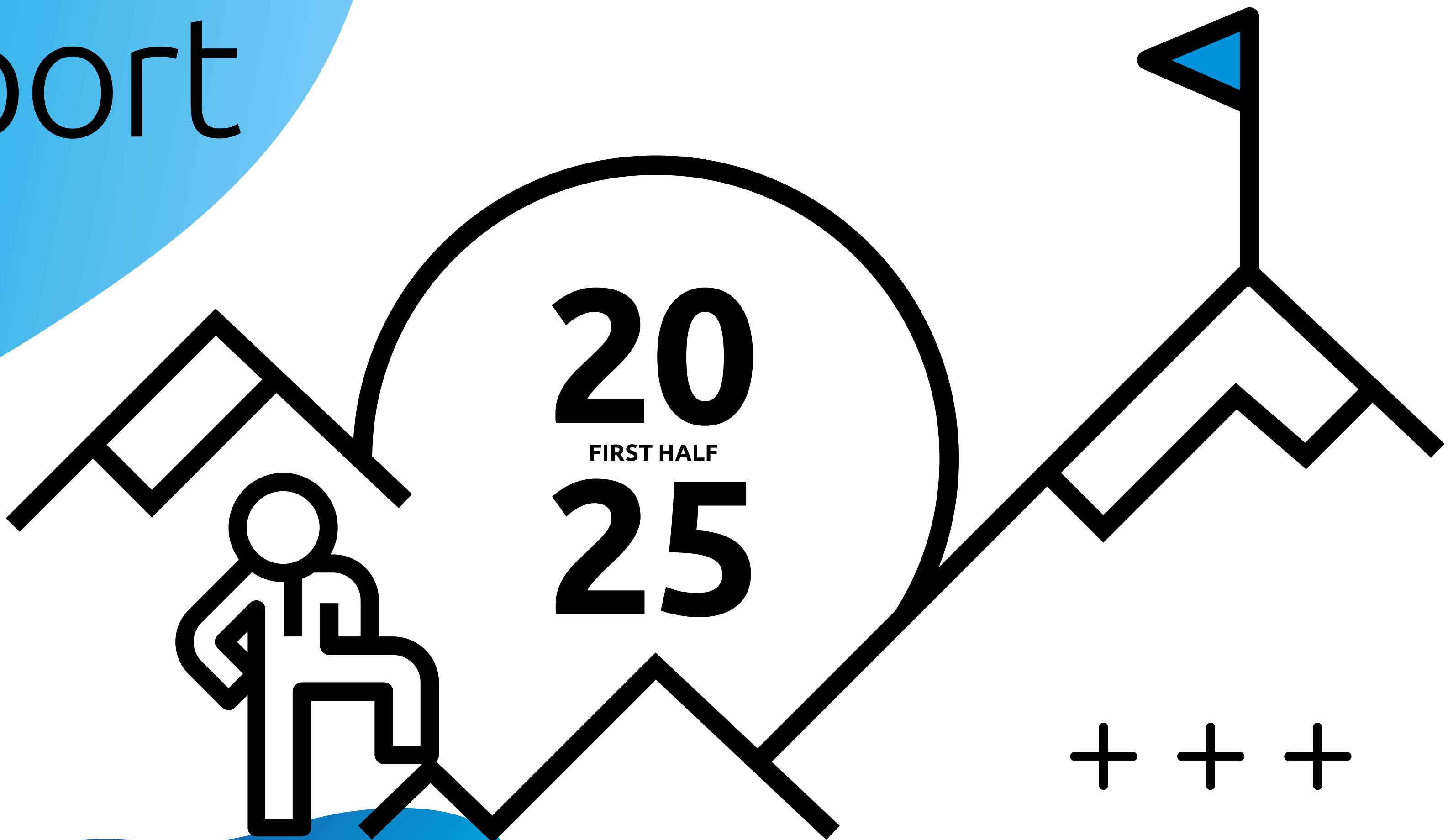
Financial Report



idorsia

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 innovative medicines – either through in-house capabilities or together with partners – and evolve Idorsia into a leading biopharmaceutical company, with a strong scientific core.

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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)	Six months ended Jun 30, US GAAP 2025	US GAAP 2024	Non-GAAP 2025	Non-GAAP 2024	Second quarter US GAAP 2025	US GAAP 2024	Non-GAAP 2025	Non-GAAP 2024
Net revenue								
Product sales	58	24	58	24	31	14	31	14
Contract revenue – royalties	1	-	-	-	0	-	-	-
Contract revenue – milestones	40	3	40	3	40	3	40	3
Contract revenue – others	32	0	32	0	0	-	0	-
Operating expenses								
Cost of sales	(6)	(4)	(6)	(4)	(3)	(1)	(3)	(1)
Research and development	(50)	(71)	(46)	(61)	(23)	(38)	(21)	(33)
Selling, general and administrative	(108)	(143)	(101)	(134)	(54)	(74)	(50)	(70)
Net results								
Operating income (loss)	64	(64)	(15)	(170)	(3)	(95)	2	(85)
Net income (loss)	52	(79)	(25)	(183)	(11)	(109)	(1)	(96)
Basic EPS	0.26	(0.44)	(0.13)	(1.02)	(0.06)	(0.60)	(0.00)	(0.54)
Diluted EPS	0.26	(0.44)	(0.13)	(1.02)	(0.06)	(0.60)	(0.00)	(0.54)

Cash flow

(in CHF millions)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
Cash flow				
Operating cash flow	(96)	(216)	(35)	(97)
Financing cash flow	65	-	67	-
Capital expenditure	(10)	(1)	(10)	(0)

Shares

(in millions)	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
Share count			
Issued common shares	226.1	225.3	189.7
Equity derivatives	89.3	81.5	81.5
Equity instruments	12.4	14.8	17.0
Total potential issued shares	**327.8**	**321.6**	**288.3**

Liquidity and indebtedness

(in CHF millions)	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
Liquidity			
Cash and cash equivalents	72	51	106
Total liquidity	**72**	**51**	**106**
Indebtedness			
Convertible loan	335	335	335
Convertible bonds	798	797	797
New money facility	49	-	-
Other financial debt	189	190	189
Total indebtedness	**1,370**	**1,322**	**1,321**

Revenue

Revenue

(in CHF millions)	Six months ended Jun 30, 2025	Six months ended Jun 30, 2024	Second quarter 2025	Second quarter 2024
Revenue				
Product sales	58	24	31	14
Contract revenue - milestones	40	3	40	3
Contract revenue - others	32	0	0	-
Non-GAAP revenue	**130**	**26**	**72**	**16**
Contract revenue - royalties	1	-	0	-
US GAAP revenue	**131**	**26**	**72**	**16**

Product sales comprised of:

- QUVIVIQ™ (daridorexant) with CHF 56 m net sales in France, US, Germany, UK, Switzerland, 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 2 m.

Contract revenue – milestones consists of an amendment execution payment of USD 10 m (CHF 8 m) and an approval milestone payment of USD 40 m (CHF 32 m), related to the amended licensing agreement with Simcere.

Contract revenue – others consists of an exclusivity fee of USD 35 m (CHF 32 m) received by Idorsia in 2024. The fee was recognized after the exclusivity period ended in February 2025. The negotiations did not result in an agreement on the global rights to aprocitentan.

Contract revenue – royalties consist of non-cash revenue recognized under the R-Bridge royalty monetization agreement.

Operating expenses

Operating expenses

(in CHF millions)	Six months ended Jun 30, 2025	Six months ended Jun 30, 2024	Second quarter 2025	Second quarter 2024
Operating expenses				
Cost of sales	6	4	3	1
Research	21	32	10	16
Development	25	30	11	16
Selling	67	94	32	47
General and administrative	34	40	19	23
Non-GAAP operating expenses	**152**	**200**	**75**	**104**
Depreciation and amortization	9	8	5	4
Share-based compensation	2	10	(0)	6
Restructuring charges	1	1	0	0
Effect of the Viatris Deal	(90)	(125)	-	(0)
Other operating expenses	**(78)**	**(106)**	**5**	**10**
US GAAP operating expenses	**75**	**94**	**80**	**113**

US GAAP operating expenses of CHF 75 m comprised of Non-GAAP operating expenses (CHF 152 m), depreciation and amortization (CHF 9 m), share-based compensation (CHF 2 m) and restructuring charges (CHF 1 m).

The amendment of the conditions of the global development and commercialization collaboration with Viatris for selatogrel and cenerimod resulted in a reduction of the Groups' commitment to fund the ongoing phase 3 of selatogrel and cenerimod by CHF 90 m (USD 100 m). The remaining commitment as of June 30, 2025 was CHF 24 m.

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Cost of sales

(in CHF millions)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
Cost of sales				
Cost of goods sold	6	4	3	1
US GAAP cost of sales	**6**	**4**	**3**	**1**

Cost of sales of CHF 6 m comprised the cost of goods sold (CHF 6 m).

Research and development ("R&D") expenses

(in CHF millions)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
R&D expenses				
Research	21	32	10	16
Development	25	30	11	16
Non-GAAP R&D expenses	**46**	**61**	**21**	**33**
Depreciation and amortization	4	6	2	3
Share-based compensation	0	4	(1)	3
US GAAP R&D expenses	**50**	**71**	**23**	**38**

Non-GAAP research expenses of CHF 21 m comprised of preclinical activities (CHF 8 m), biology (CHF 6 m) and chemistry (CHF 5 m).

Non-GAAP development expenses of CHF 25 m comprised of CHF 15 m for clinical activities (including CHF 4 m study costs, mainly driven by late stage studies for daridorexant and lucerastat) and CHF 10 m for chemical and pharmaceutical development activities (including CHF 2 m for drug substance and drug product).

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

(in CHF millions)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
SG&A expenses				
Selling	67	94	32	47
General and administrative	34	40	19	23
Non-GAAP SG&A expenses	**101**	**134**	**50**	**70**
Depreciation and amortization	5	2	3	1
Share-based compensation	2	6	0	3
US GAAP SG&A expenses	**108**	**143**	**54**	**74**

Non-GAAP SG&A expenses of CHF 101 m comprised of commercial activities (CHF 67 m), information systems (CHF 14 m) and other support functions (CHF 20 m).

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Operating results

Non-GAAP and US GAAP operating results

(in CHF millions)	Six months ended Jun 30, 2025	Six months ended Jun 30, 2024	Second quarter 2025	Second quarter 2024
Operating results				
Revenues	130	26	72	16
Operating expenses	(152)	(200)	(75)	(104)
Other income	8	3	5	2
Non-GAAP operating income (loss)	**(15)**	**(170)**	**2**	**(85)**
Operating results				
Revenues	131	26	72	16
Operating expenses	(75)	(94)	(80)	(113)
Other income	8	3	5	2
US GAAP operating income (loss)	**64**	**(64)**	**(3)**	**(95)**

US GAAP operating income of CHF 64 m mainly comprised of Non-GAAP operating loss (CHF 15 m), depreciation and amortization (CHF 9 m), share-based compensation (CHF 2 m), restructuring charges (CHF 1 m) and a gain recognized from the amendment of the Viatris deal (CHF 90 m).

Financial results

Financial results

(in CHF millions)	Six months ended Jun 30, 2025	Six months ended Jun 30, 2024	Second quarter 2025	Second quarter 2024
Financial results				
Interest income (expense), net	(10)	(9)	(5)	(4)
Other financial income (expense), net	4	(2)	6	(6)
Non-GAAP financial income (expense)	**(7)**	**(11)**	**1**	**(11)**
Accretion expense	(2)	(1)	(1)	(0)
Interest income (expense), net	(4)	-	(2)	-
Gain (loss) on securities	4	(3)	(3)	(2)
US GAAP financial income (expense)	**(8)**	**(14)**	**(5)**	**(13)**

US GAAP financial expense of CHF 8 m mainly comprised of Non-GAAP financial expense (CHF 7 m), non-cash interest expense related to the royalty monetization liability (CHF 4 m), amortization of debt issuance costs related to the new term loan (see Note 10. Borrowings) (CHF 1 m) and a net gain on marketable and non-marketable securities (CHF 4 m).

Non-GAAP financial expense of CHF 7 m mainly included interest expenses on the convertible bonds (CHF 7 m), interest expense resulting from the sale and lease back transaction (CHF 3 m) and a net foreign currency exchange gain (CHF 3 m).

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Income tax

Income tax

(in CHF millions)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
Income tax				
Income tax benefit (expense)	(4)	(1)	(4)	(1)
Non-GAAP tax benefit (expense)	**(4)**	**(1)**	**(4)**	**(1)**
Other tax benefit (expense)	0	1	0	0
US GAAP income tax benefit (expense)	**(4)**	**(0)**	**(4)**	**(0)**

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

Both US- and Non-GAAP income tax expense included a decrease of the valuation allowance of CHF 9 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)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
Non-GAAP operating income (loss)	**(15)**	**(170)**	**2**	**(85)**
Financial income (expense)	(7)	(11)	1	(11)
Income tax benefit (expense)	(4)	(1)	(4)	(1)
Non-GAAP net income (loss)	**(25)**	**(183)**	**(1)**	**(96)**
US GAAP operating income (loss)	**64**	**(64)**	**(3)**	**(95)**
Financial income (expense)	(8)	(14)	(5)	(13)
Income tax benefit (expense)	(4)	(0)	(4)	(0)
US GAAP net income (loss)	**52**	**(79)**	**(11)**	**(109)**

US GAAP net income of CHF 52 m comprised of Non-GAAP net loss (CHF 25 m), depreciation and amortization (CHF 9 m), share-based compensation (CHF 2 m), restructuring charges (CHF 1 m), non-cash interest expense related to the royalty monetization liability (CHF 4 m) and amortization of debt issuance costs (CHF 1 m), offset by a gain resulting from the amendment of the Viatris Deal (CHF 90 m) and a gain on marketable and non-marketable securities (CHF 4 m).

Shares

(in millions)	Issued	Potentially dilutive equity instruments: Derivatives	Potentially dilutive equity instruments: Awards	Total potential issued shares
Dec 31, 2024	**189.7**	**81.5**	**17.0**	**288.2**
Issued	0.4	8.0	0.6	9.0
Vested	1.0	-	(1.0)	-
Exercised	-	(0.2)	-	(0.2)
Forfeited	-	-	(2.0)	(2.0)
Expired	-	-	(2.2)	(2.2)
New shares issued	35.0	-	-	35.0
Jun 30, 2025	**226.1**	**89.3**	**12.4**	**327.8**

Issued shares increased to 226.1 million mainly due to the issuance of new treasury shares. Issued shares include 22.0 million treasury shares held by the Group.

As of January 1, 2025, 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. In the first half of 2025, the Group granted bondholders 8.0 million Idorsia warrants, whereby one warrant entitles the holder to purchase one Idorsia share at a strike price of CHF 1.50, exercisable any time before the maturity of the term loan (i.e. until June 2, 2027). The warrants are classified as equity. In the first half of 2025, 0.2 million warrants were exercised.

Equity awards of 12.4 million comprised of 7.1 million share options with a weighted average strike price of CHF 14.19 granted to eligible employees and 5.3 million unvested share units granted to eligible employees.

Earnings per share (EPS)

(in CHF millions, unless otherwise indicated)	Six months ended Jun 30, 2025	Six months ended Jun 30, 2024	Second quarter 2025	Second quarter 2024
Non-GAAP net income (loss)	**(25)**	**(183)**	**(1)**	**(96)**
Weighted-average number of basic shares (in millions)	195.3	179.5	203.8	179.9
Non-GAAP basic EPS (in CHF)	**(0.13)**	**(1.02)**	**(0.00)**	**(0.54)**
Weighted-average number of dilutive shares (in millions)	195.3	179.5	203.8	179.9
Non-GAAP diluted EPS (in CHF)	**(0.13)**	**(1.02)**	**(0.00)**	**(0.54)**
US GAAP net income (loss)	**52**	**(79)**	**(11)**	**(109)**
Weighted-average number of basic shares (in millions)	195.3	179.5	203.8	179.9
US GAAP basic EPS (in CHF)	**0.26**	**(0.44)**	**(0.06)**	**(0.60)**
Weighted-average number of dilutive shares (in millions)	195.9	179.5	203.8	179.9
US GAAP diluted EPS (in CHF)	**0.26**	**(0.44)**	**(0.06)**	**(0.60)**

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Cash flow and liquidity

Operating cash flow

(in CHF millions)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
Operating cash flow				
US GAAP net income (loss)	52	(79)	(11)	(109)
Deferred contract revenue and accrued income	(1)	3	(0)	2
Deferred taxes	(0)	(0)	(0)	(0)
Depreciation and amortization	9	8	5	4
Non-cash royalty monetization interest	4	-	2	-
Amortization of debt issuance costs	1	-	1	-
Fair value changes on securities	(4)	-	3	-
Fair value changes on derivative liabilities	(0)	-	(0)	-
Accretion of convertible debt	0	1	0	0
Share-based compensation	2	10	(0)	6
Gain from Viatris deal	(90)	(125)	-	(0)
Other non cash items	-	3	-	2
Net outflows from operations	**(26)**	**(180)**	**(1)**	**(94)**
Net change in receivables	(34)	(2)	(37)	(0)
Net change in inventories	(5)	(7)	(5)	(7)
Net change in trade and other payables	(1)	11	(9)	3
Net change in other operating assets and liabilities	(30)	(39)	16	2
Change in working capital	**(70)**	**(36)**	**(34)**	**(3)**
Operating cash flow	**(96)**	**(216)**	**(35)**	**(97)**

Net outflows from operations of CHF 26 m were mainly driven by the Non-GAAP operating loss (CHF 15 m) and Non-GAAP financial expenses (CHF 7 m).

Net cash outflows in working capital of CHF 70 m were mainly driven by an increase in receivables (CHF 34 m), an inventory build-up (CHF 5 m), a decrease in accrued expenses, provisions and prepayments (CHF 30 m), and a decrease in trade and other payables (CHF 1 m).

Cash flow

(in CHF millions)	Six months ended Jun 30, 2025	2024	Second quarter 2025	2024
Cash flow				
Operating cash flow	(96)	(216)	(35)	(97)
Acquisition/Sale of tangible, intangible and other assets	(10)	(1)	(10)	(0)
Free cash flow	**(106)**	**(217)**	**(45)**	**(97)**
Sale of shares	5	(0)	-	(0)
Proceeds from exercise of warrants	0	-	0	-
Proceeds from borrowings	70	-	70	-
Payment of debt issuance costs	(9)	-	(3)	-
Proceeds from sale of marketable securities	7	-	-	-
Other items	(2)	1	(1)	(0)
Impact from Viatris deal	-	308	-	-
Cash flow[1]	**(34)**	**92**	**21**	**(98)**

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

The negative cash flow of CHF 34 m was primarily driven by operating cash outflows (CHF 96 m), acquisition and sale of tangible and intangible assets, net (CHF 10 m) and the payment of debt issuance costs related to the financial restructuring (CHF 9 m), offset by proceeds from the first utilisation of the new money facility (CHF 70 m), the sale of treasury shares (CHF 5 m) and the sale of marketable securities (CHF 7 m).

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Liquidity

(in CHF millions)	Liquidity
Liquidity Dec 31, 2024	**106**
Liquidity movements Q1	(56)
Liquidity Mar 31, 2025	**51**
Liquidity movements Q2	21
Liquidity Jun 30, 2025	**72**

As of June 30, 2025, liquidity of CHF 72 m, consisting of cash and cash equivalents, was mainly held in Swiss francs (CHF 47 m), US dollars (equivalent of CHF 13 m) and Euro (equivalent of CHF 10 m).

Material uncertainty to continue as a going concern

The accompanying unaudited interim consolidated financial statements have 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 financial resources at June 30, 2025 of CHF 72 m (cash and cash equivalents) do not cover the expected negative cashflows for the next twelve months. In order to continue as a going concern, the Group secured the future of its operations by a set of agreements described below:

- On February 26, 2025, the Group announced that it has secured a fully backstopped money facility for a net amount of CHF 150 million. Until June 30, 2025 the Group has drawn a first tranche of CHF 70 million.
- On June 25, 2025, the Group announced that more than the required two-thirds majority of bondholders approved to extend the maturity of the CHF 200 million and of the CHF 600 million Convertible Bonds to July 17, 2034 and to August 4, 20238, respectively. The amendments to the Bond terms will become binding and effective upon approval by the higher cantonal composition authority and if no appeal is filed against the court decision, within 30 days from the official publication of the written statement of the grounds.
- Also on June 25, 2025, the Group announced the launch of the repurchase offer to both its CHF 200 million and its CHF 600m convertible bonds. The repurchase offer is part of a larger holistic restructuring, as announced in the first quarter. The main offer period is expected to end on August 7, 2025.

The Group's operations have not yet reached profitability as sales from existing approved drugs and other revenues do not cover its operating expenses and will therefore continue to require additional funding.

While management and the Board of Directors continue to evaluate all options to further extend the cash runway, stakeholders should be fully aware the Group may be forced to downsize or even discontinue its operations entirely if the Group is unable to obtain adequate liquidity to fund its operations in the future.

As material uncertainties exist, they cast significant doubts about the going concern of the Group.

Balance sheet

Balance sheet

(in CHF millions)	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
Assets			
Liquidity[1]	72	51	106
Tangible assets	205	211	217
Other assets	221	194	183
Total assets	**498**	**456**	**506**
Liabilities and equity			
Financial debt	1,370	1,322	1,321
Other liabilities	269	266	397
Total liabilities	**1,640**	**1,588**	**1,718**
Total equity	**(1,142)**	**(1,132)**	**(1,212)**
Total liabilities and equity	**498**	**456**	**506**

[1] Liquidity includes cash and cash equivalents

Tangible assets of CHF 205 m comprised real-estate (CHF 76 m), right-of-use assets (CHF 121 m) and other fixed assets (CHF 8 m).

Other assets of CHF 221 m comprised prepayments (CHF 30 m), receivables (CHF 69 m), inventories (CHF 67 m), marketable securities (CHF 11 m), intangible assets (CHF 30 m), deferred debt issuance costs (CHF 2 m) and other assets (CHF 12 m).

Financial debt of CHF 1,370 m comprised the convertible loan (CHF 335 m), convertible bonds (CHF 798 m), a term loan (CHF 49 m), a sale and leaseback transaction (CHF 162 m) and a royalty monetization liability (CHF 26 m).

Other liabilities of CHF 269 m included current and noncurrent liabilities. Current liabilities of CHF 138 m mainly comprised accrued expenses (CHF 74 m), payables (CHF 26 m), sales related liabilities (CHF 27 m) and a short-term lease liability (CHF11 m). Noncurrent liabilities of CHF 131 m comprised a long-term lease liability (CHF 110 m) and accrued expenses (CHF 21 m).

Reconciliation of US GAAP to non-GAAP results

Reconciliation of US GAAP to non-GAAP results for the six months ended June 30, 2025

(in CHF millions, unless otherwise indicated)	US GAAP results	Depreciation, amortization	Share-based compensation	Royalty monetization	Other items	Non-GAAP results
Net revenue						
Product sales	58	-	-	-	-	58
Contract revenue – royalties	1	-	-	(1)	-	-
Contract revenue – milestones	40	-	-	-	-	40
Contract revenue – others	32	-	-	-	-	32
Total net revenue	**131**	**-**	-	(1)	-	**130**
Operating expenses						
Cost of sales	(6)	-	-	-	-	(6)
Research and development	(50)	4	0	-	-	(46)
Selling, general and administrative	(103)	1	2	-	-	(101)
Amortization of intangible assets	(4)	4	-	-	-	-
Restructuring charges	(1)	-	-	-	1	-
Effect of the Viatris Deal	90	-	-	-	(90)	-
Total operating expenses	**(75)**	9	2	-	(89)	**(152)**
Other income	8	-	-	-	-	8
Operating results	**64**	9	2	(1)	(89)	**(15)**
Total financial income (expense)	(8)	-	-	4	(2)	(7)
Income before income tax benefit (expense)	**56**	9	2	3	(91)	**(21)**
Income tax benefit (expense)	(4)	(0)	(0)	-	0	(4)
Net income (loss)	**52**	9	2	3	(91)	**(25)**
Basic net income (loss) per share (CHF)	**0.26**	0.05	0.01	0.02	(0.47)	**(0.13)**
Weighted-average number of basic shares (in millions)	195.3	-	-	-	-	195.3
Diluted net income (loss) per share (CHF)	**0.26**	0.05	0.01	0.02	(0.46)	**(0.13)**
Weighted-average number of dilutive shares (in millions)	195.9	-	-	-	-	195.3

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Reconciliation of US GAAP to non-GAAP results for the second quarter 2025

(in CHF millions, unless otherwise indicated)	US GAAP results	Depreciation, amortization	Share-based compensation	Royalty monetization	Other items	Non-GAAP results
Net revenue						
Product sales	31	-	-	-	-	31
Contract revenue – royalties	0	-	-	(0)	-	-
Contract revenue – milestones	40	-	-	-	-	40
Contract revenue – others	0	-	-	-	-	0
Total net revenue	**72**	**-**	**-**	**(0)**	**-**	**72**
Operating expenses						
Cost of sales	(3)	-	-	-	-	(3)
Research and development	(23)	2	(1)	-	-	(21)
Selling, general and administrative	(51)	0	0	-	-	(50)
Amortization of intangible assets	(2)	2	-	-	-	-
Restructuring charges	(0)	-	-	-	0	-
Effect of the Viatris deal	-	-	-	-	-	-
Total operating expenses	**(80)**	5	(0)	-	0	**(75)**
Other income	5	-	-	-	-	5
Operating results	**(3)**	5	(0)	(0)	0	**2**
Total financial income (expense)	(5)	-	-	2	4	1
Income before income tax benefit (expense)	**(8)**	5	(0)	1	4	**3**
Income tax benefit (expense)	(4)	(0)	(0)	-	0	(4)
Net income (loss)	**(11)**	5	(0)	1	5	**(1)**
Basic net income (loss) per share (CHF)	**(0.06)**	0.02	(0.00)	0.01	0.02	**(0.00)**
Weighted-average number of basic shares (in millions)	203.8	-	-	-	-	203.8
Diluted net income (loss) per share (CHF)	**(0.06)**	0.02	(0.00)	0.01	0.02	**(0.00)**
Weighted-average number of dilutive shares (in millions)	203.8	-	-	-	-	203.8

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

(in CHF thousands, except per share amounts)		Six months ended June 30, 2025	2024
		(unaudited)	(unaudited)
Net revenue			
Product sales	2/16	57,831	23,605
Contract revenue	3/4/16	73,293	2,801
Total net revenue		**131,123**	**26,407**
Operating (expenses)[1]			
Cost of sales		(5,829)	(4,368)
Research and development		(50,105)	(70,882)
Selling, general and administrative		(103,480)	(141,767)
Amortization of intangible assets		(4,075)	(1,054)
Restructuring charges		(947)	(771)
Gains on sale of disposal group		89,550	125,327
Total operating (expenses)		**(74,887)**	**(93,515)**
Other income		7,884	2,977
Operating income (loss)		**64,121**	**(64,132)**
Interest income (expense), net		(15,794)	(8,964)
Accretion of convertible debt	10	(490)	(631)
Other financial income (expense), net		7,998	(4,590)
Total financial income (expense)		**(8,285)**	**(14,185)**
Income (loss) before income tax benefit (expense)		**55,836**	**(78,317)**
Income tax benefit (expense)		(4,093)	(397)
Net income (loss)		**51,743**	**(78,714)**
Basic net income (loss) per share attributable to Idorsia's shareholders	5	**0.26**	**(0.44)**
Weighted-average number of common shares (in thousands)		195,302	179,530
Diluted net income (loss) per share attributable to Idorsia's shareholders	5	**0.26**	**(0.44)**
Weighted-average number of common shares (in thousands)		195,943	179,530

[1]Includes share-based compensation as follows:		
Research and development	163	3,812
Selling, general and administrative	1,593	6,448
Total share-based compensation	**1,757**	**10,260**

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

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Interim Consolidated Statement of Comprehensive Income

(in CHF thousands)	Six months ended June 30, 2025	2024
	(unaudited)	(unaudited)
Net income (loss)	**51,743**	**(78,714)**
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(676)	278
Change of unrecognized components of net periodic benefit costs	(753)	(730)
Other comprehensive income (loss), net of tax	**(1,429)**	**(452)**
Comprehensive income (loss)	**50,313**	**(79,166)**

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

Interim Consolidated Balance Sheet (1/2)

(in CHF thousands, except number of shares)		Jun 30, 2025 (unaudited)	Dec 31, 2024 (audited)
ASSETS			
Current assets			
Cash and cash equivalents	6	72,066	106,376
Trade and other receivables, net	8	69,302	37,195
Receivables from related parties	17	-	170
Inventories	9	66,607	62,648
Marketable securities	7	11,193	17,982
Other current assets		29,877	31,108
Total current assets		**249,045**	**255,479**
Noncurrent assets			
Property, plant and equipment, net		83,734	89,015
Right-of-use assets		121,266	127,907
Intangible assets, net		30,129	23,473
Pension asset		1,749	326
Deferred tax asset		1,121	827
Other noncurrent assets		10,967	8,869
Total noncurrent assets		**248,966**	**250,416**
TOTAL ASSETS		**498,011**	**505,895**

Interim Consolidated Balance Sheet (2/2)

(in CHF thousands, except number of shares)		Jun 30, 2025 (unaudited)	Dec 31, 2024 (audited)
LIABILITIES			
Current liabilities			
Trade and other payables		24,720	35,181
Payables and accrued payables to related parties	17	882	1,764
Deferred revenue	3	78	721
Lease liability		11,438	8,586
Sales related liabilities	2	27,022	22,088
Accrued expenses		73,852	134,498
Provisions	18	401	5,212
Convertible bonds	10	200,000	200,000
Royalty monetization liability	10	5,110	3,439
Other current liabilities		-	31,709
Total current liabilities		**343,502**	**443,198**
Noncurrent liabilities			
Convertible loan	10	334,575	334,575
Convertible bonds	10	597,593	597,204
Other financial liabilities	10	162,511	162,410
Term loan	10	49,375	-
Lease liability		110,285	116,286
Derivative financial liabilities[1]	7	1,827	1,069
Other noncurrent liabilities		18,706	40,206
Royalty monetization liability	10	21,198	23,091
Total noncurrent liabilities		**1,296,072**	**1,274,842**
Total liabilities		**1,639,573**	**1,718,040**
EQUITY			
Idorsia's shareholders' equity			
Common shares (par value CHF 0.05 per share, issued and outstanding 226,136,537 and 189,743,556 as of June 30, 2025 and December 31, 2024 respectively; total number of authorized shares, including issued, conditional and upper end of capital range, 449,469,880 as of June 30, 2025 and 376,337,368 as of December 31, 2024 respectively)		11,307	9,487
Additional paid-in capital		2,201,837	2,182,337
Accumulated profit (loss)		(3,355,033)	(3,406,776)
Treasury shares	12	(1,102)	(52)
Accumulated other comprehensive income (loss)	13	1,429	2,859
Total Idorsia's shareholders' equity		**(1,141,563)**	**(1,212,145)**
TOTAL LIABILITIES AND EQUITY		**498,011**	**505,895**

[1]Previously presented within "Other noncurrent liabilities".

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

Interim Consolidated Statement of Cash Flows (1/2)

(in CHF thousands)	Six months ended June 30, 2025 (unaudited)	Six months ended June 30, 2024 (unaudited)
Cash flow from operating activities		
Net income (loss)	51,743	(78,714)
Adjustments to reconcile net income (loss) to net cash provided from operating activities:		
Depreciation and amortization	9,264	8,063
Non-cash royalty monetization interest	4,179	-
Amortization of debt issuance costs	1,192	-
Share-based compensation	1,757	10,260
Accretion of convertible debt	490	631
Fair value changes on securities	(3,713)	2,600
Fair value changes on derivative liabilities	(401)	-
Release of deferred revenue and accrued income	(643)	2,898
Gain on disposals of assets	(89,550)	(125,327)
Deferred taxes	(240)	(31)
Changes in operating assets and liabilities:		
Trade and other receivables	(33,886)	(1,672)
Prepayments	(5,161)	(7,239)
Inventories	(4,949)	(6,541)
Trade and other payables	(802)	11,447
Accrued expenses	(18,253)	161,665
Provisions	(8,079)	(10,727)
Changes in other operating cash flow items	1,116	1,155
Changes in other operating cash flows as a result of asset disposal	-	(183,984)
Net cash flow provided by (used in) operating activities	**(95,936)**	**(215,516)**
Cash flow from investing activities		
Proceeds from sales of marketable securities	7,037	-
Purchase of property, plant and equipment	(10)	(1,792)
Proceeds from sale of property, plant and equipment	-	14,999
Purchase of intangible assets	(9,905)	(14,232)
Proceeds from disposals of assets	-	308,048
Net cash flow provided by (used in) investing activities	**(2,878)**	**307,023**
Cash flow from financing activities		
Sale of treasury shares	5,000	(80)
Proceeds from exercise of warrants	306	-
Proceeds from borrowings	70,000	-
Repayments of borrowings	(1,072)	-
Payment of debt issuance costs	(8,847)	-
Net cash flow provided by (used in) financing activities	**65,387**	**(80)**

Interim Consolidated Statement of Cash Flows (2/2)

(in CHF thousands)	Six months ended June 30, 2025	2024
	(unaudited)	(unaudited)
Net effect of exchange rates on cash and cash equivalents	(883)	713
Net change in cash and cash equivalents	**(34,310)**	**92,140**
Cash and cash equivalents at beginning of period	106,376	145,052
Cash and cash equivalents at end of period	**72,066**	**237,192**

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

Interim Consolidated Statement of Changes in Equity

	Idorsia's shareholders						
	Common shares		Additional			Accum. other	
(in CHF thousands, except number of shares)	Shares	Amount	paid-in capital	Accum. profit (loss)	Treasury shares	comprehensive income (loss)	Total equity
At January 1, 2024	**188,480,626**	**9,424**	**2,155,617**	**(3,143,019)**	**(483)**	**9,742**	**(968,718)**
Comprehensive income (loss):							
Net income (loss)				(78,714)			(78,714)
Other comprehensive income (loss)						(452)	(452)
Comprehensive income (loss)							**(79,167)**
Share-based compensation transactions	608,741	30	4,209				4,239
Transactions in treasury shares	-		1,099		30		1,129
At June 30, 2024 (unaudited)	**189,089,367**	**9,454**	**2,160,926**	**(3,221,733)**	**(452)**	**9,290**	**(1,042,515)**
Comprehensive income (loss):							
Net income (loss)				(185,043)			(185,043)
Other comprehensive income (loss)						(6,431)	(6,431)
Comprehensive income (loss)							**(191,474)**
Share-based compensation transactions	654,189	33	7,339				7,372
Transactions in treasury shares	-	-	14,072		400		14,472
At December 31, 2024 (audited)	**189,743,556**	**9,487**	**2,182,337**	**(3,406,776)**	**(52)**	**2,859**	**(1,212,145)**
Comprehensive income (loss):							
Net income (loss)				51,743			51,743
Other comprehensive income (loss)						(1,429)	(1,429)
Comprehensive income (loss)							**50,313**
Share-based compensation transactions	1,189,008	59	950				1,009
Issuance and exercises of warrants	203,973	10	5,610				5,620
Transactions in treasury shares	35,000,000	1,750	12,940		(1,050)		13,640
At June 30, 2025 (unaudited)	**226,136,537**	**11,307**	**2,201,837**	**(3,355,033)**	**(1,102)**	**1,429**	**(1,141,563)**

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

Notes to the Interim Consolidated Financial Statements

(CHF thousands, except share and per share amounts)

Note 1.
Description of business and summary of significant accounting policies

Idorsia Ltd ("Idorsia" or the "Group"), a biopharmaceutical company headquartered in Allschwil, Switzerland, aims to discover, develop and commercialize innovative drugs for high unmet medical needs.

Basis of presentation

The Group's unaudited interim consolidated financial statements ("Unaudited Interim Consolidated Financial Statements") have been prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP") for interim financial statements. Accordingly, these Unaudited Interim Consolidated Financial Statements do not include all the information and footnotes required by US GAAP for annual financial statements. These Unaudited Interim Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2024. All US GAAP references relate to the Accounting Standards Codification ("ASC" or "Codification") established by the Financial Accounting Standards Board ("FASB") as the single authoritative source of US GAAP to be applied by non-governmental entities. All amounts are presented in Swiss francs ("CHF"), unless otherwise indicated. Rounding differences may occur.

Substantial doubt / material uncertainty about the Group's ability to continue as a going concern

The accompanying unaudited interim consolidated financial statements have been prepared on the basis that the Group will continue as a going concern. The interim financial statements do not include any adjustments that might be necessary should the Group be unable to continue as a going concern.

The financial resources at June 30, 2025 of 72 million Swiss francs (cash and cash equivalents) do not cover the expected negative cashflows for the next twelve months. In order to continue as a going concern, the Group secured the future of its operations by a set of agreements described below:

- On February 26, 2025, the Group announced that it has secured a fully backstopped money facility for a net amount of CHF 150 million. Until June 30, 2025 the Group has drawn a first tranche of CHF 70 million.
- On June 25, 2025, the Group announced that more than the required two-thirds majority of bondholders approved to extend the maturity of the CHF 200 million and of the CHF 600 million Convertible Bonds to July 17, 2034 and to August 4, 2038, respectively. The amendments to the Bond terms will become binding and effective upon approval by the higher cantonal composition authority and if no appeal is filed against the court decision, within 30 days from the official publication of the written statement of the grounds.

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- Also on June 25, 2025, the Group announced the launch of the repurchase offer to both its CHF 200 million and its CHF 600m convertible bonds. The repurchase offer is part of a larger holistic restructuring, as announced in the first quarter. The main offer period is expected to end on August 7, 2025.

The Group's operations have not yet reached profitability as sales from existing approved drugs and other revenues do not cover its operating expenses and will therefore continue to require additional funding.

While management and the Board of Directors continue to evaluate all options to further extend the cash runway, stakeholders should be fully aware the Group may be forced to downsize or even discontinue its operations entirely if the Group is unable to obtain adequate liquidity to fund its operations in the future.

As material uncertainties exist, they cast significant doubts about the going concern of the Group.

Accounting policies applicable for interim periods

The Group applies a simplified calculation for post employment benefits during interim periods. The measurements of plan assets and benefit obligations used in determining net periodic pension cost are based on the assumptions used for the previous year-end measurements.

Income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year. In 2018, the Canton of Basel-Land granted the Group a ten year tax holiday that provides for reduced income and capital tax rates on a communal and cantonal level. The tax holiday commenced in fiscal year 2018 and is valid until 2027.

Use of estimates

The preparation of Consolidated Financial Statements in conformity with US GAAP requires management to make judgments, assumptions and estimates that affect the amounts and disclosures reported in the Consolidated Financial Statements. On an ongoing basis, management evaluates its estimates, including those related to revenue recognition for contract revenue, allowance for doubtful accounts, share-based compensation, clinical trial accruals, rebate accruals, provisions, contingent considerations arising from acquisitions, loss contingencies and income taxes. The Group bases its estimates on historical information and on various market-specific and other relevant assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly from these estimates.

Changes in accounting policies

ASU 2023-09, *Improvements to Income Tax Disclosures (Topic 740).* The amendments in this update serve to enhance the transparency and decision usefulness of income tax disclosures. The update shall provide enhancements to better (1) understand an entity's exposure to potential changes in jurisdictional tax legislation and the ensuing risks and opportunities, (2) assess income tax information that affects cash flow forecasts and capital allocation decisions, and (3) identify potential opportunities to increase future cash flows. The amendments in this update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. ASU 2023-09 is effective for public entities for fiscal years beginning after December 15, 2024.

Recent accounting pronouncements

ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosure (Subtopic 220-40)*. The amendments in this update require disclosure of specific cost and expense information in financial statement notes for each interim and annual reporting period. Entities must disclose amounts for inventory purchases, employee compensation, depreciation and intangible asset amortization included in relevant expense captions. Other disaggregation requirements include qualitative descriptions for non-quantified amounts, total selling expenses, and a definition of selling expenses in annual periods. These amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027.

ASU 2024-04, *Debt with Conversion and Other Options (Subtopic 220-40)*. The amendments in this Update clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments in this Update are effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods.

ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810)*. The amendments in this Update revise guidance in ASC 805 and ASC 810 to require entities engaged in equity-based acquisitions of a Variable Interest Entity (VIE) that qualifies as a business to apply the same ASC 805-10-55-12 to -15 factors in determining the accounting acquirer, rather than automatically treating the primary beneficiary as the acquirer. This promotes greater comparability between VIE-related and non-VIE business combinations, and is effective (prospectively) for fiscal years and interim periods beginning after December 15, 2026, with early adoption permitted.

The Group is currently evaluating the impact of recent accounting pronouncements on its Income Statement, Comprehensive Income Statement, Balance Sheet, Statement of Cash Flows and Statement of Changes in Equity upon adoption. Other recent accounting pronouncements than outlined above are not deemed to affect the Group.

Note 2. Revenue recognition

Revenue is primarily recognized from two different types of contracts, revenue from contracts with customers (product sales) and contract revenue from collaborations. Contract revenue recognized from collaborations will include revenue sharing from the collaborations, as well as royalties, upfront and milestone payments received under these types of contracts. See Note 3. Licensing agreements and Note 4. Collaborative agreements for additional information related to the Group's collaborations.

The Group's accruals for sales returns, rebates, and discounts are based on current facts and circumstances. Sales return, rebate and discount liabilities are included in Sales related liabilities in the consolidated balance sheet. All sales return, rebate, and discount liabilities as of June 30, 2025 and December 31, 2024 relate to sales of the Group's products in the US and Europe.

The following represents a roll-forward of the most significant sales return, rebate, and discount liability balances, including managed care, coupon and co-pay programs, Medicare, Medicaid and related state program, chargebacks, discounts and cash discounts:

	June 30, 2025	December 31, 2024
Sales related liabilities, beginning of the period	**22,088**	**18,189**
Sales deductions	40,598	71,696
Cash payments of sales related liabilities	(35,664)	(67,798)
Sales related liabilities, end of the period	**27,022**	**22,088**

Although rebate accruals are recorded at the time the sale is recorded, some specific rebates related to that sale are typically paid up to six months later. Because of this time lag, in any particular period, rebate adjustments may incorporate revisions of accruals for several periods.

The increase in sales related liabilities is mainly a result of increased sales in the United States and EUCAN (See Note 16. Segment and geographic information).

The Group currently does not hold any contract liabilities related to product sales which may result from arrangements where the Group would receive payment in advance of performance under a contract with a customer.

For contract liabilities related to contract revenue from collaborations and licensing, see Note 3. Licensing agreements and Note 4. Collaborative agreements.

Note 3. Licensing agreements

In-licensing agreements

Former shareholders of Axovan Ltd ("Axovan sellers") / F. Hoffman-La Roche Ltd ("Roche")
As a result of the demerger of Idorsia from Actelion, Idorsia holds a license agreement to develop and commercialize clazosentan from a share purchase agreement between Actelion and Axovan sellers.

Following the acquisition in 2020 of claims from some Axovan sellers for a one-time cash consideration of CHF 9 m, the remaining Axovan sellers and Roche are entitled to receive milestones up to CHF 71 m (CHF 14 m at filing, CHF 39 m at approval and CHF 17 m in sales milestones). Roche is also entitled to high-single-digit royalties.

In 2023 the group assigned a part of the license related to the territory covered by the Nxera transaction to Sosei Heptares.

As the Group did not commercialize clazosentan in any territory outside Japan, no royalty expense was recorded to date.

Out-licensing agreements

Neuro Pharma LLC ("Neuro")
As part of the Demerger of Idorsia from Actelion, Idorsia holds a worldwide exclusive license agreement with Neuro to develop and commercialize almorexant, a dual orexin receptor antagonist which was discontinued by Actelion prior to the demerger. The Group will be eligible to receive potential milestone payments of up to USD 39.8 m upon achievement of clinical milestones and approval in the first indication. The Group will also be entitled to receive high-single-digit royalties on annual net sales.

Santhera Pharmaceuticals (Switzerland) Ltd ("Santhera")
The Group entered in a sublicense option agreement in September 2018, which was replaced in November 2020 by the assignment to Santhera of the collaboration agreement with ReveraGen, whereby Santhera directly obtained an exclusive license for vamorolone in all indications and all territories.

On October 23, 2023, Santhera announced US FDA approval of vamorolone for the treatment of Duchenne Muscular Dystrophy, triggering an approval milestone of USD 10 m (CHF 9 m) to Idorsia.

The group is entitled to further contingent considerations based on the achievement of development and sales milestones up to USD 75 m, as well as low single-digit royalty on annual net sales of vamorolone.

On December 16, 2024, the Group entered into a royalty monetization agreement with R-Bridge Investment Six Pte. Ltd. ("R-Bridge"). Refer to Note 10. Borrowings for further details.

Hainan Simcere Pharmaceutical Co., Ltd. ("Simcere")
In November 2022, the Group entered into an exclusive licensing agreement with Simcere to develop and commercialize daridorexant for insomnia in the Greater China region (Mainland China, Hong Kong and Macau). Upon signing of the agreement, the Group received an upfront payment of USD 30 m (CHF 27.8 m), which has been recognized as contract revenue in 2022.

In June 2025, Simcere has received approval for daridorexant from the Chinese National Medical Products Administration. In addition, the Group has reached an agreement with Simcere to amend the terms of the licensing agreement for daridorexant in China. Under the amended terms of the agreement, the Group is eligible to an amendment execution payment of USD 10 m, an approval milestone payment of USD 40 m, future commercial milestone payments of up to USD 93 m, and low- to high-single-digit tiered royalties on future annual net sales. The amendment execution payment of USD 10 m (CHF 8 m) and approval milestone payment of USD 40 m (CHF 32 m) have been recognized as contract revenue in the six-month period ended June 30, 2025.

Owkin France ("Owkin")
On April 2, 2024 Idorsia has entered into a license and services agreement with Owkin. Idorsia granted to Owkin a global license to develop and commercialize ACT-1002-4391, Idorsia's novel, potent EP_2/EP_4 receptor antagonist.

In 2024, the Group received an upfront payment of USD 5 m (CHF 4.6 m) of which CHF 0.6 m have been recognized as contract revenue in the six-month period ended June 30, 2025 (June 30, 2024: CHF 3 m). Furthermore, the Group is entitled to potential development and regulatory milestone payments of up to USD 145 m, sales milestone payments of up to USD 350 m and tiered mid-single- to low double-digit royalties on annual net sales.

C.T.S Ltd ("C.T.S")
In June 2025 the Group entered into an exclusive license and supply agreement with C.T.S to commercialize daridorexant in the State of Israel and the Palestinian Territories. Upon signing of the agreement, the Group received an upfront payment of EUR 0.5 m (CHF 0.5 m), which has been recognized as contract revenue in in the six months ended on June 30, 2025. Furthermore, the Group is entitled to further installments and milestone payments of up to EUR 1.7 m as well as royalty payments on annual net sales. The amount of the royalty will be influenced by the supply price.

Note 4.
Collaborative agreements

Janssen Biotech Inc. ("Janssen")
In connection with the acquisition of Actelion by Johnson & Johnson ("J&J"), Janssen, an affiliate of J&J, and the Group entered into a collaboration agreement giving Janssen the option to collaborate with the Group to jointly develop and to solely commercialize aprocitentan and any of its derivative compounds or products worldwide.

Janssen opted in for the collaboration agreement by paying a one-time milestone payment of USD 230 m (CHF 227 m) in December 2017. The Group recognized USD 160 m (CHF 158 m) as contract revenue in December 2017, and the remaining USD 70 m (CHF 69 m) was deferred and recognized on a straight-line basis until September 2022.

The Group was in charge of the ongoing development of aprocitentan in the initial indication of resistant hypertension management. Janssen and the Group equally shared the costs relating to the Phase 3 program, the marketing approval applications and the marketing approvals in the initial indication until the reacquisition of the world-wide rights to aprocitentan.

In September 2023 Idorsia reacquired the world-wide rights to approcitentan for a contingent consideration up to a total cap of CHF 306 m, subject to marketing application approval by the US FDA and the European Medicines Agency ("EMA") (cap of CHF 275.5 m related to marketing approval by the US FDA and cap of CHF 30.5 m related to marketing approval by EMA).

Janssen's R&D funding obligations ceased at the effective date of the agreement. Janssen's licenses to aprocitentan IP (excluding pulmonary hypertension) terminated and Janssen transferred the brand name and relating commercial materials to Idorsia. Janssen retained licenses in the pulmonary hypertension field.

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No payments were due to Janssen until US FDA or Europe's EMA approval was granted. In March 2024 US FDA and subsequently in June 2024 Europe's EMA granted approval.

After approval, payments will become due to Janssen until the total cap of CHF 306 m is reached based on Idorsia's revenues:

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

For the six-months ended June 30, 2025, Idorsia made payments of CHF 9.8 m (June 30, 2024: 13.7 m). In addition, CHF 0.9 m are accrued as of June 30, 2025 (December 31, 2024: CHF 1.8 m). At June 30, 2025, the remaining contingent consideration is CHF 278 m (December 31, 2024: CHF 289 m).

Viatris Inc. ("Viatris")

On March 15, 2024 Idorsia's global research and development collaboration with Viatris, for the global development and commercialization of selatogrel and cenerimod became effective.

Viatris has worldwide development and commercialization rights for both selatogrel and cenerimod, excluding Japan, South Korea, and certain Asia-Pacific countries—rights that were acquired by Nxera for cenerimod only.

Idorsia received an upfront payment of USD 350 m (CHF 308 m) and -under initial conditions- was entitled to potential development and regulatory milestone payments of up to USD 300 m, and potential sales milestone payments of up to USD 2,100 m and potential contingent tiered royalties from mid single- to low double-digit percentage on annual net sales (excl. APAC).

Further, until 2026 and under initial conditions, the Group agreed to contribute up to USD 200 m for the development and transferred the dedicated personnel to both programs to Viatris at the transaction closing.

In the six-months ended June 30, 2024, based on initial conditions, the group recognized a one-time gain on disposal of CHF 125 m.

On February 26, 2025 the Group announced that the conditions of the global development and commercialization collaboration for selatogrel and cenerimod were amended. In exchange for a USD 100 m reduction to Idorsia's R&D contribution to the development costs due in 2025, Idorsia has agreed to a USD 250 m reduction in future potential regulatory and sales milestone payments from Viatris. In the six months ended June 30, 2024 the Group contributed CHF 36.4 m (USD 40.6 m) for the performance of development services. No contribution is made in 2025 and the agreed and amended remaining R&D contribution due in 2026 amounts to USD 27 m.

In the six-months ended June 30, 2025, as a result of the amended conditions, the Group recorded a gain of USD 100 m (CHF 90 m).

Others

In November 2024, the Group entered into exclusive negotiations with an undisclosed party for the global rights to aprocitentan, resulting in an exclusivity fee payment of USD 35 m (CHF 31.7 m), which was received in December 2024. As of December 31, 2024, the Group deferred the USD 35 m exclusivity fee and recorded it in other current liabilities in the consolidated balance sheet.

The exclusivity period ended on February 26, 2025, without an agreement or further obligations related to the global aprocitentan rights. Following its expiration, the Group recognized the exclusivity fee as contract revenue in six-months ended June 30, 2025.

Note 5.
Earnings per share

The following table sets forth the basic and diluted earnings per share (EPS) calculations at:

	June 30, 2025		June 30, 2024	
	Basic	Diluted	Basic	Diluted
Numerator				
Net income (loss) attributable to Idorsia's shareholders	51,743	51,743	(78,714)	(78,714)
Net income (loss) available for EPS calculation	**51,743**	**51,743**	**(78,714)**	**(78,714)**
Denominator				
Weighted-average number of common shares	195,302,048	195,943,275	179,529,524	179,529,524
Total average equivalent shares	**195,302,048**	**195,943,275**	**179,529,524**	**179,529,524**
Earnings (loss) per share attributable to Idorsia's shareholders	**0.26**	**0.26**	**(0.44)**	**(0.44)**

For the six months ended June 30, 2025, 100,227,641 shares that would have had an antidilutive effect were excluded from the diluted EPS calculation (June 30, 2024: 71,055,128 shares).

Note 6.
Cash and cash equivalents

Cash and cash equivalents consisted of the following at:

	June 30, 2025	December 31, 2024
Cash	72,066	106,376
Total	**72,066**	**106,376**

Cash and cash equivalents as listed above include CHF 1.1 m which are pledged in favor of a bank to secure issued guarantees.

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Note 7.
Financial assets and liabilities

The following table states the Group's financial assets and liabilities carried at fair value:

	June 30, 2025				December 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at fair value								
Cash and cash equivalents	72,066	72,066	-	-	106,376	106,376	-	-
Derivative financial instruments[1]	104	-	104	-	1,786	-	1,786	-
Short-term marketable securities	11,193	11,193	-	-	17,982	17,982	-	-
Total	**83,363**	**83,259**	**104**	**-**	**126,143**	**124,358**	**1,786**	**-**
Financial liabilities carried at fair value								
Derivative financial instruments	1,827	-	-	1,827	1,069	-	-	1,069
Total	**1,827**	**-**	**-**	**1,827**	**1,069**	**-**	**-**	**1,069**

[1] Included in other current assets.

Financial assets carried at fair value

Ordinary shares in Santhera Pharmaceuticals Holding Ltd ("Santhera Holding")

As of June 30, 2025, the Group held 935,850 ordinary shares in Santhera Pharmaceuticals Holding Ltd ("Santhera Holding"), representing 6.9% of Santhera's share capital (December 31, 2024: 1,301,127 ordinary shares representing 10.4%). The shares are classified as short-term marketable securities and measured at fair value through profit or loss. The fair value of the Santhera shares was CHF 11.2 million as of June 30, 2025 (December 31, 2024: CHF 18.0 m).

In addition, as of June 30, 2025, the Group held 109,375 warrants (December 31, 2024: 109,375) with a strike price of CHF 20.00 and an expiry date of September 22, 2025 and Nil warrants (December 31, 2024: 221,161) with a strike price of CHF 9.043 and an expiry date of January 9, 2025, with a fair value of CHF 0.1 m and CHF Nil m, respectively (December 31, 2024: CHF 0.7 m and CHF 1.1 m, respectively). One warrant entitles the holder to purchase one Santhera Holding share.

In January 2025, the Group has exercised 221,161 warrants at an exercise price of CHF 9.043 per share. By mutual agreement, the exercise was executed on a cashless basis, reflecting the value differential between the exercise price and the volume weighted average price of CHF 14.2598 on January 9, 2025, of Santhera's shares. As a result, 80,909 Santhera shares were issued to Idorsia.

Financial liabilities carried at fair value

The Group has recognized a contingent consideration at its fair value of CHF 1.1 m relating to the achievement of milestones (see Note 14. Commitments, contingent liabilities and guarantees). The fair value was calculated using management's estimate of the probability of reaching the milestones and remains unchanged as of June 30, 2025 compared to December 31, 2024.

Further, as part of the term loan entered into in the first half of 2025 (see Note 10. Borrowings), a derivative financial liability related to the term loan exit fee was recognized. The term loan includes a contractual exit fee which is payable in cash and is contingent upon the value of Idorsia's share price at the time of repayment (exit date). The exit fee is structured to ensure a minimum internal rate of return (IRR) of 15% per annum on the funded commitments. The IRR calculation includes both:

- The market value of 10.5 m Idorsia arrangement fee shares (the arrangement fee shares are expected to be issued to the lenders in the second half of 2025), and
- The intrinsic value of 9.5 m Idorsia warrants as an arrangement fee (the arrangement fee warrants are expected to be issued to the lenders in the second half of 2025), defined as the excess of the market price over the strike price at the time of exit.

The exit fee was determined to be an embedded derivative that is not clearly and closely related to the host debt instrument.

The fair value as of 2 June 2025 (initial recognition) was CHF 1.2 m.

The derivative liability related to the term loan exit fee is remeasured at fair value through profit or loss at each reporting date. Changes in the fair value are presented within other financial income/(expense) in the consolidated income statement and is classified as a Level 3 financial liability, due to the use of significant unobservable inputs including:

- Expected timing and conditions of the facility exit date,
- Assumptions related to share volatility, discount rates and credit risk.

The fair value was calculated using a black-scholes model to estimate the share price that would equal an IRR of 15%. As of June 30, 2025, the fair value was CHF 0.8 m. For the six months ended June 30, 2025, an unrealized fair value gain of CHF 0.4 m was recognized in other financial income/(expense).

Financial liabilities carried at amortized cost

The Group's financial liabilities carried at amortized cost relate to its convertible loan, convertible bonds and term loan (see Note 10. Borrowings), other financial liabilities arising from a sale and leaseback transaction which did not qualify as a sale and a royalty monetization liabilty (see Note 10. Borrowings):

	June 30, 2025	December 31, 2024
Short-term financial debt	200,000	200,000
Long-term financial debt	982,654	931,780
Other financial liabilities	162,511	162,410
Royalty monetization liability	26,308	26,530
Total	**1,371,473**	**1,320,720**

Interest income/(expense), net for the six months ended June 30, 2025 includes accrued interest expense of CHF 7.4 m (June 30, 2024: CHF 7.1 m), which is paid to the bondholders on a yearly basis. Interest income for the six months ended June 30, 2025 amounts to CHF 0.2 m (June 30, 2024: CHF 1.5 m).

For the six months ended June 30, 2025, the aggregate foreign currency translation gain included in other financial income (expense), net amounts to CHF 9.3 m (June 30, 2024: CHF 0.9 m loss).

For the six months ended June 30, 2025, the Group recorded an unrealized gain on marketable securities of CHF 3.7 m (June 30, 2025: unrealized loss of CHF 2.0 m) and a gain on other components of net periodic pension cost of CHF 0.0 m (June 30, 2024: gain of CHF 0.1 m).

Note 8.
Trade and other receivables

Trade and other receivables consisted of the following at:

	June 30, 2025	December 31, 2024
Trade receivables	34,266	26,360
Other receivables	35,036	10,835
Trade and other receivables, gross	**69,302**	**37,195**
Allowance for doubtful accounts	-	-
Total trade and other receivables, net	**69,302**	**37,195**

For concentrations of credit risk related to the Group's trade and other receivables see Note 15. Concentrations.

Note 9.
Inventories

Inventories consisted of the following at:

	June 30, 2025	December 31, 2024
Raw materials	10,484	10,519
Semi-finished products	49,703	50,600
Finished products	6,420	1,529
Total	**66,607**	**62,648**

Semi-finished products primarily include active pharmaceutical ingredients used in the production of finished goods.

Note 10.
Borrowings

Convertible loan

On June 15, 2017, Cilag Holding AG ("Cilag") provided a loan of CHF 580 m to the Group, which was convertible into ordinary shares of the Group up to an aggregate of 32% of the share capital at the time that the loan was provided. The loan does not carry interest, has a term of 10 years and matures on June 15, 2027.

On June 19, 2017, a first tranche of the convertible loan of CHF 135 m was mandatorily converted and Cilag acquired 11.8 m shares of the Group. These shares were sold by Cilag in a secondary offering on July 8, 2020.

On November 9, 2021, a second tranche of the convertible loan of CHF 110 m was converted and Cilag acquired 9.6 m shares of the Group (representing 4% of the issued shares as of June 30, 2025).

The remaining amount of CHF 335 m outstanding as of June 30, 2025, may be converted into 29.1 m shares of the Group by Cilag (which would result in a total shareholding of 11.4% on a diluted basis, respectively) as follows:

- up to an aggregate shareholding of 16% if another shareholder holds more than 20% of the issued shares of the Group (this condition was fulfilled with Jean-Paul and Martine Clozel owning more than 20% of the Group's issued shares as of June 30, 2025), and
- up to the balance of the remaining amount within 20 business days of the maturity date of the convertible loan. In case of a takeover of the Group, Cilag has the right to convert the convertible loan in full.

At maturity of the convertible loan, if the remaining amount has not yet been converted, the Group may elect to settle the remaining amount in cash or in ordinary shares of the Group. The shares to be issued under the convertible loan will be created from conditional capital and/or the capital range of the Group. The loan is potentially convertible into 29.1 m shares at a conversion price of CHF 11.48, subject to customary antidilution provisions and dividend protection. The carrying amount of the convertible loan as of June 30, 2025 is CHF 335 m (December 31, 2024: CHF 335 m).

Senior unsecured convertible bonds due in 2025

On July 17, 2018, the Group issued CHF 200 m (1,000 bonds with a denomination of CHF 200,000 per bond) of senior unsecured convertible bonds. The bonds were issued at par, with the following terms and conditions at inception.

The bonds have an interest rate of 0.75% per annum (paid annually in arrears) and a conversion price of CHF 33.95, subject to customary antidilution provisions and dividend protection. The bonds had an initial term of six years, maturing on July 17, 2024 with redemption at 100% of the principal amount.

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 included 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 following the effective date of the amendment of the bonds' terms on August 29, 2024. In addition, Idorsia committed to use proceeds from divestitures or out-licensing transactions to repay the bonds pursuant to the proposed amended terms.

The bonds are convertible into registered shares of the Group on or after August 27, 2018. In 2024, with the modified terms, the conversion ratio increased from initially 5,891.0162 shares per bond to 33,333.3333 shares per bond. The shares are sourced from the Group's conditional capital. Assuming full conversion, the number of shares to be issued amounts to 33,333,333 registered shares, which represents 18.5% of the outstanding shares at the effective date of the amendment of the bonds' terms. Before the amendment, the number of shares to be issued amounted to 5,891,016 registered shares, which represented 4.5% of the outstanding shares at the time of the issuance of the bonds (i.e. 131,042,140 outstanding shares).

On February 25, 2025, a further bondholder meeting was held, where 79% of the total outstanding bondholders voted in favour of amendments to the terms of the bonds. The approved bond terms include an amended principal amount of CHF 204,000 per bond, extended maturity date of September 17, 2025 and a waiver of Idorsias' obligation to exercise its call option and to use proceeds from divestitures or out-licensing transactions to repay the bonds before maturity.

The amended maturity date of September 17, 2025 became binding and effective upon approval by the higher cantonal composition authority and after an additional 30-day waiting period, during which bondholders may still object to the amendment. The higher cantonal composition authority approved the amendments to the terms of the 2025 convertible bond on April 15, 2025. Since no appeal was filed, the effective date for the extended maturity period was May 15, 2025.

The amended debt obligations with respect to the bonds, which are due subsequent to June 30, 2025, are as follows:

Payable on	Type of payment	Amount
July 17, 2025	Annual interest	1,500
September 17, 2025	Repayment of debt incl. annual interest	200,750

As resolved at the bondholders' meeting on February 25, 2025, the effective date for the amended principal amount of CHF 204,000 per bond is July 17, 2025, and is therefore not reflected in the table above.

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The bonds are listed on the SIX Swiss Exchange. As of June 30, 2025, the fair market value of the bonds amounted to 48.0% of the principal amount (Level 1).

The Group accounts for the bonds at amortized cost. The debt issuance costs of CHF 1.7 m are deducted from the liability and are amortized and recognized as additional interest expense over the life of the bonds using the effective interest method.

As of June 30, 2025, the total book value of the bonds was CHF 200 m (December 31, 2024: CHF 200 m). For the six months ended June 30, 2025, the Group recognized CHF 0.8 m of interest cost (June 30, 2024: CHF 0.8 m) and CHF Nil m (June 30, 2024: CHF 0.1 m) related to the amortization of debt issuance costs.

Senior unsecured convertible bonds due in 2028

On August 4, 2021, the Group issued CHF 600 m (3,000 bonds with a denomination of CHF 200,000 per bond) of senior unsecured convertible bonds. The bonds were issued at par.

The bonds have an interest rate of 2.125% per annum (paid annually in arrears) and a conversion price of CHF 31.54, subject to customary antidilution provisions and dividend protection.

The bonds have a term of seven years, maturing on August 4, 2028, and will be redeemed at 100% of the principal amount. The Group may redeem the bonds before the maturity date (i) at any time after August 24, 2025, if the volume-weighted average price of the Idorsia share is at least 150% of the prevailing conversion price during a specified period or (ii) if less than 15% in aggregate of the principal amount of the bonds is outstanding. The investors may request redemption of the bonds on the 5th anniversary of the settlement date or upon a change of control and in case of a delisting of shares.

The bonds became convertible into registered shares of the Group on or after September 13, 2021. The conversion ratio is currently 6,341.15409 shares per bond. The shares are sourced from the Group's conditional capital. Assuming full conversion, the number of shares to be issued amounts to 19,023,462 registered shares, which represented 11.4% of the outstanding shares at the time of the issuance of the bonds (i.e. 167,339,231 outstanding shares).

The debt obligations with respect to the bonds, which are due subsequent to June 30, 2025, are as follows:

Payable on Aug 4,	Type of payment	Amount
2025	Annual interest	12,750
2026	Annual interest	12,750
2027	Annual interest	12,750
2028	Repayment of debt incl. annual interest	612,750

The bonds are listed on the SIX Swiss Exchange. As of June 30, 2025, the fair market value of the bonds amounted to 45.0% of the principal amount (Level 1).

The Group accounts for the bonds at amortized cost. The debt issuance costs of CHF 5.4 m are deducted from the liability and are amortized and recognized as additional interest expense over the life of the bonds using the effective interest method.

As of June 30, 2025, the total book value of the bonds was CHF 597.6 m (December 31, 2024: CHF 597.2 m). For the six months ended June 30, 2025, the Group recognized CHF 6.4 m (June 30, 2024: CHF 6.4 m) of interest cost and CHF 0.4 m (June 30, 2024: CHF 0.8 m) related to the amortization of debt issuance costs.

Exchange offer and bondholder meetings on June 25, 2025

The Group expects the following amended terms of the 2025 convertible bond ("CB 2025") and the 2028 convertible bond ("CB 2028") to become effective after June 30, 2025:

On June 25, 2025, 89.5% of CB 2025 holders and 93.5% of CB 2028 holders voted in favor of extending the maturity dates of the CB 2025 to July 17, 2034, and of the CB 2028 to August 4, 2038.

These amended terms will become binding and effective upon approval by the higher cantonal composition authority and after an additional waiting period of 30 days during which bondholders could still object to the amendment.

In addition, the amendments are conditional on the successful consummation (minimum acceptance rate of 85% of the issued nominal value of the CB 2025 and CB 2028) of the exchange offer under which, Idorsia is offering to exchange any and all of its outstanding CB 2025 and CB 2028 into waterfall ranked senior secured pay-if-you-can 2.0% A1 Notes due 2048, 4.6% A2 Notes due 2048 and 4.6% B Notes due 2050. The nominal value of these Notes will be unchanged to the exchanged convertible bonds. The Notes will be repaid with potential future net cash inflows derived from selatogrel, cenerimod and aprocitentan, until the Notes are fully repaid. Upon full repayment of the Notes (principal and interest), the rights to future cash inflows related to these products will revert back to Idorsia.

As of June 30, 2025, approximately 87.5% of the aggregate nominal value of CB 2025 and approximately 90.1% of CB 2028 are subject to a legally binding lock-up agreement in support of the exchange offer. This exceeds the minimum acceptance condition, which requires that at least 85% of the total issued nominal value of CB 2025 and CB 2028 be validly tendered by the end of the main offer period. Participating bondholders have committed to tendering their holdings under the exchange offer.

Upon the exchange, participating bondholders will be entitled to receive, pro rata to their participation, up to a total of 8.04 million Idorsia Ltd shares and up to 8.04 million Idorsia Ltd warrants. The warrants will have a CHF 1.50 strike price, an exchange ratio of 1:1 and will be exercisable at any time over the next 24 months after issuance.

Royalty monetization

In December 2024, the Group entered into a royalty monetization agreement with R-Bridge (see Note 3. Licensing Agreements). The Group received USD 30 m (CHF 27 m) from R-Bridge in exchange for the rights to receive 100% of the future vamorolone royalties and milestones due from Santhera up to a specified cap. The rights to vamorolone royalties and milestones will be reassigned to the Group, at the earlier of:

- the 10-year anniversary of the closing or
- the date upon which R-Bridge has received payments under the assigned agreement equal to 2.00x the purchase price (i.e. USD 30 m).

Due to the reassignment of the rights to the Group in the future, the transaction qualifies as a failed sale and in accordance with ASC 470, the proceeds are classified as debt.

The proceeds received of USD 30 m (CHF 27 m), net of transaction costs of USD 0.6 m (CHF 0.5 m), were recorded as royalty monetization liability. The aggregate future estimated payments, less the USD 30 m upfront cash net of transaction costs, will be recognised as non-cash interest expense over the life of the agreement. As of June 30, 2025, the estimated effective interest rate under the agreement was 34% (December 31, 2024: 34%). Over the life of the arrangement, the actual effective interest rate will be affected by the amount and the timing of the royalty and milestone payments projected and received by R-Bridge. At each reporting date, the Group will reassess the estimate of total future royalty and milestone payments and if such payments are materially different than prior estimates, the Group will prospectively adjust the imputed interest rate and the related amortization of the royalty

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obligation. For the six month period ended June 30, 2025, the Group recognized non-cash interest expense of CHF 4.2 m.

Non-cash royalty and milestone revenue will be recognized as earned on net sales from the underlying Santhera agreement, and these payments will be recorded as a reduction of the liability when earned. For the six month period ended June 30, 2025, the Group recognized non-cash contract revenue of CHF 1.1 m.

As of June 30, 2025, the aggregate royalty monetization obligation of CHF 26.3 m (December 31, 2024: CHF 26.5 m) comprises a current portion of CHF 5.1 m (December 31, 2024: CHF 3.4 m) and a non-current portion of CHF 21.2 m (December 31, 2024: CHF 23.1 m).

Term loan

On February 25, 2025, the Group reached an agreement with more than two-thirds of the holders of its outstanding convertible bonds, for a CHF 158 m senior secured term loan facility (CHF 150 m net of original issue discount). The loan has an interest rate of 4.5% per year and is due 24 months after first utilization. The term loan is fully backstopped by a bondholder group who received, pro rata to their backstopping participation, a total of 9.0 m Idorsia Ltd shares and 8.0 m Idorsia Ltd warrants at a CHF 1.50 strike price, exercisable any time before the maturity of the new money facility.

In March 2025, the Group issued 9.0 m treasury shares to bondholders as a backstop fee. The market value per share at the time of the transaction was CHF 1.15.

In May 2025, the Group granted the participating bondholders 8.0 m Idorsia warrants, whereby one warrant entitles the holder to purchase one Idorsia Ltd share at a strike price of CHF 1.50, exercisable any time before the maturity of the term loan (i.e. until June 2, 2027). The warrants are classified as equity and were recorded with a fair value at grant date of CHF 0.73.

The proceeds from the term loan were allocated to the shares and warrants based on their relative fair values, with the portion allocated to the shares and warrants accounted for as a debt issuance discount and a contra entry to additional paid-in capital.

On June 2, 2025, the first utilisation for a gross amount of CHF 77.9 m (CHF 70.0 m net of Original Issue Discount) of the term loan was drawn.

The term loan includes a contractual exit fee which is payable in cash and is contingent upon the value of Idorsia's share price at the time of repayment (exit date). The exit fee is structured to ensure a minimum internal rate of return (IRR) of 15% per annum on the funded commitments. The IRR calculation includes both:

- The market value of 10.5 m Idorsia arrangement fee shares (the arrangement fee shares are expected to be issued to the lenders in the second half of 2025), and
- The intrinsic value of 9.5 m Idorsia warrants as an arrangement fee (the arrangement fee warrants are expected to be issued to the lenders in the second half of 2025), defined as the excess of the market price over the strike price at the time of exit.

The exit fee was determined to be an embedded derivative that is not clearly and closely related to the host debt instrument.

The fair value as of June 2, 2025 (initial recognition) was CHF 1.2 m.

The derivative liability related to the term loan exit fee is remeasured at fair value through profit or loss at each reporting date (see Note 7. Financial assets and liabilities). Changes in the fair value are presented within other financial Income/(expense) in the consolidated income statement.

As of June 30, 2025, the carrying amount of the term loan was CHF 49.4 m, consisting of the principal amount of CHF 77.9 m and unamortized debt issuance costs and discount of CHF 28.5 m.

For the six-month period ended June 30, 2025, the Group recognized CHF 1.2 m in interest expense, consisting of CHF 0.3 m in nominal interest and CHF 0.9 m related to the amortization of debt issuance costs and discount. As of June 30, 2025, the estimated effective annual interest rate was 31%. This rate reflects the impact of debt issuance-related costs incurred during the six-month period ended June 30, 2025, including legal and advisory fees, original issue discount, and consideration in the form of backstop fee warrants and shares. The effective interest rate is influenced by the amount and timing of loan tranche drawdowns and is re-assessed at each reporting date. As of June 30, 2025, only a portion of the total loan commitment had been drawn.

Note 11. Pension plans

Swiss employee pension plan

The Group maintains a pension plan (the “Basic Plan”) covering all of its employees in Switzerland. The Basic Plan insures base salary and annual incentives up to an aggregate maximum of CHF 907,200. In addition to retirement benefits, the Basic Plan provides benefits on death or long-term disability of its employees. The Basic Plan qualifies as a defined benefit pension plan.

The Group uses a measurement date of December 31 for all its pension plans.

Net periodic benefit costs for the Group’s defined benefit pension plan include the following components:

	Six months ended June 30,	
	2025	**2024**
Service cost	2,659	3,599
Interest cost	699	1,735
Expected return on plan assets	(700)	(1,769)
Prior year service costs (benefit)	(870)	(844)
Net periodic benefit cost	**1,788**	**2,722**

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Note 12.
Share capital

The following table illustrates Idorsia's shares and the share capital of the Group:

(all numbers in thousands)	Shares[1] Issued	Conditional	Capital range (upper end)	Total
As of January 1, 2024	**188,481**	**68,486**	**93,779**	**350,746**
Change in Idorsia's Articles of Association based on the AGM resolution dated June 13, 2024	-	25,592	-	25,592
Shares issued for share-based compensation	1,263	(1,263)	-	-
At December 31, 2024	**189,744**	**92,815**	**93,779**	**376,337**
Change in Idorsia's Articles of Association based on the AGM resolution dated May 28, 2025	-	19,540	53,593	73,133
Shares issued for share-based compensation	1,189	(1,189)	-	-
Exercise of warrants	204	(204)	-	-
Issuance of new registered shares	35,000	-	(35,000)	-
At June 30, 2025	**226,137**	**110,962**	**112,372**	**449,470**

[1]Fully paid-in registered shares with a nominal value of CHF 0.05 per share

Issuance of new registered shares

On February 26, 2025, Idorsia Ltd issued 35,000,000 new shares from its capital range. These shares are held by a subsidiary and are therefore recorded as treasury shares. See section Treasury shares below for further details.

Conditional capital

As set forth in Article 3a of Idorsia's Articles of Association, conditional capital can be used for capital increases upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees as well as contractors or consultants at all levels of the Company and its group companies and upon exercise of conversion rights or options in relation to convertible debt instruments, bonds, loans, and similar forms of financing.

The Board of Directors is authorized to increase the Group's share capital at any time. The pre-emptive rights and the advance subscriptions rights of the shareholders are excluded in case of the exercise of option rights or in connection with similar rights regarding shares and the Board of Directors is authorized to exclude or restrict them in connection with the issuance of Financial Instruments by the Company or one of its group companies if (1) there is an important reason pursuant to Article 3b of these Articles of Association, (2) the bonds or similar instruments are issued on appropriate terms, or (3) the conversion rights are used in connection with the issuance of shares for conversions under the convertible loan dated 15 February 2017 (as amended from time to time), granted by Cilag.

Capital range

As set forth in Article 3b of Idorsia's Articles of Association, the capital range can be used for purposes of strategic partnering and financing of business transactions as well capital reductions. The Board of Directors is authorized to increase or reduce the Group's share capital at any time until May 28, 2030 within a lower limit of CHF 5,618,588.90 and an upper limit of CHF 16,855,766.70, and to exclude or restrict the pre-emptive rights of existing shareholders in connection with mergers, acquisitions, strategic partnering or cooperation transactions, research and clinical development programs and other strategic projects of the Group. If the share capital increases as a result of an increase from conditional capital pursuant to Article 3a of Idorsia's Articles of Association, the upper and lower limits of the capital range shall increase in an amount corresponding to such increase in the share capital. In the first half of 2025 Idorsia issued 35 million new shares, which were initially held as treasury shares.

Treasury shares

Treasury shares may be used in the future for funding purposes or in exchange for restricted stock units or options rights which vest or are exercised in accordance with the conditions of the Groups' share-based payment plans.

At January 1, 2024, the Group holds 9,653,500 treasury shares created at CHF 0.05.

In the first half of 2024, the Group used 604,000 treasury shares in connection with the Viatris Deal. The market value per share at the time of the transaction was CHF 1.82.

In September 2024, 8,000,000 treasury shares were used to pay the consent fee to bondholders (see Note 10. Borrowings). The market value per share at the time of the transaction was CHF 1.81.

At December 31, 2024, the Group holds 1,049,500 treasury shares created at CHF 0.05.

On February 26, 2025, Idorsia Ltd issued 35,000,000 new shares from its existing capital range at CHF 0.05 per share.

In March 2025, the Group sold 5,000,000 treasury shares to bondholders at a price of CHF 1.00.

In March 2025, the Group issued 9,000,0000 treasury shares to bondholders as a backstop fee in connection with the new money facility (see Note 10. Borrowings). The market value per share at the time of the transaction was CHF 1.15.

At June 30, 2025, the Group holds 22,049,500 treasury shares created at CHF 0.05.

Note 13. Accumulated other comprehensive income (loss)

Movements in accumulated other comprehensive income (loss) consist of the following:

	Accumulated OCI (loss), net of tax		
	Jan 1, 2025	**Changes arising during period**	**Jun 30, 2025**
Foreign currency translation adjustments[1]	(3,495)	(676)	(4,172)
Actuarial gains (losses) and prior year service costs[2]	6,354	(753)	5,601
Total accumulated OCI (loss)	**2,859**	**(1,429)**	**1,429**

[1]Income taxes are not provided for foreign currency translation adjustments relating to permanent investments in international subsidiaries.

[2]Actuarial gains (losses) and prior year service costs (benefits) on the Group's defined benefit plans. The amounts disclosed include income tax expenses gross of CHF 0.8 m.

	Accumulated OCI (loss), net of tax		
	Jan 1, 2024	**Changes arising during period**	**Jun 30, 2024**
Foreign currency translation adjustments[1]	(4,020)	278	(3,742)
Actuarial gains (losses) and prior year service costs[2]	13,762	(730)	13,032
Total accumulated OCI (loss)	**9,742**	**(452)**	**9,290**

[1]Income taxes are not provided for foreign currency translation adjustments relating to permanent investments in international subsidiaries.

[2]Actuarial gains (losses) and prior year service costs (benefits) on the Group's defined benefit plans. The amounts disclosed include income tax expenses gross of CHF 1.8 m.

Note 14. Commitments, contingent liabilities and guarantees

Commitments

In the ordinary course of business, the Group entered into purchase commitments related to long-term manufacturing and supply agreements in the total amount of CHF 24.0 m for the second half of 2025, CHF 14.0 m for 2026, CHF 14.0 m for 2027. There are no material commitments thereafter.

The Group did not enter into any material capital commitments related to the maintenance of the Group's own facilities, which are expected to be paid within the next twelve months.

Contingent liabilities

In May 2020 the Group acquired all remaining outstanding shares and debt of Vaxxilon AG from the minority shareholders for a cash consideration of CHF 1.5 m, and up to CHF 3.6 m potential development milestones that will forfeit if such milestones are not reached within seven years.

Guarantees

To secure any potential obligations resulting from overdraft facilities, forward and derivative transactions in foreign currencies and unpaid interest, the Group has issued guarantees to two financial institutions, amounting in total to CHF 5.7 m.

In the ordinary course of business, the Group has entered into certain guarantee contracts and letters of credit in the aggregate amount of CHF 1.0 m.

To date, the Group has not been required to make payments under these contracts and does not expect any potential future payments to be material.

Note 15. Concentrations

Cash and cash equivalents at June 30, 2025 and December 31, 2024, were primarily invested with two financial institutions with an S&P rating of A-. As of June 30, 2025, these two holdings total 92% of the Group's cash and cash equivalents. Of the 92%, one financial institution holds 83% and the other holds 10% as of June 30, 2025 (December 31, 2024: 91% total, of which one financial institution held 72% and the other held 19%).

The Group could experience credit losses in the event of default or non-performance of these counterparties. Concerning risk mitigation, the Group reviews on an ongoing basis the creditworthiness of counterparties to such contracts. The Group has not experienced to date, and does not expect to incur, any significant losses from failure of counterparties to perform under such agreements.

For the six months ended June 30, 2025, one distributor in the United States accounted for CHF 10 m of total net product sales (June 30, 2024: one customer in Switzerland accounted for CHF 12 m). At June 30, 2025, CHF 13 m of trade receivables related to a distributor in the United States (December 31, 2024: CHF 14 m). Net assets of operations located in the US amount to CHF 7.7 m at June 30, 2025 (December 31, 2024: CHF 10.8 m). Management believes other distributors could be identified, which would purchase the Group’s products on comparable terms; however, the establishment of new distributor relationships could take several months. The Group performs ongoing credit evaluations of such distributors. Note 16. Segment and geographic information outlines the concentrations in geographic areas where the Group operates.

The Group is dependent upon toll manufacturers to manufacture its commercial products. For the six months ended June 30, 2025, one supplier accounted for approximately 55% of total purchases. Management believes other suppliers could provide similar products and services on comparable terms. A change in suppliers, however, could cause a delay in fulfilment of customer orders and a possible loss of sales, which could adversely affect operating results. Management believes that the Group maintains sufficient inventory levels to minimize the impact that a change in supplier would have on operating results (June 30, 2024: 67%).

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Note 16.
Segment and geographic information

The Group operates in one segment, which primarily focuses on discovery, development, and commercialization of innovative medicines for unmet medical needs. The Group's chief operating decision-makers ("CODMs"), comprise of the Group's executive committee.

The CODMs use consolidated net income (loss) to assess segment performance and allocate resources. The below table shows Group's single operating segment performance and significant segment expenses which are regularly provided on a group aggregate basis to the CODMs:

	Six months ended June 30,	
	2025	**2024**
Net revenue	131,123	26,407
Cost of sales	(5,829)	(4,368)
Research and development[1]	(45,751)	(61,491)
Selling, general and administrative[1]	(100,890)	(133,895)
Depreciation, Amortization, Impairments	(9,264)	(8,064)
Share-based compensation	(1,757)	(10,260)
Other items[2]	96,489	127,539
Financial income (expense)	(8,285)	(14,185)
Income tax benefit (expense)	(4,093)	(397)
Net income (loss)	**51,743**	**(78,714)**

[1] Excluding depreciation and share-based compensation

[2] Other items comprise restructuring charges, gains on sale of disposal group and other income.

The Group derived product revenue from sales of QUVIVIQ™ (daridorexant) and TRYVIO™ (aprocitentan). Product revenue attributable to individual countries is based on the location of the customer. Contract revenue is derived from collaboration and service agreements with third parties.

The Group's geographic information is as follows (Product sales and contract revenue for the six months ended June 30, Property, plant and equipment and Right of use assets as of June 30, 2025 and December 31, 2024, respectively):

	Switzerland	United States	EUCAN [1]	Total
2025				
Product sales	3,760	11,928	42,143	57,831
Contract revenue	73,293	-	-	73,293
Right of use assets	116,753	3,167	1,346	121,266
Property, plant and equipment	82,735	550	449	83,734

	Switzerland	United States	EUCAN [1]	Total
2024				
Product sales	1,125	14,177	8,304	23,605
Contract revenue	2,801	-	-	2,801
Right of use assets	121,876	4,277	1,754	127,907
Property, plant and equipment	87,720	764	531	89,015

[1] Previously called "ROW".

The Group's net product sales for the six months ended June 30, are as follows:

	Six months ended June 30,	
	2025	**2024**
QUVIVIQ™ (daridorexant)	57,708	23,605
TRYVIO™ (aprocitentan)	122	-
Total	**57,831**	**23,605**

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Note 17.
Related party transactions

J&J and its affiliates Actelion, Janssen and Cilag are considered related parties of the Group with the following material transactions:

- In 2017, the Group, Actelion and Cilag entered into a demerger agreement which, among other things, sets forth the steps necessary to effect the reorganization of the group and the demerger distribution and listing of the Idorsia shares and to govern the separation of the R&D business from the commercial activities and operations of Actelion ("Demerger Agreement").
- In addition to the demerger agreement, the Group and Cilag also entered into a shareholders' agreement.
- As of June 30, 2025 the Group has a convertible loan from Cilag in the nominal amount of CHF 335 m (December 31, 2024: CHF 335 m). The loan is convertible into 29,133,232 shares (December 31, 2024: 29,133,232 shares) of the Group, which would represent 11.4% of the total share capital of the Group on a diluted basis (see Note 10. Borrowings).
- On December 1, 2017, Janssen opted in to a collaboration with the Group to jointly develop and solely commercialize aprocitentan (see Note 4. Collaborative agreements).
- In September 2023 Idorsia reacquired the world-wide rights to approcitentan for a contingent consideration up to a total cap of CHF 306 m, subject to marketing application approval. No payments were due to Janssen until US FDA or Europe's EMA approval was granted. In March 2024 US FDA and subsequently in June 2024 Europe's EMA granted approval.

  For the six-months ended June 30, 2025, Idorsia made payments of CHF 9.8 m (six-months ended June 30, 2024: 13.7 m). In addition, CHF 0.9 m are accrued as of June 30, 2025 (December 31, 2024: CHF 1.8 m). At June 30, 2025, the remaining contingent consideration is CHF 278 m (December 31, 2024: CHF 289 m). Refer to Note 4. Collaborative agreements for further details.

The Group and Actelion entered into a series of transitional and long-term service agreements. Under these agreements and the above-mentioned collaboration agreement with Janssen, during the first half of 2025, the Group received services from J&J and its affiliates of CHF Nil m (2024: CHF 0.3 m).

As of June 30, 2025, and December 31, 2024, Jean-Paul and Martine Clozel are significant shareholders of the Group, holding more than 10% of the share capital and voting rights and are therefore considered related parties with the following material transactions:

- 28% participation in the Group's senior unsecured convertible bonds due in 2025 (December 31, 2024: 28%)
- 29% participation in the Group's senior unsecured convertible bonds due in 2028 (December 31, 2024: 29%)
- 7% participation in the Group's term loan facility (2024: Nil)

For further details regarding the terms and conditions of these financing arrangements, including interest rates, maturity dates, and conversion features, refer to Note 10 – Borrowings.

On April 2, 2024 Idorsia has entered into a license and services agreement with Owkin. (see Note 3. Licensing agreements). In 2024, the Group received an upfront payment of USD 5 m (CHF 4.6 m) of which CHF 0.6 m have been recognized as contract revenue in the six-months ended June 30, 2025 (six months ended June 30, 2024: CHF 3 m). In addition, in the first half of 2025, Idorsia provided services to Owkin under this agreement in the amount of CHF 0.2 m (2024: CHF Nil m). As of June 30, 2025, the Chairman of the Board of Directors owns 6% (December 31, 2024: 6%) of the shares in Owkin Inc. and is the father of the CEO. As of June 30, 2025 and December 31, 2024, the Group had accrued income of CHF Nil m and CHF 0.2 m, respectively.

The Group is a shareholder of Santhera and holds a sublicense option agreement ("vamorolone") and service agreement with Santhera. The Group did not provide any material services under the service agreement to Santhera. As of June 30, 2025 and December 31, 2024, the Group had no material receivables or payables with Santhera.

Note 18. Restructuring

Cost reduction initiatives

In November 27, 2024, Idorsia announced a rightsizing initiative ("restructuring 2024") reducing the number of active projects in Research & Development.

Consequently, a reduction of up to 270 positions mainly in Research & Development and support functions at headquarters is envisaged. Idorsia is committed to minimizing the number of potential redundancies through natural attrition, retirements, and other such measures.

For the six months ended June 30, 2025, the Group recognized CHF 1.0 m of cost related to the restructuring 2024, of which CHF 0.2 m are provisioned as of June 30, 2025 (December 31, 2024: CHF 5.0 m). The restructuring charges primarily consist of personnel related cost.

On July 21, 2023, Idorsia announced that it has launched a cost reduction initiative ("restructuring 2023") with the target to reduce cash-burn at headquarters by approximately 50%. The reduction of costs became fully effective in 2024. Approximately 470 positions, mainly in Research & Development and the associated support functions were affected.

For the six months ended June 30, 2025, the Group recognized CHF Nil m (June 30, 2024: CHF 0.8 m) of cost related to the restructuring 2023, of which CHF Nil m are provisioned as of June 30, 2025 (December 31, 2024: CHF Nil m). The restructuring charges primarily consisted of personnel related cost.

Note 19.
Subsequent events

The Group has evaluated subsequent events through July 29, 2025, the date these Unaudited Interim Consolidated Financial Statements were available to be issued. These events have been disclosed in the respective notes to these Unaudited Interim Consolidated Financial Statements.

Curious to learn more?
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Concept and design: Markenfels AG