Media Release
February 26, 2025

Ad hoc announcement pursuant to Art. 53 LR

Idorsia reaches an agreement with significant bondholders to restructure its convertible bond debt and to secure funding for future operations

- More than the required two-thirds majority of bondholders reach agreement on the main terms for the restructuring of Idorsia's outstanding convertible bond debt – allowing the removal of a large debt overhang and providing CHF 150 million of new funding
- Agreement with Viatris to revise collaboration for selatogrel and cenerimod results in the removal of significant cash requirement for 2025
- Release from exclusivity constraint allows Idorsia to pivot to negotiate with alternative parties for the global rights to aprocitentan
- Idorsia to host an investor webcast today, at 15:00 CET
- Full Year 2024 Financial Reporting and publication of the Financial Report to be postponed to March 4, 2025

Allschwil, Switzerland – February 26, 2025
Idorsia Ltd (SIX: IDIA) today announced that it has reached an agreement with more than two-thirds of the holders of its outstanding convertible bond debt on the main terms of the restructuring of the bonds and raising CHF 150 million of new funding, securing future operations of Idorsia.

André C. Muller, CEO of Idorsia, commented: "Our current forecasts have us reaching commercial profitability with QUVIVIQ in 2026, and overall profitability in 2027. We also have aprocitentan, a product with blockbuster potential already approved in the US and Europe that we aim to partner. We also have a collaboration for selatogrel and cenerimod, two Phase 3 assets which could bring significant potential milestone payments and royalties. Finally, we have an early-stage portfolio with some truly innovative potential therapies. Thankfully we have bondholders and partners who can see the potential we have created and have contributed to a tailored solution that will ensure we can continue to create value for all stakeholders."

The decision that the undisclosed party will not close the contemplated aprocitentan deal meant the company needed to urgently secure cash from other sources. The main holders of Idorsia's convertible bond debt have cooperated with the company to find a tailored solution that removes the short- to mid-term debt overhang and agreed to provide new funding to allow the company to remain a going concern. The agreement with Viatris announced this morning relieves significant pressure on the 2025 cashflow and allows the company to maximize the new money facility to be provided by some of the bondholders. All these initiatives were intertwined and essential to significantly extend the cash runway allowing Idorsia to advance its business and create value for all stakeholders, while providing the company time to pivot to an alternative partner for the rights to aprocitentan.

Convertible bond restructuring with a new money facility

Idorsia currently has two convertible bonds, the CHF 200 million convertible bonds issued in 2018 (ISIN CH0426820350) (CB2025), and the CHF 600 million convertible bonds issued in 2021 (ISIN CH1128004079) (CB2028). To preserve its going concern, the company has been in discussions

with certain bondholders to raise additional funding to secure ongoing operations and to evaluate opportunities for a holistic restructuring of both the CB2025 and CB2028. The parties have agreed to a tailored approach to achieve a holistic restructuring of the company's convertible bond debt.

As a first step of the restructuring, a bondholders' meeting was held yesterday (February 25, 2025) to approve the extension of the maturity of the CB2025 until September 17, 2025, providing the time required for the implementation of the following steps of the restructuring. All information related to the meeting can be found at the following link: www.idorsia.com/CB2025.

In a second step of the restructuring, the company intends to publish invitations to bondholders' meetings to amend the terms of both the CB2025 and CB2028 to, among others, extend the maturity date by 10 years.

In a third step of the restructuring, a special purpose vehicle (SPV) will be created. Idorsia intends to transfer to this SPV its rights to selatogrel and cenerimod, and its rights to aprocitentan. A bond exchange offer will be launched by the SPV, where the CB2025 and CB2028 bondholders will be offered the opportunity to exchange their convertible bonds for newly created notes issued by the SPV (SPV Notes). For participating in the exchange offer, bondholders will be entitled to receive (pro rata to their participation in the exchange) up to a total of 8.04 million Idorsia shares and up to a total of 8.04 million Idorsia warrants at a CHF 1.50 strike price, exercisable at any time in the next 24 months.

Any potential net payments for milestones and royalties from selatogrel and cenerimod, as well as any potential net proceeds from a deal for aprocitentan will be used to repay holders of the SPV Notes. Idorsia and SPV will remain fully committed to repay Johnson & Johnson for the return of aprocitentan rights, as applicable (press release). Idorsia's rights to all three products will return to Idorsia once the SPV Notes – principal amount and related interest – have been fully paid.

In addition to the holistic restructuring, Idorsia has agreed to a new money facility for a net amount of CHF 150 million (approximately CHF 158 million gross) that will extend Idorsia's cash runway into 2026. This new money facility will be repaid with interest within 24 months and is fully backstopped by a bondholder group who will receive (pro rata to their backstopping participation) a total of 9.0 million Idorsia shares and 8.0 million Idorsia warrants at a CHF 1.50 strike price, exercisable any time before the maturity of the new money facility.

All bondholders will also be invited to participate in this fully backstopped new money facility. Those bondholders participating in the new money facility will be entitled to receive (pro rata to their participation in the new money facility) up to a total of 10.5 million Idorsia shares and up to 9.5 million Idorsia warrants at a CHF 1.50 strike price, exercisable any time before the maturity of the new money facility. In addition, bondholders that are providing new money to the company by participating in the new money facility will receive in return (up to a certain amount) SPV Notes which are repaid first.

The company has agreed to the main terms of this holistic restructuring and new money funding with significant bondholders, including Jean-Paul Clozel, that have entered into binding lock-up agreements. This bondholder group represents more than the required majority – of at least two-thirds of the aggregate principal amount of all convertible bonds outstanding – to validly pass resolutions at the relevant bondholders' meeting, subject to the approval by the relevant Court. All bond holders will be offered the opportunity to participate in the binding lock-up agreement in return for a 1% capitalized fee. The agreement setting out the detailed terms and conditions is available to holders of the convertible bonds via https://deals.is.kroll.com/idorsia. Please note that any accession

to the lock-up agreement is to be submitted via an online smart form of the accession letter available on such website.

Idorsia will also sell 5.0 million Idorsia shares to certain bondholders demonstrating further support for Idorsia's equity story and providing Idorsia with additional capital to meet its obligations.

Arno Groenewoud, Chief Financial Officer, commented: "The new money facility and the amendment to the collaboration with Viatris allows Idorsia to significantly extend its cash runway beyond 2025. The holistic convertible bonds restructuring allows to alleviate the short- to mid-term debt overhang of 800 million Swiss francs while retaining upside potential of key assets beyond the value of the debt. Idorsia will issue shares and warrants that could potentially result in a total potential dilution of around 20% on a fully diluted basis and additional cash of approximately 38 million Swiss francs."

Future operations

The company must now adapt operations across the different divisions in order to optimize the use of the new money facility.

Aprocitentan (TRYVIO® and JERAYGO™)

Aprocitentan is an innovative and highly differentiated drug, commercially available in the US and approved in Europe and UK for the millions of patients who are unable to bring their hypertension under control with existing medications. As the first drug to target the endothelin pathway in systemic hypertension, aprocitentan has blockbuster potential in uncontrolled hypertension, particularly for difficult to treat patients with chronic kidney disease and hypertension, and further potential beyond hypertension.

The priority remains to partner aprocitentan, having been released from the exclusivity constraint with the undisclosed party, the company will resume discussions with alternative potential partners that recognize the value of aprocitentan.

Europe and Canada (EUCAN) commercial operations

Commercial efforts with QUVIVIQ™ (daridorexant) in EUCAN are beginning to translate into considerable success. Sales have shown a steady increase since the first launch in November 2022, with a recent acceleration – particularly driven by a great performance in Germany and an outstanding launch in France. In 2024, sales in the region reached CHF 32 million. This dynamic is expected to continue in the coming months with additional countries aiming to secure reimbursement and as the commercial reach expands from specialist prescribers to general practitioners through commercial partnerships. The company will therefore continue to ensure the need for an effective and safe insomnia treatment translates into demand in the main countries of the region.

US commercial operations

In the US, the company has implemented a change to the commercialization approach for QUVIVIQ® with the objective to reduce operating costs while maintaining the sales until descheduling of the dual orexin receptor antagonist (DORA) class can be achieved and the real value of QUVIVIQ in the US market can be unlocked. Our commercialization partner, Syneos Health Inc., will switch to 20 virtual sales representatives operating remotely instead of the around 100 field force sales reps. Idorsia and Syneos will also coordinate marketing, digital media, data analytics and market access activities in support of the virtual representatives.

The contemplated deal for aprocitentan with the undisclosed party envisaged the transfer of US employees. Since the transaction has not been consummated, the company regrets that it has had to

make additional people redundant in the US. TRYVIO (aprocitentan) has been available to prescribe to the millions of patients in the US whose high blood pressure is not adequately controlled by other drugs since October 2024. Everything is in place for launch except funding for a field salesforce and promotional activities, which continues to be dependent on a partnership deal. In the meantime, Idorsia US will execute a limited and focused launch of TRYVIO in the US in order to maintain and increase the value of a potential out-licensing deal for aprocitentan.

Research & Development portfolio
The company has focused its drug discovery efforts, reducing the number of active projects in research and development and preparing some for out-licensing. The prioritization has resulted in a portfolio of assets where Idorsia intends to develop to the next inflection point before partnering, or when feasible and appropriate, developing further ourselves. The company expects new data with lucerastat, and a Phase 1 study of our *Clostridium difficile* infection vaccine, which has the potential to show whether the vaccine induces an immune response, in the coming months.

The company will need to further prioritize activities in order to reduce costs and the decisions on which assets to advance will be taken based on the data when available and the results of ongoing out-licensing discussions for early-stage assets.

Financial guidance for 2025

As previously announced, for the Idorsia-led portfolio in 2025, the company expects a continued acceleration of QUVIVIQ with net sales of around CHF 110 million, COGS of around CHF 15 million, SG&A expenses of around CHF 210 million, and R&D expense of around CHF 100 million, leading to non-GAAP operating expenses of around CHF 325 million. This performance would result in an Idorsia-led business non-GAAP operating loss of around CHF 215 million and US-GAAP operating loss of around CHF 260 million.

The company expects US-GAAP EBIT for the partnered business of around CHF 105 million, mainly driven by the amended deal with Viatris announced this morning. This would result in a US-GAAP loss for the global business of around CHF 155 million. The company will continue its efforts to maximize QUVIVIQ sales and reduce costs moving forward.

All amounts exclude unforeseen events and potential revenue related to additional business development activities.

Investor webcast

An investor conference call and webcast will be held today, February 26, 2025, at 15:00 hrs CET.

The call will start with a presentation by senior management, followed by a Q&A session.

Dial-in procedure:

1) Participants are required to register in advance of the conference (link already open for registration) using the link provided below. Upon registration, each participant will be provided with participant dial in numbers, and a unique personal PIN.
2) In the 10 minutes prior to the call start time, participants will need to use the conference access information provided in the e-mail received at the point of registering. Participants may also use the Call Me feature instead of dialing the nearest dial in number.

Online Registration: https://register.vevent.com/register/BI19938857adfa424f845daac46bf133d8
Webcast: Participants should go to the Idorsia website www.idorsia.com 10-15 minutes before the conference is due to start.

Replay: A replay of the investor webcast will be available through www.idorsia.com approximately 60 minutes after the call has ended.

Full Year 2024 Financial Reporting

The Full Year 2024 Financial Reporting and publication of the Financial Report will be postponed to March 4, 2025.

The publication of the other reports of the Annual Report 2024 – Business Report, Governance Report, Compensation Report, and Sustainability Report – continues to be scheduled for March 27, 2025.

Notes to the editor

About the 2025 convertible bond

The CHF 200 million convertible bonds issued in 2018 (ISIN CH0426820350) initially had a term of six years, maturing on July 17, 2024. On May 6, 2024, a bondholders' meeting approved modifications to the terms of the convertible bonds to, among others, amend the conversion price to CHF 6.00 per Idorsia share (from CHF 33.95) and extend the maturity date by six months to January 17, 2025.

About the 2028 convertible bond

The CHF 600 million convertible bonds issued in 2021 (ISIN CH1128004079) have a conversion price of CHF 31.54 and a term of seven years, maturing on August 4, 2028. Investors may request redemption of the bonds as of the 5th anniversary of the settlement date.

About Idorsia

Idorsia Ltd is reaching out for more – we have more passion for science, we see more opportunities, and we want to help more patients.

The purpose of Idorsia is to challenge accepted medical paradigms, answering the questions that matter most. To achieve this, we will discover, develop, and commercialize transformative medicines – either with in-house capabilities or together with partners – and evolve Idorsia into a leading biopharmaceutical company, with a strong scientific core.

Headquartered near Basel, Switzerland – a European biotech hub – Idorsia has a highly experienced team of dedicated professionals, covering all disciplines from bench to bedside; QUVIVIQ™ (daridorexant), a different kind of insomnia treatment with the potential to revolutionize this mounting public health concern; strong partners to maximize the value of our portfolio; a promising in-house development pipeline; and a specialized drug discovery engine focused on small-molecule drugs that can change the treatment paradigm for many patients.

Idorsia is listed on the SIX Swiss Exchange (ticker symbol: IDIA).

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