Media Release
February 7, 2023

Ad hoc announcement pursuant to Art. 53 LR

Idorsia announces financial results for 2022 – building momentum to become a leading mid-sized biopharmaceutical company

Allschwil, Switzerland – February 7, 2023
Idorsia Ltd (SIX: IDIA) today announced its financial results for 2022.

Commercial highlights

- **QUVIVIQ™ (daridorexant)** total net sales of CHF 6.5 million since launch in May 2022 in the US, and in November 2022 in Germany and Italy
- **QUVIVIQ in the US:** Becoming the leading branded insomnia medicine in new to brand prescriptions (NBRx) – with accelerating continued brand prescriptions (CBRx). Net sales in 2022 do not reflect the volume as broad commercial coverage is under negotiation. 2023 kicks-off with progress in payer coverage.
- **QUVIVIQ in Europe:** Off to a great start in Germany and Italy
- **PIVLAZ® (clazosentan)** strong performance in Japan with net sales of CHF 44 million since launch in April 2022, with approximately 25% of aSAH patients in the month of December treated with PIVLAZ

Pipeline highlights

- **QUVIVIQ** – Europe's first DORA – granted approval by the European Commission in April 2022 and subsequently by the Medicines and Healthcare products Regulatory Agency in Great Britain; approved in Switzerland in December 2022
- **Daridorexant** – Positive Phase 3 study of Japanese patients with insomnia paves way to regulatory submission in H2 2023
- **Aprocitentan** – *The Lancet* and American Heart Association (AHA) late-breaking science session reported significant and sustained antihypertensive effect of aprocitentan in patients with resistant hypertension. NDA submitted to the US FDA in December 2022. MAA submitted to the EMA at the end of January 2023
- **Clazosentan** – Market registration, based on Japanese data, requested in Republic of Korea
- **Clazosentan** – Global Phase 3 study, REACT, did not meet primary endpoint
- **Cenerimod** – Phase 3 registration program for the treatment of patients with systemic lupus erythematosus initiated in December 2022
- **Selatogrel** – Phase 3 SOS-AMI study for the treatment of heart attack has now exceeded 3,300 patients and recruitment is expected to ramp up in 2023

Financial highlights

- **Net revenue** FY 2022 at CHF 97 million
- **US GAAP operating expenses** FY 2022 at CHF 900 million and **Non-GAAP operating expenses** FY 2022 at CHF 854 million
- **US GAAP operating loss** FY 2022 of CHF 803 million and **Non-GAAP operating loss** of CHF 757 million

- **Sale & leaseback** – Idorsia entered into an agreement generating gross proceeds of CHF 164 million
- **Guidance for 2023**: Company is committed to manage operating expenses in order to deliver US GAAP operating loss of around CHF 735 million and non-GAAP operating loss of around CHF 650 million – unforeseen events excluded
- **Fundraising**: With a liquidity of CHF 466 million at the end of 2022 and the current guidance for 2023 – company expects to raise cash in the near term
- **Profitability target:** The company is committed to become profitable and expects to reach this goal in 2025 with global revenue above CHF 1 billion

Jean-Paul Clozel, MD and Chief Executive Officer, commented:
"At the start of 2022, we committed to a year of transformation, and that is exactly what we delivered. We launched our first two products and made significant progress with key late-stage clinical assets, while our drug discovery engine continues to fuel the pipeline, setting a strong foundation for future growth. Only five years after being founded, Idorsia is already a fully fledged biopharmaceutical company, with drug discovery, clinical development, and commercial capabilities spanning from bench to bedside."

Jean-Paul concluded:
"Our achievements in 2022 have laid the foundations for our success in 2023. We intend to ramp up our commercial launches, particularly with reimbursement for QUVIVIQ in the US, and in Europe where launches are now underway. We also expect to narrow the liquidity gap, bringing the company closer to profitability. 2023 will be another important year for Idorsia as we build momentum to become a leading mid-sized biopharmaceutical company."

Financial results

US GAAP results in CHF millions, except EPS (CHF) and number of shares (millions)	Full Year		Fourth Quarter	
	2022	2021	2022	2021
Net revenues	97	35	54	5
Operating expenses	(900)	(648)	(247)	(233)
Operating income (loss)	(803)	(613)	(193)	(228)
Net income (loss)	(828)	(635)	(193)	(252)
Basic EPS	(4.67)	(3.77)	(1.09)	(1.46)
Basic weighted average number of shares	177.4	168.5	177.5	172.9
Diluted EPS	(4.67)	(3.77)	(1.09)	(1.46)
Diluted weighted average number of shares	177.4	168.5	177.5	172.9

US GAAP net revenue of CHF 97 million in 2022 (CHF 35 million in 2021) consisted of product sales of QUVIVIQ (CHF 6.5 million) and PIVLAZ (CHF 44.0 million), contract revenue recognized in connection with the licensing agreement with Hainan Simcere Pharmaceutical Co., Ltd. (CHF 28 million), the collaboration agreements with Janssen Biotech, Inc. (CHF 8 million), Mochida Pharmaceutical Co., Ltd (CHF 5 million) and Neurocrine Biosciences, Inc. (CHF 4 million), and revenue share from Johnson & Johnson (CHF 2.0 million).

US GAAP operating expenses in 2022 amounted to CHF 900 million (CHF 648 million in 2021), of which CHF 6 million related to cost of sales, CHF 383 million to R&D expenses (CHF 414 million in 2021) and CHF 509 million to SG&A expenses (CHF 234 million in 2021).

US GAAP net loss in 2022 amounted to CHF 828 million (CHF 635 million in 2021). The increase of the net loss was mainly driven by higher operating expenses, largely in the commercial functions, and partially offset by higher net revenues, including the first commercial product sales.

The US GAAP net loss resulted in a net loss per share of CHF 4.67 (basic and diluted) in 2022, compared to a net loss per share of CHF 3.77 (basic and diluted) in 2021.

Non-GAAP* measures	**Full Year**		**Fourth Quarter**	
in CHF millions, except EPS (CHF) and number of shares (millions)	**2022**	**2021**	**2022**	**2021**
Net revenues	97	35	54	5
Operating expenses	(854)	(612)	(234)	(224)
Operating income (loss)	(757)	(576)	(180)	(219)
Net income (loss)	(782)	(575)	(186)	(228)
Basic EPS	(4.41)	(3.41)	(1.05)	(1.32)
Basic weighted average number of shares	177.4	168.5	177.5	172.9
Diluted EPS	(4.41)	(3.41)	(1.05)	(1.32)
Diluted weighted average number of shares	177.4	168.5	177.5	172.9

** 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 2022 amounted to CHF 782 million: the CHF 46 million difference versus US GAAP net loss was mainly due to depreciation and amortization (CHF 19 million) and share-based compensation (CHF 26 million).

The non-GAAP net loss resulted in a net loss per share of CHF 4.41 (basic and diluted) in 2022, compared to a net loss per share of CHF 3.41 (basic and diluted) in 2021.

Sale and leaseback

In September 2022, Idorsia entered into a sale and leaseback agreement with a private Swiss company for Idorsia's research and development building at its headquarters in Allschwil. The building was sold for CHF 164 million (net proceeds of CHF 162 million) and leased back by Idorsia from October 1, 2022.

Creation of Treasury Shares

In January 2023, the Company created 10.0 million treasury shares with a nominal value of CHF 0.05 each, thereby increasing its registered share capital from CHF 8,848,349.75 to CHF 9,348,349.75. The new shares, created on January 6, 2023, out of the Company's authorized share capital, were subscribed at nominal value by Idorsia Pharmaceuticals Ltd, a wholly owned subsidiary, and were listed on the SIX Swiss Exchange on January 9, 2023. With this increase, the Company holds treasury shares that can be used in a cash preservative manner for potential share-based compensation, effective fund raising, or business development purposes.

Financial outlook

With PIVLAZ (clazosentan) available in Japan and QUVIVIQ (daridorexant) available in the US, Germany, and Italy, and additional launches anticipated in Switzerland and the UK during 2023, the company expects net revenue in 2023 to be around CHF 230 million. Regulatory applications for aprocitentan have now been filed with the FDA and the EMA, so registration activities will continue throughout 2023. Recruitment into the Phase 3 studies with selatogrel and cenerimod are expected to ramp up in 2023. The company is prioritizing those projects in drug discovery and early clinical pipeline that are expected to result in the greatest return in the near term, as well as seeking

partnership opportunities to share costs where appropriate. The company therefore expects US GAAP operating expenses around CHF 965 million and non-GAAP operating expenses around CHF 880 million – leading to US GAAP operating loss of around CHF 735 million and non-GAAP operating loss of around CHF 650 million – unforeseen events excluded.

André C. Muller, Chief Financial Officer, commented:
"I'm pleased with our performance against the 2022 financial result targets. The cost containment more than compensated for the lower than expected sales, which was mainly due to delayed coverage of QUVIVIQ in the US. As progress is made with commercial reimbursement, the continued launches in Europe, and the good performance of PIVLAZ in Japan, I expect net revenues to reach around 230 million Swiss francs in 2023. Implementing our current business plan implies that we need to raise cash and we continue to carefully weigh our funding options to do so, including non-equity dilutive opportunities. While the funding gap is dependent on both revenues and expenses, we are committed to achieving our 2023 guidance and our sustainable profitability target by the end of 2025."

Liquidity and indebtedness

At the end of 2022, Idorsia's liquidity (including cash, cash equivalents and short-term deposits) amounted to CHF 466 million.

(in CHF millions)	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021
Liquidity			
Cash and cash equivalents	146	315	101
Short-term deposits	320	380	927
Long-term deposits	-	-	160
Total liquidity*	**466**	**695**	**1,188**
Indebtedness			
Convertible loan	335	335	298
Convertible bond	795	795	794
Other financial debt	162	162	-
Total indebtedness	**1,292**	**1,291**	**1,093**

*rounding differences may occur

Commercial operations

During 2022, Idorsia launched two products in different markets, QUVIVIQ™ (daridorexant) in the US and the first countries in Europe and PIVLAZ™ (clazosentan) in Japan, generating total product sales of CHF 51 million.

Simon Jose, Chief Commercial Officer of Idorsia, commented:
"2022 was a transformative year where we put our commercial plans into action by launching our first two products. PIVLAZ is off to an excellent start in Japan, where nearly all of our targeted accounts are ordering PIVLAZ and treatment protocols for ICU medical care post-aSAH securing are being updated. QUVIVIQ is also building momentum, with very positive feedback from physicians and patients alike. In the US, our surveys show that QUVIVIQ has the highest satisfaction level of all prescription insomnia treatments among US healthcare providers. Demand grew throughout 2022 despite limited reimbursement and as we enter 2023, we have already made significant progress with payer coverage with the recent addition of QUVIVIQ to the ESI National Preferred Formulary. I expect as we continue to expand payer coverage, we will translate the strong demand we have created into commercial success."

United States

Product	Mechanism of action	Indication	Commercially available since
QUVIVIQ (daridorexant) 	Dual orexin receptor antagonist	Treatment of adult patients with insomnia, characterized by difficulties with sleep onset and/or sleep maintenance	May 2022

QUVIVIQ (daridorexant) has been on the market in the US for nine months and shown robust month-over-month growth in demand. Even with holiday disruptions, almost 15,000 prescriptions were dispensed in the month of December, and QUVIVIQ is close to becoming the leading branded insomnia medication in new-to-brand prescriptions. Refills have also increased on a weekly basis – suggesting patient satisfaction with the efficacy and safety profile of the product. QUVIVIQ continues to gain market share and expand the usage of dual orexin receptor antagonists (DORA). Encouragingly, this is largely through new patient acquisitions and patients switching from products other than DORAs.

Since the launch in May through to the end of 2022, net sales reached CHF 5.5 million. To enable early patient access to QUVIVIQ, Idorsia continues to offer a strong copay program, including a free first 30-day prescription. This strategy is helping to support early product uptake, which is an important proof-point in discussions with payers. However, due to this approach, the net sales numbers do not reflect actual dispensed prescriptions or product demand.

As reimbursed access to QUVIVIQ continues to expand, net sales are expected to increase. Idorsia recently announced a major formulary addition, since January 15, 2023, QUVIVIQ is covered at parity to the other branded DORA products for the Express Scripts National Preferred Formulary (NPF), which covers approximately 22 million lives in the US. The company continues to actively engage with all commercial and Part D payers.

To promote awareness and consumer activation, our branded direct-to-consumer (DTC) advertising featuring QUVIVIQ patient ambassadors Lindsey Vonn and Taye Diggs, has demonstrated a significant increase in key metrics including traffic to www.QUVIVIQ.com, copay card downloads, and ultimately doctor discussions and QUVIVIQ prescriptions.

For more information about QUVIVIQ in the US, see the Full Prescribing Information (PI and Medication Guide).

Europe and Canada region

Product	Mechanism of action	Indication	Commercially available
QUVIVIQ (daridorexant)	Dual orexin receptor antagonist	Treatment of adult patients with insomnia characterized by symptoms present for at least three months and considerable impact on daytime functioning	Germany: Nov 2022 Italy: Nov 2022

In April 2022, marketing authorization for QUVIVIQ was granted by the European Commission and subsequently by the Medicines and Healthcare products Regulatory Agency (MHRA) in Great Britain. In November 2022, QUVIVIQ was launched in Italy and Germany. Launch preparations are underway in the UK, with a target launch in the second half of 2023, later followed by Spain and France. For more information about QUVIVIQ in the EU, see the Summary of Product Characteristics. Marketing authorization for QUVIVIQ was granted by Swissmedic in December 2022, and the company aims to make QUVIVIQ available to patients in Switzerland around mid-2023. For more information about QUVIVIQ in Switzerland, see the Patient Information and Information for Healthcare Professionals. Daridorexant is under review with Health Canada.

With the recent launches in Germany and Italy, QUVIVIQ is the first and only dual receptor antagonist available to patients with insomnia in Europe. Feedback from physicians and patients has been positive, with net sales of CHF 1 million after just 6 weeks of sales in the fourth quarter of 2022. To build awareness about the impact of chronic insomnia on patients' lives, and the efficacy and safety profile of QUVIVIQ, our team has engaged with scientists and medical experts across the European sleep community.

Japan

Product	Mechanism of action	Indication	Commercially available since
PIVLAZ (clazosentan)	Endothelin receptor antagonist	Prevention of cerebral vasospasm, vasospasm-related cerebral infarction and cerebral ischemic symptoms after aneurysmal subarachnoid hemorrhage (aSAH)	April 2022

PIVLAZ (clazosentan) was launched in Japan in April 2022 for the prevention of cerebral vasospasm, vasospasm-related cerebral infarction and cerebral ischemic symptoms in patients suffering from aneurysmal subarachnoid hemorrhage (aSAH). With an innovative mechanism of action and proven efficacy and safety in Japanese patients, PIVLAZ is being incorporated into aSAH treatment protocols and over 95% of target accounts have ordered PIVLAZ by the end of 2022. Approximately 25% of aSAH patients were treated with PIVLAZ in December 2022, based on the estimated incidence of aSAH in Japan. Since the launch in April, net sales in 2022 reached CHF 44 million.

Idorsia is preparing for the potential launch of clazosentan in the Republic of Korea, following the filing of a request for market registration, during the third quarter of 2022, based on data from the Japanese clinical program. A decision is expected in the second half of 2023.

Clinical development

Idorsia's diversified and balanced clinical development pipeline – covering multiple therapeutic areas, including CNS, cardiovascular and immunological disorders, as well as orphan diseases – made significant progress throughout 2022.

A Phase 3 study with **daridorexant** in Japan reported positive top-line results in October 2022. Filing of a New Drug Application with the Japanese Ministry of Health, Labor and Welfare is expected in the second half of 2023. More information can be found in the dedicated press release. In November 2022, Idorsia and Simcere announced an exclusive licensing agreement for daridorexant in China. Simcere has an exclusive right to develop and commercialize daridorexant in the Greater China region and will be responsible for the local development program with Chinese patients. More information can be found in the dedicated press release. In mid-2022, Idorsia initiated a Phase 2 dose-finding study to assess the efficacy, safety, and pharmacokinetics of multiple-dose oral administration of daridorexant in pediatric patients aged between 10 and <18 years with insomnia disorder. The study is part of an agreed Pediatric Study Plan with the US FDA and a Paediatric Investigational Plan with the EU PDCO.

In May 2022, Idorsia announced positive top-line results of the Phase 3 PRECISION study with **aprocitentan** in resistant hypertension. Detailed results were published in *The Lancet* and presented as a Late-Breaking Science presentation during the American Heart Association (AHA) Scientific Sessions in November 2022. More details and commentary can be found in the dedicated press release and an investor webcast featuring Prof. Markus Schlaich, an investigator in PRECISION. A new drug application (NDA) for aprocitentan was filed with the US FDA in December 2022, and the market authorisation application (MAA) was submitted to the EMA at the end January 2023.

REACT, which investigated the efficacy and safety of **clazosentan** in preventing clinical deterioration due to delayed cerebral ischemia, in patients following aneurysmal subarachnoid hemorrhage (aSAH), did not meet the primary endpoint. The company will fully analyze the efficacy and safety data to understand this unexpected result.

In October 2022, Idorsia conducted an interim analysis of the open-label extension (OLE) of the Phase 3 **MODIFY** study with **lucerastat** for the treatment of adult patients with Fabry disease, where all patients who are continuing in this study have now been treated with lucerastat for at least 12 months. The analysis corroborated the long-term effect on the reduction of plasma Gb3 and showed that the signal seen on kidney function after 6 months of treatment is still observed after the longer treatment duration, supporting a potential positive long-term effect on kidney function. The analysis also showed a safety and tolerability profile consistent with that observed during the 6-month randomized treatment period. The OLE study continues, and the company intends to consult with health authorities in the first half of 2023.

The Phase 3 study with **selatogrel** is currently recruiting patients, with a target enrollment of approximately 14,000 patients at risk of recurrent acute myocardial infarction. The recruitment of patients is ramping up with more than 3'300 patients enrolled at the end of January 2023.

The OPUS program with **cenerimod**, which consists of two multicenter, randomized, double-blind, placebo-controlled, parallel-group Phase 3 studies to evaluate the efficacy, safety, and tolerability of cenerimod in adult patients with moderate to severe systemic lupus erythematosus (SLE) on top of background therapy, is currently recruiting patients, with a target enrollment of 840 adult patients with moderate to severe SLE from around 25 countries, including Japan. More information can be found in the dedicated press release and accompanying investor webcast.

Idorsia's portfolio

Product / compound	Mechanism of action	Therapeutic area	Status
PIVLAZ® (clazosentan)	Endothelin receptor antagonist	Cerebral vasospasm assoc. with aneurysmal subarachnoid hemorrhage	**Commercially available** in Japan
QUVIVIQ™ (daridorexant)	Dual orexin receptor antagonist	Insomnia	**Commercially available** in the US and the first countries in Europe; approved in the UK and Switzerland; under review in Canada; Phase 3 in Japan successful – filing expected in H2 2023; Phase 2 in pediatric insomnia – recruiting
Aprocitentan*	Dual endothelin receptor antagonist	Difficult-to-control (resistant) hypertension	NDA submitted in the US, MAA submitted in the EU, other filings in preparation
Lucerastat	Glucosylceramide synthase inhibitor	Fabry disease	Phase 3 primary endpoint not met, OLE ongoing**
Selatogrel	$P2Y_{12}$ inhibitor	Suspected acute myocardial infarction	Phase 3 recruiting
Cenerimod	$S1P_1$ receptor modulator	Systemic lupus erythematosus	Phase 3 recruiting
ACT-1004-1239	ACKR3 / CXCR7 antagonist	Multiple sclerosis and other demyelinating diseases	Phase 2 in preparation
Sinbaglustat	GBA2/GCS inhibitor	Rare lysosomal storage disorders	Phase 1 complete
ACT-1014-6470	C5aR1 antagonist	Immune-mediated disorders	Phase 1
ACT-777991	CXCR3 antagonist	Recent-onset Type 1 diabetes	Phase 1
IDOR-1117-2520	Undisclosed	Immune-mediated disorders	Phase 1

** In collaboration with Janssen Biotech to jointly develop aprocitentan, Janssen Biotech has sole commercialization rights worldwide*
*** Open-label extension study*

Neurocrine Biosciences has a global license to develop and commercialize ACT-709478 (NBI-827104), Idorsia's novel T-type calcium channel blocker. ACT-709478 was investigated in a Phase 2 study for the treatment of a rare form of pediatric epilepsy. The study did not meet the primary endpoint. ACT-709478 was generally well tolerated. Neurocrine continues to analyze the data generated in the study.

Further details including the current status of each project in our portfolio can be found in our innovation fact sheet.

Human Resources

Idorsia created 185 new positions worldwide in 2022, bringing the total number of employees (permanent, post-doc, and apprentices) to 1,361 (2021: 1,176).

Annual Report

Full details on the progress made in 2022 are available in Idorsia's 2022 Annual Report, consisting of the Business Report, Governance Report, Compensation Report, and Financial 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, 2022, will be held on Thursday, May 4, 2023.

Registered shareholders with voting rights individually or jointly representing at least 5% of the share capital of the company, being entitled to add items to the agenda of the general meeting of shareholders, are invited to send in proposals, if any, to Idorsia Ltd, attention Corporate Secretary, Hegenheimermattweg 91, CH-4123 Allschwil, to arrive no later than March 20, 2023. Any proposal received after the deadline will be disregarded.

In order to vote at the Annual General Meeting, shareholders must be registered in the company's shareholder register by April 25, 2023, at the latest.

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.

Upcoming Financial Updates

- First Quarter 2023 Financial Results reporting on April 25, 2023
- Annual General Meeting of Shareholders on May 4, 2023
- Half-Year 2023 Financial Results reporting on July 25, 2023
- Nine-months 2023 Financial Results reporting on October 24, 2023

Notes to the editor

Letter to Shareholders from the Chairman (as published in Idorsia's 2022 Business Report on February 7, 2023)

Dear Shareholders,
As the world took tentative steps back to normality following the global pandemic, Idorsia continued to make rapid progress on its strategic priorities. 2022 was an outstanding year for the company, with so many achievements that it's hard to keep track of all the good news. It was the year when the company completed the value chain, taking innovation at the lab bench all the way through to the patient's bedside.

We must remember that Idorsia started out just 5 years ago with an early-stage pipeline comprising four assets in Phase 2 and five in Phase 1. Today, just 5 years later, the company has launched two products in different markets and submitted another product for marketing authorization in the US and EU, while continuing to advance its clinical development and drug discovery portfolio. The rapid progress made by Idorsia in a relatively short time is a huge achievement; how rare it is in our industry to deliver positive results so consistently on all fronts!

As the company entered this new phase, the Board, together with the management team, has sought to ensure that we have the correct guiding principles, along with appropriate checks and balances, strengthening the compliance function to drive safe and appropriate use of our medicinal products.

While the scientific and commercial milestones keep on coming, we are fully aware that we need to bridge the funding gap and continue to carefully weigh our funding options to do so, including non-equity dilutive opportunities. Of course, the size of the funding gap depends on how we invest in our innovation and how our products perform on the market. The commercial team is

looking to widen prescribing, mainly – in the case of QUVIVIQ – by establishing broad payer reimbursement. In addition, the company is prioritizing projects that are expected to result in the greatest return in the near term, as well as seeking partnership opportunities to share costs where appropriate. As a result, we have reiterated our objective to achieve sustainable profitability in 2025.

We are building Idorsia with a long-term focus and running the company in a responsible and sustainable way. We have reported our performance on numerous non-financial measures in each Annual Report since our founding, and we remain committed to transparency on topics important to our stakeholders. This year we have once again strengthened our sustainability reporting, and we are now well-positioned to navigate the newly implemented Swiss regulations.

As Chairman of the Board of Directors, I can assure you that the whole Board, with its broad pharmaceutical experience and geographical representation, is closely monitoring Idorsia's progress and is continually impressed by the teams' achievements and by the quality of the people who are executing on our strategic priorities. I'm very proud that we can attract and retain the best in the business, on a global basis. To this end, in 2022, we launched "Ambition 2027", an incentive program aimed at engaging all employees in our efforts, over the next five years, to achieve specific, ambitious performance targets. Our people will thus have an opportunity to share in the company's prosperity, ensuring that our employees' efforts are fully aligned with Idorsia's business strategy and with the long-term interests of you, our shareholders.

On behalf of the Board, I would like to take this opportunity to thank you once again for your confidence in the company. I am absolutely convinced that the commercial team has the right strategy to make both of our marketed products a great success in their respective indications, that aprocitentan has the potential to be the first antihypertensive product with a new mechanism of action for decades, and that the R&D team will continue to innovate and advance the pipeline. With so many achievements behind us and concrete success on the horizon, I am optimistic that it is only a matter of time before you will be rewarded for your trust.

Sincerely,
Mathieu Simon
Chairman of the Board

Letter to Shareholders from the CEO (as published in Idorsia's 2022 Business Report on February 7, 2023)

Dear Shareholders,
At the start of 2022, we committed to a year of transformation, and that is exactly what we delivered. We launched our first two products and made significant progress with key late-stage clinical assets, while our drug discovery engine continues to fuel the pipeline, setting a strong trajectory for future growth. Only five years after being founded, Idorsia is already a fully fledged biopharmaceutical company, with drug discovery, clinical development, and commercial capabilities spanning from bench to bedside.

QUVIVIQ disrupting the sleep market in the US

The last year saw our first-ever product approval, with QUVIVIQ (daridorexant) being approved by the FDA for the treatment of insomnia. Since the launch in mid-2022, we have invested significant resources in raising awareness among US healthcare providers and consumers about the burden of insomnia for patients, as well as educating them on the wealth of evidence we have generated concerning the impressive benefits and tolerability of QUVIVIQ. This evidence includes a publication in The Lancet Neurology, with comprehensive data showing that QUVIVIQ is the first insomnia medication to demonstrate efficacy in improving both nighttime symptoms and daytime functioning in patients with insomnia disorder, as well as confirming the treatment's safety profile.

Our US-focused activities are disrupting the sleep market through initiatives ranging from celebrity partnerships to harnessing the power of an alliance of sleep experts. These initiatives have built increasing consumer demand, as has prescribers' initial experience with QUVIVIQ – our surveys show that the drug has reached the highest satisfaction level of all prescription insomnia treatments among US healthcare providers. All the signs point to strong and growing demand for QUVIVIQ in the US: rising monthly total prescription levels, a steady increase in the writer base, and accelerating refill prescriptions. Lack of reimbursement has, however, been a significant barrier to prescribing, and we are laser focused on addressing this issue in 2023. In fact, this year, we have already announced a major coverage agreement with the Express Scripts National Preferred Formulary, and we expect to secure further coverage throughout 2023. With broad payer reimbursement, we can enable more patients to access QUVIVIQ, translating the strong demand we have created into commercial success.

QUVIVIQ on track to become a global brand

The QUVIVIQ story is not confined to the US market. The product is well on its way to becoming a global brand, with approvals also granted in 2022 in the EU, Switzerland, and the UK. In Europe, there has been very little innovation in the sleep space over the last 30 years, and QUVIVIQ – with its innovative dual orexin receptor antagonist (DORA) mechanism of action – is now the first-in-class DORA available to patients in Europe with chronic insomnia. Through our interactions with physicians, we know that they are eager for new safe and effective treatment options for insomnia, and we are engaging with payers to ensure they understand the value that QUVIVIQ brings to insomnia patients in Europe. Our first European launches of QUVIVIQ took place in

November 2022 in Germany and Italy, with initial uptake showing a strong start. We plan to launch QUVIVIQ in other key European markets in 2023 and 2024, and we are especially excited to bring QUVIVIQ to Switzerland, our home market, in mid-2023.

Adding to the great body of evidence showing the differentiated product profile of QUVIVIQ, our team in Japan reported positive results from the Phase 3 study of daridorexant in Japanese patients. We are preparing to file a New Drug Application for daridorexant in Japan in the second half of 2023.

We have also entered into an exclusive licensing agreement for daridorexant in China with Simcere, giving the company the rights to develop and commercialize the drug in the Greater China region.

Successful launch of PIVLAZ in Japan
Meanwhile, less than two weeks after the US approval of QUVIVIQ, the Japanese health authorities granted approval for PIVLAZ (clazosentan) for the prevention of cerebral vasospasm, vasospasm-related cerebral infarction, and cerebral ischemic symptoms after treatment for aneurysmal subarachnoid hemorrhage (aSAH). We quickly secured reimbursement and launched PIVLAZ in April 2022, with the Idorsia team in Japan delivering a phenomenal launch. Our engagement with Japanese experts in this field – including those who practice at large medical centers specializing in aSAH – has promoted rapid adoption of PIVLAZ for patients with this devastating condition. Already, almost all of the accounts targeted have ordered PIVLAZ, and approximately 25% of aSAH patients were treated with PIVLAZ in the month of December.

Positive Phase 3 results and FDA filing for aprocitentan
For me as a cardiologist, our positive Phase 3 results for aprocitentan in patients with resistant hypertension were one of the year's most satisfying achievements. The expert community is also excited, as demonstrated by our well-received presentation at the American Heart Association conference and – importantly – our publication of clinical data in The Lancet. When you consider that most of the patients in our study were already receiving four or more antihypertensive medications as background therapy – and that many of them have additional medical problems on top of their hypertension – the demonstration of a significant, clinically meaningful reduction in blood pressure, sustained over 48 weeks, with a manageable safety profile, is absolutely outstanding.

The New Drug Application for aprocitentan was filed with the FDA in December, and the market authorization application in Europe was made in January 2023. Under our partnership agreement, Janssen is responsible for the commercialization of aprocitentan, and we are eligible for tiered royalties of up to 35%. I am confident that this treatment holds great promise for patients with resistant hypertension – and also for our company.

Strong progress in clinical development
Our clinical development programs continue to show strong progress. In 2022, we finalized recruitment for REACT, our global Phase 3 study of clazosentan in patients with aSAH. This enabled us to conclude the study late last year, and we are on track to deliver the results in early 2023.

Also progressing well is recruitment for our Phase 3 study with selatogrel for acute myocardial infarction (AMI or heart attack), having now reached more than 3,300 patients. This potent and highly selective P2Y12 inhibitor, with its rapid onset of action and formulated to be subcutaneously self-administered via an autoinjector, has the potential to be a game-changer for the treatment of AMI. Our trial enables patients at high risk for AMI to self-administer selatogrel via our autoinjector at the onset of symptoms – before first aid arrives and they are transported to a hospital for emergency medical care. Our aim is to show that this early intervention leads to better short- and long-term patient outcomes.

We have also initiated OPUS, our Phase 3 confirmatory program, investigating cenerimod in patients with systemic lupus erythematosus (SLE). In the Phase 2 study, cenerimod – an S1P1 receptor modulator which can be taken as an oral therapy – showed clinically meaningful and sustained effects at a dose of 4 mg, particularly in patients with more severe forms of the disease. We have every expectation that OPUS will provide the evidence enabling cenerimod to be approved as the first next-generation oral drug for SLE.

Our people continue to be our most important asset
At Idorsia, our people are crucial to our success. They hold the talent, expertise, and experience needed to feed our pipeline with new discoveries, to develop our compounds through to approval, and to commercialize our innovative products so as to help more patients.

It is thanks to their contributions, supported by the unique culture we have built at Idorsia, that we have been able to achieve so much in 2022. It is not by chance that we consistently deliver excellent results. Many of our scientists have worked together for years, if not decades, and have built the long-term relationships and trust that underpin the highest levels of collaboration. In the commercial space, our people have been recruited from among the best in the industry, and I've been impressed by how quickly this team has adopted Idorsia's entrepreneurial mindset and by their clear focus on execution.

Building momentum in 2023
Idorsia's numerous achievements in 2022 have laid the foundations for our success in 2023. We intend to ramp up our commercial launches, particularly with reimbursement for QUVIVIQ in the US, and in Europe where launches are now underway.

We will advance our pipeline, with key milestones including results from the Phase 3 REACT study with clazosentan expected in February, an agreement on the path forward with lucerastat for Fabry disease by the middle of this year, and a decision by the FDA on aprocitentan in December.

We also expect to narrow the liquidity gap, bringing the company closer to profitability. Through our global sales of QUVIVIQ, sales of PIVLAZ in Japan, and expected royalties from aprocitentan, the company is committed to reaching sustainable profitability in 2025, with global revenues exceeding CHF 1 billion.

Throughout the year ahead, we will build momentum toward reaching these ambitious goals. By the end of 2023, Idorsia should be a very different company, even closer to realizing our vision of becoming a sustainable, mid-sized, innovation-driven biopharmaceutical company.

Best regards,
Jean-Paul Clozel
Chief Executive Officer

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 broad portfolio of innovative drugs in the pipeline, an experienced team of professionals covering all disciplines from bench to bedside, state-of-the-art facilities, and a strong balance sheet – the ideal constellation to translate R&D efforts into business success.

Idorsia was listed on the SIX Swiss Exchange (ticker symbol: IDIA) in June 2017 and has over 1,300 highly qualified specialists dedicated to realizing our ambitious targets.

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