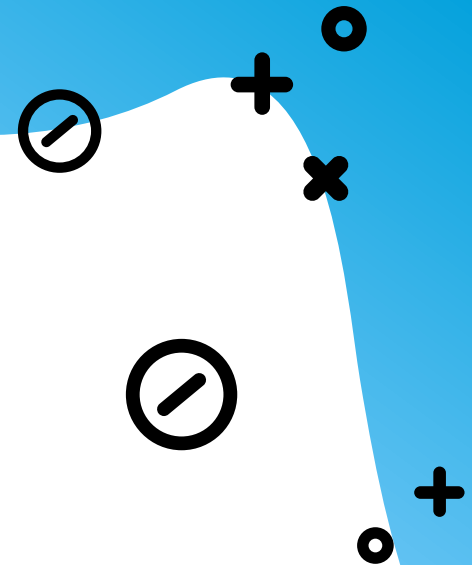
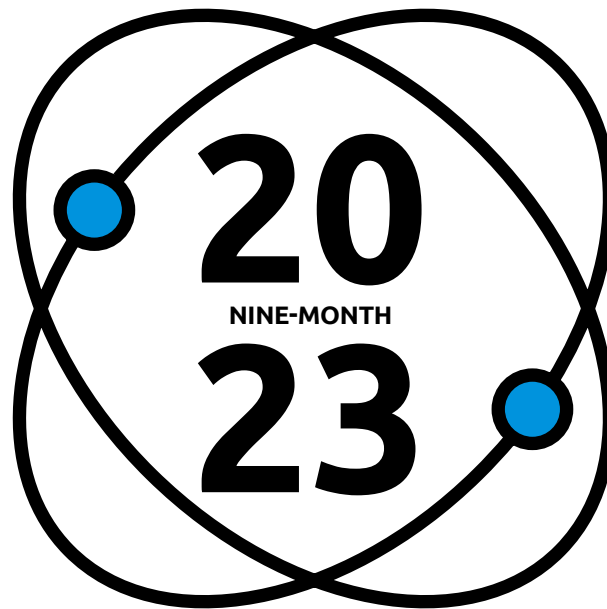
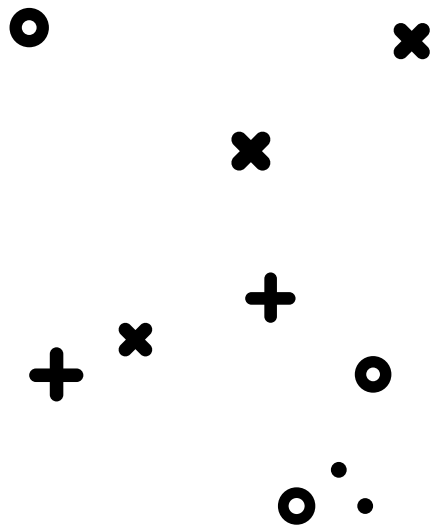


Financial Report



The purpose of Idorsia is to discover, develop, and commercialize innovative medicines to help more patients.

We have more ideas, we see more opportunities, and we want to transform the horizon of therapeutic options.

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Idorsia measures and reports its non-GAAP operating performance, which management believes more accurately reflects the underlying business performance. The Group believes that these non-GAAP financial measurements provide useful supplementary information for investors. These non-GAAP measures are reported in addition to, not as a substitute for, US GAAP financial performance.

Rounding differences may occur
nm = not meaningful

Idorsia's key numbers

Profit and loss

(in CHF millions, except EPS)	US GAAP		Non-GAAP		US GAAP		Non-GAAP	
	2023		2022		2023		2022	
	2023	2022	2023	2022	2023	2022	2023	2022
Net revenue								
Product sales	54	27	54	27	10	16	10	16
Contract revenue – milestones	73	15	73	15	69	5	69	5
Contract revenue – others	4	1	4	1	1	1	1	1
Operating expenses								
Cost of sales	(7)	(4)	(7)	(4)	(1)	(2)	(1)	(2)
Research and development	(235)	(278)	(212)	(259)	(63)	(86)	(59)	(79)
Selling, general and administrative	(318)	(372)	(299)	(358)	(69)	(138)	(64)	(132)
Net results								
Operating income (loss)	(144)	(610)	(386)	(577)	231	(206)	(44)	(193)
Net income (loss)	(181)	(635)	(420)	(597)	224	(216)	(51)	(202)
Basic EPS	(1.02)	(3.58)	(2.36)	(3.36)	1.26	(1.22)	(0.29)	(1.14)
Diluted EPS	(1.02)	(3.58)	(2.36)	(3.36)	0.96	(1.22)	(0.29)	(1.14)

Cash flow

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Cash flow				
Operating cash flow	(200)	(638)	243	(196)
Proceeds/ (repayments) of borrowings, net	-	162	(30)	162
Capital expenditure	(8)	(23)	(2)	(5)

Shares

(in millions)	Sep 30, 2023	Jun 30, 2023	Dec 31, 2022
Share count			
Issued common shares	188.2	187.9	177.6
Equity derivatives	54.0	54.0	54.0
Equity instruments	15.5	16.5	14.3
Total potential issued shares	257.8	258.5	245.9

Liquidity and indebtedness

(in CHF millions)	Sep 30, 2023	Jun 30, 2023	Dec 31, 2022
Liquidity			
Cash and cash equivalents	205	33	146
Short-term deposits	50	-	320
Total liquidity	255	33	466
Indebtedness			
Convertible loan	335	335	335
Convertible bonds	796	796	795
Other financial debt	162	192	162
Total indebtedness	1,293	1,322	1,292

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Transaction with Sosei Heptares

Idorsia sold its Asia Pacific (ex-China) operations on 20th July 2023 for a total consideration of CHF 400 m that led to a one-off profit of CHF 363 m of which CHF 68 m are recorded as contract revenue, CHF 302 m are recorded as gains on sale of disposal group and CHF 7 m are recorded as impairment of intangible assets. This transaction is referred hereafter as “the Sosei Deal”.

In addition to the US GAAP and Non-GAAP measures presented above, the company has prepared proforma figures corresponding to the scope of operations that the company currently operates excluding the APAC operations in 2023 until the closing of the Sosei Deal and the one-off impact of such transaction, as shown in the table below.

Proforma Figures

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Revenue				
Product sales	20	2	8	2
Contract revenue - milestones	5	15	1	5
Contract revenue - others	4	1	1	1
Total proforma	29	18	11	7
Operating expenses				
Cost of sales	(4)	(2)	(1)	(1)
Research	(74)	(86)	(20)	(27)
Development	(130)	(148)	(38)	(46)
Selling	(228)	(270)	(54)	(102)
General and administrative	(49)	(63)	(7)	(23)
Total proforma	(486)	(569)	(122)	(199)
Proforma Non-GAAP operating loss	(455)	(549)	(111)	(191)
Other operating expenses				
Depreciation and amortization	(14)	(13)	(7)	(4)
Share-based compensation	(26)	(18)	(2)	(8)
Restructuring charges	(11)	-	(11)	-
Total proforma	(52)	(31)	(20)	(12)
Proforma total operating loss	(509)	(580)	(132)	(204)

Nine months and third quarter US GAAP and Non-GAAP numbers as reported below include the impact of the Sosei Deal described above.

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Revenue

Revenue

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Revenue				
Product sales	54	27	10	16
Contract revenue - milestones	73	15	69	5
Contract revenue - others	4	1	1	1
US GAAP revenue	131	43	80	21

Product sales comprised of the sales of the two approved products:

- PIVLAZ™ (clazosentan) achieved CHF 33.7 m net sales in Japan until July 19th when Idorsia sold its Asia Pacific (ex-China) business to Sosei Heptares.
- QUVIVIQ™ (daridorexant) achieved CHF 20.2 m net sales in the US, Germany, Italy, Switzerland and Spain. US net sales do not fully reflect the volumes of the products dispensed due to coupon and co-pay programs.

Contract revenue mainly consisted of the license of daridorexant and assignment of potential milestones from Mochida to Sosei Heptares (CHF 68 m) in connection with the Sosei Deal.

Operating expenses

Operating expenses

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Operating expenses				
Cost of sales	7	4	1	2
Research	74	86	20	27
Development	138	173	39	53
Selling	246	289	56	107
General and administrative	53	69	7	25
Non-GAAP operating expenses	517	621	124	214
Depreciation and amortization	15	14	7	4
Share-based compensation	27	19	2	8
Restructuring charges	11	-	11	-
Effect of the Sosei Deal	(295)	-	(295)	-
Other operating expenses	(242)	33	(275)	13
US GAAP operating expenses	275	653	(150)	227

US GAAP operating expenses of CHF 274 m comprised of Non-GAAP operating expenses (CHF 517 m), depreciation and amortization (CHF 15 m), share-based compensation (CHF 27 m). It also includes one-offs with restructuring charges (CHF 11 m) and the impact of the Sosei Deal (CHF 295 m gain offsetting the operating expenses).

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Cost of sales

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Cost of sales				
Cost of goods sold	4	2	1	1
Royalty paid	3	2	0	1
US GAAP cost of sales	7	4	1	2

Cost of sales of CHF 7 m comprised the cost of goods sold (CHF 4 m), which does not reflect the actual manufacturing costs (as prior to product approval, manufacturing costs were expensed), and royalties paid (CHF 3 m) in connection to the net sales of Pivlaz in Japan. Since the closing of the Sosei Deal, the company no longer pays such royalties.

Research and development ("R&D") expenses

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
R&D expenses				
Research	74	86	20	27
Development	138	173	39	53
Non-GAAP R&D expenses	212	259	59	79
Depreciation and amortization	11	11	4	3
Share-based compensation	12	9	(0)	4
US GAAP R&D expenses	235	278	63	86

Non-GAAP research expenses of CHF 74 m, comprised of biology (CHF 18 m), chemistry (CHF 22 m) and preclinical activities (CHF 34 m).

Non-GAAP development expenses of CHF 138 m, comprised of CHF 90 m for clinical activities (including CHF 47 m study costs, mainly driven by late stage studies for selatogrel, cenerimod, daridorexant, lucerastat, clazosentan and aprocitentan) and CHF 46 m for chemical and pharmaceutical development activities (including CHF 16 m for drug substance and CHF 9 m for drug product).

Selling, general and administrative ("SG&A") expenses

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
SG&A expenses				
Selling	246	289	56	107
General and administrative	53	69	7	25
Non-GAAP SG&A expenses	299	358	64	132
Depreciation and amortization	4	4	3	1
Share-based compensation	15	10	2	5
US GAAP SG&A expenses	318	372	69	138

Non-GAAP SG&A expenses of CHF 299 m, comprised of commercial activities (CHF 246 m), information systems (CHF 28 m) and for other support functions (CHF 25 m).

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Operating results

Non-GAAP and US GAAP operating results

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Operating results				
Revenues	131	43	80	21
Operating expenses	(517)	(621)	(124)	(214)
Other income	0	-	0	-
Non-GAAP operating income (loss)	(386)	(577)	(44)	(193)
Operating results				
Revenues	131	43	80	21
Operating expenses	(275)	(653)	150	(227)
Other income	0	-	0	-
US GAAP operating income (loss)	(144)	(610)	231	(206)

US GAAP operating loss of CHF 144 m comprised of Non-GAAP operating loss (CHF 386 m), depreciation and amortization (CHF 15 m), share-based compensation (CHF 27 m), a gain from asset disposals deriving from the Sosei Deal (CHF 302 m), impairments of intangible assets (CHF 7 m) and restructuring charges (CHF 11 m).

Financial results

Financial results

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Financial results				
Interest income (expense), net	(15)	(11)	(5)	(4)
Other financial income (expense), net	(14)	(2)	(0)	(2)
Non-GAAP financial income (expense)	(29)	(13)	(5)	(6)
Accretion expense	(1)	(1)	(0)	(0)
Gain (loss) on securities	(4)	(5)	(0)	(2)
US GAAP financial income (expense)	(34)	(20)	(5)	(8)

US GAAP financial expense of CHF 34 m comprised of Non-GAAP financial expense (CHF 29 m) and losses on marketable securities (CHF 4 m).

Non-GAAP financial expense of CHF 29 m mainly included interest expenses on the convertible bonds (CHF 11 m) and interest expense resulting from the sales and lease back transaction (CHF 5 m).

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Income tax

Income tax

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Income tax				
Income tax benefit (expense)	(5)	(6)	(2)	(3)
Non-GAAP tax benefit (expense)	(5)	(6)	(2)	(3)
Other tax benefit (expense)	2	1	1	0
US GAAP income tax benefit (expense)	(3)	(5)	(1)	(3)

US GAAP income tax expense of CHF 3 m mainly included the Non-GAAP tax expense of foreign affiliates (CHF 4 m).

Both US- and Non-GAAP income tax expense included an increase of the valuation allowance of CHF 34 m that related to deferred tax assets arising from operating losses which can be carried forward for 7 years.

Net results, EPS and shares

Net results

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Non-GAAP operating income (loss)				
	(386)	(577)	(44)	(193)
Financial income (expense)	(29)	(13)	(5)	(6)
Income tax benefit (expense)	(5)	(6)	(2)	(3)
Non-GAAP net income (loss)	(420)	(597)	(51)	(202)
US GAAP operating income (loss)				
	(144)	(610)	231	(206)
Financial income (expense)	(34)	(20)	(5)	(8)
Income tax benefit (expense)	(3)	(5)	(1)	(3)
US GAAP net income (loss)	(181)	(635)	224	(216)

US GAAP net loss of CHF 181 m mainly included the Non-GAAP net loss (CHF 420 m), depreciation and amortization (CHF 15 m), share-based compensation (CHF 27 m), losses on marketable securities (CHF 4 m), a gain from asset disposals deriving from the Sosei Deal (CHF 302 m), impairments of intangible assets (CHF 7 m) and restructuring charges (CHF 11 m).

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Shares

(in millions)	Issued	Potentially dilutive equity instruments		Total potential issued shares
		Derivatives	Awards	
Dec 31, 2022	177.6	54.0	14.3	245.9
Issued	10.4	-	3.1	13.5
Vested	0.3	-	(0.3)	-
Exercised	-	-	-	-
Forfeited	-	-	(1.6)	(1.6)
Expired	-	-	-	-
Sep 30, 2023	188.2	54.0	15.5	257.8

Issued shares increased to 188.2 million mainly due to the issuance of new shares which are kept as treasury shares and the vesting of equity awards.

Equity derivatives of 54.0 million related to the Group's outstanding convertible debts of which 29.1 million related to convertible loan from J&J, 19.0 million related to the convertible bonds due in 2028 and 5.9 million related to the convertible bonds due in 2024. Refer to Note 11. Borrowings of the unaudited interim Consolidated Financial Statements of the first half of 2023.

Equity awards of 15.5 million comprised of 9.8 million share options with a weighted average strike price of CHF 19.57 granted to eligible employees and 5.8 million unvested share units granted to eligible employees.

Earnings per share (EPS)

(in CHF millions, unless otherwise indicated)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Non-GAAP net income (loss)	(420)	(597)	(51)	(202)
Weighted-average number of basic shares (in millions)	178.2	177.4	178.4	177.5
Non-GAAP basic EPS (in CHF)	(2.36)	(3.36)	(0.29)	(1.14)
Weighted-average number of dilutive shares (in millions)	178.2	177.4	178.4	177.5
Non-GAAP diluted EPS (in CHF)	(2.36)	(3.36)	(0.29)	(1.14)
US GAAP net income (loss)	(181)	(635)	224	(216)
Weighted-average number of basic shares (in millions)	178.2	177.4	178.4	177.5
US GAAP basic EPS (in CHF)	(1.02)	(3.58)	1.26	(1.22)
Weighted-average number of dilutive shares (in millions)	178.2	177.4	232.5	177.5
US GAAP diluted EPS (in CHF)	(1.02)	(3.58)	0.96	(1.22)

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Cash flow and liquidity

Operating cash flow

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Operating cash flow				
US GAAP net income (loss)	(181)	(635)	224	(216)
Deferred contract revenue and accrued income	(6)	(12)	(1)	(5)
Deferred taxes	2	2	1	2
Intangible assets impairment charges	7	-	7	-
Depreciation and amortization	15	14	7	4
Accretion of convertible debt	1	1	0	0
Share-based compensation	27	19	2	8
Gain on disposals of assets	(302)	-	(302)	-
Other non cash items	4	5	0	2
Net outflows from operations	(434)	(606)	(61)	(205)
Net change in receivables	(8)	(8)	4	2
Net change in inventories	(33)	(26)	(3)	(4)
Net change in trade and other payables	(2)	(7)	(6)	(1)
Net change in other operating assets and liabilities	(42)	9	(10)	13
Change in working capital	(85)	(33)	(15)	9
Operating cash flow	(518)	(638)	(76)	(196)

Net outflows from operations of CHF 434 m were mainly driven by the Non-GAAP operating loss (CHF 386 m), Non-GAAP financial expenses (CHF 29 m), a release of deferred contract revenue (CHF 6 m), a provision for restructuring and taxes (CHF 3 m).

The net cash outflows in working capital of CHF 85 m were mainly driven by inventory build up (CHF 33 m), a decrease in prepayments (CHF 11 m), a decrease of accrued expenses (CHF 26 m), net assets sold (CHF 25 m) and an increase in receivables (CHF 8 m).

Cash flow

(in CHF millions)	Nine months ended Sep 30,		Third quarter	
	2023	2022	2023	2022
Cash flow				
Operating cash flow	(518)	(638)	(76)	(196)
Acquisition of tangible, intangible and other assets	(8)	(24)	(2)	(5)
Free cash flow	(527)	(662)	(78)	(201)
Proceeds/ (repayments) of borrowings	(0)	162	(30)	162
Other items	(3)	6	0	1
Impact from the Sosei Deal	319	-	319	-
Cash flow¹	(211)	(493)	211	(38)

¹Cash flow is reconciled with the liquidity movements shown below.

The negative cash flow of CHF 211 m was mainly driven by the operating cash outflow (CHF 518 m) and CHF 319 m from the Sosei Deal.

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Liquidity

(in CHF millions)	Liquidity
Liquidity Dec 31, 2022	466
Liquidity movements Q1	(254)
Liquidity Mar 31, 2023	212
Liquidity movements Q2	(179)
Liquidity Jun 30, 2023	33
Liquidity movements Q3	222
Liquidity Sep 30, 2023	255

As of September 30, 2023, liquidity of CHF 255 m consisted of cash and cash equivalents of CHF 205 m and short-term deposits of CHF 50 m.

Liquidity of CHF 255 m was mainly held in Swiss francs (CHF 231 m), US dollars (equivalent of CHF 17 m) and Euro (equivalent of CHF 3 m).

Material uncertainty to continue as a going concern

The unaudited interim financial report has been prepared on the basis that the Group will continue as a going concern. This will require to secure additional funding as the liquidity (CHF 255 m as of September 30, 2023) does not cover the negative cashflow for the next twelve months based on our current business plan.

While the Group is actively seeking to raise additional cash, there can be no assurance the necessary funding will be available. In order to further prolong the cash reach the Group announced a cost reduction initiative on July 21, 2023, which will be delaying, scaling back or putting on hold some of the ongoing or planned investments in sales and marketing, research and development, and other activities.

If the Group is unable to obtain adequate resources to fund the operations, the operations will need to be further modified. If such measures are not sufficient, and/or additional funding is not obtained in due course, the Group may be forced to discontinue its operations entirely.

This material uncertainty may cast significant doubts about the going concern of the Group. Refer to Note 1 of the unaudited interim consolidated financial statements of the first half of 2023 for further details regarding the going concern assessment.

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Balance sheet

Balance sheet

(in CHF millions)	Sep 30, 2023	Jun 30, 2023	Dec 31, 2022
Assets			
Liquidity ¹	255	33	466
Tangible assets	212	220	245
Other assets	186	275	193
Total assets	653	528	904
Liabilities and equity			
Financial debt	1,293	1,292	1,292
Deferred revenue	0	1	5
Other liabilities	191	275	268
Total liabilities	1,484	1,569	1,565
Total equity	(831)	(1,041)	(661)
Total liabilities and equity	653	528	904

¹ Liquidity includes cash, cash equivalents, short- and long-term deposits

Tangible assets of CHF 212 m mainly consisted of real-estate (CHF 103 m), right-of-use assets (CHF 75 m) and other fixed assets (CHF 35 m).

Other assets of CHF 186 m comprised of prepayments (CHF 22 m), receivables (CHF 26 m), inventories (CHF 60 m), marketable securities (CHF 11 m), intangible assets (CHF 6 m), pension asset (CHF 51 m) and other assets (CHF 9 m).

Financial debt of CHF 1,293 m comprised of the convertible loan (CHF 335 m), the convertible bonds (CHF 796 m) and a sale and leaseback transaction (CHF 162 m).

Other liabilities of CHF 191 m included current and noncurrent liabilities. Current liabilities of CHF 111 m mainly comprised of accrued expenses (CHF 76 m), provisions (CHF 11 m) payables (CHF 18 m) and a short-term lease liability (CHF 6 m). Noncurrent liabilities of CHF 80 m mainly comprised of a long-term lease liability (CHF 69 m) and other noncurrent liabilities (CHF 12 m).

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Reconciliation of US GAAP to non-GAAP results

Reconciliation of US GAAP to non-GAAP results for the nine months ended September 30, 2023

(in CHF millions, unless otherwise indicated)	US GAAP results	Depreciation, amortization, impairment	Share-based compensation	Other items	Non-GAAP results
Net revenue					
Product sales	54	-	-	-	54
Contract revenue – milestones	73	-	-	-	73
Contract revenue – others	4	-	-	-	4
Total net revenue	131	-	-	-	131
Operating expenses					
Cost of sales	(7)	-	-	-	(7)
Research and development	(234)	10	12	-	(212)
Selling, general and administrative	(314)	1	15	-	(299)
Amortization of intangible assets	(4)	4	-	-	-
Impairment of intangible assets	(7)	7	-	-	-
Restructuring charges	(11)	-	-	11	-
Gains on sale of disposal group	302	-	-	(302)	-
Total operating expenses	(275)	22	27	(291)	(517)
Other income	0	-	-	-	0
Operating results	(144)	22	27	(291)	(386)
Total financial income (expense)	(34)	-	-	5	(29)
Income before income tax benefit (expense)	(178)	22	27	(286)	(415)
Income tax benefit (expense)	(3)	(1)	(1)	-	(5)
Net income (loss)	(181)	20	26	(286)	(420)
Basic net income (loss) per share (CHF)	(1.02)	0.11	0.15	(1.60)	(2.36)
Weighted-average number of basic shares (in millions)	178.2	-	-	-	178.2
Diluted net income (loss) per share (CHF)	(1.02)	0.11	0.15	(1.60)	(2.36)
Weighted-average number of dilutive shares (in millions)	178.2	-	-	-	178.2

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Reconciliation of US GAAP to non-GAAP results for the third quarter 2023

(in CHF millions, unless otherwise indicated)	US GAAP results	Depreciation, amortization, impairment	Share-based compensation	Other items	Non-GAAP results
Net revenue					
Product sales	10	-	-	-	10
Contract revenue – milestones	69	-	-	-	69
Contract revenue – others	1	-	-	-	1
Total net revenue	80	-	-	-	80
Operating expenses					
Cost of sales	(1)	-	-	-	(1)
Research and development	(63)	4	(0)	-	(59)
Selling, general and administrative	(66)	0	2	-	(64)
Amortization of intangible assets	(3)	3	-	-	-
Impairment of intangible assets	(7)	7	-	-	-
Restructuring charges	(11)	-	-	11	-
Gains on sale of disposal group	302	-	-	(302)	-
Total operating expenses	150	14	2	(291)	(124)
Other income	0	-	-	-	0
Operating results	231	14	2	(291)	(44)
Total financial income (expense)	(5)	-	-	0	(5)
Income before income tax benefit (expense)	225	14	2	(290)	(49)
Income tax benefit (expense)	(1)	(1)	0	-	(2)
Net income (loss)	224	13	3	(290)	(51)
Basic net income (loss) per share (CHF)	1.26	0.07	0.01	(1.63)	(0.29)
Weighted-average number of basic shares (in millions)	178.4	-	-	-	178.4
Diluted net income (loss) per share (CHF)	0.96	0.05	0.01	(1.25)	(0.29)
Weighted-average number of dilutive shares (in millions)	232.5	-	-	-	178.4

The non-GAAP metrics are reported in addition to, not as a substitute for, US GAAP financial performance, as management believes that they provide useful supplementary information to investors and more accurately reflect the underlying business performance.

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Interim Consolidated Income Statement

	Nine months ended September 30,	
	2023	2022
(in CHF thousands, except per share amounts)	(unaudited)	(unaudited)
Net revenue		
Product sales	53,922	27,379
Contract revenue	76,950	15,911
Total net revenue	130,872	43,289
Operating (expenses)¹		
Cost of sales	(6,662)	(3,537)
Research and development	(234,493)	(278,105)
Selling, general and administrative	(314,329)	(370,819)
Amortization of intangible assets	(3,831)	(1,037)
Impairment of intangible assets	(6,643)	-
Restructuring charges	(11,120)	-
Gains on sale of disposal group	301,938	-
Total operating (expenses)	(275,140)	(653,498)
Other income	477	-
Operating income (loss)	(143,791)	(610,209)
Interest income (expense), net	(14,927)	(11,467)
Accretion of convertible debt	(945)	(791)
Other financial income (expense), net	(18,336)	(7,331)
Total financial income (expense)	(34,208)	(19,589)
Income (loss) before income tax benefit (expense)	(177,999)	(629,798)
Income tax benefit (expense)	(3,246)	(5,285)
Net income (loss)	(181,245)	(635,083)
Basic net income (loss) per share attributable to Idorsia's shareholders	(1.02)	(3.58)
Weighted-average number of common shares (in thousands)	178,208	177,396
Diluted net income (loss) per share attributable to Idorsia's shareholders	(1.02)	(3.58)
Weighted-average number of common shares (in thousands)	178,208	177,396
¹Includes share-based compensation as follows:		
Research and development	12,143	8,701
Selling, general and administrative	14,817	10,106
Total share-based compensation	26,960	18,807

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> **Unaudited Interim Consolidated Financial Statements**

Interim Consolidated Statement of Comprehensive Income

(in CHF thousands)	Nine months ended September 30,	
	2023	2022
	(unaudited)	(unaudited)
Net income (loss)	(181,245)	(635,083)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(1,512)	4,444
Change of unrecognized components of net periodic benefit costs	(12,437)	(932)
Other comprehensive income (loss), net of tax	(13,949)	3,512
Comprehensive income (loss)	(195,194)	(631,571)

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Interim Consolidated Balance Sheet (1/2)

	Sep 30,	Dec 31,
	2023	2022
	(unaudited)	(audited)
<i>(in CHF thousands, except number of shares)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	205,279	145,998
Short-term deposits	50,000	320,000
Trade and other receivables, net	24,400	45,025
Receivables from related parties	2,020	4,323
Inventories	60,331	35,840
Marketable securities	10,851	10,326
Other current assets	23,348	34,925
Total current assets	376,229	596,438
Noncurrent assets		
Property, plant and equipment, net	137,294	147,097
Right-of-use assets	74,999	98,371
Intangible assets, net	6,128	14,756
Pension asset	50,787	30,985
Other noncurrent assets	7,683	16,533
Total noncurrent assets	276,891	307,742
TOTAL ASSETS	653,120	904,180

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Interim Consolidated Balance Sheet (2/2)

	Sep 30,	Dec 31,
	2023	2022
	(unaudited)	(audited)
<i>(in CHF thousands, except number of shares)</i>		
LIABILITIES		
Current liabilities		
Trade and other payables	18,372	25,435
Deferred revenue	2	5,205
Lease liability	6,231	8,921
Sales related liabilities	16,811	6,010
Accrued expenses	58,991	124,794
Provisions	10,899	-
Convertible bonds	199,777	-
Total current liabilities	311,084	170,364
Noncurrent liabilities		
Convertible loan	334,575	334,575
Convertible bonds	596,235	795,219
Other financial liabilities	162,154	162,001
Lease liability	68,496	88,639
Deferred tax liability	5,820	6,468
Other noncurrent liabilities	5,757	7,870
Total noncurrent liabilities	1,173,036	1,394,773
Total liabilities	1,484,120	1,565,137
EQUITY		
Idorsia's shareholders' equity		
Common shares (par value CHF 0.05 per share, issued and outstanding 188,229,708 and 177,558,532 as of September 30, 2023 and December 31, 2022 respectively; total number of authorized shares, including issued, conditional and upper end of capital range, 350,745,979 as of September 30, 2023 and 301,384,831 as of December 31, 2022 respectively)	9,411	8,878
Additional paid-in capital	2,151,960	2,126,859
Accumulated profit (loss)	(3,026,343)	(2,845,098)
Treasury shares	(483)	-
Accumulated other comprehensive income (loss)	34,454	48,403
Total Idorsia's shareholders' equity	(831,001)	(660,958)
TOTAL LIABILITIES AND EQUITY	653,120	904,180

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➤ **Unaudited Interim
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Interim Consolidated Statement of Cash Flows (1/2)

	Nine months ended September 30,	
	2023	2022
(in CHF thousands)	(unaudited)	(unaudited)
Cash flow from operating activities		
Net income (loss)	(181,245)	(635,083)
Adjustments to reconcile net income (loss) to net cash provided from operating activities:		
Depreciation and amortization	15,079	14,151
Intangible assets impairment charges	6,643	-
Share-based compensation	26,960	18,807
Accretion of convertible debt	945	791
Fair value changes on securities	4,237	5,444
Release of deferred revenue and accrued income	(5,858)	(11,840)
Gain on disposals of assets	(301,938)	-
Deferred taxes	1,528	2,139
Changes in operating assets and liabilities:		
Trade and other receivables	(7,668)	(8,044)
Prepayments	11,856	(10,830)
Inventories	(33,207)	(26,267)
Trade and other payables	(1,672)	(7,413)
Accrued expenses	(26,232)	15,540
Provisions	(43,975)	-
Changes in other operating cash flow items	16,242	4,479
Net cash flow provided by (used in) operating activities	(518,304)	(638,125)
Cash flow from investing activities		
Purchase of marketable securities	-	(111)
Purchase of short-term deposits	(50,000)	(410,000)
Proceeds from short-term deposits	320,000	1,121,071
Purchase of property, plant and equipment	(5,941)	(14,267)
Purchase of intangible assets	(2,552)	(9,171)
Proceeds from disposals of assets	318,858	-
Net cash flow provided by (used in) investing activities	580,365	687,521
Cash flow from financing activities		
Issuance of new shares, net	(197)	-
Proceeds from exercise of share options	-	360
Proceeds from borrowings, net	50,000	161,950
Repayments of borrowings	(50,000)	-
Proceeds from issuance of convertible bonds, net	10,000	-
Repayments of convertible bonds	(10,000)	-
Net cash flow provided by (used in) financing activities	(197)	162,310

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> **Unaudited Interim Consolidated Financial Statements**

Interim Consolidated Statement of Cash Flows (2/2)

(in CHF thousands)	Nine months ended September 30,	
	2023	2022
	(unaudited)	(unaudited)
Net effect of exchange rates on cash and cash equivalents	(2,583)	1,765
Net change in cash and cash equivalents	59,280	213,471
Cash and cash equivalents at beginning of period	145,998	101,352
Cash and cash equivalents at end of period	205,279	314,823

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Interim Consolidated Statement of Changes in Equity

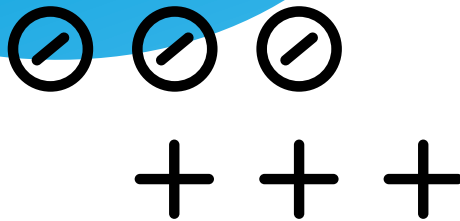
	Common shares		Idorsia's shareholders			Total equity
	Shares	Amount	Additional paid-in capital	Accum. profit (loss)	Accum. other comprehensive income (loss)	
(in CHF thousands, except number of shares)						
At January 1, 2022	176,966,995	8,848	2,100,237	(1,982,079)	-	104,204
Comprehensive income (loss):						
Net income (loss)				(635,083)		(635,083)
Other comprehensive income (loss)					3,512	3,512
Comprehensive income (loss)						(631,571)
Exercise of share options	20,320	1	359			360
Share-based compensation transactions	553,972	28	19,046			19,074
Issuance of new shares						
Other ¹				(35,123)		(35,123)
At September 30, 2022 (unaudited)	177,541,287	8,877	2,119,643	(2,652,285)	-	(543,056)
Comprehensive income (loss):						
Net income (loss)				(192,813)		(192,813)
Other comprehensive income (loss)					67,694	67,694
Comprehensive income (loss)						(125,119)
Exercise of share options	-	-	-			-
Share-based compensation transactions	17,245	1	7,216			7,217
At December 31, 2022 (audited)	177,558,532	8,878	2,126,859	(2,845,098)	-	(660,958)
Comprehensive income (loss):						
Net income (loss)				(181,245)		(181,245)
Other comprehensive income (loss)					(13,949)	(13,949)
Comprehensive income (loss)						(195,194)
Share-based compensation transactions	671,176	34	20,260			20,294
Transactions in treasury shares	10,000,000	500	4,841		(483)	4,858
At September 30, 2023 (unaudited)	188,229,708	9,411	2,151,960	(3,026,343)	(483)	(831,001)

Contents ¹ Impact on opening balance caused by the adoption of ASU 2020-06 as of January 1, 2022. Refer to Note 11. Borrowings of the Unaudited Interim Consolidated Financial Statements of the first half of 2023.

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> **Unaudited Interim Consolidated Financial Statements**

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