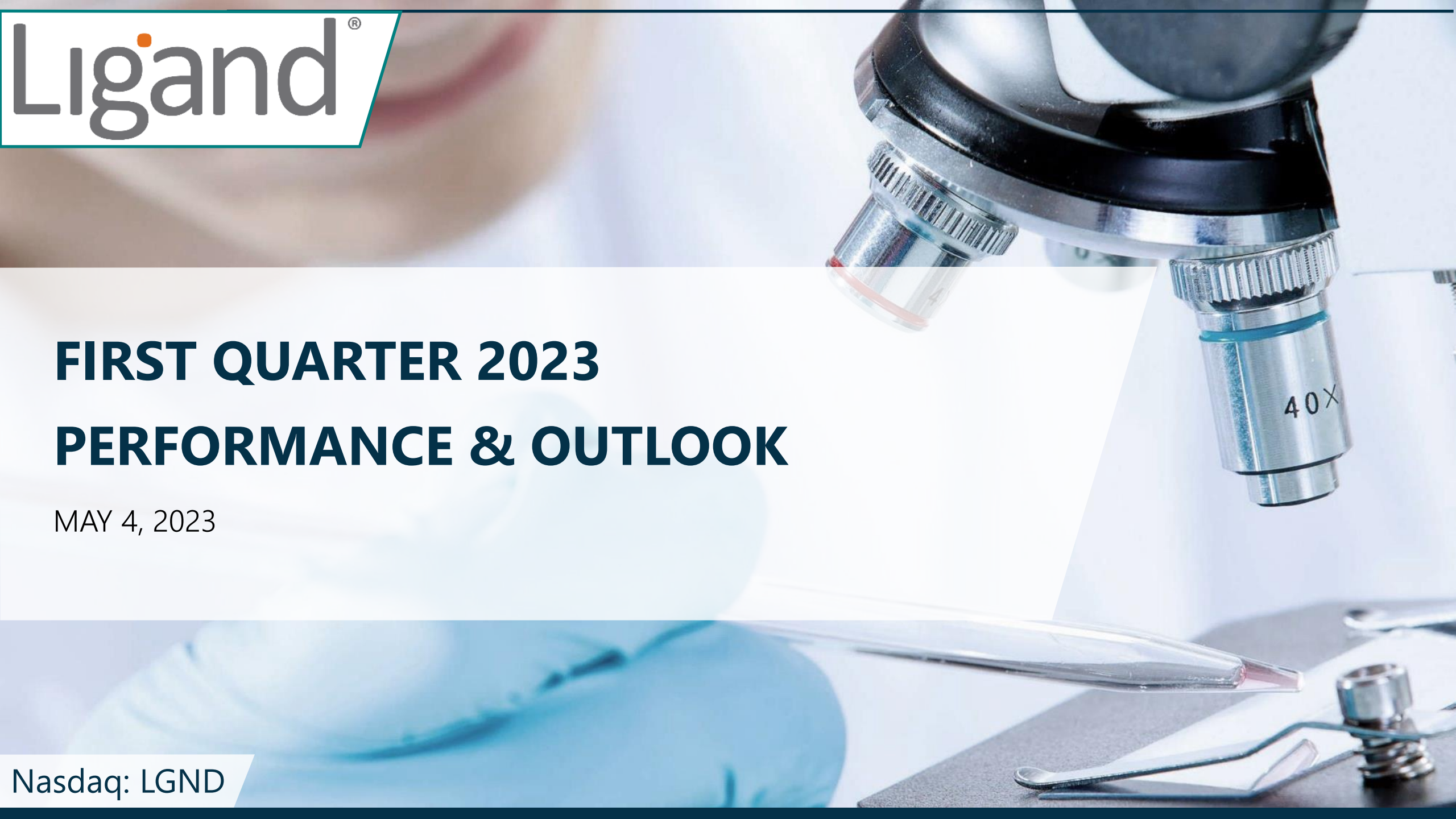


FIRST QUARTER 2023 PERFORMANCE & OUTLOOK

MAY 4, 2023

Nasdaq: LGND

SAFE HARBOR STATEMENT

The following presentation contains forward-looking statements by Ligand and its partners that involve risks and uncertainties and reflect Ligand's and it's partners' judgment as of the date of this presentation. Words such as "plans," "believes," "expects," "projects," "could," "anticipates," and "will," and similar expressions, are intended to identify forward-looking statements. These forward-looking statements include, without limitation, expectations regarding research and development programs; the timing of the initiation or completion of clinical trials by Ligand and its partners; the potential for and timing of development, regulatory approval and product launch events by Ligand's partners; expectations regarding future sales of products by Ligand's partners and the durability of Ligand's royalties; the ability for current and future technology platforms to generate license deals, replenish the early-stage portfolio and generate royalties; the ability of various tactics to expand the late-stage pipeline and produce revenue, including cutting costs and restructuring of acquisitions; and outlook or guidance regarding 2023 financial results and expectations for near-term and future revenue and the breakdown of such revenue, growth in revenue and adjusted earnings for the core business and decreased operating expenses in 2023; and anticipated near-term milestones. Actual events or results may differ from Ligand's expectations due to risks and uncertainties inherent in Ligand's business, including the inherent risks of clinical development and regulatory approval of product candidates, including that FDA or foreign regulatory authorities may not agree with our or our partners' conclusions regarding the results of clinical trials; the total addressable market for our partner's products may be smaller than estimated; Ligand faces competition with respect to our technology platforms which may demonstrate greater market acceptance or superiority; partnered commercial products may not perform as expected; Ligand relies on collaborative partners for milestone payments, royalties, materials revenue, contract payments and other revenue projections; the possibility that Ligand's and its partners' drug candidates might not be proved to be safe and efficacious and uncertainty regarding the commercial performance of Ligand's and/or its partners' products; Ligand may not achieve its guidance for 2023; the COVID-19 pandemic has disrupted and may continue to disrupt Ligand's and its partners' business, including delaying manufacturing, preclinical studies and clinical trials and product sales, and impairing global economic activity, all of which could materially and adversely impact Ligand's results of operations and financial condition; changes in general economic conditions, including as a result of the conflict between Russia and Ukraine; the commercial opportunity for remdesivir may be limited given developments related to COVID-19 and other treatment options, as well as the unpredictable nature of COVID-19; there may not be a market for the product(s) even if successfully developed and approved; Ligand is currently dependent on a sole supplier for Captisol and failures by such supplier may result in delays or inability to meet the Captisol demands of its partners; Ligand's partners may terminate any of their agreements or development or commercialization of any of their products; Ligand may experience significant costs as the result of potential delays under its supply agreements; Ligand or its partners may not be able to protect their intellectual property and patents covering certain products and technologies may be challenged or invalidated; and ongoing or future litigation could expose Ligand to significant liabilities and have a material adverse effect on the company; and other risks and uncertainties described in its public filings with the Securities and Exchange Commission (the "SEC"), available at www.sec.gov. Additional risks may apply to forward-looking statements made in this presentation. Information regarding partnered products and programs comes from information publicly released by our partners. Our trademarks, trade names and service marks referenced herein include Ligand, Captisol, Pelican and PeliCRM. Each other trademark, trade name or service mark appearing in this presentation belongs to its owner.

The process for reconciliation between the non-GAAP adjusted financial numbers presented on slides 8 and 9 and the corresponding GAAP figures is shown in the earnings press release for the first quarter ended March 31, 2023 available at https://investor.ligand.com/press-releases. However, other than with respect to total revenues, the Company only provides financial guidance on an adjusted basis and does not provide reconciliations of such forward-looking adjusted measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation. Ligand disclaims responsibility for any statement by a person other than its employees and the views expressed by persons other than Ligand employees do not necessarily reflect the views of Ligand.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect our good faith beliefs (or those of the indicated third parties) and speak only as of the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, and Ligand undertakes no obligation to revise or update this presentation to reflect events or circumstances or update third party research numbers after the date hereof. This caution is made under the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934.

GROWTH DRIVERS OVERVIEW

Ligand is positioned for significant financial growth from:

Commercial Products:
7 major commercial royalties, all growing

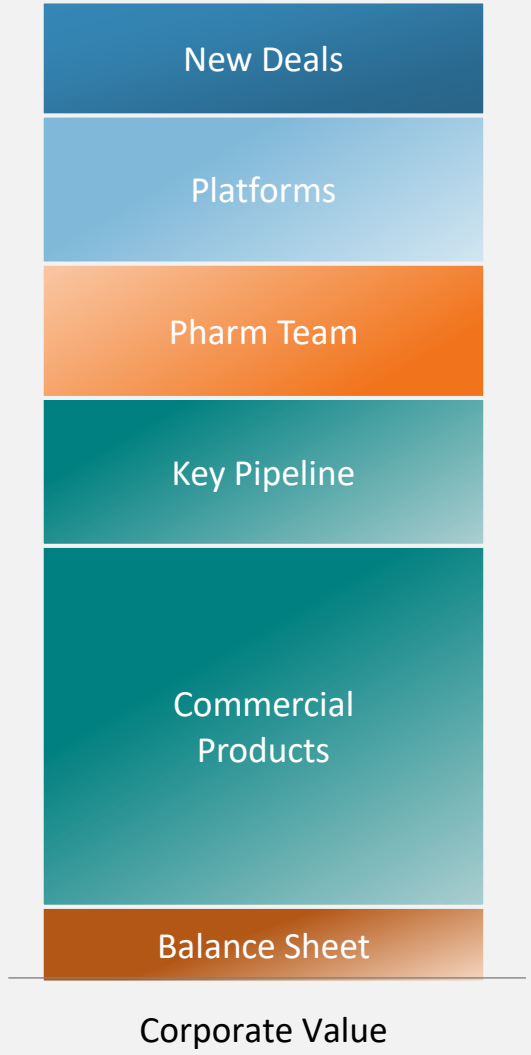
Key Pipeline:
Multiple late-stage partner events that can contribute to future royalty growth

Driving significant annual royalty growth

"Pharm Team":
Portfolio of 80+ programs that have potential to one day be royalty contributors

Platforms:
New licensing from existing platforms

New Deals:
Leverage strong balance sheet to invest in royalty space with superior risk-adjusted returns



Confidential

FIRST QUARTER HIGHLIGHTS

Outstanding performance	**First quarter revenues of $44 million**
Strong Balance Sheet	$283 million of cash & short-term investments
Lean operating structure	Expense reductions implemented in 2023
Focused strategy	Create a diversified portfolio of high-margin royalties producing superior risk-adjusted returns.
Major partner catalysts	Expected throughout 2023
Positive track record	15 years of acquisition history created significant value for shareholders

Proven business model

STRATEGY THE ROYALTY OPPORTUNITY

Significant opportunity to expand our late-stage pipeline in current environment

Flexibility to add to portfolio using several tactics:

Project Finance

Fund late-stage clinical trials for royalty interest

- Derisked late-stage assets
- $10 – 40M per asset
- Revenue in 1 – 4 years

Royalty Monetization

Acquire existing royalty contracts

- Inventors
- Universities
- Non-strategic assets

M&A

Identify companies with attractive royalty contracts and technology

Significant discounts in current equity environment

Operational team capable of cutting costs and restructuring

Platforms

Focus on infrastructure-light and leverageable platforms:

Scalable → Limited operations

Broad applicability → Prolific

Enabling → Higher royalties

EXECUTION INVESTING AT SCALE

Ligand's goal: Scale our process for origination and deal making



Institute our deal process and implement best practices on how we originate, negotiate and execute transactions

Expand deal team: Currently adding personnel to deal team to increase deal capacity and diligence capabilities

Increasing deal funnel should lead to more high-quality opportunities and better returns

Notable progress underway



Establishing Boston presence

Paul Hadden joined as SVP, Investments & Business Development: highly accomplished expert in royalty financing

FINANCIAL REVIEW AND 2023 GUIDANCE

Q1 2023 FINANCIAL PERFORMANCE

$ in millions, except for per share amounts (unaudited)

	Q1 2023	Q1 2022	% change
Royalties	$17.2	$13.4	+28%
Core Captisol Sales	10.6	6.2	+71%
Covid Captisol Sales	-	5.9	-
Contract Revenue	16.2	10.9	+49%
Total Revenue	$44.0	$36.5	+21%
Cost of Goods Sold	$3.7	$4.7	(21%)
Intangible Amortization	8.5	8.6	(0.5%)
R&D Expense	6.7	9.2	(27%)
G&A Expense	10.9	11.9	(8%)
Total Operating Expenses	$29.8	$34.4	(13%)
Operating Income	$14.2	$2.1	576%
GAAP Net Income (Loss) from cont. ops	$43.6	($12.9)	-
Non-GAAP Net Income from cont. ops	$39.9	$11.0	-
GAAP Diluted EPS from continuing ops	$2.43	($0.77)	-
Non-GAAP Diluted EPS	$2.28	$0.64	256%

Ligand®

REVENUE & EPS – Q1'23 ACTUALS & 2023 GUIDANCE

- YoY royalty revenue grows 28% due to strong sales of Kyprolis and continued launch of Rylaze and Vaxneuvance
- Approval of Travere's Filspari results in $15.3M milestone payment earned in Q1'23
- Strength in royalty revenue and gains from Viking stock drives $1.30 increase in 2023 Adjusted EPS guidance
- 2023 Adjusted EPS projected to grow ~90% over 2022*
- Zero COVID Captisol sales recorded Q1'23 or assumed in 2023 guidance

* Excluding the impact on gross profit, net of tax, from COVID-related Captisol

	Q1 2023 Actuals	2023 Guidance
Royalty Revenue	$17.2M	$78 – 82M
Captisol Sales	$10.6M	$21M
Contract Revenue	$16.2M	$25M
Total Revenue	$44.0M	$124 – 128M
Adjusted EPS	$2.28	$4.60 - $4.75

- 2023 royalty revenue guidance increased by $4.0M
- Sale of Viking Therapeutics stock in Q1'23 results in $20.5M gain and translates to ~$1.00 EPS
- 2023 EPS guidance range increased $1.30 from $3.30-$3.45 to $4.60-$4.75

GROWTH DRIVERS AND PORTFOLIO REVIEW

PARTNERED PIPELINE SNAPSHOT

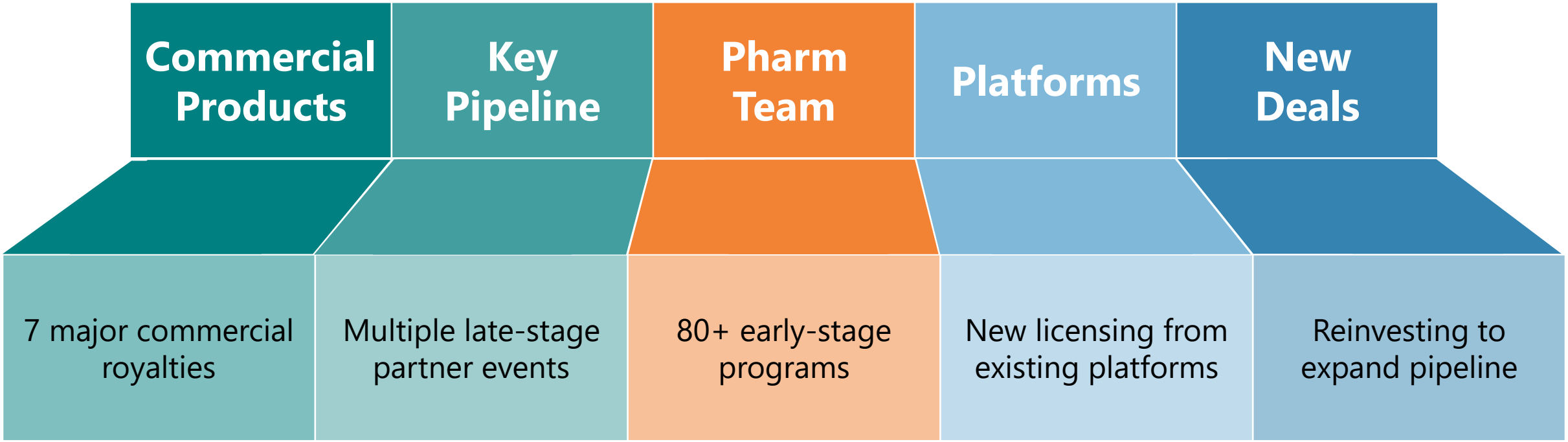
OVER 100 ACTIVE PROGRAMS WITH ECONOMIC RIGHTS

Partner	Program	Therapy Area	Phase 1	Phase 2	Phase 3	NDA	Approved
AMGEN	Kyprolis®	Oncology					
TRAVERE THERAPEUTICS	FILSPARI™	Kidney Disease					
ACROTECH BIOPHARMA / CASI Pharmaceuticals	EVOMELA®	Oncology					
Alvogen	Teriparatide	Osteoporosis					
Jazz Pharmaceuticals	Rylaze™	Oncology					
MERCK	Vaxneuvance™	Infection					
SERUM INSTITUTE OF INDIA PVT. LTD.	Pneumosil®	Infection					
NOVAN	Berdazimer Gel	Infection					
Verona Pharma	Ensifentrine	Respiratory					
MARINUS PHARMACEUTICALS	Ganaxolone-IV	CNS					
palvella THERAPEUTICS	QTORIN™	Dermatology					

Partnered pipeline also includes >100 programs

Status of partnered programs from information released by our partners and from clinicaltrials.gov

GROWTH DRIVERS OVERVIEW



GROWTH DRIVERS

Our existing portfolio of commercial stage royalties are expected to continue driving short- and medium-term financial growth

Program	Partner	Sales Trends
Kyprolis	Amgen / Beigene	• China launch ongoing • Label expansion with new combinations and other indications
Filspari	Travere	• Launching NOW • Potential to be Ligand's largest royalty stream
Evomela	Casi / Acrotech	• Large royalty on niche product • Marketed in United States and China
Teriparatide	Alvogen	• Launch exceeding expectations due to additional generic entry not materializing • Guidance assumes generic competition; upside if not realized or if TE rating achieved
Rylaze	Jazz	• Immediate market switch from legacy product • Label and geography expansions ongoing
Vaxneuvance	Merck	• Pediatric market launching ahead of Pfizer • Merck's next-gen vaccines (using PeliCRM) in late-stage development
Pneumosil	Serum Institute	• Large orders from WHO/UNICEF provide long-term revenues • Good penetration into India and surrounding region
Captisol Sales	Various	• Core Captisol sales provide a stable and growing revenue base • Gross profit equivalent to significant royalty

GROWTH DRIVERS

Commercial Products | Key Pipeline | Pharm Team | Platforms | New Deals

Beyond the existing approved royalty streams, a number of late-stage partnered products with anticipated catalysts in 2023 are expected to begin to drive growth into the next decade through launches over the next 1 to 4 years

Partner	Program	Indication	Event	Timing	Royalty
Verona	Ensifentrine	COPD	NDA Submission	H1 2023	Low single digit
Jazz	Rylaze	ALL/LBL	EMA Approval	2023	3 – 5%
Palvella	QTORIN	Pachyonychia Congenita	Phase 3 data	2023	5 – 9.8%
Novan	Berdazimer Gel	Molluscum	NDA Submission	Jan 6, 2023	7 – 10%
Marinus	Ganaxolone	SRE	Phase 3 data	H2 2023	Low to mid single digit
Viking	VK2809	Nash	Phase 2b data	Q2 2023	3.5 – 7.5%
Sermonix	Lasofoxifene	Metastatic Breast Cancer	Phase 3 start	March 9, 2023	6 – 10%

GROWTH DRIVERS



Early-Stage Programs "Pharm Team"

Beyond the highly visible late-stage and approved pipeline, Ligand has economic rights to >50 clinical programs and >25 discovery/preclinical stage programs

- Many of these programs will fail, but some will mature into important late-stage portfolio programs

Over last couple years, Ligand has purposefully stopped highlighting early-stage pipeline to investors until they are meaningful to investors and easier to track

Platform Technologies

Our platform technologies (Captisol & Pelican/PeliCRM) continue to generate new license deals and replenish early-stage portfolio

Post OmniAb divestiture, Ligand will focus on technology platforms that have high operating leverage and are broadly applicable

New Deals

Q&A