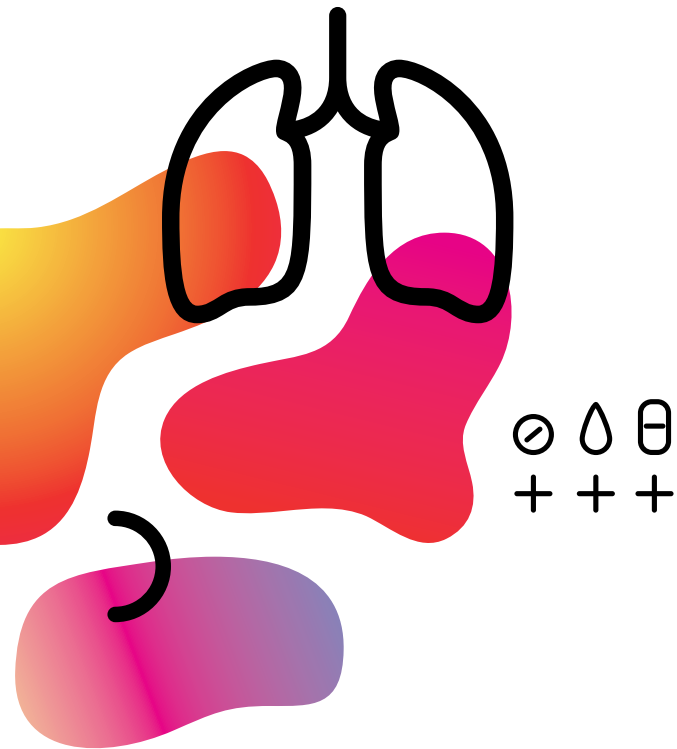


Supplement to the Invitation to the Annual General Meeting 2023



idorsia

Agenda item 5 for the Annual General Meeting concerns the approval of Board compensation and Executive Committee compensation

Item 5.1: Approval of Board compensation (Non-Executive Directors) for the 2023–2024 term of office

Proposal of the Board of Directors:

The Board of Directors proposes the approval of the aggregate maximum amount of compensation for the Board (Non-Executive Directors/NEDs) of CHF 1.45 million (excluding employer social security and obligatory minimum pension contributions) for the term of office until the Annual General Meeting 2024.

Explanation by the Board of Directors:

Pursuant to the Swiss Code of Obligations (CO), the Annual General Meeting is responsible for voting on the compensation of the Board of Directors. Each year, the Board of Directors submits to the Annual General Meeting for approval the aggregate maximum amount of compensation for the

Board of Directors for the period until the next Annual General Meeting. The Board of Directors decides upon the fee structure and levels for NEDs. In addition, the company pays employer social security and obligatory pension contributions as required by law.

The aggregate maximum amount of compensation for NEDs for the AGM 2023–AGM 2024 term of office proposed for approval at the AGM 2023 is CHF 1.45 million. This excludes compensation for the CEO who does not receive any additional compensation for his Board membership, as well as employer social security and obligatory pension contributions, and is based on the expected fees payable to the proposed seven NEDs.

This amount (CHF 1.45 million) represents an 11.5% increase over the CHF 1.3 million approved for the previous term of office. The difference is solely attributable to the potential election of one additional NED, as proposed at this Annual General Meeting, and – as previously – it includes a reserve for the possible appointment of an additional Board member if required. The NED compensation structure and levels for the period from the AGM 2023 to the AGM 2024 will remain unchanged compared to the previous term of office.

Detailed information:

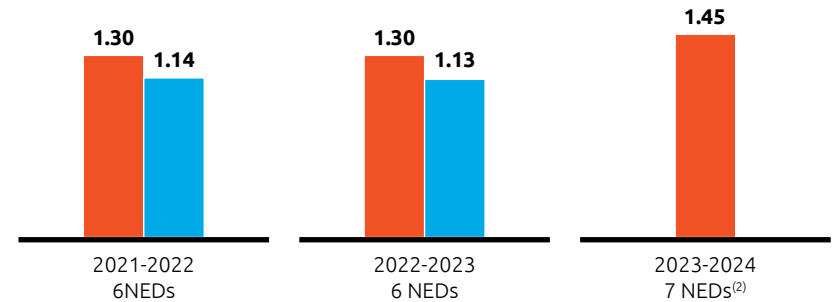
Of the total compensation for NEDs, 25% is paid in cash and 75% in shares blocked for one year.

The actual aggregate compensation for the current six NEDs for the AGM 2022–AGM 2023 term of office is CHF 1.13 million, or 87% of the approved maximum. This amount includes actual compensation paid to NEDs for the first three quarters of the 2022–2023 term and assumes a nominal Board retainer value for the fourth quarter of this term, since the actual amount for the fourth quarter is not yet available at the time of publication of this AGM Notice.

The following chart shows the progression in the aggregate maximum amount of NED compensation for each term of office from AGM 2021 until AGM 2024. For the 2021–2023 terms, it also compares the actual amount (including a nominal retainer value applied for the fourth quarter of the 2022–2023 term, as explained above) with the maximum previously approved by the shareholders of Idorsia.

CHF million

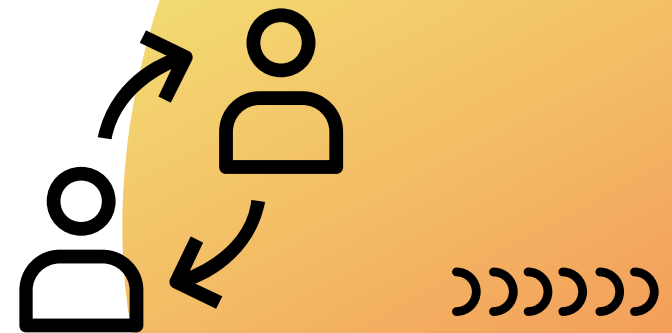
● **Maximum**⁽¹⁾
● **Actual**⁽¹⁾



⁽¹⁾ Employer social security contributions and obligatory pension contributions in line with applicable law are not included in the aggregate maximum amount or in the actual values shown

⁽²⁾ Subject to shareholder approval at the AGM 2023

Additional details on Board compensation structure and levels, as well as the actual compensation paid to the Board of Directors, are provided in the Compensation Report 2022, which will also be submitted to the Annual General Meeting for a non-binding consultative vote.



Item 5.2: Approval of Executive Committee compensation for 2024

Proposal of the Board of Directors:

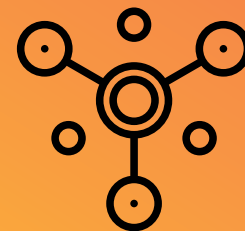
The Board of Directors proposes the approval of the aggregate maximum amount of compensation for the Idorsia Executive Committee (IEC) of CHF 17.22 million for the financial year 2024 (excluding employer social security contributions).

Explanation by the Board of Directors:

Pursuant to the CO, the Annual General Meeting is responsible for voting on the compensation of the Executive Committee. Each year, the Board of Directors submits to the Annual General Meeting for approval the aggregate maximum amount of compensation for the IEC for the next financial year. The proposed amount of CHF 17.22 million for the 2024 financial year is identical to the amount approved for the 2023 financial year. This amount includes

base salaries, benefits such as pension and insurance, and allowances (e.g., car, transportation, relocation) payable in 2024, as well as the Short-Term Incentive Plan (STIP) relating to the financial year 2024 and the Long-Term Incentive Plan (LTIP) to be awarded in 2024.

The aggregate maximum amount of compensation assumes no increase in the number of IEC members. It represents a budget, incorporating the maximum amount payable to all IEC members, excluding employer social security contributions. Actual payout and awards will depend on company performance and individual achievements.



Detailed information:

The 2024 budget for the IEC is calculated on the following basis:

1. Base salary, benefits, and allowances

This comprises the aggregate salaries of the IEC in 2023 – increased by 3% – benefits and allowances, and employer pension contributions, calculated in accordance with Idorsia's Compensation Policies and Pension Plan provisions, applicable to all employees.

2. Short-Term Incentive Plan (STIP)

In setting the maximum budget for the STIP awards, a maximum potential payout of 200% of the current aggregate IEC target bonus level, as permitted under the company's Articles of Association, is used.

This assumption is made to accommodate any possible level of performance in 2024 and to enable the company to fulfill its legal obligations. However, it should be noted that the Nominating, Governance & Compensation Committee (NGCC) has not yet determined whether it will be appropriate for the maximum potential payout to be set at 200% of the target for the financial year 2024. The actual

payout will depend on the company's performance against targets, as well as individual achievements.

3. Long-Term Incentive Plan (LTIP)

In setting the maximum possible fair value of the awards, a maximum potential payout of 200% of the aggregate IEC target level, as permitted under the company's Articles of Association, is used, as well as a potential increase in the target levels of the awards. These assumptions are being made as Idorsia continues to make progress in delivering on its five strategic priorities. They will ensure that the Board can appropriately incentivize and reward the IEC for the expansion of product launches, progression to profitability, and the achievement of R&D milestones, all of which are key to the company's future success and sustainability. However, it should be noted that the NGCC has not yet determined whether it will be appropriate to increase, for 2024, the LTIP target levels and/or the maximum potential award payout from the current maximum set by the Committee at 150% of target.

The following table shows the breakdown of the aggregate maximum IEC compensation for 2024. The breakdown is indicative and subject to change; however, the total for 2024 should not exceed CHF 17.22 million (excluding employer social security contributions and assuming no increase in the number of IEC members).

Compensation elements

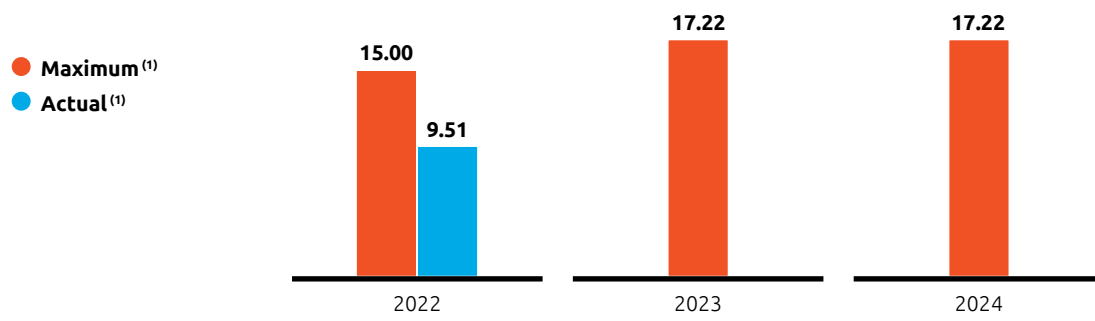
	Maximum amount in CHF millions
Base salary, benefits, and allowances	3.91
Short-Term Incentive Plan	4.27
Long-Term Incentive Plan	9.04
Total 2024	17.22

The chart below shows the progression in the aggregate maximum amount of IEC compensation from 2022 to 2024 and compares the actual amount for 2022 with the maximum previously approved by the shareholders of Idorsia.

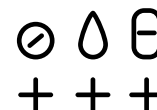
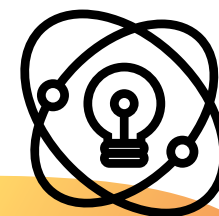
More information on the IEC compensation structure and levels, as well as the total compensation awarded to IEC members for 2022, is provided in the 2022 Compensation Report, which will also be submitted to the Annual General Meeting for a non-

binding consultative vote. The aggregate compensation paid to the IEC in 2023, as well as the compensation of its highest paid member, will be disclosed in the Compensation Report 2023.

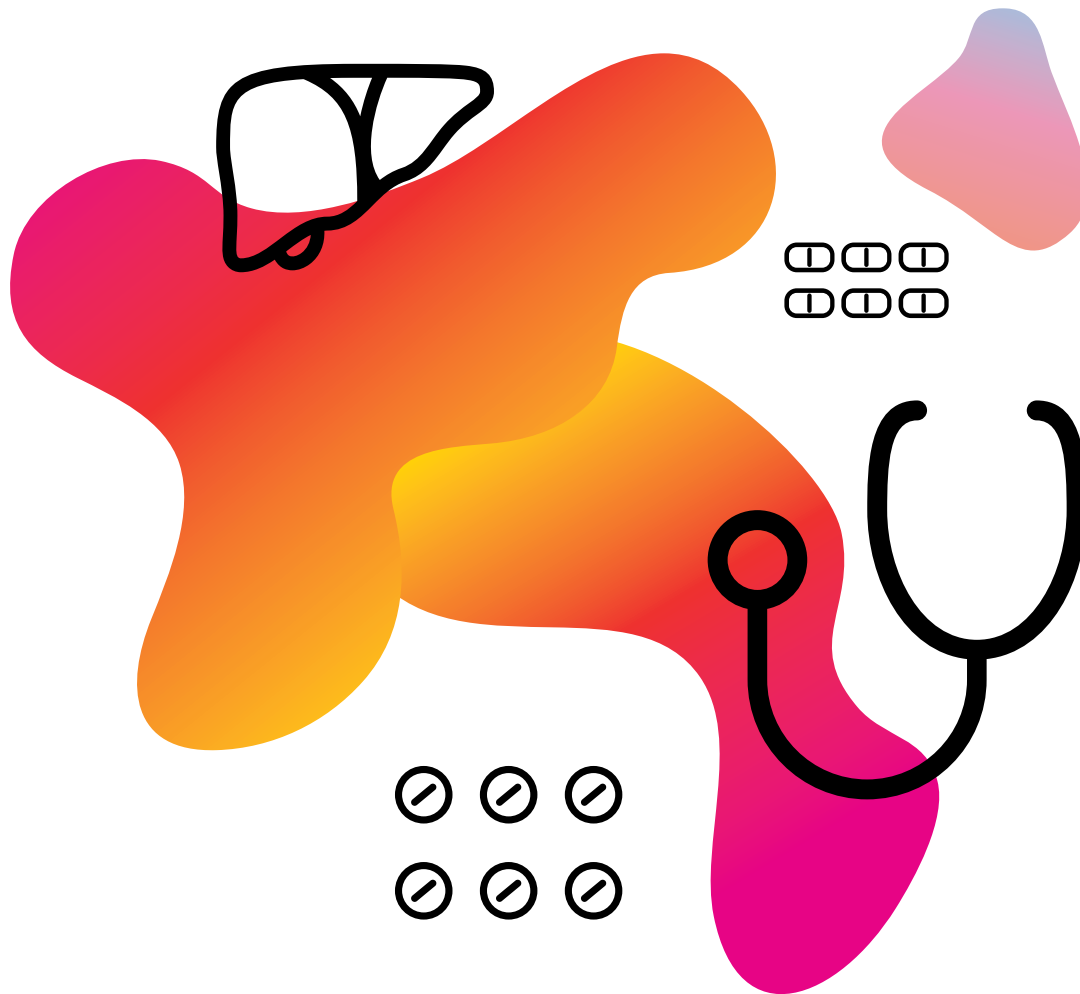
CHF million



⁽¹⁾ Employer social security contributions in line with applicable law are not included in the aggregate maximum amount or in the actual values shown. Likewise, the social security contributions for LTIP awards are not included, as they are only due at exercise of the stock options; they are expected to trigger employer social security costs up to 7% of the gain at exercise.



Curious to learn more?
Reach out to us.



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