



Dear shareholders

Allschwil, Switzerland, April 2, 2024

We are very pleased to invite you to this year's annual general meeting.

In 2023, Basilea has made substantial progress towards its strategic goal to becoming the leading anti-infectives company. We were able to expand our pipeline with three promising new clinical compounds, while still improving our financial situation.

An exciting portfolio combined with financial strength are the foundation for future growth and success.

In 2022 and 2023, we have used the growing proceeds from our business to reduce substantially our debt level by a total of CHF 108 million. On the back of the commercial success and continued strong prospects of our approved products, we accelerated in 2023 the repayment of our loan, thereby reducing interest payments and fees by about CHF 1.5 million. The remaining outstanding loan amount of CHF 16 million has been repaid in March 2024.

At the same time, we were able to expand our pipeline with novel antifungals and antibacterials, without assuming new debt or diluting shareholders. The most advanced new asset we acquired was fosmanogepix, a promising phase-3 ready antifungal compound, for an upfront payment of USD 37 million, which we were able to cover through the cash flow generated from our commercialized products.

The clinical development of fosmanogepix and the other new assets in our portfolio requires both time and appropriate financial investment in the coming years. In addition, we want to keep the flexibility to benefit from further portfolio investment opportunities, when they arise. We strongly believe that a sound financial position is a key success factor for the biotech sector in general and in particular in the current economic environment. Therefore, the board of directors does not currently consider the payment of a dividend to be in the long-term interest of the company and its shareholders.

We are taking on board shareholder feedback.

Based on feedback we received from our shareholders and from proxy advisors, we focused on better explaining our management compensation system and how compensation is linked to performance. As a result, for example, we now report in more detail on our performance against our corporate goals and how this has affected compensation.

We also expanded our corporate governance reporting by including information on board competencies and diversity. We also increased the proportion of female board members to 33% at last year's annual general meeting.

Environmental, social and governance (ESG) topics continue to grow in importance. By focusing our business on the research and development of effective treatments for severe fungal and bacterial infections, including those resistant to existing drugs, we contribute to addressing global health priorities. Since 2023, we have been developing an ESG strategy tailored to our business model. To do this, we conducted a "double-materiality" analysis, to identify which ESG topics are relevant for our long-term business success and how our business activities affect the environment and society. The results of this analysis were published in August 2023 on our website (www.basilea.com/sustainability). We determined nine key topics to focus on, as well as additional topics to manage and monitor, respectively. In 2024, we will assess the status of the nine "focus" topics in order to derive meaningful key performance indicators and set targets for future achievement.



An exciting year ahead

2024 will be an exciting year for Basilea. By the time of the annual general meeting, the FDA will have decided whether to approve Zevtera, and if it does, Basilea will prepare to enter the US market, together with a partner. Our Cresemba and Zevtera-related revenues are expected to grow at a solid double-digit rate and we assume a disproportional increase in operating profit and net profit, reflecting both the significant leverage of our commercialization model, based on partnering, and the improved financial position through our continued debt reduction. In addition, we will continue to advance the development of fosmanogepix with the start of two phase 3 studies, with the goal of continuing the commercial success story we started some years ago, with the launch of Cresemba.

We hope that you find these above explanations helpful and would be pleased if you voted in favor of the resolutions proposed by the board at the upcoming annual general meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Scala", written over a light gray rectangular background.

Domenico Scala
Chairman of the board

A handwritten signature in black ink, appearing to read "David Veitch", written over a light gray rectangular background.

David Veitch
Chief Executive Officer