

Financial Status as of
December 31, 2024
in connection with an upcoming
Bondholders meeting

Contents

3	Section 1: Context of the Financial Status report	
<hr/>		
4	Section 2: Management discussion and analysis	
<hr/>		
9	Section 3: Idorsia Group - Financial Status as of December 31, 2024 (unaudited)	
<hr/>		
17	Section 4: Idorsia Ltd - Financial Status as of December 31, 2024 (unaudited)	
<hr/>		

Section 1: Context of the Financial Status report

The Group determined that the current available financial resources did not allow the Group to fund its operations and to redeem the CHF 200 million convertible bonds at maturity on January 17, 2025 (hereafter referred as the “Bonds 2025”).

Therefore, the company seeks to amend the terms of the Bonds 2025 to give more flexibility to repay the Bonds 2025. This Financial Status is provided in connection with the calling of a bondholders' meeting of the Bonds 2025 as required by Article 1175 of the Swiss Code of Obligations.

Shareholders and bondholders should note that whilst Management and Board of Directors consistently continue to evaluate and execute all available options to extend the cash runway and operate the business as a going concern, there is no guarantee that any transaction can be realized or that such transaction would generate sufficient funds in the near-term future to prevent a default of payment.

This material uncertainty may cast significant doubts about the going concern of the Group. In this context, shareholders and bondholders should note that the accompanying unaudited financial information has been prepared on the basis that the Group will continue as a going concern and therefore does not include any adjustments that would be necessary should the Group be unable to continue as a going concern. The accompanying financial information is unaudited and may be subject to change. Readers of this financial information shall not place undue reliance on it.

The consolidated and standalone numbers for the Full Year 2024 included in this Financial Status are unaudited. As a result, the audited Full Year 2024 may differ from the numbers included in this Financial Status.

Please note that investments in and loan receivables due from group companies as reported in the Holding company balance sheet are subject to an impairment test which is currently ongoing. Given the significant value of the holding company investments and receivables and the judgement involved in this process, there is no guarantee that the value confirmed for these assets will continue to exceed the book value. The company recognized a significant impairment on these assets in its standalone Financial Statements.

Section 2: Management discussion and analysis

The consolidated numbers for the Full Year 2024 and the fourth quarter 2024 are unaudited and assume that the Group will continue as a going concern. Therefore, these numbers do not include any adjustments that would be necessary should the Group be unable to continue as a going concern.

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.

Operating performance

Unaudited (in CHF millions)	US GAAP		Non- GAAP	
	Twelve months 2024	Fourth quarter 2024	Twelve months 2024	Fourth quarter 2024
Revenues	113	60	113	60
Operating expenses	(351)	(140)	(427)	(121)
Other income	6	2	6	2
Operating income (loss)	(232)	(78)	(308)	(60)

US GAAP operating loss of CHF 232 m comprised of Non-GAAP operating loss (CHF 308 m), depreciation and amortization (CHF 18 m), share-based compensation (CHF 12 m), a net gain from asset disposals deriving from the Viatri Deal (CHF 125 m), impairment of tangible assets (CHF 14 m) and restructuring charges (CHF 6 m).

Idorsia announced on March 18, 2024, the closing of a global research and development collaboration with Viatri Inc. ("Viatri"), focused on the development and commercialization of two innovative compounds, selatogrel and cenerimod, both discovered by Idorsia ("Viatri deal"). Only 150 million US dollars of the 350 million US dollars upfront consideration paid by Viatri was recorded as a gain on sale of disposal, offset by some expenses, resulting in a net gain of 125 million Swiss francs. The remainder of 181 million Swiss francs was accrued to account for the performance of services and Idorsia commitment to fund the ongoing phase 3 of selatogrel and cenerimod up to 200 million US dollars, of which 83 million US dollars (73 million Swiss francs) were consumed during 2024.

Unaudited (in CHF millions)	Twelve months 2024	Fourth quarter 2024
Product sales	107	59
Contract revenue - milestones	4	1
Contract revenue - royalties	1	0
US GAAP Revenue	113	60

Product sales comprised of:

- QUVIVIQ™ (daridorexant) with CHF 61 m net sales in France, US, Germany, Switzerland, UK, Canada, Italy, Spain, Austria and Sweden. US net sales do not fully reflect the volumes of the products dispensed due to coupon and co-pay programs.

- Sales to our partners for the Asia-Pacific-Region with CHF 47 m

Contract revenue from milestones consisted of the license of ACT-1002-4391 granted to Owkin.

US GAAP operating expenses of CHF 351 m comprised of Non-GAAP operating expenses (CHF 427 m), depreciation and amortization (CHF 18 m) and share-based compensation (CHF 12 m). It also includes one-offs with impairment of tangible assets (CHF 14 m), restructuring charges (CHF 6 m) and the impact of the Viatris Deal (CHF 125 m net gain offsetting the operating expenses).

Unaudited (in CHF millions)	Twelve months 2024	Fourth quarter 2024
Cost of sales	36	20
Research	63	17
Development	65	19
Selling	187	53
General and administrative	76	20
Non-GAAP operating expenses	427	129
Depreciation and amortization	18	4
Share-based compensation	12	(5)
Restructuring charges	6	5
Impairment of tangible asset	14	14
Effect of the Viatris Deal	(125)	-
Other operating expenses	(76)	18
US GAAP operating expenses	351	147

The cost reduction initiative implemented in the third quarter 2023 realized benefits across the organization in 2024 with lower spend in Research, Development, and the Commercial organization. Further savings expected due to cost reduction initiative announced in November 2024, which will be fully effective in 2025.

Non-GAAP research expenses of CHF 63 m, comprised of biology (CHF 19 m), chemistry (CHF 17 m) and preclinical activities (CHF 27 m).

Non-GAAP development expenses of CHF 65 m include a release of CHF 73 m to neutralize the costs incurred for selatogrel and cenerimod in connection with the Viatris Deal. Non-GAAP development expenses mainly comprised of CHF 38 m for clinical activities (including CHF 8 m study costs, mainly driven by late stage studies for daridorexant and lucerastat) and CHF 27 m for chemical and pharmaceutical development activities (including CHF 8 m for drug substance and drug product).

Non-GAAP SG&A expenses of CHF 263 m, comprised of commercial activities (CHF 187 m), information systems (CHF 29 m) and other support functions (CHF 47 m).

Cash-Flow

The negative cash flow of CHF 39 m was mainly driven by the operating cash outflow (CHF 370 m), acquisition and sale of tangible and intangible assets (CHF 3 m), royalty monetization proceeds (CHF 26 m) and Viatrix deal proceeds (CHF 308 m).

Unaudited (in CHF millions)	Twelve months 2024	Fourth quarter 2024
Net outflows from operations	(335)	(79)
Change in working capital	(35)	68
Operating Cash-Flow	(370)	(11)
Acquisition/sale of tangible and intangible assets	(3)	(1)
Cash from royalty monetization	26	26
Cash from the Viatrix deal	308	-
Cash flow	(39)	15

Liquidity and financial indebtedness

Unaudited (in CHF millions)	December 31, 2024
Cash and cash equivalents	106
Total liquidity	106
Convertible loan	335
Convertible bonds	797
Other financial debt	162
Total Indebtedness	1,294

Idorsia liquidity as of December 31, 2024, amounted to CHF 106 m, a decrease of CHF 39 m compared to December 31, 2023.

Idorsia financial indebtedness as of December 31, 2024, remained -except for the effect of the amortization of debt issuance cost- unchanged at CHF 1,294 m.

The convertible loan of 335 million Swiss francs is the remaining portion of a 580 million Swiss francs loan underwritten by Cilag Holding AG, an affiliate of Johnson and Johnson at the time of the demerger from Actelion in June 2017 (the "Cilag loan"). The Cilag loan was issued at par, does not carry interest, has a conversion price of 11.48 Swiss francs, a maturity on June 15, 2027, and a redemption likely to be in shares (29.1 million shares of Idorsia, which would result in a total shareholding of 18% on a diluted basis) since Cilag can convert in shares at any time but Idorsia has eventually the option to redeem it in shares at maturity. However, Cilag would have the option to choose for a cash redemption, should Idorsia undergo a change of control or file for insolvency.

The convertible bonds consist of two senior unsecured convertible bonds: the convertible bond initially due 2024 ("Bonds 2025") and the convertible bond due 2028 ("Bonds 2028").

In July 2018, the Group issued CHF 200 million of senior unsecured convertible bonds (Bonds 2025), which were due to mature on July 17, 2024. On May 6, 2024, a bondholder meeting was held, where 83.5% of the total outstanding bondholders voted in favour of amendments to the terms of the bonds. The approved bond terms include an amended conversion price of CHF 6.00, extended maturity date of January 17, 2025, and the option to call the bonds at par, in full or in part, at any time upon giving ten trading days' notice. A consent fee of 8,000 shares per Bond was paid to bondholders on September 5, 2024.

The Bonds 2028 were issued on August 4, 2021, for an aggregate amount of 600 million Swiss francs (3,000 senior unsecured bonds with a denomination of 200,000 Swiss francs per bond). The bonds were issued at par, with an interest rate of 2.125% per annum, a conversion price of 31.54 Swiss francs, a maturity on August 4, 2028, and a redemption in cash at 100% of the principal amount. The investors may request redemption of the bonds on the fifth anniversary of the settlement date (on August 4, 2026) or upon a change of control and in case of a delisting of shares.

The other financial debt of 162 million Swiss francs is relating to a sale and lease-back transaction for its research and development building at Idorsia headquarters. The transaction generated net proceeds of 162 million Swiss. The transaction does not qualify as a sale for US GAAP purposes as Idorsia has an option to repurchase the building; therefore, the related assets and potential liability remain on the balance sheet.

The conditional debt arising from the reacquisition of the worldwide rights to apocitentan from Janssen is not recorded on the balance sheet. With the marketing approval of apocitentan by the FDA in the US and the EMA in Europe, Janssen is entitled to receive up to 306 million Swiss francs. Idorsia is obligated to repay such conditional debt via low to mid-single digit royalties on net sales, 30% of proceeds received from an outlicense or divestiture of apocitentan, and 10% of proceeds received from an outlicense or divestiture of other Idorsia assets. The remaining conditional debt on December 31st, 2024 amounts to 289 million Swiss francs.

Shares

Unaudited (in CHF millions)	December 31, 2024
Issued common shares	189.7
Equity derivatives	81.5
Equity instruments	17.0
Total potential issued shares	288.3

Issued shares increased to 189.7 million mainly due to the vesting of equity awards. Issued shares include 1.0 million treasury shares held by the Group.

Equity derivatives of 81.5 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 33.3 million related to the convertible bonds due in 2025, which increased from 5.9 million in August 2024 when the amendments to the bonds' terms became effective.

Equity awards of 17.0 million comprised of 9.7 million share options with a weighted average strike price of CHF 14.60 granted to eligible employees and 7.3 million unvested share units granted to eligible employees.

Section 3: Idorsia Group - Financial Status as of December 31, 2024 (unaudited)

Unaudited Consolidated Income Statement (1/2)

	Twelve months ended December 31,	
	2024	2023
<small>(in CHF thousands, except per share amounts)</small>	<small>(unaudited)</small>	<small>(audited)</small>
Net revenue		
Product sales	107,332	65,296
Contract revenue	5,176	87,090
Total net revenue	112,508	152,386
Operating (expenses)¹		
Cost of sales	(35,926)	(7,150)
Research and development	(143,666)	(293,555)
Selling, general and administrative	(273,022)	(391,950)
Amortization of intangible assets	(3,383)	(3,973)
Impairment of fixed assets	(13,888)	-
Impairment of intangible assets	-	(6,643)
Restructuring charges	(6,197)	(10,542)
Gains on sale of disposal group	125,327	305,092
Total operating (expenses)	(350,756)	(408,719)
Other income	6,234	1,188
Operating income (loss)	(232,014)	(255,145)
Interest income (expense), net	(18,991)	(19,408)
Accretion of convertible debt	(1,133)	(1,260)
Other financial income (expense), net	(11,182)	(18,439)
Total financial income (expense)	(31,305)	(39,108)
Income (loss) before income tax benefit (expense)	(263,319)	(294,253)
Income tax benefit (expense)	(323)	(3,668)
Net income (loss)	(263,642)	(297,921)

Unaudited Consolidated Income Statement (2/2)

(in CHF thousands, except per share amounts)	Twelve months ended December 31,	
	2024 (unaudited)	2023 (audited)
Basic net income (loss) per share attributable to Idorsia's shareholders	(1.45)	(1.67)
Weighted-average number of common shares (in thousands)	182,447	178,247
Diluted net income (loss) per share attributable to Idorsia's shareholders	(1.45)	(1.67)
Weighted-average number of common shares (in thousands)	182,447	178,247
¹ Includes share-based compensation as follows:		
Research and development	4,071	11,182
Selling, general and administrative	7,434	11,935
Total share-based compensation	11,505	23,117

Unaudited Consolidated Statement of Comprehensive Income

(in CHF thousands)	Twelve months ended December 31,	
	2024	2023
	(unaudited)	(audited)
Net income (loss)	(263,642)	(297,921)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	522	(1,675)
Change of unrecognized components of net periodic benefit costs	(7,408)	(36,986)
Other comprehensive income (loss), net of tax	(6,887)	(38,661)
Comprehensive income (loss)	(270,529)	(336,582)

Unaudited Consolidated Balance Sheet (1/2)

	December 31,	December 31,
(in CHF thousands, except number of shares)	2024	2023
	(unaudited)	(audited)
ASSETS		
Current assets		
Cash and cash equivalents	106,376	145,052
Trade and other receivables, net	37,158	28,791
Receivables from related parties	170	1,145
Inventories	62,648	59,146
Marketable securities	17,982	12,764
Other current assets	31,108	29,386
Total current assets	255,442	276,284
Noncurrent assets		
Property, plant and equipment, net	89,015	136,671
Right-of-use assets	127,907	73,065
Intangible assets, net	23,473	3,527
Pension asset	326	3,540
Other noncurrent assets	9,558	6,909
Total noncurrent assets	250,278	223,712
TOTAL ASSETS	505,720	499,996

Unaudited Consolidated Balance Sheet (2/2)

	December 31,	December 31,
(in CHF thousands, except number of shares)	2024	2023
	(unaudited)	(audited)
LIABILITIES		
Current liabilities		
Trade and other payables	35,144	19,910
Payables and accrued payables to related parties	1,764	322
Deferred revenue	721	2
Lease liability	8,586	6,275
Sales related liabilities	22,088	18,189
Accrued expenses	165,904	55,457
Provisions	5,212	1,322
Convertible bonds	200,000	199,847
Royalty monetization liability	3,439	-
Total current liabilities	442,858	301,326
Noncurrent liabilities		
Convertible loan	334,575	334,575
Convertible bonds	597,204	596,428
Other financial liabilities	162,410	162,205
Lease liability	116,286	66,501
Deferred tax liability	52	1,940
Other noncurrent liabilities	41,275	5,737
Royalty monetization liability	23,091	-
Total noncurrent liabilities	1,274,895	1,167,388
Total liabilities	1,717,753	1,468,713
EQUITY		
Idorsia's shareholders' equity		
Common shares (par value CHF 0.05 per share, issued and outstanding 189,743,556 and 188,480,626 as of December 31, 2024 and December 31, 2023 respectively; total number of authorized shares, including issued, conditional and upper end of capital range, 376,337,368 as of December 31, 2024 and 350,745,979 as of December 31, 2023 respectively)	9,487	9,424
Additional paid-in capital	2,182,337	2,155,617
Accumulated profit (loss)	(3,406,661)	(3,143,019)
Treasury shares	(52)	(483)
Accumulated other comprehensive income (loss)	2,856	9,742
Total Idorsia's shareholders' equity	(1,212,033)	(968,718)
TOTAL LIABILITIES AND EQUITY	505,720	499,996

Unaudited Consolidated Statement of Cash Flows (1/2)

(in CHF thousands)	Twelve months ended December 31,	
	2024	2023
	(unaudited)	(audited)
Cash flow from operating activities		
Net income (loss)	(263,642)	(297,921)
Adjustments to reconcile net income (loss) to net cash provided from operating activities:		
Depreciation and amortization	17,867	19,034
Tangible assets impairment charges	13,888	-
Non-cash interest expense	342	-
Intangible assets impairment charges	-	6,643
Share-based compensation	11,505	23,117
Accretion of convertible debt	1,133	1,260
Fair value changes on securities	(5,991)	2,490
Release of deferred revenue and accrued income	1,864	(5,655)
Gain on disposals of assets	(125,327)	(305,092)
Use of treasury shares	14,072	-
Deferred taxes	(939)	1,895
Changes in operating assets and liabilities:		
Trade and other receivables	(5,955)	(12,878)
Prepayments	(4,674)	5,098
Inventories	(2,748)	(32,960)
Trade and other payables	7,885	1,198
Accrued expenses	153,652	(44,863)
Provisions	(536)	(12,878)
Changes in other operating cash flow items	354	22,214
Changes in other operating cash flows as a result of asset disposal	(182,984)	-
Net cash flow provided by (used in) operating activities	(370,232)	(629,296)
Cash flow from investing activities		
Purchase of short-term deposits	-	(50,000)
Proceeds from short-term deposits	-	370,000
Purchase of property, plant and equipment	(2,998)	(9,131)
Proceeds from sale of property, plant and equipment	14,999	-
Purchase of intangible assets	(14,992)	(267)
Proceeds from disposals of assets	308,048	322,012
Net cash flow provided by (used in) investing activities	305,057	632,614

Unaudited Consolidated Statement of Cash Flows (2/2)

(in CHF thousands)	Twelve months ended December 31,	
	2024	2023
	(unaudited)	(audited)
Cash flow from financing activities		
Issuance of new shares, net	(80)	(197)
Proceeds from borrowings, net	26,499	50,000
Repayments of borrowings	(311)	(50,000)
Proceeds from issuance of convertible loans, net	-	10,000
Repayments of convertible loans	-	(10,000)
Net cash flow provided by (used in) financing activities	26,108	(197)
Net effect of exchange rates on cash and cash equivalents	391	(4,067)
Net change in cash and cash equivalents	(38,676)	(946)
Cash and cash equivalents at beginning of period	145,052	145,998
Cash and cash equivalents at end of period	106,376	145,052

Unaudited Consolidated Statement of Changes in Equity

	Common shares		Idorsia's shareholders			Accum. other comprehensive income (loss)	Total equity
	Shares	Amount	Additional paid-in capital	Accum. profit (loss)	Treasury shares		
(in CHF thousands, except number of shares)							
At January 1, 2023	177,558,532	8,878	2,126,859	(2,845,098)	-	48,403	(660,958)
Comprehensive income (loss):							
Net income (loss)				(297,921)			(297,921)
Other comprehensive income (loss)						(38,661)	(38,661)
Comprehensive income (loss)							(336,582)
Share-based compensation transactions	922,094	46	23,917				23,964
Transactions in treasury shares	10,000,000	500	4,841		(483)		4,858
At December 31, 2023 (audited)	188,480,626	9,424	2,155,617	(3,143,019)	(483)	9,742	(968,718)
Comprehensive income (loss):							
Net income (loss)				(263,642)			(263,642)
Other comprehensive income (loss)						(6,887)	(6,887)
Comprehensive income (loss)							(270,529)
Share-based compensation transactions	1,262,930	63	11,549				11,612
Transactions in treasury shares			15,171		430		15,601
At December 31, 2024 (unaudited)	189,743,556	9,487	2,182,337	(3,406,661)	(52)	2,856	(1,212,033)

Section 4: Idorsia Ltd - Financial Status as of December 31, 2024 (unaudited)

Unaudited Balance sheet (1/2)

(in CHF thousands)	December 31, 2024	December 31, 2023
	(unaudited)	(audited)
ASSETS		
Current assets		
Cash and cash equivalents	3,122	15,969
Other receivables from Group companies	15	18
Other current assets	12	12
Total current assets	3,150	15,999
Noncurrent assets		
Long-term loans to Group companies	46,404	49,470
Long-term loans to Group companies (subordinated)	1,540,567	2,540,150
Investments in Group companies	264,037	263,898
Total noncurrent assets	1,851,008	2,853,518
TOTAL ASSETS	1,854,158	2,869,517

Unaudited Balance sheet (2/2)

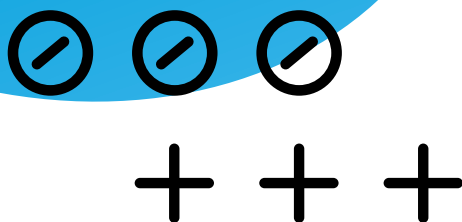
(in CHF thousands)	December 31, 2024	December 31, 2023
	(unaudited)	(audited)
LIABILITIES		
Current liabilities		
Accrued interest	5,144	5,894
Current financial debt	200,000	200,000
Other current liabilities	1,290	490
Total current liabilities	206,433	206,384
Noncurrent liabilities		
Noncurrent financial debt	934,575	934,575
Total noncurrent liabilities	934,575	934,575
Total liabilities	1,141,009	1,140,959
Shareholders' equity		
Common shares	9,487	9,424
Legal reserves:		
Legal capital contribution reserve	1,705,157	1,702,130
Other legal reserves	30,641	30,560
Reserve for treasury shares	(52)	(483)
Legal retained earnings:		
Accumulated profit (loss)	(1,032,084)	(13,074)
Total shareholders' equity	713,149	1,728,558
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,854,158	2,869,517

Unaudited Income Statement

(in CHF thousands)	Twelve months ended December 31,	
	2024	2023
	(unaudited)	(audited)
Financial income	15,608	15,430
Total income	15,608	15,430
Financial (expense)	(16,548)	(15,280)
Administrative (expense)	(3,325)	(3,435)
Gain from sale of investments	123	27,288
Total income/ (expense)	(19,751)	8,572
Valuation allowance on loans to Group companies	(1,014,866)	-
Total other income/ (expense)	(1,014,866)	-
Income (loss) before taxes	(1,019,009)	24,002
Income tax benefit (expense)	-	-
Net income (loss)	(1,019,009)	24,002

Disclaimer

The consolidated and standalone numbers for the twelve months 2024 and the fourth quarter 2024 included in this Financial Status are unaudited and may be subject to change. Readers of this financial information shall not place undue reliance on it. As a result, the audited Full Year 2024 and Q4 2024 Financial Results may differ from the numbers included in this Financial Status. In addition, this Financial Status may expressly or implicitly contain certain forward-looking statements concerning the Group. Such statements involve certain known and unknown risks, uncertainties, and other factors, which could cause the actual results, financial condition, performance, or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. There can be no guarantee that any of the development, commercial or financing projects contemplated by the Group will succeed.



**Curious to learn more?
Reach out to us.**

Investor Relations
Idorsia Pharmaceuticals Ltd
Hegenheimermattweg 91
4123 Allschwil
Switzerland

Phone +41 58 844 10 10
investor.relations@idorsia.com
© Idorsia Pharmaceuticals Ltd 2025
www.idorsia.com

All trademarks are legally protected.