Media Release
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Ad hoc announcement pursuant to Art. 53 LR

Idorsia announces financial results for 2021 – 2022 to be a transformative year – Sustainable profitability expected in 2025

Allschwil, Switzerland – February 8, 2022
Idorsia Ltd (SIX: IDIA) today announced its financial results for 2021.

Business highlights

- QUVIVIQ™ (daridorexant) 25 mg and 50 mg approved by the US Food and Drug Administration (FDA) for the treatment of adults with insomnia
- Marketing Authorization Application for daridorexant for the treatment of adults with insomnia under review with European Medicines Agency, Swissmedic, and Health Canada
- PIVLAZ™ (clazosentan) 150 mg approved in Japan for the prevention of cerebral vasospasm, vasospasm-related cerebral infarction and cerebral ischemic symptoms after aneurysmal subarachnoid hemorrhage
- Commercial organizations established in key markets in Europe and scaled-up in US and Japan in preparation for first product launches
- Phase 3 study with selatogrel for the treatment of acute myocardial infarction initiated
- Results from CARE study with cenerimod for systemic lupus erythematosus inform the decision to advance to Phase 3
- Results for MODIFY study with lucerastat for Fabry disease show potential effect on organ function to be further investigated in the ongoing open-label extension
- Phase 2 proof-of-concept study with SO1RA for binge eating disorder completed recruitment
- Ponesimod to treat relapsing forms of multiple sclerosis approved in US and EU, resulting in Idorsia receiving first income from the revenue-sharing agreement with Janssen Pharmaceuticals

Financial highlights

- Maintained strong balance sheet by successfully securing a CHF 600 m convertible bond
- US GAAP operating expenses 2021 at CHF 648 million
- Non-GAAP operating expenses 2021 at CHF 612 million
- **Guidance for 2022:** Net revenue around CHF 145 million – US GAAP operating expenses around CHF 975 million and non-GAAP operating expenses around CHF 920 million – leading to US GAAP operating loss of around CHF 840 million and non-GAAP operating loss of around CHF 785 million – unforeseen events excluded
- **Profitability target:** The company is committed to become profitable and expects to reach this goal in 2025 with sales above CHF 1 billion.

Jean-Paul Clozel, MD and Chief Executive Officer, commented:
"We entered 2021 with high expectations, and I am proud to report that these have been fully met. We achieved all the operational and clinical milestones we set for ourselves, and we are on track for a transformational year in 2022. This is the year in which Idorsia will become a commercial company, simultaneously launching two products in two of the largest pharmaceutical markets. It is also the year we will put sustainable profitability firmly within reach. With our innovative pipeline delivering further results this year, we have created the opportunity to then accelerate the growth trajectory, creating value for all of our stakeholders."

Financial results

US GAAP results in CHF millions, except EPS (CHF) and number of shares (millions)	Full Year		Fourth Quarter	
	2021	2020	2021	2020
Revenues	35	72	5	6
Operating expenses	(648)	(482)	(233)	(128)
Operating income (loss)	(613)	(411)	(228)	(123)
Net income (loss)	(635)	(445)	(252)	(137)
Basic EPS	(3.77)	(3.11)	(1.46)	(0.85)
Basic weighted average number of shares	168.5	142.8	172.9	160.8
Diluted EPS	(3.77)	(3.11)	(1.46)	(0.85)
Diluted weighted average number of shares	168.5	142.8	172.9	160.8

US GAAP revenue of CHF 35 million in 2021 consisted of contract revenue recognized in connection with the collaboration agreements with Santhera (CHF 12 million), Janssen Biotech, Inc. (CHF 10 million), Mochida Pharmaceutical Co., Ltd (CHF 5 million), Neurocrine Biosciences, Inc. (CHF 4 million) and Roche (CHF 4 million) and revenue share from J&J (CHF 0.5 million), compared to a revenue of CHF 72 million in 2020.

US GAAP operating expenses in 2021 amounted to CHF 648 million (CHF 482 million in 2020), of which CHF 414 million relates to R&D (CHF 381 million in 2020) and CHF 234 million to SG&A expenses (CHF 101 million in 2020).

US GAAP net loss in 2021 amounted to CHF 635 million compared to CHF 445 million in 2020. The increase of the net loss was mainly driven by lower contract revenues as well as higher operating expenses, mainly in the commercial functions, which was partially offset by a decrease in financial expense.

The US GAAP net loss resulted in a net loss per share of CHF 3.77 (basic and diluted) in 2021 compared to a net loss per share of CHF 3.11 (basic and diluted) in 2020.

Non-GAAP* measures in CHF millions, except EPS (CHF) and number of shares (millions)	Full Year 2021	Full Year 2020	Fourth Quarter 2021	Fourth Quarter 2020
Revenues	35	72	5	6
Operating expenses	(612)	(444)	(224)	(142)
Operating income (loss)	(576)	(372)	(219)	(136)
Net income (loss)	(575)	(392)	(228)	(148)
Basic EPS	(3.41)	(2.75)	(1.32)	(0.92)
Basic weighted average number of shares	168.5	142.8	172.9	160.8
Diluted EPS	(3.41)	(2.75)	(1.32)	(0.92)
Diluted weighted average number of shares	168.5	142.8	172.9	160.8

** Idorsia measures, reports and issues guidance on non-GAAP operating performance. Idorsia believes that these non-GAAP financial measurements more accurately reflect the underlying business performance and therefore provide useful supplementary information to investors. These non-GAAP measures are reported in addition to, not as a substitute for, US GAAP financial performance.*

Non-GAAP net loss in 2021 amounted to CHF 575 million: the CHF 60 million difference versus US GAAP net loss was mainly due to depreciation and amortization (CHF 18 million), share-based compensation (CHF 18 million) and a negative non-cash financial result (CHF 24 million).

The non-GAAP net loss resulted in a net loss per share of CHF 3.41 (basic and diluted) in 2021 compared to a net loss per share of CHF 2.75 (basic and diluted) in 2020.

Financial outlook

In 2022, the company will launch QUVIVIQ (daridorexant) in the US and, pending marketing authorization from the European Medicines Agency, in the first European markets before the end of the year. The company will also launch PIVLAZ (clazosentan) in Japan. The clinical pipeline will advance with highlights including the conclusion of the Phase 3 registration study for aprocitentan and the Phase 2 proof-of-concept study with the selective orexin 1 receptor antagonist, the ramp-up of recruitment into the pivotal SOS-AMI study with selatogrel, as more sites are initiated around the globe, and the planned initiation of Phase 3 development of cenerimod. Accounting for all these activities, the company anticipates net revenue around CHF 145 million, US GAAP operating expenses around CHF 975 million and non-GAAP operating expenses around CHF 920 million, all leading to US GAAP operating loss of around CHF 840 million and non-GAAP operating loss of around CHF 785 million, unforeseen events excluded.

The company is committed to become profitable and with the current forecasts, expects to reach this goal in 2025 with annual net sales above CHF 1 billion.

André C. Muller, Chief Financial Officer, commented:
"We started 2022 with a strong balance sheet which enables us to fully fund our first product launches, QUVIVIQ in the US and the first European markets, as well as PIVLAZ in Japan. Our newly built teams in these key markets have been intensively preparing for the launches and everything is set for income from our first products. With these products launched and the continued investment in our pipeline, I believe that we will become profitable in 2025, with net sales of over CHF 1 billion. This would be an impressive achievement given that Idorsia started out with an early-stage pipeline less than 5 years ago and during that time has advanced so many different assets in parallel. What's more, we are confident that, once we reach break-even, our rich pipeline can continue to sustain and fuel growth well into the future."

Issuance of senior unsecured convertible bonds

On July 28, 2021, Idorsia placed CHF 600 million senior unsecured convertible bonds (the "Bonds"), due 2028. The Bonds have a maturity of 7 years and are convertible into 19.0 million newly issued registered shares of Idorsia, sourced from the existing listed conditional share capital, on or after September 14, 2021.

The Bonds have a coupon of 2.125%, and a conversion price of CHF 31.54, corresponding to a conversion premium of 40% above the reference share price of CHF 22.5250, being the volume weighted average price of a share on SIX between launch and close of trading on July 28, 2021.

Liquidity and indebtedness

At the end of 2021, Idorsia's liquidity (including cash, cash equivalents, short- and long-term deposits) amounted to CHF 1,188 million.

(in CHF millions)	Dec 31, 2021	Sep 30, 2021	Dec 31, 2020
Liquidity			
Cash and cash equivalents	101	122	141
Short-term deposits	927	1,117	867
Long-term deposits	160	160	192
Total liquidity*	**1,188**	**1,399**	**1,200**
Indebtedness			
Convertible loan	298	394	388
Convertible bond	794	794	199
Other financial debt	-	-	-
Total indebtedness	**1,093**	**1,188**	**587**

*rounding differences may occur

Commercial operations

As the company gears up for its first product launches, the commercial team has been focusing on two closely linked sets of activities that are essential to ensure success: firstly, establishing the commercial footprint – the people, infrastructure and processes required for commercial operations; secondly, preparing for the first launches of daridorexant and clazosentan.

United States

In January 2021, the New Drug Application for daridorexant was submitted to the US Food and Drug Administration (FDA). On January 7, 2022, QUVIVIQ™ (daridorexant) 25 mg and 50 mg was approved by the FDA for the treatment of adult patients with insomnia, characterized by difficulties with sleep onset and/or sleep maintenance. More details can be found in the dedicated press release.

The US team, under the leadership of Patty Torr, has already started several innovative initiatives to educate the US market about the seriousness of insomnia as a medical condition. These include the recent launch of a unique awareness-generating and educational campaign, *Seize the Night & Day*, to shine a light on the impact of insomnia. The campaign's focus is on the current unmet need, the night and day impact of insomnia, and the resulting effects on patients and their families. The importance of sleep as one of the pillars of good health, along with diet and exercise, is amplified through a collaboration with Jennifer Aniston, as well as through a powerful social media campaign. Additionally, eye-opening results from *Wake Up America*, the largest US survey of people with trouble sleeping and with healthcare professionals, will be announced in the coming weeks. The survey, which was supported by Idorsia, was created under the direction of The Alliance for Sleep, an organization comprised of some of the nation's foremost experts in sleep medicine, and is aimed at bringing to life the true burden of insomnia. The team has also produced a documentary, *The Quest for Sleep*, which

highlights real people suffering with insomnia and provides a look at the science of sleep. It is set to premier in March 2022.

As with other sleep medications, the FDA has recommended that QUVIVIQ be classified as a controlled substance and it is anticipated to be available to patients in May 2022, following scheduling by the US Drug Enforcement Administration.

Simon Jose, Chief Commercial Officer of Idorsia, commented:
"I am often asked how Idorsia, a relatively new start-up, can be successful at launching a primary care product. I always come back to three crucial points that will enable us to succeed; a differentiated product, a great team, and the right approach to go to market. From the outstanding data we have generated it is clear we have a great product. We have hand-picked top-quality people with a stellar track-record and experience who are all laser-focused on the launch. Finally, we have a consumer-centric launch strategy that is as innovative as the product itself."

Simon concluded:
"I am very excited that we are now executing our plans. In the US, in addition to our consumer activities, our customer facing teams are in place – the sales force has been recruited and is being trained; the medical team is meeting with insomnia experts; and the market access team is engaging with payors. In Japan, our specialized sales team has been deployed and is already talking to physicians and hospitals about the process for formulary listings. We are making the most of this time between approval and launch and looking forward to bringing QUVIVIQ and PIVLAZ to patients soon."

Japan
In March 2021, a New Drug Application for clazosentan was submitted to the Japanese regulatory authorities. On January 20, 2022, PIVLAZ™ (clazosentan) 150 mg was approved for the prevention of cerebral vasospasm, vasospasm-related cerebral infarction and cerebral ischemic symptoms after aneurysmal subarachnoid hemorrhage (aSAH) in Japan. More details can be found in the dedicated press release.

In anticipation of this approval, the Idorsia Japan team, under the leadership of Satoshi Tanaka, has built the customer-facing organization and made excellent progress in preparing for the launch of PIVLAZ. The team is engaging with local medical experts to improve and standardize the treatment of aSAH across Japan. PIVLAZ is expected to be available for patients in Japan in April 2022.

Europe and Canada region
In September 2021, Idorsia opened affiliates and announced the appointment of General Managers in the five largest European markets: France, Germany, Italy, Spain and the UK. Idorsia is expecting a decision on daridorexant from the European Medicines Agency (EMA) in Q2 2022, so market preparation is already underway. We are building our core country teams and recently announced our partnership with Syneos to enable us to reach the large primary care market for insomnia. The insights our team is gaining from local medical experts is highlighting the magnitude of the unmet patient need in insomnia in Europe. We have also started early conversations with payors in Germany and the UK. The first European launches of daridorexant are expected before the end of the year following regulatory approval.

Clinical Development

Idorsia has made significant progress in advancing its diversified and balanced clinical development pipeline which covers multiple therapeutic areas, including CNS, cardiovascular and immunological disorders, as well as orphan diseases.

In April and July of 2020, Idorsia reported positive results in each of the two pivotal Phase 3 studies of **daridorexant** in patients with insomnia. In January 2022, *The Lancet Neurology* reported the impact of

daridorexant on both nighttime symptoms and daytime functioning in adults with insomnia. More details and commentary can be found in the dedicated press release and the investor webcast. A New Drug Application (NDA) for daridorexant was submitted to the US FDA on January 8, 2021, with approval granted on January 7, 2022. Marketing Authorization Application (MAA) was submitted to the European Medicines Agency in March 2021, Swissmedic in April 2021, and to Health Canada in August 2021, where it has been formally accepted for review. If the applications are successful, the company anticipates first European launches the second half of 2022, followed by other countries thereafter.

Recruitment into the global Phase 3 study of **clazosentan** (REACT) has been impacted by the coronavirus pandemic due to the intensive care setting for the study, however the study is steadily progressing. The study is enrolling approximately 400 patients with a high risk of developing cerebral vasospasm and delayed cerebral ischemia. The study is expected to conclude around the end of 2022.

In October 2021, Idorsia reported that MODIFY, the Phase 3 study of **lucerastat** for adult patients with Fabry disease did not meet the primary endpoint of reducing neuropathic pain during 6 months of treatment versus placebo. However, in December 2021, data from a planned interim analysis of the open-label extension of the MODIFY study showed that observations were made on renal function and cardiac echocardiography which, if confirmed with longer-term data, would indicate a treatment effect on the main organs affected by the disease. The company will consult with health authorities and share the data collected to define the regulatory pathway for lucerastat. More details can be found in the dedicated press release.

PRECISION, a Phase 3 study to demonstrate the antihypertensive effect of **aprocitentan** when added to standard of care in patients with resistant hypertension, completed recruitment in April 2021 with 730 patients randomized. This 12-month study should deliver results in mid-2022.

In June 2021, Idorsia announced the initiation of a Phase 3 registration study "SOS-AMI" to evaluate the efficacy and safety of self-administered subcutaneous **selatogrel**, Idorsia's $P2Y_{12}$ receptor antagonist, in suspected acute myocardial infarction (AMI). More details and commentary can be found in the dedicated press release and the investor webcast.

In November 2021, the company reported the results of CARE, a Phase 2b study which investigated the effect of cenerimod, a novel $S1P_1$ receptor modulator as an oral treatment of adult patients with moderate to severe systemic lupus erythematosus. The results obtained after six months of treatment have provided the information needed to design a Phase 3 development program, including the patient population, the optimal dose and endpoints. The Phase 3 design is to be discussed with health authorities with a view to initiating evaluation before the end of 2022. More details can be found in the dedicated press release.

A Phase 2 proof-of-concept study with **ACT-539313**, a selective orexin 1 receptor antagonist, in binge eating disorder completed recruitment at the end of 2021. Results of the study are expected around the middle of 2022.

The company has closed a natural history study called "RETRIEVE" which collected disease information from pediatric patients with early onset of rare lysosomal storage disorders (LSDs). The company is considering development options for **sinbaglustat**.

In 2020, Idorsia entered into a global license agreement with Neurocrine Biosciences for the development and commercialization of ACT-709478, Idorsia's potent, selective, orally active and brain-penetrating T-type calcium channel blocker, for the treatment of a rare form of pediatric epilepsy. In

addition, a research collaboration was established to discover, identify and develop additional novel T-type calcium channel blockers. In 2021, Neurocrine also initiated a Phase 2 study in essential tremor. In January 2022, the research collaboration was extended for a further year.

Idorsia's clinical development pipeline

Compound	Mechanism of Action	Target Indication	Status
Daridorexant	Dual orexin receptor antagonist	Insomnia	Approved as QUVIVIQ™ in the US Under review in other countries
Aprocitentan*	Dual endothelin receptor antagonist	Resistant hypertension management	Phase 3 recruitment complete
Clazosentan	Endothelin receptor antagonist	Cerebral vasospasm assoc. with aneurysmal subarachnoid hemorrhage	Approved as PIVLAZ™ in Japan Global Phase 3
Lucerastat	Glucosylceramide synthase inhibitor	Fabry disease	Phase 3 primary endpoint not met, OLE ongoing**
Selatogrel	$P2Y_{12}$ receptor antagonist	Suspected acute myocardial infarction	Phase 3
Cenerimod	$S1P_1$ receptor modulator	Systemic lupus erythematosus	Phase 3 in preparation
ACT-539313	Selective orexin 1 receptor antagonist	Binge eating disorder	Phase 2 recruitment complete
Sinbaglustat	GBA2/GCS inhibitor	Rare lysosomal storage disorders	Phase 1 complete
ACT-1004-1239	CXCR7 antagonist	Immunology	Phase 1 complete
ACT-1014-6470	-	Immunology	Phase 1
ACT-777991	-	Immunology	Phase 1

** In collaboration with Janssen Biotech to jointly develop aprocitentan, Janssen Biotech has sole commercialization rights worldwide*
*** Open-label extension study*

Neurocrine Biosciences has a global license to develop and commercialize ACT-709478 (NBI-827104), Idorsia's novel T-type calcium channel blocker. ACT-709478 is currently investigated in two Phase 2 studies for the treatment of a rare form of pediatric epilepsy and essential tremor.

Further details including the current status of each project in the pipeline can be found in our clinical development fact sheet.

About the Revenue Sharing Agreement for ponesimod

Idorsia and Actelion Pharmaceuticals Ltd, one of the Janssen Pharmaceutical Companies of Johnson & Johnson, have entered into a revenue-sharing agreement in respect to ponesimod. Under the terms of the revenue-sharing agreement, Idorsia is entitled to receive quarterly payments of 8% of the net sales of ponesimod products from Actelion.

Human Resources

Idorsia created 268 new positions worldwide in 2021, bringing the total number of employees (permanent, post-doc, and apprentices) to 1176 (2020: 908).

Annual Report

Full details on the progress made in 2021 are available in Idorsia's 2021 Annual Report, consisting of the Business Report, Governance Report, Compensation Report, and Financial Report, at www.idorsia.com/annual-report.

Note to Shareholders

The Annual General Meeting (AGM) of Shareholders to approve the Annual Report of the year ending December 31, 2021, will be held on Thursday, April 14, 2022.

Registered shareholders with voting rights individually or jointly representing at least 5% of the share capital of the company, being entitled to add items to the agenda of the general meeting of shareholders, are invited to send in proposals, if any, to Idorsia Ltd, attention Corporate Secretary, Hegenheimermattweg 91, CH-4123 Allschwil, to arrive no later than February 28, 2022. Any proposal received after the deadline will be disregarded.

In order to vote at the Annual General Meeting, shareholders must be registered in the company's shareholder register by April 5, 2022, at the latest.

Results Day Center

Investor community: To make your job easier, we provide all relevant documentation via the Results Day Center on our corporate website: www.idorsia.com/results-day-center.

Upcoming Financial Updates

- Annual General Meeting of Shareholders on April 14, 2022
- First Quarter 2022 Financial Results reporting on April 26, 2022
- Half-Year 2022 Financial Results reporting on July 26, 2022
- Nine-months 2022 Financial Results reporting on October 25, 2022

Notes to the editor

Letter to Shareholders from the Chairman (as published in Idorsia's 2021 Business Report on February 8, 2022)

Dear Shareholders,

At the beginning of 2020, the world was facing almost insurmountable challenges. We needed a vaccine against Covid-19, and we needed it fast. The scientific and pharmaceutical communities stepped up in ways we have never seen before. Scientists from all over the planet collaborated to develop vaccines in record time. Now, just two years later, billions of people have been vaccinated and the first effective treatments are available for patients with the awful virus. What an incredible achievement for science and innovation, and what an unprecedented global effort!

I see great parallels to the way in which Idorsia's team has worked collaboratively – in challenging circumstances and with a great sense of urgency – to ensure that patients can benefit from our science and innovation.

This past year saw the company taking further strides to deliver on the ambitious strategic priorities that we defined just a few years ago. As well as continuing to innovate in the lab, Idorsia has advanced the clinical pipeline and prepared the way for introducing its first marketed products. Then, at the beginning of this year, we obtained not only the first approval for daridorexant – our novel insomnia treatment – in the US, but also approval for clazosentan – for the prevention of cerebral vasospasm – in Japan. With these pivotal events behind us, we have tangible evidence of the success of our strategy, and the company's future is more assured than ever.

My role and that of the Board is to provide direction and oversight, as well as governance of the organization. One of my passions is a focus on excellence in all aspects of the business. For this reason, over the past year, the Board has worked very closely with the management team to ensure excellent execution across Idorsia. Great science may deliver great products, but operational excellence is essential to ensure that patients can fully benefit from them.

One example of this focus on excellence is the recent creation of a Chief Medical Officer (CMO) role. As we take the final steps to become a fully fledged biopharmaceutical company with products on the market, the Board, together with the CEO, decided to appoint a CMO to unify the company's quality and governance standards. This role will promote an uncompromisingly ethical and scientifically rigorous approach throughout the life cycle of all products in Idorsia's pipeline, ensuring safe and appropriate use of our medicinal products and high ethical standards in engagement with various stakeholders.

Another example can be seen in the appointment of top-quality people with deep expertise and understanding in the various regions where we are establishing our global infrastructure – first in Japan, then in the US, and most recently with our rapid expansion in Europe. Having top-class people to launch our products gives me great confidence in our ability to be successful in the primary care field. We have great products and great people, whose experience has enabled them to develop great strategies, tailored to their markets.

I do, however, recognize that, as we are just entering the launch phase, we have some way to go before success is guaranteed. To advance rapidly, we must therefore maintain our disciplined approach, mitigating risk wherever possible. Our experienced Board members and management continue to carefully weigh our options for closing the liquidity gap until we reach the point of sustainable profitability, which we now see on the horizon in 2025. Having successfully pursued our strategic priorities so far, we are now on the cusp of transformation.

We are building Idorsia with a long-term focus, and we run the company in a responsible and sustainable way. Our progress towards this goal is demonstrated by numerous non-financial measures, and our commitment to transparency on topics important to our stakeholders remains as strong as ever. In this year's report, you will see the progress we have made in 2021 towards meeting internationally recognized standards on non-financial reporting, and how we are pursuing a dialogue with all our stakeholders.

As Chairman, I am extremely proud of what has been achieved in another challenging year. I would like to take this opportunity to thank the Idorsia team around the world and encourage them to maintain their entrepreneurial mentality and their commitment to executional excellence. I also thank you, our shareholders, for your confidence in us and for accompanying us on this extraordinary adventure.

Sincerely,

Mathieu Simon
Chairman of the Board

Letter to Shareholders from the CEO (as published in Idorsia's 2021 Business Report on February 8, 2022)

Dear Shareholders,

As we approach our fifth anniversary, Idorsia's future is brighter than ever. In 2021, we made great strides toward realizing our vision of creating a sustainable mid-sized biopharmaceutical company based on innovation.

The pandemic continues to affect the way we collaborate with one another – in this company, as in almost every other company around the world. Even so, it has not impacted the productivity of our highly resilient employees, as we have achieved all the ambitious goals we set ourselves for 2021. In January 2022, we saw the culmination of these efforts, with the first approval for QUVIVIQ™ (daridorexant) for adults with insomnia in the US, and the Japanese approval for PIVLAZ™ (clazosentan) for the prevention of cerebral vasospasm and vasospasm-related cerebral infarction and cerebral ischemic symptoms following treatment for aneurysmal subarachnoid hemorrhage (aSAH). I cannot overemphasize the importance of these approvals – both for the patients whose lives can now be transformed by new treatment options and for our company's evolution.

Close followers of Idorsia will remember that, at our inception, we defined five strategic priorities to help us achieve long-term success. Here, I will review the strong progress made on each of these fronts in 2021.

Deliver at least three products to market
With no fewer than six assets in Phase 3 or registration, the strength and depth of our pipeline is unparalleled, thanks to our unique origins and our team's ability to progress these assets at pace. In addition to the approval of QUVIVIQ in the US, daridorexant is well on track to become a global product. It is currently under review for market authorization by health authorities in the EU, Switzerland and Canada, and we anticipate a decision by the European Medicines Agency in the second quarter of 2022. To ensure that daridorexant reaches its full potential, the healthcare community needs to understand the data we have generated and the key differences from other treatments. I was therefore very happy to see the recent publication by our investigators in the prestigious peer reviewed journal The Lancet Neurology, describing in depth the evidence concerning both nighttime symptoms and daytime functioning.

Meanwhile, the excellent data from the clazosentan studies in Japan helped us to achieve a fast-track approval from the Japanese health authorities. The global REACT study of clazosentan is on track to conclude at the end of 2022, and we hope to follow our Japanese team's lead by bringing this much needed treatment to patients with aSAH around the world.

Our first major clinical read-out of 2021 was the results of the MODIFY study of lucerastat in patients with Fabry disease. While the primary endpoint – an improvement in patient-reported neuropathic pain – was unfortunately not reached, a possible treatment effect on organs was seen, requiring confirmation over the long term. By continuing to collect data in the ongoing open-label extension study, we will determine whether the signals observed so far indicate organ protection in the kidneys and heart, which would then warrant further efforts to progress this compound for the benefit of these patients. Our next step is to confer with the FDA on the regulatory path forward for lucerastat.

Also reported in 2021 were the results of our Phase 2b CARE study of cenerimod in patients with systemic lupus erythematosus – one of the largest studies of its kind. Here, the 4 mg dose of cenerimod demonstrated a very marked clinical effect, and the study has helped us to hone the design for Phase 3, with a clearly defined patient population, optimal dose and endpoints. We will now work with the FDA to ensure that we can move forward rapidly.

2021 also saw the completion of recruitment for the Phase 3 study of aprocitentan, a potential treatment for difficult-to-treat hypertension, and we expect to report results from this exciting study in mid 2022. Our Phase 3 study of selatogrel for suspected acute myocardial infarction, with its unique autoinjector device, began in 2021 and recruitment is now underway at a growing number of sites around the world.

In parallel with the progress of our late-stage assets, recruitment for the proof-of-concept study of our selective orexin-1 receptor antagonist for binge eating disorder was completed at the end of 2021, and we aim to report results in mid-2022. We also progressed our drug discovery and early stage clinical pipeline assets, building the evidence for these future growth opportunities.

Build a world-class commercial organization
We have already been running clinical trials on a global scale, but now we are truly going global, with commercial operations now firmly established in the US, Japan, and Europe so that we can bring our products to patients worldwide.

As we gear up for our first launches, we have been focusing on two closely linked sets of activities that are essential to ensure our success: firstly, the establishment of our commercial footprint – the people, infrastructure and processes required for commercial operations; secondly, preparations for the launches of daridorexant and clazosentan in 2022. We have been building the plane as we fly it!

Patty Torr's US team have prepared a launch plan that is as innovative as QUVIVIQ itself. Many people are asking how Idorsia, a relatively new start-up, can be successful at launching a primary care product where others have failed. The answer is quite simple: we have a great product, a great team, and a great approach to go to market. The outstanding qualities of our product have been captured in an excellent label, and we have already kicked off several innovative initiatives to educate the US market about the seriousness of insomnia as a medical condition – including the incredibly exciting Seize the Night & Day campaign, fronted by Jennifer Aniston. As we approach the launch of QUVIVIQ in May, our medical and sales teams are gearing up to execute our robust launch plans across the country.

Meanwhile, in Japan, Satoshi Tanaka's highly motivated team have spent 2021 ensuring that they are well prepared to launch PIVLAZ – the first innovation for patients suffering from events associated with cerebral vasospasm in more than 30 years. We have developed strong partnerships with the leading experts and key centers across the country responsible for the vast majority of aSAH treatments. I'm confident that our Japanese team are ready to execute a flawless launch of PIVLAZ starting in April 2022.

For our Europe and Canada (EUCAN) region, led by Jean-Yves Chatelan, the past year has been foundational, with five commercial affiliates established across key European markets – Germany, Italy, France, Spain and the UK. The country leadership teams are now rapidly ramping up as we approach the expected EMA decision on daridorexant, with our first European launches to follow later this year.

Bring Idorsia to sustainable profitability
Our strategy to reach profitability relies on dual revenue streams. First, we will generate our own sales income, starting in 2022 with daridorexant and with clazosentan in Japan, to be followed by other products from our pipeline. A second stream will come from partnerships, such as the revenue-sharing agreement for ponesimod, which is marketed by Johnson & Johnson and was approved in the US and Europe in 2021. Johnson & Johnson will likewise market aprocitentan, subject to approval, with Idorsia also benefiting from a revenue-sharing agreement. We have also entered into several other milestone-based partnerships which will supplement our revenues.

Based on our current sales forecasts and with our disciplined approach to spending, we now expect to become profitable in 2025. This is quite an impressive feat, given that we started with an early stage pipeline less than 5 years ago and are advancing so many different assets in parallel. We are confident that, once we reach break-even, our rich pipeline can continue to sustain and fuel growth well into the future.

Fuel our pipeline with new discoveries
At Idorsia, drug discovery based on organic chemistry is a strategic choice. We create small molecule drugs which are suitable for the treatment of acute and chronic diseases, while also meeting key criteria such as ease of administration, affordability and strong patent protection. Idorsia's clear focus allows for differentiation from peer companies diversifying into large molecules, such as biologics, CAR-T and other cell-based therapies. The design and synthesis of small molecules of increasing complexity relies on expertise in organic chemistry, and we are fortunate enough to have some of the world's best chemists in our ranks.

Utilize state-of-the-art technologies to drive innovation
Idorsia continues to invest in leading-edge systems and capabilities, embedding the most advanced technologies into our methods so as to drive innovation across the value chain. These range from computer modelling and artificial intelligence to support our ability to discover new drug candidates, to advanced analytics and digital/social platforms to enhance engagement with our stakeholders in the commercial space.

We had high expectations for 2021, and I am proud to report that these have been fully met. We entered the year with a strong balance sheet, and we are starting 2022 with that same level of funding. We achieved all the operational and clinical milestones we set for ourselves, and we are on track for a transformational year in 2022. This is the year in which Idorsia will become a commercial company, simultaneously launching two products in two of the largest pharmaceutical markets. It is also the year we will put sustainable profitability firmly within reach and become a fully fledged biopharmaceutical company – able to bring our innovative therapies to more patients.

Best regards,

Jean-Paul Clozel
Chief Executive Officer

About Idorsia

Idorsia Ltd is reaching out for more – We have more ideas, we see more opportunities and we want to help more patients. In order to achieve this, we will develop Idorsia into a leading biopharmaceutical company, with a strong scientific core.

Headquartered near Basel, Switzerland – a European biotech-hub – Idorsia is specialized in the discovery, development and commercialization of small molecules to transform the horizon of therapeutic options. Idorsia has a broad portfolio of innovative drugs in the pipeline, an experienced team of professionals covering all disciplines from bench to bedside, state-of-the-art facilities, and a strong balance sheet – the ideal constellation to translate R&D efforts into business success.

Idorsia was listed on the SIX Swiss Exchange (ticker symbol: IDIA) in June 2017 and has over 1,200 highly qualified specialists dedicated to realizing our ambitious targets.

For further information, please contact

Andrew C. Weiss
Senior Vice President, Head of Investor Relations & Corporate Communications
Idorsia Pharmaceuticals Ltd, Hegenheimermattweg 91, CH-4123 Allschwil
+41 58 844 10 10
investor.relations@idorsia.com – media.relations@idorsia.com – www.idorsia.com

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