, Germany – as well as all the major cities in Switzerland.

My source of energy

We go away every summer, preferably somewhere far away. Right now I have my eye on Asia. The culture, the food, the country and the people – it's all really exciting. When I travel, I recharge my batteries.

anti-infectives do not come in different pharmaceutical forms. Some are available as tablets only. "However, many of our young patients are unable to swallow large tablets. What we need is to have the active ingredients as a syrup," explains Dr. Schifferli.

The treatment of fungal infections requires close collaboration with specialists from other disciplines. "Interacting with colleagues in surgery, microbiology and infectious diseases is essential," explains Dr. Schifferli. Another challenge is the fact that treating a fungal infection can take several weeks or even months. "First of all, the fungus has to be stabilized with medication. We then have to wait for the patient to recover and for the immune system to kick in. If the immune system does not recover during the break from chemotherapy, one possible solution is to perform an emergency stem cell transplant. However, an intervention of this kind comes with major risks of its own." Chemotherapy can be resumed only after the fungus has become visibly smaller.

What progress do you expect to see in the coming years in the treatment of severe fungal infections in children?

Here's an example from our clinic: Together with Dr. Ursula Tanriver, a senior physician for oncology/hema-

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“It would of course be fantastic if, at some point, we were able to artificially produce white blood cells.”

tology, and Professor Pablo Sinues from the Department of Biomedical Engineering, we are currently working on a research project that seeks to improve diagnostics in the field of fungal infections. We are hoping to see significant results from this research project.

Exciting! Can you elaborate on it a little more?

After the children have breathed into a special bag, the air is analyzed using a mass spectrometer. This method can already be used to measure the concentration of certain drugs or metabolic products in various diseases. One key advantage, especially for children, is that this method is non-invasive.

We’ll cross our fingers that the method becomes established. Are there any other developments you would like to see in the future?

It would of course be fantastic if, at some point, we were able to artificially produce white blood cells. This is because we cannot completely defeat a fungal infection without white blood cells – no matter how good the medication we use. While this is still a long way off right now, at UKBB we know that miracles happen time and again.

Alexandra Schifferli wishes to thank the Foundation for the Promotion of Medical and Biological Research, Arlesheim (UBS Basel, IBAN: CH60 0023 3233 6475 6601X) and ICIS – Intercontinental Cooperative ITP Study Group, Basel (www.itpbasel.ch, Aargauische Kantonalbank IBAN CH54 0076 1644 9328 2200 1) for supporting her research work.

How Céline (11) defeated cancer and a fungal infection

Anyone with a family of their own can scarcely imagine what it means for your own child to be diagnosed with leukemia. But that's exactly what happened to then nine-year-old Céline* and her parents in December 2021. But that wasn't the only twist of fate, because in spring 2022 Céline developed an invasive fungal infection in her lungs.

"The new immune cells were able to fight the fungus successfully."

"Céline barely had any white blood cells left and her immune system was severely weakened by the chemotherapy. This enabled the fungus to spread unhindered through her lungs," recalls Dr. Alexandra Schifferli, who was the head oncologist in charge of her treatment. For several weeks, Céline was given anti-fungal medication to contain the infection, but despite all efforts the fungus continued to spread.

A stem cell transplant and effective medication

The situation changed following a stem cell transplant, which enabled Céline's weakened immune system to be rebuilt. The new immune cells were then able to fight the fungus successfully. In combination with the

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operation and the anti-fungal medication, the treatment helped Céline to stabilize and recover.

Although part of Céline's lungs had to be removed due to the fungal infection, today, two years later, she is doing fantastically well. Not only did she defeat cancer, but she overcame the fungal infection. This bright girl attends school, goes dancing, enjoys drawing and plays the piano. She now only needs to visit UKBB for a check-up every few months.

As a footnote, Céline took the anti-fungal medication in tablet form (crushed up very finely). Looking back today, she has one wish: "It would be nice if the medication were available as a syrup and in different flavors – just like with lollipops."

*Name changed.

"Céline barely had any white blood cells left and her immune system was severely weakened by the chemotherapy. This enabled the fungus to spread unhindered through her lungs."

The University Children's Hospital of Basel and Basilea would like to thank the Theodora Foundation, whose Giggle Doctors make day-to-day life easier for children in hospital. theodora.ch/en

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Our employees

We strive towards making a difference to patients, and that starts with a commitment to our own people: our employees. In addition to competitive remuneration with a balanced mix of fixed pay and variable compensation, our employees receive a variety of benefits ranging from an attractive pension plan to personalized training courses.

At Basilea we have a common goal: by bringing together people who are specialists in their respective field, we want to continue to develop innovative drugs that serve the urgent medical need for new anti-infectives. Teamwork and cross-functional collaboration are crucial for Basilea as our scope covers the full range of the drug life cycle: from discovery research, through development and all the way to commercialization, requiring both business and support functions to work together. Given Basilea's size, everyone knows everyone after a short time in the company and we have a sense of community. Our success is contingent on cross-functional, dynamic teams built on passionate people who put collective accomplishments first.

Basilea was recognized in 2024 as one of the best employers in Switzerland

Basilea as an employer

We see our employees as our greatest strength, and we are committed to creating a work environment in which everyone can make an impact and is recognized for their achievements. Basilea's annual performance management is based on individual, team and company objectives where everyone is recognized for their individual contributions and performance.

This is a key part of what we offer and what we expect from our people. Each Basilea employee gets the opportunity to work on a range of projects with the freedom to make decisions.

Also, while allowing our employees to work remotely part of their working time, fostering personal interaction is important to us. We believe this forms a crucial part of the foundation on which teamwork and organizational cohesiveness are built. From the first interview until retirement and all the steps and milestones in between, we strive to add a personal touch in everything we do.

The well-being of our employees is important, and we support them in various ways, from ergonomic workplaces to sports events at and outside the workplace.

As an inclusive company that fosters gender diversity, we prioritize equal pay. Basilea is committed to conducting an equal pay analysis every year and publishing its results. Since the first analysis in 2020, the results have always been below the 5% threshold defined by Swiss authorities. According to our most recent equal pay analysis in 2024, men earned 1.8% more than women, taking personal qualification and workplace characteristics into consideration. This result is well below both the 5% tolerance threshold and our own 2.5% target threshold.

“In a small company with big ambitions, we strongly believe that every employee can make an impact.”

Ursula Eberhardt
Head of Global Human Resources

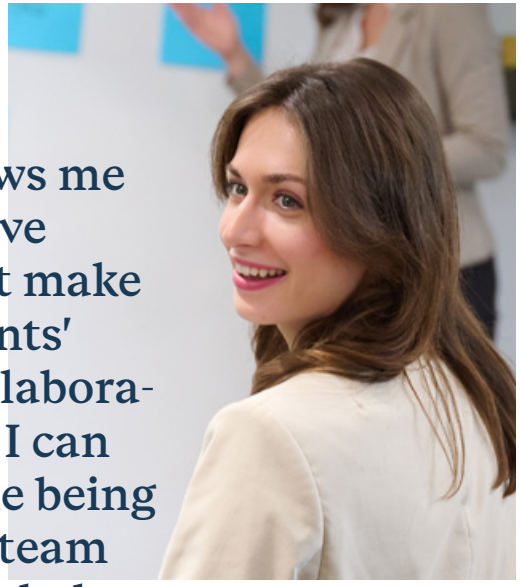
Basilea's employees
Rewarding work is typically challenging, and working at Basilea is no different. Our projects are fast-paced, complex and diverse. To meet those challenges head on, it takes people who strive to perform on the highest level and can develop novel, out-of-the-box solutions to issues. Our over 160 employees from all over the world represent 21 different nationalities and bring their ideas and experiences with them, working together to drive innovation.

Basilea has once again been named among the 150 most innovative companies in Switzerland with rank 29, an achievement that reflects our hard work, creativity, and dedication.

Our size coupled with our dedication to our employees means that we can offer our people the opportunity to work on exciting projects. Due to the fast pace of the company and the ability to work with fellow driven professionals, our employees can develop faster and more broadly than they would in similar roles elsewhere.

Together, we can make a difference – to patients, the healthcare system and the society in which we are embedded.

At Basilea, patients are at the centre of everything we do. Our purpose is to make a difference to them with expertise, care and persistence. The different perspectives of our departments and teams at Basilea ensure we continue to deliver patient-centric solutions.



"Working at Basilea allows me to contribute to innovative healthcare solutions that make a real difference to patients' lives. I appreciate the collaborative environment, where I can grow professionally while being part of a mission-driven team focused on improving global health."

Lea Wunderlich
Supply Chain Specialist

"The work culture at Basilea is great: We have modern offices, state-of-the-art laboratory infrastructure, and a lively team spirit."

Cristian Steiner
Analytical Development &
Quality Testing Manager

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Carolin Siegel
Assistant to the
Chief Medical Officer

"At Basilea, I have the opportunity to gain insights into areas outside my main responsibilities. This makes the working day very exciting and varied. There is a trusting atmosphere with flexible work hours and part-time models, which has a very positive impact on the working environment."

"Our company plays an important role in society by advancing healthcare to combat antibiotic resistance with the common goal of saving patients' lives."

Jessica Zimmermann
Front Desk Coordinator

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"Many hospitalized patients, especially those battling long-term bacterial or fungal infections, have limited treatment options due to the rapid emergence of resistant strains. By developing innovative anti-infectives, we help save lives and improve the quality of life for these patients."

Mingzhen Fan, Ph.D.
Research Scientist Biology

"We develop antibiotics and antifungal drugs that saves people's lives. I well remember when my then two-year-old son had a bacterial infection that started in his eye and spread to his bloodstream. If antibiotics had not been available, he would not have been cured."

Helena Barisch, Ph.D.
Team Member Analytical Research

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Lambert Potin, Ph.D.
Corporate Development Manager

"The development of anti-infectives has been deprioritized by many players in this space, leaving patients stranded in the fight against deadly pathogens. It is therefore of paramount importance that Basilea commits to the development of anti-infective drugs that address current and potential future threats to society."

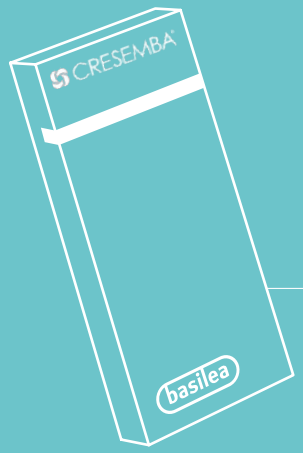
"As the executive assistant to the CEO and CFO, my work is both challenging and rewarding. It's an exciting role because I am at the heart of the company, helping manage their priorities and ensuring that important tasks are executed efficiently."

Tatjana Soltmannowksi
Executive Assistant CEO & CFO

Our portfolio

Our portfolio in short

We have achieved several significant milestones in 2024 for our leading antifungal and antibiotic, our commercial products. Moreover, we laid the foundation for future growth by commencing a phase 3 study in invasive yeast infections with our potential next lead product, the broad-spectrum antifungal fosmanogepix.



Marketing authorization obtained in
78 countries

Launched in
75 countries

20%
Year-on-year increase in global in-market sales

(Source: IQVIA Analytics Link, September 2024)

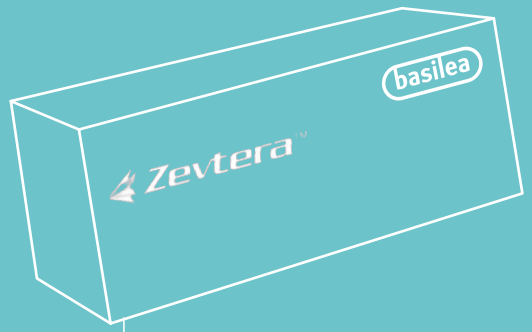
Key products

Cresemba®

In August 2024, the European Commission approved the use of Cresemba in children with invasive aspergillosis or mucormycosis, following a similar decision by the US Food and Drug Administration (FDA) in December 2023; the market exclusivity of Cresemba was extended to October 2027 in the EU and September 2027 in the US.

Zevtera®

In April 2024, Zevtera was approved in the US for all three submitted indications. Innoviva Specialty Therapeutics (IST) was announced in December as commercialization partner for the US market. The US launch is expected mid-2025. In China, the antibiotic was included in the National Reimbursement Drug List (NRDL) at the end of 2024, making it eligible for reimbursement under the Chinese national basic medical insurance program from 2025.



Marketing authorization obtained in
35 countries

Launched in
20 countries

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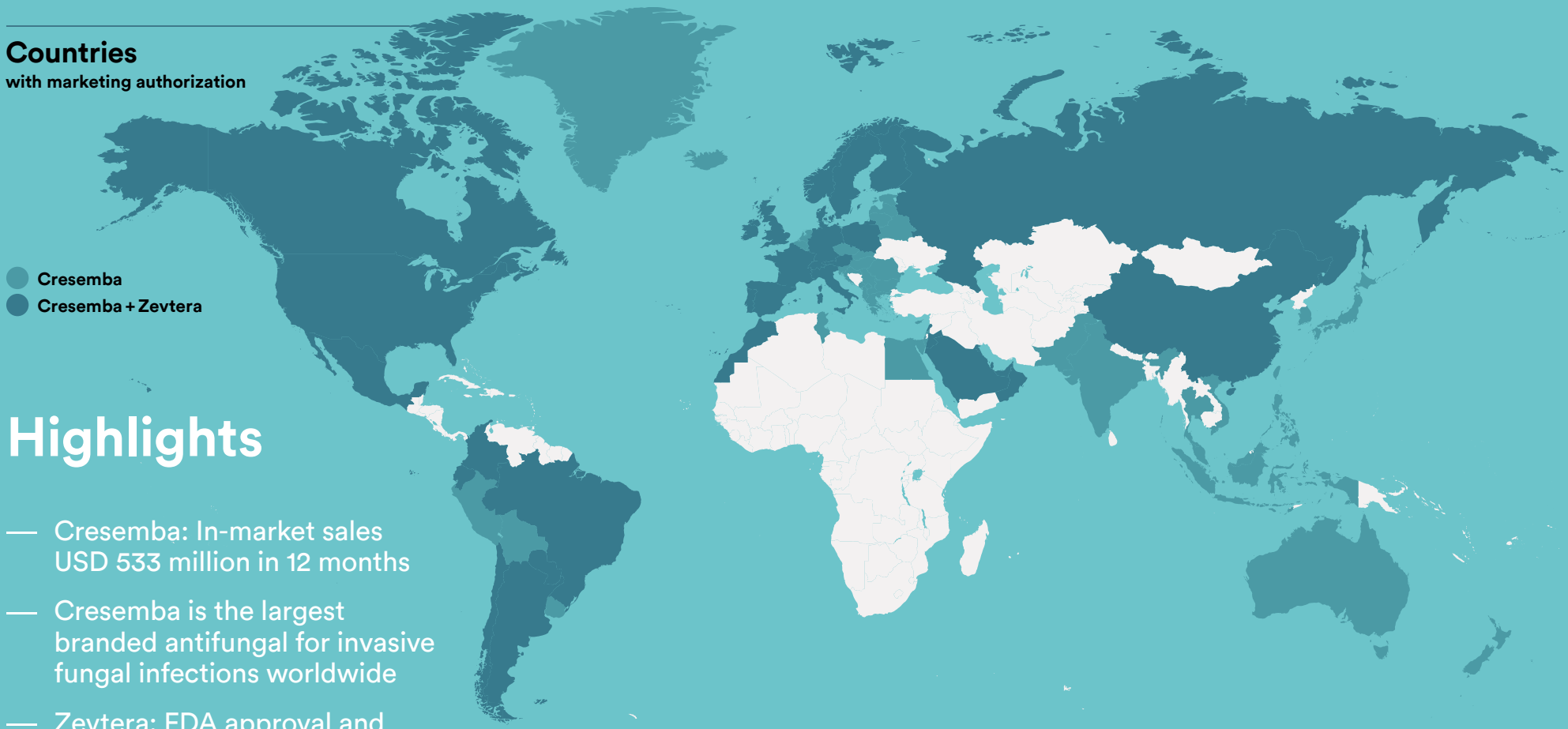
Countries
with marketing authorization



Highlights

- Cresemba: In-market sales USD 533 million in 12 months
- Cresemba is the largest branded antifungal for invasive fungal infections worldwide
- Zevtera: FDA approval and US commercialization agreement with Innoviva Specialty Therapeutics
- Four new compounds since late 2023: fosmanogepix, BAL2062, tonabacase (evaluation license only), BAL2420

100+
countries covered by licence and distribution partners

4
new compounds studied

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Unique partner-centric business model focused on high medical need and meaningful market opportunities

Commercialized drugs and development pipeline

Basilea focuses on the development of innovative medicines for the treatment of serious bacterial and fungal infections, addressing high medical needs and thus creating meaningful market opportunities.

Research-focused companies often lack the financial strength, organizational resources or capabilities to advance their drug candidates beyond the early clinical stage by themselves. Additionally, most large pharmaceutical companies that had been active in anti-infectives in the past no longer focus on this therapy area, but instead have moved on to chronic diseases. This has led to a dearth of urgently needed novel anti-infectives. Basilea fills this gap, with our unique business model of in-licensing or acquiring the most promising drug candidates from late preclinical or early clinical stages and advancing them through development to market. Our business model focuses on generating the right data required to support a differentiated commercial positioning, and makes us the partner of choice for both innovative R&D-focused and commercial stage companies in the anti-infectives field; the latter commercialize our drugs in key global markets.

The success of the antifungal Cresemba®, with the active ingredient isavuconazole, and the antibiotic Zevtera®, with the active ingredient ceftobiprole, has validated our business model. Now, with new development candidates in the pipeline, including the highly promising antifungal fosmanogepix, we are able to accelerate the value creation cycle and apply our proven business model to numerous exciting assets.

Our expertise enables us to identify the most promising assets and efficiently advance them through preclinical and clinical development. In addition, we have been able to access non-dilutive funding for the development of

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Invasive fungal infections affect 6.5 million people every year.

novel antifungals and antibacterials from the Biomedical Advanced Research and Development Authority (BARDA), and from the Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator (CARB-X). These will offset a significant part of the cost for the development of our assets. To ensure our drugs achieve a global reach, once successfully developed, we work with experienced commercialization partners. We participate in the commercial success of our brands through a combination of royalty income, milestone payments, and by supplying our partners with our medicines. In 2024, our total revenue from Cresemba and Zevtera amounted to approximately CHF 195 million.

Total revenue from Cresemba and Zevtera

195 million CHF

We focus on the development of treatments for invasive fungal infections, which are estimated to affect 6.5 million people each year, resulting in 3.8 million deaths of which 2.5 million are directly attributable to the fungal disease.[1] These infections are caused by molds and yeasts. They grow, for example, in the lungs and, if the fungal infection is not fought off by the immune system, enter the bloodstream and infect other parts of the body, such as the eyes, heart or brain.

Invasive fungal infections primarily affect immunocompromised people, including patients with hematologic

1 The Lancet Infectious Diseases, Global incidence and mortality of severe fungal disease. https://doi.org/10.1016/S1473-3099(23)00692-8

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malignancies (blood cancers), transplant patients, or those with immunodeficiency disorders. However, they can also affect generally healthy people, as evidenced by an outbreak of fungal meningitis in US patients undergoing surgery in Mexico in 2023, which is believed to have been caused by contaminated anesthetics.[2]

New compounds in our portfolio

Maintaining an attractive, innovative and well-balanced pipeline of early, mid and late-stage anti-infectives from internal and external innovation is essential for Basilea's sustainable success.

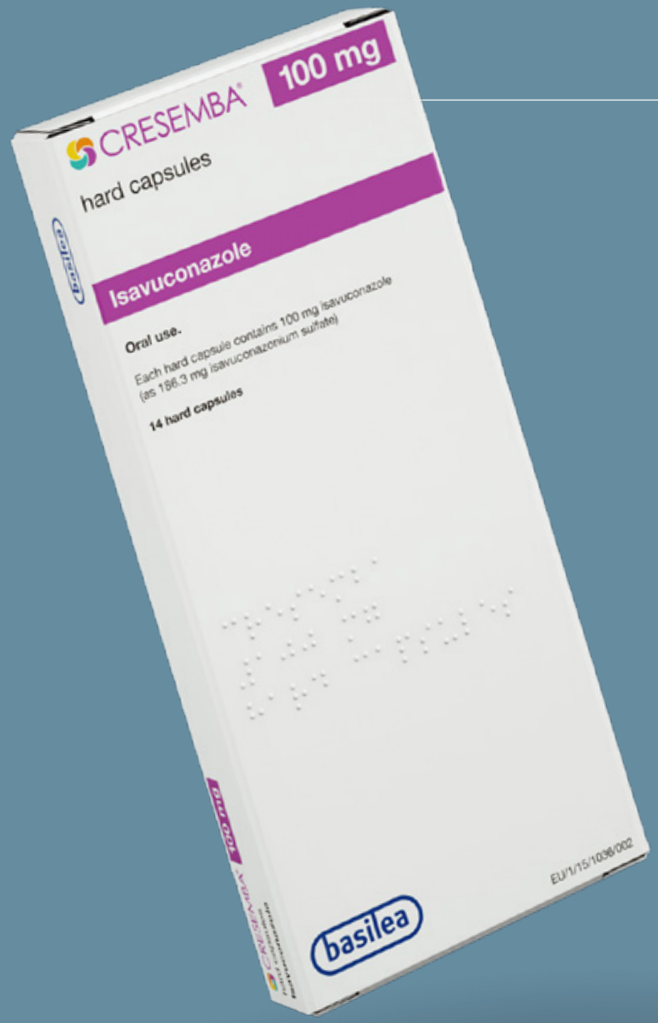
The limitations of current treatments, including spectrum of activity, resistance to existing treatments, dosing and administration constraints, as well as safety concerns, drive the need for new drugs.

In 2024, we worked on three clinical and one preclinical programs, which we had added to our pipeline since October 2023: fosmanogepix, BAL2062, tonabacase (for which we acquired an evaluation license only) and the LptA inhibitor BAL2420. If successfully developed, such new assets will support our long-term growth, replicating the success of Cresemba and Zevtera. However, as we continue to see attractive market opportunities that could be addressed with novel therapies, we will continue to assess additional assets to expand our pipeline in our focus areas of antifungals and antibacterials. Our focus is on in-licensing or acquiring assets between late preclinical stage and the end of clinical phase 2 development.

2 CDC Health Alert Network Health Update, June 1, 2023 https://www.cdc.gov/han/2023/han00492.html (Accessed: February 17, 2025)

Cresemba®
(isavuconazole)

A marketed intravenous and oral azole antifungal for the treatment of invasive mold infections[3]



3 In the United States of America (US), Cresemba for intravenous injection is approved for adults and pediatric patients from one year of age with invasive aspergillosis and invasive mucormycosis, and Cresemba capsules for oral administration are approved for adults and for pediatric patients six years of age and older who weigh 16 kg or more. In China, oral and intravenous isavuconazole is approved for patients 18 years of age and older for the treatment of invasive aspergillosis and invasive mucormycosis. In Japan, it is also approved for cryptococcosis, in addition to aspergillosis and mucormycosis. In the European Union and Iceland, Liechtenstein, Norway and the United Kingdom, isavuconazole is approved for patients from one year of age for the treatment of invasive aspergillosis and for the treatment of mucormycosis in patients for whom amphotericin B is inappropriate. In Canada, Cresemba is approved for use in adults and pediatrics from one year up to 18 years for the treatment of invasive aspergillosis and invasive mucormycosis. Isavuconazole is also approved in several additional countries in Europe and beyond, although the registration status and approved indications may vary from country to country.

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Antifungals

Cresemba®
(isavuconazole)

Status: on the market

Cresemba is our antifungal drug approved for the treatment of the two most common invasive mold infections, aspergillosis and mucormycosis.[3]

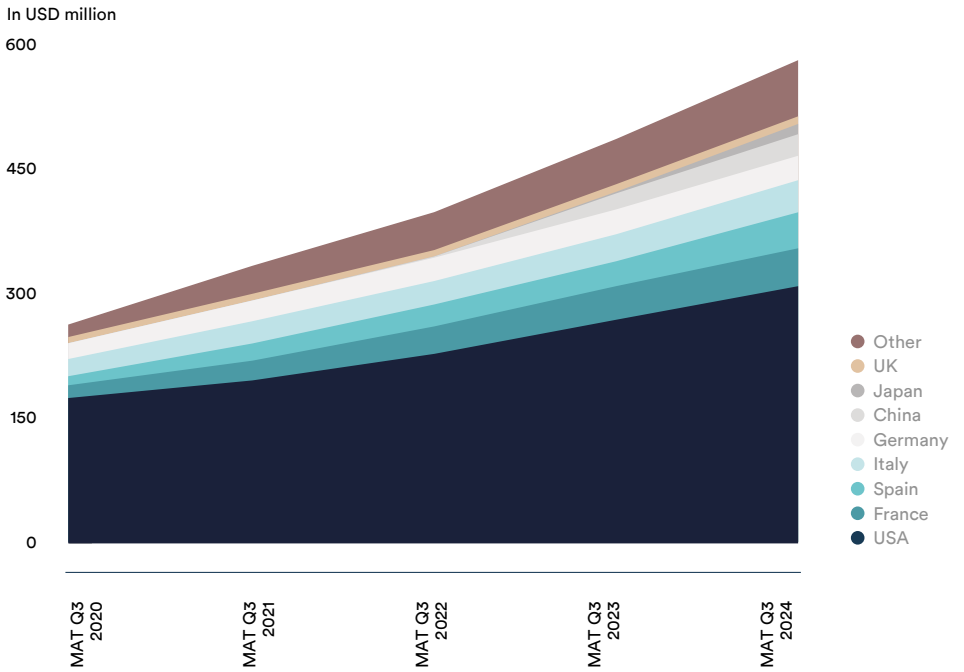
First launched in the US in 2015, Cresemba has become an important drug in addressing this important medical need and the market leader by value among best-in-class antifungals in the US.[4] It is currently approved and marketed in more than 70 countries.

Cresemba has Orphan Drug status in the US, the EU and Australia, which provides extended market exclusivity. In addition to the initial approval for the treatment of adults, it was recently approved in the US, Canada and the EU for use also in children. To support the ability to use Cresemba in the pediatric population, smaller capsules were developed, which are easier to swallow for children. Associated with the pediatric approval, Cresemba was granted additional exclusivity in the US until September

Marketing authorization obtained in **78 countries**

Launched in **75 countries**

Strong 20% Cresemba year-on-year in-market sales increase (MAT Q3 2024 vs. MAT Q3 2023)[5]



4 Best-in-class antifungals: Cresemba (isavuconazole), posaconazole, voriconazole, liposomal Amp B, anidulafungin, caspofungin, micafungin, rezafungin. Market share based on cumulative in-market sales between October 2023 and September 2024, IQVIA Analytics Link, September 2024.

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2027 and in the EU until October 2027. These exclusivity extensions are important in the overall commercial value of Cresemba, as sales of anti-infectives are expected to continue to grow until the end of the exclusivity period. The extension of market exclusivity in the EU triggered a CHF 10 million milestone payment from Basilea's partner, Pfizer Inc.

Smaller capsules developed for

children

Current sales by our partners continue to grow strongly, as shown by the latest available data (see on page 57). Total global in-market sales of Cresemba amounted to USD 533 million in the 12 months from October 2023 to September 2024, which is a 20% increase year-on-year.[5] The continued strong sales dynamic is also reflected by the CHF 97 million in royalty revenue that we reported for 2024.

The strong performance is also shown by almost CHF 40 million milestone payments reported in 2024. Sales in Europe, Asia Pacific and China alone triggered milestone payments of USD 26 million from Pfizer. Furthermore, first-ever sales milestones were achieved in Japan and the Middle East/North Africa region (MENA).

5 IQVIA Analytics Link, September 2024; MAT: Moving annual total

Fosmanogepix

Status: Phase 3

Next milestone: Start phase 3 study in invasive mold infections

The most advanced new antifungal compound in Basilea's clinical pipeline is fosmanogepix, which is available in intravenous and oral formulations. We acquired this drug candidate in November 2023.

Fosmanogepix is a broad-spectrum antifungal and the first member of the new 'gepix' class of drugs. Manogepix, the active moiety of the prodrug of fosmanogepix is broadly distributed to body compartments that are relevant for fungal infections, including the lungs and brain. Manogepix inhibits a specific enzyme that is critical in anchoring proteins to the outer cell wall of fungi, specifically mannoproteins, which are an integral part of the fungal cell wall architecture. Inhibition of mannoprotein anchoring reduces the viability of fungal cells, decreases their pathogenicity and ability to infect humans, and promotes fungal cell death.

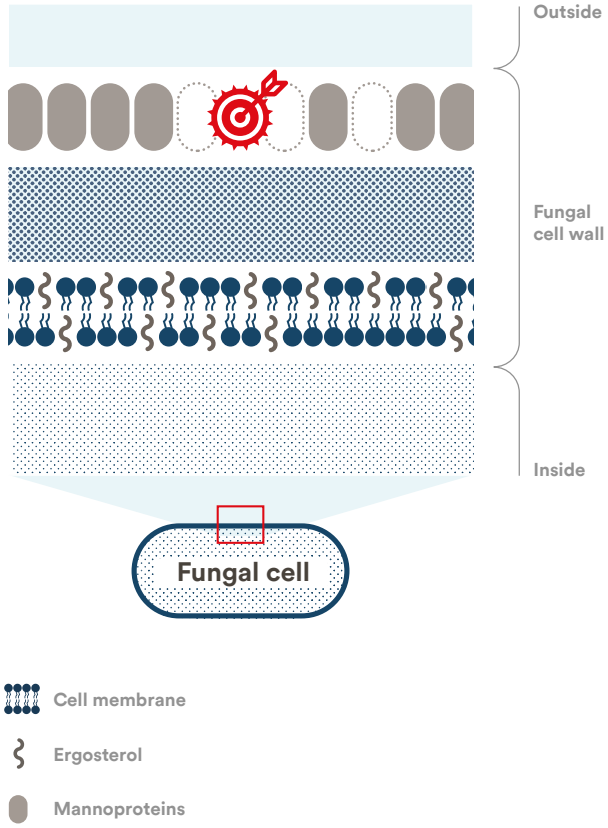
Manogepix has shown potent, broad-spectrum activity against both yeasts and molds, including species that can be highly resistant to currently available antifungal therapies, such as *Fusarium*, azole-resistant *Aspergillus* species, Mucorales fungi, *Lomentospora prolificans*, *Scedosporium*, and the multi-drug-resistant yeast *Candida auris*.[6] *Candida auris* has caused outbreaks in hospitals and other care facilities in many parts of the world and the emergence of such a new pathogen highlights the strong need for new antifungal agents.

The FDA has granted fosmanogepix Qualified Infectious Disease Product (QIDP), Orphan Drug and Fast Track designations, which, respectively, provide longer protection against potential generic competition and make it eligible for a faster regulatory review process.

When we acquired the program, it had completed phase 2 clinical development. We initiated a phase 3 study in invasive yeast infections in September 2024 and are planning to initiate another phase 3 study, in invasive mold infections, in the second quarter of 2025. If we are able to develop fosmanogepix to the market, we believe it has the potential to be as successful as Cresemba.

6 K. J. Shaw, A. S. Ibrahim. Fosmanogepix: A Review of the First-in-Class Broad Spectrum Agent for the Treatment of Invasive Fungal Infections. Journal of Fungi (Basel) 2020 (6), 239

Target for fosmanogepix in the fungal cell



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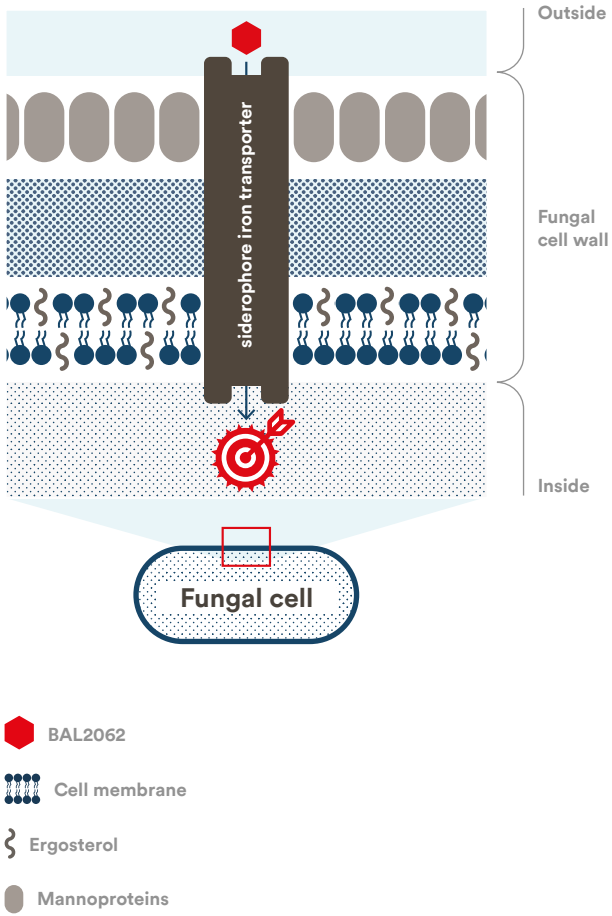
BAL2062

Status: Phase 1

Next milestone: Completion of preclinical profiling and preparation of phase 2 program

The second new clinical-stage antifungal in our pipeline is BAL2062, which is available as an intravenous formulation. Derived from a naturally occurring compound, it uses a fungus-specific transporter (siderophore iron transporter, see figure) to enter and rapidly kill fungal cells.[7] BAL2062 also belongs to a new class of antifungals and could become the first drug in this class to be approved. It has shown activity against *Aspergillus* species, including azole-resistant strains, *Fusarium* and selected *Candida* species, among others. The FDA has granted BAL2062 QIDP, Orphan Drug, and Fast Track designations for the treatment of invasive aspergillosis. We are conducting a preclinical profiling program to define the optimal positioning and the most efficient clinical development path for this compound. In 2025, our focus will be on the completion of the preclinical profiling and the preparation of the phase 2 program in order to start the clinical study in 2026.

Target for BAL2062 in the fungal cell



Non-dilutive R&D funding

In September 2024, BARDA, which is part of the Administration for Strategic Preparedness and Response (ASPR) within the US Department of Health and Human Services, and Basilea signed an "Other Transaction Agreement" (OTA), which provides up to approximately USD 268 million non-dilutive funding over up to 12 years for the development of novel antifungals and antibacterials.[8] An initial commitment of USD 29 million supports the development of our antifungals fosmanogepix and BAL2062. BARDA's financial contribution is assumed to be about 60% of the total costs over the term of the OTA. Moreover, under the OTA, BARDA and Basilea can jointly decide to move candidates into and out of the portfolio based on product performance, technical risk, and programmatic need. This flexibility results in significant time, effort, and cost savings to both partners.

7 K. J. Shaw. GR–2397: Review of the Novel Siderophore-like Antifungal Agent for the Treatment of Invasive Aspergillosis. Journal of Fungi (Basel) 2022 (8), 909

8 BARDA OTA number: 75A50124C00033

Zevtera®
(ceftobiprole)

A marketed intravenous cephalosporin antibiotic for the treatment of severe bacterial infections in hospitals, including infections caused by methicillin-susceptible and resistant *Staphylococcus aureus* (MSSA/MRSA)[9]

9 Ceftobiprole is approved in major European countries and several non-European countries, including China, for the treatment of adult patients with hospital-acquired bacterial pneumonia (HABP, excluding ventilator-associated bacterial pneumonia, VABP) and community-acquired bacterial pneumonia (CABP). In China, ceftobiprole was also approved for pediatric use in January 2025. In the United States, the drug is approved for the treatment of adult patients with bloodstream infections (bacteremia) caused by *Staphylococcus aureus* (SAB), including right-sided infective endocarditis, and adult patients with acute bacterial skin and skin structure infections (ABSSSI), and for adult and pediatric patients (three months to less than 18 years old) with community-acquired bacterial pneumonia (CABP).

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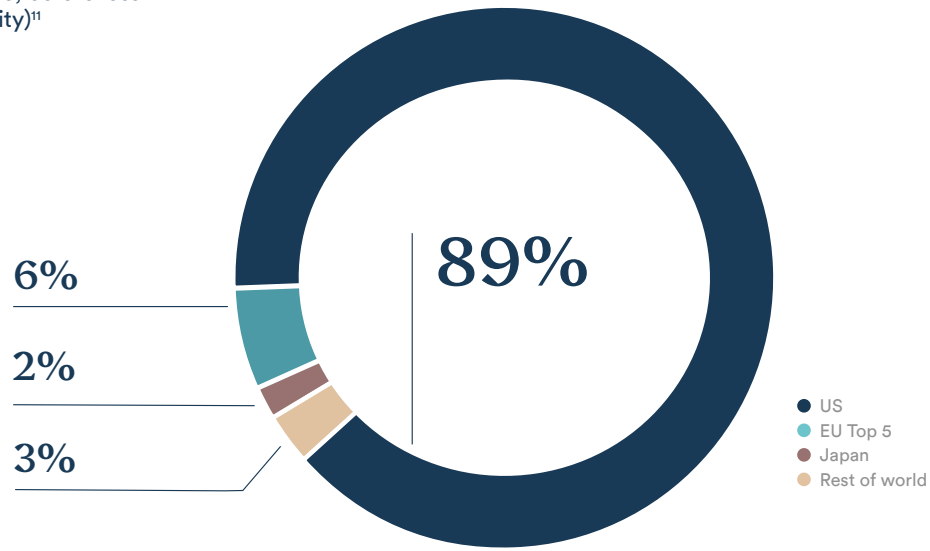
Antibacterials

Marketing authorization obtained in
35 countries

Launched in
20 countries

The US is the commercially most important market for hospital anti-MRSA antibiotics[10]; total global market is USD 2.4 bn[11]

Daptomycin sales by region (2015, before loss of exclusivity)[11]



Zevtera®
(ceftobiprole)

Status: on the market

Zevtera is our antibiotic for the treatment of severe bacterial infections. It has been shown to be particularly effective against methicillin-resistant *Staphylococcus aureus* (MRSA), a bacterium responsible for several difficult-to-treat infections associated with high mortality.

Since 2014, Zevtera has been approved and launched in major European countries and several countries outside Europe, initially for the treatment of bacterial lung infections (pneumonia).[9] Due to the particularly high incidence of MRSA in the US, we believe that the country represents the largest commercial market opportunity for Zevtera. To gain access to the US market, Basilea successfully completed a phase 3 program in *Staphylococcus aureus* bacteremia (SAB) and acute bacterial skin and skin structure infections (ABSSSI), which together with the results of an earlier phase 3 study in community-acquired bacterial pneumonia (CABP) formed the basis for the application for approval in the US.

In April 2024, the US Food and Drug Administration (FDA) approved Zevtera for all three indications for which it was submitted – SAB, ABSSSI and CABP. Of these, SAB is the indication with the highest unmet medical need, as approximately 20% of SAB patients die within one month if not effectively treated.[12]

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The launch of Zevtera in the US is expected mid–2025

In December 2024, Zevtera was included in the national reimbursement drug list (NRDL) for the treatment of pneumonia in China. Also in December, we announced that Zevtera will be commercialized in the US by Innoviva Specialty Therapeutics (IST) under an exclusive distribution and license agreement. IST is a US-based biopharmaceutical company with an established hospital sales force. It recently launched a hospital antibiotic in the US and Zevtera will be its fourth marketed hospital drug. Hence, IST has the necessary resources and capabilities to successfully bring Zevtera to patients in need in the US. The launch is expected in mid–2025.

Under the terms of the agreement, Basilea receives a USD 4 million upfront payment and tiered royalties on net sales in the high-teens to mid-twenties percentage range, and will be eligible to receive sales milestones of up to USD 223 million. In addition, IST will purchase its demand of the product from Basilea.

In the US, Zevtera is protected from generic competition until April 2034, based on its FDA-designated QIDP status, which provides additional market exclusivity. We believe Zevtera has the potential to play an important role in the treatment of SAB, as treatment options are limited, particularly when methicillin-resistant *Staphylococcus aureus* (MRSA) is of concern.

Basilea's ceftobiprole phase 3 program, which formed the basis for the FDA approval, is funded in part by federal funds from the US Department of Health and Human Services (HHS); Administration for Strategic Preparedness and Response (ASPR); Biomedical Advanced Research and Development Authority (BARDA), under contract number HHSO100201600002C. Basilea has been awarded approximately USD 111 million, or approximately 75% of the costs related to the SAB and ABSSSI phase 3 studies, regulatory activities and nonclinical work.

10 Vancomycin, linezolid, teicoplanin, daptomycin, tigecycline, telavancin, ceftaroline, dalbavancin, ceftobiprole, oritavancin and tedizolid

11 IQVIA Analytics Link, September 2024

12 K. Hamed, M. Engelhardt, M. E. Jones et al. Ceftobiprole versus daptomycin in *Staphylococcus aureus* bacteremia: a novel protocol for a double-blind, Phase III trial. Future Microbiology 2020 (1), 35–48

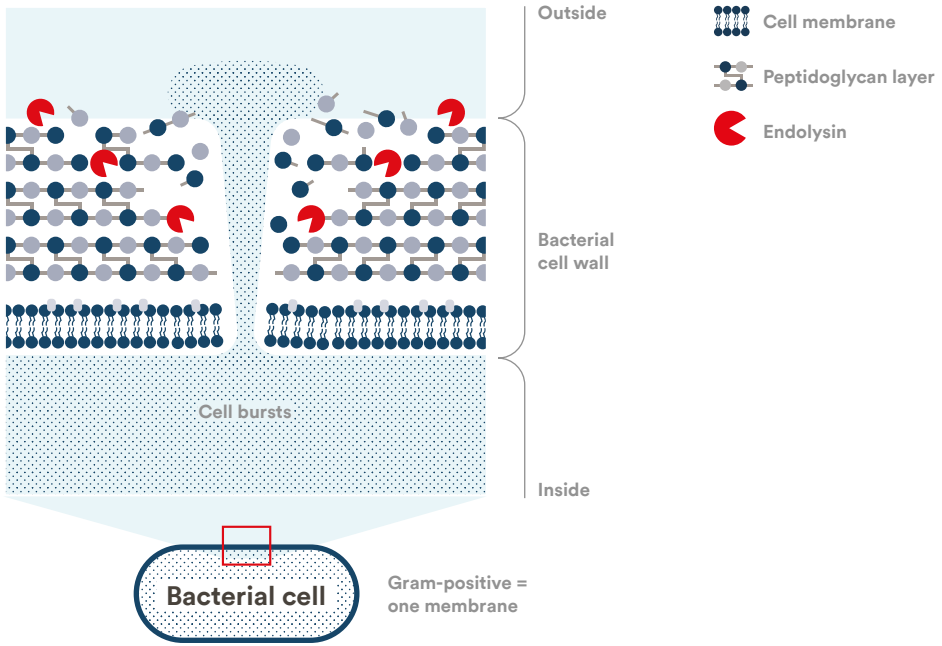
Tonabacase

Status: Phase 1

Tonabacase is a novel antibiotic of the endolysin class. It is derived from bacteriophages; i.e. viruses that infect and kill bacteria. Endolysins cause a rapid destabilization of the bacterial cell wall by degrading the peptidoglycan layer, resulting in bacterial death (see figure). In addition, endolysins have the potential to provide significant advantages over conventional antibiotic treatments in infections involving biofilms. Tonabacase has demonstrated activity against staphylococcal bacteria.[13, 14] In October 2023, we initially acquired an exclusive license that allowed us to thoroughly evaluate tonabacase in preclinical studies in order to determine whether our target product profile for novel endolysins could be achieved with tonabacase.

In the meantime, we have completed our preclinical profiling and decided not to pursue further development. This decision demonstrates that we are focused on stringent risk-return criteria when making portfolio decisions.

Mode of action for endolysins



13 N.–H. Kim, W. B. Park, J. E. Cho et al. Effects of Phage Endolysin SAL200 Combined with antibiotics on *Staphylococcus aureus* infection. Antimicrobial Agents and Chemotherapy 2018 (62), e00731–18

14 D. B. Huang. H. S. Sader, P. R. Rhomberg et al. Anti-staphylococcal lysin, LSVT–1701, activity: In vitro susceptibility of *Staphylococcus aureus* and coagulase-negative staphylococci (CoNS) clinical isolates from around the world collected from 2002 to 2019. Diagnostic Microbiology and Infectious Disease 2021 (101), 115471

previous topic

next topic

BAL2420 (LptA inhibitor)

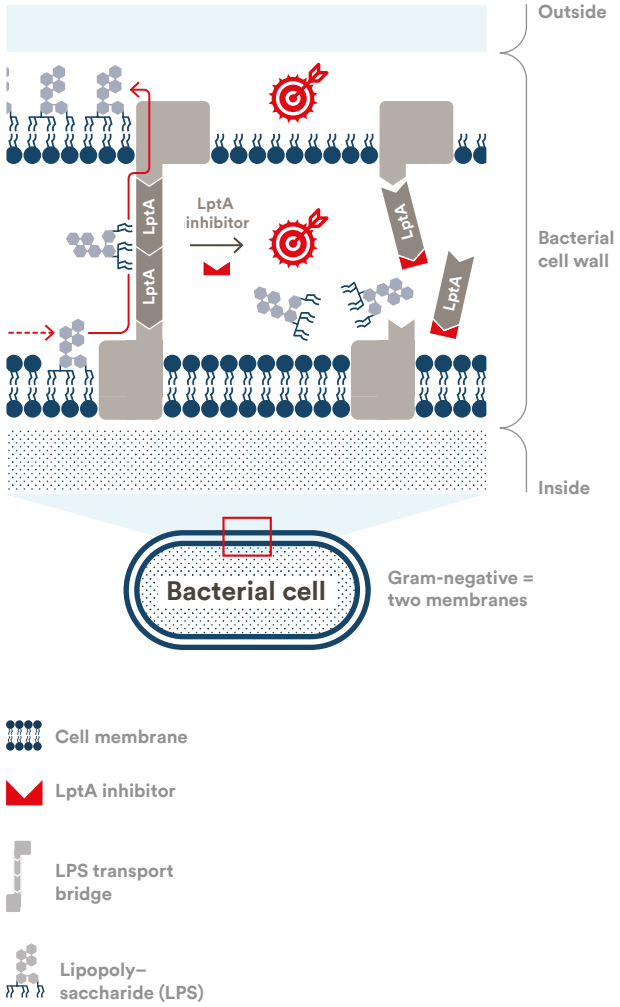
Status: preclinical

Next milestone: Progress towards a first-in-human clinical study expected to start mid-2026

BAL2420 belongs to one of the very few novel classes of antibiotics in development. It targets LptA, which is part of the lipopolysaccharide (LPS) transport bridge, an essential structure in Gram-negative bacteria (see figure). Inhibition of LptA results in a loss of the integrity of the outer cell membrane and LptA inhibitors have demonstrated potent and rapid killing of bacteria *in vitro* and *in vivo* against Gram-negative bacteria of the Enterobacteriaceae family, such as *E. coli* and *K. pneumoniae*, including strains resistant to beta-lactams and colistin, an antibiotic considered as a last-resort therapy.[15] We acquired the rights for a preclinical program of LptA inhibitors in January 2024 and were awarded a grant of up to USD 0.9 million from CARB-X to support early preclinical activities. Following successful nomination of BAL2420 as a drug candidate, we were awarded an additional USD 7.3 million from CARB-X in December 2024, in order to support the progression to the start of a first-in-human clinical study. This is expected in mid-2026.[16]

Mode of action for LptA inhibitors

(adapted from Schuster et al.)[15]



15 M. Schuster, E. Brabet, K. K. Oi et al. Peptidomimetic antibiotics disrupt the lipopolysaccharide transport bridge of drug-resistant Enterobacteriaceae. Science Advances 2023 (9), eadg3683

16 CARB-X's funding for this project is provided in part by federal funds from the US Department of Health and Human Services (HHS); Administration for Strategic Preparedness and Response; Biomedical Advanced Research and Development Authority; Antibacterials branch; under agreement number 75A50122C00028; and by awards from Wellcome (WT224842) and Germany's Federal Ministry of Education and Research (BMBF).

previous topic

next topic

previous topic
next topic

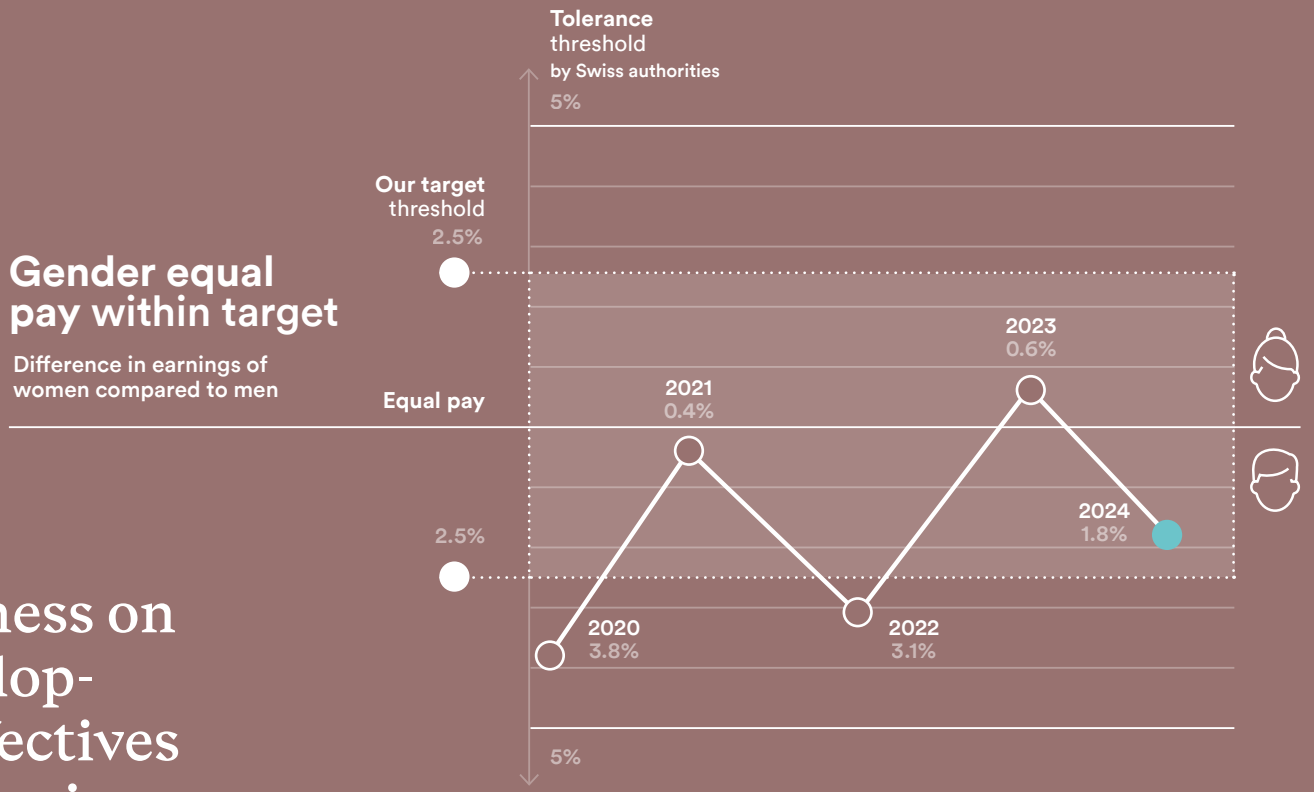
Our ESG commitment

Our ESG commitment in short

Basilea has transparently reported since 2019 on its activities and progress. In 2023, with guidance from our board of directors, we established an ESG strategy, which was further refined in 2024.

Gender equal pay within target

Difference in earnings of women compared to men



"By focusing our business on the research and development of novel anti-infectives we contribute to addressing global health priorities – with expertise, care and persistence."

100%

of our compounds address pathogens listed by WHO as "critical" or "high" priority

4 Ambition statements

— Environment

"We work in the constant awareness that medical research, development, and manufacturing must be carried out with careful use of resources and respect for all living beings."

— Social

"We assess our performance by the service we provide in the interest of patients, and by the respectful treatment of all people involved in our value chain."

— Governance

"We aim to earn the trust of our stakeholders based on our professional expertise, integrity and ethical business conduct."

— Economy

"Economic performance allows us to generate value for our stakeholders, to invest in future innovation and to ensure highest quality standards."

Our nine focus topics 9

- Product quality and safety
- Antimicrobial resistance
- Animal handling
- Compliance
- Access to medicine
- Intellectual property protection
- Human capital development
- Diversity, equality and inclusion
- Economic performance

previous topic

next topic

Our goal is to be able to operate successfully in the long term while minimizing negative external effects of our activities and contributing to our mission of being a leading provider of innovative anti-infective medicines for the benefit of patients.

Environmental, social and governance reporting

Our business model and our lean management approach involves partnerships on all levels: from in-licensing or acquiring innovative early-stage drug candidates, through preclinical and clinical development and manufacturing to commercialization. As a result, Basilea's own direct environmental footprint is relatively small. However, ESG is nonetheless an important topic to Basilea and we define our strategic focus areas.

This means that in addition to what is – or will be – required by law, we are also focusing on those factors for which we have the expertise and the resources to have an impact. We also believe that these focus topics support our corporate strategy and long-term success. Our focus topics are also linked to the 17 Sustainability Development Goals (SDGs) that were passed by the United Nations as part of their "2030 Agenda for Sustainable Development" (https://sdgs.un.org/goals) and came into force on January 1, 2016. The relevant SDGs and respective targets are listed below in the discussion of our focus topics.

Basilea voluntarily reports on ESG

Although we currently have no legal obligation to compile and publish an ESG report, Basilea is transparently reporting since 2019 on its activities and progress. In 2023, with guidance from our board of directors, we established an ESG strategy, which was further refined in 2024. In addition, key performance indicators (KPIs) were defined in 2024, related to our focus topics, which will also become part of the company's performance management system and impact the remuneration of Basilea's management committee going forward.

Our progress so far: Conducting a materiality analysis by applying the double materiality concept

In 2023, to develop our ESG strategy, we initially conducted a context analysis to identify the relevant factors influencing the materiality assessment. This included a review of our business model, which helped us to identify the key stakeholders along our value chain. Our next step was to develop a long list of potential materiality topics by reference to reporting standards such as the GRI or SASB, as well as existing ESG ratings and rankings.

In accordance with best practice, we looked at each of these material topics and rated them from two different perspectives, using the concept of "double materiality":

1. The "outside-in" perspective: How relevant is a topic for our long-term (business) success?
2. The "inside-out" perspective: What is the impact of our business activities in this area?

Within this process, we developed ambition statements for all four areas.

Our materiality analysis identified nine sustainability-related topics that are of particular importance to Basilea's long-term success and/or to the environment in which we operate.

These topics are key for the setting of sustainability goals and will become the core of our future ESG reporting. We pursue them strategically and aim to make measurable progress against them.

Ambition statements

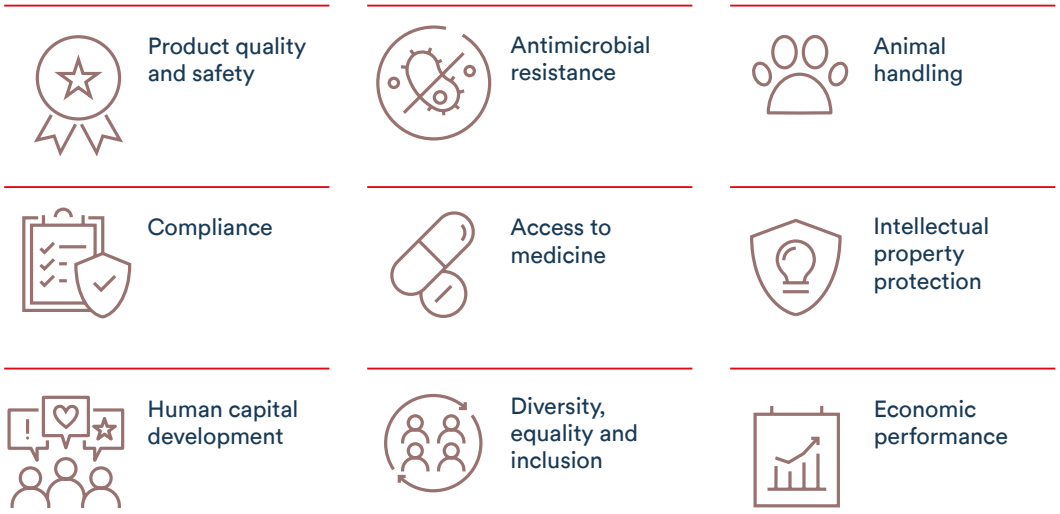
— **Environment**
We work in the constant awareness that medical research, development, and manufacturing must be carried out with careful use of resources and respect for all living beings.

— **Social**
We assess our performance by the service we provide in the interest of patients, and by the respectful treatment of all people involved in our value chain.

— **Governance**
We aim to earn the trust of our stakeholders based on our professional expertise, integrity and ethical business conduct.

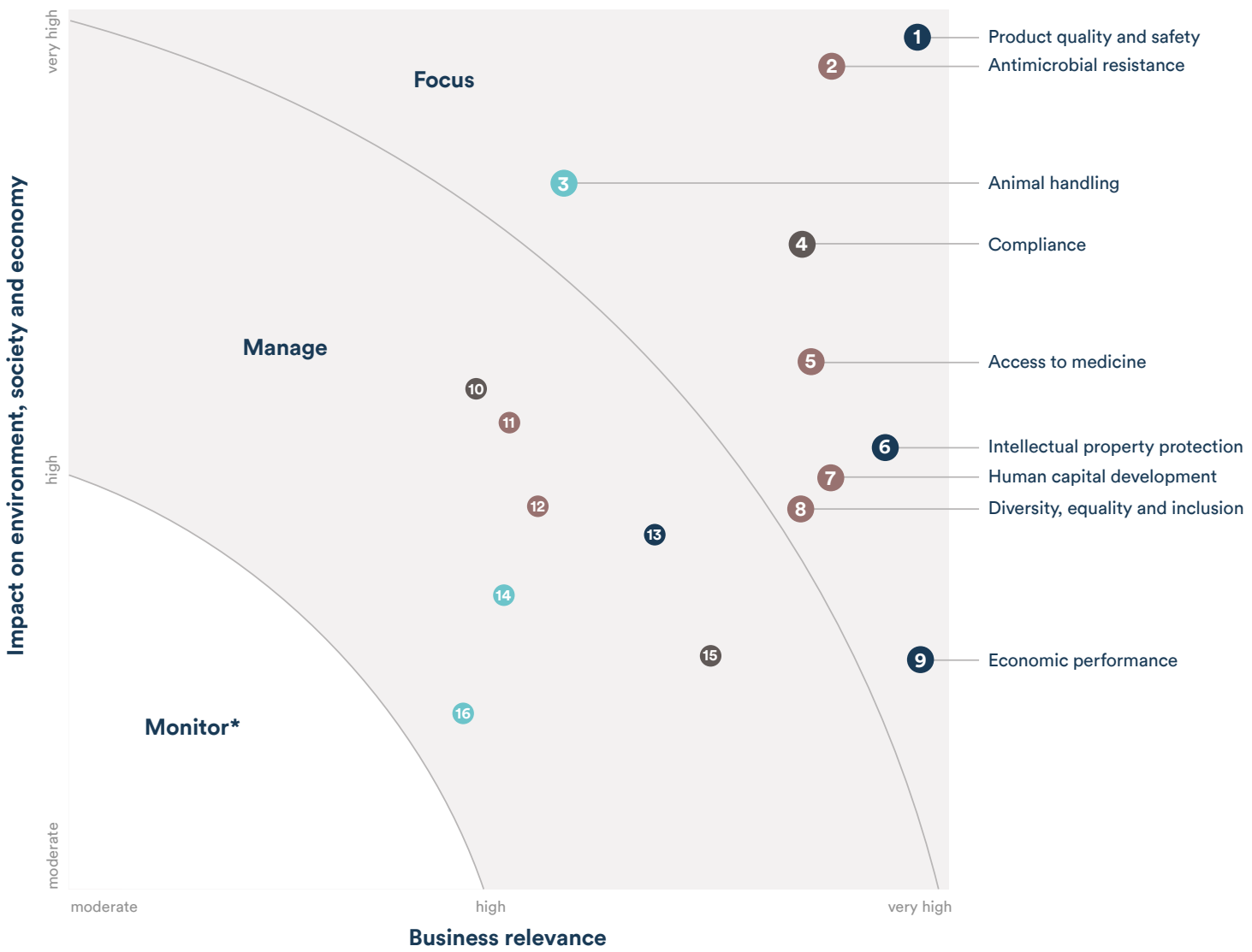
— **Economy**
Economic performance allows us to generate value for our stakeholders, to invest in future innovation and to ensure highest quality standards.

Our nine focus topics



Beyond the "focus" topics, we have also identified further relevant topics, some of which we are planning to actively manage and some to monitor.

The results of this analysis are shown in the materiality matrix below:



- Economic topics
- Environmental topics
- Social topics
- Governance topics

Further relevant topics:

10 Governance
11 Occupational health and safety
12 Recruitment, retention and promotion
13 Reliable and responsible supply chain management
14 Materials
15 Data privacy and security
16 Waste and water

* Less material topics in the context of Basilea's business model, hence not visualized here:

— Market regulation/incentives
— Ethical marketing
— Greenhouse gas emissions
— Biodiversity and natural resources
— Human rights
— Public policy

previous topic

next topic

Steps taken in 2024: Defining key performance indicators for measuring our progress in ESG topics

In 2024, we further developed our ESG strategy by defining KPIs related to our focus topics. The process for identifying the main KPIs included a cross-benchmarking with relevant topics from reporting standards (GRI standards, SASB standards) and a selection of peer companies. With the help of a specialist external consulting firm, these KPIs were narrowed down and we identified for each focus topic a small number of relevant KPIs based on which we will measure our progress.

For each focus topic, we have analyzed the status quo for the defined KPI as of the end of June 2024 (unless noted otherwise) and outline our approach to managing them going forward.

Economic aspects

Focus topic "product quality and safety"

Product quality and safety in biopharmaceutical research and development ensures the efficacy, safety and reliability of drugs. Quality refers to meeting manufacturing standards and product specifications. Safety involves identifying and minimizing risks and adverse effects to patients.

KPI	2024 (Baseline)
Incidents of non-compliance concerning the health and safety impacts of products and services	
Number of incidents of non-compliance with regulations resulting in a fine or penalty	0
Number of incidents of non-compliance with regulations resulting in a warning	0

Our approach

Basilea is committed to maintaining the highest quality standards, ensuring that our products comply with all health and safety regulations. Guided by Basilea's Quality Commitment, we act responsibly with uncompromising integrity, driven by honesty, mutual trust and respect for our patients, customers and each other. As a biopharmaceutical company, we work in a highly regulated business environment. We not only comply with all applicable regulatory requirements, but our commitment to quality goes beyond compliance: Every employee drives a culture of learning and continuous improvement in all our activities through our culture, values and quality standards. We create value for our internal and external stakeholders through quality products, processes and services to achieve competitive advantages and deliver pioneering healthcare solutions.

Basilea has a Quality Management System (QMS) in place, complying with all applicable legal and regulatory requirements. The requirements for the QMS are defined in Basilea's Quality Manual. At Basilea, leaders at all levels are engaged in achieving our quality objectives: From the board of directors, which defines the key quality policy and its objective, via the CEO, who approves all QMS policies, to the Head of Quality Management, who is a member of the extended management committee and reports to the CEO, and his team, Basilea's Quality Unit. The Quality Unit is responsible for the implementation and maintenance of the QMS, the process performance and product quality system, the corrective action/preventive action (CAPA) system, as well as for deviation, change, knowledge and risk management as well as complaint handling.

Focus topic “intellectual property protection”

Patent protection, data exclusivity and market exclusivity are key elements in safeguarding innovation and recouping the substantial investments made and risks taken by pharmaceutical companies in the development of new drugs. Loss of patent protection or market exclusivity typically leads to generics entering the market.

KPI	Baseline
Duration of (regulatory) exclusivity from launch	
APPROVED	
Cresemba®	12.5 years (USA) 12 years (EU)
Zevtera®	10 years (USA) 10 years (EU)
IN DEVELOPMENT	
Fosmanogepix	12.5 years (USA)* 12 years (EU)**
BAL2062	12.5 years (USA)* 12 years (EU)**

* Assumes all indications receive QIDP designations and orphan status and that a pediatric study is completed as required

** Assumes no change to existing regulatory exclusivity regime and that all indications receive orphan status and that a pediatric study is completed as required

Our approach

In order to maintain its ability to invest in the development of novel drugs, Basilea needs to protect the exclusivity periods of its drugs. This is particularly important for new medicines in the area of bacterial and fungal infections, which are initially often held in reserve to reduce the risk of creating resistance and are priced at lower levels compared to other therapeutic areas. This special market situation for innovative anti-infectives is recognized by governments around the world, including the US and the EU, which provide specific incentives for companies that address the global issue of antimicrobial resistance. These incentives include Orphan Drug status, Qualified Infectious Disease Product (QIDP) designations, and exclusivity extensions based on completion of pediatric investigation programs. However, it has to be noted that Basilea benefits from these designations and extensions only if the newly developed medicines achieve the respective regulatory approvals; hence Basilea has to make significant investments in clinical development at risk.

Basilea manages its intellectual property through the Head of Intellectual Property, within its Legal department. With our focus on priority pathogens in high medical need disease areas, we balance the protection against generic competition by developing highly innovative drugs and making them broadly accessible for patients through commercialization partnerships all around the globe. Basilea in 2024 established a new department, led by the Head of Global Affairs, who is a member of the extended management committee and directly reports to the CEO. Our Global Affairs group engages with governments and regulatory bodies to support the preservation and extension of relevant incentives for the development of innovative anti-infective medicines.

Focus topic “economic performance”

Key measures for Basilea’s economic performance are the commercial success of the drugs Cresemba® and Zevtera® and the ability to in-license or acquire additional drug candidates and progress them through development to the market while managing the cash position and debt level of the company.

KPI	FY 2023 (baseline)
Financial performance	
Royalty income (growth indicator)	CHF 78.9 million
Net financial debt (financial strength indicator)	CHF 46.6 million

Our approach

Financial strength is key for Basilea as it allows us to progress our promising drug candidates and make the appropriate investments in our pipeline, which is the lifeblood of any biopharmaceutical company and the key for sustainable value creation. The Finance group is led by the CFO, who also oversees the Corporate Development group, which is responsible for the in-licensing and acquisition of new assets and establishing commercial partnerships for Basilea’s drugs. Basilea Pharmaceutica Ltd, Allschwil, is a public company with its shares listed at the SIX Swiss Exchange. Its full-year (FY) and half-year financial statements are prepared in accordance with US GAAP, and are audited and reviewed, respectively, by external auditors.

Environmental aspects

Focus topic “animal handling”

Animal studies are mandatory in the research and development of pharmaceutical substances. At Basilea, these activities are conducted by directly contracted third-party companies.

KPI	Baseline
Supplier engagement regarding animal handling	
Percentage of suppliers that have been instructed on Basilea’s expectation concerning (responsible) animal handling	Since Basilea is planning to develop the BAWC in 2024/2025, the baseline will be established in 2025
Vendor audits	
Number of vendor audits regarding animal handling	(will be established)

Our approach

Basilea has the goal to limit animal testing to the extent absolutely necessary and is also constantly looking into new technologies to replace tests with animals.

Already today, Basilea works exclusively with animal testing service providers (Contract Research Organizations, CROs) that comply with internationally accepted animal welfare standards. Going forward, we plan to develop a Basilea Animal Welfare Code (BAWC), incorporating such international standards and engaging the CROs to at least comply with or even exceed the standards of the BAWC. This includes Basilea performing audits at our CROs.

Governance aspects

Focus topic “compliance”

Basilea operates in a highly regulated industry and is subject to various specific laws and regulations. Compliance with laws and regulations is essential to avoid endangering patients and the environment.

KPI	2023 (baseline)
Incidents	
Confirmed incidents of corruption and actions taken	0
Training on compliance-relevant policies	
Percentage of those employees required to take training on the Prevention of Insider Trading Policy who completed it by year-end	97.5%
Percentage of those employees required to take training on the Global Anti-Corruption Policy who completed it by year-end	93.8%
Percentage of those employees required to take training on the Global Data Protection Policy who completed it by year-end	92.6%

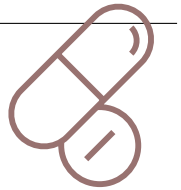
Our approach

Basilea aims to foster a culture of integrity, trust and mutual respect for the benefit of patients, employees, business partners and society. Compliance with laws and regulations is a necessity in our highly regulated industry. It is not just a process that can be done once, but it is an integral part of the way Basilea operates. The topic requires constant vigilance since changing and new regulations must be analyzed and policies and procedures require updating.

Compliance touches on most aspects of our operations, from research (e.g. good laboratory practice, animal handling) to development (good clinical practice), to manufacturing (good manufacturing practice, environmental laws) or to ensure the continuing safety of our commercialized products (pharmacovigilance). Some compliance topics cover all aspects of our operations, e.g. data privacy. Compliance with specific functional laws and regulations is the responsibility of the respective function heads, who are members of the management committee or the extended management committee and report directly to the CEO. In addition, the General Counsel in his role as Global Compliance Officer is responsible for overseeing the effectiveness of compliance in the company and informing the organization of changing or new laws and regulations. He also reports regularly to the corporate governance and nominations committee of the board of directors. Basilea’s compliance management system is based on its Code of Conduct and supplemented by numerous function- or topic-specific guidelines, policies and standard operating procedures, which are integrated into the company’s QMS to ensure currentness and documentation of regular training of all employees. In 2024, a Whistleblower Helpline was integrated into Basilea’s existing Human Resources platform to facilitate the anonymous communication between employees and the company.

Social aspects

Focus topic “access to medicine”



Access to medicine is a global problem, affecting, among others, low- and middle-income countries and vulnerable populations. Challenges include high prices, limited resources, inadequate infrastructure, and healthcare disparities. During emergencies, access becomes even more critical. Collaborative efforts are needed to improve availability, infrastructure, supply chains, and promote equitable access.

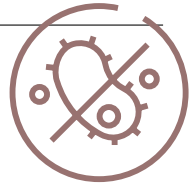
KPI	mid-2024 (baseline)
Access to drugs	
Number of countries where Cresemba and/or Zevtera are marketed	73
Number of middle-income countries where Cresemba and/or Zevtera are marketed	24
Number of low-income countries where Cresemba and/or Zevtera are marketed	0
Number of expanded access programs in place for our drugs (number of countries included)	1 (9)
Push/Pull incentives	
Number of programs supported by non-dilutive funding	2
Drugs in development with QIDP designation	2

Our approach

Basilea has no local commercial organizations of its own. Our medicines are commercialized through a number of commercial partners. When choosing partners, we do not limit ourselves to the commercially most attractive markets but aim for broad availability of our drugs in as many countries as possible. We have established license and distribution agreements covering more than 100 countries around the globe. Through these commercial partnerships, we make sure that not only patients in Europe or the US but also, for instance, patients in Latin America, Asia Pacific, China, and the Middle East and North Africa region obtain access to our life-saving medicines. Aiming at supporting the research, development and commercialization of new anti-infectives, so-called Push and Pull Incentives have been established in several countries. This includes non-dilutive funding, for example in the form of partial reimbursement of development expenses by BARDA (part of US Government) or of research and development expenses by the Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator, CARB-X (a global non-profit partnership), as well as extended market exclusivity through QIDP designations in the US, rewarding the approval of medicines against high priority pathogens. Basilea strives to qualify for such incentives in its development programs.

Although we do not directly commercialize our medicines ourselves, we have established an internal function for the active management and expansion of our partnerships and alliances to ensure access to patients around the globe. The function is led by the Head of Global Commercial, who is a member of the extended management committee and reports to the CEO. In addition, our Corporate Development group actively searches for partnering opportunities with the aim to further expand global access to our medicines. Our Development function strives to establish expanded access programs for patients for all our development projects.

Focus topic “antimicrobial resistance”



Antimicrobial resistance (AMR) is the ability of microorganisms to no longer respond to drugs like antibiotics, making it harder to treat microbial infections. It poses a global health threat, compromising the effectiveness of current treatments and requiring immediate action in AMR surveillance and prevention, and the development of strategies to incentivize R&D for novel anti-infectives.

KPI	Baseline
Activity against critical pathogens	
Percentage of the compounds in our publicly disclosed clinical stage pipeline of antifungals and antibacterials addressing a pathogen listed at WHO as “critical” or “high” priority (“urgent” or “serious” threat at CDC)*	100%
Participation in AMR-focused organizations	
Board positions in such organizations	2**

* WHO fungal priority pathogens list to guide research, development and public health action, WHO 2022 (https://www.who.int/publications/i/item/9789240060241); WHO Bacterial Priority Pathogens List, 2024. Bacterial pathogens of public health importance to guide research, development and strategies to prevent and control antimicrobial resistance, WHO 2024 (https://www.who.int/ publications/i/item/9789240093461); Antibiotic resistance threats in the United States 2019, US Department of Health and Human Services, Centers for Disease Control and Prevention, Dec 2019 (https://ndc.services.cdc.gov/wp-content/uploads/Antibiotic-Resistance-Threats-in-the-UnitedStates–2019.pdf)

** BEAM Alliance (Biotech companies from Europe innovating in anti-microbial resistance research), Swiss RTA (Swiss Roundtable Antibiotics)

Our approach

Developing novel anti-infectives for patients in need is at the core of Basilea’s corporate strategy. We are committed to discovering, developing and commercializing innovative drugs for the treatment of severe bacterial and fungal infections, which are often caused by pathogens which are resistant to other currently available drugs. Our corporate strategy is set and overseen by our board of directors and implemented by the management committee, supported by the whole organization. The person responsible for connecting Basilea with the important players and initiatives in the field of AMR was promoted in 2024 to the extended management committee, leading the newly created Global Affairs function. This highlights the emphasis put by board and management on this important topic.

Basilea is focusing on high-priority pathogens, i.e. those microbes that are posing the greatest risk for patients and healthcare systems around the globe. To quantify this approach, Basilea compares the coverage of its marketed products and clinical pipeline drugs against the lists of priority bacterial and fungal pathogens, published by the US Centers for Disease Control (CDC) and the World Health Organization (WHO). The aim is to have at least 50% of the compounds in our publicly disclosed clinical stage pipeline of antifungals and antibacterials address a pathogen listed at WHO as “critical” or “high” priority.

Focus topic “human capital development”

Human capital development refers to increasing employees’ commitment, motivation, and involvement in their work and organization e.g. through education, training or an improved work culture. It leads to higher productivity, innovation, and employee satisfaction, whilst reducing turnover.

KPI	2024 (baseline)
Employee engagement score	
Percentage of employees who feel a sense of belonging/percentage of employees that would recommend Basilea as a great place to work	Basilea is developing the employee engagement survey, hence the baseline will be established in 2025

Our approach

Basilea values our employees very highly. We strongly believe that every employee can make an impact: it is a key part of what we offer to and what we expect from our employees. Rewarding work is typically challenging, and working at Basilea is no different. Our projects are fast-paced, complex and diverse. To meet those challenges head on, it takes people that strive to perform at the highest level and are able to develop novel, out-of-the-box solutions to any issues met. We strive towards making a difference to patients, and that starts with a commitment to our own people: our employees. Basilea aims to remain an attractive employer with the ability to engage and retain highly skilled and motivated professionals.

Human capital development is an important task of Basilea’s Human Resources group, which is led by the Head of Global Human Resources, who is a member of the extended management committee and reports directly to the CEO. In addition to competitive remuneration, our employees receive a variety of benefits ranging from an attractive pension plan to personalized training courses. In addition, Basilea aims to foster the health and well-being of its employees. Since 2023, the company has cooperated with a local gym, offering special rates for Basilea employees, and since 2024 has conducted frequent in-office Fit@Work classes. Moreover, Basilea sponsors participation in the annual B2Run company run event, which regularly involves more than one fifth of the company. Additional initiatives supported in 2024 were the Bike to Work Challenge and the Basel City Run.

Employee engagement survey planned

Basilea is planning an employee engagement survey to determine the percentage of employees who feel a sense of belonging to the company and would recommend Basilea as a great place to work.

The Basel City Run

B2Run company run event (above), Bike to Work Challenge (left).

Focus topic “diversity, equality and inclusion”

Diversity refers to the differences and similarities between people or groups. It can be considered at individual, institutional and structural levels and concerns all people, not just particular groups. The terms ‘diversity’ and ‘inclusion’ are inextricably linked and (to put it simply) stand for the widest possible social inclusion and respectful treatment of each other. Equal opportunities include gender equality and equal pay.

KPI	2023 (Baseline)
Gender pay gap	
Difference in earnings of women compared to men	+0.6%

Historical data: 2020: –3.8%; 2021: –0.4%; 2022: –3.1%

KPI	2024 (Baseline)
Diversity of governance bodies and employees	
Percentage of individuals within the organization’s governance bodies per gender/age group/other indicators of diversity	table on the right
Percentage of employees per employee category per gender/age group/other indicators of diversity	table on the right

Our approach

Basilea values diversity and offers equal employment opportunities regardless of race, color, religion, gender, sexual orientation or other classification protected by applicable law. Our employees, currently comprising 21 nationalities and 46% women, come from various backgrounds and bring unique experience and knowledge to Basilea. Basilea believes that a prerequisite for securing our long-term success as a company is a diverse workforce and gender equality.

Gender equality: further progress in equal pay

Since 2020, Basilea has performed an annual gender pay gap analysis, which showed that the gap between men and women was consistently below the 5% threshold set by the Swiss government. For 2023, the analysis, which was performed in 2024, showed that women at Basilea earned 0.6% more than men, when accounting for differences due to personal qualification and workplace characteristics. Basilea remains committed to reviewing pay practices on a regular basis and to ensuring adequate representation at all levels of the organization – both representing key focus topics for Basilea.

Diverse workforce

	Female (abs)	Female (%)	Male (abs)	Male (%)	Other (abs)	Other (%)	Not disclosed (abs)	Not disclosed (%)	Total (abs)	Total (%)
Board of directors	2	33%	4	67%	–		–		6	
under 30	–	0%	–	0%		0%		0%	–	0%
30–50	–	0%	–	0%		0%		0%	–	0%
over 50	2	100%	4	100%		0%		0%	6	100%
Management committee	–	0%	5	50%	–		–		5	
under 30	–	0%	–	0%		0%		0%	–	0%
30–50	–	0%	1	20%		0%		0%	1	20%
over 50	–	0%	4	80%		0%		0%	4	80%
Extended management committee	1	33%	2	67%	–		–		3	
under 30	–	0%	–	0%		0%		0%	–	0%
30–50	–	0%	–	0%		0%		0%	–	0%
over 50	1	100%	2	100%		0%		0%	3	100%
Middle management	17	31%	37	69%	–		–		54	
under 30	–	0%	–	0%		0%		0%	–	0%
30–50	8	47%	16	43%		0%		0%	24	44%
over 50	9	53%	21	57%		0%		0%	30	56%
Non-management	53	58%	38	42%	–		1		92	
under 30	3	6%	2	5%		0%		0%	5	5%
30–50	36	68%	20	53%		0%	1	100%	57	62%
over 50	14	26%	16	42%		0%		0%	30	33%

Absolute number (abs) given as headcount

Outlook

Environmental-Social-Governance (ESG) reporting and performance management
By developing an ESG strategy, establishing KPIs and determining the baselines for our nine focus topics, we have laid the foundation for further progressing our ESG efforts. For 2025, the board of directors has determined specific goals to be achieved relating to these KPIs. These goals have become an integral part of Basilea's performance management system, and the achievement of these goals will have a direct impact on the cash bonus for the management committee and extended management committee members.

Commitment to address greenhouse gas emissions
For 2025, Basilea's board of directors has decided to extend the company's ESG activities to additional environmental topics. The first step will be to assess emissions we control directly, such as caused by land or air travel, i.e. scope 1 as per Greenhouse Gas Protocol (https://ghgprotocol.org) as well as indirect emissions linked to the energy we use (scope 2). Due to the complex partnership structure for research, development, manufacturing and commercialization of our drugs, it will be more difficult to assess emissions up and down our value chain that are neither directly owned nor controlled by us (scope 3). However, we will strive to also identify relevant scope 3 emissions, estimate those and determine how these could be monitored and reduced as well. For 2025, the board of directors has given management the task to establish baselines for the scope 1 and 2 greenhouse gas emissions.

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Corporate governance report

Corporate governance in short

According to the Swiss Code of Best Practice for Corporate Governance, corporate governance "encompasses all of the principles aimed at safeguarding the sustainable interest of the company. While maintaining decision-making capability and efficiency at the highest level of a company, these principles are intended to guarantee transparency and a healthy balance of management and supervision".

"Good corporate governance is an essential prerequisite for corporate success and sustainable growth of company value."

Swiss Code of Best Practice for Corporate Governance

13'169'764

Registered shares as of December 31, 2024, issued with a nominal value of CHF 1 per share

CHF

544.6 million

Market capitalization of Basilea as of December 31, 2024

Highlights

- Basilea's board, management committee and extended management committee members have extensive experience in the pharmaceutical industry.
- Key competencies of the board comprise research and development, finance and leadership, which includes leading new entrepreneurial responsibilities, such as ESG or digitalization.
- The board has established an audit committee, a compensation committee, and a corporate governance & nomination committee.
- The board oversees the enterprise risk management and provides strategic direction.
- The management committee, appointed by the board, is responsible for the operational management of Basilea.

Group structure

Governance structure

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“We are recognized as a leader in the anti-infective area, and we believe this will support long-term value creation for our shareholders.”

Domenico Scala
Chairman of the board

Corporate governance

Group structure and shareholders

Group structure
As of December 31, 2024, the Basilea group is composed of the parent company Basilea Pharmaceutica Ltd, Allschwil ("Basilea"), the Swiss operating subsidiary Basilea Pharmaceutica International Ltd, Allschwil ("Basilea International"), and wholly-owned subsidiaries in Germany and the United Kingdom (collectively the "Company").

Basilea subsidiaries (as of December 31, 2024)
- Basilea Pharmaceutica Deutschland GmbH, in Lörrach, Germany
- Basilea Pharmaceutica International Ltd, Allschwil, in Allschwil, Switzerland
- Basilea Medical Ltd., in Guildford, U.K.

Basilea is represented on the board of directors of all its wholly-owned subsidiaries. In addition, there is close operational cooperation between Basilea International and Basilea's subsidiaries.

The operating activities of the Company are focused on research, development, and commercialization of pharmaceutical products. The Company's operating activities are directed and primarily undertaken by Basilea International. The Chief Executive Officer leads the management committee, consisting of the Chief Financial Officer, the Chief Medical Officer, the Chief Scientific Officer, and the Chief Technology Officer. The members of the extended management committee, representing the legal, human resources, commercial, global affairs, and quality management functions, also report to the Chief Executive Officer. For further information, please refer to the section "Management committee/ extended management committee" starting on page 116.

For further information on the non-listed companies belonging to the Company, please refer to note 2 (investments, page 213) of the financial statements.

Basilea Pharmaceutica Ltd, Allschwil
Basilea is registered at Hegenheimermattweg 167b, 4123 Allschwil, Switzerland. Basilea's shares were first listed on the SIX Swiss Exchange on March 25, 2004, under the Swiss security number ("Valorennummer") 1143244. The ISIN is CH0011432447, the Common Code is 018859220, the ticker symbol is BSLN, and the LEI is 391200TTZP8EIPSJ5J20.

As of December 31, 2024, the market capitalization of Basilea amounted to CHF 544,569,741 (13,169,764 registered shares issued with a nominal value of CHF 1 per share).

Significant shareholders
The Financial Market Infrastructure Act (FMIA) requires shareholders who hold more than 3% of Basilea's share capital to report their shareholding to Basilea.

In the past, Basilea received the following notifications from shareholders based on the FMIA (the notifications were made based on the share capital as registered in the commercial register at the time of the respective transactions):

Date of obligation to notify	SIX publication date	Shareholder/ beneficial owner	% of voting rights reported
Nov. 25, 2024	Nov. 30, 2024	UBS Fund Management (Switzerland) AG, Basel, Switzerland	4.957
Oct. 24, 2024	Oct. 30, 2024	Black Creek Investment Management Inc., Toronto, Canada	4.941
Sep. 28, 2023	Oct. 5, 2023	JPMorgan Chase & Co., New York, USA	4.982

As of December 31, 2024, Basilea has not received any notification that the above listed shareholdings crossed any relevant reporting thresholds since the dates indicated above.

All disclosures of significant shareholdings, including those of shareholders that fell below 3% during 2024, are published on the website of the SIX Exchange Regulation disclosure office and can be accessed there (https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=BSLN#/).

Basilea has not entered into any shareholder agreement regarding the voting right or holding of Basilea shares.

Cross-shareholdings

No cross-shareholdings existed as of December 31, 2024.

Capital structure and shares

Share capital

As of December 31, 2024, Basilea's share capital amounts to CHF 13,169,764. The share capital is divided into 13,169,764 common registered shares with a nominal value of CHF 1 each. There are no preferred shares. The share capital is fully paid-in.

In 2016, 1,000,000 shares (total nominal value of CHF 1,000,000) were created out of authorized capital in connection with the conversion rights attached to Basilea's convertible bonds. These shares are held by Basilea as treasury shares. In 2021, 1,000,000 shares (total nominal value of CHF 1,000,000) were created out of authorized capital in connection with a private placement to institutional shareholders.

Capital band

As of December 31, 2024, Basilea has a capital band between CHF 13,169,764 (lower limit) and CHF 14,469,764 (upper limit). Within the range of the capital band, the board of directors is authorized to increase the share capital in any amount once or several times until April 26, 2026. The capital increase can be effected by issuing up to 1,300,000 registered shares with a nominal value of CHF 1 each or by increasing the nominal values of the issued registered shares.

Basilea's articles of association do not foresee capital decreases within the range of the capital band.

In the event of an increase of the share capital within the scope of the capital band, the board of directors shall, if required, determine the issue price, the type of contribution, the time of issue, the conditions for the exercise of subscription rights, and the start of dividend entitlement. In certain situations foreseen in the articles of association, the board of directors is authorized to exclude or limit subscription rights of the existing shareholders and to allocate them to third parties, to Basilea, or to Basilea group companies. For further

details, please refer to article 3b (capital band) of Basilea's articles of association (Basilea's articles of association are available on the Basilea website at https://www.basilea.com/investor-center#c171). Any shares issued within the scope of the capital band are subject to the transfer restrictions set forth under "Limitations on transferability of shares and nominee registrations" on page 98.

Conditional share capital
As of December 31, 2024, Basilea's conditional share capital is structured as follows:

In accordance with article 3a paragraph 1 of the articles of association, the share capital may be increased by a maximum of CHF 1,590,377 through the issuance of a maximum of 1,590,377 registered shares with a nominal value of CHF 1 each, to cover the exercise of rights to subscribe for new shares within the meaning of article 653 paragraph 1 of the Swiss Code of Obligations granted to employees of Basilea or of group companies and/or members of the board of directors of Basilea. A maximum of 1,345,832 rights/options to subscribe for new shares were outstanding under Basilea's employee stock option plan/long-term incentive plans as of December 31, 2024.

In accordance with article 3a paragraph 2 of the articles of association, the share capital may be increased up to a maximum of CHF 2,000,000, by issuing a maximum of 2,000,000 registered shares having a par value of CHF 1 each, with respect to the exercise of conversion rights granted to holders of existing convertible bonds (to the extent they were backed so far by treasury shares) or new convertible bonds issued by Basilea or one of its group companies. The aggregate principal amount of the convertible bonds backed by such conditional capital and/or treasury shares shall not exceed CHF 250,000,000, and such conditional capital can only be used for convertible bonds which had been issued until December 22, 2022.

In accordance with article 3c (conditional share capital based on the capital band) of the articles of association, the share capital may be increased within the scope of the capital band by the issuance of maximum 1,300,000 registered shares with a nominal value of CHF 1 each through the exercise or compulsory exercise of conversion, exchange, option, subscription or other rights to subscribe for shares or through purchase obligations in respect of shares granted or imposed on shareholders or third parties alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the Company or one of its group companies (collectively "Financial Instruments"). However, as of December 31, 2024, no such Financial Instruments have been issued under article 3c of the articles of association.

For further details related to the conditional share capital, please refer to articles 3a and 3c of Basilea's articles of association (Basilea's articles of association are available on the Basilea website at https://www.basilea.com/investor-center#c171).

Any shares issued under conditional capital are subject to the transfer restrictions set forth under "Limitations on transferability of shares and nominee registrations" on page 98.

Changes in capital
In 2024, 2023, and 2022, Basilea increased its share capital as follows:

In 2024, the share capital was increased by CHF 69,938 as a result of the exercise of stock options and vesting of RSUs (restricted share units) and PSUs (performance share units) granted under Basilea's employee stock option and long-term incentive plans (69,938 registered shares with a par value of CHF 1 per share), which equates to 0.53% of the issued share capital as of December 31, 2024.

In 2023, the share capital was increased by CHF 6,381 as a result of the exercise of stock options and vesting of RSUs (restricted share units) granted under Basilea's employee stock option and long-term incentive plans (6,381 registered shares with a par value of CHF 1 per share), which equates to 0.05% of the issued share capital as of December 31, 2023.

In 2022, the share capital was increased by CHF 101,279 as a result of

the exercise of stock options and vesting of RSUs granted under Basilea's employee stock option and long-term incentive plan (101,279 registered shares with a par value of CHF 1 per share), which equates to 0.77% of the issued share capital as of December 31, 2022.

For further information on changes in capital in 2024, 2023, and 2022, including changes in reserves and retained earnings, please refer to the consolidated statement of changes in shareholders' equity as well as to note 15 (shareholders' equity, page 200) to the consolidated financial statements and note 3 (share capital, page 213) to the financial statements of Basilea. Please also refer to the consolidated statement of changes in shareholders' equity included in the annual reports 2023 and 2022 for information on changes in equity in the respective years (available online at https://www.basilea.com/reports-archive).

Shares, participation and profit-sharing certificates
Basilea has only one class of shares (registered shares) with a par value of CHF 1 per share. Each share is fully paid-in and carries one vote and equal dividend rights, with no special privileges. Basilea has not issued any participation or profit-sharing certificates.

Limitations on transferability of shares and nominee registrations
Basilea's shares are uncertificated securities ("Wertrechte", within the meaning of the CO) and qualify as intermediated securities ("Bucheffekten", within the meaning of the Federal Act on Intermediated Securities (FISA)).

Basilea may at any time convert uncertificated securities into share certificates (including global certificates), one kind of certificate into another, or share certificates (including global certificates) into uncertificated securities. Following entry in the share register, a shareholder may at any time request a written confirmation in respect of the shares. Basilea may print and deliver certificates for shares at any time. Shareholders are not entitled, however, to request the printing and delivery of certificates.

According to article 5 of the articles of association (available on the Basilea website at https://www.basilea.com/investor-center#c171), voting rights may be exercised only after a shareholder has been entered in the share register with his or her name and address (in the case of legal entities, the registered office) as a shareholder with voting rights. Basilea enters an acquirer of shares as shareholder with voting rights if the acquirer discloses its name, citizenship or registered office, respectively, and address, and explicitly states that the acquirer acquired the shares in its own name and for its own account.

Failing registration by the deadline set by the board of directors, a shareholder or usufructuary ("Nutzniesser") may neither vote at nor participate in a general meeting of shareholders, but is still entitled to receive dividends and other rights of financial value. No exemptions were granted from the above restrictions in 2024.

A nominee, meaning a person or legal entity not explicitly stating in its registration request that it will hold the shares for its own account, may be entered as a shareholder in the share register with voting rights for shares up to a maximum of 3% of the registered nominal share capital, provided such nominee enters into a nominee agreement with Basilea. Shares held by a nominee that exceed this limit are only registered in the share register with voting rights if such nominee declares in writing to disclose the name, address, and shareholding of any person or legal entity for whose account the nominee is holding 0.5% or more of the nominal share capital registered with the commercial register. The limit of 3% applies correspondingly to nominees who are related to one another through capital ownership or voting rights, who have a common management or are otherwise interrelated.

Basilea's articles of association do not further limit the transferability of shares. A qualified majority of at least two-thirds of the share votes represented as well as the majority of the par values of shares represented at a general meeting of shareholders are required for resolutions on transfer restrictions of Basilea's shares. For further information on the registration in the share register, please refer to the section "Registration in the share register" on page 122.

Convertible bonds and options

In July 2020, Basilea placed senior unsecured convertible bonds due July 28, 2027 (the "Bond"). The aggregate principal amount of the Bond is CHF 97.085 million and it is divided into securities/bonds with denominations of CHF 5,000 each. The Bond carries a coupon of 3.25% per annum, payable semi-annually in arrears on January 28 and July 28. The coupon was payable for the first time on January 28, 2021. The Bond is listed on the SIX Swiss Exchange (security number: 55499206; ISIN: CH0554992062). Unless previously redeemed, or purchased and cancelled, the Bond will be convertible into shares of Basilea at the option of the bondholders from September 7, 2020 up to and including the earlier of (i) seven trading days before July 28, 2027 or (ii) ten trading days prior to an early redemption. The Bond has a conversion price of CHF 62.50. The shares delivered upon conversion will be sourced from conditional capital and the existing treasury shares of Basilea. Upon execution of the conversion right, the relevant bondholder will receive 80 Basilea shares per Bond security, subject to adjustment pursuant to anti-dilution provisions. Basilea may redeem all outstanding convertible bond securities at their principal amount of CHF 5,000, together with unpaid accrued interest, if any, at any time on or after August 12, 2025 until July 28, 2027 if the volume-weighted average price of a Basilea share on each of at least twenty out of thirty consecutive trading days ending not earlier than five trading days prior to the date on which the relevant notice of redemption is given has been at least 130% of the conversion price. Basilea may also redeem all but not only some of the outstanding Bond securities at their principal amount, together with unpaid accrued interest, if any, at any time after July 28, 2020 and prior to July 28, 2027 if less than 15% of the aggregate principal amount of the Bond securities originally issued is outstanding. As of December 31, 2024, the principal nominal amount of CHF 97.085 million was outstanding. The Bond is thus convertible into a total number of 1,553,360 shares.

For information on the employee stock option plan/long-term incentive plans and on the number of options/rights granted thereunder, please refer to Basilea's compensation report (pages 127 et seqq.) and to note 14 (stock-based compensation and restricted/performance share units, page 196) to the consolidated financial statements included in this annual report.

Board of directors

From left to right:
Domenico Scala
Thomas Werner
Nicole Onetto
Martin Nicklasson
Leonard Kruimer
Carole Sable

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Basilea's board of directors consists of six members who all have extensive experience in the pharmaceutical industry. Descriptions of each member's nationality, business experience, education, and activities are provided on the following pages.

Board competencies

The board determines and regularly reviews a specific set of competencies to be represented on the board. These are aligned with the Company's strategic priorities, product portfolio, business model, as well as its culture. The corporate governance & nomination committee assesses the representation of these competencies by the board members annually, in order to ensure an appropriate balance of skills and diversity.

The board has determined the following key competencies:

Research & development (R&D)
R&D in a biopharmaceutical company is central to the long-term corporate strategy. Experience in R&D is essential to support management in focusing on differentiated approaches, addressing unmet medical needs in the Company's priority therapy areas and to ensure an appropriate overall risk-return profile for the Company's R&D portfolio.

Finance
Finance comprises relevant experience in corporate finance, mergers & acquisitions, accounting and reporting, as well as financial market regulations. Experience in finance is an important prerequisite for overseeing the Company's financial planning, evaluating corporate transactions, ensuring the integrity of its reporting, as well as implementing a robust enterprise risk management.

Leadership
Leadership encompasses a record of accomplishments as a former or active corporate executive and expertise in managing and developing biotech companies. The exposure in a leadership role significantly increases the understanding for Basilea's operations and its business model. It provides awareness for legal complexities, for the importance of regulatory compliance as well as experience in fostering a corporate culture and leading new entrepreneurial responsibilities, such as ESG or digitalization.

Key competencies represented by our six members

Board diversity

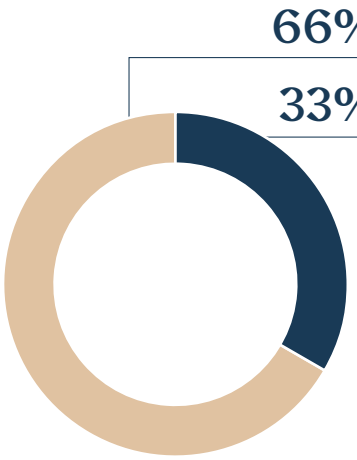
The board believes that diversity is a key factor for its effectiveness. When identifying new board member candidates, the corporate governance & nomination committee is looking to further increase the board's diversity and to adapt as required in an evolving environment.

Diversity profile of the board members

Nationality

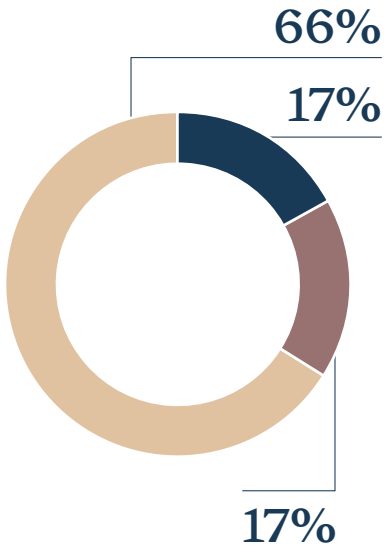
- American
- Dutch
- German
- Swedish
- Canadian & French
- Swiss & Italian

Gender



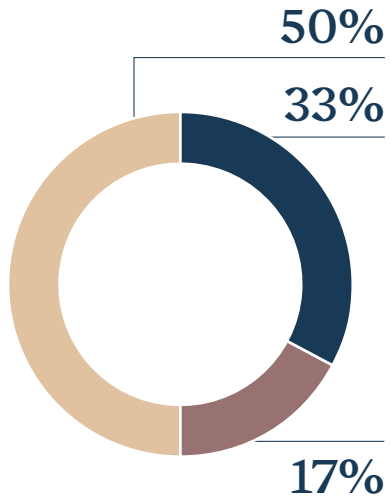
- Female
- Male

Age



- 55–60
- 61–65
- >65

Tenure



- <5 years
- 5–10 years
- >10 years

Members, functions and other activities

Domenico Scala
Chairman of the board
Nationality: Swiss and Italian
Year of birth: 1965

Domenico Scala has been a member of the board since 2011 and has been serving as the chairman of the board since 2016. He is also a member of the corporate governance & nomination committee and of the audit committee.
Mr. Scala served as chairman of the board of BAK Economics AG from 2016 (member since 2014) to 2023 and as chairman of the audit and compliance committee of FIFA (Fédération Internationale de Football Association) from 2012 to 2016. From 2007 to 2011, he was president and CEO of Nobel Biocare Holding AG and from 2003 to 2007, CFO of Syngenta International AG. Prior to that, he held various senior leadership positions at Roche Holding AG and was finance director with Panalpina Italy Spa and senior auditor with Nestlé SA. Mr. Scala is chairman of the board of Oettinger Davidoff AG, chairman of the board of Switzerland Innovation Park Basel Area AG, chairman of the board of Testaris AG, member of the bank council of the Basler Kantonalbank, president of BaselArea, and steering committee member of digitalswitzerland.
Mr. Scala graduated with a master in economics from the University of Basel and holds executive development degrees from INSEAD and London Business School.

Key competencies: Finance and Leadership

Thomas Werner, Ph.D.
Vice-chairman of the board
Nationality: German
Year of birth: 1956

Thomas Werner, Ph.D., has been a member of the board since 2011 and has been serving as the vice-chairman of the board since 2018. He is also chairman of the corporate governance & nomination committee and a member of the compensation committee.
Mr. Werner served as senior vice-president and managing director of Glaxo SmithKline Germany from 2001 to 2008. From 1997 to 2000, he was managing director for Glaxo Wellcome Germany and director of the Central European Region. Previously he was managing director of Bristol-Myers Squibb Germany and of Convatec Central Europe. Mr. Werner serves as chairman of the board of Pharmathen S.A., chairman of the investment advisory committee of the Health for Life Capital Fund (HFL I and II) of Seventure Partners, and is member of the scientific advisory board of Vectura Fertin Pharma. He was chairman of the board of Fertin Pharma A/S from 2017 to 2019 and senior independent non-executive director/vice-chairman of Vectura Group plc (previously SkyePharma plc) from 2009 to 2021.
Mr. Werner graduated with a doctorate in chemistry from the University of Göttingen, Germany.

Key competencies: R&D and Leadership

Leonard Kruimer
Member of the board
Nationality: Dutch
Year of birth: 1958

Leonard Kruimer has been a member of the board since 2022. He is also chairman of the audit committee.
Mr. Kruimer has more than 40 years of experience in corporate finance, planning, and strategy, including 25 years in senior executive positions in private and publicly listed biotechnology companies. He was member of the investment advisory council of Karmijn Kapitaal from 2013 to 2023 and director of the board of Oncolytics Inc. from 2019 to 2022. Mr. Kruimer served as CFO of SkylineDx BV from 2015 to 2016, of BBB Therapeutics from 2014 to 2015, and of Crucell N.V. from 1997 to 2011. Prior to Crucell, he held various other senior executive roles. He was also a consultant with McKinsey & Co. and an auditor at Price Waterhouse & Company, New York.
Mr. Kruimer is chairman of the board of BioInvent International AB, member of the board of Pharming Group NV, member of the board of Zealand Pharma A/S, and director of AI Global Investments (Netherlands) PCC Ltd.
Mr. Kruimer holds a master of business administration from Harvard Business School, a bachelor degree in accounting and finance from the University of Massachusetts Amherst, and is a certified public accountant in the State of New York.

Key competencies: Finance and Leadership

Martin Nicklasson, Ph.D.
Member of the board
Nationality: Swedish
Year of birth: 1955

Martin Nicklasson, Ph.D., has been a member of the board since 2013. He is also chairman of the compensation committee and a member of the audit committee.
Mr. Nicklasson was chairman of the board of Kymab Group Ltd. from 2017 to 2021, member of the board of Orexo AB from 2012 to 2020, and served as president and CEO of Biovitrum AB and Swedish Orphan Biovitrum AB from 2007 to 2010. From 1999 to 2007, he held various executive vice president positions and was a member of the executive committee of AstraZeneca Plc.
He is chairman of the board of Zealand Pharma A/S and chairman of the board of Nykode Therapeutics AS.
Mr. Nicklasson is a certified pharmacist and holds a doctorate in pharmaceutical technology from the University of Uppsala. He is an honorary associate professor at the Pharmaceutical Faculty of the University of Uppsala.

Key competencies: R&D, Finance and Leadership

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Nicole Onetto, M.D.
Member of the board
Nationality: Canadian and French
Year of birth: 1953

Nicole Onetto, M.D., has been a member of the board since 2017. She is also a member of the compensation committee.
Ms. Onetto is an independent consultant in oncology, drug development and translational research. She was deputy director & chief scientific officer at the Ontario Institute for Cancer Research from 2009 to 2016. From 2005 to 2009, she was senior vice president and chief medical officer at ZymoGenetics Inc. From 2002 to 2005, she served at OSI Pharmaceuticals, Inc., first as executive vice president oncology, and then as chief medical officer and executive vice president. Her career in the pharmaceutical industry also includes senior management positions at Bristol-Myers Squibb and Nexstar Pharmaceuticals, which was acquired by Gilead Sciences, Inc. She served as member of the board of ImmunoGen Inc. from 2005 to 2016, of YM BioSciences Inc. from 2014 to 2015, of Sierra Oncology, Inc. from 2015 to 2019, of NBE-Therapeutics AG from 2017 to 2021, and of Viracta Therapeutics, Inc. (previously Sunesis Pharmaceuticals, Inc.) from 2019 to 2023. Ms. Onetto is a member of the board of Bolt Biotherapeutics, Inc. and of CDR-Life AG.
Ms. Onetto holds a doctor of medicine from the University of Paris, a master of pharmacology from the University of Montréal and has a qualification in pediatrics and in hematology from the University Paris V.

Key competencies: R&D and Leadership

Carole Sable, M.D.
Member of the board
Nationality: American
Year of birth: 1961

Carole Sable, M.D. has been a member of the board since 2023. She is also a member of the corporate governance & nomination committee.
Ms. Sable is an independent consultant in drug development and portfolio strategy. She has more than 30 years of experience in the field of infectious diseases, both as a physician and in senior positions in the pharmaceutical industry. From 1993 to 1995, she was assistant professor of internal medicine, infectious diseases at the University of Virginia Health Sciences Center, Charlottesville. From 1995 to 2007 and from 2010 to 2013, she worked at Merck & Co in the US in different functions including executive director, clinical research, infectious diseases and neurosciences and as vice president, therapeutic area development lead, neuroscience. Ms. Sable served as chief medical officer of Novexel SA (France) from 2007 to 2010, of Scynexis Inc. (US) from 2014 to 2015, of Revolution Medicines Inc. (US) from 2015 to 2016 and of Vitae Pharmaceuticals Inc. (US) in 2016. From 2018 to 2021, she was head of clinical development at Antabio SA (France).
Ms. Sable acts as a scientific advisor to GARDP (Global Antibiotic Research & Development Partnership).
She holds a bachelor of science in biology from the University of Scranton and a doctorate of medicine from the Jefferson Medical College, Philadelphia. She completed her residency in internal medicine and fellowship in infectious diseases at the University of Virginia.

Key competencies: R&D and Leadership

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The board is fully composed of non-executive and independent members in accordance with the Swiss Code of Best Practice for Corporate Governance.

There are no significant business connections between the board members and Basilea or any of its subsidiaries. For further information, please refer to note 20 (related party transactions, page 205) to the consolidated financial statements.

Apart from the activities indicated above, the board members have no other activities in governing and supervisory bodies of important Swiss or foreign organizations, institutions or foundations under private or public law, permanent management or consultancy functions for important Swiss or foreign interest groups or official functions and political posts or in other undertakings with commercial objectives.

According to article 26 of Basilea's articles of association, no board member may hold more than twelve additional mandates, whereof not more than four mandates in listed companies. All board members fulfill these requirements. The full text of article 26 of Basilea's articles of association is available online at https://www.basilea.com/investor-center#c171.

Elections and terms of office

Article 13 of Basilea's articles of association provide that the board of directors consists of at least one and not more than nine members. Board members are appointed and may be removed exclusively by shareholders' resolution. The board members and the chairperson are elected annually by the general meeting of shareholders and serve for a period until the completion of the subsequent ordinary general meeting of shareholders; they are eligible for re-election. Each member of the board must be elected individually.

The current board members were elected at the annual general meeting held on April 24, 2024.

Areas of responsibility

Responsibilities of the board
The board is entrusted with the ultimate direction of Basilea and the supervision of management. It has the following non-delegable and inalienable powers and duties:

- the overall management of the Company and the issuing of all necessary directives; the determination of the Company's organization; the organization of the accounting, financial control and financial planning systems; the appointment and dismissal of persons entrusted with managing and representing the Company and the granting of the signatory power;
- the overall supervision of the persons entrusted with managing the Company, in particular with regard to compliance with the law, articles of association, operational regulations and directives;
- the compilation of the annual and compensation report as well as the preparation of the general meeting and the implementation of its resolutions;
- to determine the rules governing subsequent contributions with respect to shares that are not fully paid-in; to pass resolutions on the increase in share capital, to the extent that these fall under the powers of the board of directors and on the confirmation of capital increases and the resulting amendments to the articles of association; the duties and powers of the board of directors which are non-transferable and irrevocable under the Swiss merger act;
- the filing of an application for a debt restructuring moratorium and notifying the court in the event of overindebtedness; and
- other duties and powers reserved to the board of directors by law or by the Company's articles of association.

The board may, while retaining such non-delegable and inalienable powers and duties, delegate some of its powers, in particular direct management, to a single or to several of its members, managing directors, committees or to third parties who neither need to be board members nor shareholders. Pursuant to Swiss law and article 16 of the articles of association, details of the delegation and other

procedural rules such as quorum requirements must be set in the organizational regulations issued by the board. However, the board specifically retains certain powers, including setting the strategy and short- and long-term goals of Basilea; approving all M&A transactions for which no shareholder approval is required; making decisions on annual budgets; the general direction of research and development (e.g. therapeutic areas covered, areas of priority and third-party co-operations); defining the Company's ESG (Environmental, Social, Governance) strategy; setting general policies in relation to personnel matters, including further specifying the basic principles of the articles of association relating to benefit and incentive plans; communicating with shareholders and the public as required by applicable laws and regulations; and setting general policies on outsourcing versus internal functions for manufacturing, sales and marketing.

Internal organization

According to section 4.2 of Basilea's organizational regulations (available online at https://www.basilea.com/investor-center#c171), resolutions of the board are passed by way of simple majority. To validly pass a resolution, a quorum of more than half of the board members must attend the meeting. No quorum is required for confirmation resolutions ("Feststellungsbeschlüsse") and adaptations of the articles of association in connection with capital increases.

Working methods of the board and its committees
According to section 4.2 of the organizational regulations, the board must hold at least four meetings per year. When required, the board holds ad hoc meetings or telephone conferences to discuss specific issues or passes resolutions by way of written circular resolutions. Meetings are held in person, virtually, or by telephone conference.

In 2024, the board of directors held seven board meetings, of which five were held in person and two as virtual meetings. The average duration per meeting was three hours and thirty minutes.

The management committee reports to the board on the status of operations including the progress of research and clinical development, commercialization activities, including by its partners, the status of drug supply, licensing, financial activities, and human resources. In addition, an update on investor relations activities and the development of Basilea's share price is provided. If required, the board of directors consults with external experts.

The board committees report to the full board at the board meeting following the relevant committee meeting. Any resolutions on matters assigned to the committees are taken by the board on the basis of recommendations of the relevant committee.

The board of directors performs an annual self-evaluation and discusses the findings in order to continuously improve its governance performance and practices. The annual self-evaluation process is managed by a leading Swiss law firm. The process includes a detailed questionnaire; the external expert provides to the board a written report.

Chairperson of the board
The chairperson of the board is elected annually by the general meeting of shareholders. The chairperson calls, prepares, and chairs the meetings of the board and also chairs the general meetings of shareholders. The chairperson supervises the implementation of the resolutions of the board and regularly supervises the CEO and the management committee. The CEO regularly reports to the chairperson on the meetings of the management committee and on all important matters of the Company. The chairperson is also entitled to attend the meetings of the management committee. For urgent matters that do not allow for the board to take resolutions in time, the chairperson is entitled to take decisions that fall within the competencies of the board. At the annual general meeting of shareholders on April 24, 2024, Domenico Scala was re-elected as chairman of the board.

Vice-chairperson of the board

The vice-chairperson of the board is designated by the board and exercises the powers of the chairperson in the chairperson's absence. In the meeting of the board subsequent to the annual general meeting on April 24, 2024, Thomas Werner was re-elected as vice-chairman of the board.

Board committees

The board can set up specialized committees to analyze specific issues and advise the board on those issues. The committees are advisory bodies only and decision making remains with the board. The board determines each committee's organization, procedures, policies and activities. The board has established an audit committee, a compensation committee, and a corporate governance & nomination committee. The members of the compensation committee are elected by the shareholders at each annual general meeting. In the meeting of the board subsequent to each annual general meeting, the board appoints the members of the audit committee and of the corporate governance & nomination committee.

Board committees and composition as of December 31, 2024:

Audit committee	Compensation committee	Corporate governance & nomination committee
Leonard Kruimer (Chairman)	Martin Nicklasson (Chairman)	Thomas Werner (Chairman)
Martin Nicklasson	Nicole Onetto	Carole Sable
Domenico Scala	Thomas Werner	Domenico Scala

Audit committee

In the meeting of the board subsequent to the annual general meeting on April 24, 2024, the following board members were appointed to the audit committee: Leonard Kruimer (chairman), Martin Nicklasson, and Domenico Scala. All audit committee members are independent in accordance with the Swiss Code of Best Practice for Corporate Governance.

The audit committee assists the board in overseeing accounting and financial reporting processes and audits of the financial statements. In addition, it is responsible for overseeing the enterprise risk management, reviewing the adequacy and effectiveness of the internal control system, assessing the external auditors' quality and work and review of their audit plans, monitoring of the independence of the external auditors (including authorizing of non-audit services by the auditors and their compliance with applicable rules), selecting and proposing of new auditors, if necessary, to the board, reviewing of annual and interim financial statements and of the ESG report, reviewing of the audit results, and monitoring of the implementation of any findings by the management committee.

The audit committee held three meetings in 2024, lasting two hours and ten minutes on average. Two meetings were held in person and one meeting was held in a hybrid format. The main topics at these meetings were the review of the year-end financial statements and annual report 2023; review of the half-year financial statements 2024; review of the ESG report and related KPIs; review of the annual budget 2025 as well as mid-term financial planning; financial risk management and enterprise risk management, including cybersecurity topics; the scope of the external audit 2024, the tender process related to the conduct of the external audit 2025 as well as the scope and results of the internal audit 2024. The external auditors attended all three audit committee meetings in 2024 to report on the results of the full-year 2023 audit, the half-year 2024 review and on the preparation of the full-year 2024 audit. The recommendations of the audit committee were then provided to the full board of directors.

Compensation committee

At the annual general meeting on April 24, 2024, the following board members were re-elected as members of the compensation committee: Martin Nicklasson (chairman), Nicole Onetto, and Thomas Werner. All compensation committee members are independent and non-executive in accordance with the Swiss Code of Best Practice for Corporate Governance.

The compensation committee assists the board in compensation-related matters, including providing recommendations on the compensation of the board members and the management committee, development of the annual compensation report, the policies for the compensation of the management committee and Company employees, and the basic principles for the establishment, amendment and implementation of the long-term incentive plan, as well as the criteria relating to performance-related compensation elements.

The compensation committee held two meetings in 2024; both were held in person. The meetings lasted three hours on average. The main topics at the meetings were:

- the general remuneration of the board of directors, the management committee, and employees;
- annual general salary increases;
- reviewing achievement of the 2024 corporate goals;
- setting the 2025 corporate goals;
- review of the long-term incentive plan and updating the status of awards for which the performance period was ongoing;
- reviewing grant of performance share units and performance criteria for the management committee and other senior personnel;
- reviewing grants of restricted share units to the board of directors;
- reviewing grants of restricted share unit grants to eligible employees;
- reviewing budgets for the maximum aggregate amount of compensation for the board of directors and the management committee for shareholder approval;
- reviewing the 2024 equal pay analysis; and
- review of the compensation report.

The recommendations of the compensation committee were then provided to the full board of directors.

Corporate governance & nomination committee
In the board meeting following the annual general meeting of shareholders on April 24, 2024, the following board members were appointed to the corporate governance & nomination committee: Thomas Werner (chairman), Carole Sable, and Domenico Scala.

The corporate governance & nomination committee is responsible for developing, updating, and recommending to the board corporate governance principles and policies applicable to the Company, and for monitoring compliance with such principles and policies. The corporate governance & nomination committee is also responsible for board succession planning, board member recruiting, and board self-evaluation.

The corporate governance & nomination committee held three meetings in 2024, with an average duration of 45 minutes. All meetings were held in person. The main topics at these meetings were the Company's governance principles, policies, and ongoing compliance activities.

Attendance at board and committee meetings in 2024

	Board	Audit committee	Compensation committee	Corporate governance & nomination committee
Number of meetings	**7**	**3**	**2**	**3**
Domenico Scala	7	3	2	3
Thomas Werner	7	–	2	3
Leonard Kruimer	7	3	–	–
Martin Nicklasson	7	3	2	–
Nicole Onetto	6	–	2	–
Carole Sable	7	–	–	3

Delegation to the management committee

In accordance with the articles and the organizational regulations (available online at https://www.basilea.com/investor-center#c171), the board has delegated all areas of management of Basilea that are not reserved to the board by law, the articles of association, or the organizational regulations (see section "Responsibilities of the board" on page 106) to the CEO and the management committee reporting to the CEO. The main duty of the CEO with the assistance of the management committee is to manage the business operations, to implement the strategies and other decisions of the board, to make proposals to the board regarding matters within the decision-making competency of the board, and to set the operational focus and priorities as well as to procure the necessary resources.

Information and control instruments of the board

Risk management
Basilea's board of directors oversees the enterprise risk management and provides strategic direction. The audit committee reviews the annual enterprise risk report provided by the management committee and issues a recommendation to the full board of directors regarding the approval of such report. The operational responsibility for enterprise risk management is delegated to the management committee, specifically to the CFO, who coordinates the risk management activities. Basilea's enterprise risk management aims to identify, evaluate, mitigate and monitor the key risks for Basilea, in order to prevent and minimize the impact of potential financial and reputational damages. As such, it supports the Company's leadership in decision making. The risk management process starts with risk identification, followed by evaluation and mitigation through appropriate measures. Subsequently, the implementation status of the measures and the risk exposure are continuously monitored for changes in probability of occurrence and potential financial and reputational impact.

Internal audit
Basilea has outsourced internal audit activities to Ernst & Young Ltd, Basel, who provides a written report once a year summarizing the results of its internal audit related to Basilea's risk and control processes. In addition, the external statutory auditor provides to the board a written report about their audit related to the existence of the internal control system.

Reporting
Board meetings are the board's main platform to supervise and control the Company's management. At the board meetings, the CEO and the management report on the financial, research and development, commercial, drug supply, business development, and human resources activities with a particular focus on the main risks of the Company related to its key value drivers, respective measures taken and related strategic proposals.

In addition, the CEO provides to the board a monthly CEO report covering important operational activities. Additionally, management provides interim ad hoc updates to the board on the status of operations and other issues as necessary or if requested by the board. The main components of the monthly CEO reports and these updates are the status of development and research programs, commercial activities, the status of drug supply, and partnering activities. Furthermore, management provides a monthly management report to the chairperson and a financial report to the board including an unaudited consolidated balance sheet, a statement of operations, and a statement of cash flows for the respective month. The financial report further includes comparisons of actual versus budgeted numbers.

Draft consolidated financial statements for the previous financial year and draft consolidated financial interim statements, as prepared by Basilea management, are provided to the audit committee for review and to the external auditors for performing their audit and review, respectively. Each year at the end of January or beginning of February (for the audited consolidated financial statements) and end of July or beginning of August (for the unaudited

consolidated half-year statements), the audit committee makes its recommendation regarding the approval of the respective financial statements to the full board.

At the end of each year, upon recommendation of the audit committee, the board reviews and approves the annual budget of the Company for the following year. The audit committee reviews any budget changes as may occur from time to time related to strategic changes or opportunities. In the event the audit committee recommends any changes to the budget, the board considers and may determine to approve such budget changes consistent with the strategy of the Company.

Board compensation

For the content and method of determining the board compensation, please see the compensation report on pages 127 et seqq.

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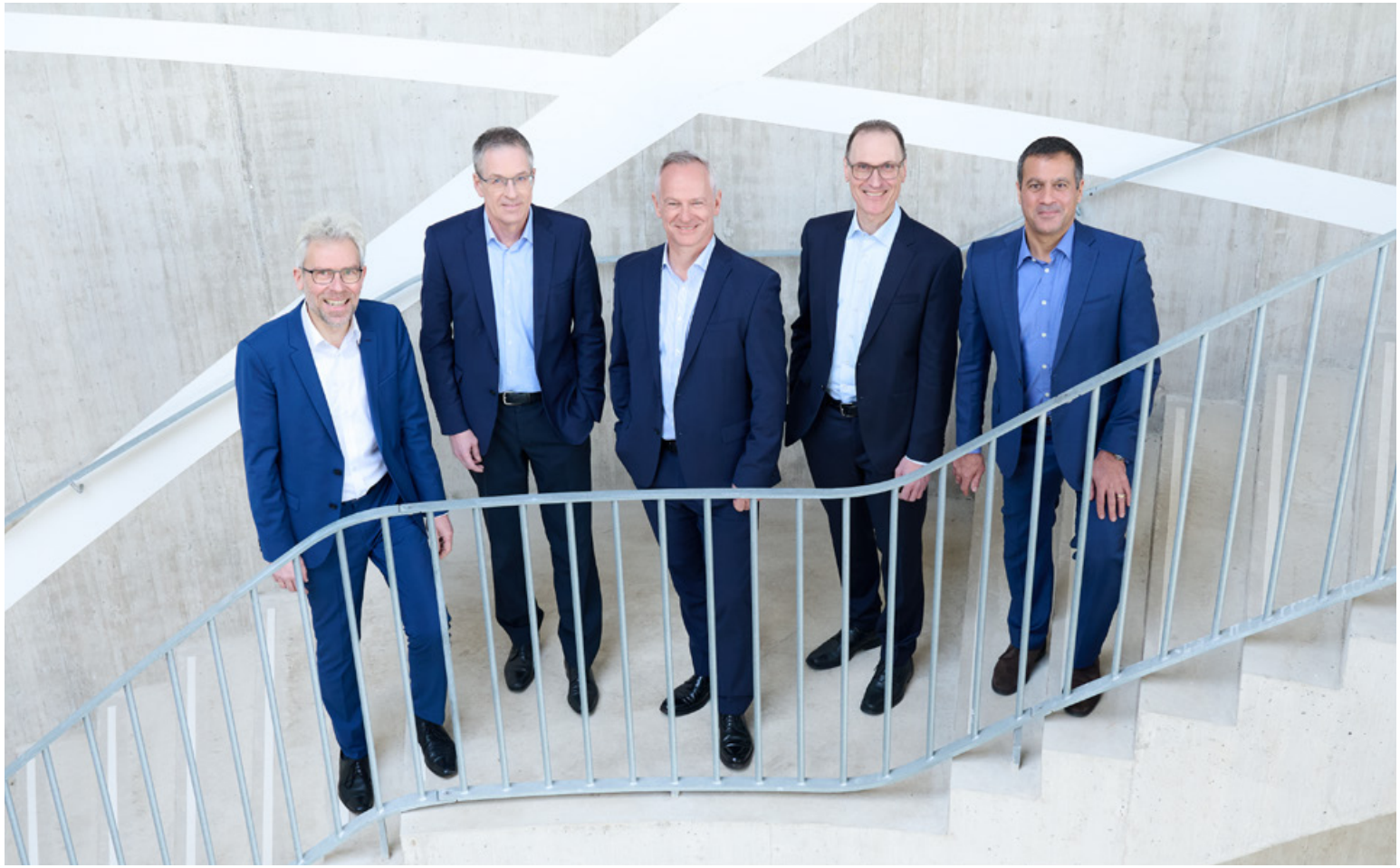
Management committee



From left to right:
Gerrit Hauck
Marc Engelhardt
David Veitch
Laurenz Kellenberger
Adesh Kaul

Basilea's management committee consists of five members with extensive experience in the pharmaceutical industry. It is complemented by the five members of the extended management committee, representing additional key functions within Basilea and reporting directly to the CEO. Descriptions of each member's nationality, business experience, education, and activities are outlined on the following pages.

Members, functions and other activities

The management committee, appointed by the board, is responsible for the operational management of the Company pursuant to the organizational regulations (available online at https://www.basilea.com/investor-center#c171). The Chief Executive Officer (CEO) is the head of the management committee, and the members of the management committee and of the extended management committee report to him. The board and in particular the chairperson of the board is responsible for regular supervision of the CEO and the management committee. Under the direction of the CEO, the management committee focuses on the corporate goals, budget, portfolio review and risk management, and as needed on organizational structure, corporate policies, and corporate strategies. The management committee holds formal meetings on a monthly basis, and additional operational meetings are held on an ongoing basis. These meetings focus on significant operational issues concerning execution of goals, budget, resources, new business proposals, and priorities. The participants of these meetings are the management committee members, extended management committee members and key employees from the relevant functions.

All management committee and extended management committee members have extensive experience in the pharmaceutical industry. The following table sets forth the name, year of appointment and position of the members of the management committee as of December 31, 2024.

	Appointed	Position
David Veitch	2018	Chief Executive Officer
Marc Engelhardt	2018	Chief Medical Officer
Gerrit Hauck	2018	Chief Technology Officer
Adesh Kaul	2019	Chief Financial Officer
Laurenz Kellenberger	2009	Chief Scientific Officer

David Veitch
Chief Executive Officer
Nationality: British
Year of birth: 1965

David Veitch has been Chief Executive Officer since 2018.
Mr. Veitch joined Basilea in 2014 as Chief Commercial Officer. Before that, from 2012 to 2013, he served as the president of European operations at Savient Pharmaceuticals. From 2007 to 2011, he served as senior vice president of European marketing & brand commercialization at Bristol-Myers Squibb Pharmaceuticals. From 2004 to 2007, he was vice president & general manager UK at Bristol-Myers Squibb Pharmaceuticals. Prior to this Mr. Veitch held various general management and commercial roles in Bristol-Myers Squibb Pharmaceuticals and prior to that commercial roles with SmithKline Beecham Pharmaceuticals.
Mr. Veitch holds a B.Sc. in biology from the University of Bristol.

Marc Engelhardt, M.D.
Chief Medical Officer
Nationality: Swiss, German, and American
Year of birth: 1964

Marc Engelhardt, M.D., has been Chief Medical Officer since 2018. He is a member of the management committee of Basilea.
Mr. Engelhardt previously held the position of Head of Development, leading Basilea's clinical research and development group. He joined Basilea in 2010 as Head of Clinical Research. Before that, he served as global program medical director at Novartis Pharma AG and held various positions with increasing responsibility at Bracco-Altana, Germany and Bracco Diagnostics, USA.
Mr. Engelhardt holds a medical degree and a Ph.D. from the University Frankfurt/ Main and is board certified in internal medicine.

Gerrit Hauck, Ph.D.
Chief Technology Officer
Nationality: German
Year of birth: 1964

Gerrit Hauck, Ph.D., has been Chief Technology Officer since 2018. He is a member of the management committee of Basilea.
Mr. Hauck joined Basilea from Sanofi, where he held various technical operations and management functions during his 24-year career at Sanofi and its predecessor companies, including formulation development, plant management and global CMC leadership. Most recently, he was cluster head synthetic molecules, overseeing most of Sanofi's technical development programs for synthetic molecules from preclinical candidates to launch. Since 2012, he was a member of Sanofi's research stage gate committee, which was responsible for the transition of candidate molecules from research into development.
Mr. Hauck graduated as a pharmacist from the University of Heidelberg and holds a Ph.D. from Saarland University.

Adesh Kaul
Chief Financial Officer
Nationality: Swiss
Year of birth: 1974

Adesh Kaul has been Chief Financial Officer since 2019. He is a member of the management committee of Basilea.
Mr. Kaul previously held the position of Chief Corporate Development Officer of Basilea since 2018 and before that Head of Corporate Development. He joined Basilea in 2009 and held various positions until 2015, including Head Business Development & Licensing, Investor Relations and as Head Public Relations & Corporate Communications. From 2015 to 2016, he held the positions of CFO and head corporate development at Polyphor AG. From 2006 to 2009, Mr. Kaul was senior financial analyst at Neue Zürcher Bank and before that he held several senior executive positions in general management and in sales & marketing at Genedata AG.
Mr. Kaul holds master's degrees in economics and in biochemistry from the University of Basel, and an Executive MBA from the University of St. Gallen.

Laurenz Kellenberger, Ph.D.
Chief Scientific Officer
Nationality: Swiss
Year of birth: 1967

Laurenz Kellenberger, Ph.D., has been Chief Scientific Officer since 2009. He is a member of the management committee of Basilea.
Mr. Kellenberger joined Basilea in 2000 and held several leadership positions in research with responsibilities for key projects from lead finding and optimization through to preclinical development, including as Head of Chemistry. He started his career as a researcher at the University of Cambridge and at F. Hoffmann-La Roche, where he held different positions in preclinical research and chemical technologies.
Mr. Kellenberger holds a Ph.D. in organic chemistry from the Swiss Federal Institute of Technology Zurich (ETH Zürich) and is author of numerous scientific publications.

Extended management committee

In addition to the above-mentioned management committee members, the extended management committee (EMC, not part of the management committee as per the SIX Swiss Exchange Directive on Information relating to Corporate Governance) is appointed by and reports to the CEO. As of December 31, 2024, the EMC comprises Peter Bielmeier, Head of Global Quality Management, Ursula Eberhardt, Head of Global Human Resources, Raimond Grewenig-Scheurich, Head of Global Commerical, Damian Heller, General Counsel & Corporate Secretary, and Mark Jones, Head of Global Affairs.

A description of each EMC's member's nationality, business experience, and education is outlined below:

Peter Bielmeier, Ph.D.
Head of Global Quality Management
Nationality: Swiss and German
Year of birth: 1967

Peter Bielmeier, Ph.D., has been Head of Global Quality Management since 2022. He is a member of the extended management committee of Basilea.
Mr. Bielmeier joined Basilea from BeiGene Switzerland GmbH, where he served as head quality Europe from 2019 to 2022, responsible for defining and implementing the quality strategy for BeiGene Europe as well as for establishing and managing the quality management system. Prior to that, he held various positions including quality product leader and quality site head at F. Hoffmann-La Roche Ltd.
Mr. Bielmeier holds a master's degree in chemistry and a Ph.D. in pharmaceutical chemistry from the University of Regensburg.

Ursula Eberhardt
Head of Global Human Resources
Nationality: Swiss
Year of birth: 1962

Ursula Eberhardt has been Head of Global Human Resources since 2017. She is a member of the extended management committee of Basilea. Ms. Eberhardt joined Basilea in 2006 and held various leadership positions in human resources, including Deputy Head of Global Human Resources. Prior to joining Basilea, she worked in various marketing, communications and administration positions at Barclays Bank Ltd, Zurich and Dubach Advertising Agency.
Ms. Eberhardt holds a Swiss federal diploma in marketing communication and a Swiss advanced federal diploma of higher education in human resources management.

Raimond Grewenig-Scheurich
Head of Global Commercial
Nationality: Swiss and German
Year of birth: 1964

Raimond Grewenig-Scheurich has been Head of Global Commercial since 2022. He is a member of the extended management committee of Basilea.
He previously held the position of Head of Global Alliance Management. He joined Basilea in 2016 as Head of Global Marketing Operations. Before that, he served as vice president, head of marketing, international operations at Novo Nordisk and held various local, regional and international senior commercial leadership positions at Novo Nordisk and Novartis.
Mr. Grewenig-Scheurich holds a degree in business administration from the University of Munich.

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Damian Heller
General Counsel & Corporate Secretary
Nationality: Swiss
Year of birth: 1966

Damian Heller has been General Counsel & Corporate Secretary since 2017. He is a member of the extended management committee of Basilea.
He joined Basilea in 2015 as Deputy General Counsel and Global Compliance Officer. Prior to joining Basilea, he worked for 20 years in the field of legal, compliance and corporate governance and held several leadership positions, including director of the Basel Institute on Governance, global compliance officer of Novartis Pharma AG and corporate secretary of Syngenta AG.
Mr. Heller holds a master's degree in law from the University of Basel and a master's degree in business administration from the University of Rochester, New York.

Mark Jones, Ph.D.
Head of Global Affairs
Nationality: Swiss and British
Year of birth: 1967

Mark Jones, Ph.D., has been Head of Global Affairs since August 2024. He is a member of the extended management committee of Basilea.
Mr. Jones previously held the position of Head of Development since 2022, leading Basilea's development programs. He joined Basilea in 2009 as Head of Clinical Microbiology and later became Head of Project Management and Preclinical Development. Before that, he served as head of microbiology at Arpida AG and held various positions with increasing responsibility at Eurofins (Biopharma) in Europe and the USA.
Mr. Jones holds a Ph.D. in microbiology from the University of Bristol.

Apart from the information given above, there are no other activities of the management committee or extended management committee members in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law, permanent management and consultancy functions for important Swiss and foreign interest groups as well as official functions and political posts or in other undertakings with commercial objectives.

According to article 26 of Basilea's articles of association no management committee member may hold more than five additional mandates, whereof not more than one mandate in listed companies. All management committee members fulfill these requirements. The full text of article 26 of Basilea's articles of association is available online at https://www.basilea.com/investor-center#c171.

Management contracts

There are no management contracts between Basilea and any third parties.

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Compensation, shareholdings and loans

For content and method of determining board and management compensation and Basilea's long-term incentive plan, please see the compensation report on pages 127 et seqq.

Shareholder participation

Voting rights and representation restrictions

Each share entitles a holder to one vote, regardless of the share's nominal value. The shares are not divisible. The right to vote and the other rights of share ownership may only be exercised by shareholders (including any nominees) or usufructuaries ("Nutzniesser") who are entered in the share register. No exceptions from these restrictions were granted in 2024.

Those entitled to vote in the general meeting of shareholders may be represented by the independent proxy (annually elected by the general meeting of shareholders) or any other person with written authorization to act as the shareholder's representative.

Subject to the registration of shares in the share register within the deadline set by the board before each annual general meeting of shareholders, Basilea's articles of association do not impose any restrictions on the voting rights of shareholders. Specifically, there is no limitation on the number of voting rights per shareholder.

For further information on the conditions for registration in the share register (including in relation to nominees) and for attending and voting at a general meeting of shareholders, please refer to the sections "Limitations on transferability of shares and nominee registrations" on page 98 and "Registration in the share register" on page 122.

A shareholder resolution with a qualified majority of at least two-thirds of the votes represented as well as the majority of the nominal value of the shares represented at a general meeting of shareholders is required for the creation of shares with privileged voting rights.

Statutory quorums

Shareholder resolutions and elections (including the election of members of the board) require the affirmative vote of the majority of share votes represented at the general meeting of shareholders, unless otherwise stipulated by law or the articles of association.

A resolution of the general meeting of shareholders passed by two-thirds of the share votes represented at the meeting and the majority of the nominal value of the shares represented is required for:

- change of the purpose of the company;
- consolidation of shares, unless the consent of all the shareholders concerned is required;
- creation of shares with privileged voting rights;
- restriction of the transferability of registered shares;
- introduction of conditional capital or the introduction of a capital band;
- increase of capital from equity capital, in return for contributions in kind, or by offset with a claim and the granting of special privileges;
- limitation or withdrawal of subscription rights;
- change of the registered office of the company;
- dissolution of the company without liquidation;

- change of currency of the share capital;
- introduction of the deciding vote of the chairperson in the general meeting;
- introduction of a provision in the articles of association to conduct the general meeting abroad;
- delisting of the shares of the company;
- introduction of an arbitration clause to the articles of association;
- liquidating the company;
- change of the articles of association on transfer restriction, conversion of registered shares into bearer shares, and the amendment of the provision that provides for the increased voting requirements for these two matters; and
- passing of resolutions on further matters which are subject to a quailified majority by law.

The same or, in certain instances, even more restrictive voting requirements apply to resolutions regarding transactions among corporations based on Switzerland's Federal Act on Merger, Demerger, Conversion and Transfer of Assets and Liabilities (Merger Act).

Convening of shareholders meetings and agenda items

The general meeting of shareholders is the supreme corporate body of Basilea. The ordinary general meeting of shareholders must be held annually on or before June 30.

The general meeting of shareholders is convened by the board of directors by way of a notice appearing in Basilea's official publication medium, the Swiss Official Gazette of Commerce (SOGC), at least 20 days before the date of the meeting. Registered shareholders may also be informed by ordinary mail. The notice of the general meeting of shareholders must state the date, time, and place of the general meeting as well as the agenda items, the proposals to be acted upon, name and address of the independent proxy, and, in case of elections, the names of the nominated candidates.

An extraordinary general meeting of shareholders may be called by a resolution of the board or, under certain circumstances, by Basilea's auditor, liquidator, or the representatives of convertible bond holders, if any. In addition, the board is required to convene an extraordinary general meeting of shareholders if shareholders representing at least 5% of the share capital or voting rights request such general meeting of shareholders in writing. Such request must set forth the agenda items and the proposals to be acted upon. If, based on Basilea's stand-alone annual statutory balance sheet, half of the sum of the (i) share capital, (ii) statutory capital reserve and (iii) statutory retained earnings are not covered by the difference between (i) the assets and (ii) the liabilities, the board of directors is required to initiate restructuring measures and call a shareholder's meeting in the event such measures need to be approved by the shareholder's meeting. Extraordinary general meetings of shareholders can be called as often as necessary, in particular, in all cases required by law.

Pursuant to Swiss law, one or more shareholders representing 0.5% of the share capital or voting rights may request that agenda items or proposals to agenda items be included in the agenda for a general meeting of shareholders. To be timely, the shareholder's request must be received at least 45 calendar days in advance of the meeting. The request must be made in writing and contain the agenda items as well as the proposals of the shareholders for the respective agenda items.

Registration in the share register

The board determines the relevant deadline for registration in the share register giving the right to attend and to vote at the general meeting of shareholders. Such deadline is published by Basilea in the Swiss Official Gazette of Commerce and on Basilea's website, usually in connection with the publication of the invitation to the general meeting of shareholders.

In 2024, the deadline for registration in the share register in order to participate and to vote at the general meeting of shareholders of April 24, 2024 was April 16, 2024. The registration deadline for the general meeting of shareholders to be held on April 16, 2025 has been set as April 8, 2025. Basilea has not enacted any rules on the granting of exceptions to these deadlines.

For further information on the registration in the share register, please refer to the section "Limitations on transferability of shares and nominee registrations" on page 98.

Changes of control and defense measures

Duty to make an offer

Basilea's shares are listed on the SIX Swiss Exchange. Therefore, the Financial Market Infrastructure Act (FMIA) applies to the shares. The FMIA provides that any person that acquires the shares, directly or indirectly, and thereby exceeds the threshold of 33⅓% of the voting rights (whether exercisable or not) attributable to all of the shares, must submit a takeover bid to acquire all of the shares. This rule also applies to persons acting in concert to acquire the shares, and their holding is aggregated to measure whether they reached the mandatory bid threshold. Basilea's articles of association do not provide for an exemption (opting out or opting up) from such mandatory bid rules.

Clauses on changes of control

Basilea's stock option plan contains provisions in respect of changes to Basilea's shareholder base (so called "material changes"). The material change definition in the stock option plan includes a change of control over the Company; a sale of all or substantially all assets of the Company; a merger or similar agreement which results in the Company being dissolved or in the Company's shareholders prior to such agreement not continuing to be the controlling shareholders of the Company; a delisting from SIX Swiss Exchange or any dissolution and liquidation of the Company. The change of control definition includes the launch of any offer for the shares of the Company, which exceeds the mandatory offer threshold of 33⅓% of all shares of the Company, if such offer becomes, subject only to conditions subsequent, unconditional.

In case of a material change, the provisions of the stock option plan cannot be changed to the detriment of the option holders, and all unvested stock options held by all option holders, including but not limited to stock options held by board and management committee members, vest and all vested options are exercisable.

In such a case, Basilea will use its commercially reasonable best efforts to provide for a net-settlement of options. Alternatively, Basilea will use its commercially reasonable best efforts to procure that the offeror will offer to purchase the options. The stock option plan provides, however, that any increase in fair value of the stock options and stock appreciation rights due to accelerated vesting will not accrue to any members of the management committee or the board of directors.

Basilea's long-term incentive plans related to PSUs (performance share units) and RSUs (restricted share units) provide that in the event of a change of control, the board shall have the full authority to determine in its sole discretion the effect of a change of control on the vesting, settlement, payment, PSU performance conditions and/or lapse of restrictions, including that all outstanding awards granted under the plans vest in part or in full.

No other change of control provision exists for the benefit of members of the board of directors or of the management committee.

Auditors

Duration of the mandate and term of office of the lead auditor

At the annual general meeting of shareholders held on April 24, 2024, PricewaterhouseCoopers AG (PwC) was re-elected as the statutory and group auditor of Basilea. PwC has held the function of statutory auditor since inception of Basilea on October 17, 2000 and acts as group auditor since 2002. Since April 13, 2022, the lead auditor of Basilea is Mr. Daniel Anliker. The audit committee ensures that the position of the lead auditor is changed at least every seven years.

Auditing fees

In 2024, PwC charged the Company auditing fees in the amount of CHF 175,300 (2023: CHF 184,800).

Additional fees

In 2024, PwC charged the Company additional fees in the amount of CHF 1,800 for access to PwC's accounting knowledge platform (2023: CHF 1,770 for access to PwC's accounting knowledge platform, CHF 12,000 related to agreed-upon procedures in connection with a third-party-funded research project, and CHF 21,953 for VAT consultancy services).

Information instruments of the auditors

The board of directors has delegated the task of supervising the auditors to the audit committee. The audit committee meets with the external auditors at least twice a year related to the half-year review and the full-year audit. In 2024, the audit committee met with the

auditors three times (the meetings were held in person and in hybrid format) to discuss the scope and results of their year-end audit for 2023, the scope of the 2024 audit as well as the scope and results of their review of the half-year financial statements.

Information policy

Basilea publishes financial results twice a year in the form of an annual report and a half-year interim report. In addition, Basilea informs shareholders and the public about the Company's business and provides general guidance through press releases, conference calls, and roadshows to support the investment community and the public in their assessment of the Company and its business prospects. Where required by law or Basilea's articles of association, publications are also made in the Swiss Official Gazette of Commerce (SOGC).

Annual reports, interim reports, ad hoc announcements, and press releases are made available on Basilea's website (https://www.basilea.com/ and https://www.basilea.com/news). Basilea's website is the permanent source of information for investors and other stakeholders. It also provides information on Basilea's products, research and development programs, as well as contact information. In addition, it includes an investor center with information on events such as general meetings of shareholders, publication dates of half- and full-year results, as well as information on investor conferences where Basilea participates in. The investor center is continuously updated throughout the financial year.

The annual report is customarily published within three months of the end of the financial year, while the half-year interim report is customarily published within two months of the end of the half-year reporting period. Key financial figures for each reporting period are disclosed in a press release for that period. The annual general meeting of shareholders for the business year 2024 will take place on April 16, 2025 at 2:00 p.m. CEST at the Congress Center Basel in Basel, Switzerland.

Basilea's investor relations department is available to respond to queries from shareholders or potential investors sent by email to investor_relations@basilea. com or by post to Basilea Pharmaceutica Ltd, Allschwil, Investor Relations, Hegenheimermattweg 167b, 4123 Allschwil, Switzerland. Additionally, investor relations inquiries may also be made by phone at +41 61 606 11 02.

A subscription service to Basilea's ad hoc announcements and press releases is provided at www.basilea.com/subscription.

Quiet periods

Basilea has established fixed close periods during which the members of the board, the members of the management/extended management committee, and employees and consultants who are involved in the establishment of or have substantial insight into the half-year or annual results are not allowed to trade in any Basilea securities. The fixed close periods start one month prior to the end day of the reporting period of either the half-year results (i.e. on June 1) or the annual results (i.e. on December 1) and (i) end on the close of the trading day on which the public release of such results is made, or, (ii) if the public release of results is made after market close or on a non-trading day, end at the close of the first trading day following the release.

Basilea has established general quiet periods prior to the release of the financial half-year and annual results. During these quiet periods, Basilea might communicate with the investment community but will, unless previously communicated via an ad hoc announcement or press release, not have any communication regarding finan-

cial information which could give an indication as to the expected half-year or annual results. The quiet periods start on the first day after the end of the reporting period of either the half-year results (i.e. on July 1) or the annual results (i.e. on January 1) and end on the date of the public release of such results.

No exceptions from these fixed closed periods or quiet periods were granted in 2024.

Analyst coverage

As of December 31, 2024, the firms listed below were covering Basilea. There may be other firms or analysts who have published reports or commentaries during 2024 Basilea is not aware of and hence are not referenced below. Any opinions, estimates, or forecasts regarding Basilea's performance made by these firms/analysts are theirs alone and do not represent opinions, forecasts or predictions of Basilea or its board/executive management. Basilea does not by its reference below imply any endorsement of or concurrence with information, conclusions or recommendations published by these firms/analysts.

Firm	Analyst
Baader Helvea AG	Thomas Meyer
Bryan Garnier & Co.	Bruno Bulic
Calvine Partners LLP	Brian White
Edison Investment Research Ltd.	Jyoti Prakash
H. C. Wainwright & Co., LLC	Raghuram Selvaraju
Kepler Cheuvreux	Christophe Dombu
Pareto Securities AB	Chien-Hsun Lee and Dan Akschuti
Zürcher Kantonalbank	Laurent Flamme

Ethical business conduct

Basilea is committed to the highest standards of ethical business conduct. As a biopharmaceutical company, Basilea is operating in a highly regulated business environment. Strict compliance with all legal and health authority requirements, as well as requirements of other regulators, is mandatory. To fulfill these goals, the board issued a Code of Conduct (available online at https://www.basilea.com/investor-center#c171). The Code of Conduct sets forth Basilea's policy embodying the high standards of business ethics and integrity required of all employees, contractors and agents when conducting business affairs on behalf of Basilea. Basilea is committed to complying with the spirit and letter of all applicable laws and regulations where Basilea engages in business.

Compensation report

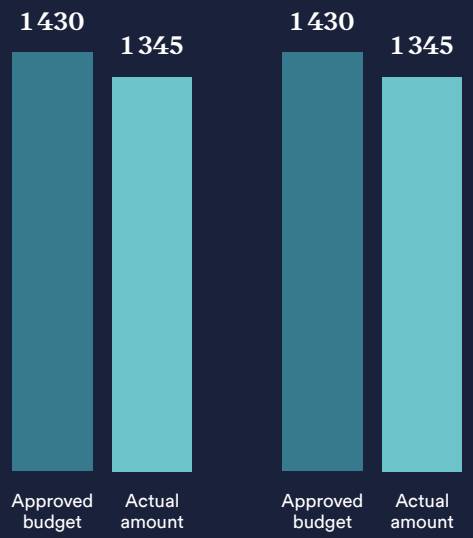
Compensation report in short

"The Basilea compensation system aims to support sustainable value generation over the long term."

Compensation outcomes 2023 and 2024

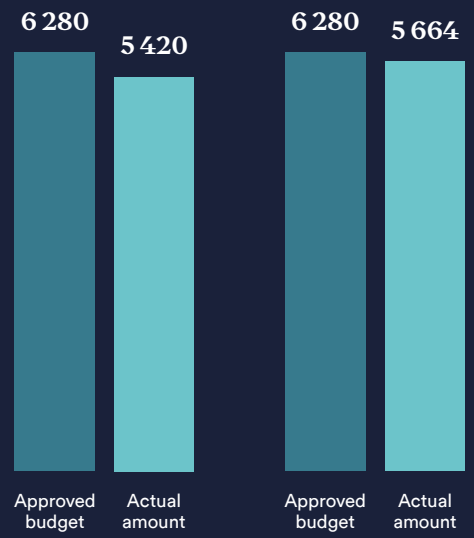
Board of directors

In CHF thousands



Management committee

In CHF thousands



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Highlights

- Achievement of our corporate goals at 118% shows our progress in 2024 on the road to becoming a leading anti-infectives company.
- We ensure pay for performance through strong governance and a balanced pay mix.
- Development of the Basilea share price is reflected in short- and long-term incentive awards.
- We introduced minimum share-holding requirement for our management committee from 2025.

CEO and Management Committee 2024 pay mix

CEO

Up to

73%

of compensation at risk

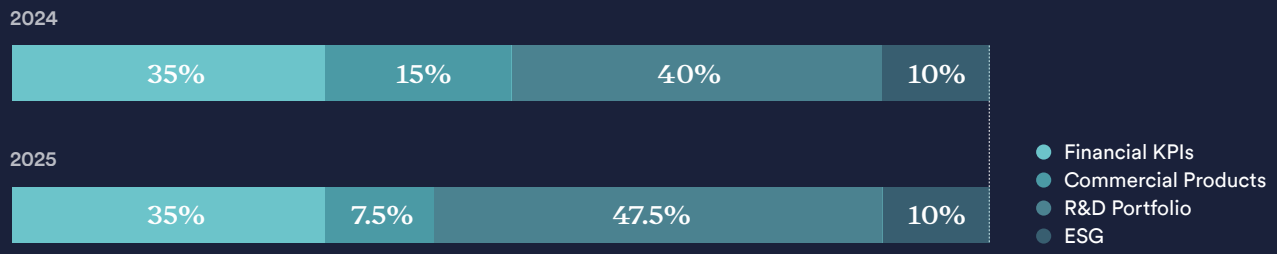
Other management committee members

Up to

67%

of compensation at risk

Corporate goals 2024 and 2025



“Strong financial results, positive share price development, additional regulatory approvals for our commercial products and progress in portfolio development, contributed to the corporate goal achievement rate.”

Letter from the chair of the compensation committee

Dear shareholders

Looking back at the year behind us, I'm pleased to say that we've made further progress towards our goal of becoming a leading anti-infectives company, serving patients around the world. Thanks to the commercial success of our marketed products, particularly Cresemba (isavuconazole), we remained profitable for the third year in a row, while progressing our pipeline of promising drug candidates, expanding our portfolio and further reducing our debt level. Further regulatory approvals make it possible to bring our products to more patients, including children, in Europe and the US, suffering from severe bacterial or fungal infections. At the same time, we have been successful in securing very meaningful non-dilutive funding, to support the mid– to long-term development of our portfolio of exciting therapies.

Performance highlights

The global medical need for our antifungal Cresemba remained high in 2024, resulting in a series of sales milestone payments from Pfizer, our commercial partner in Europe, Asia Pacific and China. We also reported sales milestone payments from other partners around the world, underscoring the high unmet medical need addressed by our marketed products. Following the Cresemba pediatric approval in the US in December 2023, the European Commission also approved the use for the treatment of children, bringing a much-needed new option to this vulnerable patient population. The European Commission also extended Cresemba's market exclusivity by two additional years, which triggered a CHF 10 million milestone payment from Pfizer to Basilea.

In April 2024, the US Food and Drug Administration (FDA) approval marked a major milestone in the history of our antibiotic Zevtera (ceftobiprole). Zevtera was approved for the treatment of all three indications submitted, including a pediatric labeling, and with 10 years of market exclusivity. We also announced a strong commercial partner for Zevtera in the US at the end of the year. I am confident that ceftobiprole's differentiated profile, and proven safety and efficacy in patients, make it an attractive treatment option with significant commercial potential.

Our R&D portfolio was one of the key focus areas for the year. We acquired a new preclinical program at the beginning of the year and were awarded a non-dilutive grant from CARB-X (Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator, a global non-profit partnership) to develop this novel class of preclinical antibiotics. We also partnered the oncology drug candidate lisavanbulin with the Glioblastoma Foundation in the US, closing a chapter in Basilea's history and reaffirming our focus on anti-infectives. In the second half of the year, we entered into a multi-year Other Transaction Agreement (OTA) with BARDA (Biomedical Advanced Research and Development Authority), part of the US Department of Health and Human Services, to develop first-in-class antifungals and antibacterials in our portfolio. BARDA committed initial funding of USD 29 million, out of a potential

total funding of up to USD 268 million, to support the development of our clinical stage antifungals fosmanogepix and BAL2062. As part of the fosmanogepix development, we launched a first global clinical phase 3 study in September.

Partially reflecting these achievements, the Basilea share price at the end of 2024 was up 17% compared to the end of 2023. The positive development of the Basilea share price exceeded that of the Swiss Performance Index (SPI) Extra in 2024, indicating external support for Basilea and recognition of our efforts.

Impact of performance on variable compensation outcomes

For performance share units (PSUs) granted to the management committee in 2022, the performance period ended at the end of 2024. Of the two KPIs for the period, relative Total Shareholder Return (rTSR) against the SPI Extra was between target and maximum performance levels, while the Cresemba product sales KPI was achieved above maximum level, resulting in an overall vesting rate of approximately 190% for the award. The award will vest on the third anniversary of grant in April 2025.

Achievement of the corporate goals for 2024 determined the performance-related annual cash bonus for the management committee. Strong financial results, positive share price development, additional regulatory approvals for our commercial products and progress in portfolio development, contributed to the corporate goal achievement rate of 118%.

Shareholder engagement

In 2024, we continued to seek feedback to improve our policies and practices. We hosted our first Capital Markets Day in April, where we directly engaged with many of our shareholders, analysts, potential investors and representatives of the financial media. Additionally, we reached out to a total of 35 shareholders or companies, holding individually 20,000 or more shares, representing approximately 41% of Basilea's shares. Since the beginning of the year, we also held face-to-face or virtual meetings with more than 90 individual investors or companies representing investors, as well as meeting proxy advisors and financial analysts.

We've taken on the feedback we received in various ways:

Response to feedback from shareholders

Key topics we heard	How we responded
Periodic review of Basilea's auditors	Currently conducting robust tendering process for auditors, with proposal to be announced for shareholder approval at the AGM 2025.
Increased focus on ESG and sustainability	— Published second ESG report in 2024 including updated risk matrix — Identified and disclosed ESG KPIs to quantifiably measure our progress — Aim to further improve diversity and gender representation on governance bodies
Enterprise risk management	Updated Business Continuity Plan, based on enterprise risk management structure and processes redesigned in 2023.
Careful and conscious use of capital	— Reduced debt using cash flow — Secured non-dilutive funding to develop R&D portfolio — Reaffirmed commitment to limit maximum dilution from LTI to below 10% of the share capital

Compensation report:
New elements and enhanced disclosure

The result of the non-binding vote on the compensation report at the 2024 AGM showed clear support for our current compensation structure and its ability to ensure pay for performance. Nevertheless, the compensation committee continues to look for ways to improve our remuneration practices. To further align the interests of shareholders with those of the management committee, a minimum shareholding requirement will be introduced from 2025. Management committee members will have five years to build up their shareholding to comply with the new requirement.

To further increase the transparency of pay outcomes, the disclosure of our corporate goal achievements this year includes a retrospective disclosure of our revenue target for 2024. Additionally, the outcome of the 2021 LTIP grant, vested in April 2024, is shown in detail, including both the KPI outcomes and the value of the award for the management committee at the time of vesting.

More details about these changes, our compensation design and pay outcomes can be found on the following pages.

I sincerely thank all our shareholders for your continued support on our journey to becoming a leading anti-infectives company, making a difference to patients worldwide.

Martin Nicklasson
Chair of the compensation committee

> “The Basilea compensation system aims to support sustainable value generation over the long term, aligning the interests of shareholders and employees, particularly senior managers.”

Compensation report

This compensation report provides the information required by the Swiss Code of Obligations. It also includes the compensation-related disclosures as required by the Directive on Information relating to corporate governance issued by the SIX Exchange Regulation and the Swiss Code of Best Practice for Corporate Governance.

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Compensation at a glance

Our compensation philosophy

Basilea is committed to diversity and equality. The Basilea Code of Conduct states that all employment-related decisions, including decisions on compensation, are to be made without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, marital status, or other classification protected by applicable law. Basilea does not tolerate any form of discriminatory conduct towards its employees.

Gender equality is important to Basilea. To ensure that all genders receive equal pay for comparable work, the company regularly reviews pay practices and conducts an equal pay analysis every year.

The Basilea compensation system aims to support sustainable value generation over the long term, aligning the interests of shareholders and employees, particularly senior managers.

Compensation for the board of directors does not fluctuate based on short-term performance but supports focus on strategic direction and long-term development of the company. Pay mix of the management committee is balanced, with a large portion of compensation linked to company performance. While annual achievements of the management committee are also recognized and rewarded, these rewards do not outweigh the focus on long-term value creation. Through the provision of share-based awards, the interests of shareholders are reflected in the compensation of board and management committee.

What we do

- Board of directors and management committee compensation aligned to shareholder interests through share–based awards
- Share price performance included in the company's annual bonus plan and LTI plan
- Caps on variable compensation of management committee
- Malus and clawback provisions in place for variable compensation
- 3-year vesting period for share-based awards, with additional 1-year holding period for management committee
- Minimum shareholding requirement for management committee

What we don't do

- No hedging or pledging of performance share units
- No stock option repricing without shareholder approval
- No dividends paid on unvested equity
- No discretionary benefits to management committee
- No discretionary bonus available for management committee
- No individual goals for management committee: all goals are corporate goals, with different weightings based on role

Company performance in 2024

2024 was a strong year for Basilea, with considerable progress in successfully implementing the strategy. Key focus areas for the year were ensuring continued financial stability, optimizing the lifecycle of commercial products and further development of the R&D portfolio.

Continued strong sales performance of Cresemba in Asia Pacific and China triggered no less than four milestone payments during the year, with a total value of USD 5 million. In Europe, the USD 25 million sales milestone payment by partner Pfizer was also thanks to the strong sales performance, reflecting the high medical need. Following in the wake of the pediatric label extension granted in the US, the European Commission also approved the pediatric use of Cresemba, extending the market exclusivity by two years. This decision triggered a CHF 10 million milestone payment from Basilea's partner Pfizer, reflecting the high relevance of this achievement for Cresemba's continued commercial success in this key region.

Zevtera was approved by the FDA in the US for the treatment of three bacterial infections in April. A strong commercial US partner for Zevtera was announced in December, setting the ground for the start of commercialization in the biggest potential market for ceftobiprole.

The R&D portfolio was further strengthened through the acquisition of a preclinical antibiotics program in the first half of the year. Also, Basilea was awarded non-dilutive grants to develop first-in-class preclinical and clinical assets in its R&D portfolio. The grant from CARB-X partially covers the development costs of the newly acquired BAL2420 (LptA inhibitor). The Other Transaction Agreement (OTA) with BARDA resulted in initial funding of USD 29 million for our antifungals fosmanogepix and BAL2062, with potential total funding of up to USD 268 million to support the development of novel antifungals and antibacterials. For fosmanogepix, a promising antifungal drug candidate, the first phase 3 clinical study was launched in September.

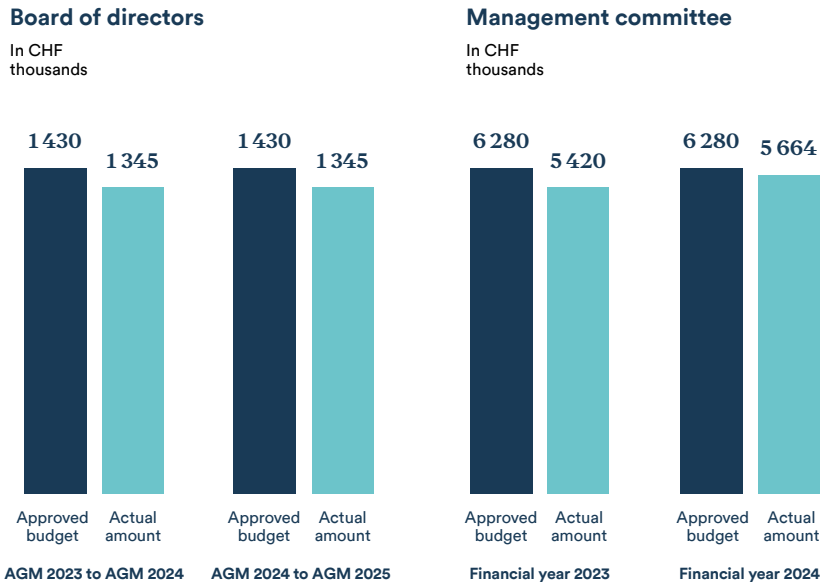
Basilea remained profitable for the third year in a row. The profit guidance was even increased twice during the year, while the debt level was further reduced by full repayment of the senior secured loan, putting Basilea in a position of financial strength and stability ahead of 2025.

Compensation outcomes 2024

For the period from the AGM 2024 to the AGM 2025 the board of directors received a total of CHF 1,345,371, within the budget of CHF 1,430,000 approved by shareholders for this period. The annual fees, committee membership fees and social security and other fringe benefits paid to the board remained stable.

The management committee received a total of CHF 5,664,367 for 2024, which is 4.5% higher than for 2023. In 2024 management committee members received an average 2.2% increase in base salary from April, which was driven by inflation and matches the average base salary increase for other employees. A 13.7% increase in the annual bonus amount, due to 118.0% achievement of corporate goals, was the main driver behind the higher total compensation amount. The overall 2024 compensation for the management committee was significantly below the budget of CHF 6,280,000 approved by shareholders at the AGM 2023.

Compensation outcomes 2023 and 2024



Equal pay analysis
The results of the voluntarily conducted Basilea equal pay analysis for 2024 showed that men earned 1.8% more than women, taking personal qualification and workplace characteristics into consideration. This result remains well below both the 5% tolerance threshold and the 2.5% target threshold defined by the Swiss authorities. Basilea remains committed to regularly reviewing pay practices to ensure fair and competitive pay for all employees.

Compensation governance

Compensation committee

The compensation committee consists of three independent and non-executive members of the board of directors, as defined by the Swiss Code of Best Practice for Corporate Governance. All members of the committee are individually elected by the shareholders at each general meeting. The compensation committee currently consists of Martin Nicklasson as chair, Nicole Onetto and Thomas Werner as members.

The compensation committee supports the board of directors in developing, establishing and reviewing the company's compensation strategy, the terms of long-term incentive plans, as well as the criteria relating to performance-related compensation elements.

The compensation committee also undertakes regular performance-related activities including performance goal setting at the beginning of the year and performance assessment at year end. It also assesses board of directors' and management committee's compensation, prepares the compensation report, and proposes the budget for shareholders' say-on-pay vote at the annual general meeting of shareholders.

After each meeting, the chair of the compensation committee reports to the board of directors on the committee's activities and recommendations. The minutes of the compensation committee meetings are provided to all members of the board of directors.

Activities in 2024

In addition to its standing agenda items, in 2024 the topics discussed by the compensation committee included:

- the general remuneration of the board of directors, the management committee, and employees;
- annual general salary increases;
- reviewing achievement of corporate goals for the year;
- reviewing the corporate goals for the coming year, with individual weightings for management committee members;
- the review of the long-term incentive plan and update on the status of awards for which the performance period was ongoing;
- reviewing grant of performance share units and performance criteria for the management committee and other senior personnel;
- reviewing grant of restricted share units for the board of directors;
- reviewing restricted share unit grants for eligible employees;
- review of budgets for the maximum aggregate amount of compensation for the board of directors and the management committee for shareholder approval;
- review of the 2024 equal pay analysis results; and
- review of the compensation report.

The recommendations of the compensation committee were then provided to the full board of directors for approval.

Compensation approval process

Topic	CEO	Compensation committee	Board of directors	AGM
Compensation policy and guidelines in line with Basilea's articles of association		P	✓	
Maximum aggregate amount of compensation for the board of directors and the management committee		P	E	✓
Compensation report		P	✓	AV
Individual compensation of the members of the board of directors		P	✓	
Individual compensation of the CEO		P	✓	
Individual compensation of the other members of the management committee	P	E	✓	
Plan design and grant of long-term incentives	P	E	✓	

P Proposes E Endorses ✓ Approves AV Advisory vote (non-binding)

Articles of association

Article 6 of the articles of association (which are published on www.basilea.com/articles-of-association) provides the following compensation competences to the general meeting of shareholders:

- the approval of the maximum aggregate amount of compensation for the board of directors for the prospective period from one annual general meeting to the following annual general meeting;
- the approval of the maximum aggregate amount of compensation for the management committee for the following financial year; and
- a non-binding advisory vote on the compensation report.

Article 15 contains some additional rules relating to the board of directors' competence to submit compensation proposals to the general meeting of shareholders.

Articles 18 and 25 list the compensation elements applicable to the board of directors and the management committee. They generally describe the performance criteria applicable to variable compensation elements as well as the responsibilities to determine such criteria. Although the articles of association would allow, the board of directors has decided not to include any performance-related variable elements in its compensation. The responsibilities to determine the terms of any long-term incentive plans are also regulated in article 25.

Articles 19–21 regulate the composition and responsibilities of the compensation committee.

Compensation principles

As a commercial stage biopharmaceutical company, Basilea operates in a highly regulated environment. Our focus on anti-infectives, a unique market segment, requires specialized skills and experience from our leadership and employees. Additionally, we compete for talent with pharmaceutical companies of all sizes in the Basel region, making the use of benchmarking and market data an important source of information.

The aim of our compensation design is to enable us to respond to these challenges and attract, motivate and retain the right talent for the company's continued success.

We offer competitive compensation

We regularly review both compensation elements and levels against the market practice of our peers, with the median values used as our reference point.

We provide a balanced pay mix

The ratio of fixed to variable compensation is aligned to the individual role and responsibilities.

We link rewards to performance

Our annual bonus and long-term incentive plans ensure that variable compensation is based on performance against predefined targets.

We aim for long-term success

Multi-year performance periods and share-based awards form part of our long-term incentive program, aligning the interests of shareholders and senior managers by supporting long-term value creation.

Board of directors
Members of the board of directors do not receive variable or performance-based compensation. To support their focus on the long-term development of the company as they carry out their supervisory duties, they receive only fixed, predetermined fees instead. The compensation of board members depends only on their role or roles as member, chair or vice-chair of the board and its committees.

To strengthen the alignment between the interests of board members and shareholders, 25% of the fees paid to board members are in the form of Basilea restricted share units (RSUs) that are subject to a three-year vesting period.

Management committee and other employees
Basilea employees may be eligible for a combination of fixed and variable compensation, as well as a benefits package including pension contribution, insurance and other elements. Both external factors (such as market practice) and internal factors (such as role within the organization) are considered when determining the level of compensation and the balance between fixed and performance-based elements. Base salaries are reviewed and employee performance is evaluated annually.

Corporate goals are used for the annual performance evaluation of the management committee, with performance against the goals fully determining the level of annual variable compensation. For other Basilea employees who are not management committee members, individual performance is also considered in addition to the corporate goals when determining annual variable compensation. Both base salary and annual variable compensation are paid in cash.

Awards forming part of the long-term incentive plan for senior managers are paid in share-based awards, aligning the long-term interests of shareholders and senior managers. Under the long-term incentive plan, management committee members and certain senior managers are eligible for performance share units (PSUs). Instead of PSUs, restricted share units (RSUs) without performance conditions may be granted to management-level employees with a lower level of direct influence on the achievement of key objectives. No employee may be eligible for both RSUs and PSUs at the same time. To promote the retention of employees who are critical to the fulfilment of Basilea's key objectives, both RSUs and PSUs have a three-year service condition.

Compensation evaluation
The compensation of the members of the board of directors and of the management committee is reviewed annually by the compensation committee, which in turn makes recommendations to the board of directors. These include recommendations on the compensation of the members of the board of directors and the management committee, the compensation policies covering the management committee and the company's employees, and the company's long-term incentive plan.

In 2024, the compensation committee reviewed compensation of the management committee. As part of the review process, the compensation committee considered the outcome of a benchmark analysis by Willis Towers Watson, in which individual compensation of each management committee member was compared to compensation of similar roles at the selected companies. Willis Towers Watson selected a group of companies in the pharmaceutical and health science industry in Switzerland and used the Willis Towers Watson Global Grading Methodology to identify the comparable roles. For each management committee member, the reference point for the comparison was the median compensation of the comparable roles, with both base salary and target total direct compensation compared. In addition to the benchmark analysis results, the compensation committee considered the increasing complexity of Basilea's operations and the expanding scope of responsibility due to additional R&D projects. The compensation committee decided that no changes to the compensation structure of management committee members is indicated at this time, with only individual adjustments to salary as part of the annual review to ensure continued competitiveness.

Compensation of the board of directors was compared with selected companies as part of a benchmarking analysis performed by HCM

International Ltd. in its role as an independent expert. For this comparison, companies with market capitalization ranging from CHF 300 million to CHF 700 million were used, selected from the Swiss Performance Index (SPI), excluding finance and real estate. SPI healthcare companies were considered as an additional checkpoint. The compensation committee took the analysis results as well as other factors into consideration when reviewing current board compensation and decided that no changes to the design, base fees, committee membership fees or chair fees are indicated at this time. As a result, board of directors compensation levels have remained stable since the AGM 2021.

Compensation structure and design

Overview of 2024 compensation structure

	(Vice–) Chair of the board	Other board members	CEO	Management committee members	Comments
Fixed compensation					
Fixed cash compensation	•	•	•	•	
Restricted share units	•	•			Subject to three-year vesting period
Variable compensation					
Performance-related cash bonus			•	•	Based on achievement of corporate goals (with different individual weighting for management committee members)
Performance share units			•	•	Subject to three-year vesting period, followed by one-year sales restriction and contingent on performance against two KPIs
Social security and other fringe benefits					
Social security	•	•	•	•	Employer contributions to social security; company takes over board members' contributions where such contributions occur (except contributions related to stock option exercises)
Pension and other fringe benefits			•	•	Employer contributions to pension plans, disability insurance

Board of directors compensation

Compensation for board members, as approved by shareholders at the annual general meeting 2024, is paid 75% in cash and 25% in restricted share units. The compensation consists of:

- a fee for the election term from one annual general meeting to the next;
- a committee membership fee;
- the payment of social security contributions, where such contributions apply; and
- reimbursement of reasonable out-of-pocket travel-related expenses.

The members of the board are not entitled to any performance-based variable compensation. The RSUs contain no performance element and will vest into Basilea shares following a three-year vesting period on a one-to-one basis. Board members who cease their board membership prior to the end of their term of office will receive a prorated number of RSUs. Board members chairing a committee do not receive any committee chair fees, in addition to their committee membership fees.

The compensation paid to the board in the period from AGM 2024 to AGM 2025, delivered 75% in cash and 25% in RSUs:

In CHF	AGM 2024 to AGM 2025
Chair of the board of directors	
Annual fee	285 238
Committee membership fee[1]	7 875
Vice-chair of the board of directors	
Annual fee	193 632
Committee membership fee[1]	5 250
Members	
Annual fee	181 632
Committee membership fee[1]	5 250

1 Fee per board committee membership.

In addition to their board-related duties, members of the board of directors may take part in the work of the research & development advisory board of Basilea. For their participation and for providing feedback to Basilea's board of directors on insights and analysis of the research & development advisory board, they are entitled to a participation fee of CHF 5,250 for the period from AGM 2024 to AGM 2025. The participation fee is paid fully in cash. The research & development advisory board is not a committee of the board of directors.

For further information on the compensation for the members of the board of directors, please refer to the section "Disclosure of the compensation for the board of directors" on page 158.

Management committee compensation

Compensation system

Compensation for the management committee includes a base salary, performance-related cash bonus, long-term incentive (in the form of performance share units), pension plan contributions, and certain disability insurance. Shareholders approve a maximum aggregate compensation amount for the management committee at the annual general meeting of shareholders each year. The actual total compensation for the management committee for the given period must not exceed the approved amount.

Base salary

Base salary is determined by the position, responsibilities, experience and skills of each management committee member. The compensation committee reviews management committee members' base salaries at the beginning of each year, taking into account individual performance and makes recommendations to the board. Any changes in base salaries become effective as of April each year. Base salaries may be further adjusted throughout the year as deemed necessary by the board, for example due to an increase in responsibilities. Increases in base salary for the management committee are generally expected to be in line with salary increases across the broader workforce.

Performance-related cash bonus

Management committee members are eligible for an annual performance-related cash bonus. The bonus amount is determined based on the achievement of the same corporate goals for all management committee members. However, the weighting of the corporate goals is different for each management committee member. For the CEO, the corporate goals are weighted exactly the same as for the overall company result. For other management committee members, the weightings are individual and reflect the main areas of focus and responsibility of each member.

The target bonus is 50% of the annual base salary for the CEO and 40% for all other management committee members.

The compensation committee assesses each management committee member's performance and contribution to the achievement of the company's goals and makes recommendations on the individual bonus to the board. The board determines the final amount of each management committee member's bonus payment. When the compensation committee and the board of directors determine the bonus for the CEO, the CEO is not present. However, the CEO can propose to the board the bonus amount for other management committee members.

Caps on performance-related cash bonus
In the event that the board of directors determines that certain upside corporate goals were achieved, the performance may be rated above 100%. The overall bonus achievement level is capped at a maximum of 140% of the target amount for the CEO and 130% of the target amount for other management committee members.

Corporate goals
The corporate goals used for annual performance evaluation in 2024 are linked to key value drivers with a combination of financial and non-financial key performance indicators (KPIs):

- Financial KPIs are related to the financial performance of the company, including revenues, share price performance and access to new funding.
- Non-financial KPIs are related to achievement of operational milestones for Basilea's commercialized products, such as regulatory approvals and partnerships, for the research & development portfolio, such as study initiation and expanding the portfolio through in-licensing and acquisitions, and ESG-related goals.

For further information on metrics and performance against corporate goals for 2024, please refer to the section "Achievement of 2024 corporate goals" on page 149.

Long-term incentive plan

General terms
Members of the management committee as well as a small number of senior managers in key positions are granted performance share units (PSUs) whose vesting is contingent on the performance measured by two KPIs.

For the management committee, the target value of the PSU grant is expressed as a function of base salary. This target grant value is equal to 100% of base salary for the CEO and 75% for other members of the management committee. To calculate the resulting number of granted PSUs, this target value is divided by the higher of a) the fair value of a PSU as of the AGM date or b) CHF 35. The minimum price of CHF 35 limits dilution to shareholders in the event market fluctuations would result in a low fair value calculation of the PSUs on the AGM date, which would otherwise lead to the grant of a large number of share units. Any new grants under the long-term incentive plan are limited by the guiding principle that at the grant date the total potential dilution from outstanding stock options and share units under the long-term incentive plans shall not exceed 10% of the total outstanding share capital on a fully diluted basis.

Vesting conditions
PSUs vest into Basilea shares following the completion of a three-year performance period. The shares delivered upon vesting after the three-year performance period are then subject to an additional one-year holding period.

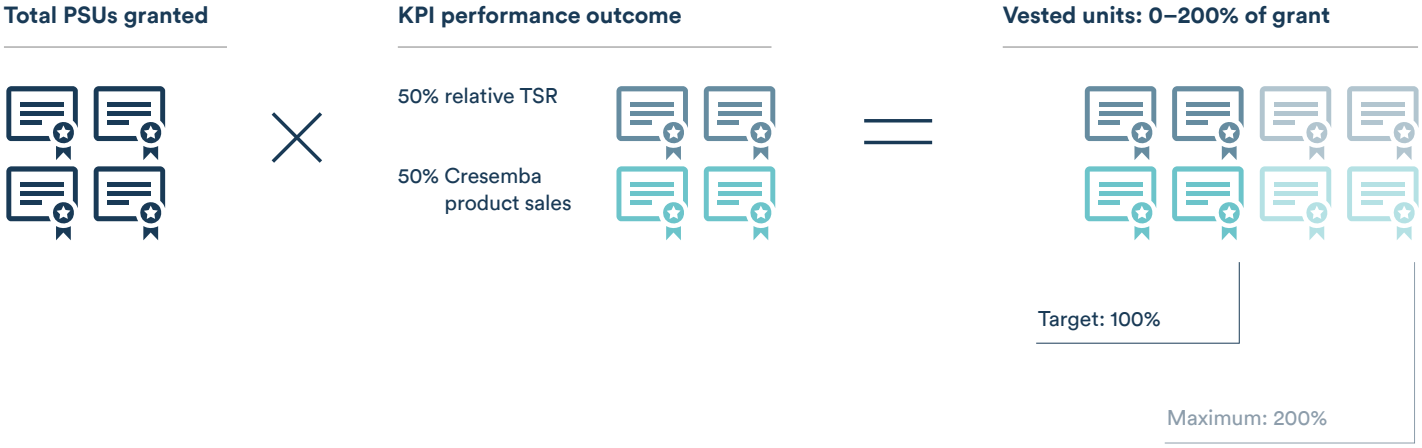
PSUs only vest if a management committee member is in continuous employment during the performance period, subject to certain exceptions:

- In the event of a termination due to restructuring or redundancy, or upon retirement, PSUs that have not yet vested on the date of termination are pro-rated to reflect the shortened service period. These PSUs will continue to vest pursuant to the plan and convert into shares upon vesting based on calculated performance. The remainder of the PSUs will forfeit as of the date of termination.
- In the event of death or disability, all unvested PSUs shall vest immediately as per the date of death or disability at target level (100%), irrespective of actual achievement.
- Basilea's long-term incentive plans related to PSUs and RSUs provide that in the event of a change of control the board shall have the full authority to determine in its sole discretion the effect of a change of control on the vesting, settlement, payment, PSU performance conditions and/or lapse of restrictions, including, that all outstanding awards granted under the plans vest in part or in full.

The number of shares delivered for each vesting PSU depends on the achievement level of two equally weighted KPIs. If the targets for both KPIs are achieved at 100% (target value), each PSU vests into one Basilea share. If the targets for both KPIs are overachieved and reach or exceed a predefined maximum cap, each PSU will vest into two Basilea shares. If the targets for the KPIs are underachieved and

are below or at a predefined threshold, the PSUs will expire with no value and will not vest into any Basilea shares. In case of an achievement level between the performance target and the maximum cap, or between the performance target and the performance threshold, respectively, the actual ratio for converting PSUs into Basilea shares is calculated on a linear basis.

PSU vesting overview

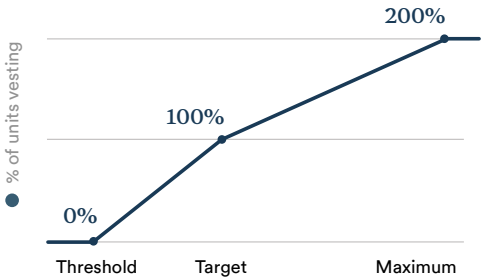


KPIs
The KPIs of the PSUs granted in 2024 are relative Total Shareholder Return (rTSR) against the Swiss Performance Index Extra (SPI Extra) and Cresemba in-market product sales. Both KPIs are weighted equally.

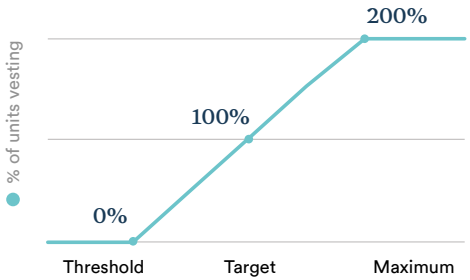
The rTSR KPI was chosen as an incentive for creating long-term shareholder value. This measure serves as an indicator of company performance. Taking into consideration its correlation to the Basilea share price and the beta coefficient, the SPI Extra was chosen as a benchmark for the rTSR. The rTSR calculation compares Basilea's share price with that of the SPI Extra at the start and at the end of the three-year performance period, and factors in any dividends paid. The starting price for the Basilea share and the SPI Extra is their average closing price of the last sixty trading days of the year preceding the start of the performance period. The ending price is their average closing price of the last sixty trading days of the final year of the performance period.

KPIs for PSU vesting

Relative TSR



Cresemba product sales



The Cresemba product sales KPI measures the Compounded Annual Growth Rate (CAGR) of Cresemba in-market sales measured as patient days over the same three-year performance period. A patient day in this context is defined as the equivalent of a 200 mg daily maintenance dose of Cresemba. By using patient days, progress in providing global access to this important drug plays an important role in determining the performance. At the same time, this limits the influence of factors that are unrelated to performance, such as exchange rate fluctuations. The calculation of the KPI is based on the comparison of the patient days recorded in the twelve months prior to the start of the performance period with the patient days recorded in the last twelve months of the performance period. The long-term volume growth of Cresemba was selected as KPI for the PSUs due to its critical importance for the long-term financial success of the company.

KPI	Relative TSR	Cresemba product sales
Threshold	–10% against SPI Extra	+10% CAGR
Target	on par with SPI Extra	+15% CAGR
Maximum	+20% against SPI Extra	+20% CAGR

The target and threshold for rTSR were based on historical data and for Cresemba product sales on internal forecasts and financial analyst expectations, taking into consideration typical vesting curves. The KPIs and the threshold, target and maximum levels are reviewed and set for each new plan by the compensation committee with final approval from the board of directors, to ensure that they support the long-term company strategy.

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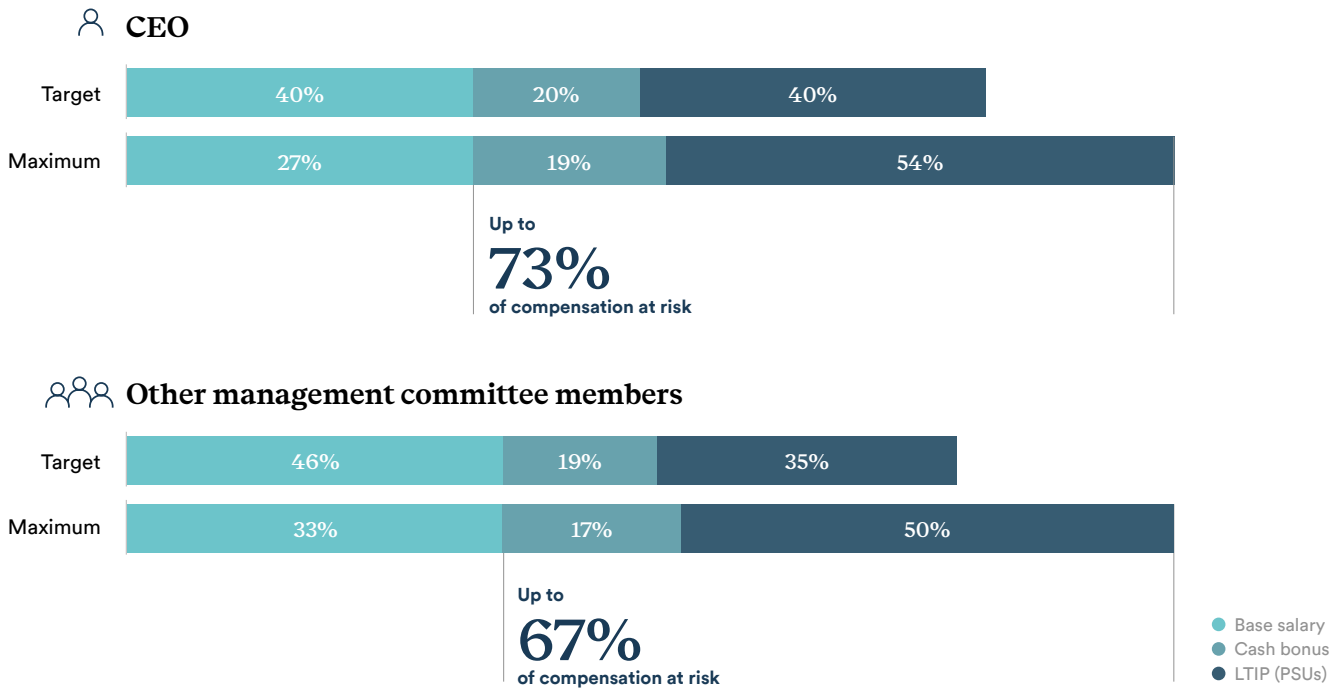
CEO and management committee 2024 pay mix

The majority of the direct compensation (without social security and other benefits) for the CEO and other management committee members is at risk and dependent on the achievement of annual or multi-year corporate goals.



2024 performance achievements

Implementation of Basilea's strategy gained momentum in 2024, with several key achievements to signal progress on the road to become a leading anti-infectives company. The focus during the year was on further developing the R&D portfolio and building partnerships to serve the needs of patients worldwide, while ensuring continued financial stability.

Performance highlights 2024

Antifungal Cresemba (isavuconazole)
- Strong sales performance in Asia Pacific and China throughout the year triggered four milestone payments of USD 1.25 million each from Pfizer
- European Commission decision to approve the pediatric use of Cresemba and extension of market exclusivity triggered CHF 10 million milestone from Pfizer
- Strong sales performance in Europe triggered USD 25 million milestone payment from Pfizer

Antibiotic Zevtera (ceftobiprole)
- FDA approval for Zevtera for treatment of *Staphylococcus aureus* bacteremia (SAB), acute bacterial skin and skin structure infections (ABSSSI), and community-acquired bacterial pneumonia (CABP)
- New data for ceftobiprole presented at ESCMID Global 2024, providing further evidence of its differentiated profile, safety and efficacy in treating patients
- Ceftobiprole (Chinese trade name: Sibipre®) has been included in the National Reimbursement Drug List, making it eligible for reimbursement under the Chinese national basic medical insurance program from 2025
- Announced strong commercial partner for Zevtera in the US, its biggest potential market

Development of R&D portfolio
- Acquired preclinical antibiotics program from Spexis with novel mode of action, including BAL2420 (LptA inhibitor)
- Award from Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator (CARB-X) non-dilutive funding of USD 7.3 million for the further development of BAL2420; in addition to the USD 0.9 million awarded earlier in the year
- Entered into multi-year Other Transaction Agreement (OTA) with Biomedical Advanced Research and Development Authority (BARDA), which provides up to approximately USD 268 million non-dilutive funding for the development of novel antifungals and antibacterials, with an initial commitment of USD 29 million supporting the development of our first-in-class antifungals, fosmanogepix and BAL2062
- Initiated clinical phase 3 study with antifungal fosmanogepix in candidemia and invasive candidiasis

Other achievements:
- Strong Cresemba- and Zevtera-related revenue growth in 2024
- Partnered oncology drug candidate lisavanbulin with Glioblastoma Foundation
- Increased profit guidance during the year and continued profit generation for third year in a row
- Fully repaid senior secured loan in non-dilutive way, further reducing debt level
- Further developed ESG strategy by defining measurable KPIs for the individual focus topics

Achievement of 2024 corporate goals

The board reviews achievement against the corporate goals when determining the performance-related cash bonus for the management committee. For 2024 these consisted of financial and operating goals that support the execution of Basilea's strategic priorities. Compared to the forward-looking disclosure in the compensation report 2023, the table below provides more detailed content around performance, including relative weighting and achievement level for each component of the various goals.

Financial goals for 2024 were not only achieved but exceeded, with product and contract revenues clearly above the target of CHF 182.1 million and additionally contributed to by the significant non-dilutive funding from BARDA and CARB-X. Compared to the Swiss Performance Index Extra, the quarterly Basilea share price development was also favorable, resulting in above-target achievement for this component.

Although the partnering goal for ceftobiprole in the US was only achieved after the target FDA approval date, this was partially offset by the approval for ceftobiprole in the US for all three indications, including CABP, as well as achievement of the EMA approval goal for the pediatric use of Cresemba in Europe. Overall, the achievement of commercial product goals was slightly below target.

Development of the R&D portfolio was achieved, overall, at target level. The first phase 3 study for fosmanogepix was initiated in September 2024. For tonabacase and BAL2062 the initially planned preclinical profiling was not only completed on schedule, but also proved favorable, resulting in the decision to continue the development of these assets. With the acquisition of the LptA inhibitor program from Spexis, the R&D pipeline was further strengthened.

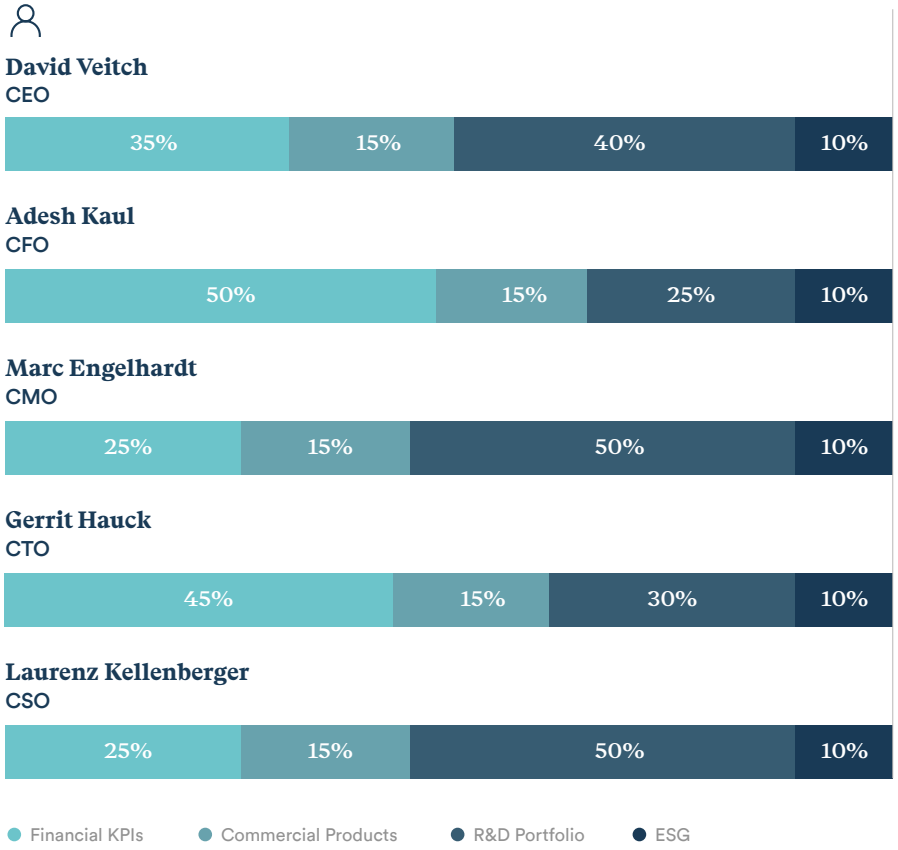
Reflecting the ongoing focus on sustainability, the development of the ESG strategy continued in 2024. For each of the nine focus topics related to environmental, social, governance and economic aspects, which are of particular relevance for Basilea, specific and measurable KPIs were identified. The process for identifying the KPIs included a cross-benchmarking with relevant topics from reporting standards (GRI standards, SASB standards) and a selection of peer companies. From 2025, progress along each of the focus topics can be quantified and tracked based on these KPIs. As a result, the ESG goal for 2024 was also achieved at target level.

As shown in the following table, the overall achievement level was above target at 118%.

	Corporate goal	Weighting	Achievement
Financial KPIs	Revenues: achieve budgeted product and contract revenues of CHF 182.1 million; secure non-dilutive R&D funding for pipeline projects	25.0%	42.0%
	Share price performance: quarterly share price performance relative to Swiss Performance Index Extra (SPI Extra)	10.0%	13.5%
	Financial KPIs	**35.0%**	**55.5%**
Non-financial KPIs	Zevtera (Ceftobiprole): US NDA approval in SAB, ABSSSI and CABP Commercialization contract signed for the US market prior to Prescription Drug User Fee Act (PDUFA) date; goals related to manufacturing partnerships	 2.5% 7.5%	 7.5% 0.0%
	Cresemba (Isavuconazole): approval of pediatric variation by European Medicines Agency (EMA) by end of Q2	5.0%	5.0%
	Commercial products	**15.0%**	**12.5%**
	Fosmanogepix: achieve first site initiation in phase 3 study by end of Q3	15.0%	15.0%
	Achieve decision points based on completion of preclinical profiling for BAL2062 and tonabacase by end of Q3	10.0%	15.0%
	Expand R&D portfolio through in-licensing or acquisition of a clinical and a preclinical stage anti-infective compound by end of year	15.0%	10.0%
	R&D portfolio	**40.0%**	**40.0%**
	Publication of ESG report including established KPIs and baseline measurement as reference for future development by end of August	10.0%	10.0%
	ESG	**10.0%**	**10.0%**
Total		**100.0%**	**118.0%**

The weighting of the objectives shown on the previous page is the standard corporate weighting used to calculate the bonus of the CEO. For other members of the management committee, although the KPIs are the same, the weighting of each is different, to better reflect each management committee member's main areas of responsibility. These weightings can change from year to year, with the weightings for 2024 shown as follows:

2024 corporate goals with individual weightings



Performance against long-term incentive plan KPIs

LTIP 2021–2023: Performance outcomes and vesting in 2024
The performance period for the first Basilea LTIP grant ended at the end of 2023. Strong Cresemba product sales over the three-year performance period exceeded the +20% CAGR maximum, resulting in maximum payout for this KPI. The rTSR KPI was below the threshold of –10% against the SPI Extra, resulting in zero payout for this component.

Relative Total Shareholder Return

KPI level	Basilea position compared to peer group	Payout (% of target)
Threshold	–10.0% against SPI Extra	0%
Target	On par with SPI Extra	100%
Maximum	+20.0% against SPI Extra	200%
Actual	**–28.4% against SPI Extra**	**0%**

Cresemba In-Market Product Sales CAGR

KPI level	Product volume growth	Payout (% of target)
Threshold	+10.0% CAGR	0%
Target	+15.0% CAGR	100%
Maximum	+20.0% CAGR	200%
Actual	**+26.4% CAGR**	**200%**

As the two KPIs are weighted equally at 50% each, the overall performance rate was 100%. Each PSU granted vested into one Basilea share on the third anniversary of the grant, on April 21, 2024.

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PSUs granted to the CEO in 2021 vested into 13,601 shares with a vesting value of CHF 557,754. Other management committee members received a total of 24,795 shares from the 2021 grant, with a vesting value of CHF 1,016,802. The lower value of the vested award compared to fair value at grant is due to change in the Basilea share price during the period.

	Grant date: April 21, 2021				Vesting date: April 21, 2024		
	Number of PSUs granted	Fair value at grant per PSU (in CHF)	Value of 2021 PSUs at grant (in CHF)	Vesting rate	Number of shares from vested PSUs	Share price at vesting (in CHF)	Value of shares at vesting (in CHF)
Chief Executive Officer David Veitch	13 601	43.66	593 820	100%	13 601	41.01	557 754
Total management committee	**38 396**	**43.66**	**1 676 369**	**100%**	**38 396**	**41.01**	**1 574 556**

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LTIP 2022–2024
Although the two KPIs, their relative weightings, threshold, target and maximum levels for the PSUs granted in 2022 remained unchanged compared to the 2021 grant, market conditions and the baseline at the beginning of 2022 were different. For the Cresemba product sales KPI, performance was above the maximum level based on the results available from Basilea's commercial partners at the end of 2024. The development of the Basilea share price over this same performance period was also favorable compared to the SPI Extra, resulting in payout between target and maximum for this component. The overall performance rate of approximately 190% means that each PSU granted will vest into 1.9 Basilea shares on the third anniversary of the grant. The shares resulting from the vesting will remain subject to a one-year holding period.

Relative Total Shareholder Return

KPI level	Basilea position compared to peer group	Payout (% of target)
Threshold	–10.0% against SPI Extra	0%
Target	On par with SPI Extra	100%
Maximum	+20.0% against SPI Extra	200%
Actual	**+16.2% against SPI Extra**	**181%**

Cresemba In-Market Product Sales CAGR

KPI level	Product volume growth	Payout (% of target)
Threshold	+10.0% CAGR	0%
Target	+15.0% CAGR	100%
Maximum	+20.0% CAGR	200%
Actual	**Projection at the end of 2024 above maximum**	**200%**

Details of the vesting will be disclosed in the compensation report 2025.

For LTI awards granted in 2023 and 2024 the performance period is still ongoing. In the interest of transparency, an update as of the end of 2024 is provided below, however, the final outcome used to determine vesting may be different at the end of the respective performance periods.

LTIP 2023–2025
For the third Basilea LTIP grant, 2024 was the second year of the performance period. Based on Cresemba product sales during the 2023–2024 period, performance for this KPI was above the maximum level at the end of the year. However, Basilea share price performance was below the threshold compared to the SPI Extra and would result in no payout for this component based on the first two years of the three-year performance period.

LTIP 2024–2026
2024 was only one third of the full performance period for the fourth Basilea LTIP grant. Performance for the Cresemba product sales KPI was above the maximum level at the end of the year, while Basilea share price performance was between target and maximum compared to the SPI Extra in 2024. As the two KPIs are equally weighted, overall performance rate would be between target and maximum levels if the performance period were to end at the end of 2024.

Other compensation topics

Malus and clawback clause
All shares and PSUs are subject to a malus/clawback provision, which enables the board to withhold or recover compensation from management committee members if they are found to have engaged in behavior such as acts of fraud, gross negligence or willful misconduct. Under the malus provision, the board reserves the right to cancel some or all outstanding PSUs. Under the clawback provision, during the additional one-year holding period, the board may recover the value of some or all shares delivered under the plan by requiring management committee members to transfer such converted shares back to the company or to make a cash payment.

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Previous LTI plans
Until 2020, Basilea granted stock options to its management committee and management-level employees to incentivize long-term shareholder value creation. This plan was discontinued in 2021 and replaced with the plan that is currently in place, where long-term incentives are provided in the form of PSUs and RSUs. Stock options granted under the previous long-term incentive plan have not been cancelled, but will continue to be held and vest as per the plan conditions. For more details, please refer to the compensation report 2020.

Indirect benefits
The company maintains certain disability insurance for the management committee and provides various other benefits, such as allowances or contribution to the pension plan. The terms and conditions of these other benefits are the same for the management committee as for all other Basilea employees.

New management committee members may be eligible for reimbursement of relocation costs, compensation for lost benefits or stock granted by a prior employer, and limited reimbursement of international school for children.

Loans and credits
The company did not grant any loans, quasi-loan credits or guarantees to members of the board of directors or of the management committee in 2024 or 2023.

Employment conditions
Members of the management committee have a notice period of twelve months set down in their employment agreements. They may receive variable compensation during the notice period, depending on company performance and in line with the applicable caps and conditions detailed above. Members of the management committee are subject to the standard Basilea terms and conditions for Basilea employees. There is no accelerated vesting of outstanding LTI awards in the event of termination (except due to retirement, disability or death), in accordance with the plan rules. Basilea has no contractual termination payment obligations to members of the management committee.

For further information on the compensation for the management committee, please refer to the section “Disclosure of the compensation for the members of the management committee” on page 160.

Forward-looking compensation topics

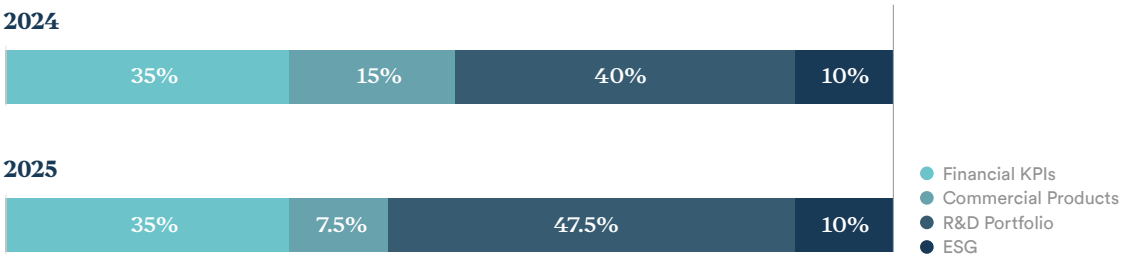
The compensation committee reviewed the current compensation model during 2024 and determined that no structural changes are indicated for 2025. Through regular review and setting of appropriate performance goals as part of the annual bonus as well as the long-term incentive system, the current compensation tools are well suited to support implementation of the strategy. However, to further align the interests of shareholders and the management committee, a minimum shareholding requirement will be introduced for management committee members from 2025.

Corporate goals 2025

The corporate goals for 2025 are similar to those for 2024, reflecting the continued importance of these areas for successfully implementing the strategy. The increased weighting of the R&D portfolio for 2025 highlights the commitment to developing Basilea's pipeline, thereby ensuring long-term value generation.

Financial stability remains a key strategic priority for Basilea in 2025. However, while optimizing the lifecycle of the commercial products Cresemba and Zevtera is still important, the focus shifts further towards strengthening the R&D portfolio. This includes developing drug candidates fosmanogepix, BAL2062 and BAL2420 (LptA inhibitor), but also in-licensing or acquiring additional assets. Further progressing Basilea's ESG strategy also remains a corporate goal for 2025 and will be measured against the KPIs defined in 2024.

2024 and 2025 corporate goals



Further details about achievement of the corporate goals will be shared in the compensation report 2025.

	Corporate goal	Weighting
Financial KPIs	Revenues: achieve budgeted product and contract revenues	
	Share price performance: quarterly share price performance relative to Swiss Performance Index Extra (SPI Extra)	
	Financial KPIs	**35.0%**
Non-financial KPIs	Zevtera (Ceftobiprole): Manufacturing and supply chain goals related to enabling launch on the US market	
	Cresemba (Isavuconazole): goals related to supply chain and manufacturing	
	Commercial products	**7.5%**
	Fosmanogepix: goals related to progressing phase 3 studies	
	BAL2062: FDA approval of phase 2 protocol	
	Tonabacase: achieve milestone related to full in-licensing	
	BAL2420 (LptA inhibitor): submission of first-in-human clinical trial application (IND)	
	Expand R&D portfolio through in-licensing or acquisition of anti-infective compounds	
	R&D portfolio	**47.5%**
	Achievement of KPIs related to the nine ESG focus areas	
	ESG	**10.0%**
Total		**100.0%**

Long-term incentive plan 2025

For the 2025 PSU grant, the KPIs will remain unchanged. It is the view of the board that the rTSR KPI is a key metric to align the interests of shareholders and the management committee. During the 2025–2027 performance period Cresemba remains the main driver of Basilea's revenues, and the corresponding product sales KPI reflects its critical importance for financial stability.

Introduction of Basilea shareholding requirement

To further align the interests of management committee members with those of shareholders, a shareholding requirement will be introduced from 2025:

CEO	200% of annual base salary
Other management committee members	100% of annual base salary

Management committee members have five years to build up their shareholding and meet the requirement. For current management committee members this period starts from the introduction of the requirement in 2025. For any new members, the five-year period starts from their appointment to the management committee.
To calculate whether the minimum shareholding requirement is met, vested shares from LTIP awards are also considered. The calculation includes shares from vested PSUs during the one-year blocking period after vesting, but not unvested PSUs.

The compensation committee will review whether shareholding requirements are met each year.

ESG in compensation

A portion of the management committee's annual performance-related cash bonus has been linked to an ESG-related goal since 2023 and ESG will continue to remain a corporate goal for 2025.

During 2023 and 2024, nine focus areas were identified as the most relevant for Basilea and measurable KPIs established for each focus area. For each of the KPIs, baseline measurements provide a level of comparison, so that progress can be quantified and objectively established. The KPIs are also periodically reviewed to ensure they remain relevant and meaningful for Basilea.

Going forward, this measurement will be carried out annually and its results published on the Basilea website.

Compensation and additional disclosures

Disclosure of the compensation for the board of directors

The total compensation of the members of the board for the AGM period 2024/2025 and the AGM period 2023/2024 are outlined as follows:

At the annual general meeting of April 24, 2024, the shareholders approved CHF 1,430,000 as the maximum aggregate amount of compensation for the board of directors for the period from the AGM 2024 to the AGM 2025. The total actual compensation for this period is CHF 1,345,371.

In CHF 2024[1]	Board membership	Audit committee	Compensation committee	Corporate governance & nomination committee	Cash[2]	Value restricted share units (number of RSUs)[3]	Total cash and RSUs	Social security and other fringe benefits[4]	Total
Domenico Scala	Chair	•		•	225 728	75 261 (1 856)	300 989	36 687	337 676
Thomas Werner	Vice-chair		•	Chair	153 080	51 052 (1 259)	204 132	20 666	224 798
Leonard Kruimer	•	Chair			140 128	46 754 (1 153)	186 882	–	186 882
Martin Nicklasson	•	•	Chair		144 082	48 052 (1 185)	192 134	19 617	211 751
Nicole Onetto	•		•		145 378	46 754 (1 153)	192 132	–	192 132
Carole Sable	•			•	145 378	46 754 (1 153)	192 132	–	192 132
Total					**953 774**	**314 627**	**1 268 401**	**76 970**	**1 345 371**

1 The table above shows the annual compensation paid semi-annually in June and December during the year 2024 covering the twelve-month period from the AGM 2024 until AGM 2025

2 Includes annual fee of CHF 5,250 for Nicole Onetto and the same amount for Carole Sable related to their participation on the research & development advisory board

3 Based on the grant-date fair value per RSU of CHF 40.55 (closing price of the Basilea share at grant date)

4 Includes the company's and the board members' contributions to social security in respect of their cash and RSU compensation for the calendar year 2024 (where applicable). For RSU grants, the social security contributions included in the above table are based on the fair value at grant to align the timing of the disclosure of social security contributions. No option exercises took place during the reported period.

In CHF 2023[1]	Board membership	Audit committee	Compensation committee	Corporate governance & nomination committee	Cash[2]	Value restricted share units (number of RSUs)[3]	Total cash and RSUs	Social security and other fringe benefits[4]	Total[5]
Domenico Scala	Chair	•		•	225 720	75 268 (1 771)	300 988	36 687	337 675
Thomas Werner	Vice-chair		•	Chair	153 089	51 043 (1 201)	204 132	20 666	224 798
Leonard Kruimer	•	Chair			140 132	46 750 (1 100)	186 882	–	186 882
Martin Nicklasson	•	•	Chair		144 064	48 068 (1 131)	192 132	19 617	211 749
Nicole Onetto	•		•		145 382	46 750 (1 100)	192 132	–	192 132
Carole Sable	•			•	145 382	46 750 (1 100)	192 132	–	192 132
Total					**953 769**	**314 629**	**1 268 398**	**76 970**	**1 345 368**

1 The table above shows the annual compensation paid semi-annually in June and December during the year 2023 covering the twelve-month period from the AGM 2023 until AGM 2024

2 Includes annual fee of CHF 5,250 for Nicole Onetto and the same amount for Carole Sable related to their participation on the research & development advisory board

3 Based on the grant-date fair value per RSU of CHF 42.50 (closing price of the Basilea share at grant date)

4 Includes the company's and the board members' contributions to social security in respect of their cash and RSU compensation for the calendar year 2023 (where applicable). For RSU grants, the social security contributions included in the above table are based on the fair value at grant to align the timing of the disclosure of social security contributions. No option exercises took place during the reported period.

5 Does not include the value of the customary farewell gift to Steven D. Skolsky, who did not stand for re-election at the AGM 2023, in recognition of his long-standing service on the board of directors since 2008, with a value of net CHF 4,615, with related tax obligation in Switzerland covered by the company.

Disclosure of the compensation for the members of the management committee

At the annual general meeting of shareholders on April 26, 2023, the shareholders approved CHF 6,280,000 as the maximum aggregate amount of total compensation (fixed and variable compensation combined) for the calendar year 2024.

The total actual compensation for this period is CHF 5,664,367.

In CHF	Cash compensation fixed	Cash compensation variable	Value of long– term incentives[1]	Social security and other fringe benefits[2 3]	Total
2024					
Chief Executive Officer David Veitch	624 172	370 254	624 167	203 866	1 822 459
Total management committee	**2 141 367**	**1 105 277**	**1 761 986**	**655 737**	**5 664 367**
2023					
Chief Executive Officer David Veitch	610 737	329 127	610 730	195 085	1 745 679
Total management committee	**2 095 263**	**972 309**	**1 724 048**	**627 941**	**5 419 561**

1 Based on the grant-date fair value per PSU of CHF 45.20 (2024) and CHF 38.90 (2023); calculated by using a Monte Carlo simulation.

2 Includes employer contributions to pension plans, social security, life insurance etc. Mandatory employer contributions to social security for stock options granted prior to 2021 and exercised during the period are not included.

3 For 2024 and 2023, the amounts include estimated social security contributions related to the PSU grants based on the fair value at grant and 100% target achievement to align the timing of the disclosure of social security contributions and the PSU grants triggering the respective social security contributions.

Payments to former management committee members
In 2024 and 2023 no severance payments were made, and no payments occurred to former members of the management committee.

Granting of performance share units

The following PSUs were granted to the management committee and the CEO for 2024 and 2023:

	Chief Executive Officer David Veitch	Total management committee
For year 2024		
Number of PSUs granted during the year	13 809	38 982
For year 2023		
Number of PSUs granted during the year	15 700	44 320

Disclosure of shareholdings and options

As of December 31, 2024, the shareholdings in the Company of the members of the board of directors and the management committee are outlined below:

	Number of shares
Domenico Scala, Chair	**590**
Thomas Werner, Vice-chair	1 192
Leonard Kruimer, Director	–
Martin Nicklasson, Director	**1 757**
Nicole Onetto, Director	**737**
Carole Sable, Director	**–**
David Veitch, Chief Executive Officer	**9 411**
Marc Engelhardt, Chief Medical Officer	**6 669**
Gerrit Hauck, Chief Technology Officer	**3 273**
Adesh Kaul, Chief Financial Officer	**4 684**
Laurenz Kellenberger, Chief Scientific Officer	**4 769**

As of December 31, 2023, the shareholdings in the Company of the members of the board of directors and the management committee are outlined below:

	Number of shares
Domenico Scala, Chair	**590**
Thomas Werner, Vice-chair	1 192
Leonard Kruimer, Director	–
Martin Nicklasson, Director	**1 757**
Nicole Onetto, Director	**737**
Carole Sable, Director	**–**
David Veitch, Chief Executive Officer	**1 300**
Marc Engelhardt, Chief Medical Officer	**–**
Gerrit Hauck, Chief Technology Officer	**–**
Adesh Kaul, Chief Financial Officer	**500**
Laurenz Kellenberger, Chief Scientific Officer	**500**

The following table shows the holdings of stock options and PSU/RSU in the Company of the members of the board of directors and the management committee as of December 31, 2024:

	Number of vested stock options	Number of unvested stock options	Total number of stock options	Number of restricted share units	Number of performance share units
Domenico Scala, Chair	–	–	–	5 589	–
Thomas Werner, Vice-chair	–	–	–	3 827	–
Leonard Kruimer, Director	–	–	–	3 504	–
Martin Nicklasson, Director	–	–	–	3 603	–
Nicole Onetto, Director	–	–	–	3 504	–
Carole Sable, Director	–	–	–	2 253	–
David Veitch, Chief Executive Officer	91 824	–	91 824	–	44 055
Marc Engelhardt, Chief Medical Officer	49 453	–	49 453	–	22 823
Gerrit Hauck, Chief Technology Officer	21 450	–	21 450	–	18 177
Adesh Kaul, Chief Financial Officer	45 768	–	45 768	–	21 043
Laurenz Kellenberger, Chief Scientific Officer	58 718	–	58 718	–	18 268

The following table shows the holdings of stock options and PSU/RSU in the Company of the members of the board of directors and the management committee as of December 31, 2023:

	Number of vested stock options	Number of unvested stock options	Total number of stock options	Number of restricted share units	Number of performance share units
Domenico Scala, Chair	–	–	–	3 733	–
Thomas Werner, Vice-chair	–	–	–	2 568	–
Leonard Kruimer, Director	–	–	–	2 351	–
Martin Nicklasson, Director	–	–	–	2 418	–
Nicole Onetto, Director	–	–	–	2 351	–
Carole Sable, Director	–	–	–	1 100	–
David Veitch, Chief Executive Officer	93 445	9 355	102 800	–	43 847
Marc Engelhardt, Chief Medical Officer	49 065	5 488	54 553	–	22 715
Gerrit Hauck, Chief Technology Officer	15 912	5 538	21 450	–	18 092
Adesh Kaul, Chief Financial Officer	39 776	5 992	45 768	–	20 944
Laurenz Kellenberger, Chief Scientific Officer	64 156	5 035	69 191	–	18 182

Disclosure of external mandates of the members of the board of directors

The following table shows the external mandates within the meaning of articles 626 para. 2 no. 1 and 734e of the Swiss Code of Obligations held by the board of directors as of December 31, 2024:

	Mandate	Entity
Domenico Scala, Chair	Chairman of the board	Oettinger Davidoff AG
	Member of the bank council	Basler Kantonalbank
	Chairperson of the board	Testaris AG
Thomas Werner, Vice-chair	Chairman	Pharmathen S.A.
Leonard Kruimer, Director	Chairman of the board	BioInvent International AB
	Board member	Pharming Group NV
	Board member	Zealand Pharma A/S
	Director	AI Global Investments (Netherlands) PCC Ltd.
Martin Nicklasson, Director	Chairman of the board	Nykode Therapeutics AS
	Chairman of the board	Zealand Pharma A/S
Nicole Onetto, Director	Member of the board	Bolt Biotherapeutics, Inc.
	Member of the board	CDR-Life AG
Carole Sable, Director	none	none

Disclosure of external mandates of the members of the management committee

No member of the management committee held an external mandate within the meaning of articles 626 para. 2 no. 1 and 734e of the Swiss Code of Obligations as of December 31, 2024.

Report of the statutory auditor

to the General Meeting of Basilea Pharmaceutica Ltd, Allschwil

Opinion
We have audited the compensation report of Basilea Pharmaceutica Ltd, Allschwil (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a–734f of the Swiss Code of Obligations (CO) in the tables on pages 158–162 of the compensation report.

In our opinion, the information pursuant to article 734a–734f CO in the accompanying compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report
The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

Auditor's responsibilities for the audit of the compensation report
Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a–734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Daniel Anliker

Licensed audit expert
Auditor in charge

Kelly Karagas

Basel, February 13, 2025

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Financial report

previous topic

Financials in short

Numbers in CHF million, rounding consistently applied

2024 has been an outstanding year for Basilea, marking now our third year in a row of reporting a net profit and positive operating cash flows. Total revenue grew by 32%, to CHF 209m, driven by the strong in-market sales of Cresemba, which generated royalties of CHF 97m, which is an increase of more than 20% year-on-year.

Total revenue

208.5 **+32.3%** year-on-year

Cresemba & Zevtra related revenue

194.9 **+29.7%** year-on-year

of which royalty income

96.7 **+22.6%** year-on-year

previous topic

Highlights

- Operating profit tripled to CHF 61 million
- Operating cash flow significantly increased to CHF 74 million
- Net cash amounting to CHF 29 million
- Cash and cash equivalents and restricted cash significantly increased to CHF 125 million

In CHF million, rounding consistently applied

Operating profit
61.2 +218.8% year-on-year

Profit before taxes
60.3 +476.0% year-on-year

Net profit
77.6 +639.0% year-on-year

Total cost and operating expenses
147.4 +6.5% year-on-year

Cash flow from operating activities
74.4 +422.0% year-on-year

Net cash, December 31, 2024
28.6 Previous year: Net financial debt of CHF −46.6

Cash and cash equivalents and restricted cash, December 31, 2024
124.6 +93.6% year-on-year

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Financial review

Overview

The following discussion of the financial condition and results of the operations of Basilea Pharmaceutica Ltd, Allschwil ("Basilea") and its subsidiaries (the "Company") should be read in conjunction with the consolidated financial statements, which have been prepared in accordance with US GAAP, and the related notes thereto included in this annual report. This discussion contains forward-looking statements which are based on assumptions about the Company's future business that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements.

Basilea through its operating company Basilea Pharmaceutica International Ltd, Allschwil ("Basilea International"), is a commercial-stage biopharmaceutical company committed to discovering, developing and commercializing innovative drugs to meet the needs of patients with severe bacterial and fungal infections.

The Company recognized total revenue of CHF 208.5 million in 2024 (2023: CHF 157.6 million). Total revenue in 2024 included CHF 194.9 million (2023: CHF 150.3 million) from Basilea's two marketed products, the antifungal Cresemba (isavuconazole) and the antibiotic Zevtera (ceftobiprole). Moreover, total revenue included other revenue in the amount of CHF 13.7 million (2023: CHF 7.4 million).

In 2024, the Company invested CHF 77.1 million (2023: CHF 77.9 million) in research and development mainly related to activities on the fosmanogepix phase 3 programme, earlier stage research and development programmes, as well as ceftobiprole and isavuconazole.

Selling, general and administrative expenses including costs for the commercialization of Cresemba and Zevtera amounted to CHF 31.5 million in 2024 (2023: CHF 33.8 million).

Cash and cash equivalents and restricted cash amounted to CHF 124.6 million as of December 31, 2024, compared to CHF 64.3 million at year-end 2023. The Company reported net cash of CHF 28.6 million as of December 31, 2024, compared to net financial debt of CHF 46.6 million at year-end 2023.

Results of operations

The following table outlines the Company's consolidated results of operations for the fiscal years 2024 and 2023:

In Mio CHF	2024	2023
Product revenue	**57.8**	37.9
Contract revenue	**137.0**	112.4
Other revenue	**13.7**	7.4
Total revenue	**208.5**	157.6
Cost of products sold	**(38.7)**	(26.8)
Research & development expenses, net	**(77.1)**	(77.9)
Selling, general & administrative expenses	**(31.5)**	(33.8)
Total cost and operating expenses	**(147.4)**	(138.4)
Operating result	**61.2**	19.2
Interest income	**1.4**	1.7
Interest expense	**(4.3)**	(11.2)
Other income	**4.2**	2.4
Other expenses	**(2.7)**	(4.3)
Other components of net periodic pension cost	**0.5**	2.7
Income taxes	**17.3**	0.0
Net profit	**77.6**	10.5

Revenues
Total revenue included product revenue in the amount of CHF 57.8 million (2023: CHF 37.9 million) and contract revenue in the amount of CHF 137.0 million (2023: CHF 112.4 million). Product revenue resulted from sales to Pfizer in the amount of CHF 20.1 million (2023: CHF 14.1 million) and product sales to other distribution and license partners of CHF 37.7 million (2023: CHF 23.9 million).

Contract revenue resulted from royalty payments from Astellas of CHF 57.8 million (2023: CHF 51.1 million). Furthermore, the Company recognized contract revenue from Pfizer of CHF 72.5 million (2023: CHF 53.6 million), including royalty payments of CHF 36.8 million (2023: CHF 27.4 million) and milestone payments of CHF 35.7 million (2023: CHF 26.2 million).

In other revenue, the Company recognized CHF 10.2 million related to its agreements with BARDA (2023: CHF 4.2 million) and CHF 1.8 million (2023: CHF 0.0 million) related to the agreement with CARB-X.

Cost of products sold
The Company recognized cost of products sold of CHF 38.7 million (2023: CHF 26.8 million) for Cresemba and Zevtera.

Research and development (R&D) expenses, net
R&D expenses amounted to CHF 77.1 million (2023: CHF 77.9 million), representing 52% of total operating expenses (2023: 56%).

R&D expenses in 2024 were mainly driven by the development activities for the phase 3 antifungal fosmanogepix and the acquisition and pre-clinical activities for the LptA inhibitor project. Furthermore, Basilea invested in the strengthening and optimization of the commercial supply chain and manufacturing processes of isavuconazole and ceftobiprole. It also includes pre-clinical work and technical development on the clinical-stage compounds BAL2062 and tonabacase in Basilea's R&D portfolio and research projects.

Payments which the Company makes or receives related to its co-development arrangement with Astellas for isavuconazole are recorded in research and development expenses.

R&D expenses primarily consist of expenses for third-party services in connection with clinical studies and research projects, costs for producing substance to be used in such trials and projects, personnel expenses and depreciation of equipment. In addition, R&D expenses contain expenses for producing pharmaceutical material, which can be used for commercialization and was produced prior to obtaining regulatory approval or evidence being available that regulato-

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ry approval can reasonably be expected. R&D expenses contain costs for upfront and milestone payments related to R&D compounds and projects acquired or in-licensed.

Selling, general and administrative (SG&A) expenses
SG&A expenses amounted to CHF 31.5 million (2023: CHF 33.8 million). SG&A expenses included costs related to the general management of the Company, the commercialization of Cresemba and Zevtera and due diligence and legal expenses related to business development transactions. Upfront and milestone payments related costs from business transactons are recognized in R&D expenses.

SG&A expenses mainly consist of expenses related to commercialization, marketing, medical affairs, corporate management, legal, finance, human resources, business development, licensing and investor relations & communications, including any personnel expenses for these functions.

The decrease of CHF 2.3 million as compared to 2023 is mainly driven by lower expenses for business development activities (primarily legal and other consulting fees and personnel costs) and lower travel expenses.

Net other income/expenses, other components of net periodic pension cost and net interest expenses
Net other income/expenses, excluding interest, amounted to CHF 1.5 million income (2023: CHF 1.9 million expenses) and other components of net periodic pension cost to CHF 0.5 million (2023: CHF 2.7 million).

Net interest expenses amounted to CHF 2.9 million (2023: CHF 9.5 million).

Income taxes/deferred taxes
As of December 31, 2024, the Company recognized deferred tax assets to the extent that taxable profits are expected to be available to realize the deductible temporary difference or carry forward of unused tax losses and other line items generating temporary differences. Based on the fact that the Company shows a sufficient track record on profitable periods and a profitable outlook for future periods the valuation allowance on the tax loss carry forwards has been released.

Liquidity and capital resources

Cash and cash equivalents and restricted cash, available as of December 31, 2024, amounted to CHF 124.6 million (December 31, 2023: CHF 64.3 million).

The Company's policy is to invest its available funds in interest-bearing deposits, bonds and other debt instruments.

The Company has not entered and has not planned to enter into any commitments for any material investments other than for investments in the normal course of the business.

On September 6, 2022, the Company entered into a senior secured loan agreement with Athyrium Capital Management, LP, amounting to CHF 75.0 million. The loan was used to pay back the 2022 convertible bonds, which amounted to CHF 113.8 million. The Company has fully paid back the loan by the end of March 2024.

Consolidated financial statements Basilea Pharmaceutica Ltd, Allschwil & subsidiaries

Consolidated balance sheets

as of December 31, 2024 and 2023

In CHF thousands, except for number of shares	Footnote	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**120 711**	59 933
Restricted cash	1	**3 849**	4 389
Accounts receivable	5	**8 876**	27 891
Other receivables	7	**49 306**	30 257
Inventories, net	8	**31 609**	26 410
Other assets		**6 561**	3 265
Total current assets		**220 911**	152 145
NON-CURRENT ASSETS			
Property, plant and equipment, net	2	**4 010**	3 757
Operating lease right-of-use assets, net	18	**14 968**	16 795
Intangible assets, net	3	**374**	548
Other assets		**168**	43
Deferred tax assets	13	**17 333**	–
Total non-current assets		**36 853**	21 144
TOTAL ASSETS		**257 764**	173 289

In CHF thousands, except for number of shares	Footnote	2024	2023
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		**11 487**	5 847
Senior secured loan	11	**–**	15 453
Deferred revenue		**1 615**	1 233
Operating lease liabilities	18	**2 062**	2 062
Accruals and other current liabilities	12	**30 394**	22 997
Total current liabilities		**45 558**	47 592
NON-CURRENT LIABILITIES			
Convertible senior unsecured bonds	10	**95 912**	95 455
Deferred revenue		**11 385**	9 460
Operating lease liabilities	18	**13 697**	15 636
Other liabilities	17	**10 213**	15 148
Total non-current liabilities		**131 207**	135 700
Total liabilities		**176 765**	183 292
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital[1]	15	**13 170**	13 100
Treasury shares[2]	15	**(51 702)**	(54 008)
Additional paid-in capital		**1 047 567**	1 042 002
Accumulated other comprehensive loss	15	**(4 743)**	(10 210)
Accumulated deficit:			
Loss carried forward		**(1 000 886)**	(1 011 337)
Net profit for the year		**77 593**	10 451
Total shareholders' equity (deficit)		**80 999**	(10 003)
TOTAL LIABILITIES AND EQUITY		**257 764**	173 289

These financial statements should be read in conjunction with the footnotes.

[1] As of December 31, 2024, 13,169,764 shares (December 31, 2023: 13,099,826) were issued and 12,089,673 shares (December 31, 2023: 12,001,669) outstanding with a par value of CHF 1.00 per share.

[2] As of December 31, 2024, 1,041,770 shares (December 31, 2023: 1,098,157) with a par value of CHF 1.00.

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Basilea Pharmaceutica Ltd, Allschwil & subsidiaries

Consolidated statements of operations

for the years ended December 31, 2024 and 2023

In CHF thousands, except per share amounts	Footnote	2024	2023
Product revenue	4,9	**57 850**	37 911
Contract revenue	4,9	**137 015**	112 364
Other revenue	4,9	**13 678**	7 359
Total revenue		**208 543**	157 634
Cost of products sold		**(38 681)**	(26 794)
Research & development expenses, net	9	**(77 143)**	(77 852)
Selling, general & administrative expenses		**(31 542)**	(33 783)
Total cost and operating expenses		**(147 366)**	(138 430)
Operating result		**61 177**	19 205
Interest income		**1 416**	1 690
Interest expense	10, 11	**(4 344)**	(11 202)
Other income		**4 163**	2 420
Other expenses		**(2 673)**	(4 355)
Other components of net periodic pension cost		**521**	2 703
Profit before taxes		**60 260**	10 461
Income taxes	13	**17 333**	(10)
Net profit		**77 593**	10 451
Earnings per share	16		
Basic earnings per share, in CHF		**6.42**	0.87
Diluted earnings per share, in CHF		**5.83**	0.86

Consolidated statements of comprehensive income

for the years ended December 31, 2024 and 2023

In CHF thousands	Footnote	2024	2023
Net profit		**77 593**	10 451
Currency translation adjustments		**1 145**	(208)
Actuarial loss/gain	17	**4 323**	(6 483)
Other comprehensive income, net of tax		**5 468**	(6 691)
Comprehensive income		**83 061**	3 760

These financial statements should be read in conjunction with the footnotes.

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Basilea Pharmaceutica Ltd, Allschwil & subsidiaries

Consolidated statements of cash flows

for the years ended December 31, 2024 and 2023

In CHF thousands	Footnote	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit		**77 593**	10 451
Non-cash adjustments to reconcile net profit to net cash provided by operating activities:			
Pension costs		**(612)**	327
Deferred tax		**(17 333)**	–
Depreciation and amortization		**1 732**	1 577
Disposal of subsidiaries		**1 024**	–
Share-based compensation		**5 066**	4 762
Amortization of debt issuance cost	10, 11	**600**	1 443
Change in operating assets/liabilities:			
Accounts receivable		**19 025**	5 229
Other receivables		**(19 795)**	(1 778)
Inventories		**(5 199)**	(2 166)
Accounts payable		**5 640**	5 656
Deferred revenue		**2 307**	(1 233)
Accruals and other current liabilities		**7 395**	(10 933)
Other operating cash flow items		**(3 080)**	908
Net cash provided by operating activities		**74 363**	14 245
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of subsidiaries		**781**	–
Investments in property, plant and equipment	2	**(1 710)**	(813)
Investments in intangible assets	3	**(82)**	(221)
Net cash used in investing activities		**(1 011)**	(1 034)

In CHF thousands	Footnote	2024	2023
CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds from share-based compensation	14	**(21)**	(91)
Net proceeds from capital increase		**–**	(381)
Net proceeds from treasury shares		**2 460**	2 481
Repayments of senior secured loan	11	**(15 603)**	(59 314)
Net cash used in financing activities		**(13 164)**	(57 305)
Effect of exchange rate changes		**50**	(151)
Net change in cash, cash equivalents and restricted cash		**60 238**	(44 245)
Beginning of period		**64 322**	108 567
End of period		**124 560**	64 322
SUPPLEMENTAL INFORMATION			
Cash paid for interest		**3 729**	9 758
Cash paid for income taxes		**–**	7

The following table shows the components of cash, cash equivalents and restricted cash as of December 31, 2024 and 2023:

In CHF thousands	2024	2023
Cash and cash equivalents	**120 711**	59 933
Restricted cash	**3 849**	4 389
Total cash, cash equivalents and restricted cash	**124 560**	64 323

These financial statements should be read in conjunction with the footnotes.

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Basilea Pharmaceutica Ltd, Allschwil & subsidiaries

Consolidated statements of changes in shareholders' equity (deficit)

for the years ended December 31, 2024 and 2023

In CHF thousands, except for number of shares	Share Capital	Treasury Shares	Additional paid-in capital	Accumulated other comprehensive loss/ income	Accumulated deficit	Total
Balance at December 31, 2022	13 093	(56 071)	1 037 120	(3 784)	(1 011 072)	**(20 715)**
Net profit	–	–	–	–	10 451	**10 451**
Capital increase	–	–	(381)	–	–	**(381)**
Other comprehensive income	–	–	–	(6 427)	(265)	**(6 692)**
Treasury shares transactions	–	2 063	–	–	–	**2 063**
Effects from share-based compensation	7	–	5 263	–	–	**5 270**
Balance at December 31, 2023	13 100	(54 008)	1 042 002	(10 210)	(1 000 886)	**(10 003)**
Net profit	–	–	–	–	77 593	**77 593**
Capital increase	–	–	–	–	–	**–**
Other comprehensive income	–	–	–	5 468	–	**5 468**
Treasury shares transactions	–	2 306	136	–	–	**2 442**
Effects from share-based compensation	70	–	5 429	–	–	**5 499**
Balance at December 31, 2024	13 170	(51 702)	1 047 567	(4 742)	(923 293)	**80 999**

These financial statements should be read in conjunction with the footnotes.

Basilea Pharmaceutica Ltd, Allschwil & subsidiaries

Notes to the consolidated financial statements

(all amounts in CHF unless stated otherwise)

1 Summary of significant accounting policies

Business purpose and history

Basilea Pharmaceutica Ltd, Allschwil, located in Allschwil, Switzerland (Basilea), together with its subsidiaries (together, the Company), is a commercial-stage biopharmaceutical company committed to discovering, developing and commercializing innovative drugs to meet the needs of patients with severe bacterial and fungal infections.

Supporting its commercial activities, the Company has operating subsidiaries in the United Kingdom and Germany. All subsidiaries are wholly owned and fully consolidated.

Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP). The financial statements are presented in Swiss Francs (CHF).

The following out-of-period adjustments affecting the consolidated balance sheet and the consolidated statement of operations were recorded in 2023:

Subsequent to the issuance of the Company's Annual Report for the year ended on December 31, 2022, the Company determined that its accounting for certain vendor invoices and credits was not correct. These should have reduced the Company's cost of goods sold with concurrent impact on accruals and other liabilities. The value of the vendor invoices and credits were CHF 2.1 million, with CHF 0.9 million originating in the period ended December 31, 2021, CHF 1.0 million originating in the period ended December 31, 2020 and CHF 0.2 million originating before 2020.

Historically, VAT receivables against foreign tax authorities were accounted in CHF instead of the currency in which the VAT refund was claimed. As a consequence the related unrealized currency gains and losses were not accounted for. This results in a valuation adjustment of CHF 0.2 million originating in the period ended December 31, 2022 and recorded in the period ended June 30, 2023.

Contractual royalty obligations were overstated, resulting in an expense reduction of CHF 0.3 million in the periods 2021 to 2023, thereof CHF 0.2 million in the period ended December 31, 2022.

Issuance stamp duty taxes originated in the period December 31, 2020, have not been declared and accrued in the amount of CHF 0.5 million affecting the additional paid-in capital.

Receivables related to a financial loan in USD are overstated in the amount of CHF 0.2 million as per December 31, 2023, with CHF 0.1 million originating in the period ended December, 2021.

Accordingly, the Company has corrected the relevant financial statements and related footnotes as of June 30, 2023, within the published Half-Year Report. Consequently, the respective changes are also affecting the financial statements and related footnotes of the Annual Report for the period ended December 31, 2023.

The Company has evaluated the materiality of these errors based on an analysis of quantitative and qualitative factors and concluded that they were not material to the prior period financial statements, individually or in aggregate.

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The following table reflects the impact of the correction on the Company's consolidated balance sheet and consolidated income statement for the period ended December 31, 2023:

In CHF million (except EPS)	December 31, 2023 prior correction	%	December 31, 2023 as reported
BALANCE SHEET			
Other receivables	30 614	1.2	**30 257**
Total assets	173 646	0.2	**173 289**
Accounts payable	6 084	4.1	**5 847**
Accruals and other liabilities	24 607	7.0	**22 997**
Total liabilities	185 139	1.0	**183 292**
Equity	10 493	4.9	**10 003**
Additional paid-in capital	1 042 492	0.0	**1 042 002**
INCOME STATEMENT			
Cost of products sold	–29 131	7.8	**–26 794**
Operating result	16 868	10.9	**19 205**
Other expense	–3 998	5.5	**–4 355**
Net profit	8 471	17.8	**10 451**
EPS (Basic)	0.72	17.2	**0.87**

For the period ended December 31, 2024, there were no out-of-period adjustments.

Principles of consolidation
Subsidiaries in which Basilea has a controlling financial interest directly or indirectly are consolidated. The Company holds only wholly owned subsidiaries.

Use of estimates
The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions which have an effect on the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and on the reported amounts of revenues and expenses during the reporting period. Management evaluates these estimates on an ongoing basis, including those related to revenue recognition, accrued expenses, share-based compensation, pension accounting, measurement of right-of-use assets and lease liabilities and income taxes. These estimates are based on historical experience and management's knowledge of current events and actions the Company may undertake in the future; however, actual results ultimately may differ from those estimates.

Fair value measurements
The Company applies the Accounting Standard Codification (ASC) 820 "Fair Value Measurements and Disclosures". ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In measuring fair value, the Company evaluates valuation approaches such as the market approach, the income approach and the cost approach. A three-level valuation hierarchy, which prioritizes the inputs to valuation approaches that are used to measure fair value, is based upon whether such inputs are observable or unobservable.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions made by the Company. The three-level hierarchy for the inputs to valuation approaches is briefly summarized as follows:

Level 1 Observable inputs such as quoted prices (unadjusted) for identical instruments in active markets.

Level 2 Observable inputs such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-derived valuations whose significant inputs are observable for substantially the full term of the assets or liabilities.

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Level 3 Unobservable inputs that reflect the Company's estimate of assumptions that market participants would use in pricing the asset or liability.

The Company's financial instruments consist of short-term financial assets and liabilities, including cash and cash equivalents, short-term, accounts receivable, other receivables, other current assets, accounts payable, accruals and other current liabilities and the Company's convertible senior unsecured bonds.

The fair value of the financial instruments included in working capital approximate their carrying value due to the short-term nature of these positions.

Cash and cash equivalents
The Company considers all highly liquid investments purchased with original final maturities of 90 days or less from the date of purchase to be cash equivalents. Cash equivalents comprise marketable securities with maturities of less than 90 days when purchased. Cash equivalents are reported at fair value.

Restricted cash
Restricted cash includes bank accounts reserved for the purchase of treasury shares.

Foreign currencies
The presentation currency of the Consolidated Financial Statements is the Swiss Franc (CHF). The functional currency, which is the currency that best reflects the economic environment in which the Company operates and conducts its transactions, is separately determined for the Company's subsidiaries and is used to measure their financial position and operating results. Transactions in currencies other than the functional currency of a subsidiary are recorded at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities in currencies other than the functional currency are remeasured at the rates of exchange prevailing on the date of the consolidated statements of financial position and the related translation gains and losses are recognized in the consolidated statements of operations in other income and other expense. Non-monetary items that are carried at cost are remeasured using the rate of exchange prevailing at the date of the transaction. Non-monetary items that are carried at fair value are measured using the exchange rate prevailing when the fair value was determined and the related remeasurement gains and losses are reported in the consolidated statements of comprehensive income.

Upon consolidation, the results of operations of subsidiaries whose functional currency is other than the CHF are translated into CHF at the monthly average exchange rates and assets and liabilities are translated at the month-end exchange rates. Translation adjustments are recognized directly in other comprehensive income.

Accounts receivable and other receivables
Accounts receivable and other receivables are recorded at net realizable value after consideration of an allowance for doubtful accounts. The Company maintains allowances for estimated uncollectible receivables based on historical experience and specifically identified at-risk accounts. The adequacy of the allowance is evaluated on an ongoing and periodic basis, and adjustments are made in the period in which a change in condition occurs. Other receivables mainly include various prepayments as well as unbilled revenue, which consists of revenue earned but not yet invoiced.

Inventories
Costs related to the manufacturing of inventories are expensed as research and development expenses when incurred prior to obtaining regulatory approval or evidence being available that regulatory approval for the respective product can reasonably be expected. If regulatory approval is subsequently obtained, the recorded expenses are not reversed.

Costs related to the manufacturing of inventories which occurred after the receipt of regulatory approval for the respective product or evidence being available that regulatory approval can reasonably be expected are capitalized. Inventories are valued at the lower of cost and net realizable value. Cost is determined based on the first-in, first-out principle. If inventory costs exceed the net realizable value, a provision is recorded. In addition, provisions are recorded due to obsolescence or lack of demand.

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Property, plant and equipment
Tangible assets are recorded at cost less accumulated depreciation and impairment. Depreciation is determined on a straight-line basis over the estimated useful lives of the assets of approximately twenty years for buildings, five years for research & development equipment, three years for furniture and office equipment and three years for IT hardware and equipment. Leasehold improvements are depreciated over the shorter of five to ten years or the lease term.

Expenditures for major renewals and improvements that extend the asset life are capitalized, while expenditures for maintenance and repairs are charged to the statement of operations as incurred.

The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the related accounts, and resulting gains or losses are reflected in the statement of operations in the operating result.

Intangible assets
Intangible assets with finite lives are recorded at cost less accumulated amortization and impairment. Intangible assets with finite lives consist of external direct costs of materials and services consumed in developing or obtaining internal-use software. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which is three years for software.

Impairment of long-lived assets
Long-lived assets are reviewed for impairment indicators throughout the year. Whenever events or changes in circumstances indicate that the carrying amounts of long-lived assets held for use, including tangible assets as well as intangible assets, may not be recoverable, the Company assesses such long-lived assets for impairment.

If the assessment indicates that a long-lived asset is not recoverable (i.e., the carrying amount is higher than the future projected undiscounted cash flows), its carrying amount is reduced to the fair value.

Convertible senior unsecured bonds
The convertible senior unsecured bonds were initially measured at amortized cost and are presented net of issuance costs incurred. The issuance costs are amortized using the effective interest method over the life of the debt instrument resulting in the accretion of the liability of the convertible senior unsecured bonds until maturity. The Company concluded that exercise contingencies will not prevent the embedded conversion feature from being considered indexed to the entity's own stock, and the embedded conversion feature was therefore not bifurcated.

Treasury shares
Treasury shares are recognized at the acquisition costs of the shares. Shares issued from treasury are recognized using the first-in, first-out method.

Senior secured loan agreement
The senior secured loan is recorded at amortized cost and is presented net of issuance costs incurred. The issuance costs are amortized as interest expense using the effective interest method over the life of the debt instrument resulting in the accretion of the liability of the senior secured loan until maturity.

Leases
At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets (ROU) and current and non-current lease liabilities, as applicable.

Operating lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. Certain adjustments to the right-of-use asset may be required for items such as incentives received. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment. To estimate its incremental borrowing rate, a credit rating applicable to the Company is estimated using a synthetic credit rating analysis since the Company does not currently have a rating agency-based credit rating. Prospectively, the Company will adjust the right-of-use assets for straight-line rent expense or any incentives received

and remeasure the lease liability at the net present value using the same incremental borrowing rate that was in effect as of the lease commencement or transition date.

The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. The Company typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew.

Assumptions made by the Company at the commencement date are re-evaluated upon occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right of use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right of use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

In accordance with ASC 842, components of a lease should be split into three categories: lease components, non-lease components, and non-components. The fixed and in-substance fixed contract consideration (including any consideration related to non-components) must be allocated based on the respective relative fair values to the lease components and non-lease components.

Entities may elect not to separate lease and non-lease components. Rather, entities would account for each lease component and related non-lease component together as a single lease component. The Company has elected to account for lease and non-lease components together as a single lease component for all underlying assets and allocate all of the contract consideration to the lease component only.

ASC 842 allows for the use of judgment in determining whether the assumed lease term is for a major part of the remaining economic life of the underlying asset and whether the present value of lease payments represents substantially all of the fair value of the underlying asset. The Company applies the bright line thresholds referenced in ASC 842-10-55-2 to assist in evaluating leases for appropriate classification. The aforementioned bright lines are applied consistently to the Company's entire portfolio of leases.

Revenue recognition
Revenue is recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The Company derives its revenues primarily from products and contractual arrangements. The Company determines revenue recognition through the following steps:
- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Product revenue
Product revenue is recognized net of any sales and value-added taxes and sales deductions based on contractually agreed payment terms. Control passes according to contractual shipment terms. The amount of consideration the Company receives and revenue the Company recognizes varies based on estimated rebates, discounts, returns and charge backs. The Company adjusts its estimate of revenue at the earlier of when the most likely amount of consideration the Company expects to receive changes or when the consideration becomes fixed. Sales returns are generally estimated and recorded based on historical sales and returns information. Sales returns allowances represent a reserve for products that may be returned due to expiration, destruction in the field or potential other reasons, and the returns reserve is based on historical return trends by product and by market as a percent of gross revenues.

Contract revenue
To determine the proper revenue recognition method for contracts, the Company evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment, and the decision to combine a group of contracts or separate the combined or single contract into multi-

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ple performance obligations could change the amount of revenue and profit recorded in a given period. For certain contracts, the Company provides a service of combining a license and related tasks into a single performance obligation. Hence, the entire contract is accounted for as one performance obligation. The Company may, however, promise to provide a distinct license with distinct services within a contract, in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. Non-refundable upfront payments and substantive development and sales milestones will be recognized at a point in time, or over the remaining performance period based on the Company's progress towards satisfying its identified performance obligation. The Company infrequently sells licenses with observable standalone sales. In these cases, the observable standalone sales are used to determine the standalone selling price. More frequently, the Company sells a unique license for a specific drug, and in these cases the Company typically uses the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Following the guidance in ASC 808 "Collaborative Arrangements", the Company presents the results of activities for which it acts as the principal on a gross basis and reports any payments received from (or made to) other collaborators based on respective applicable GAAP. The Company's accounting policy for its qualifying collaborative agreements is to evaluate amounts due from (or owed to) its collaborators based on the nature of each separate activity.

Other revenue
Other revenue includes realizable amounts under the contracts with the Biomedical Advanced Research and Development Authority (BARDA) and with the Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator (CARB-X). The Company considers the arrangements to be part of its ongoing major operations. Revenues from these contracts are recognized when recoverable costs are incurred.

Arrangements with multiple performance obligations
Contracts with customers may include multiple performance obligations. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. The Company determines the standalone selling prices based on its overall pricing objectives, taking into consideration market conditions and other factors, including the value of the contracts and customer geographic locations or using expected cost-plus margin.

Practical expedients and exemptions
The Company excludes from the transaction price all sales taxes that are assessed by a governmental authority and that are imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer (e.g., sales, use, value added, and some excise taxes).

The Company applies the general variable consideration guidance to estimate the transaction price if the license to the intellectual property is not the predominant item. With regard to royalties where the license is the sole or predominant item to which the royalty relates, for example when the customer would ascribe significantly more value to the license than to other goods or services provided under an arrangement the sale- and usage-based royalty exemption applies and royalties are recognized once earned.

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less and contracts for which the Company recognizes revenue at the amount for which the Company has the right to invoice for services performed.

Cost of products sold
Expenses relating to the Company's products sold consisting of the manufacturing cost including manufacturing licenses, capacity reservation costs and shipping and handling costs are presented in cost of products sold.

Research & development expenses
Research and development costs are expensed as incurred. No amount was capitalized in any period presented. Costs of research and development equipment with alternative future uses are capitalized and depreciated over the equipment's useful life.

Research and development expenses primarily include costs for third-party services in connection with clinical studies and research projects, costs for producing substance to be used in such studies and projects, personnel expenses for the Company's research and development groups, and depreciation of equipment used for research and development activities. In addition, research and development expenses contain expenses for producing pharmaceutical material which may be used for commercialization subject to regulatory approval, and which was produced prior to obtaining regulatory approval or evidence being available that regulatory approval can reasonably be expected. Research and development expenses also include costs associated with in-licensed or acquired compounds and projects, associated upfront fees and milestone payments.

Payments that the Company makes or receives related to its co-development arrangement are recorded in research and development expenses, net as the Company is acting as an agent in the arrangement.

Share-based compensation
The Company applies ASC 718 "Compensation – Stock Compensation" related to its share-based compensation awards. According to ASC 718, the Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. Forfeitures are accounted as they occur.

The share-based compensation expenses are allocated over the vesting period of the award. For awards which consist of portions with different vesting periods, the compensation expense is recognized pro rata for each portion of the award over the respective vesting period of such portion.

The Company applies ASC 718 "Compensation – Stock Compensation" for its Restricted Share Units (RSUs) and its Performance Share Units (PSUs). Management and certain key employees are eligible to receive PSUs. For RSUs certain employees are eligible to receive them only.

PSUs represent a promise to deliver shares to employees after the vesting period if certain vesting conditions on the share price performance (market-based performance condition) and in-market sales (non-market-based performance condition) of certain products, are met and are therefore accounted for as market- based awards. The Company estimates the fair value of its market-based awards using the Monte Carlo Model.

RSUs represent a promise to deliver shares to employees after the vesting period.

The Company records the RSUs and PSUs expense as share-based compensation. The RSUs are recorded using the straight-line method over the vesting period. Forfeitures are accounted as they occur. The PSUs expense is recorded over the derived service period.

Income taxes
The Company applies the asset and liability method for the determination of provisions for income taxes. The income taxes for the reporting period consist of the current taxes (taxes paid and taxes payable) plus the change in the deferred taxes for the respective period. Deferred taxes represent the estimated future tax consequences of temporary differences between the amounts of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Interest and penalties in connection with income taxes are recorded as income taxes.

Earnings per share
Basic earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period, without consideration for common stock equivalents.

Diluted earnings per share include the effect of all potentially dilutive shares, consisting of stock options, RSUs and PSUs using the treasury-stock method, as well as shares issuable upon conversion of the convertible senior unsecured bonds, determined on an "if-converted" basis according to ASC 260-10-45-40.

Pension plans
The Company applies ASC 715 "Compensation – Retirement Benefits" related to its pension plan. According to ASC 715, the projected benefit obligation for defined benefit pension plans is calculated annually by independent actuaries using the projected unit credit method. The projected benefit obligation at period end represents the actuarial present value of the estimated future payments required to settle the obligation that is attributable to employee services rendered before that date.

The Company records net gains/losses, consisting of actuarial gains/losses, curtailment gains/losses and differences between expected and actual returns on plan assets, in other comprehensive income/loss. Such net gains/losses are recorded directly in the consolidated statements of operations to the extent that they exceed 10% of the greater of projected benefit obligations or pension assets. The Company further records prior service costs/credits from plan amendments in other comprehensive income/loss in the period of the respective plan amendment and amortizes such amounts to the consolidated statement of operations over the future service period of the plan participants.

The Company records the service cost component of the net benefit costs with the other employee compensation costs within the result from operations. The other components are reported separately outside of the result of operations.

In case the cost of all settlements is less than the sum of the service cost and interest cost components of net periodic pension cost for the plan for the year, the respective loss will not be recognized in the statement of operations.

Certain risks and uncertainties
The Company is subject to risks common to companies in its industry, including but not limited to: uncertainty of results of clinical trials for its compounds; ability to achieve regulatory approval for its compounds; acceptance of Company's products by the market in case they obtained regulatory approval; ability to market its products; ability to manufacture its products at reasonable costs; protection of proprietary technology and intellectual property; development of new technological innovations by its competitors; dependence on key personnel; dependence on key suppliers; changes in foreign currency rates and compliance with governmental and other regulations.

New accounting pronouncements
As new accounting pronouncements are released, the Company reviews such pronouncements for the potential impact on the Company's financial statements. The new accounting pronouncements below may have an impact on the financial statements of the Company.

On January 1, 2023, the Company adopted ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which later was codified as ASC 326. In addition to the adoption of ASC 326, the Company adopted the accompanying ASU No. 2022-02, Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures. Both standards mark a significant change requiring the immediate recognition of estimated credit losses expected to occur over the remaining life of many financial assets. ASU 2022-02 specifically eliminates the accounting guidance for troubled debt restructurings and requires disclosure of current-period gross write-offs by year of loan origination.

Additionally, ASU 2022-02 updates the accounting for credit losses under ASC 326 and adds enhanced disclosures with respect to loan refinancings and restructurings in the form of principal forgiveness, interest rate concessions, other-than-insignificant payment delays, or term extensions when the borrower is experiencing financial difficulties. ASC 326 is intended to improve financial reporting by corporations by requiring earlier recognition of credit losses on loans from corporations, held-to-maturity (HTM) securities, and certain other financial assets. ASC 326 also amended the impairment guidance for available-for-sale (AFS) debt securities in that it eliminated the

Other Than Temporary Impairment (OTTI) impairment model. Under Subtopic ASC 326-30, Financial Instruments—Credit Losses—Available-for-Sale Debt Securities, changes in expected cash flows due to credit on AFS debt securities will be recorded through an allowance, rather than permanent write-downs for negative changes and prospective yield adjustments for positive changes, as required by the current OTTI model. ASC 326 replaces the current incurred loss impairment model that recognizes losses when a probable threshold is met with a requirement to recognize lifetime expected credit losses immediately when a financial asset is originated or purchased. For the periods ended December 31, 2024 and 2023, the adoption of ASC 326 did not result in a material effect on the Company's Consolidated financial statements.

ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40) became effective for the financial year 2024 for non-SEC filer. The Company assessed the potential impacts and concluded that the changes in the accounting method has no impact on the current accounting method.

2 Property, plant and equipment

In CHF million	Equipment	Leasehold improvements	Total
2024			
COST			
January 1, 2024	12.9	1.8	**14.7**
Additions	1.7	–	**1.7**
Disposals	(1.0)	–	**(1.0)**
December 31, 2024	13.6	1.8	**15.4**
ACCUMULATED DEPRECIATION			
January 1, 2024	10.4	0.5	**10.9**
Additions	1.2	0.3	**1.5**
Disposals	(1.0)	–	**(1.0)**
December 31, 2024	10.6	0.8	**11.4**
Net book value as of December 31, 2024	3.0	1.0	**4.0**
2023			
COST			
January 1, 2023	13.0	1.8	14.8
Additions	0.8	–	0.8
Disposals	(0.8)	–	(0.8)
Transfers	(0.1)	–	(0.1)
December 31, 2023	12.9	1.8	14.7
ACCUMULATED DEPRECIATION			
January 1, 2023	10.3	0.2	10.5
Additions	1.0	0.3	1.3
Disposals	(0.8)	–	(0.8)
Depreciation transfers	(0.1)	–	(0.1)
December 31, 2023	10.4	0.5	10.9
Net book value as of December 31, 2023	2.5	1.3	3.8

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3 Intangible assets

The intangible assets as of December 31, 2024 and 2023 consist of software for internal use:

In CHF million	2024	2023
COST		
January 1	**4.9**	5.4
Additions	**0.1**	0.2
Disposals	**–**	(0.7)
December 31	**5.0**	4.9
ACCUMULATED AMORTIZATION		
January 1	**4.4**	4.8
Additions	**0.3**	0.3
Disposals	**–**	(0.8)
Depreciation transfers	**–**	0.1
December 31	**4.6**	4.4
Net book value as of December 31	**0.4**	0.5

4 Segment and geographic information

The Company operates in one segment, which is the discovery, development and commercialization of innovative pharmaceutical products. The Company's CEO, who is the chief operating decision maker (CODM) of the Company, reviews the operations of the Company on a consolidated basis and makes decisions and manages the operations of the Company as a single operating segment.

The geographical allocation of the long-lived tangible assets of the Company is presented in the following table:

In CHF million	2024	2023
Switzerland	**19.0**	20.6
Total	**19.0**	20.6

As of December 31, 2024, the Company recorded operating lease right-of-use (ROU) assets of CHF 15.0 million (December 31, 2023: CHF 16.8 million) in operating lease right-of-use assets, net.

The revenues with third parties were realized in the following geographies:

In CHF million		2024		2023
Ireland	**93.7**	**45%**	68.7	44%
Japan	**69.6**	**33%**	59.6	38%
USA	**12.3**	**6%**	6.1	4%
Uruguay	**12.1**	**6%**	10.2	6%
Canada	**6.7**	**3%**	3.6	2%
Jordan	**4.6**	**2%**	1.8	1%
United Kingdom	**4.6**	**2%**	1.4	1%
China	**2.3**	**1%**	2.3	1%
Sweden	**2.3**	**1%**	3.9	2%
Other	**0.4**	**0%**	0.0	0%
Total	**208.5**	**100%**	157.6	100%

The attribution of revenues to geography was done according to the location of the customer.

In 2024, the Company recognized total revenue in the amount of CHF 57.8 million (2023: CHF 51.1 million) with Astellas and CHF 93.7 million (2023: CHF 68.7 million) with Pfizer.

5 Accounts receivable

The accounts receivable primarily consist of receivables against Pfizer in the amount of CHF 3.8 million. As of December 31, 2024 and 2023, the Company recorded no allowance for credit losses.

6 Cash and cash equivalents

Cash and cash equivalents consisted of the following components:

In CHF million	2024	2023
Cash	**14.0**	8.1
Short-term deposits	**106.7**	51.8
Total	**120.7**	59.9

As of December 31, 2024, the Company had outstanding bank guarantees in the amount of CHF 2.9 million (December 31, 2023: CHF 3.0 million) and pledged short-term deposits of CHF 4.0 million (December 31, 2023: CHF 1.0 million).

7 Other receivables

The company has recorded a CHF 0.1 million impairment for unrecoverable VAT receivables in 2024 (2023: CHF 0.6 million).

The following table shows the components of other receivables as of December 31, 2024 and 2023:

In CHF million	2024	2023
VAT receivables	**1.6**	3.2
Royalty receivables (see Note 9 Agreements)	**33.7**	19.8
Contractual milestone receivables (see Note 9 Agreements)	**3.4**	1.0
Other	**10.6**	6.3
Total	**49.3**	30.3

As of December 31, 2024, the line item other includes CHF 7.4 million receivables against BARDA.

As of December 31, 2023, the line item other includes CHF 2.0 million for a gain contingency, CHF 1.3 million for recharging receivables and CHF 1.1 million receivables related to a loan.

8 Inventories

The following table shows the components of inventories as of December 31, 2024 and 2023:

In CHF million	2024	2023
Raw materials	**2.6**	0.8
Semi-finished products	**43.0**	39.5
Finished products	**1.3**	0.5
Inventory provisions	**(15.3)**	(14.4)
Total	**31.6**	26.4

The Company owns manufacturing material valued at cost, which was partly produced prior to obtaining regulatory approval for ceftobiprole and isavuconazole. As ceftobiprole and isavuconazole obtained regulatory approval in 2013 and 2015, respectively, the ceftobiprole and isavuconazole inventory is presented gross in the inventory table above. Inventory provisions in the amount of CHF 11.2 million (2023: CHF 8.2 million) reflect that material was produced prior to approval. The Company intends to use such material to manufacture products for commercialization. As of December 31, 2024, the Company recorded additional provisions for inventory in the total amount of CHF 4.1 million (2023: CHF 6.2 million).

previous topic

9 Agreements

The table below summarizes revenues from all current agreements between the Company and its partners (ROY = royalties, Other = milestones and up-front payments):

Revenues from agreements:

	Total Revenue		Product Revenue		Contract Revenue						Other Revenue	
In CHF million	2024	2023	2024	2023	2024			2023			2024	2023
						ROY	Other		ROY	Other		
PARTNER												
Asahi	**11.8**	8.5	**8.4**	3.0	**3.3**	**2.1**	**1.2**	5.4	0.4	5.0	**0.1**	0.1
Astellas	**57.8**	51.1	**–**	–	**57.8**	**57.8**	**–**	51.1	51.1	–	**–**	–
Pfizer	**93.7**	68.7	**20.1**	14.1	**72.5**	**36.8**	**35.7**	53.6	27.4	26.2	**1.2**	1.0
Gosun	**2.3**	2.2	**2.3**	2.2	**–**	**–**	**–**	–	–	–	**–**	–
Innoviva	**0.0**	–	**–**	–	**0.0**	**–**	**0.0**	–	–	–	**–**	–
Distributors	**30.6**	20.9	**27.0**	18.6	**3.5**	**–**	**3.5**	2.3	–	2.3	**0.1**	–
BARDA	**10.2**	4.2	**–**	–	**–**	**–**	**–**	–	–	–	**10.2**	4.2
Others	**2.0**	2.1	**–**	–	**–**	**–**	**–**	–	–	–	**2.0**	2.1
	208.5	**157.6**	**57.8**	**37.9**	**137.0**	**96.7**	**40.4**	**112.4**	**78.9**	**33.5**	**13.7**	**7.4**

License agreement with Pfizer related to isavuconazole
In June 2017, the Company entered into a license agreement with Pfizer Inc. for isavuconazole. The transaction was completed on July 19, 2017. Under the agreement Pfizer has the right to exclusively commercialize the drug in Europe (excluding the Nordics), Russia, Turkey and Israel (the Territory) and to manufacture isavuconazole for the Territory. In November 2017, the original Agreement was amended (the Amendment) to extend the Territory to China (including Hong Kong and Macao) and 16 countries in the Asia-Pacific region (the Extended Territory). The Amendment was completed on January 10, 2018.

Under the terms of the Agreement, the Company was eligible for a non-refundable upfront payment of CHF 70.0 million and up to USD 427.0 million in additional non-refundable milestone payments upon achievement of pre-specified regulatory and sales milestones over the term of the agreement.

previous topic

Under the terms of the Amendment, the Company was eligible for an additional non-refundable upfront payment of USD 3.0 million and to receive up to USD 223.0 million in additional non-refundable milestone payments upon achievement of pre-specified regulatory and commercial milestones related to the Extended Territory over the term of the Amendment. In addition, the Company will also receive royalties based on Pfizer's sales in the Territory and the Extended Territory.

As the Company acts as principal for the sale of the product during an initial supply service period (the Supply Service Term), the sale of product to Pfizer is recorded gross and recognized in product revenue upon delivery. Any milestone payments are being recognized as contract revenue over the remaining performance period based on the progress towards satisfying its identified performance obligation. Royalty revenue is recognized when earned as the license is the predominant item of the Agreement and its Amendment.

In 2020, the Supply Service Term ended and, in June 2020, the Company entered into a Supply Service Agreement with Pfizer. Under the terms of the Supply Service Agreement the Company delivers to Pfizer Active Pharmaceutical Ingredient (API) until December 2021 and certain semi-finished products until December 2024. In April 2024, an amendment under the existing Supply Service Agreement has come into force for capsules for the pediatric use ending on December 31, 2027. The Company concluded that the Supply Service Agreement is distinct from the Agreement and its Amendment and results in a separate performance obligation that is treated as a separate contract.

In January 2023, the Company recognized a sales milestone payment of USD 1.3 million related to the Extended Territory as contract revenue. In June 2023, the Company recognized a sales milestone payment of USD 25.0 million related to the Territory and a sales milestone payment of USD 1.3 million related to the Extended Territory as contract revenue. In October 2023, the Company recognized a sales milestone payment of USD 1.3 million related to the Extended Territory as contract revenue. In 2024, the Company recognized four sales milestone payments of USD 1.3 million each, related to the Extended Territory as contract revenue. In August 2024, the Company recognized a sales milestone payment of USD 25.0 million related to the Territory and a CHF 10.0 million milestone payment related to the extension of the market exclusivity in the EU as contract revenue.

In 2024, the Company recognized CHF 20.1 million (2023: CHF 14.1 million) as product revenue and CHF 36.8 million royalties (2023: CHF 27.4 million) as contract revenue.

License agreement with Astellas related to isavuconazole

In February 2010, the Company entered into a license, co-development and co-promotion agreement with Astellas Pharma Inc. (Astellas) for isavuconazole.

Under this agreement, the Company was eligible for a non-refundable upfront payment of CHF 75.0 million and non-refundable milestone payments of up to CHF 478.0 million based on the achievement of milestones related to regulatory filing, regulatory approval and commercialization of isavuconazole. In addition, the Company was also eligible for double-digit tiered royalty payments.

The agreement was amended in February 2014, providing the Company full rights to isavuconazole in all markets outside of the US and Canada in return for foregoing the Company's right to co-promote the product in the US and Canada, its right to receive payments related to co-promotion, and EU milestone payments. In addition, the amended agreement contains the Company's obligation to execute the PIP studies. Hence, the Company determined that the Amendment was a modification with an adjustment to an existing contract to be accounted for prospectively. The agreement was further amended in August 2015, providing the Company full rights to isavuconazole in all markets outside the US. The Company determined that the Amendment in August 2015 was not a significant modification. The Company and Astellas continue to coordinate their development and manufacturing activities and each company is responsible for commercial activities in its respective territory.

Under the terms of the agreement as amended, the Company continued to be entitled to receive regulatory milestone payments of total CHF 42.0 million, sales milestone payments of up to CHF 290.0 million and tiered double-digit royalty payments from Astellas relating to its territory.

In 2024, the Company recognized royalties in the total amount of CHF 57.8 million (2023: CHF 51.1 million) as contract revenue.

License agreement with Asahi Kasei Pharma related to isavuconazole
In March 2016, the Company entered into a development and commercialization agreement with Asahi Kasei Pharma Corporation (Asahi Kasei Pharma) to develop, register and commercialize isavuconazole in Japan. Asahi Kasei Pharma is responsible for conducting clinical studies necessary to apply for a marketing authorization for isavuconazole in Japan for the treatment of invasive aspergillosis and mucormycosis and for applying for such authorization. Once isavuconazole is authorized, the Company will perform commercial manufacturing services, and Asahi Kasei Pharma will commercialize the product in Japan. Asahi Kasei Pharma will purchase the product for commercialization from the Company.

Under the terms of the agreement, the Company granted Asahi Kasei Pharma an exclusive license to develop, register and commercialize isavuconazole in Japan. The Company was eligible for a non-refundable upfront payment of CHF 7.0 million and up to approximately CHF 60.0 million of additional payments upon achievement of regulatory and commercial milestones. In addition, the Company will also be eligible for double-digit tiered royalty payments on sales in Japan.

In addition to the license, the agreement states that the Company has an obligation to manufacture and supply the product for clinical studies and to provide materials, documentation and support (together with the Ongoing Documentation and Information Transfer Obligation). Because the separation criterion is not met, the license and the Ongoing Documentation and Information Transfer Obligation are accounted for as one unit of account and the entire upfront payment was allocated to the unit of account. The related revenue was recognized over the period over which the Ongoing Documentation and Information Transfer Obligation was provided up to submission of the NDA in September 2021. In 2024 the Company recognized a commercial milestone payment of CHF 1.2 million (2023: CHF 5.0 million) as contract revenue.

In 2024, the Company recognized CHF 3.3 million (2023: CHF 5.4 million) as contract revenue, thereof CHF 1.2 million related to a commercial milestone payment (2023: CHF 5.0 million). The Company recorded CHF 8.4 million (2023: CHF 3.0 million) as product revenue.

License agreement with Shenzhen China Resources Gosun Pharmaceuticals Co. Ltd. related to ceftobiprole
In September 2017, the Company entered into a development, manufacturing and commercialization agreement with Shenzhen China Resources Gosun Pharmaceuticals Co. Ltd. (Gosun) to develop, manufacture and commercialize ceftobiprole in China, Hong Kong and Macao (the Territory). Gosun is responsible for conducting clinical studies necessary to apply for a marketing authorization for ceftobiprole in the Territory and for applying for such authorization. The Company will initially supply the product to Gosun at a transfer price with the corresponding sale of product recorded as product revenue and will be eligible for tiered double-digit royalties on product sales once Gosun manufactures ceftobiprole itself, which will be recorded as contract revenue.

Under the terms of the agreement, the Company granted Gosun an exclusive license to develop, register, commercialize and manufacture ceftobiprole in the Territory. The Company was eligible for a non-refundable upfront payment of CHF 3.0 million and up to approximately CHF 145.0 million of additional payments upon achievement of regulatory and commercial milestones.

In addition to the license, the agreement states that the Company has an obligation to manufacture and supply the product for clinical studies and to provide materials, documentation and support (Ongoing Clinical Supply and Information Transfer Obligation). Because the separation criterion is not met, the license and the Ongoing Clinical Supply and Information Transfer Obligation are accounted for as one unit of account and the entire upfront payment was allocated to one unit of account. The related revenue is recognized as contract revenue over the performance period, being the period over which the Ongoing Clinical Supply and Information Transfer Obligation is provided up to the grant of the imported drug license (IDL) or the approval of a domestic drug application (DDA).

The Company concluded that the commercial manufacturing service is not a deliverable because the service is dependent on the clinical results and the grant of the IDL or approval of the DDA. Thus, any future milestone payments will be recognized as contract revenue upon satisfaction of the criteria associated with the specific milestone. Royalty revenue will be recognized when earned.

In 2017, the Company received a non-refundable net upfront payment of CHF 2.7 million (gross payment of CHF 3.0 million less withholding tax and stamp duty of CHF 0.3 million) from Gosun. The upfront payment was deferred and was recognized as contract revenue over the remaining service period, initially expected to be until the first quarter of 2022 in line with the period over which the Ongoing Clinical Supply and Information Transfer Obligation is provided up to grant of the IDL or approval of DDA. In November 2020, the IDL was granted in China and the service period ended. Therefore the Company decided to recognize the remaining deferred revenue of the non-refundable net upfront payment.

In 2024, the Company recognized CHF 2.3 million (2023: CHF 2.2 million) as product revenue.

License agreement with Innoviva Specialty Therapeutics Inc. related to ceftobiprole

In December 2024, the Company entered into an exclusive distribution and license agreement with Innoviva Specialty Therapeutics Inc. (Innoviva), a wholly owned subsidiary of Innoviva Inc., for the commercialization of ceftobiprole in the US.

Under the terms of the agreement, the Company is eligible to a non-refundable upfront payment of USD 4.0 million and potential sales milestone payments of up to USD 223.0 million in contract revenue. Moreover, the Company is entitled to tiered royalty payments on net sales in the high-teens to mid-twenties percentage range in contract revenue. Innoviva will purchase the product for commercialization from the Company, the related revenue is recorded in product revenue.

In 2024, the Company received a non-refundable upfront payment of USD 4.0 million. Thereof, USD 4.0 million were recorded as deferred revenue on the balance sheet in 2024. The deferred revenue is recognized on a straight-line basis as contract revenue over the remaining performance period, until April 2034.

As of December 31, 2024, the Company presented deferred revenue of CHF 3.5 million (December 31, 2023: CHF 0.0 million) on its balance sheet related to the licence agreement with Innoviva.

In 2024, the Company recognized CHF 0.0 million (2023: CHF 0.0 million) as contract revenue from deferred revenue related to this license agreement.

Distribution agreements related to isavuconazole and ceftobiprole

In 2017 and 2016, the Company entered into exclusive distribution agreements for isavuconazole and ceftobiprole with Avir Pharma Inc. for Canada, Knight Therapeutics (Knight) (formerly Grupo Biotoscana S.L.) for Latin and South America and Unimedic Pharma AB (Unimedic) for the Nordic countries, respectively. In 2017, the Company also entered into an exclusive distribution agreement for ceftobiprole with Advanz Pharma (Advanz) (formerly Correvio Pharma Corp.) for Europe (excluding the Nordic countries) and Israel. In addition, the Company entered into a distribution agreement for ceftobiprole with Hikma Pharmaceuticals LLC (Hikma) for the Middle East and North Africa in 2015. The agreement was extended to isavuconazole in 2016 and in 2022 to include ceftobiprole for Egypt. In 2021, the Company entered into an distribution agreement with JSC Lancet for ceftobiprole in Russia and in other countries of the Eurasian Economic Union.

Under these distribution agreements, the Company was eligible for non-refundable upfront payments of CHF 19.8 million and for sales and regulatory milestone payments of up to CHF 144.1 million related to the commercialization of isavuconazole and ceftobiprole in these territories. In addition, the Company sells products to its distributors for the commercialization in the territories and recognizes the related revenue in product revenue.

In 2015, the Company received a non-refundable upfront payment of CHF 1.0 million from Hikma related to ceftobiprole. In 2017 and 2016, the Company received non-refundable upfront payments of CHF 6.3 million and CHF 12.1 million, respectively, in connection with these distribution agreements. Thereof, CHF 6.3 million and CHF 12.0 million were recorded as deferred revenue in 2017 and 2016, respectively. In 2015, CHF 1.0 million was recorded as deferred revenue. The deferred revenue is recognized as contract revenue over the remaining performance period, approximately until 2032.

As of December 31, 2024, the Company presented deferred revenue of CHF 9.5 million (December 31, 2023: CHF 10.7 million) on its balance sheet related to these distribution agreements.

previous topic

In 2024, the Company recognized CHF 1.2 million (2023: CHF 1.2 million) as contract revenue from deferred revenue related to these distribution agreements.

In December 2024, the Company recognized a sales milestone of CHF 0.5 million from Hikma, a sales milestone of CAD 2.0 million (CHF 1.3 million) from Avir and a sales milestone of EUR 0.5 million (CHF 0.5 million) from Advanz as contract revenue. In December 2023, the Company recognized a sales milestone of CHF 1.0 million from Knight as contract revenue. The Company recognized product revenue in the total amount of CHF 27.0 million (2023: CHF 18.6 million) related to these distribution agreements.

Contract with BARDA for ceftobiprole U.S. phase 3 development program
In April 2016, the Company entered into a contract with BARDA for the clinical phase 3 development of ceftobiprole aiming to gain regulatory approval for the drug in the U.S. As of December 31, 2024, the Company was awarded a total amount of USD 110.8 million (December 31, 2023: USD 111.9 million) under this contract to support the phase 3 development program of ceftobiprole. In 2024, the Company collected a total of USD 4.6 million or CHF 4.1 million, respectively (December 31, 2023: USD 7.0 million or CHF 6.2 million, respectively) in payments from BARDA under the contract.

In 2024, the Company recognized CHF 2.7 million (2023: CHF 4.2 million) as other revenue related to the BARDA contract.

Other Transaction Agreement (OTA) with BARDA for the development of antifungal and antibacterial assets
In September 2024, the Company entered into an OTA with BARDA for the development of antifungal and antibacterial assets. The contractually agreed maximum potential BARDA funding under the OTA amounts to USD 267.6 million, of which USD 28.6 million have been contractually committed by BARDA to support the development of the antifungals fosmanogepix and BAL2062 as per December 31, 2024.

In 2024, the Company recognized CHF 7.5 million (2023: CHF 0.0 million) as other revenue related to the OTA contract. As of December 31, 2024, the Company collected total payments from BARDA of CHF 0.0 million (2023: 0.0 million) of the contractually committed amount.

Contract with CARB-X for LptA inhibitor (BAL2420)
In April 2024, the Company was granted USD 0.9 million for initial preclinical activities on the LptA program. The funding supported the work until candidate nomination in the second half of 2024.

In December 2024, the Company was awarded up to USD 7.3 million in additional funding to support pre-clinical studies until end of March 2026.
In 2024, the Company recognized CHF 1.8 million (2023: CHF 0.0 million) as other revenue related to the CARB-X contract. As of December 31, 2024, the Company collected total payments from CARB-X of CHF 0.7 million (2023: CHF 0.0 million) of the contractually committed amount.

Acquisition and in-licencing transactions
Amplyx Pharmaceuticals, Inc.:
In November 2023, the Company acquired from Amplyx Pharmaceuticals, Inc., a subsidiary of Pfizer, Inc., patents covering fosmanogepix and APX2039. Fosmanogepix is an antifungal compound available in intravenous and oral formulations. It has been evaluated for efficacy and safety in a phase 1/phase 2 program, including three open-label phase 2 studies for the treatment of candidemia, including Candida auris, and invasive mold infections. Fosmanogepix has Qualified Infectious Disease Product (QIDP), Orphan Drug and Fast Track designations from the US Food & Drug Administration (FDA). Under the terms of the agreement, the Company made an upfront payment of USD 37.0 million in cash, which was recorded as research and development expense in the consolidated statement of operations for the year ended December 31, 2023. The agreement also includes additional potential payments to Pfizer of up to USD 110.0 million upon the achievement of certain commercial milestones based on future product sales. In addition, the Company assumes all rights and obligations from previous agreements, comprising potential development, regulatory and commercial milestone payments of up to USD 396.0 million, as well as tiered single-digit royalty payments. As of December 31, 2024, the Company recognized expenses related to a milestone payment of USD 6.0 million.

Gravitas Therapeutics, Inc.:
In October 2023, the Company acquired from Gravitas Therapeutics, Inc., the rights to the antifungal compound now named BAL2062 for the potential treatment of invasive mold infections caused by Aspergillus species.

previous topic

BAL2062 has demonstrated fungicidal activity against clinically important molds such as Aspergillus spp., including azole-resistant strains. Safety and tolerability have been demonstrated in a previously completed phase 1 study with single and multiple ascending intravenous doses. The drug candidate has Qualified Infectious Disease Product (QIDP), Orphan Drug and Fast Track designations from the US Food & Drug Administration (FDA). Under the terms of the agreement, the Company made initial payments of USD 2.0 million in cash, which were recorded as research and development expense in the consolidated statement of operations for the year ended December 31, 2023. Under the asset purchase agreement with Gravitas, the Company assumes the rights and obligations under a license agreement with Astellas Pharma Inc. who owns patents relating to BAL2062 and takes over an agreement with Fresh Tracks Therapeutics Inc., who previously owned the asset that was acquired by Gravitas. Upon achievement of defined milestones, Basilea will make total pre-approval milestone payments of potentially up to USD 1.75 million and total approval and commercialization milestone payments of potentially up to USD 67.0 million. In addition, the Company will pay tiered royalties on sales starting in the low single-digit percentage range, going to the mid-single-digit percentage range. The Company deemed that none of the milestone or royalty payments were probable as of December 31, 2024.

iNtRON Biotechnology, Inc.:
In October 2023, the Company entered into an exclusive evaluation license and option agreement with iNtRON Biotechnology, Inc. for tonabacase. Tonabacase is a potential first-in-class clinical-stage antibacterial of the endolysin class. Under the terms of the agreement, the Company made an upfront payment of CHF 0.75 million in cash which was recorded as research and development expense in the consolidated statement of operations for the year ended December 31, 2023.

Spexis AG:
In January 2024, the Company entered into an asset purchase agreement with Spexis for a preclinical program of antibiotics from a novel class, targeting Gram-negative bacteria, including multidrug-resistant strains.

Under the terms of the agreement the Company made an upfront payment of CHF 0.5 million and two milestone payments of CHF 0.8 million each, which were recorded as research and development expenses in 2024. In addition, the Company assumes all rights and obligations from previous agreements, which include potential single-digit royalty payments on net sales. No further payments are due to Spexis.

10 Convertible senior unsecured bonds

On July 28, 2020 (payment date), the Company issued CHF 97.1 million aggregate principal amount of convertible senior unsecured bonds due July 28, 2027 (2027 bonds). The Company received total net proceeds from the sale of the 2027 bonds of approximately CHF 93.9 million, after deducting issuance costs of CHF 3.2 million. In 2020, in connection with the issuance of the 2027 bonds, the Company entered into a share lending agreement for 1,000,000 registered treasury shares until 2027. The fair value of the issued loaned shares as of December 31, 2024, amounted to CHF 41.4 million. These shares are deducted in the calculation of the weighted average shares outstanding.

The convertible senior unsecured bonds are accounted for at amortized cost. The following table shows the carrying amount of the convertible senior unsecured bonds as of December 31, 2024 and 2023:

In CHF million	Maturity date	2024	2023
2027 convertible senior unsecured bonds	July 28, 2027	**95.9**	95.5

For the year ended December 31, 2024, the Company recognized interest expense of CHF 3.2 million (2023: CHF 3.2 million) and CHF 0.5 million (2023: CHF 0.5 million) based on the effective interest rate method for recognition of the issuance costs. The remaining unamortized debt issuance costs of CHF 1.2 million will be recognized over the remaining term of the convertible senior unsecured bonds, which is approximately 2.5 years.

The table below outlines the amortization and repayment related to the convertible senior unsecured bonds as of December 31, 2024 as follows:

Amount in CHF million	2027 bonds
2025	3.2
2026	3.2
2027	98.9
Total minimum payments	105.2
Less amount representing interest	(8.1)
Convertible senior unsecured bonds, gross	97.1
Unamortized issuance costs on convertible senior unsecured bonds	(1.2)
Convertible senior unsecured bonds, including unamortized issuance costs	95.9

The fair value was estimated based on quoted market prices as of December 31:

In CHF million	**2024**	2023
Convertible senior unsecured bonds (Level 1)	**100.3**	97.0

The 2027 bonds were issued bearing interest at a fixed rate of 3.25% per year (payable semi-annually in arrears on July 28 and January 28 of each year) and will mature on July 28, 2027 (maturity date), unless earlier redeemed or converted.

Holders may convert their 2027 bonds at any time at their option into shares forty-one calendar days after the payment date (July 28, 2020) up to and including seven trading days before the maturity date.

In the event of conversion, the Company will deliver shares of the Company's common stock. The conversion ratio is initially 80 shares per bond representing CHF 5,000, the principal amount of one bond (equivalent to an initial conversion price of CHF 62.50 per share of the Company's common stock). This remains unchanged at December 31, 2024. For all 2027 bonds together the current number of underlying shares is 1,553,360 shares. The conversion ratio and the corresponding conversion price will be subject to adjustment upon the occurrence of certain events but will not be adjusted for any accrued and unpaid interest.

The 2027 bonds will be redeemable at the Company's option on or after August 12, 2025, if the volume-weighted average price of a share on each of at least 20 out of 30 consecutive trading days is at least 130% of the prevailing conversion price or at any time if less than 15% of the aggregate principal amount is outstanding.

The 2027 bondholders may redeem the 2027 bonds at the principal amount plus accrued and unpaid interest (optional put) in the event the Company's shares are delisted or on the fifth anniversary of the payment date. The Company may issue a share settlement on the fifth anniversary of the payment date related to the optional put or on the maturity date subject to certain conditions.

Total issuance costs of CHF 3.2 million related to the 2027 bonds include legal fees and other issuance-related costs and were deducted from the proceeds of the 2027 bonds. The Company will accrete the issuance costs as interest expense over the contractual term of the 2027 bonds.

11 Senior secured Loan agreement

On September 6, 2022, the Company entered into a CHF 75.0 million senior secured loan (the Loan) agreement with Athyrium Opportunities IV Acquisition LP (the Holder). The Loan was funded on September 19, 2022. The Company received total net proceeds from the Loan of CHF 73.9 million. Total issuance costs amounted to CHF 1.5 million. The initial maturity date for the Loan was approximately two years after the funding date, or September 19, 2024 (maturity date). The Loan bore an interest rate per annum equal to 7.75% plus the lesser of the Swiss Average Rate Overnight (SARON) or 3% per annum, but a minimum of 1.5% per annum. Interest was payable quarterly commencing December 31, 2022.

On December 18, 2023, the Company amended the Loan agreement (the Amended Loan). Under the terms of the Amended Loan agreement, the Company repaid CHF 33.0 million in future principal and interest on Decem-

ber 29, 2023. The exit fee was also adjusted to 1.25%. As a policy election, the Company elected to recognize CHF 0.1 million of issuance costs associated with the principal prepaid. In conjunction with the prepayment, the repayment premium was waived by the Holder.

The Amended Loan was completely repaid on March 29, 2024. For this remaining period the effective interest rate was 13.2% and the Company recorded CHF 0.6 million of interest, CHF 0.1 million of issuance cost amortization and CHF 15.6 million related to the repayment of the remaining principal amount.

The Loan was used by the Company for the partial repayment of its 2022 convertible bonds, which were due on December 23, 2022 (the Convertible Bonds). The Convertible Bonds had an outstanding nominal amount of approximately CHF 113.8 million at maturity.

The Company accounted for the Loan at amortized cost and is amortizing the original issue discount and the issuance costs over the term of the Loan using the effective interest rate method, which is recorded as part of interest expense in the Company's statement of operations.

12 Accruals and other current liabilities

Accruals and other current liabilities as of December 31, 2024 and 2023 consisted of the following:

In CHF million	2024	2023
Accrued research & development expenses	**11.1**	4.0
Accrued personnel and compensation costs	**8.6**	7.4
Accrued payables for goods received	**5.9**	2.5
Accrued royalties	**1.8**	1.7
Other current liabilities	**3.0**	7.4
Total accruals and other current liabilities	**30.4**	23.0

As per December 31, 2024, the other current liabilities consist mainly of interest liabilities related to the senior unsecured bonds.

As per December 31, 2023, the other current liabilities include pre-payments from distributors, liabilities to employees and accruals for services provided but not invoiced.

13 Income taxes

As of December 31, 2024, the Company has tax loss carry forwards of CHF 145.7 million (December 31, 2023: CHF 253.1 million) of which CHF 130.9 million will expire within the next five years and CHF 14.8 million will expire within six to eight years. In 2024, CHF 41.5 million tax loss carry forwards expired and CHF 68.7 million were used (2023: CHF 37.5 million expired and CHF 18.5 million were used) and CHF 2.8 million (2023: CHF 4.1 million) were recognized.

The significant components of net deferred taxes as of December 31, 2024 and 2023, are shown in the following table:

In CHF million	2024	2023
Net benefit from tax loss carry forwards[1]	**12.8**	32.7
Deferred revenue	**1.6**	1.3
Share-based compensation cost	**4.2**	11.8
Other, net	**(1.2)**	(1.8)
Valuation allowance	**0.0**	(44.0)
Net deferred taxes	**17.3**	0.0

1 As of December 31, 2024, the position includes CHF 0.0 million (December 31, 2023: 0.0 million) related to windfall tax benefits from share-based compensation that would be credited to shareholders' equity, if realizable.

As of December 31, 2024, the Company recognized deferred tax assets to the extent that taxable profits are expected to be available to realize the deductible temporary difference or carry forward of unused tax losses and other line items generating temporary differences. Based on the fact that the Company shows a sufficient track record on profitable periods and a profitable outlook for future periods the valuation allowance on the tax loss carry forwards has been released.

previous topic

The Company established a valuation allowance in 2023 to reduce the net deferred taxes, as the Company deemed it to be not more likely than not that the future deferred tax assets would be realized in the future based on the lack of sufficient positive evidence in the jurisdictions related to the realization of the deferred tax assets.

The effective tax rate for 2024 was 0.0% (2023: 0.0%). The following table shows the income taxes in 2024 and 2023:

In CHF million	2024	2023
Deferred tax	**17.3**	–
Direct tax	**0.0**	0.0
Total income tax	**17.3**	0.0

The expected tax rate for 2024 was 12.0% (2023: 12.2%). The following table shows the reconciliation between expected and effective tax rate:

In CHF million	2024	2023
Expected tax rate[1]	**12.0%**	12.2%
Effect of non-taxable differences[2]	**(0.1%)**	(0.3%)
Utilization of deferred tax assets	**(11.9%)**	0.0%
Valuation allowance on deferred tax assets	**0.0%**	(11.9%)
Effective tax rate	**0.0%**	0.0%

1 Weighted average tax rate of Basilea and its subsidiaries.

2 Items not deductible for tax purposes and items that are tax deductible, but do not represent expenses for financial reporting purposes.

Basilea and its subsidiaries file income tax returns in Switzerland and in foreign jurisdictions. Basilea's income tax position in Switzerland is finally assessed up to and including the fiscal year 2022.

As of December 31, 2024 and 2023, there were no unrecognized tax benefits. The Company did not incur any significant interest or penalties in connection with income taxes in the years 2024 and 2023.

14 Share-based compensation

The Company established a stock option plan effective on December 13, 2000, to incentivize executives and certain employees and provide an opportunity to obtain stock options on registered shares of Basilea. In order to minimize a potential dilution of shareholders, stock options granted after 2015 are net settled. Any new grants under the long-term incentive plan are limited by the guiding principle that the total potential dilution at the grant date shall not exceed 10% of the total outstanding share capital on a fully diluted basis. In April 2021, the Company replaced its stock option plan with a new long-term incentive plan (LTIP). Under this LTIP the Company granted Performance Share Units (PSUs) and Restricted Share Units (RSUs) for the first time in 2021.

As of December 31, 2024, CHF 1.6 million of conditional capital remain available for stock options, PSUs and RSUs, which were issued and outstanding as of December 31, 2024 and for future grants.

Stock option plan

Each stock option entitles the participant to the purchase of one registered share at the strike price pursuant to the terms of the stock option plan. At the end of the option term, all unexercised stock options expire without value. The last grant under this stock option plan was made in 2020.

As of December 31, 2024, all grants from the stock option plan have been vested.

previous topic

The following table summarizes the activity under the Company stock option plan:

In CHF million	Weighted average exercise price (in CHF)	Number of options
Balance at December 31, 2022	**80.92**	**1 319 454**
Change in treatment of future forfeitures	47.30	11 079
Options forfeited	47.06	(12 600)
Options exercised	45.80	(16 241)
Options expired	103.79	(194 867)
Balance at December 31, 2023	**77.45**	**1 106 825**
Options forfeited	47.60	(850)
Options exercised	45.80	(600)
Options expired	87.30	(213 503)
Balance at December 31, 2024	**75.15**	891 872

The following table provides information on the stock options outstanding as of December 31, 2024:

In CHF million	Options exercisable
Number of options	891 872
Weighted average exercise price, in CHF	75.15
Weighted average remaining contractual life, in years	2.6

Based on the stock options exercisable as of December 31, 2024, the aggregate intrinsic values of such number of options were CHF 0.0 million (December 31, 2023: CHF 0.0 million).

In 2024, no options were granted. The total aggregate intrinsic value of stock options exercised during 2024 was CHF 0.0 million (2023: CHF 0.7 million).

As of December 31, 2024, the compensation cost related to stock option plans has been fully recognized.

The Company recorded total share-based compensation expenses of CHF 0.1 million in 2024, related to its stock option-based compensation award programs (2023: CHF 0.5 million), of which CHF 0.1 million was recorded in research & development expenses (2023: CHF 0.2 million) and CHF 0.0 million as part of selling, general & administrative expenses (2023: CHF 0.3 million) in the statement of operations.

Restricted and Performance Share Units plan

Under the LTIP certain employees are entitled to receive RSUs or PSUs. Each RSU converts into one fully paid-in registered share with a par value of CHF 1.00 upon vesting. Each PSU may convert into up to two fully paid-in registered shares with a par value of CHF 1.00 upon vesting. The conversion ratio depends on the relative total shareholder return (rTSR) of the Company's share price against a Swiss share index called Swiss Performance Index Extra (SPI Extra) (market-based performance condition) and on the compounded annual growth rate (CAGR) (non-market-based performance condition) of in-market sales of Cresemba. PSUs vest after three years, RSUs vest after three years for employees or after one year or three years for the board of directors.

The following table summarizes the activity under the Company's Restricted and Performance Share Units plans:

	PSU		RSU		Board of directors RSU	
In CHF million	Weighted average grant date fair value	Number of share units	Weighted average grant date fair value	Number of share units	Weighted average grant date fair value	Number of share units
Balance at December 31, 2022	**42.37**	**103 096**	**41.34**	**52 396**	**37.35**	**8 405**
Change in treatment of future forfeitures/prevesting	–	–	42.01	10 383	–	–
Share units granted	38.90	61 025	42.50	33 170	42.50	7 403
Share units forfeited	–	–	41.25	(8 830)	–	–
Share units exercised	–	–	43.62	(3 287)	37.35	(1 287)
Balance at December 31, 2023	**41.08**	**164 121**	**41.80**	**83 832**	**39.98**	**14 521**
Share units granted	45.20	53 357	40.25	34 762	40.25	7 759
Share units forfeited	–	–	39.91	(3 017)	–	–
Share units exercised	43.66	(48 930)	47.08	(20 993)	–	–
Balance at December 31, 2024	**41.64**	**168 548**	**40.23**	**94 584**	**40.18**	**22 280**

In April 2022, the Company granted 54,166 PSUs, 40,741 RSUs and 8,405 board of directors RSUs. The PSU fair value as of the grant date was CHF 41.20 per unit and in total CHF 2.2 million. The RSU fair value at grant date was CHF 37.35 per unit and amounted to CHF 1.5 million and CHF 0.3 million for the board of directors RSU, respectively.

The PSU fair value for the 2022 granted share units is based on the fair value of the two key performance indicators (KPIs) rTSR and Sales-CAGR, whereas each KPI fair value is weighted with 50%. The rTSR fair value is calculated by using a Monte Carlo simulation of the Company's share price and the SPI Extra index price. The expected volatility for the Company's share was 37.48% and for the SPI Extra index 17.31%. The risk-free interest rate was 0.60% and the expected correlation 0.48. The RSU fair value is equal to the Company's share price on the grant date.

In April 2023, the Company granted 61,025 PSUs, 33,170 RSUs and 7,403 board of directors RSUs. The PSU fair value as of the grant date was CHF 38.90 per unit and in total CHF 2.4 million. The RSU fair value at grant date was CHF 42.50 per unit and amounted to CHF 1.4 million and CHF 0.3 million for the board of directors RSU, respectively.

The PSU fair value for the 2023 granted share units is based on the fair value of the two key performance indicators (KPIs) rTSR and Sales-CAGR, whereas each KPI fair value is weighted with 50%. The rTSR fair value is calculated by using a Monte Carlo simulation of the Company's share price and the SPI Extra index price. The expected volatility for the Company's share was 32.97% and for the SPI Extra index 16.30%. The risk-free interest rate was 1.89% and the expected correlation 0.45. The RSU fair value is equal to the Company's share price on the grant date.

In April 2024, the Company granted 53,357 PSUs, 34,762 RSUs and 7,759 board of directors RSUs. The PSU fair value as of the grant date was CHF 45.20 per unit and in total CHF 2.4 million. The RSU fair value at grant date was CHF 40.55 per unit and amounted to CHF 1.4 million and CHF 0.3 million for the board of directors RSU, respectively. The expenses are distributed over the vesting period of 3 years for employees and for board members, adjusted by expected forfeitures and effective forfeitures.

The PSU fair value for the 2024 granted share units is based on the fair value of the two key performance indicators (KPIs) rTSR and Sales-CAGR, whereas each KPI fair value is weighted with 50%. The rTSR fair value is calculated by using a Monte Carlo simulation of the Company's share price and the SPI Extra index price. The expected volatility for the Company's share was 31.95% and for the SPI Extra index 15.28%. The risk-free interest rate was 1.08% and the expected correlation 0.39. The RSU fair value is equal to the Company's share price on the grant date.

As of December 31, 2024, there are 285,412 share units outstanding with a weighted average remaining life of 1.3 years. As of December 31, 2023, there were 262,474 units outstanding.

The following table represents the unrecognized share unit cost that will be recognized over the weighted average remaining life as of December 31, 2024:

In CHF million	2025	2026	2027	Total
PSU	3.8	1.2	0.3	5.3
RSU	1.3	0.4	0.1	1.9
Board of directors RSU	0.3	0.1	0.0	0.5
Total	**5.4**	**1.8**	**0.5**	**7.7**

In 2024, the Company presented the following expenses in its consolidated statements of operations related to its share units plan:

In CHF million	PSU	RSU	Board of directors RSU	Total
Research & development expenses, net	2.0	0.5	–	2.5
Selling, general & administrative expenses	1.5	0.8	0.3	2.5
Total expenses 2024	**3.5**	**1.2**	**0.3**	**5.0**

The expenses are distributed over the vesting period of three years for PSUs, RSUs and board of directors RSUs, adjusted by expected and effective forfeitures.

previous topic

15 Shareholders' equity

As of December 31, 2024, the Company had 13,169,764 registered shares (Namenaktien) issued with a par value of CHF 1.00 per share. As of December 31, 2023, the Company had 13,099,826 registered shares issued with a par value of CHF 1.00 per share.

In 2024, a total of 600 stock options, 48,930 PSUs and 20,993 RSUs were exercised which resulted in the issuance of 69,938 registered shares from conditional capital with a par value of CHF 1.00 per share. In 2023, a total of 16,241 stock options and 4,574 RSUs were exercised resulting in the issuance of 6,381 registered shares from conditional capital with a par value of CHF 1.00 per share.

Capital band

As of December 31, 2024, the Company has a capital band between CHF 13,169,764 (lower limit) and CHF 14,469,764 (upper limit). Within the range of the capital band, the board of directors is authorized to increase the share capital in any amount once or several times until April 26, 2026. The capital increase can be effected by issuing up to 1,300,000 registered shares with a nominal value of CHF 1.00 each or by increasing the nominal values of the issued registered shares.

Conditional share capital

As of December 31, 2024, the conditional share capital is structured as follows:

In accordance with article 3a paragraph 1 of the articles of association, the share capital may be increased by a maximum of CHF 1,590,392 through the issuance of a maximum of 1,590,392 registered shares with a nominal value of CHF 1 each, to cover the exercise of rights to subscribe for new shares within the meaning of article 653 paragraph 1 of the Swiss Code of Obligations granted to employees of the Company or of group companies and/or members of the board of directors of the Company. A maximum of 1,553,360 rights/options to subscribe for new shares were outstanding under the Company's employee stock option plan/long-term incentive plans as of December 31, 2024.

In accordance with article 3a paragraph 2 of the articles of association, the share capital may be increased up to a maximum of CHF 2,000,000, by issuing a maximum of 2,000,000 registered shares having a par value of CHF 1.00 each, with respect to the exercise of conversion rights granted to holders of existing convertible bonds (to the extent they were backed so far by treasury shares) or new convertible bonds issued by the Company or one of its group companies. The aggregate principal amount of the convertible bonds backed by such conditional capital and/or treasury shares shall not exceed CHF 250,000,000, and such conditional capital can only be used for convertible bonds issued until December 22, 2022.

In accordance with article 3c (conditional share capital based on the capital band) of the articles of association, the share capital may be increased within the scope of the capital band by the issuance of maximum 1,300,000 registered shares with a nominal value of CHF 1.00 each through the exercise or compulsory exercise of conversion, exchange, option, subscription or other rights to subscribe for shares or through purchase obligations in respect of shares granted or imposed on shareholders or third parties alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the company or one of its group companies (collectively "Financial Instruments"). However, as of December 31, 2024, no such Financial Instruments have been issued under article 3c of the articles of association.

As of December 31, 2024, the Company held treasury shares in the total amount of CHF 51.7 million (December 31, 2023: CHF 54.0 million), comprising of 1,000,000 registered shares with a par value of CHF 1.00 per share subject to a share lending agreement and held by Basilea Pharmaceutica Ltd, Allschwil, for the potential conversion of the outstanding convertible senior unsecured bonds and further 41,770 (December 31, 2023: 98,157) registered shares with a par value of CHF 1.00 per share.

Changes in accumulated other comprehensive income/loss as of December 31, 2024 and 2023:

In CHF million	Currency translation adjustment	Unrecognized pension cost	Reclassification into P&L	Total
December 31, 2022	(2.3)	(2.7)	1.2	**(3.8)**
Change during the period	(0.2)	(6.5)	0.3	**(6.4)**
Total change during the period	(0.2)	(6.5)	0.3	**(6.4)**
December 31, 2023	(2.5)	(9.2)	1.5	**(10.2)**
Change during the period	1.2	4.3	0.0	**5.5**
Total change during the period	1.2	4.3	0.0	**5.5**
December 31, 2024	**(1.3)**	**(4.9)**	**1.5**	**(4.7)**

16 Earnings per share

The calculation of the basic and diluted earnings per share in 2024 and 2023 is shown in the table below:

	2024		2023	
In CHF million	**Basic**	**Diluted**	Basic	Diluted
NUMERATOR				
Net profit, in CHF million	**77.6**	**80.7**	10.5	10.5
DENOMINATOR				
Weighted average shares outstanding (actual)	**12 089 673**	**12 089 673**	11 991 393	11 991 393
Incremental shares from assumed conversion	**–**	**1 765 367**	–	151 684
Weighted average shares outstanding (actual and assumed conversion)	**12 089 673**	**13 855 040**	11 991 393	12 143 077
Earnings per share in CHF	**6.42**	**5.83**	0.87	0.86

As of December 31, 2024, there were 891,872 stock options outstanding with a weighted average exercise price of CHF 75.15 as well as 285,412 share units with a weighted average grant date fair value of CHF 41.35.

The calculation of the diluted earnings per share included 212,007 shares from PSU/RSU plans as well as 1,553,360 shares issuable upon conversion of convertible senior unsecured bonds. Under the if-converted method, incremental shares from convertible bonds are included in the earnings per share calculation only if their effect is dilutive, considering the addition of interest expense back to net income.

As of December 31, 2023, there were 1,106,825 stock options outstanding with a weighted average exercise price of CHF 77.45 as well as 301,865 share units with a weighted average grant date fair value of CHF 42.39.

The calculation of the diluted earnings per share included 151,684 shares from PSU/RSU plans. Applying the if-converted method, there were 1,553,360 shares issuable upon conversion of convertible senior unsecured bonds, which were not included in the calculation of earnings per share, as the effect would have been antidilutive.

In 2020, the Company entered into a share lending agreement for 1,000,000 registered treasury shares. These shares are deducted in the calculation of the weighted average shares outstanding.

17 Pension plan

The pension plan is operated by an insurance company as a collective investment scheme and is a semi-autonomous solution. The Company and the participants provide monthly contributions to the pension plan which are based on the covered salary. The respective saving parts of premium are credited to employees' accounts. In addition, interest is credited to employees' accounts at the rate provided in the plan. The pension plan provides retirement benefits as well as benefits on long-term disability and death.

The pension plan qualifies as a defined benefit plan in accordance with US GAAP.

previous topic

The following table provides information on the pension expenses related to the Company's defined benefit pension plan for the years 2024 and 2023:

In CHF million	2024	2023
Service cost	**2.7**	2.5
Interest cost	**0.9**	1.2
Expected return on plan assets	**(1.8)**	(1.7)
Amortization of prior service cost	**0.4**	0.4
Settlements	**–**	0.5
Net periodic pension cost	**2.2**	2.9

The reconciliation of the projected benefit obligation and the changes to the fair value of the plan assets of the pension plan are shown in the following table:

In CHF million	2024	2023
Projected benefit obligation, beginning of period	**65.9**	59.2
Service cost	**2.7**	2.5
Participant contributions	**1.2**	1.1
Interest cost	**0.9**	1.2
Benefits paid, net	**0.6**	2.0
Settlements	**–**	(6.7)
Actuarial loss	**4.3**	7.2
Plan amendment	**–**	(0.6)
Projected benefit obligation, end of period	**75.6**	65.9
Plan assets, beginning of period	**50.8**	50.8
Actual return on plan assets	**10.0**	0.9
Employer contributions	**2.8**	2.6
Participant contributions	**1.2**	1.1
Benefits paid, net	**0.6**	2.0
Settlements	**–**	(6.7)
Plan assets, end of period	**65.4**	50.7
Accrued pension liability	**(10.2)**	(15.2)

As of December 31, 2024, the Company recorded an accrued pension liability of CHF 10.2 million in other non-current liabilities (December 31, 2023: CHF 15.2 million).

The collective pension plan operated by an insurance company invests its plan assets mainly in cash and cash equivalents, equity funds, equity securities, corporate bonds, government bonds, real estate funds classified as Level 1 and Level 2 under the fair value hierarchy. The pension assets are measured at fair value.

The Company records net gains/losses, consisting of actuarial gains/losses, curtailment gains/losses and differences between expected and actual returns on plan assets, in other comprehensive income/loss.

As of December 31, 2024, accumulated other comprehensive income/loss includes unrecognized pension cost of CHF 4.9 million, consisting of a net loss of CHF 1.5 million, determined using actuarial assumptions, and a prior service cost of CHF 3.3 million that have not yet been recognized as a component of net periodic pension cost.

As of December 31, 2023, the accumulated other comprehensive income/loss included unrecognized pension cost of CHF 9.2 million, consisting of a net loss of CHF 5.5 million and a prior service cost of CHF 3.7 million, that have not yet been recognized as a component of net periodic pension cost.

The Company expects that a net amount of CHF 0.6 million will be reclassified from accumulated other comprehensive income/loss and recognized as a component of net periodic pension cost in 2025 as a result of the amortization of the pension-related net loss and the amortization of the prior service cost.

previous topic

The following table shows the components of unrecognized pension cost in accumulated other comprehensive income/loss that have not yet been recognized as components of net periodic pension cost:

In CHF million	2024	2023
Net (gain)/loss, beginning of period	**5.5**	(2.0)
Other (gain)/loss during the period	**(3.9)**	8.1
Settlements	**–**	(0.6)
Net loss, end of period	**1.5**	5.5
Prior service cost, beginning of period	**3.7**	4.7
Amortization of prior service cost	**(0.4)**	(0.4)
Plan amendment	**–**	(0.6)
Prior service cost, end of period	**3.3**	3.7
Total unrecognized pension cost, end of period	**4.9**	9.2

The weighted average of the key assumptions used to compute the benefit obligations were as follows:

In CHF million	2024	2023
Discount rate	**0.95%**	1.35%
Rate of increase in compensation level	**1.25%**	1.75%
Expected long-term rate of return on plan assets	**3.05%**	3.50%

The assumption of the expected long-term rate of return on plan assets was based on the long-term historical rates of returns for the different investment categories which were adjusted, where appropriate, to reflect financial market developments.

The accumulated benefit obligation as of December 31, 2024 and 2023, amounts to CHF 74.1 million and CHF 62.1 million, respectively.
The investment risk is borne by the insurer and the reinsurer, respectively, and the investment decision is taken by the board of trustees of the collective insurance.

The following table provides information on all estimated future undiscounted benefit payments under the Company's pension plan for each of the next five years and the aggregate for the five years thereafter. Besides the retirement benefit payments, these amounts also include payments resulting from death, disability and transfers out of transportable amounts during the relevant period.

Potential payments transferred into the pension plan resulting from the hiring of employees are excluded from the amounts below:

Amount in CHF million	
2025	4.4
2026	3.8
2027	3.7
2028	4.0
2029 – 2034	26.5

In addition to the defined benefit plan described above, the Company recognized no expenses related to defined contribution plans of Basilea's subsidiaries in 2024 and 2023.

previous topic

18 Leases

Financing lease contracts

The Company had no finance leases for the financial years ending on December 31, 2024 and 2023.

Operating lease contracts

The Company entered into operating lease contracts for office spaces. The aggregate minimum operating lease payments are expensed on a straight-line basis over the term of the related lease. For the year ending on December 31, 2024, the Company recorded total operating lease expenses of CHF 2.0 million in the operating expense section.

The Company is recognizing lease expense on a straight-line basis throughout the remaining term of the lease. The Company's incremental borrowing rate is 2.2%. Under the terms of the lease, non-lease components such as utilities and maintenance, are not part of the lease payments and are expensed as incurred.

For the year ending on December 31, 2024, CHF 1.8 million of the right-of-use (ROU) asset was amortized. The lease payment resulted in a decrease of the lease liability by CHF 1.9 million. There is approximately seven years of the lease term remaining.

On June 30, 2020, the Company entered into a lease agreement commencing on June 1, 2022, for office and laboratory space in Allschwil, in the canton of Basel-Landschaft. As per March 1, 2023 the office space was increased. The lease is accounted for as an operating lease, consequently a lease liability and a Right-of-Use (ROU) asset were recognized at commencement date. The term of the lease is ten years and term of the additional office space is approximately nine years; the annual lease payments are approximately CHF 2.4 million. Lease incentives are approximately CHF 1.8 million, of which CHF 0.6 milion are payable to the Company over the term of the lease. The Company has the option to extend the lease two times by five years, however, the Company concluded they are not reasonably certain to exercise the option.

The table below shows the operating lease ROU assets recorded:

		Buildings
In CHF million	**2024**	2023
Cost		
January 01	**23.7**	22.3
Additions	**–**	1.4
December 31	**23.7**	23.7
Accumulated depreciation		
January 01	**(6.9)**	(5.0)
Additions	**(1.8)**	(1.9)
December 31	**(8.7)**	(6.9)
Total operating lease right-of-use assets	**15.0**	16.8

As of December 31, the following operating lease liabilities are recorded:

In CHF million	**2024**	2023
Buildings	**2.1**	2.1
Total current operating lease liabilities	**2.1**	2.1
Buildings	**13.7**	15.6
Total non-current operating lease liabilities	**13.7**	15.6

previous topic

As of December 31, 2024, the future minimum commitments under ASC 842 for the operating lease were as follows:

Amount in CHF million	
2025	2.4
2026	2.4
2027	2.4
2028	2.4
2029	2.4
2030 and thereafter	5.7
Total lease payments	17.6
Less: imputed interest	-1.8
Total operating lease liabilities	15.8

19 Concentration of risk

The Company is generally subject to credit risk related to financial investments. The Company mitigates such credit risk by depositing and investing the funds only with counterparties, which are rated as high-quality investment grade by a major rating agency or are fully guaranteed by Swiss cantons at the time of the Company's investment.

Cash and cash equivalents as of December 31, 2024, amounted to CHF 120.7 million, primarily held with different banks. As of December 31, 2024, the highest total amount of cash and cash equivalents and investments held at one bank amounted to CHF 27.5 million.

The Company is also subject to credit risk related to accounts receivable and other receivables. The highest total amount with an individual counterparty as of December 31, 2024, was from Astellas in the amount of CHF 19.1 million.

20 Related party transactions

The accounts receivable, accounts payable and accruals and other current liabilities do not include positions due to or from related parties as of December 31, 2024 and 2023.

In 2024 and 2023, the Company paid no fees to its board members for consulting services.

21 Commitments and contingencies

The Company entered into various purchase commitments for services and materials as well as for equipment as part of the ordinary business. In the opinion of management, these commitments are not in excess of current market prices in all material respects, reflect normal business operations and will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

As of December 31, 2024, there are no significant contingencies.

22 Subsequent events

There were no significant events between the balance sheet date and the approval of the report by the board of directors on February 13, 2025.

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Report of the statutory auditors

to the General Meeting of Basilea Pharmaceutica Ltd, Allschwil

Report on the audit of the consolidated financial statements

Opinion
We have audited the accompanying consolidated financial statements of Basilea Pharmaceutica Ltd, Allschwil & its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity (deficit) for the years then ended, and the related notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements (pages 173 to 205) present fairly, in all material respects, the financial position of the Group as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law.

Basis for opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS), Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the independence and other ethical requirements relating to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters
We have determined that there are no key audit matters to communicate in our report.

Responsibilities of the Board of Directors for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP and the provisions of Swiss law, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, Swiss law and SA-CH will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, Swiss law and SA-CH, we:

– Exercise professional judgment and maintain professional skepticism throughout the audit.

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, no such opinion is expressed.

– Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made, as well as evaluate the overall presentation of the consolidated financial statements.

– Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for a reasonable period of time.

– Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We are required to communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information
The Board of Directors is responsible for the other information included in the annual report. The other information comprises all information in the annual report but does not include the consolidated financial statements, the stand-alone financial statements of Basilea Pharmaceutica Ltd, Allschwil, the compensation report of Basilea Pharmaceutica Ltd, Allschwil and our auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.
We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Daniel Anliker
Licensed audit expert
Auditor in charge

Kelly Karagas

Basel, February 13, 2025

Financial statements of Basilea Pharmaceutica Ltd, Allschwil

Balance sheets

as of December 31, 2024 and 2023

In CHF thousands	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**57 600**	19 467
Restricted cash	**3 849**	4 389
Other receivables	**212**	1 198
Other assets	**84**	54
Total current assets	**61 745**	25 108
NON-CURRENT ASSETS		
Accounts receivable, affiliates	**–**	33 338
Investment in subsidiaries, net	**483 057**	483 426
Total non-current assets	**483 058**	516 764
TOTAL ASSETS	**544 803**	541 872

In CHF thousands	2024	2023
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable, affiliates	**294**	–
Accounts payable, third party	**49**	–
Other liabilities	**1 366**	1 357
Accruals	**207**	837
Total current liabilities	**1 915**	2 194
NON-CURRENT LIABILITIES		
Convertible senior unsecured bonds	**95 912**	95 455
Total non-current liabilities	**95 912**	95 455
Total liabilities	**97 828**	97 649
SHAREHOLDERS' EQUITY		
Share capital[1]	**13 170**	13 100
General reserve:		
Reserve from capital contributions	**524 923**	521 748
Treasury shares[2]	**(51 702)**	(54 008)
Accumulated deficit	**(36 616)**	(32 557)
Net loss	**(2 800)**	(4 060)
Total shareholders' equity	**446 975**	444 223
TOTAL LIABILITIES AND EQUITY	**544 803**	541 872

[1] As of December 31, 2024, 13,169,764 shares (December 31, 2023: 13,099,826) were issued and 12,089,673 shares (December 31, 2023: 12,001,669) outstanding with a par value of CHF 1.00 per share.

[2] As of December 31, 2024, 1,041,770 shares (December 31, 2023: 1,098,157) with a par value of CHF 1.00.

These financial statements should be read in conjunction with the notes.

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Basilea Pharmaceutica Ltd, Allschwil

Statements of operations

for the years ended December 31, 2024 and 2023

In CHF thousands	2024	2023
Administrative expense	**(652)**	(613)
Reversal of impairment	**412**	–
Total operating expense	**(240)**	(613)
Operating loss	**(240)**	(613)
Financial income	**1 289**	765
Financial expense	**(3 849)**	(4 212)
Loss before taxes	**(2 800)**	(4 060)
Direct taxes	**–**	–
Net loss	**(2 800)**	(4 060)

These financial statements should be read in conjunction with the notes.

Basilea Pharmaceutica Ltd, Allschwil

Notes to the financial statements

as of December 31, 2024

1 Summary of significant accounting policies

General information
The financial statements of the Company for the year ended 31 December, 2024, have been prepared in accordance with Swiss law. Where not prescribed by law, the significant accounting and valuation policies applied are described below.

Basilea Pharmaceutica Ltd, Allschwil, (the Company) is registered in Allschwil, Switzerland. In 2024 and 2023, the Company had no employees.

The Company prepares its consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (US GAAP). It further includes a management report (Financial Review) in its annual report. In accordance with Swiss law the Company has therefore elected not to include in its financial statements a cash flow statement and a management report.

There are no further items to disclose according to Art. 959c Swiss Code of Obligations.

Investment in subsidiaries
Investments in subsidiaries include those companies in which the Company has an interest of more than 20%. The investments are valued at acquisition cost, including equity contributions, less valuation allowances. Valuation allowances are recorded as impairment in the statement of operations to reflect the recoverable value of the group at the balance sheet date.

As per December 31, 2024, Management made an assessment of the recoverability of the non-current assets and concluded that these are fully recoverable.

Convertible senior unsecured bonds
On July 28, 2020, the Company issued CHF 97.1 million aggregate principal amount of convertible senior unsecured bonds due July 28, 2027 (2027 bonds). The Company received total net proceeds from the sale of the 2027 bonds of approximately CHF 93.9 million, after deducting issuance costs of CHF 3.2 million.

The 2027 bonds carry a coupon of 3.25% per annum and the conversion price is CHF 62.50. The 2027 bonds were issued at 100% of the principal amount and will also mature at 100% of that amount on July 28, 2027, unless previously redeemed, converted or repurchased and cancelled.

Treasury shares
Treasury shares are recognized at the acquisition costs of the shares. Shares issued from treasury are recognized using the first-in first-out method.

Financial income
This position includes interest income on receivables from group companies and on bank balances.

Financial expense
Financial expenses mainly include transaction cost and interest related to the 2027 convertible bond.

2 Investments

As of December 31, 2024, the Company holds the following investments:

Company	Location	Ownership interest/ Voting rights	Share capital	Purpose
Basilea Pharmaceutica International Ltd, Allschwil	Switzerland, Allschwil	100%	CHF 10 000 000	Research, development, manufacturing, marketing, distribution
Basilea Medical Ltd	UK, Rickmanworth	100%	GBP 200 000	Marketing authorization holder (UK), regulatory services
Basilea Pharmaceutica Deutschland GmbH	Germany, Lörrach	100%	EUR 25 000	Marketing authorization holder (EU), distribution

As per May 31, 2024, the liquidation of Basilea Pharmaceuticals Ltd (UK) has been completed. The impairment on investment is shown in the Company's statement of operations and consists of the loss from decreasing foreign exchange rates on initial book value as well as the reversal of the impairment recognized in 2007.

3 Share capital

As of December 31, 2024, Basilea had 13,169,764 registered shares (Namenaktien) issued with a par value of CHF 1.00 per share. As of December 31, 2023, Basilea had 13,099,826 registered shares issued with a par value of CHF 1.00 per share.

Capital band

As of December 31, 2024, Basilea has a capital band between CHF 13,169,764 (lower limit) and CHF 14,469,764 (upper limit). Within the range of the capital band, the board of directors is authorized to increase the share capital in any amount once or several times until April 26, 2026. The capital increase can be effected by issuing up to 1,300,000 registered shares with a nominal value of CHF 1.00 each or by increasing the nominal values of the issued registered shares.

Conditional share capital

As of December 31, 2024, the conditional share capital is structured as follows:

In accordance with article 3a paragraph 1 of the articles of association, the share capital may be increased by a maximum of CHF 1,590,392 through the issuance of a maximum of 1,590,392 registered shares with a nominal value of CHF 1.00 each, to cover the exercise of rights to subscribe for new shares within the meaning of article 653 paragraph 1 of the Swiss Code of Obligations granted to employees of Basilea or of group companies and / or members of the board of directors of Basilea. A maximum of 1,553,360 rights / options to subscribe for new shares were outstanding under Basilea's employee stock option plan / long-term incentive plans as of December 31, 2024.

In accordance with article 3a paragraph 2 of the articles of association, the share capital may be increased up to a maximum of CHF 2,000,000, by issuing a maximum of 2,000,000 registered shares having a par value of CHF 1.00 each, with respect to the exercise of conversion rights granted to holders of existing convertible bonds (to the extent they were backed so far by treasury shares) or new convertible bonds issued by Basilea or one of its group companies. The aggregate principal amount of the convertible bonds backed by such conditional capital and / or treasury shares shall not exceed

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CHF 250,000,000, and such conditional capital can only be used for convertible bonds issued until December 22, 2022.

In accordance with article 3c (conditional share capital based on the capital band) of the articles of association, the share capital may be increased within the scope of the capital band by the issuance of maximum 1,300,000 registered shares with a nominal value of CHF 1.00 each through the exercise or compulsory exercise of conversion, exchange, option, subscription or other rights to subscribe for shares or through purchase obligations in respect of shares granted or imposed on shareholders or third parties alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the company or one of its group companies (collectively "Financial Instruments"). However, as of December 31, 2024, no such Financial Instruments have been issued under article 3c of the articles of association.

As of December 31, 2024, the Company held treasury shares in the total amount of CHF 51.7 million (December 31, 2023: CHF 54.0 million), comprising of 1,000,000 registered shares with a par value of CHF 1.00 per share subject to a share lending agreement and held by Basilea Pharmaceutica Ltd, Allschwil, for the potential conversion of the outstanding convertible senior unsecured bonds and further 41,770 (December 31, 2023: 98,157) registered shares with a par value of CHF 1.00 per share.

The following table provides information on the Company's treasury shares transactions:

	Average price (in CHF)	Number of shares
December 31, 2022	**48.88**	**1 142 141**
Purchases	44.80	247 235
Sales	46.48	(291 219)
December 31, 2023	**48.60**	**1 098 157**
Purchases	40.90	271 255
Sales	41.41	(327 642)
December 31, 2024	**48.86**	**1 041 770**

4 PSUs/RSUs granted to the board of directors, the management and employees

	BoD RSU		RSU		PSU	
	2024	2023	**2024**	2023	**2024**	2023
Board of directors	**7 759**	7 403	**–**	–	**–**	–
Management	**–**	–	**–**	–	**38 982**	44 320
Employees	**–**	–	**34 762**	33 170	**14 375**	16 705
	7 759	7 403	**34 762**	33 170	**53 357**	61 025

5 Significant shareholders

There are no ownership percentage of shareholders which held a significant percentage of shares of the Company as of December 31, 2024 and 2023, according to the share register of the Company.

The ownership percentages are based on 13,169,764 shares issued as of December 31, 2024, and 13,099,826 shares issued as of December 31, 2023.

Proposal of the board of directors for the appropriation of loss carried forward as of December 31, 2024:

In CHF thousands	Proposed by the board of directors
Accumulated deficit beginning of the year	(36 616)
Net loss of the year	(2 800)
Balance to be carried forward	**(39 416)**

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Report of the statutory auditor

to the General Meeting of Basilea Pharmaceutica Ltd, Allschwil
Allschwil

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Basilea Pharmaceutica Ltd, Allschwil (the Company), which comprise the balance sheet as at 31 December 2024, and the statement of operations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of investments in subsidiaries, net and accounts receivables affiliates

Key audit matter
Basilea Pharmaceutica Ltd, Allschwil reports investments in subsidiaries, net of CHF 483 million.

We consider the recoverability of the carrying value of these balances to be a key audit matter based on their magnitude and based on the significant judgement and estimates made in the determination of the recoverable value relating to the recoverability of the carrying value of the investment in subsidiaries, net and the accounts receivables affiliates balances. Refer to note 1

How our audit addressed the key audit matter
We assessed whether the recoverability of the carrying value of the investments in subsidiaries, net and the accounts receivables affiliates is supported as per December 31, 2024.

We obtained Management's valuation of the group. We assessed the reasonableness of the key parameters of the valuation being the forecasted cash flows and the discount rate.

We discussed the key assumptions applied in the valuation with Manage-

summary of significant accounting policies and note 2 investments to of the financial statements.

ment and the Audit Committee. Further, we compared Management's valuation with analysts' reports and assessed the sensitivity of the valuation to certain parameters.
We read the minutes of the meetings of the Board of Directors and discussed their contents and the strategic initiatives with Management and the Audit Committee focusing on the relevant judgments relating to the future value of the development projects and the current contractual agreements.

We considered the market capitalization of Basilea Pharmaceutica Ltd, Allschwil at the balance sheet date as a relevant indicator of the value of the investments in subsidiaries, net and accounts receivables affiliates.

We consider the approach used by Management for the purpose of supporting the recoverability of the carrying value of the investments in subsidiaries, net and accounts receivables affiliates to be reasonable.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

– Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the proposed appropriation of earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Daniel Anliker
Licensed audit expert
Auditor in charge

Kelly Karagas

Basel, February 13, 2025

Imprint

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Annual general meeting

The annual general meeting of shareholders for the financial year 2024 will take place on April 16, 2025, in Basel, Switzerland.

The full Annual Report 2024 of Basilea Pharmaceutica Ltd, Allschwil consists of a business review, the corporate governance section, the compensation report, and the financial report and is published in English. A short version is available in German. In case of discrepancies the English version prevails.

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