LIGAND

Biopharma's Technology and Capital Partner

AUGUST 7, 2025

Second Quarter 2025 Financial Results

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- This presentation presents certain non-GAAP measures. A reconciliation between the non-GAAP adjusted financial numbers and corresponding GAAP figures is included in this presentation and usually shown in our quarterly earnings press release or the fiscal year annual report, available at https://investor.ligand.com/news-and-events/press-releases/. However, other than with respect to total revenues, Ligand 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.
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2025 Highlights

FINANCIAL
Strong financial performance

57% Q2'25 royalty growth over Q2'24, 14% Q2'25 adjusted EPS[1] growth over Q2'24

Increased revenue guidance from $180M-200M to $200M-225M and Adjusted EPS guidance from $6.00–6.25 to $6.70–7.00 per diluted share[1]

Cash and investments of $245M, no debt, ~$450M in deployable capital inclusive of $200M credit facility

BUSINESS DEVELOPMENT
Highly productive, rigorous process

Strategic Pelthos merger completed and Zelsuvmi officially launched by Ligand partner, Pelthos

Ligand has ~50% equity interest in Pelthos and is entitled to a 13% royalty on Zelsuvmi sales

Committed $35 million in long-term capital for royalty interest in Orchestra BioMed's AVIM therapy and Virtue SAB and invested $5 million in equity private placement

ROYALTY PORTFOLIO
Significant growth in 2025

Portfolio today includes 12 major commercial stage royalty assets, Key growth drivers include:

- Zelsuvmi - Pelthos' commercial launch in July
- Ohtuvayre – Q2'25 net sales of $103M; Merck to acquire Verona for $10B
- Filspari - sNDA submission in FSGS; REMS modification PDUFA target action date of August 28, 2025

STRATEGIC DIFFERENTIATION
Financials, advantage, team

Long-term royalty revenue CAGR >22%

Inefficient market with insatiable demand for capital

Track record of accomplishments, building a diversified portfolio

[1] Adjusted EPS represents a non-GAAP measure. See our Q2 25 earnings release for a reconciliation to the corresponding GAAP measure

Portfolio News, Events, & Catalysts

Strong momentum for both Commercial and Pharm Team portfolio in H1 2025

Verona's Ohtuvayre — *3% royalty*

- Merck set to acquire Verona for $10B, announced July 2025 and anticipated to close in Q4 2025
- Announced positive data from Nuance Pharma's Phase 3 trial in China

Travere's Filspari — *9% royalty*

- IgAN: REMS modification PDUFA on August 28, 2025
- FSGS: Advisory Committee meeting anticipated in late 2025, PDUFA on January 13, 2026

Recordati's Qarziba — *Mid-teens royalty*

- Orphan Drug Designation granted in April in Ewing sarcoma
- Phase 2 Ewing sarcoma trial initiated in Q2 2025

Agenus's Bot/Bal — *Low single-digit royalty*

- Phase 3 trial design alignment with FDA. Trial anticipated to initiate in Q4 2025

Palvella's Qtorin Rapamycin 3.9% — *8 to 9.8% royalty*

- Phase 3 trial enrollment completion in microcystic lymphatic malformations in June 2025, with results anticipated Q1 2026
- Phase 2 results In venous malformations expected in Q4 2025
- New Qtorin Rapamycin indication expected to be announced in H2 2025

Zelsuvmi Investment Background

May 2019

- Ligand invests **$12M** in a **project finance** transaction to advance Novan's Phase 3 asset, berdazimer topical gel 10.3% (Zelsuvmi)

Late 2023 – Early 2025

- Ligand **purchases Novan out of bankruptcy**, including **berdazimer topical gel 10.3%** and the **Nitricil platform** for **$12M** in Sept 2023
- Ligand **incubates the Novan business** for a total of **$27M**

Jan 2024

- Zelsuvmi receives **FDA approval** for the treatment of **Molluscum Contagiosum**

April 2024

- Ligand **creates Pelthos Therapeutics** to accelerate the **commercial launch of Zelsuvmi** and brings in **Scott Plesha as CEO of Pelthos**

July 2025

- **Pelthos Therapeutics merges with Channel Therapeutics** and begins trading on the NYSE as **PTHS**
- **Ligand invests $18M** and brings in an additional **$32M** in capital **from a group of strategic investors**

July 2025

- **Zelsuvmi launches** in the United States, with Ligand earning a **$5M milestone**

Today

- Ligand is entitled to a **13% royalty** on future net sales of Zelsuvmi
- Ligand owns **~50% equity interest in PTHS (~$100M at 8/6/25)** and **retains ownership** of the **NITRICIL platform**

Ohtuvayre Investment Background

Oct 2018

- Ligand acquires **Vernalis for ~$10M** and through this investment, acquires rights to development milestones and a **2% royalty on Verona's Ohtuvayre**

Oct 2020

- Ligand **divests Vernalis research operations** in exchange for **$25M,** while retaining the economic rights to Ohtuvayre and other development stage programs

June 2021

- Verona **out-licenses** rights to develop and commercialize **Ohtuvayre in China** to **Nuance Pharma**
  - Ligand is entitled to **25% sublicense revenue sharing on milestones and a 2% royalty**

June 2024

- **Ohtuvayre** receives **FDA approval**

2024 – 2025

- Ligand **acquires an additional 1% royalty** on sales of Ohtuvayre from inventors, bringing Ligand's total Ohtuvayre **royalty to 3%**

July 2025

- **Merck** announces **acquisition of Verona** for **$10B**

Today

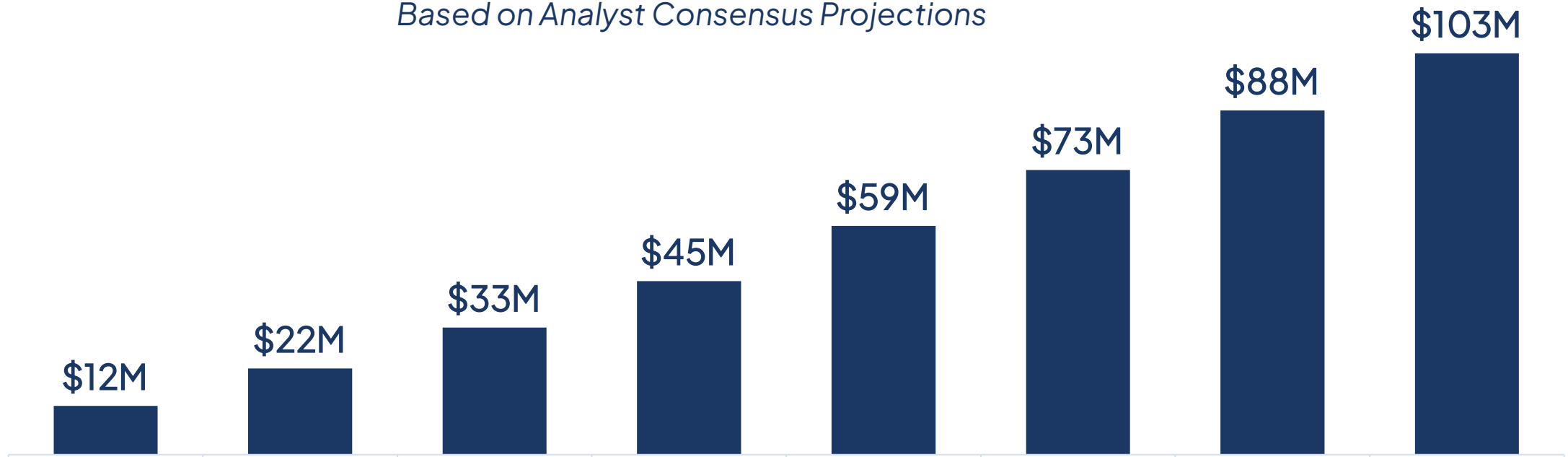
- Ligand **retains a 3% royalty** on future net sales of **Ohtuvayre**

Ohtuvayre Potential Future Royalty Revenue

Current sell-side consensus estimates for Ohtuvayre are steadily increasing as the strong launch trajectory continues

LGND Potential Ohtuvayre Royalty Receipts

Based on Analyst Consensus Projections

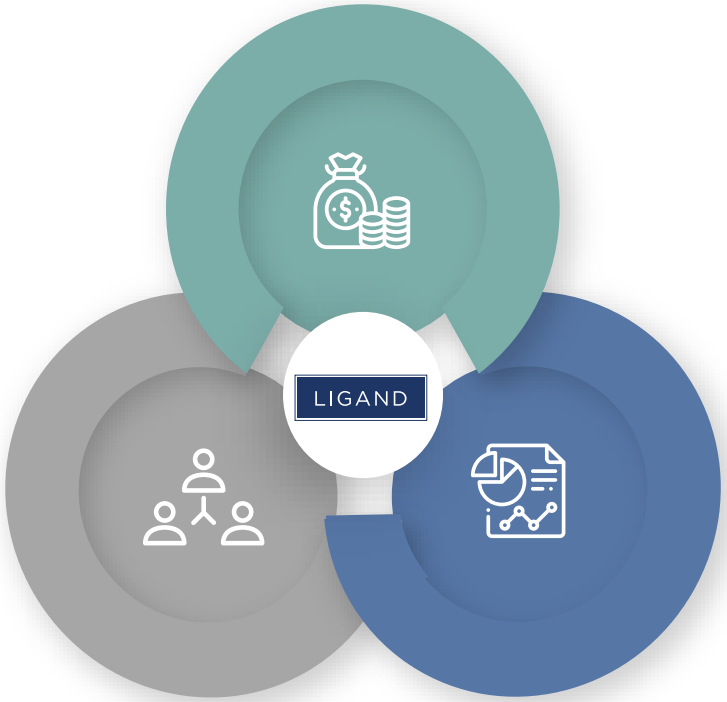


	2025	2026	2027	2028	2029	2030	2031	2032
Ohtuvayre Analyst Consensus Revenue	$415M	$740M	$1.1B	$1.5B	$2.0B	$2.4B	$2.9B	$3.4B

1. Sell-side analyst consensus estimates used to arrive at royalty receipts from Ohtuvayre

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Ligand Strategic Differentiation



STRONG FINANCIALS

High-margin / high-growth strategy

Superior P&L, low op-ex with lean operations, high profits per employee

Predictable and diversified growth

ADVANTAGEOUS STRATEGY

High Demand: Inefficient market with inexhaustible demand for capital

Superior Information: Extensive due diligence and information available under confidentiality vs. public equity investing

Flexible Structures: Customized investment structures with non-dilutable interests

Exclusivity: Create vs. compete for deals. Novel tactics / structures enable high volume of sourcing and high investment selectivity

Scalable: Only limitations to growth are execution and access to capital

EXPERIENCED TEAM

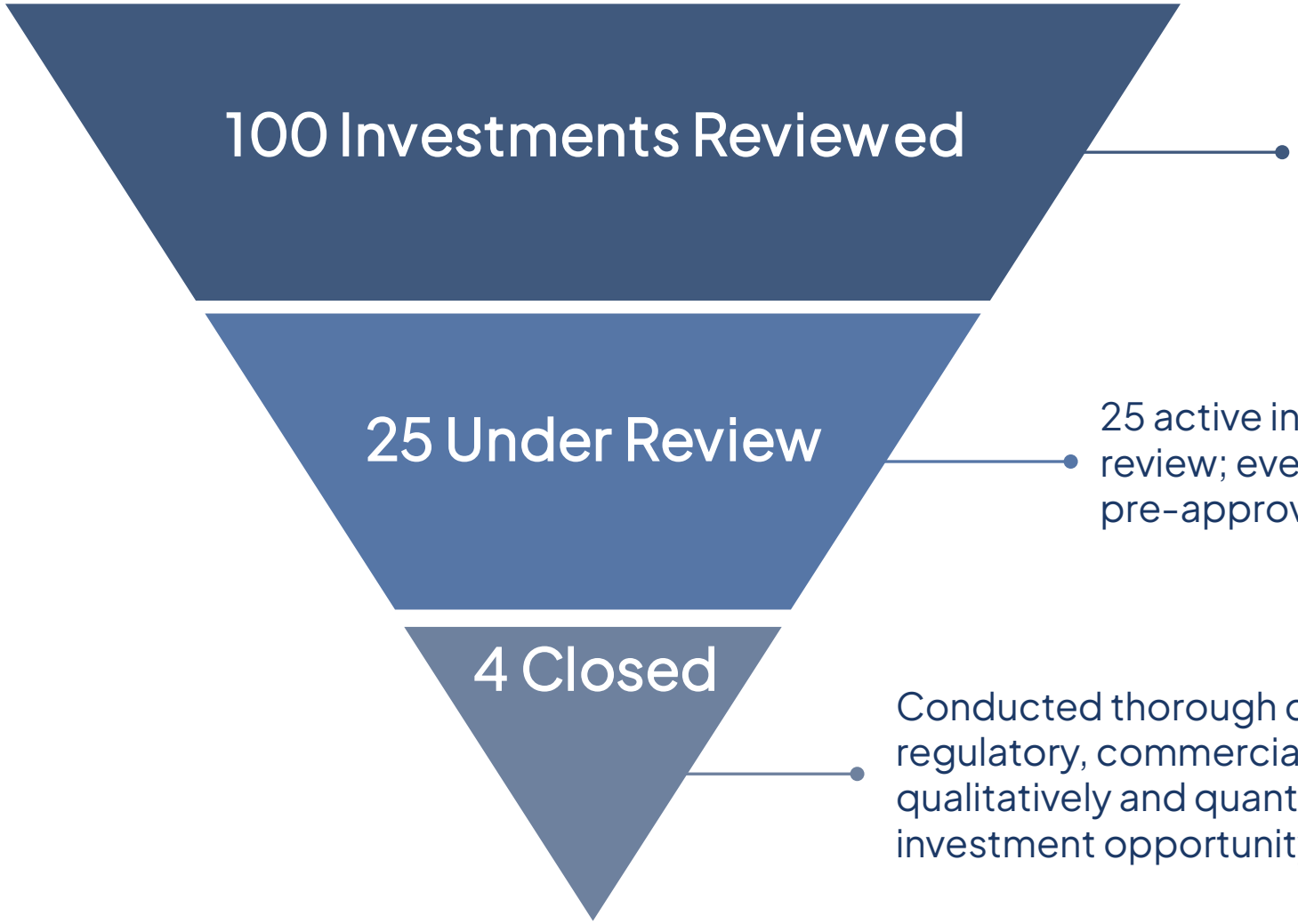
Established record of achieving superior returns across a broad range of investments

Investment Update

Paul Hadden

LIGAND

H1 2025 Investment Activity



Record setting origination activity. Our experienced team is quick to focus on highest value opportunities

25 active investment opportunities under review; even balance between accretive and pre-approval investments

Conducted thorough due diligence across clinical, regulatory, commercial, IP, and legal categories to qualitatively and quantitatively characterize the investment opportunity

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Orchestra BioMed Transaction Overview

Ligand and Medtronic to invest a combined **$70M of strategic capital** in **Orchestra BioMed** to advance its late-stage partnered cardiology programs





- **Ligand receives a tiered royalty** on future sales of Orchestra's **AVIM therapy and Virtue SAB** and makes a **$5M equity investment**
  - High-teens royalty on net sales <$100M on AVIM therapy and Virtue SAB programs in all indications
  - Mid-single-digit royalty on net sales >$100M from AVIM therapy in uncontrolled hypertension and increased cardiovascular risk indications and Virtue SAB in coronary artery disease

Ligand's Investment: $40M total
- $20M at closing + $5M in equity offering
- $15M at the 9-month anniversary of the transaction closing date

Medtronic's Investment: ~$31M total

Additional Details:
- AVIM therapy granted Breakthrough Device Designation by the FDA for the treatment of uncontrolled hypertension in patients with increased cardiovascular risk
- Virtue SAB granted Breakthrough Device Designation by the FDA for specific indications relating to coronary in-stent restenosis (ISR), coronary small vessel disease and peripheral artery disease

Financial Update

Tavo Espinoza

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Q2'25 Financial Highlights

Q2 2025 Total Revenue Grows 15%

$47.6M

2025 Full Year Revised Guidance $200–$225M

Q2 2025 Royalties

$36.4M

57% increase vs Q2 2024

Q2 2025 Adjusted EPS Grows 14%[1]

$1.60

2025 Full Year Revised Guidance $6.70–$7.00[2]

Cash & Investments[3]

$245M

~$450M in Deployable Capital as of June 30, 2025

1. Adjusted EPS represents a non-GAAP measure. See our Q2 25 earnings release for a reconciliation to the corresponding GAAP measure.
2. A reconciliation of forward-looking non-GAAP adjusted EPS to the most directly comparable GAAP measure is not available without unreasonable effort, as certain items cannot be reasonably predicted because of their high variability, complexity and low visibility. Specifically, non-cash adjustments that could be made for changes in contingent liabilities, changes in the market value of investments in public companies, share-based compensation expense and the effects of any discrete income tax items, directly impact the calculation of our adjusted EPS.
3. Cash & Investments includes $27M in VKTX stock as of 6/30/2025 . See non-GAAP reconciliation in the second quarter 2025 earnings press release.

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Q2'25 Financial Performance

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

	Three Months Ended June 30,	
	2025	2024
Revenues:		
Royalties	$36.4	$23.2
Captisol	8.3	7.5
Contract Revenue	2.9	10.9
Total revenues	**47.6**	**41.5**
Operating costs and expenses:		
Cost of Captisol	2.9	2.9
Amortization of Intangibles	8.3	8.3
R&D Expense	6.6	5.4
G&A Expense	20.2	17.6
Fair Value Adjustments & Financial Asset Impairments	1.3	26.5
Total Operating Expenses	**39.2**	**60.6**
Operating Income (Loss)	8.4	(19.1)
Other Net Income (Loss), Net	2.8	(46.3)
GAAP Net Income (Loss)	4.8	(51.9)
Adjusted Net Income[1]	$32.0	$25.8
GAAP Diluted EPS	$0.24	($2.88)
Adjusted Diluted EPS[1]	$1.60	$1.40

- Q2'25 royalty revenue grew 57% driven by Ohtuvayre, Filspari, Qarziba, Capvaxive and Vaxneuvance
- Increase in Captisol material sales driven in part by Gilead's Veklury
- GAAP operating expenses are expected to show a significant reduction in 2H 2025 due to Pelthos spin-off
- Q2 2025 core adjusted diluted EPS[1] increased 14% to $1.60

1. Represents a non-GAAP financial measure. See our Q2 25 earnings release for a reconciliation to the corresponding GAAP measure.

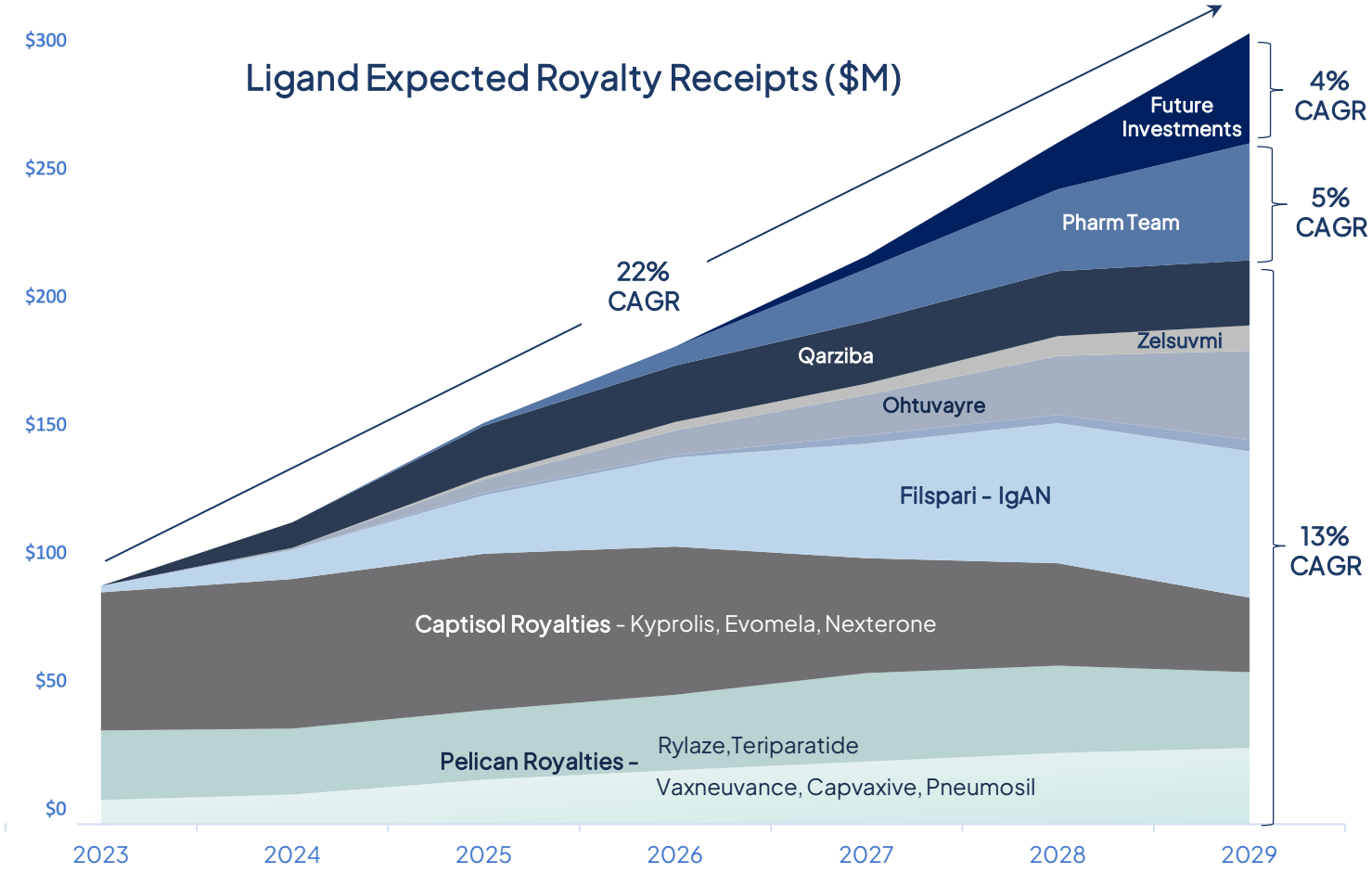
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Looking Ahead To 2029

Expected Royalty Receipts CAGR of 22% from 2024–2029

Current portfolio of commercial and late-stage programs + new deals drive growth

- Long-term royalty receipt outlook on pace to meet or exceed 22% CAGR previously shared at analyst day in December 2024
- Existing commercial programs (13%) and late-stage pipeline ("Pharm Team") (5%) supports Royalty Receipts CAGR of 18%
- Pharm Team includes risk-adjusted development stage programs including Filspari for FSGS, Verona's Phase 2 Ohtuvayre, Agenus' BOT/BAL, Viking's VK-2809, Palvella's PTX-022 and other mid to late-stage programs



1. Sell-side consensus sales estimates used to arrive at royalty revenue from commercial programs.

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5-Year Outlook To Be Updated In December

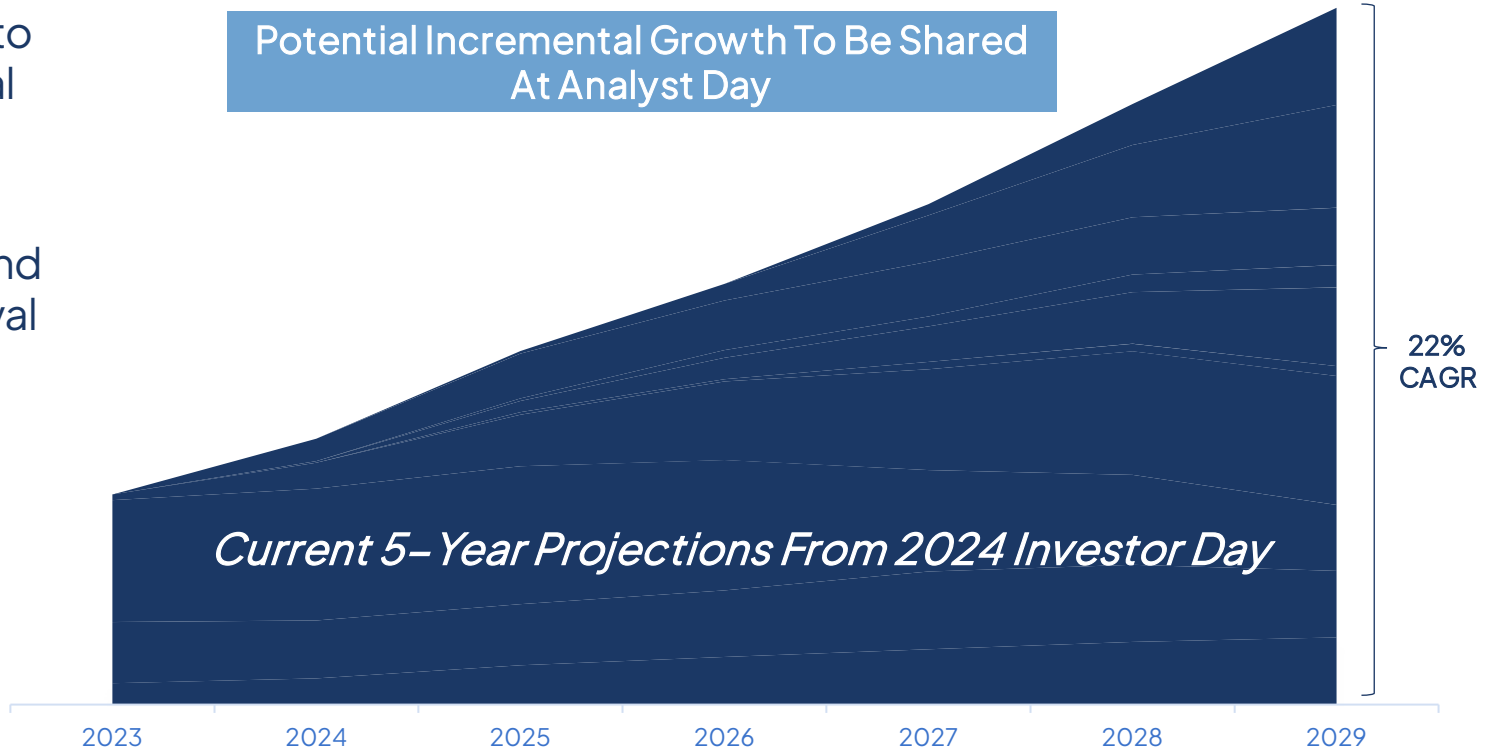
Major positive developments which could drive increase to long-term outlook include:

Ohtuvayre peak-sales consensus updated from $1.2B in Dec 2024 to $3.4B in Aug 2025, with additional upside from Merck acquisition

Sell-side gaining conviction around Filspari FSGS likelihood of approval and commercial opportunity

Initiation of analyst coverage and conviction around QTORIN rapamycin in MLM

Ligand Expected Royalty Receipts ($M)



1. Sell-side consensus sales estimates used to arrive at royalty revenue from commercial programs.

Ligand Updated 2025 Financial Guidance

Reflects the value of Zelsuvmi's out-license and first commercial sale milestone

	2022 Actuals	2023 Actuals	2024 Actuals	2025 Prior Guidance	2025 Updated Guidance	Guidance Change[2] (%)	YoY Growth[2] (%)
Royalties	$73M	$85M	$109M	$135–140M	$140–150M	+$10M (7%)	
Captisol Sales	$16M	$28M	$31M	$35–40M	$35–40M	–	
Contract Revenue	$19M	$18M	$27M	$10–20M	$25–35M	+$15M (75%)	
Total Core Revenue[1]	$108M	$131M	$167M	$180–200M	$200–225M	+$25M (13%)	+$58M (35%)
Adjusted Core EPS[3]	$2.44	$4.06	$5.74	$6.00–6.25	$6.70–7.00[4]	+$0.75 (12%)	+$1.26 (22%)

1. Excludes Covid-19 related Captisol sales in 2022 and gains associated with the sale of Pelthos to Channel Therapeutics in Q3 2025, except the Zelsuvmi out-license component, as it represents a core element of the Company's value creation strategy.
2. Calculated using top end of guidance range.
3. Excludes gains from short-term investments on the sale of Viking Therapeutics stock. Actual historical Adjusted Core EPS represents a non-GAAP measure. See our Q2 25 earnings release for a reconciliation to the corresponding GAAP measure.
4. A reconciliation of forward-looking non-GAAP adjusted core EPS to the most directly comparable GAAP measure is not available without unreasonable effort, as certain items cannot be reasonably predicted because of their high variability, complexity and low visibility. Specifically, non-cash adjustments that could be made for changes in contingent liabilities, changes in the market value of investments in public companies, share-based compensation expense and the effects of any discrete income tax items, directly impact the calculation of our adjusted core EPS.

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Q&A

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