



Media Release July 24, 2018

Idorsia announces financial results for the first half 2018

Allschwil, Switzerland – July 24, 2018

Idorsia Ltd (SIX: IDIA) today announced its financial results for the first half of 2018.

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

“We have made significant progress in the first half of 2018, with three of our four Phase 3 programs enrolling the first patients and the fourth on-track to commence enrollment later this year. In addition, we have secured the financing for the development of our pipeline, keeping us on track to deliver on our strategic priorities. We are in the very fortunate position to have many exciting compounds that have the potential to transform treatment in their target indications.”

Key figures

- US GAAP operating results in HY 2018: loss of CHF 155 million
- Non-GAAP* operating results HY 2018: loss of CHF 139 million
- US GAAP operating expenses HY 2018: CHF 168 million
- Non-GAAP operating expenses HY 2018: CHF 153 million
- Unchanged guidance for 2018: Non-GAAP operating expenses of around CHF 390 million

At the end of the first half of 2018, Idorsia’s liquidity (including cash, cash equivalents, short- and long-term deposits) amounted to CHF 949 million.

(in CHF millions, except EPS)	First half 2018		Second Quarter 2018	
	US GAAP	Non-GAAP	US GAAP	Non-GAAP
Revenues	13	13	7	7
Operating expenses	(168)	(153)	(87)	(79)
Operating income (loss)	(155)	(139)	(81)	(73)
Net income (loss)	(159)	(139)	(80)	(71)
Basic EPS	(1.34)	(1.17)	(0.68)	(0.59)
Basic number of shares (weighted average)	119.1	119.1	119.1	119.1
Diluted EPS	(1.34)	(1.17)	(0.68)	(0.59)
Diluted number of shares (weighted average)	119.1	119.1	119.1	119.1

*Idorsia measures, reports and issues guidance on non-GAAP operating performance. Idorsia believes that these non-GAAP financial measurements more accurately reflect the underlying business performance and therefore provide useful supplementary information to investors. These non-GAAP measures are reported in addition to, not as a substitute for, US GAAP financial performance.

Financial results

For the first half 2018, US GAAP operating loss amounted to CHF 155 million and non-GAAP operating loss amounted to CHF 139 million. US GAAP operating loss was based on revenues of CHF 13 million, non-GAAP R&D expenses of CHF 127 million, non-GAAP G&A expenses of CHF 25 million, depreciation and amortization of CHF 9 million, and share-based compensation of CHF 7 million.

The US GAAP net loss amounted to CHF 159 million resulting in a net loss per share of CHF 1.34.

André C. Muller, Chief Financial Officer, commented:

“Thanks to the excellent collaboration with J&J, we were fully functional from day one after the demerger from Actelion. This allowed us to advance our pipeline rapidly without any interruption to our programs. A little over a year later we can also say that we are now operationally independent from Actelion, running our own infrastructure and systems. This is a remarkable achievement by the Idorsia team considering we work in such a highly regulated environment.”

André C. Muller concluded:

“Our financial guidance for 2018 remains unchanged, unforeseen events and potential milestone expenses excluded, we expect non-GAAP operating expenses for 2018 to be around 390 million Swiss francs. With this level of investment and the 505 million Swiss francs cash raised in July, we are confident that we can develop our late-stage pipeline through to completion, so that we know the true potential of our assets and make strategic decisions on how to commercialize them.”

Issuance of new registered shares

In July 2018, Idorsia placed 11,912,000 new registered shares of CHF 0.05 par value each at CHF 25.62 per new share (the “Offer Shares”) with gross proceeds of CHF 305 million. The Offer Shares, corresponding to approximately 10% of Idorsia’s currently issued share capital, were issued from Idorsia’s existing authorized share capital and ranked *pari passu* with the existing shares. The listing and the admission to trading of the Offer Shares according to the International Reporting Standard of the SIX Swiss Exchange was effective on July 13, 2018.

Issuance of senior unsecured convertible bonds

In July 2018, Idorsia placed CHF 200 million of senior unsecured convertible bonds (the “Bonds”), due 2024. The Bonds have a maturity of 6 years and are convertible into 5.9 million registered shares of Idorsia, sourced from existing listed conditional share capital, on or after August 27, 2018. The Bonds have a coupon of 0.75%, subject to Swiss withholding tax, and a conversion price of CHF 33.95, corresponding to a conversion premium of 32.5% above the book-building price of the Offer Shares. Holders of the Bonds who convert their Bonds will receive Idorsia shares with a par value of CHF 0.05 per Idorsia share. Idorsia will be entitled to redeem the Bonds at their principal amount (plus accrued interest) in accordance with the terms and conditions of the Bonds at any time (i) on or after August 7, 2022, if the price of an Idorsia share is equal to or exceeds 150% of the then prevailing conversion price over a certain period or (ii) if less than 15% of the aggregate principal amount of the Bonds remains outstanding. The Bonds, unless previously converted or repurchased and cancelled, will be redeemed at 100% of their principal amount.

Liquidity and indebtedness

(in CHF millions)	Jun 30, 2018	Mar 31, 2018
Liquidity		
Cash and cash equivalents	615	549
Short-term deposits	85	217
Long-term deposits	250	250
Total liquidity*	949	1,016
Indebtedness		
Convertible loan	368	367
Other financial debt	-	-
Total indebtedness	368	367

*rounding differences may occur



Clinical Development pipeline

Idorsia has a diversified and balanced clinical development pipeline covering multiple therapeutic areas, including CNS, cardiovascular and immunological disorders, as well as orphan diseases. In the first half of 2018, Idorsia has started enrolling patients into three of its Phase 3 clinical programs, with the fourth Phase 3 study expected to commence in the second half of 2018. Details of the Phase 3 programs can be found in a series of investor webcasts published on the corporate website.

Compound	Mechanism of Action	Target Indication	Status
Aprocitentan*	Dual endothelin receptor antagonist	Resistant hypertension management	Phase 3
Clazosentan**	Endothelin receptor antagonist	Vasospasm associated with aneurysmal subarachnoid hemorrhage (aSAH)	Advancing to Phase 3
Lucerastat	Glucosylceramide synthase inhibitor	Fabry disease	Phase 3
Nemorexant	Dual orexin receptor antagonist	Insomnia	Phase 3
Cenerimod	S1P ₁ receptor modulator	Systemic lupus erythematosus	Phase 2
Vamorolone***	Dissociative steroid	Duchenne muscular dystrophy	Phase 2
ACT-246475	P2Y ₁₂ receptor antagonist	Acute coronary syndrome (ACS)	Phase 2
ACT-774312	CRTH2 receptor antagonist	Nasal polyposis	Advancing to Phase 2
ACT-519276	GBA2/GCS inhibitor	Orphan CNS diseases	Phase 1
ACT-539313	Selective orexin 1 receptor antagonist	Anxiety	Phase 1
ACT-709478	T-type calcium channel blocker	Epilepsy	Phase 1

* In collaboration with Janssen Biotech to jointly develop and solely commercialize aprocitentan worldwide

** In Japan, market registration trials are being conducted, with results expected in the second half of 2018

*** Idorsia has an exclusive option to worldwide rights to ReveraGen's Vamorolone.

Results Day Center

Investor community: To make your job easier, we provide all relevant documentation via the Results Day Center on our corporate website: www.idorsia.com/results-day-center.

Upcoming financial updates

- 9 Months 2018 Financial Results reporting on October 23, 2018
- FY 2018 Financial Results reporting on February 7, 2019
- First Quarter 2019 Financial Results reporting on April 18, 2019

Notes to the editor

About Idorsia

Idorsia Ltd is reaching out for more - We have more ideas, we see more opportunities and we want to help more patients. In order to achieve this, we will develop Idorsia into one of Europe's leading biopharmaceutical companies, with a strong scientific core.

Headquartered in Switzerland - a biotech-hub of Europe - Idorsia is specialized in the discovery and development of small molecules, to transform the horizon of therapeutic options. Idorsia has a broad portfolio of innovative drugs in the pipeline, an experienced team, a fully-functional research center, and a strong balance sheet – the ideal constellation to bringing R&D efforts to business success.

Idorsia was listed on the SIX Swiss Exchange (ticker symbol: IDIA) in June 2017 and has over 700 highly qualified professionals dedicated to realizing our ambitious targets.

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