



# Invitation to the Annual General Meeting

**Date:** April 24, 2024, 2:00 p.m. CEST

**Place:** Congress Center Basel

Allschwil, April 2, 2024

Dear shareholders,

We invite you to the 2024 annual general meeting (“AGM”) of Basilea Pharmaceutica Ltd, Allschwil (“Basilea” or “Company”) to be held on Wednesday, April 24, 2024 at 2:00 p.m. (doors open at 1:00 p.m.) at the Congress Center Basel, Messeplatz 21, 4005 Basel.

Sincerely,

Domenico Scala  
Chairman of the board  
Basilea Pharmaceutica Ltd, Allschwil

## Agenda and proposals of the board of directors

### 1. Annual report, financial statements, and consolidated financial statements for 2023

**Proposal:**

Approval of the annual report, financial statements, and consolidated financial statements for the financial year 2023.

**Explanation:**

According to article 698 para. 2 numbers 3 and 4 of the Swiss Code of Obligations (“SCO”) and Basilea’s articles of association, the general meeting is responsible for approving the annual report, the consolidated financial statements and the financial statements. For further information, please refer to the appendix.

### 2. Appropriation of the results

**Proposal:**

Carry forward of the accumulated deficit of CHF 36,617,000.

**Explanation:**

According to article 698 para. 2 number 4 of the SCO and Basilea’s articles of association, the general meeting is responsible for the resolution on the appropriation of the results. For the financial year 2023, the standalone financial statements of Basilea recorded a net loss of CHF 4,060,000. This results in an accumulated deficit of CHF 36,617,000 which is proposed to be carried forward.

### **3. Discharge of the members of the board of directors and of the management committee**

#### **Proposal:**

Discharge of the members of the board of directors and of the management committee for the financial year 2023.

#### **Explanation:**

According to article 698 para. 2 number 7 of the SCO and Basilea's articles of association, the general meeting is responsible for the discharge of the members of the board of directors and of the management committee.

### **4. Election of the chairman and the members of the board of directors**

#### **Proposals:**

- 4a Re-election of Mr. Domenico Scala as chairman
- 4b Re-election of Mr. Leonard Kruimer
- 4c Re-election of Dr. Martin Nicklasson
- 4d Re-election of Dr. Nicole Onetto
- 4e Re-election of Dr. Carole Sable
- 4f Re-election of Dr. Thomas Werner

#### **Explanation:**

According to article 698 para. 2 number 2 of the SCO and article 698 para. 3 number 1 of the SCO, as well as Basilea's articles of association, the general meeting is responsible for the election of the members of the board of directors as well as its chairperson. The elections of the members of the board of directors are held individually. The election of Mr. Domenico Scala as member and chairman of the board of directors is carried out in a single vote. By law, the term of office of the members of the board of directors lasts until the end of the next AGM. For further information, please refer to the appendix.

### **5. Election of the members of the compensation committee**

#### **Proposals:**

- 5a Re-election of Dr. Martin Nicklasson
- 5b Re-election of Dr. Nicole Onetto
- 5c Re-election of Dr. Thomas Werner

#### **Explanation:**

According to article 698 para. 3 number 2 of the SCO and Basilea's articles of association, the general meeting is responsible for the election of the members of the compensation committee. The elections are held individually for each member of the compensation committee. By law, the term of office of the members of the compensation committee lasts until the end of the next AGM.

### **6. Compensation for the board of directors and the management committee**

#### **6a Maximum aggregate amount of compensation for the board of directors**

#### **Proposal:**

Approval of the amount of 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.

**Explanation:**

According to article 698 para. 3 number 4 of the SCO and Basilea's articles of association, the general meeting is responsible for approving annually the maximum amount of compensation for the members of the board of directors for the period between two AGMs. For further information, please refer to the appendix.

**6b Maximum aggregate amount of compensation for the management committee****Proposal:**

Approval of the amount of CHF 6,280,000 as the maximum aggregate amount of total compensation (fixed and variable) for the management committee for the financial year 2025.

**Explanation:**

According to article 698 para. 3 number 4 of the SCO and Basilea's articles of association, the general meeting is responsible for approving annually the maximum amount of compensation for the members of the management committee for the following financial year. For further information, please refer to the appendix.

**6c Non-binding advisory vote on the 2023 compensation report****Proposal:**

Endorsement of the 2023 compensation report in a non-binding advisory vote.

**Explanation:**

According to article 735 of the SCO and Basilea's articles of association, the board of directors submits annually the compensation report for the past financial year to the general meeting for a non-binding advisory vote. For further information, please refer to the appendix.

**7. Election of the independent proxy****Proposal:**

Re-election of Dr. Caroline Cron, Attorney-at-law, Lenz Caemmerer, as independent proxy for a term until the end of the next AGM.

**Explanation:**

According to article 698 para. 3 number 3 of the SCO and Basilea's articles of association, the general meeting is responsible for the election of the independent proxy. Dr. Caroline Cron confirmed that she has the independence required to exercise the mandate.

**8. Election of the auditors****Proposal:**

Re-election of PricewaterhouseCoopers Ltd, Basel, as auditors for the consolidated financial statements and the standalone financial statements of Basilea Pharmaceutica Ltd, Allschwil for the financial year 2024.

**Explanation:**

According to article 698 para. 2 number 2 of the SCO and Basilea's articles of association, the general meeting is responsible for the election of the auditors. PricewaterhouseCoopers Ltd confirmed that it has the independence required to exercise the mandate.



## Voting right and representation

Shareholders who are recorded in the share register with voting rights as per **April 16, 2024** at 5:00 p.m. CEST are entitled to attend and exercise their voting rights at the 2024 annual general meeting. The registration of shareholders for voting purposes does not affect the possibility to trade in Basilea shares.

**Admission cards** can be ordered from:

Computershare Schweiz AG  
Basilea Pharmaceutica Ltd, Allschwil  
P.O. Box  
4601 Olten  
Switzerland

using the enclosed form or electronically on [www.gvote.ch](http://www.gvote.ch).

**Representation:** If you do not attend the AGM in person, you can be represented by:

- a) Any other person based on a written power of attorney. The power of attorney can be issued with the enclosed form or electronically on [www.gvote.ch](http://www.gvote.ch). For further information, please refer to the enclosed e-voting fact sheet  
or
- b) The independent proxy, Dr. Caroline Cron, Attorney-at-law, Lenz Caemmerer, Elisabethenstrasse 15, P.O. Box 430, 4010 Basel, Switzerland.

The voting instructions to the independent proxy can be issued in two ways:

- 1) In writing with the enclosed form  
or
- 2) Electronically on [www.gvote.ch](http://www.gvote.ch). The electronic instructions can be amended at any time until April 21, 2024, 11:59 p.m. CEST. For further information, please refer to the enclosed e-voting fact sheet.

If you have any questions relating to the annual general meeting, please send an e-mail to the following address: [AGM-Information@basilea.com](mailto:AGM-Information@basilea.com).

### **Annual report 2023:**

The annual report 2023, including the reports of the auditors, is available at [www.basilea.com/financial-reports](http://www.basilea.com/financial-reports). The full annual report is available in English and a short version is available in German.

Sincerely,

**Basilea Pharmaceutica Ltd, Allschwil**

Board of directors

# Appendix

## Explanations to agenda item 1:

### Approval of the annual report, financial statements and consolidated financial statements for 2023

The annual report, financial statements and consolidated financial statements for 2023 are available on Basilea’s website at [www.basilea.com/financial-reports](http://www.basilea.com/financial-reports).

On a consolidated basis, Basilea recorded total revenues of CHF 157.6 million in 2023, including Cresemba® and Zevtera®-related revenue of CHF 150.3 million. Total cost and operating expenses amounted to CHF 138.4 million. The consolidated operating result for the year was CHF 19.2 million and the consolidated net profit CHF 10.5 million. The standalone financial statements of Basilea Pharmaceutica Ltd, Allschwil recorded a net loss of CHF 4.06 million.

## Explanations to agenda item 4:

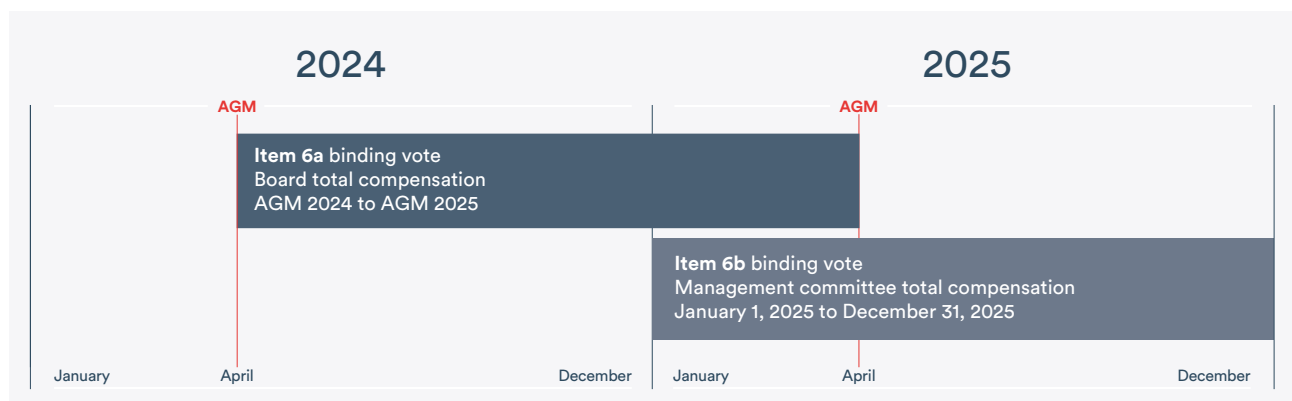
### Election of the chairman and of the members of the board of directors

The biographical data of candidates proposed for re-election can be found on Basilea’s website at [www.basilea.com](http://www.basilea.com) or in the annual report 2023 ([www.basilea.com/financial-reports](http://www.basilea.com/financial-reports); see page 56 et seqq.).

## Explanations to agenda item 6:

### Compensation for the board of directors and the management committee

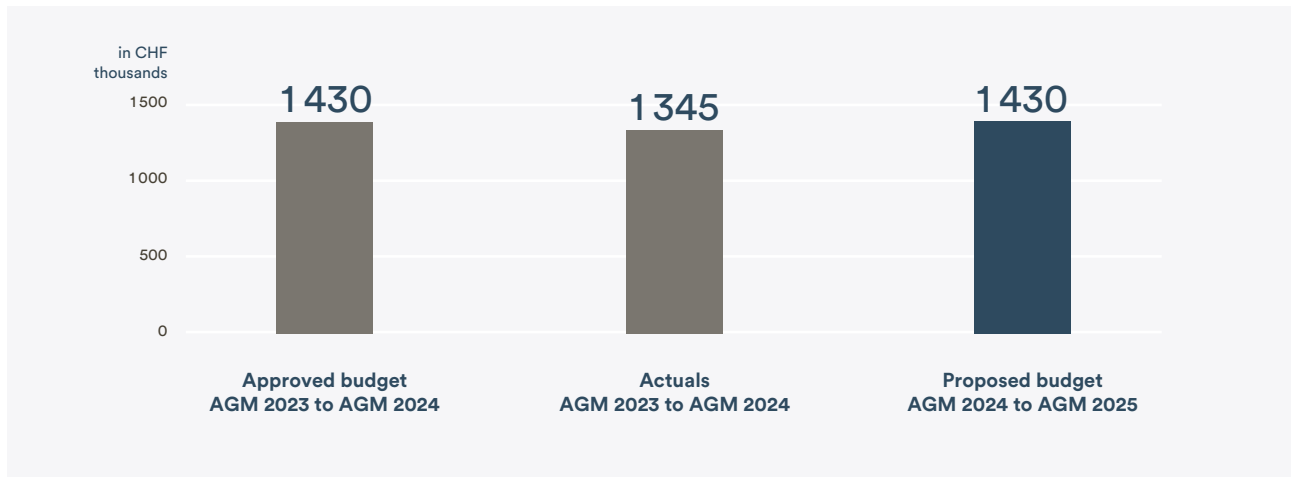
The AGM separately approves the maximum aggregate amount of compensation for the board of directors and the management committee. The compensation period for the board of directors is aligned with the term of office, which is the period from one AGM to the next. For the management committee, the compensation period for the maximum aggregate amount of total compensation, comprising both fixed and variable compensation, is aligned with the following financial year.



## Explanations to agenda item 6a:

### Maximum aggregate amount of compensation for the board of directors

The proposed maximum aggregate amount of compensation for the board of directors for the period from the AGM 2024 to the AGM 2025 amounts to CHF 1,430,000 and is unchanged compared to the approved compensation for the previous period. The estimated social security contributions to be paid by Basilea are included in the proposed budget.



Board members are paid 75% in cash and 25% in restricted share units (RSUs). The RSUs contain no performance element and will vest into Basilea shares following a three-year vesting period on a one-to-one basis.

| Fees in CHF — 75% in cash and 25% in RSUs | AGM 2024 to AGM 2025 |
|---|----------------------|
| <b>Chair</b>                              | <b>285 238</b>       |
| <b>Vice-chair</b>                         | <b>193 632</b>       |
| <b>Board member</b>                       | <b>181 632</b>       |
| <b>Committee membership:</b>              |                      |
| Chair                                     | 7 875                |
| Vice-chair and other board members        | 5 250                |

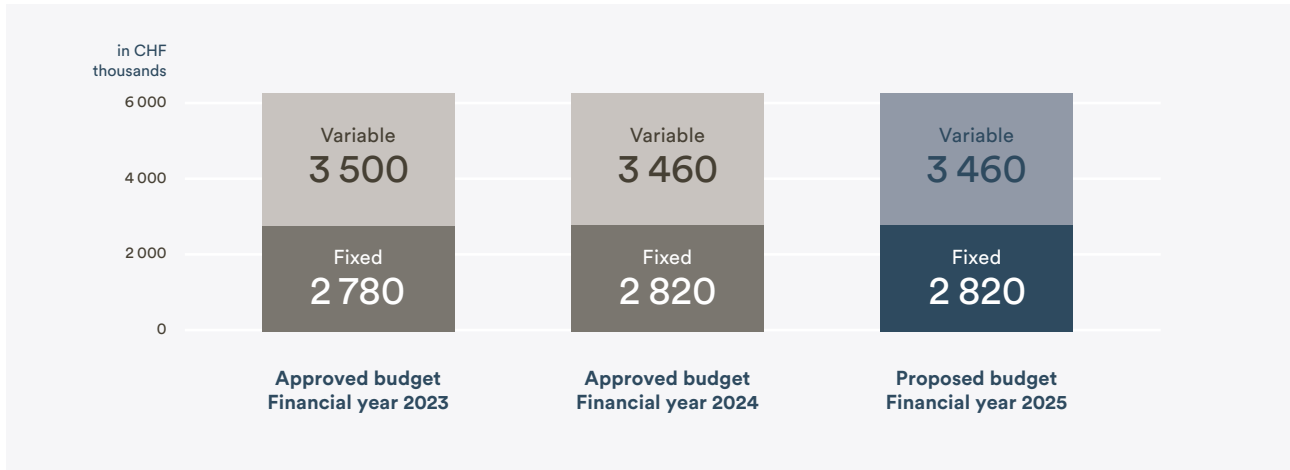
The figures included in the above table are indicative. Only the maximum aggregate amount of compensation is legally binding.

## Explanations to agenda item 6b:

### Maximum aggregate amount of compensation for the management committee

The proposed maximum aggregate amount of total compensation (fixed and variable) for the management committee for the financial year 2025 amounts to CHF 6,280,000. This amount is unchanged compared to the maximum amounts approved by shareholders for the financial years 2021 to 2024.

Estimated social security contributions to be paid by Basilea are included in the proposed budget.



### Proposed management committee compensation elements (indicative)

| In CHF  | Fixed compensation | Performance-related cash bonus | Long-term incentive plan | Social security & fringe benefits | Total compensation |
|---|--------------------|--------------------------------|--------------------------|-----------------------------------|--------------------|
| January 1, 2023 to December 31, 2023 approved | 2 165 000          | 1 370 000                      | 1 780 000                | 965 000                           | 6 280 000          |
| January 1, 2023 to December 31, 2023 actuals  | 2 095 263          | 972 309                        | 1 724 048                | 627 941                           | 5 419 561          |
| January 1, 2024 to December 31, 2024 approved | 2 172 000          | 1 398 000                      | 1 808 000                | 902 000                           | 6 280 000          |
| January 1, 2025 to December 31, 2025 proposed | 2 194 000          | 1 395 000                      | 1 820 000                | 871 000                           | 6 280 000          |

The figures included in the above table are indicative. Only the maximum aggregate amount of compensation is legally binding.

### Performance-related cash bonus

Performance-related cash bonuses vary annually and are based on the achievement of corporate goals for all management committee members. The goals for the CEO are identical to the corporate goals and are weighted exactly the same as for the overall Company. The goals for other management committee members are also identical to the corporate goals, however, the weightings are individual and reflect each member's main areas of focus and responsibility. Achievement of each goal and related details are disclosed retrospectively for the reported year in the compensation report.



### **Long-term incentive plan**

Under the long-term incentive plan, the management committee members are granted performance share units (PSUs) in order to incentivize future positive share price performance and sustainable revenue growth.

The amount of CHF 1,820,000 proposed for calendar year 2025 represents the indicative target value of the PSUs at grant date, and is based on 100% of base salary for the CEO and 75% of base salaries for the other management committee members. 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 share price of CHF 35 limits dilution to shareholders in the event market fluctuations would result in a low market value of the PSUs on the AGM date, which would lead to the grant of a large number of PSUs. PSUs will vest into Basilea shares following the completion of a three-year performance period and based on key performance indicators (KPIs). 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 vests into two Basilea shares. If the targets for both 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 minimum threshold, respectively, the actual ratio for converting PSUs into Basilea shares is calculated on a linear basis.

The shares delivered upon vesting after the three-year-performance period are subject to an additional one-year holding period.

The board of directors will determine the KPIs of the PSUs to be granted in 2025 and their weighting in the course of 2024.

For the long-term incentive plan 2021-2023 the performance period ended at the end of 2023. The details of the achievement against the KPIs and the cash value of the award for the management committee, which depends on the Basilea share price at the time of actual vesting in April 2024, will be disclosed in the compensation report 2024.

PSUs only vest if a management committee member is in continuous employment during the performance period, subject to certain exceptions, such as termination due to restructuring or redundancy, retirement, death, disability, or change of control, as described in the compensation report.

All shares and PSUs are furthermore subject to a malus/clawback provision, as described in the compensation report, which enables the board of directors 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.

## **Explanations to agenda item 6c:**

### **Non-binding advisory vote on the 2023 compensation report**

The purpose of the compensation report is to inform shareholders about Basilea's compensation systems for the board of directors and the management committee and to disclose the corresponding compensation. The 2023 compensation report can be downloaded from the Company's website:

[www.basilea.com/financial-reports](http://www.basilea.com/financial-reports).