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To the Shareholders and Bondholders of Basilea Pharmaceutica AG

Information for Shareholders and Bondholders of Basilea Pharmaceutica AG

Basel, Switzerland, June 25, 2020

Dear Shareholders, dear Bondholders

By this letter, I wish to inform you about a financial transaction of the Company.

Basilea Pharmaceutica AG ("Basilea") has convertible bonds outstanding in the aggregate principal amount of CHF 200 million ("Existing Bonds"). The Existing Bonds are due in December 2022.

Basilea intends to improve its debt maturity profile by:

- repurchasing at least CHF 90 million and a maximum of CHF 110 million of the Existing Bonds in a repurchase offer ("Repurchase Offer"); and
- issuing new convertible bonds ("New Bonds") in the aggregate principal amount of at least CHF 100 million and a maximum of CHF 125 million due in 2027 (subject to an investor put in 2025).

This combined transaction would extend approximately half of Basilea's debt maturity by five years (subject to an investor put in 2025).

The offer to repurchase Existing Bonds and the offer to sell New Bonds are dependent on each other and run in parallel.

The offer price in the Repurchase Offer amounts to 100.50% of the par-value of the Existing Bonds (or CHF 5'025 per Existing Bond with a par-value of CHF 5'000) plus accrued and unpaid interest up to the settlement date. The price is 1.01% above the price of the Existing Bonds as indicated on the website of SIX Swiss Exchange for 23 June 2020, i.e. before announcement of the intention to repurchase Existing Bonds.

The tender offer period during which the Repurchase Offer can be accepted is expected to start on July 10 and end on July 16, 2020, at 4 pm CEST (custodian agents may shorten this deadline for their clients). The settlement of the Repurchase Offer and of the New Bond issue is expected to take place on or about July 28, 2020.

The terms of both the Repurchase Offer and the New Bond issue are subject to jurisdictional restrictions and the terms are set out in separate definitive offer documentation.



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Yours sincerely,
Basilea Pharmaceutica AG

Domenico Scala
Chairman of the Board

About Basilea

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

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