



Media Release

May 21, 2024

Ad hoc announcement pursuant to Art. 53 LR

Idorsia announces financial results for the full year of 2023 – Adapting the company to create sustainable value

Allschwil, Switzerland – May 21, 2024

Idorsia Ltd (SIX: IDIA) today announced its financial results for the full year of 2023.

Business highlights

- **Sale of Idorsia Asia-Pacific operations (excluding China):** Sold to Nxera Pharma (previously known as Sosei Heptares) for a total consideration of CHF 400 million in July 2023.
- **Cost reduction initiative:** Delivering a 50% reduction in fixed cost at Swiss headquarters fully effective in early 2024.
- **Aprocitentan:** Worldwide rights reacquired from Janssen for a conditional consideration of CHF 306 million in September 2023.

Commercial highlights

- **QUVIVIQ™ (daridorexant):** Total net sales of CHF 31 million in 2023.
- **QUVIVIQ:** Expanded access and availability in the US, Canada and across Europe.

Financial highlights FY 2023

- **Net revenue** FY 2023 at CHF 152 million.
- **US GAAP operating expenses** FY 2023 at CHF 409 million and **non-GAAP operating expenses** FY 2023 at CHF 654 million.
- **US GAAP operating loss** FY 2023 of CHF 255 million and **non-GAAP operating loss** of CHF 501 million.

Jean-Paul Clozel, MD and Chief Executive Officer, commented:

“During 2023, we made great progress with expanding the availability of QUVIVIQ and patient access in the US, Canada, and across Europe. QUVIVIQ is rapidly being recognized by specialists as a major advance in the field of insomnia. PIVLAZ became a very successful drug in Japan, and regulatory submissions were advanced for aprocitentan in the US and EU. As the development and launch of these three products required substantial financial investments, there was a need to lower our costs. Accordingly, we reduced our headcount and prioritized our portfolio assets; we monetized our Asia-Pacific operations; and we began negotiations with potential partners. All these actions have been essential to the future of the company.”

André C. Muller, Chief Financial Officer, commented:

“2023 was a year of adaptation for Idorsia. When it became clear that we would not hit our original sales targets, we needed to take measures to reduce and control our cost base to deliver on our operating guidance. Furthermore, we needed to advance several funding and business initiatives to extend our cash runway. Our activities resulted in a one-off income related to the Nxera Deal and substantially reduced operating expenses throughout all functions meaning we delivered a significantly lower operating loss than forecast. With the reduced cost base, two marketed or close-to-market products, and a rich unencumbered portfolio of innovative assets, Idorsia entered 2024 in a much stronger position.”

Financial results FY 2023

US GAAP results in CHF millions, except EPS (CHF) and number of shares (millions)	Full Year		Fourth Quarter	
	2023	2022	2023	2022
Net revenues	152	97	22	54
Operating expenses	(409)	(900)	(134)	(247)
Operating income (loss)	(255)	(803)	(111)	(193)
Net income (loss)	(298)	(828)	(117)	(193)
Basic EPS	(1.67)	(4.67)	(0.65)	(1.09)
Basic weighted average number of shares	178.2	177.4	178.6	177.5
Diluted EPS	(1.67)	(4.67)	(0.65)	(1.09)
Diluted weighted average number of shares	178.2	177.4	178.6	177.5

US GAAP net revenue of CHF 152 million in 2023 (CHF 97 million in 2022) consisted of product sales of QUVIVIQ (CHF 30.9 million) and PIVLAZ (CHF 34.4 million), the one-off impact of the Nxera Deal (CHF 68 million), a CHF 9 million milestone payment from Santhera, a revenue share from Johnson & Johnson (CHF 5 million) and other contract revenues mainly Mochida (CHF 4 million), and Neurocrine Biosciences, Inc. (CHF 2 million).

US GAAP operating expenses in 2023 amounted to CHF 409 million (CHF 900 million in 2022), of which CHF 7 million related to cost of sales (CHF 6 million in 2022), CHF 294 million to R&D expenses (CHF 383 million in 2022) and CHF 392 million to SG&A expenses (CHF 509 million in 2022) CHF 11 million restructuring charges and a one-off income of CHF 298 million relating to the Nxera Deal.

US GAAP net loss in 2023 amounted to CHF 298 million (CHF 828 million in 2022). The decrease of the net loss was mainly attributable to the one-off income related to the Nxera Deal but was also driven by higher revenues and lower operating expenses throughout all functions.

The US GAAP net loss resulted in a net loss per share of CHF 1.67 (basic and diluted) in 2023, compared to a net loss per share of CHF 4.67 (basic and diluted) in 2022.

Non-GAAP* measures in CHF millions, except EPS (CHF) and number of shares (millions)	Full Year		Fourth Quarter	
	2023	2022	2023	2022
Net revenues	152	97	22	54
Operating expenses	(654)	(854)	(137)	(234)
Operating income (loss)	(501)	(757)	(115)	(180)
Net income (loss)	(542)	(782)	(121)	(186)
Basic EPS	(3.04)	(4.41)	(0.68)	(1.05)
Basic weighted average number of shares	178.2	177.4	178.6	177.5
Diluted EPS	(3.04)	(4.41)	(0.68)	(1.05)
Diluted weighted average number of shares	178.2	177.4	178.6	177.5

* 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 2023 amounted to CHF 542 million: The CHF 244 million difference versus US GAAP net loss was mainly due to the one-off effect of the Nxera Deal (CHF 305 million income), depreciation and amortization (CHF 24 million), share-based compensation (CHF 23 million), restructuring charges (CHF 11 million) and a loss on marketable securities (CHF 4 million).

The non-GAAP net loss resulted in a net loss per share of CHF 3.04 (basic and diluted) in 2023, compared to a net loss per share of CHF 4.41 (basic and diluted) in 2022.

Nxera Deal (previously known as Sosei Deal)

In July 2023, Idorsia sold its operating businesses in the Asia-Pacific (excluding China) region to Sosei Heptares (now known as Nxera Pharma) for a total consideration of CHF 400 million. The territories within the scope of the transaction are Australia, Brunei, Cambodia, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Philippines, Singapore, South Korea, Thailand, Taiwan, and Vietnam (hereafter the “Territories”).

The Nxera deal includes the sale of Idorsia’s Japanese and South Korean affiliates, the assignment of the license for PIVLAZ (clazosentan) for the Territories and of the (co-) exclusive license for daridorexant for the Territories, and the assignment of all potential milestones in connection with the co-exclusive license for daridorexant granted to Mochida Pharmaceutical for Japan. The Nxera deal also includes an option for Nxera Pharma to license cenerimod and lucerastat for development and commercialization in the Territories, with option fees of CHF 3 million and 7 million, respectively, and subsequent payment of high-single-digit royalties on net sales in the Territories.

Cost reduction initiative

In July 2023, Idorsia launched a cost reduction initiative, targeting a reduction of around 50% in its fixed cost base at headquarters.

Approximately 475 positions at headquarters in Allschwil, Switzerland, were eliminated through a combination of cancellation of new positions, natural turnover, non-renewal of temporary positions, and terminations, mainly in Research & Development and associated support functions. The reduction of positions resulted in a restructuring charge of CHF 11 million.

The initiative has been concluded, with the reduction of costs becoming fully effective in early 2024.

Reacquisition of apocitentan rights

In September 2023, Idorsia reached an agreement to reacquire the development and commercialization rights for apocitentan from Johnson & Johnson Innovative Medicine (formerly known as Janssen Biotech, Inc.). In return, Idorsia will pay Johnson & Johnson Innovative Medicine a conditional consideration up to a total cap of CHF 306 million, depending on Idorsia’s revenues, as follows:

- 30% of any consideration received by Idorsia from a potential out-licensing or divestment of apocitentan,
- 10% of any consideration received by Idorsia from a potential out-licensing or the divestment of any other Idorsia product, following the first approval of apocitentan, and
- low- to mid-single-digit royalties on total group product net sales, beginning from the quarter after first apocitentan approval.

Johnson & Johnson Innovative Medicine will retain licenses in the pulmonary hypertension field.

Liquidity and indebtedness (as of December 31, 2023)

At the end of 2023, Idorsia's liquidity amounted to CHF 145 million.

(in CHF millions)	Dec 31, 2023	Sep 30, 2023	Dec 31, 2022
Liquidity			
Cash and cash equivalents	145	205	146
Short-term deposits	-	50	320
Total liquidity*	145	255	466
Indebtedness			
Convertible loan	335	335	335
Convertible bond	796	796	795
Other financial debt	162	162	162
Total indebtedness	1,293	1,292	1,292

*rounding differences may occur

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.

Human Resources

Idorsia reduced 423 positions worldwide in 2023, bringing the total number of employees (permanent, post-doc, and apprentices) to 938 (2022: 1,361).

Annual Report

Details of the activities performed in 2023 are available in Idorsia's 2023 Annual Report, consisting of the Business Report, Governance Report, Compensation Report, Financial Report, and for the first time, Sustainability 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, 2023, will be held on Thursday, June 13, 2024.

In order to vote at the Annual General Meeting, shareholders must be registered in the company's shareholder register by June 4, 2024, at the latest.

Notes to the editor

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 25-year heritage of drug discovery, a broad portfolio of innovative drugs in the pipeline, an experienced team of professionals covering all disciplines from bench to bedside, and commercial operations in Europe and North America – the ideal constellation for bringing innovative medicines to patients.

Idorsia was listed on the SIX Swiss Exchange (ticker symbol: IDIA) in June 2017 and has over 750 highly qualified specialists dedicated to realizing our ambitious targets.

For further information, please contact

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