UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2025

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Transition Period From _____ to _____ .

Commission File Number: 001-33093

LIGAND PHARMACEUTICALS INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**77-0160744**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
555 Heritage Drive, Suite 200 **Jupiter** **Florida**	
(Address of principal executive offices)	**33458** *(Zip Code)*

(858) 550-7500

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading symbol:	Name of each exchange on which registered:
Common Stock, par value $0.001 per share	**LGND**	**The Nasdaq Global Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,”

and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 6, 2025, the registrant had 19,294,168 shares of common stock outstanding.

LIGAND PHARMACEUTICALS INCORPORATED
QUARTERLY REPORT

FORM 10-Q

TABLE OF CONTENTS

GLOSSARY OF TERMS AND ABBREVIATIONS

Abbreviation	Definition
2024 Annual Report	Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 28, 2025
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Company	Ligand Pharmaceuticals Incorporated, including subsidiaries
CVR	Contingent value right
CyDex	CyDex Pharmaceuticals, Inc.
ESPP	Ligand Pharmaceuticals Incorporated Employee Stock Purchase Plan, as amended and restated, effective June 6, 2019
FASB	Financial Accounting Standards Board
FDA	Food and Drug Administration
GAAP	Generally accepted accounting principles in the United States
Ligand	Ligand Pharmaceuticals Incorporated, including subsidiaries
Metabasis	Metabasis Therapeutics, Inc.
NDA	New Drug Application
Q1 2024	The Company's fiscal quarter ended March 31, 2024
Q1 2025	The Company's fiscal quarter ended March 31, 2025
SBC	Share-based compensation expense
SEC	Securities and Exchange Commission
Takeda	Takeda Pharmaceutical Company Limited
Travere	Travere Therapeutics, Inc.
Viking	Viking Therapeutics, Inc.

Cautionary Note Regarding Forward-Looking Statements:

You should read the following report together with the more detailed information regarding our company, our common stock and our financial statements and notes to those statements appearing elsewhere in this document.

This report contains forward-looking statements, as defined in Section 21E of the Securities Exchange Act of 1934, as amended, that involve a number of risks and uncertainties. Although our forward-looking statements reflect the good faith judgment of our management, these statements can only be based on facts and factors currently known by us. Consequently, these forward-looking statements are inherently subject to risks and uncertainties, and actual results and outcomes may differ materially from results and outcomes discussed in the forward-looking statements.

All statements contained herein, other than statements of historical fact, could be deemed to be forward-looking statements. In some instances, forward-looking statements can be identified by the use of forward-looking words such as "believes," "expects," "may," "will," "plan," "intends," "estimates," "would," "continue," "seeks," "pro forma," or "anticipates," or other similar words (including their use in the negative), or by discussions of future matters such as those related to our future results of operations and financial position, royalties and milestones under license agreements, Captisol material sales, product development, and product regulatory filings and approvals, and the timing thereof, Ligand's status as a high-growth company, the imposition and/or announcement of tariffs imposed on the import of certain goods into the U.S. from various countries, as well as other statements that are not historical in nature. You should be aware that the occurrence of any of the events discussed in Part I under Item 1A under the caption "Risk Factors" of this report could negatively affect our results of operations, financial condition and the trading price of our stock.

The cautionary statements made in this report are intended to be applicable to all related forward-looking statements wherever they may appear in this report. We urge you not to place undue reliance on these forward-looking statements, which reflect our good-faith beliefs (or those of indicated third parties) and speak only as of the date of this report. Except as required by law, we assume no obligation to update our forward-looking statements, even if new information becomes available in the future. This caution is made under the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended.

PART I - FINANCIAL INFORMATION

n 1. Condensed Consolidated Financial Statements

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands, except par value)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 47,989	$ 72,307
Short-term investments	160,912	183,858
Accounts receivable, net	38,492	38,376
Inventory	14,614	14,114
Income taxes receivable	4,339	4,073
Other current assets	13,285	18,831
Assets held for sale (Note 2)	29,685	—
Total current assets	309,316	331,559
Intangible assets, net	258,391	266,648
Goodwill	101,541	105,250
Long-term portion of financial royalty assets, net	188,320	185,024
Noncurrent derivative assets	18,029	10,583
Property and equipment, net	3,623	15,133
Lease right-of-use assets	6,869	9,673
Other investments	10,908	10,908
Deferred income taxes, net	546	72
Other assets	7,892	6,924
Total assets	$ 905,435	$ 941,774
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,366	$ 5,233
Accrued liabilities	23,537	27,906
Income taxes payable	1,803	1,199
Deferred revenue	101	1,278
Current contingent liabilities	1,484	206
Current operating lease liabilities	859	1,266
Current finance lease liabilities	24	24
Liabilities related to assets held for sale (Note 2)	25,509	—
Total current liabilities	58,683	37,112
Long-term deferred revenue	—	2,246
Long-term contingent liabilities	4,026	3,475
Long-term operating lease liabilities	3,565	5,815
Deferred income taxes, net	29,379	32,524
Other long-term liabilities	14,248	30,163
Total liabilities	109,901	111,335
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 5,000 shares authorized; zero issued and outstanding at March 31, 2025 and December 31, 2024	—	—
Common stock, $0.001 par value; 60,000 shares authorized; 19,276 and 19,106 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	20	20
Additional paid-in capital	340,544	337,377
Accumulated other comprehensive loss	(1,563)	(5,942)
Retained earnings	456,533	498,984
Total stockholders' equity	795,534	830,439
Total liabilities and stockholders' equity	$ 905,435	$ 941,774

See accompanying notes to unaudited condensed consolidated financial statements.

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share amounts)

	Three months ended March 31,	
	2025	**2024**
Revenues and other income:		
Revenue from intangible royalty assets	$ 21,587	$ 18,357
Income from financial royalty assets	5,902	738
Royalties	27,489	19,095
Captisol	13,460	9,212
Contract revenue and other income	4,384	2,671
Total revenues and other income	45,333	30,978
Operating costs and expenses:		
Cost of Captisol	4,849	2,882
Amortization of intangibles	8,257	8,186
Research and development	50,085	5,971
General and administrative	18,801	10,951
Fair value adjustments to partner program derivatives	(443)	—
Total operating costs and expenses	81,549	27,990
Operating income (loss)	(36,216)	2,988
Non-operating income and expenses:		
Gain (loss) from short-term investments	(12,367)	110,772
Interest income	1,771	2,020
Interest expense	(867)	(141)
Other non-operating expense, net	(2,501)	(2,192)
Total non-operating (expenses) income, net	(13,964)	110,459
(Loss) income before income taxes	(50,180)	113,447
Income tax benefit (expense)	7,729	(27,308)
Net (loss) income	$ (42,451)	$ 86,139
Basic net (loss) income per share	$ (2.21)	$ 4.86
Shares used in basic per share calculation	19,191	17,732
Diluted net (loss) income per share	$ (2.21)	$ 4.75
Shares used in diluted per share calculation	19,191	18,122

See accompanying notes to unaudited condensed consolidated financial statements.

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)
(in thousands)

	Three months ended March 31,	
	2025	**2024**
Net (loss) income	$ (42,451)	$ 86,139
Unrealized net loss on available-for-sale securities, net of tax	(22)	(93)
Foreign currency translation adjustment, net of tax	4,401	—
Comprehensive (loss) income	$ (38,072)	$ 86,046

See accompanying notes to unaudited condensed consolidated financial statements.

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Common Stock		Additional paid in capital	Accumulated other comprehensive loss	Retained earnings	Total stockholders' equity
	Shares	Amount				
Balance at December 31, 2024	19,106	$ 20	$ 337,377	$ (5,942)	$ 498,984	$ 830,439
Issuance of common stock under employee stock compensation plans, net of shares withheld for payroll taxes	170	—	(4,669)	—	—	(4,669)
Share-based compensation	—	—	7,836	—	—	7,836
Unrealized loss on available-for-sale securities, net of tax	—	—	—	(22)	—	(22)
Foreign currency translation adjustment, net of tax	—	—	—	4,401	—	4,401
Net loss	—	—	—	—	(42,451)	(42,451)
Balance at March 31, 2025	19,276	$ 20	$ 340,544	$ (1,563)	$ 456,533	$ 795,534

	Common Stock		Additional paid in capital	Accumulated other comprehensive income (loss)	Retained earnings	Total stockholders' equity
	Shares	Amount				
Balance at December 31, 2023	17,556	$ 18	$ 198,696	$ (817)	$ 503,016	$ 700,913
Issuance of common stock under employee stock compensation plans, net of shares withheld for payroll taxes	368	—	12,228	—	—	12,228
Share-based compensation	—	—	7,334	—	—	7,334
Unrealized net loss on available-for-sale securities, net of tax	—	—	—	(93)	—	(93)
Net income	—	—	—	—	86,139	86,139
Balance at March 31, 2024	17,924	$ 18	$ 218,258	$ (910)	$ 589,155	$ 806,521

See accompanying notes to unaudited condensed consolidated financial statements.

LIGAND PHARMACEUTICALS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)

	Three months ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net (loss) income	$ (42,451)	$ 86,139
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Change in estimated fair value of contingent liabilities	1,879	(33)
Depreciation of fixed assets and amortization of intangible assets	8,770	8,765
Amortization/accretion of premium (discount) on investments, net	(839)	(157)
Amortization of debt discount and issuance fees	136	84
Non-cash income from financial royalty assets	(461)	—
CECL adjustment to financial royalty assets	(330)	(2,841)
Loss (gain) on derivative instruments	174	(196)
Losses from equity method investment in Primrose Bio	—	2,352
Share-based compensation	7,836	7,334
Deferred income taxes, net	(8,844)	19,546
Gain from short-term investments	12,367	(110,772)
Lease amortization expense	571	478
Other	915	(210)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(576)	3,462
Inventory	(500)	2,632
Accounts payable and accrued liabilities	(2,149)	(1,382)
Income tax receivable and payable	335	7,533
Deferred revenue	(293)	(540)
Other assets and liabilities	(1,985)	(3,462)
Net cash (used in) provided by operating activities	(25,445)	18,732
Cash flows from investing activities:		
Acquisition of financial royalty assets	(1,821)	(2,443)
Proceeds from financial royalty assets	3,149	1,942
Purchases of property and equipment	(214)	(105)
Purchases of short-term investments	(59,374)	(77,634)
Proceeds from sale of short-term investments	38,414	60,919
Proceeds from maturity of short-term investments	32,360	14,544
Cash paid for investment in Primrose Bio	—	(998)
Purchases of derivatives	(7,620)	—
Net cash provided by (used in) investing activities	4,894	(3,775)
Cash flows from financing activities:		
Payments under finance lease obligations	(7)	(5)
Net proceeds from stock option exercises and ESPP	4,222	15,304
Taxes paid related to net share settlement of equity awards	(8,891)	(3,076)
Cash paid for debt issuance costs	(71)	(41)
Net cash (used in) provided by financing activities	(4,747)	12,182
Effect of exchange rate changes on cash and cash equivalents	1,058	—
Net (decrease) increase in cash and cash equivalents, including cash and cash equivalents classified within assets held for sale	(24,240)	27,139
Less: net increase in cash and cash equivalents classified within assets held for sale	(78)	—
Net (decrease) increase in cash and cash equivalents	(24,318)	27,139
Cash and cash equivalents at beginning of period	72,307	22,954
Cash and cash equivalents at end of period	$ 47,989	$ 50,093

Supplemental disclosure of cash flow information:		
Interest paid	$ 97	$ 59
Taxes paid	$ 280	$ —
Supplemental schedule of non-cash investing and financing activities:		
Addition of right-of-use assets and lease liabilities	$ 828	$ —
Accrued purchases of financial royalty assets	$ —	$ 2,129
Accrued fixed asset purchases	$ —	$ 2
Unrealized gain (loss) on available-for-sale investments, net of tax	$ (22)	$ (93)

See accompanying notes to unaudited condensed consolidated financial statements.

LIGAND PHARMACEUTICALS INCORPORATED
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Unless the context requires otherwise, references in this report to "Ligand," "we," "us," the "Company," and "our" refer to Ligand Pharmaceuticals Incorporated and its consolidated subsidiaries.

1. Basis of Presentation and Summary of Significant Accounting Policies

Business

We are a biopharmaceutical company enabling scientific advancement through supporting the clinical development of high-value medicines. We do this by providing financing, licensing our technologies or both.

Basis of Presentation and Principles of Consolidation

Our unaudited condensed consolidated financial statements include the financial statements of Ligand and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. We have included all adjustments, consisting only of normal recurring adjustments, which we considered necessary for a fair presentation of our financial results. These unaudited condensed consolidated financial statements and accompanying notes should be read together with the audited consolidated financial statements included in our 2024 Annual Report. Interim financial results are not necessarily indicative of the results that may be expected for the full year.

Segment Information

The Company has one operating and one reportable segment: development and licensing of biopharmaceutical assets. The Company's Chief Operating Decision Maker ("CODM") is Todd Davis, our Chief Executive Officer. The CODM uses net income (loss) as a single segment profit or loss measure to evaluate our single segment performance, and in deciding whether to reinvest into the existing assets, or to new potential opportunities. Our CODM relies on internal management reporting processes that provide information on segment operating income (loss) for making financial decisions and allocating resources. The CODM does not evaluate, manage or measure performance of segments using asset information.

The information on significant segment expenses that are regularly provided to the CODM, and other segment items included within the reported segment profit or loss measure, is presented in a table below:

	Three months ended March 31,	
	2025	**2024**
Total revenues and other income	$ 45,333	$ 30,978
Share-based compensation	(7,836)	(7,334)
Other segment items:		
Amortization of intangibles	(8,257)	(8,186)
Depreciation of property and equipment	(513)	(579)
Interest income	1,771	2,020
Interest expense	(867)	(141)
Other *	(72,082)	69,381
Net income (loss)	$ (42,451)	$ 86,139

** Other items for the three months ended March 31, 2025 and 2024 include the amount of other general, administrative, research and development expenses of $60.5 million (including a $44.3 million one-time research and development expense in connection with Castle Creek Transaction. See detail in Note 3, Castle Creek and Agenus Transactions) and $9.0 million (net of share-based compensation and depreciation expenses), respectively, and additional income and expense items that are presented in unaudited condensed statements of operations such as financial royalty assets impairment, fair value adjustments to partner program derivatives, cost of Captisol and other non-operating income and expenses.*

Significant Accounting Policies

We have described our significant accounting policies in *Note 1, Basis of Presentation and Summary of Significant Accounting Policies* of the Notes to Consolidated Financial Statements in our 2024 Annual Report.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and the accompanying notes. Actual results may differ from those estimates.

Revenue and Other Income

Our revenue is generated primarily from royalties on sales of products commercialized by our partners, Captisol material sales, income from financial royalty assets, and contract revenue for license fees, technical, regulatory and sales-based milestone payments. Other operating income is primarily related to milestone income received for financial royalty assets that have been fully amortized or where there is no underlying asset recognized on the consolidated balance sheets.

We apply the following five-step model in accordance with ASC 606, *Revenue from Contracts with Customers*, in order to determine the revenue: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Revenue from Intangible Royalty Assets

We receive royalty revenue from intangible royalty assets on sales by our partners of products covered by patents that we or our partners own under contractual agreements. We do not have future performance obligations under these license arrangements. We generally satisfy our obligation to grant intellectual property rights on the effective date of the contract. However, we apply the royalty recognition constraint required under the guidance for sales-based royalties which requires a royalty to be recorded no sooner than when the underlying sale occurs. Therefore, royalties on sales of products commercialized by our partners are recognized in the quarter the product is sold. Our partners generally report sales information to us on a one quarter lag. Thus, we estimate the expected royalty proceeds based on an analysis of historical experience and interim data provided by our partners including their publicly announced sales. Differences between actual and estimated royalty revenues, which have not been material, are adjusted in the period in which they become known, typically the following quarter.

Income from Financial Royalty Assets

We recognize income from financial royalty assets when there is a reasonable expectation about the timing and amount of cash flows expected to be collected. Income is calculated by multiplying the carrying value of the financial royalty asset by the periodic effective interest rate.

We account for financial royalty assets related to developmental pipeline or recently commercialized products on a non-accrual basis. Developmental pipeline products are non-commercialized, non-approved products that require FDA or other regulatory approval, and thus have uncertain cash flows. Newly commercialized products typically do not have an established reliable sales pattern, and thus have uncertain cash flows.

Captisol Sales

Revenue from Captisol sales is recognized when control of Captisol material is transferred or intellectual property license rights are granted to our customers in an amount that reflects the consideration we expect to receive from our customers in exchange for those products or rights. A performance obligation is considered distinct from other obligations in a contract when it provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and is separately identified in the contract. For Captisol material or intellectual property license rights, we consider our performance obligation satisfied once we have transferred control of the product or granted the intellectual property rights, meaning the customer has the ability to use and obtain the benefit of the Captisol material or intellectual property license right. We recognize revenue for satisfied performance obligations only when we determine there are no uncertainties regarding payment terms or transfer of control. Sales tax and other taxes we collect concurrent with revenue-producing activities are excluded from revenue. We have elected to recognize the cost of freight and shipping when control over Captisol material has transferred to the customer as an expense in cost of Captisol. We expense incremental costs of obtaining a contract when incurred if the expected amortization period of the asset that we would have recognized is one year or less or the amount is immaterial. We did not incur any incremental costs of obtaining a contract during the periods reported.

Contract Revenue and Other Income

Our contracts with customers often include variable consideration in the form of contingent milestone payments. We include contingent milestone payments in the estimated transaction price when it is probable a significant reversal in the amount of cumulative revenue recognized will not occur. These estimates are based on historical experience, anticipated results and our best judgment at the time. If the contingent milestone payment is based on sales, we apply the royalty recognition constraint and record revenue when the underlying sale has taken place. Significant judgments must be made in determining the transaction

price for our sales of intellectual property. Because of the risk that products in development with our partners will not reach development milestones or receive regulatory approval, we generally recognize any contingent payments that would be due to us upon the development milestone or regulatory approval.

Some customer contracts are sublicenses which require that we make payments to an upstream licensor related to license fees, milestones and royalties which we receive from customers. In such cases, we evaluate the determination of gross revenue as a principal versus net revenue as an agent reporting based on each individual agreement.

Other income is primarily related to milestone income received for financial royalty assets that have been fully amortized or where there is no underlying asset recognized on the consolidated balance sheets.

Deferred Revenue

Depending on the terms of the arrangement, we may also defer a portion of the consideration received because we have to satisfy a future obligation. The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the consolidated balance sheet. Except for royalty revenue and certain service revenue, we generally receive payment at the point we satisfy our obligation or soon after. Any fees billed in advance of being earned are recorded as deferred revenue. During the three months ended March 31, 2025 and 2024, the amount recognized as revenue that was previously deferred was $0.3 million and $0.5 million, respectively.

Disaggregation of Revenue

The following table represents disaggregation of royalties, Captisol and contract revenue and other income (in thousands):

	Three months ended March 31,	
	2025	**2024**
Royalties		
Kyprolis	$ 4,723	$ 6,632
Evomela	1,981	1,397
Teriparatide injection	1,191	2,041
Rylaze	3,119	2,952
Filspari	5,301	1,772
Vaxneuvance	1,285	1,387
Other	3,987	2,176
Revenue from intangible royalty assets	21,587	18,357
Qarziba	5,442	—
Other	460	738
Income from financial royalty assets	5,902	738
Total royalties	27,489	19,095
Captisol	13,460	9,212
Contract revenue and other income		
Milestone and other	4,384	727
Other income	—	1,944
Contract revenue and other income	4,384	2,671
Total	$ 45,333	$ 30,978

Short-term Investments

Our short-term investments consist of the following at March 31, 2025 and December 31, 2024 (in thousands):

March 31, 2025	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
U.S. Treasuries	$ 64,970	$ 5	$ (7)	$ 64,968
Commercial paper	29,311	5	(7)	29,309
Corporate notes/bonds	18,278	17	(10)	18,285
Certificates of Deposit	17,093	6	(1)	17,098
Corporate equity securities	5,529	3,402	(1,829)	7,102
	$ 135,181	$ 3,435	$ (1,854)	136,762
Viking common stock				24,150
Total short-term investments				$ 160,912
December 31, 2024				
U.S. Treasuries	$ 78,442	$ 19	$ (13)	$ 78,448
Commercial paper	23,483	5	(6)	23,482
Certificates of Deposit	22,812	12	(4)	22,820
Corporate notes/bonds	15,496	21	(8)	15,509
Corporate equity securities	9,954	—	(6,595)	3,359
	$ 150,187	$ 57	$ (6,626)	143,618
Viking common stock				40,240
Total short-term investments				$ 183,858

During the three months ended March 31, 2024, we sold 0.7 million shares of Viking common stock and recognized a realized gain of $60.0 million in total. During the three months ended March 31, 2025, we did not sell any shares of Viking common stock.

Gain (loss) from short-term investments in our condensed consolidated statements of operations includes both realized and unrealized gain (loss) from our short-term investments in public equity and warrant securities.

Allowances are recorded for available-for-sale debt securities with unrealized losses. This limits the amount of credit losses that can be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and requires the reversal of previously recognized credit losses if fair value increases. The provisions of the credit losses standard did not have a material impact on our available-for-sale debt securities during the three months ended March 31, 2025 and 2024.

The following table summarizes our available-for-sale debt securities by contractual maturity (in thousands):

	March 31, 2025	
	Amortized Cost	Fair Value
Within one year	$ 124,947	$ 124,952
After one year through five years	4,705	4,708
Total	$ 129,652	$ 129,660

Our investment policy is capital preservation and we only invest in U.S.-dollar denominated investments. We held a total of 33 investments which were in an unrealized loss position with a total of $0.02 million unrealized losses as of March 31, 2025. We believe that we will collect the principal and interest due on our debt securities that have an amortized cost in excess of fair value. The unrealized losses are largely due to changes in interest rates and not to unfavorable changes in the credit quality associated with these securities that impacted our assessment on collectability of principal and interest. We do not intend to sell these securities and it is not more-likely-than-not that we will be required to sell these securities before the recovery of the amortized cost basis as of March 31, 2025. Accordingly, there was no credit loss recognized for the three months ended March 31, 2025. Also, there was no credit loss recognized for the three months ended March 31, 2024.

Accounts Receivable and Allowance for Credit Losses

Our accounts receivable arise primarily from sales on credit to customers. We establish an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance is determined by using the loss-rate method, which requires an estimation of loss rates based upon historical loss experience adjusted for factors that are relevant to determining the expected collectability of accounts receivable. Some of these factors include macroeconomic conditions that correlate with historical loss experience, delinquency trends, aging behavior of receivables and credit and liquidity quality indicators for industry groups, customer classes or individual customers. During the three months ended March 31, 2025 and 2024, we considered the current and expected future economic and market conditions and concluded an increase of $0.3 million and a decrease of $0.3 million in the aggregate of general and specific allowance for credit losses, respectively.

Inventory

Inventory, which consists of finished goods (Captisol), is stated at the lower of cost or net realizable value. We determine cost using the specific identification method. We analyze our inventory levels periodically and write down inventory to net realizable value if it has become obsolete, has a cost basis in excess of its expected net realizable value or is in excess of expected requirements. There was no obsolete inventory charge recorded during the three months ended March 31, 2025 and 2024. In addition to finished goods, as of March 31, 2025 and December 31, 2024, inventory included prepayments of $2.8 million and $3.1 million, respectively, to our supplier for Captisol.

Goodwill and Other Identifiable Intangible Assets

Goodwill and other identifiable intangible assets consist of the following (in thousands):

	March 31, 2025	December 31, 2024
Indefinite-lived intangible assets		
Goodwill	$ 101,541	$ 105,250
Definite lived intangible assets		
Complete technology	39,249	39,249
Less: accumulated amortization	(20,347)	(19,710)
Trade name	2,642	2,642
Less: accumulated amortization	(1,877)	(1,843)
Customer relationships	29,600	29,600
Less: accumulated amortization	(21,025)	(20,652)
Contractual relationships	360,000	360,000
Less: accumulated amortization	(129,851)	(122,638)
Total definite lived intangible assets	258,391	266,648
Total goodwill and other identifiable intangible assets, net	$ 359,932	$ 371,898

Financial Royalty Assets, net

Financial royalty assets represent a portfolio of future milestone and royalty payment rights acquired that are passive in nature (i.e., we do not own the intellectual property or have the right to commercialize the underlying products).

Although a financial royalty asset does not have the contractual terms typical of a loan (such as contractual principal and interest), we account for financial royalty assets under ASC 310, *Receivables*. Our financial royalty assets are classified similar to loans receivable and are measured at amortized cost using the prospective effective interest method described in ASC 835-30, *Imputation of Interest*.

The effective interest rate is calculated by forecasting the expected cash flows to be received over the life of the asset relative to the initial invested amount. The effective interest rate is recalculated in each reporting period as the difference between expected cash flows and actual cash flows are realized and as there are changes to expected future cash flows.

The gross carrying value of a financial royalty asset is made up of the opening balance, or net purchase price for a new financial royalty asset, which is increased by accrued interest income (except for assets under the non-accrual method) and decreased by cash receipts in the period to arrive at the ending balance.

We evaluate financial royalty assets for recoverability on an individual basis by comparing the effective interest rate at each reporting date to that of the prior period. If the effective interest rate is lower for the current period than the prior period, and if the gross cash flows have declined (expected and collected), we record provision expense for the change in expected cash

flows. The provision is measured as the difference between the financial royalty asset's amortized cost basis and the net present value of the expected future cash flows, calculated using the prior period's effective interest rate.

In addition to the above allowance, we recognize an allowance for current expected credit losses under ASC 326, *Financial Instruments – Credit Losses* on our financial royalty assets. The credit rating, which is primarily based on publicly available data and updated quarterly, is the primary credit quality indicator used to determine the credit loss provision.

The carrying value of financial royalty assets is presented net of the cumulative allowance for changes in expected future cash flows and expected credit losses. The initial amount and subsequent revisions in allowances for changes in expected future cash flows and expected credit losses are recorded as part of general and administrative expenses on the condensed consolidated statements of operations.

When we are reasonably certain that a part of a financial royalty asset's net carrying value (or all of it) is not recoverable, we recognize a permanent impairment which is recorded in a financial royalty asset impairment on the condensed consolidated statements of operations. To the extent there was an allowance previously recorded for this asset, the amount of such impairment is written off against the allowance at the time that such a determination is made. Any future recoveries from such impairment are recognized when cash is collected in a respective period earnings.

The current portion of financial royalty assets represents an estimation for current quarter royalty receipts which are collected during the subsequent quarter. This portion is presented in other current assets on our condensed consolidated balance sheets, net of the allowance for expected credit losses.

For additional information, see *Note 5, Financial Royalty Assets, net.*

Research and Development Funding Expense

We enter into transactions where we agree to fund a portion of the research and development ("R&D") performed by our partners for products undergoing late-stage clinical trials in exchange for future royalties or milestones if the products are successfully developed and commercialized. In accordance with ASC 730, *Research and Development*, we account for the funded amounts as R&D expense when we have the ability to obtain the results of the R&D, the transfer of financial risk is genuine and substantive and, at the time of entering into the transaction, it is not yet probable that the product will receive regulatory approval. If these conditions are not met, we may record the funded amounts as a financial royalty asset. We may fund R&D upfront or over time as the underlying products undergo clinical trials.

Royalties earned on successfully commercialized products generated from R&D arrangements are recognized as Revenue from intangible royalty assets in the same period in which the sale of the commercialized product occurs. Fixed or milestone payments receivable based on the achievement of contractual criteria for products arising out of our R&D arrangements are recognized as Contract revenue and other income in the period that the milestone threshold is met.

Derivative Assets

Derivative assets include instruments used for risk-management purposes, and other instruments. Derivative assets which are not used for risk management purposes, include: (a) rights to receive from Primrose Bio 50% of milestone payments on two contracts previously entered into by Primordial Genetics ("Primrose mRNA"), (b) acquired rights in future milestone and royalty payments from Agenus Partnered Programs (as defined in *Note 3, Castle Creek and Agenus Transactions*), (c) Agenus Warrant (as defined in *Note 3, Castle Creek and Agenus Transactions*), (d) Castle Creek Warrant (as defined in *Note 3*, *Castle Creek and Agenus Transactions*), and (e) Castle Creek Milestone (as defined in *Note 3, Castle Creek and Agenus Transactions*).

All derivatives are measured at fair value on the condensed consolidated balance sheets. Derivative assets consist of the following (in thousands):

	March 31, 2025	December 31, 2024
Castle Creek Warrant	$ 5,693	$ —
Castle Creek Milestone	1,833	—
Primrose mRNA	3,548	3,451
Agenus Partner Programs	6,673	6,326
Agenus Warrant	282	806
Total noncurrent derivative assets	$ 18,029	$ 10,583

A change in the fair value of Agenus Partner Programs and Primrose mRNA derivative that amounted to $0.3 million and $0.1 million, respectively, for the three months ended March 31, 2025, was included in fair value adjustments to partner program derivatives in the condensed consolidated statement of operations. A change in the fair value of other derivatives that amounted to $(0.6) million for the three months ended March 31, 2025, was recognized in other non-operating (expense) income, net in the condensed consolidated statements of operations. We acquired the Primrose mRNA derivative on September 18, 2023, with the sale of the Pelican business and investment in Primrose Bio transaction. A change in the fair value of Primrose mRNA derivative that amounted to $0.2 million for the three months ended March 31, 2024, was included in other non-operating (expense) income, net in the condensed consolidated statement of operations. We did not have any other derivative instruments during the three months ended March 31, 2024.

Equity Method Investment

Investments that we do not consolidate but in which we have significant influence over the operating and financial policies of the investee are classified as equity method investments and are accounted for using the equity method of accounting.

In applying the equity method of accounting, investments are initially recorded at cost and are subsequently adjusted based on our proportionate share of net income or loss of the investee, net of any distributions received from the investee and any impairment.

In connection with the sale of the Pelican business and investment in Primrose Bio transaction in September 2023, we account for our common stock investment in Primrose Bio under the equity method as we have the ability to exercise significant influence over Primrose Bio's operating and financial results. Ligand owns 31.4% of the equity of Primrose Bio as of March 31, 2025 and December 31, 2024. In applying the equity method, we record the investment at fair value. Our proportionate share of net loss of Primrose Bio for the three months ended March 31, 2024 was $2.4 million and was recorded in other non-operating (expense) income, net in our condensed consolidated statements of operations. As of December 31, 2024, equity method investment in Primrose Bio had been written down to zero. Therefore, our proportionate share of net loss of Primrose Bio for the three months ended March 31, 2025 was not recorded.

Our equity method investments are reviewed for indicators of impairment at each reporting period and are written down to fair value if there is evidence of a loss in value that is other-than-temporary. There was no impairment to our equity method investment during the three months ended March 31, 2025 or 2024. Any income or loss from our equity method investments (including the impairment) is presented in other non-operating (expense) income, net in our condensed consolidated statement of operations.

Other Investments

Other investments represent our investments in equity securities of third parties that do not result in us having a control or significant influence from such investments. Our equity securities investments do not have a readily determinable or estimable fair value and are measured using the measurement alternative, which is cost less impairment, if any, and adjustments resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. The amount of such impairment or adjustment recognized during the period is presented in other non-operating (expense) income, net in our condensed consolidated statements of operations.

Other investments consist of the following (in thousands):

	March 31, 2025	December 31, 2024
Equity securities in Primrose Bio	$ 6,712	$ 6,712
InvIOs investment	4,196	4,196
Total other investments	$ 10,908	$ 10,908

In connection with the sale of the Pelican business and investment in Primrose Bio transaction in September 2023, since the preferred stock and restricted share investment in Primrose Bio has a substantive liquidation preference, it is not substantially similar to the common stock investment and is therefore recorded as an equity security under ASC 321, *Investments - Equity Securities*. We determined that the Series A preferred stock and reserve stock investments in Primrose Bio did not have a readily determinable fair value and therefore elected the measurement alternative in ASC 321 to subsequently record the investment at cost, less any impairments, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. When fair value becomes determinable, from observable price changes in orderly transactions, our investment will be marked to fair value. There were no observable price changes or impairments identified for the three months ended March 31, 2025 or 2024.

Other Assets and Other Current Assets

Other assets include economic rights related to the 2023 expansion of our strategic partnership with Palvella to accelerate Phase 3 development of Qtorin™ rapamycin for the treatment of Microcystic Lymphatic Malformations ("Microcystic LMs"). According to the terms of the second amendment to our development funding and royalties agreement with Palvella (the "Palvella Second Amendment"), Palvella received an upfront payment of $5 million from Ligand. In return for the upfront payment, among other contractual changes, the tiered royalty payable by Palvella to Ligand was increased to between 8.0% and 9.8% based on annual aggregate worldwide net sales of Qtorin rapamycin. We are not obligated to provide additional funding to Palvella for development or commercialization of Qtorin.

We determined the economic rights related to Palvella should be characterized as a funded research and development arrangement, because the contract designated the funds usage for research and development activities, and thus we account for them in accordance with ASC 730-20, *Research and Development Arrangement*. We reduce our asset as the funds are expended by Palvella. As of March 31, 2025, of the $5 million upfront funding related to the Palvella Second Amendment, $2.0 million of the funding to Palvella was expended. Our CEO and director, Todd Davis, is a director of Palvella. Mr. Davis recused himself from both boards' consideration of the agreement between us and Palvella, including any financial analysis, the terms of the Palvella Second Amendment and the vote to approve the Palvella Second Amendment and the related transactions.

Other current assets primarily include $10.1 million current portion of financial royalty assets (disclosed in *Note 5, Financial Royalty Assets, net*).

Accrued Liabilities

Accrued liabilities consist of the following (in thousands):

	March 31, 2025	December 31, 2024
Royalties owed to third parties	$ 7,633	$ 6,500
Professional fees	5,428	4,858
UK value-added tax	5,587	5,159
Compensation	1,890	5,522
Subcontractor	1,756	1,756
Customer deposit	621	621
Other	622	3,490
Total accrued liabilities	$ 23,537	$ 27,906

Contingent Liabilities

In connection with the acquisition of CyDex® in January 2011, we recorded a contingent liability for amounts potentially due to holders of the CyDex CVRs and former license holders. The liability is periodically assessed based on events and circumstances related to the underlying milestones, royalties and material sales.

In connection with the acquisition of Metabasis in January 2010, we issued Metabasis stockholders four tradable CVRs for each Metabasis share. The fair values of the CVRs are remeasured at each reporting date through the term of the related agreement.

Any change in fair value is recorded in other non-operating expense, net within our condensed consolidated statement of operations. For additional information, see *Note 6, Fair Value Measurements.*

Other Long-Term Liabilities

Other long-term liabilities consist of the following (in thousands):

	March 31, 2025	December 31, 2024
Unrecognized tax benefits	$ 14,189	$ 14,160
Novan (Pelthos) contract liability	—	15,938
Other long-term liabilities	59	65
Total other long-term liabilities	$ 14,248	$ 30,163

Share-Based Compensation

Share-based compensation expense for awards to employees and non-employee directors is a non-cash expense and is recognized on a straight-line basis over the vesting period. The following table summarizes share-based compensation expense recorded as components of research and development expenses and general and administrative expenses for the periods indicated (in thousands):

	Three months ended March 31,	
	2025	**2024**
SBC - Research and development expenses	$ 904	$ 678
SBC - General and administrative expenses	6,932	6,656
Total SBC expenses	$ 7,836	$ 7,334

The fair value for options that were awarded to employees and directors was estimated at the date of grant using the Black-Scholes option valuation model with the following weighted-average assumptions:

	Three months ended March 31,	
	2025	**2024**
Risk-free interest rate	4.0%	4.3%
Dividend yield	—	—
Expected volatility	45.9%	44.6%
Expected term (years)	4.1	4.7

A limited amount of performance-based restricted stock units ("PSUs") contain a market condition based on our relative total shareholder return ranked on a percentile basis against the Nasdaq Biotechnology Index over a three-year performance period, with a range of 0% to 200% of the target amount granted to be issued under the award. Share-based compensation cost for these PSUs is measured using the Monte-Carlo simulation valuation model and is not adjusted for the achievement, or lack thereof, of the performance conditions.

Net (Loss) Income Per Share

Basic net (loss) income per share is calculated by dividing net (loss) income by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed based on the sum of the weighted average number of common shares and potentially dilutive common shares outstanding during the period. Diluted net loss per share is computed based on the sum of the weighted average number of common shares outstanding during the period.

Potentially dilutive common shares consist of shares issuable under stock options and restricted stock. Potentially dilutive common shares from stock options and restricted stock are determined using the average share price for each period under the treasury stock method. In addition, the following amounts are assumed to be used to repurchase shares: proceeds from exercise of stock options and the average amount of unrecognized compensation expense for the awards. For additional information, see *Note 9, Stockholders' Equity*.

The following table presents the calculation of weighted average shares used to calculate basic and diluted earnings per share (in thousands):

	Three months ended March 31,	
	2025	**2024**
Weighted average shares outstanding:	19,191	17,732
Dilutive potential common shares:		
Restricted stock	—	118
Stock options	—	272
Shares used to compute diluted income (loss) per share	19,191	18,122
Potentially dilutive shares excluded from calculation due to anti-dilutive effect	761	2,007

For the three months ended March 31, 2025, due to the net loss for the period, the 0.8 million weighted average incremental options and restricted stock awards were anti-dilutive.

Foreign Currency Translation

The Euro is the functional currency of Apeiron and the corresponding financial statements have been translated into U.S. Dollars in accordance with ASC 830-30, *Translation of Financial Statements*. Assets and liabilities are translated at end-of-period rates while revenues and expenses are translated at average rates in effect during the period in which the activity took place. Equity is translated at historical rates and the resulting cumulative translation adjustments are included as a component of accumulated other comprehensive income (loss).

Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The update requires a public business entity to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. Adoption of the ASU allows for either the prospective or retrospective application of the amendment and is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We have not yet completed the assessment of the impact of ASU 2023-09 on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income (Subtopic 220-40): Expense Disaggregation Disclosures*. This update requires entities to disaggregate operating expenses into specific categories, such as salaries and wages, depreciation, and amortization, to provide enhanced transparency into the nature and function of expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. ASU 2024-03 may be applied retrospectively or prospectively. We are currently evaluating the new guidance to determine the impact it may have on our consolidated financial statements and related disclosures.

We do not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material impact on our consolidated financial statements or disclosures.

2. Assets Held for Sale

As discussed below in *Note 11, Subsequent Event*, we entered into a definitive merger agreement to combine our wholly owned subsidiaries, Pelthos Therapeutics Inc. and LNHC, Inc. (collectively “Pelthos”) with CHRO Merger Sub Inc., a wholly owned subsidiary of Channel Therapeutics Corporation (“Channel”) in April 2025. As a result of meeting the criteria to classify the disposal group as held for sale under generally accepted accounting principles, Pelthos was classified as held for sale as of March 31, 2025. Classification of our disposal group held for sale occurs when sufficient authority to sell the disposal group has been obtained, the disposal group is available for immediate sale and its sale is probable within one year. If at any time these criteria are no longer met, the disposal group would be reclassified as held and used. Assets classified as held for sale are recorded at the lower of their carrying amount or fair value less costs to sell and are not depreciated or amortized. We evaluate the held for sale classification during each reporting period. The disposal group did not meet the requirements for presentation as discontinued operations and are included in income from continuing operations for the three months ended March 31, 2025.

We did not have any assets held for sale as of December 31, 2024. The following table presents the carrying amounts of major classes of assets and liabilities related to assets held for sale with respect to the Pelthos divestiture as of March 31, 2025.

	March 31, 2025
Assets:	
Cash and cash equivalents	$ 78
Accounts receivable, net	167
Other current assets	6,017
Property and equipment, net	11,040
Goodwill	3,709
Operating lease right-of-use assets	3,549
Deferred income taxes, net	4,596
Other assets	529
Total assets held for sale	$ 29,685
Liabilities:	
Accounts payable	$ 532
Accrued liabilities	1,632
Deferred revenue	1,125
Current operating lease liabilities	621
Long-term deferred revenue	2,005
Long-term operating lease liability	3,030
Other long-term liabilities	16,564
Total liabilities related to assets held for sale	$ 25,509

The estimated fair value of the Novan (Pelthos) other long-term liabilities was $19.4 million compared to a carrying value of $16.6 million as of March 31, 2025. The estimated fair value of the Novan (Pelthos) other long-term liabilities was $19.1 million compared to a carrying value of $15.9 million as of December 31, 2024.

3. Castle Creek and Agenus Transactions

Castle Creek Transaction

On February 24, 2025, we entered into a Purchase and Sale Agreement (the "Castle Creek Investment" transaction) with Castle Creek Biosciences, Inc., Castle Creek Biosciences, LLC (collectively, "Castle Creek") and a syndicate of co-investors for which Ligand acted as representative (collectively, including Ligand, the "Purchasers"), to support Castle Creek's autologous human fibroblast cell-based gene therapy genetically modified to express COL7, also known as FCX-007 (dabocemagene autoficel) ("D-Fi") Phase 3 clinical study, its lead candidate for patients with dystrophic epidermolysis bullosa ("DEB").

Pursuant to the Castle Creek Investment transaction, Ligand and the other Purchasers obtained, for an aggregate purchase price of $75 million ($50 million of which was paid by Ligand and $25 million of which was paid by the other Purchasers collectively) on a proportional basis: (a) high single digit royalty on worldwide sales of D-Fi; and (b) the Warrant to purchase shares of Castle Creek's Series D-1 Preferred Stock, exercisable until February 24, 2035 ("Castle Creek Warrant"). As part of the Agreement, Castle Creek granted the Purchasers a security interest in certain assets related to the programs included in the Agreement, subject to certain customary exceptions.

In connection with the Castle Creek Investment transaction, on February 24, 2025, we acquired a portion of unsecured subordinated promissory notes (with an aggregate principal amount of $8.3 million payable upon FDA approval of D-Fi) from a Castle Creek related party for $1.8 million ("Milestone Buyout"). Management concluded that individual prices of these two transactions (Castle Creek Investment and Milestone Buyout) reflect the fair value of the related assets acquired on a standalone basis.

We accounted for the Milestone Buyout transaction as a derivative asset. We further identified two units of account in the Castle Creek Investment transaction: (1) the Castle Creek Warrant, accounted for as a derivative asset; (2) D-Fi royalty rights accounted for as a research and development funding arrangement under ASC 730-20*, Research and Development Arrangements*, because (a) Castle Creek is contractually required to use Ligand's capital for the execution of the Phase 3 clinical study for D-Fi and (b) the repayment of Ligand funding solely depends on the research and development results having future economic benefits. Out of the $50.1 million Castle Creek Investment transaction price, including transaction costs, $5.8 million was allocated to the Castle Creek Warrant (based on their estimated fair value as of the effective date), with the

remaining amount of $44.3 million being allocated to D-Fi royalty rights, and recognized in research and development expenses for the period (as Ligand will not be controlling or actively involved in the ongoing research and development efforts).

Both the Castle Creek Warrant and Milestone Buyout derivatives were presented in noncurrent derivative assets line in our condensed consolidated balance sheets. The derivative assets were recorded at fair value as of February 24, 2025, and are marked to fair value at each subsequent reporting period. The fair value of the Castle Creek Warrant is determined using a Black-Scholes model using a volatility of 110% and risk-free rate of 4.2%.

Agenus Transaction

On May 29, 2024, we closed the transactions pursuant to the $75 million purchase and sale agreement (the "Agenus Agreement"), dated May 6, 2024, among us and Agenus Inc., Agenus Royalty Fund, LLC, and Agenus Holdings 2024, LLC (collectively, "Agenus"). Under the terms of the Agenus Agreement, we received (i) 18.75% of the licensed royalties and 31.875% of the future licensed milestones paid to Agenus on six-partnered oncology programs, including BMS-986442 (Bristol Myers Squibb), AGEN2373 (Gilead Sciences), INCAGN2385 and INCAGN2390 (Incyte), MK-4830 (Merck), and UGN-301 (UroGen Pharma) (collectively referred as "Agenus Partnered Programs"), and (ii) a synthetic 2.625% royalty on future global net sales of Agenus' novel immuno-oncology botensilimab in combination with balstilimab ("BOT/BAL") program, collectively subject to certain events which may adjust the royalty and milestone percentages paid to us. In addition, we received the option to commit an additional $25 million in the same assets on a pro rata basis which expires on June 30, 2025 ("Upsize Option"). We have also agreed to allow Agenus to raise up to an additional $100 million bringing the total syndicated purchase price up to an aggregate of $200 million. As part of the Agenus Agreement, Agenus will grant us security over certain assets related to the programs included in the Agenus Agreement, subject to certain customary exceptions.

In connection with entry into the Agenus Agreement, Agenus issued us a 5-year warrant ("Agenus Warrant") to purchase 867,052 shares of its common stock, at an exercise price equal to $17.30.

We accounted for all Agenus Partnered Programs, Agenus Warrant and Upsize Option as derivative assets. All derivatives, except for the Upsize Option, were presented in noncurrent derivative assets line in our condensed consolidated balance sheets. Agenus Partnered Programs were recognized as derivative assets under ASC 815, Derivatives and Hedging, as they have different underlyings (milestone payments and royalties). The commercial milestones and royalties are dependent on the development milestones and the commercial milestone and royalties underlyings are not determined to be predominant. The derivative assets were recorded at fair value as of May 29, 2024, and are marked to fair value at each subsequent reporting period.

The fair value of Agenus Partnered Programs derivative assets is determined as a present value of expected future cash flows adjusted for the level of risk appropriate for a respective program stage. Certain Agenus partners discontinued development of their partnered programs in 2024. These programs may be relicensed at a later date, and Ligand would retain its economic interest upon any relicense activity.

The fair value of the Upsize Option was determined using the binomial option pricing model under which we assessed and considered the possible upwards and downwards scenarios through the expiration date of the Upsize Option. The fair value of the Upsize Option was written down to zero as of December 31, 2024.

For additional information on the Agenus Partnered Program derivative assets, Agenus Warrant, and Upsize Option, See *Note 6, Fair Value Measurement.*

We accounted for the acquired BOT/BAL rights as a financial royalty asset, which is currently put under the non-accrual method as management cannot reliably estimate future cash flows from this program. The amount of BOT/BAL financial royalty asset was determined as a residual value from the $75 million aggregate investment amount, less fair value of all acquired derivative assets as of May 29, 2024. For additional information on the Agenus BOT/BAL rights, see *Note 5, Financial Royalty Assets, net*.

4. Apeiron Acquisition

On July 15, 2024, we acquired all the outstanding shares of Apeiron Biologics AG ("Apeiron"), including the royalty rights to Qarziba® (dinutuximab beta) for the treatment of high-risk neuroblastoma (the "Apeiron Acquisition") for $100.5 million base consideration. We funded the Apeiron Acquisition from our available cash on hand.

In addition to base consideration, we would also pay Apeiron shareholders an additional consideration based on future commercial and regulatory events, including up to $28 million if Qarziba royalties exceed certain predetermined thresholds by either 2030 or 2034, and pay additional earn-outs on specific future events, primarily related to Qarziba regulatory approval and commercialization in the USA.

We evaluated this acquisition in accordance with ASC 805, *Business Combinations*, to discern whether the assets and operations of Apeiron met the definition of a business. We accounted for this transaction as an asset acquisition.

We incurred $4.9 million of transaction costs related to the Apeiron Acquisition, which were included in the amount of total purchase consideration. Financial assets acquired and liabilities assumed in the Apeiron Acquisition were recognized at their fair values. The remaining assets acquired were recognized on a relative fair value basis.

The amount of purchase consideration was allocated to the acquisition date fair values of acquired assets and assumed liabilities as follows (in thousands):

Cash and cash equivalents	$	13,437
Contract assets (financial royalty assets)		106,156
Other assets		8,965
Accounts payable and accrued liabilities		(3,740)
Income tax payable		(1,276)
Deferred tax liabilities, net		(18,109)
Total fair value of net assets acquired	$	105,433

Contract assets acquired are accounted for as financial royalty assets, similar to loans receivable, and are measured at amortized cost using the prospective effective interest method described in ASC 835-30. The acquired contracts assets include Qarziba and other development phase contract assets.

As Qarziba is a commercial phase program, we are able to reasonably estimate future cash flows and, as such, we recognize income from Qarziba financial royalty assets starting from the Apeiron Acquisition effective date, which is calculated by multiplying the carrying value of the financial royalty asset by the periodic effective interest rate. As described in *Note 1, Basis of Presentation and Significant Accounting Policies*, the effective interest rate is calculated by forecasting the expected cash flows to be received over the life of the asset relative to the initial invested amount. The effective interest rate is recalculated in each reporting period as the differences between expected cash flows and actual cash flows are realized and as there are changes to expected future cash flows. We account for other Apeiron development phase financial royalty assets on a non-accrual basis as there is a higher level of uncertainty over the related expected cash flows.

For tax purposes this transaction is treated as a stock purchase. As a result, we will not obtain a tax stepped-up basis in Apeiron's underlying assets and will assume the carryover tax basis. As part of the tax purchase price accounting, deferred tax liabilities of $18.1 million have been recorded to reflect the difference between the book and tax basis of the acquired assets.

We account for the earnout liabilities in the Apeiron Acquisition in accordance with ASC450, *Contingencies*, and will recognize respective liability when the contingency is resolved, and the liability becomes payable. No earnout liability is recognized as of as of March 31, 2025, or as of December 31, 2024.

In conjunction with the Apeiron Acquisition, we have also invested $4.2 million (including $0.2 million transaction costs) in common shares of InvIOs Holding AG ("InvIOs"), a privately held spin-off of Apeiron. This investment was part of an €8 million (approximately $8.8 million) round with other investors which would help finance the research and development of three innovative early-stage immuno-oncology assets. Apeiron has previously outlicensed these assets to InvIOs and is entitled to future royalties and milestone payments.

As the result of this investment, we did not obtain control or significant influence in InvIOs. We determined that common stock of InvIOs did not have a readily determinable fair value and therefore elected the measurement alternative in ASC 321 to subsequently record the investment at cost, less any impairments, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. When fair value becomes determinable, from observable price changes in orderly transactions, our investment will be marked to fair value.

5. ***Financial Royalty Assets, net***

Financial royalty assets consist of the following (in thousands):

	March 31, 2025			December 31, 2024		
	Gross carrying value[2]	Allowance [1]	Net carrying value [2]	Gross carrying value[2]	Allowance [1]	Net carrying value
Qarziba	$ 106,161	$ (497)	$ 105,664	$ 105,329	$ (484)	$ 104,845
Agenus (Bot/Bal)	40,815	(408)	40,407	40,815	(408)	40,407
Tolerance Therapeutics (Tzield®)	25,521	(99)	25,422	25,613	(101)	25,512
Ensifentrine inventors	17,790	(168)	17,622	15,969	(157)	15,812
Elutia (CorMatrix)	9,870	(1,895)	7,975	9,418	(2,268)	7,150
InvIOs	1,286	(64)	1,222	1,238	(62)	1,176
Selexis	175	(77)	98	205	(58)	147
Total financial royalty assets, net	$ 201,618	$ (3,208)	$ 198,410	$ 198,587	$ (3,538)	$ 195,049

(1) The amounts of allowance include cumulated allowance for changes in expected cash flows and cumulated allowance for current expected credit losses.

(2) The amounts include current portion of financial royalty assets which represents an estimation for current quarter royalty receipts that are collected during the subsequent quarter. The current portion of financial royalty assets amounted to $10.1 million and $10.0 million were presented in other current assets on our condensed consolidated balance sheet as of March 31, 2025 and December 31, 2024, respectively.

Financial royalty assets represent a portfolio of future milestone and royalty payment rights acquired in the Apeiron Acquisition in July 2024, from Agenus in May 2024, Selexis, S.A. (“Selexis”) in April 2013 and May 2015, CorMatrix Cardiovascular, Inc. (“CorMatrix”) in May 2016, which was later acquired by Aziyo (Aziyo changed its corporate name to Elutia Inc. (“Elutia”) in September 2023) in 2017, Ovid Therapeutics Inc. (“Ovid”) in October 2023, Tolerance Therapeutics, Inc. (“Tolerance Therapeutics”) in November 2023, and from certain ensifentrine inventors in March and August 2024.

There was no impairment loss for the three months ended March 31, 2025 and 2024.

Apeiron financial royalty assets

As discussed in *Note 4, Apeiron Acquisition*, we acquired certain financial royalty assets within the Apeiron Acquisition, including Qarziba and certain InvIOs programs, recorded at $104.9 million and $1.3 million, respectively as of the Apeiron Acquisition date. As Qarziba is a commercial phase program, we are able to reasonably estimate future cash flows and, as such, we recognized income from Qarziba financial royalty assets starting from the Apeiron Acquisition effective date. We account for InvIOs financial royalty assets using the non-accrual method until we are able to reliably estimate future cash flows.

Tzield Agreement

In November 2023, we acquired Tolerance Therapeutics for $20 million in cash. Tolerance Therapeutics was a holding company, owned by the inventors of Tzield (teplizumab), and is owed a royalty of less than 1% on worldwide net sales of Tzield. Tzield is marketed by Sanofi, starting in 2023. For tax purposes this transaction was treated as a stock deal, so there is no step-up in basis and tax attributes. Therefore, during the year ended December 31, 2024, a deferred tax liability of $5.5 million was recognized on the book basis and tax basis difference and recorded to the book value of the Tolerance Therapeutics’ financial royalty asset. Due to the early stages of Tzield's commercialization, management has placed the investment on the non-accrual method until we are able to reliably estimate future cash flows.

Ensifentrine Inventors Agreements

In March 2024, August 2024 and January 2025, we acquired future milestone and royalty rights related to ensifentrine from certain ensifentrine inventors for a total of $3.8 million, $13.6 million and $1.8 million, respectively. On June 26, 2024, Verona Pharma plc received FDA approval for ensifentrine for the maintenance treatment of patients with chronic obstructive pulmonary disease (“COPD”). During the third quarter of 2024, Verona started commercial sales of ensifentrine (marketed as Ohtuvayre™) in the U.S. Due to the early stages of Ohtuvayre's commercialization, management has placed the investment on the non-accrual method until we are able to reliably estimate future cash flows.

Elutia Agreement

In 2016, Ligand entered into a purchase agreement to acquire certain financial royalty assets from CorMatrix. In 2017, CorMatrix sold its marketed products to Elutia where Elutia assumed the Ligand royalty obligation. In 2017, we amended the terms of the royalty agreement with Elutia where we received $10 million to buydown the royalty rates on the products CorMatrix sold to Elutia (the “CorMatrix Asset Sale”). Per the amended agreement with Elutia, we will receive a 5% royalty,

with certain annual minimum payments, on the products Elutia acquired in the CorMatrix Asset Sale and up to $10 million of milestones tied to cumulative net sales of these products. The royalty agreement will terminate on May 31, 2027.

During 2023, due to Elutia's nonpayment of the minimum payments under the amended royalty agreement over several quarters, we placed the Elutia asset on the non-accrual method. In January 2024, we executed an amendment to our agreement with Elutia which will allow us to reliably estimate future cash flows. As such, the Elutia asset was switched from the non-accrual method to the effective interest method during the first quarter of 2024. We further considered the current and expected future economic and market conditions, current company performance and recent payments received from Elutia. During the three months ended March 31, 2025 and 2024, we recorded a reduction of $0.4 million and $3.0 million, respectively, to Elutia allowance of expected credit loss.

Soticlestat Agreement

In October 2023, we made an investment of $30 million to acquire a 13% portion of the royalties and milestones owed to Ovid Therapeutics related to the potential approval and commercialization of soticlestat.

In June 2024, Takeda announced topline results of the phase 3 clinical trial of soticlestat, narrowly missing its primary endpoint to reduce convulsive seizure frequency compared to placebo in patients with Dravet syndrome, and missing its primary endpoint to reduce major motor drop seizure frequency compared to a placebo in patients with Lennox-Gastaut syndrome. As a result, we recognized an impairment over the soticlestat financial royalty asset of $26.2 million in the second quarter of 2024. In January 2025, Takeda announced its decision to discontinue its soticlestat program. As a result, we recognized a full impairment of the soticlestat financial royalty asset in the fourth quarter of 2024.

6. Fair Value Measurements

Assets and Liabilities Measured on a Recurring Basis

The following table presents the hierarchy for our assets and liabilities measured at fair value (in thousands):

	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Short-term investments, excluding Viking[1]	$ 72,070	$ 64,692	$ —	$ 136,762	$ 81,807	$ 61,811	$ —	$ 143,618
Investment in Viking common stock	24,150	—	—	24,150	40,240	—	—	40,240
Derivative assets[2]	—	—	18,029	18,029	—	—	10,583	10,583
Total assets	$ 96,220	$ 64,692	$ 18,029	$ 178,941	$ 122,047	$ 61,811	$ 10,583	$ 194,441
Liabilities:								
Contingent liabilities - CyDex	$ —	$ —	$ 388	$ 388	$ —	$ —	$ 383	$ 383
Contingent liabilities - Metabasis[3]	—	5,122	—	5,122	—	3,298	—	3,298
Total liabilities	$ —	$ 5,122	$ 388	$ 5,510	$ —	$ 3,298	$ 383	$ 3,681

(1) Excluding our investment in Viking common stock, corporate equity securities, and US government securities, our short-term investments in marketable debt and equity securities are classified as available-for-sale securities based on management's intentions and are at level 2 of the fair value hierarchy, as these investment securities are valued based upon quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market. Short-term investments in bond funds are valued at their net asset value (NAV) on the last day of the period. We have classified marketable securities with original maturities of greater than one year as short-term investments based upon our ability and intent to use any and all of those marketable securities to satisfy the liquidity needs of our current operations.

(2) Derivative assets include instruments used for risk-management purposes, and other instruments. Derivative assets which are not used for risk management purposes include: (a) Primrose mRNA derivative; (b) Agenus Partnered Programs, (c) Agenus Warrant; (d) Castle Creek Warrant, (e) Castle Creek milestone. They are recognized as derivative assets under ASC 815, Derivatives and Hedging. The fair value of the Agenus Partnered Programs and Primrose mRNA derivative assets was determined using a discounted cash flow approach, utilizing the mostly-likely cash flows which considered the probability of success for the underlying clinical programs. The discount rate used contemplates the underlying credit and business risk of the partnered programs. At March 31, 2025, the discount rates used a range between 15% and 28%. At December 31, 2024, the discount rate used a range between 15% and 28%. The fair value of the Agenus Warrant and Castle Creek Warrant was determined using a Black-Scholes model.

(3) In connection with our acquisition of Metabasis in January 2010, we issued Metabasis stockholders four tradable CVRs, one CVR from each of four respective series of CVR, for each Metabasis share. The CVRs entitle Metabasis stockholders to cash payments as frequently as every six months as cash is received by us from proceeds from the sale or partnering of any of the Metabasis drug development programs, among other triggering events. The liability for the CVRs is determined using quoted prices in a market that is not active for the underlying CVR. The carrying amount of the liability may fluctuate significantly based upon quoted market prices and actual amounts paid under the agreements may be materially different than the carrying amount of the liability. Several of the Metabasis drug development programs have been outlicensed to Viking, including VK2809. VK2809 is a novel selective TR-β agonist with potential in multiple indications, including hypercholesterolemia, dyslipidemia, NASH, and X-ALD. Under the terms of the agreement with Viking, we may be entitled to up to $375 million of development, regulatory and commercial milestones and tiered royalties on potential future sales including a $10 million

payment upon initiation of a Phase 3 clinical trial. During the three months ended March 31, 2025 and 2024, we recorded a change in the fair value of the Metabasis CVR liability that amounted to $1.8 million and $(0.1) million, respectively, to mark to market.

A reconciliation of the level 3 financial instruments as of March 31, 2025 is as follows (in thousands):

Assets		
Fair value of level 3 financial instruments as of December 31, 2024	$	10,583
Additions to derivative assets		7,620
Fair value adjustments to derivative assets		(174)
Fair value of level 3 financial instruments as of March 31, 2025	$	18,029

Liabilities		
Fair value of level 3 financial instruments as of December 31, 2024	$	383
Payments to CVR holders and other contingent payments		(50)
Fair value adjustments to contingent liabilities		55
Fair value of level 3 financial instruments as of March 31, 2025	$	388

Assets Measured on a Non-Recurring Basis

We apply fair value techniques on a non-recurring basis associated with valuing potential impairment losses related to our goodwill, intangible assets with estimated useful lives and long-lived assets.

We evaluate goodwill annually for impairment and whenever circumstances occur indicating that goodwill might be impaired. We determine the fair value of our reporting unit based on a combination of inputs, including the market capitalization of Ligand, as well as Level 3 inputs such as discounted cash flows, which are not observable from the market, directly or indirectly.

We evaluate intangible assets with estimated useful lives whenever circumstances occur indicating that intangible assets may not be recoverable. An impairment evaluation is based on an undiscounted cash flow analysis at the lowest level at which cash flows of the long-lived assets are largely independent of other groups of assets and liabilities.

There was no impairment of our goodwill, intangible assets with estimated useful lives, or long-lived assets recorded during the three months ended March 31, 2025 and 2024.

Fair Value of Financial Instruments

Our cash and cash equivalents, accounts receivable, other current assets, financial royalty assets, accounts payable, accrued liabilities, deferred revenue, current operating lease liabilities, current finance lease liabilities are financial instruments and are recorded at cost in the condensed consolidated balance sheets. The estimated fair value of the remaining financial instruments approximates their carrying value.

7. Debt

Revolving Credit Facility

On October 12, 2023, we entered into a $75 million revolving credit facility (the “Revolving Credit Facility”) with Citibank, N.A. as the Administrative Agent (as defined in the Credit Agreement). We, our material domestic subsidiaries, as Guarantors (as defined in the Credit Agreement), and the Lenders (as defined in the Credit Agreement) entered into a credit agreement (the “Credit Agreement”) with the Administrative Agent, under which the Lenders, the Swingline Lender and the L/C Issuer (each as defined in the Credit Agreement) agreed to make revolving loans, swingline loans and other financial accommodations to us (including the issuance of letters of credit) in an aggregate amount of up to $75 million. Borrowings under the Revolving Credit Facility accrue interest at a rate equal to either Term Secured Overnight Financing Rate (“Term SOFR”) or a specified base rate plus an applicable margin linked to our leverage ratio, ranging from 1.75% to 2.50% per annum for Term SOFR loans and 0.75% to 1.50% per annum for base rate loans. The Revolving Credit Facility is subject to a commitment fee payable on the unused Revolving Credit Facility commitments ranging from 0.30% to 0.45%, depending on our leverage ratio. During the term of the Revolving Credit Facility, we may borrow, repay and re-borrow amounts available under the Revolving Credit Facility, subject to voluntary reductions of the swing line, letter of credit and revolving credit commitments.

Borrowings under the Revolving Credit Facility are secured by certain of our collateral and that of the Guarantors. In specified circumstances, additional guarantors are required to be added to the Credit Agreement. The Credit Agreement contains customary affirmative and negative covenants, including certain financial maintenance covenants, and events of default applicable to us. In the event of violation of the representations, warranties and covenants made in the Credit

Agreement, we may not be able to utilize the Revolving Credit Facility or repayment of amounts owed thereunder could be accelerated.

Amendment to Revolving Credit Facility

On July 8, 2024, we entered into the first amendment (the "Amendment") to the Credit Agreement, which amends the Credit Agreement to, among other things, increase the aggregate revolving credit facility amount from $75 million to $125 million.

As of March 31, 2025 and December 31, 2024, we had $124.4 million in available borrowing under the Revolving Credit Facility, after utilizing $0.6 million for letter of credit. The maturity date of the Revolving Credit Facility, as amended, is October 12, 2026.

As of March 31, 2025 and December 31, 2024, there were no events of default or violation of any covenants under our financing obligations.

8. Income Tax

Our effective tax rate may vary from the U.S. federal statutory tax rate due to the change in the mix of earnings in various foreign and state jurisdictions with different statutory rates, the use of previously unbenefited tax loss carryforwards to reduce foreign taxes, benefits related to tax credits, and the tax impact of non-deductible expenses, stock award activities and other permanent differences between income before income taxes and taxable income. The effective tax rate for the three months ended March 31, 2025 and 2024 was 15.4% and 24.1%, respectively. The variance from the U.S. federal statutory tax rate of 21% for the three months ended March 31, 2025 was primarily due to Internal Revenue Code Section 162(m) limitation on deduction for officer compensation, income from foreign operations, and other non-deductible items, which were partially offset by the foreign derived intangible income tax benefit. The variance from the U.S. federal statutory tax rate of 21% for the three months ended March 31, 2024 was primarily due to tax benefits from the foreign-derived intangible income deduction and research and development tax credits, which were partially offset by Internal Revenue Code Section 162(m) limitation during the period.

9. Stockholders' Equity

We grant options and awards to employees and non-employee directors pursuant to a stockholder approved stock incentive plan, which is described in further detail in *Note 11, Stockholders' Equity*, of the Notes to Consolidated Financial Statements in our 2024 Annual Report.

In June 2024, our stockholders approved the amendment and restatement of the Ligand Pharmaceuticals Incorporated 2002 Stock Incentive Plan, which increased the shares available for issuance by 1.3 million.

The following is a summary of our stock option and restricted stock activity and related information:

	Stock Options		Restricted Stock Awards	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Grant Date Fair Value
Balance as of December 31, 2024	2,226,273	$ 75.14	437,872	$ 83.55
Granted	406,181	$ 115.23	223,298	$ 106.99
Options exercised/RSUs vested	(56,684)	$ 74.30	(187,234)	$ 76.31
Forfeited	(46,771)	$ 83.31	(5,933)	$ 87.97
Balance as of March 31, 2025	2,528,999	$ 81.45	468,003	$ 97.57

As of March 31, 2025, outstanding options to purchase 1.3 million shares were exercisable with a weighted average exercise price per share of $72.31.

Employee Stock Purchase Plan

The price at which common stock is purchased under the Amended Employee Stock Purchase Plan ("ESPP") is equal to 85% of the fair market value of the common stock on the first or last day of the offering period, whichever is lower. As of March 31, 2025, 24,493 shares were available for future purchases under the ESPP.

At-the-Market Equity Offering Program

On September 30, 2022, we filed a registration statement on Form S-3 (the "Shelf Registration Statement"), which became automatically effective upon filing, covering the offering of common stock, preferred stock, debt securities, warrants and units.

On September 30, 2022, we also entered into an At-The-Market Equity Offering Sales Agreement (the "Sales Agreement") with Stifel, Nicolaus & Company, Incorporated (the "Agent"), under which we may, from time to time, sell shares of our common stock having an aggregate offering price of up to $100 million in "at the market" offerings through the Agent (the "ATM Offering"). The Shelf Registration Statement included a prospectus covering the offering, issuance and sale of up to $100 million of our common stock from time to time through the ATM Offering. The shares to be sold under the Sales Agreement may be issued and sold pursuant to the Shelf Registration Statement. During the three months ended March 31, 2025 and 2024, we did not issue any shares of common stock in the ATM Offering.

Share Repurchases

In April 2023, our Board of Directors has approved a stock repurchase program authorizing, but not requiring, the repurchase of up to $50 million of our common stock from time to time through April 2026. We expect to acquire shares, if at all, primarily through open-market transactions in accordance with all applicable requirements of Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The timing and amount of repurchase transactions will be determined by management based on our evaluation of market conditions, share price, legal requirements and other factors. During the three months ended March 31, 2025 and 2024, we did not repurchase any common stock, respectively.

10. Commitment and Contingencies

Legal Proceedings

We record an estimate of a loss when the loss is considered probable and estimable. Where a liability is probable and there is a range of estimated loss and no amount in the range is more likely than any other number in the range, we record the minimum estimated liability related to the claim in accordance with ASC 450, *Contingencies*. As additional information becomes available, we assess the potential liability related to our pending litigation and revises our estimates. Revisions in our estimates of potential liability could materially impact our results of operations.

On October 31, 2019, we received three civil complaints filed in the U.S. District Court for the Northern District of Ohio on behalf of several Indian tribes. The Northern District of Ohio is the Court that the Judicial Panel on Multi-District Litigation ("JPML") has assigned more than one thousand civil cases which have been designated as a Multi-District Litigation ("MDL") and captioned In Re: National Prescription Opiate Litigation. The allegations in these complaints focus on the activities of defendants other than the Company and no individualized factual allegations have been advanced against us in any of the three complaints. We reject all claims raised in the complaints and intend to vigorously defend these matters.

On August 22, 2024, CyDex Pharmaceuticals, Inc. filed a Verified Complaint in the Delaware Court of Chancery against Bexson Biomedical, Inc. ("Bexson"), asserting claims for declaratory relief and breach of contract arising out of a Captisol In Vivo Agreement (the "In Vivo Agreement") between the parties, pursuant to which CyDex provided Bexson with research-grade Captisol and related confidential and proprietary information for a potential new formulation of ketamine being developed by Bexson. CyDex alleges that Bexson breached its obligations under the In Vivo Agreement, including by misusing confidential information and materials provided by CyDex and by using CyDex's confidential information and materials to file patent applications that purport to cover formulations that are "not ketamine." CyDex also asserts that Bexson failed to return and destroy Cydex's confidential information and materials as required by the In Vivo Agreement. CyDex seeks relief including specific performance of certain co-ownership provisions of the In Vivo Agreement and disgorgement from Bexson for any benefits obtained in violation of the In Vivo Agreement. On September 27, 2024, Bexson filed a Motion to Dismiss the Verified Complaint. A Verified Amended Complaint was filed by CyDex on November 6, 2024, and a Motion to Dismiss the Verified Amended Complaint was filed by Bexson on January 17, 2025.

From time to time, we may also become subject to other legal proceedings or claims arising in the ordinary course of our business. We currently believe that none of the claims or actions pending against us is likely to have, individually or in aggregate, a material adverse effect on our business, financial condition or results of operations. Given the unpredictability inherent in litigation, however, we cannot predict the outcome of these matters.

Operating Leases

During the three months ended March 31, 2025, we extended the lease agreement for our office located in Boston, Massachusetts for three years from May 2029 to May 2032, which resulted in a $0.8 million increase in both operating right-of-use assets and operating lease liabilities at lease commencement date.

11. Subsequent Event

On April 17, 2025, we announced that our wholly-owned subsidiaries, Pelthos Therapeutics Inc. and LNHC, Inc. (collectively "Pelthos") have entered into an Agreement and Plan of Merger (the "Merger Agreement") with Channel Therapeutics Corporation ("Channel") pursuant to which Pelthos will combine with a wholly-owned subsidiary of Channel (the "Transaction"). The merger will be supported by $50 million in capital raised from a group of strategic investors led by Murchinson ("Investor Group"). Upon completion of the Transaction, the combined company will operate under the name Pelthos Therapeutics Inc. and trade on the NYSE American exchange under the ticker "PTHS". Our CEO and director, Todd Davis, is also a director on Channel's board of directors. Mr. Davis did not participate in and recused himself from both boards' consideration and approval of the Merger Agreement, which was in the case of the Company approved by an authorized special transaction committee of the Board.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Caution: This discussion and analysis may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed in Part II, Item 1A. Risk Factors. This outlook represents our current judgment on the future direction of our business. These statements include those related to our future results of operations and financial position, Captisol-related revenues and Kyprolis and other product royalty revenues and milestones under license agreements, product development, and product regulatory filings and approvals, and the timing thereof. Actual events or results may differ materially from our expectations. For example, there can be no assurance that our revenues or expenses will meet any expectations or follow any trend(s), that we will be able to retain our key employees or that we will be able to enter into any strategic partnerships or other transactions. We cannot assure you that we will receive expected Kyprolis, Captisol and other product revenues to support our ongoing business or that our internal or partnered pipeline products will progress in their development, gain marketing approval or achieve success in the market. In addition, ongoing or future arbitration, litigation or disputes with third parties may have a material adverse effect on us. Such risks and uncertainties, and others, could cause actual results to differ materially from any future performance suggested. We undertake no obligation to make any revisions to these forward-looking statements to reflect events or circumstances arising after the date of this quarterly report. This caution is made under the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

We use our trademarks, trade names and services marks in this report as well as trademarks, trade names and service marks that are the property of other organizations. Solely for convenience, trademarks and trade names referred to in this report appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights, to these trade marks and trade names.

References to "Ligand Pharmaceuticals Incorporated," "Ligand," the "Company," "we" or "our" include Ligand Pharmaceuticals Incorporated and our wholly-owned subsidiaries.

Overview

We are a biopharmaceutical company enabling scientific advancement through supporting the clinical development of high-value medicines. We do this by providing financing, licensing our technologies or both. Our business model seeks to generate value for stockholders by creating a diversified portfolio of biopharmaceutical product revenue streams that are supported by an efficient and low corporate cost structure. Our goal is to offer investors an opportunity to participate in the promise of the biotech industry in a profitable and diversified manner. Our business model focuses on funding programs in mid- to late-stage drug development in return for economic rights, purchasing royalty rights in development stage or commercial biopharmaceutical products and licensing our technology to help partners discover and develop medicines. We partner with other pharmaceutical companies to leverage what they do best (late-stage development, regulatory management and commercialization) in order to generate our revenue. We operate two infrastructure-light royalty-generating IP platform technologies. Our Captisol platform technology is a chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. Our NITRICIL platform technology facilitates "tunable" dosing, permitting an adjustable drug release profile to allow proprietary formulations that target a broad range of indications. We have established multiple alliances, licenses and other business relationships with the world's leading biopharmaceutical companies including Amgen, Merck, Pfizer, Jazz, Gilead Sciences and Baxter.

Our revenue is generated primarily from royalties on sales of products commercialized by our partners, Captisol material sales, and contract revenue for license fees, regulatory and sales based milestone payments. Other operating income is primarily related to milestone income received for financial royalty assets that have been fully amortized or where there is no underlying asset recognized on the consolidated balance sheets. Also, we selectively pursue acquisitions and drug development funding opportunities that address high unmet clinical needs to bring in new assets, pipelines, and technologies to aid in generating additional potential new incremental revenue streams.

Business Updates

Pelthos Therapeutics Transaction

On April 17, 2025, we announced the signing of a definitive merger agreement to combine our wholly owned subsidiaries, Pelthos Therapeutics Inc. and LNHC, Inc. (collectively "Pelthos") with CHRO Merger Sub Inc., a wholly owned subsidiary of Channel Therapeutics. The merger will be supported by $50 million in capital raised from a group of strategic investors led by Murchinson ("Investor Group"). Upon completion of the transaction, the combined company will operate under the name Pelthos Therapeutics Inc. and trade on the NYSE American exchange under the ticker PTHS. The transaction is expected to close in the summer of 2025, subject to the fulfillment of customary closing conditions.

Under the terms of the merger agreement, Channel will acquire 100% of the issued and outstanding equity interests of Pelthos, and will change its name to Pelthos Therapeutics Inc. In connection with the transaction, we have agreed to invest $18 million in the combined company and the Investor Group has agreed to invest $32 million for a total of $50 million.

The combined company will initially focus on accelerating the commercialization of Pelthos' ZELSUVMI (berdazimer) topical gel, 10.3%, for the treatment of Molluscum contagiosum infections ("molluscum") in adults and pediatric patients one year of age and older. ZELSUVMI was approved by the U.S. FDA in 2024 and is the first and only prescription therapy for molluscum infections approved for use at home by patients, parents, and caregivers.

New Royalty Investment

On February 25, 2025, we announced that we closed a royalty financing agreement with Castle Creek Biosciences, a late-stage cell and gene therapy company, to support Castle Creek's planned D-Fi (FCX-007) Phase 3 clinical study. D-Fi is an injectable autologous gene-modified cell therapy in development for the treatment of dystrophic epidermolysis bullosa (DEB), a devastating, painful, and debilitating rare genetic skin disorder. D-Fi has been granted Orphan Drug Designation from the U.S. FDA. We led a $75 million investment in D-Fi by committing $50 million to the syndicated round. An additional $25 million was secured from a syndicate of co-investors. In return for the $75 million investment, investors will receive a high-single digit royalty which is shared on a pro-rated basis; therefore we will net a mid-single digit royalty.

Portfolio Updates

On April 29, 2025, Verona announced Ohtuvayre net sales of $71.3 million for the first quarter 2025, representing an increase of 95% compared to the prior quarter. This growth was driven by significant increases in prescriptions, prescribers, new patients and refills.

On April 29, 2025, Travere and its European partner, CSL Vifor, announced that the European Commission approved the conversion of the conditional marketing approval into standard marketing authorization for Filspari for the treatment of adults with primary IgA nephropathy.

On April 26, 2025, UroGen announced encouraging safety data from its Phase 1 dose-escalation study for UGN-301 (zalifrelimab) intravesical solution, an investigational drug in development for the treatment of recurrent non-muscle invasive bladder cancer.

On April 24, 2025, Merck announced Capvaxive sales of $107 million for the first quarter of 2025, a 120% increase over the prior quarter. Merck reiterated that there has been continued uptake of Capvaxive since the product's launch in the third quarter of 2024.

On April 11, 2025, Palvella announced Qtorin rapamycin 3.9% anhydrous gel for the treatment of microcystic lymphatic malformations (microcystic LMs) was featured by Dr. Amy Paller, a widely recognized key opinion leader in dermatology, in an oral presentation at the 15th World Congress of Pediatric Dermatology. In January 2025, Palvella announced that the first patients were dosed in TOIVA, a multicenter, Phase 2 clinical trial designed to evaluate the safety and efficacy of Qtorin 3.9% rapamycin anhydrous gel for the treatment of cutaneous venous malformations (cutaneous VMs). In addition, in February 2025, Palvella announced that it will expand SELVA, the Phase 3 clinical trial of Qtorin 3.9% rapamycin anhydrous gel for the treatment of microcystic LMs, to include patients ages 3 to 5 years old. Previously, trial participants were required to be at least six years old.

On March 26, 2025, Merck, announced that the European Commission (EC) approved Capvaxive (pneumococcal 21-valent conjugate vaccine) for active immunization for the prevention of invasive disease and pneumonia in individuals 18 years of age and older. Capvaxive is a pneumococcal vaccine specifically designed to help protect adults from the serotypes responsible for the majority of invasive pneumococcal disease (IPD) cases. This decision authorizes the marketing of Capvaxive in all 27 European Union (EU) member states, as well as Iceland, Liechtenstein and Norway.

On March 17, 2025, Travere Therapeutics announced it has submitted a supplemental New Drug Application (sNDA) to the FDA seeking priority review for traditional approval of Filspari (sparsentan) for the treatment of focal segmental glomerulosclerosis (FSGS), a rare proteinuric kidney disorder in both children and adults. Travere expects to receive notice regarding the acceptance for review of the sNDA submission as well as the timeline for sNDA review from the FDA in the second quarter of 2025. Additionally, the FDA recently notified Travere that Risk Evaluation and Mitigation Strategy (REMS) monitoring for embryo-fetal toxicity is no longer necessary. Travere plans to submit a REMS modification. The FDA indicated that the amendment is not expected to impact the review timeline and Travere continues to expect a REMS modification target action date under the Prescription Drug User Act of August 28, 2025.

Results of Operations

Revenue and Other Income

(Dollars in thousands)	Q1 2025	Q1 2024	Change	% Change
Revenue from intangible royalty assets	$ 21,587	$ 18,357	$ 3,230	18 %
Income from financial royalty assets	5,902	738	5,164	700 %
Royalties	27,489	19,095	8,394	44 %
Captisol	13,460	9,212	4,248	46 %
Contract revenue and other income	4,384	2,671	1,713	64 %
Total revenue and other income	$ 45,333	$ 30,978	$ 14,355	46 %

Total revenue and other income increased by $14.4 million, or 46%, to $45.3 million in Q1 2025 compared to $31.0 million in Q1 2024. Royalties increased by $8.4 million, or 44%, to $27.5 million in Q1 2025 compared to $19.1 million in Q1 2024, primarily due to income from Qarziba financial royalty asset acquired in Q3 2024 and an increase in Filspari sales. Captisol sales increased by $4.2 million, or 46%, to $13.5 million in Q1 2025 compared to $9.2 million in Q1 2024, primarily due to the timing of customer orders. Contract revenue and other income increased by $1.7 million, or 64%, to $4.4 million in Q1 2025 compared to $2.7 million in Q1 2024, primarily due to a regulatory milestone tied to Xi'an Xintong's Xinshumu (pradefovir mesylate tablets) in Q1 2025.

Revenue from intangible royalty assets is a function of our partners' product sales and the applicable royalty rate. Kyprolis royalty rates are under a tiered royalty rate structure with the highest tier being 3%. Evomela has a fixed royalty rate of 20%. Teriparatide injection has a tiered royalty between 25% and 40% on sales that have been adjusted for certain deductible items as defined in the respective license agreement. The Rylaze and Vaxneuvance royalty rates are in the low single digits. Filspari has a fixed royalty rate of 9%.

The following table represents revenue from intangible royalty assets by program (in millions):

(in millions)	Q1 2025 Estimated Partner Product Sales	Effective Royalty Rate	Q1 2025 Royalty Revenue	Q1 2024 Estimated Partner Product Sales	Effective Royalty Rate	Q1 2024 Royalty Revenue
Kyprolis	**$ 349.0**	**1.3 %**	**$ 4.7**	$ 401.0	1.6 %	$ 6.6
Evomela	**10.0**	**20.0 %**	**2.0**	7.0	20.0 %	1.4
Teriparatide injection[(1)]	**4.8**	**25.0 %**	**1.2**	7.8	25.6 %	2.0
Rylaze	**102.0**	**3.0 %**	**3.1**	102.8	2.9 %	3.0
Filspari	**58.9**	**9.0 %**	**5.3**	20.0	9.0 %	1.8
Vaxneuvance	**230.0**	**0.6 %**	**1.3**	219.0	0.6 %	1.4
Other	**284.8**	**1.4 %**	**4.0**	86.4	2.5 %	2.2
Total	**$ 1,039.5**		**$ 21.6**	$ 844.0		$ 18.4

(1) We receive tiered profit sharing of 25% on quarterly profits less than $3.75 million, 35% on quarterly profits greater than $3.75 million but less than $7.5 million and 40% on quarterly profits greater than $7.5 million.

Contract revenue includes service revenue, license fees and development, regulatory and sales based milestone payments.

Operating Costs and Expenses

(Dollars in thousands)	Q1 2025	% of Revenue	Q1 2024	% of Revenue
Cost of Captisol	$ 4,849		$ 2,882	
Amortization of intangibles	8,257		8,186	
Research and development	50,085		5,971	
General and administrative	18,801		10,951	
Fair value adjustments to partner program derivatives	(443)		—	
Total operating costs and expenses	$ 81,549	180%	$ 27,990	90%

Total operating costs and expenses increased by $53.6 million, or 191%, to $81.5 million in Q1 2025 compared to $28.0 million in Q1 2024.

Cost of Captisol increased by $2.0 million, or 68%, to $4.8 million in Q1 2025 compared to $2.9 million in Q1 2024, with the increase primarily due to the higher Captisol sales in Q1 2025 compared to Q1 2024.

Amortization of intangibles remained steady at $8.3 million in Q1 2025 compared to $8.2 million in Q1 2024.

At any one time, we are working on multiple R&D programs. As such, we generally do not track our R&D expenses on a specific program basis. Research and development expense was $50.1 million for Q1 2025, compared with $6.0 million for Q1 2024, with the increase primarily due to a research and development funding arrangement related to the D-Fi royalty rights acquired with the Castle Creek Investment transaction as discussed in *Note 3, Castle Creek and Agenus Transactions*.

General and administrative expense was $18.8 million for Q1 2025, compared to $11.0 million for Q1 2024, with the increase primarily due to employee related costs and operating costs associated with incubating the Pelthos business.

Fair value adjustment to partner program derivatives was $(0.4) million for Q1 2025, compared with zero for Q1 2024.

Non-operating Income and Expenses

(Dollars in thousands)	Q1 2025	Q1 2024	Change	% Change
Gain (loss) from short-term investments	$ (12,367)	$ 110,772	$ (123,139)	(111)%
Interest income	1,771	2,020	(249)	(12)%
Interest expense	(867)	(141)	(726)	515 %
Other non-operating expense, net	(2,501)	(2,192)	(309)	14 %
Total non-operating (expense) income, net	$ (13,964)	$ 110,459	$ (124,423)	(113)%

The fluctuation in the gain (loss) from short-term investments is primarily driven by the changes in the fair value of our ownership in Viking common stock and other equity security investments. The net loss from short-term investments was $12.4 million in Q1 2025 as compared to the net gain from short-term investments of $110.8 million in Q1 2024. In Q1 2025, we recorded an unrealized loss on Viking shares of $16.1 million compared to an unrealized gain of $50.8 million in Q1 2024.

Interest income consists primarily of interest earned on our short-term investments. The decrease over the prior year period was due to the decrease in average investment balances in Q1 2025 compared to Q1 2024.

Interest expense consists primarily of interest accrued related to a royalty and milestone payments purchase agreement, entered by Novan (Pelthos) in 2019, and assumed as part of the acquisition in September 2023.

Other non-operating expense, net, primarily consists of mark-to-market adjustments on derivatives (other than the partner program derivatives) and CVRs. Other non-operating expense, net, in Q1 2025 increased by $0.3 million as compared to Q1 2024, primarily due to the loss from change in fair value of CVR liabilities in Q1 2025.

Income Tax Expense

(Dollars in thousands)	Q1 2025	Q1 2024	Change
(Loss) income before income taxes	$ (50,180)	$ 113,447	$ (163,627)
Income tax benefit (expense)	7,729	(27,308)	35,037
(Loss) income from operations	$ (42,451)	$ 86,139	$ (128,590)
Effective tax rate	15.4 %	24.1 %	

We compute our income tax provision by applying the estimated annual effective tax rate to income from operations and adding the effects of any discrete income tax items specific to the period. The effective tax rate for the three months ended March 31, 2025 and 2024 was 15.4% and 24.1%, respectively. The variance from the U.S. federal statutory tax rate of 21% for the three months ended March 31, 2025 was primarily due to Internal Revenue Code Section162(m) limitation on deduction for officer compensation, other non-deductible items, and income from foreign operations, which were partially offset by the foreign derived intangible income deduction. The variance from the U.S. federal tax rate of 21% for the three months ended March 31, 2024 was primarily due to tax benefits from the foreign-derived intangible income deduction and research and development tax credits, which were partially offset by Internal Revenue Code Section 162(m) limitation during the period.

Liquidity and Capital Resources

As of March 31, 2025, our cash, cash equivalents, and short-term investments totaled $208.9 million, which decreased by $47.3 million from the end of last year mainly due to the cash paid for the Castle Creek transaction. Our primary source of liquidity, other than our holdings of cash, cash equivalents, and short-term investments, has been cash flows from operations. Our ability to generate cash from operations provides us with the financial flexibility we need to meet operating, investing, and financing needs.

Historically, we have liquidated our short-term investments and/or issued debt and equity securities to finance our business needs as a supplement to cash provided by operating activities. Our short-term investments include U.S. government debt securities, investment-grade corporate debt securities, bond funds and certificates of deposit. We have established guidelines relative to diversification and maturities of our investments in order to provide both safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates. Additionally, we own certain securities which are classified as short-term investments that we received as a result of a milestone and an upfront license payment as well as 1.0 million shares of common stock in Viking.

On September 30, 2022, we entered into an At-The-Market Equity Offering Sales Agreement (the "Sales Agreement") with Stifel, Nicolaus & Company, Incorporated (the "Agent"), under which we may, from time to time, sell shares of our common stock having an aggregate offering price of up to $100 million in "at the market" offerings through the Agent (the "ATM Offering"). The shelf registration statement relating to such shares included a prospectus covering the offering, issuance and sale of up to $100 million of our common stock from time to time through the ATM Offering. The shares to be sold under the Sales Agreement may be issued and sold pursuant to the shelf registration statement. During the three months ended March 31, 2025 and 2024, we did not issue any shares of common stock in the ATM Offering.

In April 2023, our Board has approved a stock repurchase program authorizing, but not requiring, the repurchase of up to $50 million of our common stock from time to time through April 2026. We expect to acquire shares, if at all, primarily through open-market transactions in accordance with all applicable requirements of Rule 10b-18 of the Exchange Act. The timing and amount of repurchase transactions will be determined by management based on our evaluation of market conditions, share price, legal requirements and other factors. Authorization to repurchase $50 million of our common stock remained available as of March 31, 2025.

On October 12, 2023, we entered into a $75 million revolving credit facility (the "Revolving Credit Facility") with Citibank, N.A. as the Administrative Agent (as defined in the Credit Agreement). We, our material domestic subsidiaries, as Guarantors (as defined in the Credit Agreement), and the Lenders (as defined in the Credit Agreement) entered into a credit agreement (the "Credit Agreement") with the Administrative Agent, under which the Lenders, the Swingline Lender and the L/C Issuer (each as defined in the Credit Agreement) agreed to make revolving loans, swingline loans and other financial accommodations to us (including the issuance of letters of credit) in an aggregate amount of up to $75 million. Borrowings under the Revolving Credit Facility accrue interest at a rate equal to either Term Secured Overnight Financing Rate ("Term SOFR") or a specified base rate plus an applicable margin linked to our leverage ratio, ranging from 1.75% to 2.50% per annum for Term SOFR loans and 0.75% to 1.50% per annum for base rate loans. The Revolving Credit Facility is subject to a commitment fee payable on the unused Revolving Credit Facility commitments ranging from 0.30% to 0.45%, depending on our leverage ratio. During the term of the Revolving Credit Facility, we may borrow, repay and re-borrow amounts available under the Revolving Credit Facility, subject to voluntary reductions of the swing line, letter of credit and revolving credit commitments.

On July 8, 2024, we entered into the first Amendment to the Revolving Credit Facility which amends the Credit Agreement to, among other things, increase the aggregate revolving credit facility amount from $75 million to $125 million.

Borrowings under the Credit Agreement are secured by certain of our collateral and that of the Guarantors. In specified circumstances, additional guarantors are required to be added. The Credit Agreement contains customary affirmative and negative covenants, including certain financial maintenance covenants, and events of default applicable to us. In the event of violation of the representations, warranties and covenants made in the Credit Agreement, we may not be able to utilize the Revolving Credit Facility or repayment of amounts owed thereunder could be accelerated.

As of March 31, 2025, we had $124.4 million in available borrowing under the Revolving Credit Facility, after utilizing $0.6 million for letter of credit. The maturity date of the Revolving Credit Facility is October 12, 2026.

We believe that our existing funds, cash generated from operations and existing sources of and access to financing are adequate to fund our need for working capital, capital expenditures, Pelthos Therapeutics transaction, debt service requirements, continued advancement of research and development efforts, potential stock repurchases and other business initiatives we plan to strategically pursue, including acquisitions and strategic investments.

As of March 31, 2025, we had $5.5 million in fair value of contingent consideration liabilities associated with prior acquisitions to be settled in future periods.

Cash Flow Summary

(Dollars in thousands)	Q1 2025	Q1 2024
Net cash provided by (used in):		
Operating activities	$ (25,445)	$ 18,732
Investing activities	$ 4,894	$ (3,775)
Financing activities	$ (4,747)	$ 12,182

During the three months ended March 31, 2025, we used cash in operations primarily for the Castle Creek transaction, partially offset by cash from revenue and other operating income. We generated cash from cash in investing activities primarily from sale and maturity of short-term investments partially offset by purchases of short-term investments. We used cash in financing activities primarily due to cash paid for taxes related to net share settlement of equity awards, partially offset by net proceeds from stock options exercises and ESPP.

During the three months ended March 31, 2024, we generated cash from operations primarily from revenue and other operating income. We used cash in investing activities for purchases of short-term investments and financial royalty assets, partially offset by cash from sale and maturity of short-term investments, including Viking shares. We generated cash from financing activities primarily due to net proceeds from stock options exercises and ESPP.

Critical Accounting Policies and Estimates

Certain of our policies require the application of management judgment in making estimates and assumptions that affect the amounts reported in our consolidated financial statements and the disclosures made in the accompanying notes. Those estimates and assumptions are based on historical experience and various other factors deemed applicable and reasonable under the circumstances. The use of judgment in determining such estimates and assumptions is by nature, subject to a degree of uncertainty. Accordingly, actual results could differ materially from the estimates made. There have been no material changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our 2024 Annual Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There were no material changes to our market risks in the three months ended March 31, 2025, when compared to the disclosures in Item 7A of our 2024 Annual Report.

Item 4. Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of March 31, 2025 were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On October 31, 2019, we received three civil complaints filed in the U.S. District Court for the Northern District of Ohio on behalf of several Indian tribes. The Northern District of Ohio is the Court that the Judicial Panel on Multi-District Litigation ("JPML") has assigned more than one thousand civil cases which have been designated as a Multi-District Litigation ("MDL") and captioned In Re: National Prescription Opiate Litigation. The allegations in these complaints focus on the activities of defendants other than the Company and no individualized factual allegations have been advanced against us in any of the three complaints. We reject all claims raised in the complaints and intend to vigorously defend these matters.

On August 22, 2024, CyDex Pharmaceuticals, Inc. filed a Verified Complaint in the Delaware Court of Chancery against Bexson Biomedical, Inc. ("Bexson"), asserting claims for declaratory relief and breach of contract arising out of a Captisol In Vivo Agreement (the "In Vivo Agreement") between the parties, pursuant to which CyDex provided Bexson with research-grade Captisol and related confidential and proprietary information for a potential new formulation of ketamine being

developed by Bexson. CyDex alleges that Bexson breached its obligations under the In Vivo Agreement, including by misusing confidential information and materials provided by CyDex and by using CyDex's confidential information and materials to file patent applications that purport to cover formulations that are "not ketamine." CyDex also asserts that Bexson failed to return and destroy Cydex's confidential information and materials as required by the In Vivo Agreement. CyDex seeks relief including specific performance of certain co-ownership provisions of the In Vivo Agreement and disgorgement from Bexson for any benefits obtained in violation of the In Vivo Agreement. On September 27, 2024, Bexson filed a Motion to Dismiss the Verified Complaint. A Verified Amended Complaint was filed by CyDex on November 6, 2024, and a Motion to Dismiss the Verified Amended Complaint was filed by Bexson on January 17, 2025.

From time to time, we may also become subject to other legal proceedings or claims arising in the ordinary course of our business. We currently believe that none of the claims or actions pending against us is likely to have, individually or in aggregate, a material adverse effect on our business, financial condition or results of operations. Given the unpredictability inherent in litigation, however, we cannot predict the outcome of these matters.

Item 1A. Risk Factors

We do not believe that there have been any material changes to the risk factors disclosed in Part I, Item 1A of our 2024 Annual Report. The risk factors described in our 2024 Annual Report are not the only risks we face. Factors we currently do not know, factors that we currently consider immaterial or factors that are not specific to us, such as general economic and political conditions, may also materially adversely affect our business or our consolidated operating results, financial condition or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

From time to time, our officers (as defined in Rule 16a–1(f) of the Exchange Act) and directors may enter into Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as each such term is defined in Item 408 of Regulation S-K).

On March 7, 2025, John Kozarich, our Director and Chairman of the Board, executed a 10b5-1 trading arrangement that is designed to be in effect until May 1, 2026 with respect to the sale of up to 5,604 shares of the Company's common stock all of which underlie stock options held by Mr. Kozarich. Through May 8, 2025, Mr. Kozarich has not sold any shares under the plan.

Item 6. Exhibits

Exhibit Number	Description of Exhibit	Incorporated by Reference				Filed Herewith
		Form	File Number	Date of Filing	Exhibit Number	
2.1†	Purchase and Sale Agreement entered on February 24, 2025 among Ligand Pharmaceuticals Incorporated, Castle Creek Biosciences, Inc., Castle Creek Biosciences, LLC and a syndicate of co-investors for which Ligand acted as representative (collectively, including Ligand, the "Purchasers").					X
31.1	Certification by Principal Executive Officer, Pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification by Principal Financial Officer, Pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certifications by Principal Executive Officer and Principal Financial Officer, Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101	The following financial information from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) Consolidated Condensed Balance Sheets, (ii) Consolidated Condensed Statements of Operations, (iii) Consolidated Condensed Statement of Comprehensive Income, (iv) Consolidated Condensed Statements of Stockholders' Equity, (v) Consolidated Condensed Statements of Cash Flows, and (vi) the Notes to Consolidated Condensed Financial Statements.					X
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL and contained in Exhibit 101.					X

* These certifications are deemed not filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

† Certain portions of this exhibit (indicated by asterisks) have been omitted because they are both not material and are the type that Ligand treats as private or confidential.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 9, 2025

By: /s/ Octavio Espinoza
Octavio Espinoza
Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer

Exhibit 2.1

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT LIGAND PHARMACEUTICALS INCORPORATED TREATS AS PRIVATE OR CONFIDENTIAL.

Execution Version

PURCHASE AND SALE AGREEMENT
dated as of February 24, 2025

by and among

CASTLE CREEK BIOSCIENCES, INC.

and

CASTLE CREEK BIOSCIENCES, LLC,
as Seller Parties,

THE PERSONS SET FORTH ON SCHEDULE I HERETO,
as Purchasers

and

LIGAND PHARMACEUTICALS INCORPORATED,
as Purchaser Representative

TABLE OF CONTENTS

Page

Page

TABLE OF CONTENTS
(continued)

Page

Page

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of February 24, 2025, is by and among CASTLE CREEK BIOSCIENCES, INC., a Delaware corporation (the "Seller Parent"), CASTLE CREEK BIOSCIENCES, LLC, a Delaware limited liability company ("Seller" and together with the Seller Parent, the "Seller Parties"), the Purchasers set forth in the signature pages hereto and identified on Schedule I hereto (each, individually, a "Purchaser", and collectively, the "Purchasers") and LIGAND PHARMACEUTICALS INCORPORATED, a Delaware corporation, in its capacity as representative of the Purchasers (the "Purchaser Representative").

W I T N E S S E T H:

WHEREAS, prior to the transactions contemplated in this Agreement, Precigen, Inc., a Delaware corporation previously known as Intrexon Corporation ("Precigen"), sold, transferred, assigned and conveyed to Innovator 21, LLC, a Delaware limited liability company ("Innovator"), and Innovator purchased, acquired and assumed, among other things, all of Precigen's right, title and interest in and to, intellectual property licensed by the Seller Parties to develop the FCX-007 product for the treatment of epidermolysis bullosa and/or dystrophic epidermolysis bullosa, for any and all formulations whatsoever and certain patents, know-how, and materials related thereto, and all of Precigen's rights and interests in, to and under the Precigen Agreement (as defined below) (the "Purchased Precigen Assets");

WHEREAS, immediately prior to the closing of the transactions contemplated in this Agreement, Innovator sold, transferred, assigned and conveyed to the Seller, and the Seller purchased, acquired and assumed all of Innovator's right, title and interest in and to the Purchased Precigen Assets, pursuant to that certain Asset Acquisition Agreement, executed as of immediately prior to the closing of the transactions contemplated in this Agreement by and between Innovator and the Seller (the "Innovator Purchase Agreement") in exchange for a cash payment of [***] and promissory notes with an aggregate principal amount of [***] (the "Innovator Notes") which shall be payable to Innovator upon certain milestones set forth in the Innovator Purchase Agreement;

WHEREAS, in connection with the Innovator Purchase Agreement, the Precigen Agreement (as assigned to Innovator) was terminated in its entirety;

WHEREAS, the Seller Parties are developing and intend to commercialize the Covered Product;

WHEREAS, the Seller Parties intend to seek Regulatory Approval for the Covered Product in the United States initially and potentially in other jurisdictions in the Territory and desire to obtain a Priority Review Voucher for the Covered Product;

WHEREAS, the Seller Parties and each Purchaser desire that, if a Priority Review Voucher for the Covered Product is issued to the Seller Parties and subsequently resold by the Seller Parties to a Third Party, the Purchasers shall be entitled to the PRV Interest; and

WHEREAS, the Seller Parties desire to sell, contribute, assign, transfer, convey and grant to the Purchasers, and the Purchasers desire to purchase, acquire and accept from the Seller Parties, the Purchased Receivables described herein, upon and subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties set forth herein and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, covenant and agree as follows:

ARTICLE I
DEFINED TERMS AND RULES OF CONSTRUCTION

Section 1.1 Defined Terms. The following terms, as used herein, shall have the following respective meanings:

"Account Bank" means [***], or such other bank or financial institution approved by each of the Purchaser Representative and the Seller Parent.

"Account Control Agreement" means any agreement entered into by the Account Bank, the Seller and the Purchaser Representative, in form and substance reasonably satisfactory to the Purchaser Representative, pursuant to which, among other things, the Purchaser Representative shall have control over the Lockbox Account and the Collection Account within the meaning of Section 9-104 of the UCC; provided, (x) Horizon shall also be a secured party under the Account Control Agreement relating to the Lockbox Account to the extent required by and in accordance with Section 2.4 and (y) Horizon (instead of Purchaser Representative) shall be party to the Account Control Agreement relating to the Horizon Collection Account to the extent required by and in accordance with Section 2.4.

"Affiliate" means, with respect to any designated Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such designated Person. For purposes of this definition, "control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Equity Interests, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative to the foregoing.

"Agreement" has the meaning set forth in the preamble.

"Allocated Purchased Assets" means with respect to each Purchaser, such Purchaser's (a) Allocated Purchased Receivables and (b) Allocated Warrants.

"Allocated Purchased Receivables" means, with respect to each Purchaser, the amount of Purchased Receivables equal to the product of (a) the total Purchased Receivables *multiplied by* (b) such Purchaser's Allocation Percentage.

"Allocated Warrants" means, with respect to each Purchaser, a Warrant issued to such Purchaser at the Closing and exercisable for a number of shares of Series D-1 Preferred Stock

equal to the number of allocated Warrant shares set forth opposite such Purchaser's name in the applicable column entitled "Allocated Warrants" on Schedule I.

"Allocation Percentage" means, with respect to each Purchaser, the percentage set forth opposite such Purchaser's name in the applicable column entitled "Allocation Percentage" on Schedule I as of the Closing.

"Applicable Law" means, with respect to any Person, all laws, rules, regulations and orders of Governmental Authorities applicable to such Person, the conduct of its business, or any of its properties, products or assets.

"Balance Sheet" has the meaning set forth in Section 3.6.

"Bankruptcy Event" means the occurrence of any of the following in respect of any specified Person: (a) an admission in writing by such Person of its inability to pay its debts as they become due or a general assignment by such Person for the benefit of creditors; (b) the filing of any petition or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of such Person or its debts under any law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization, examination, relief of debtors or other similar law now or hereafter in effect, or seeking, consenting to or acquiescing in the entry of an order for relief in any case under any such law, or the appointment of or taking possession by a receiver, trustee, custodian, liquidator, examiner, assignee, sequestrator or other similar official for such Person or for any substantial part of its property; (c) corporate or other entity action taken by such Person to authorize any of the actions set forth in clause (a) or (b) of this definition; or (d) without the consent or acquiescence of such Person, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future bankruptcy, insolvency or similar statute, law or regulation, or the filing of any such petition against such Person, or, without the consent or acquiescence of such Person, the entering of an order appointing a trustee, custodian, receiver or liquidator of such Person or of all or any substantial part of the property of such Person, in each case where such petition or order shall remain unstayed or shall not have been stayed or dismissed within one-hundred-twenty (120) days from entry thereof.

"Bridge Notes" means [***].

"Bridge Note Documents" has the meaning set forth in Section 2.2(b)(iii).

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by Applicable Law to remain closed.

"Change of Control" means any (a) reorganization, recapitalization, consolidation or merger (or similar transaction or series of related transactions) of either Seller Party or issuance, sale or exchange of shares (or similar transaction or series of related transactions) of either Seller

Party in which the holders of the Seller Parent's or the Seller's outstanding Equity Interests immediately before consummation of such transaction or series of related transactions do not, immediately after consummation of such transaction or series of related transactions, retain shares or interests representing more than fifty percent (50)% of the voting power of the surviving entity of such transaction or series of related transactions (or the parent of such surviving entity if such surviving entity is wholly owned by such parent), in each case without regard to whether the Seller Parent or the Seller is the surviving entity, (b) Disposition of all or substantially all of the properties or assets of the Seller Parties (including the Product Rights) or (c) Disposition of all or substantially all of the Product Rights.

"Closing" has the meaning set forth in Section 6.1.

"Closing Date" has the meaning set forth in Section 6.1.

"Closing Date Bill of Sale" shall mean, with respect to each Purchaser, a bill of sale dated as of the Closing Date and executed by such Purchaser and the Seller Parties, substantially in the form attached hereto as Exhibit A.

"Code" means the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Collection Account" means a segregated deposit account of the Seller established and maintained at the Account Bank for the purpose of receiving remittances from the Lockbox Account and which is subject to an Account Control Agreement.

"Commercially Reasonable Efforts" or "Commercially Reasonable Actions" means,

(a) with respect to any Intellectual Property Rights in any country, efforts or actions that would be commercially reasonable for an owner, licensor and licensee, as applicable, of such Intellectual Property Rights in such country, which owner, licensor and licensee, as applicable, is entitled to the full economic benefit of such Intellectual Property Rights without regard to the transactions contemplated by this Agreement or any other business of, or assets owned by, such owner, licensor or licensee, as applicable;

(b) for purposes of Section 5.7, with respect to the efforts to be expended, or considerations to be undertaken, by a Seller Party or its Affiliates with respect to any objective, activity or decision to be undertaken hereunder, reasonable, good faith efforts to accomplish such objective, activity or decision as a similarly situated private pharmaceutical company would reasonably be expected to use to accomplish a similar objective, activity or decision under similar circumstances, it being understood and agreed that with respect to the research, study, development, formulation, processing, engineering, manufacture, testing, seeking and obtaining Regulatory Approval, or commercialization, of the Covered Product, such Seller Party may take into account: (a) issues of efficacy, safety, and expected and actual approved labeling, (b) the expected and actual competitiveness of alternative products sold by Third Parties in the marketplace, (c) the expected and actual product profile of the Covered Product, (d) the expected and actual patent and other proprietary position of the Covered Product, (e) the likelihood of

Regulatory Approval and/or pricing approval or pricing restrictions of the Covered Product, given the regulatory structure involved, including regulatory or data exclusivity, all based on conditions then prevailing, but excluding (x) any payments owed to [***] under the [***] Agreement, (y) any payments owed to Innovator under the Innovator Purchase Agreement and (z) any payments owed to the Purchasers under this Agreement;

(c) for purposes of Section 5.15, with respect to the efforts to be expended in obtaining a Priority Review Voucher and consummating a PRV Sale Transaction, the utilization of such efforts and resources that is commensurate with the level of efforts and resources that would be devoted by a reasonably prudent private company similarly situated as the Seller Parties whose highest commercial priority is the Regulatory Approval of the Covered Product and issuance to the Seller Parties and subsequent sale thereby of the Priority Review Voucher in respect of the Covered Product as measured by the particular facts and circumstances in existence as of the applicable time such efforts are required, and without taking into account any payments owed to Purchasers in respect of the PRV Proceeds.

"Confidential Information" has the meaning set forth in Section 8.1.

"Covered Product" means any product or therapy, including any investigational product or therapy, that constitutes, incorporates, comprises or contains either (a) D-Fi and/or (b) any related, improved, successor, replacement, derivative and/or variation of D-Fi, in each case for use in the Territory in all forms, presentations, formulations, which, for the avoidance of doubt, includes any topical formulation, and dosage forms, irrespective of whether such products or therapies are authorized for marketing in the Territory under a single Regulatory Approval or multiple Regulatory Approvals or whether such products or therapies are formulated as of the date hereof.

"Covered Product Revenue Payment" means, for each calendar quarter from and after the date of the First Commercial Sale (with the first such calendar quarter being a partial calendar quarter commencing on the date of the First Commercial Sale), [***].

"Converting Purchaser" has the meaning set forth in Section 2.2(b)(i).

"Converting Purchaser Rights" has the meaning set forth in Section 2.2(b)(ii).

"D-Fi" means the autologous human fibroblast cell-based gene therapy genetically modified to express COL7 for the prevention and treatment of epidermolysis bullosa and/or dystrophic epidermolysis bullosa, also known as FCX-007 (dabocemagene autoficel).

"Disclosing Party" has the meaning set forth in Section 8.1.

"Disclosure Schedule" means the Disclosure Schedule, dated as of the date hereof and attached hereto as Exhibit B.

"Disposition" or "Dispose" means, with respect to any Person, directly or indirectly, the sale, assignment, conveyance, transfer, license, sublicense or other disposition (whether in a

single transaction or a series of related transactions) (including by way of a sale and leaseback transaction) of property or assets by such Person.

"Disputes" has the meaning set forth in Section 3.13(h).

"Distributor" means a Third Party that (a) purchases or has the option to purchase the Covered Product in finished form from or at the direction of a Seller Party or any of its Affiliates, (b) has the right, option or obligation to distribute, market and sell such Covered Product (with or without packaging rights) in one or more jurisdictions in the Territory, and (c) does not otherwise make any royalty, milestone, profit share or other similar payment to a Seller Party or its Affiliate based on such Third Party's sale of the Covered Product. The term "packaging rights" in this definition means the right for the Distributor to package or have packaged Covered Product supplied in unpackaged bulk form into individual ready-for-sale packs.

"Dollar" or the sign "$" means United States dollars, which is the currency used for all purposes in this Agreement.

"Equity Award Plan" means that certain Seller Parent Amended and Restated Management Incentive Plan, effective October 9, 2018, as amended.

"Equity Interests" means, with respect to any Person, all of the (i) shares of capital stock of (or other ownership or profit interests in) such Person, (ii) warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, (iii) securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and (iv) other ownership or profit interests in such Person (including partnership, member, membership or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Event of Default" has the meaning set forth in the Security Agreement.

"Excluded Liabilities and Obligations" has the meaning set forth in Section 2.5.

"Excluded Tax" means any of the following Taxes required to be withheld or deducted from a payment to a Purchaser or its assignees, (a) Taxes imposed as a result of such Purchaser or its assignee being organized or having a permanent establishment (or otherwise actively conducting a business in) in (other than in connection arising from this Agreement and/or any transactions contemplated hereby) the jurisdiction of the applicable taxing authority imposing such Tax (or any political subdivision thereof), (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of a Purchaser or an assignee pursuant to a law in effect on the date on which Purchaser or an assignee first becomes a Purchaser or an assignee hereunder, as applicable, except to the extent that amounts with respect to such Taxes were payable to such Purchaser or assignor immediately before such Purchaser or assignee became a Purchaser or an assignee hereunder, (c) Taxes attributable to a Purchaser's or assignee's failure to comply with Section 6.3(d) and (d) any U.S. federal backup Taxes to the extent a Seller Party has received

notice from the Internal Revenue Service that, notwithstanding such Purchaser's or assignee's provision of a form W-9, U.S. federal backup Taxes are required to be withheld with respect to such Purchaser or assignee.

"Existing Confidentiality Agreement" means that certain letter agreement, dated June 8, 2023, by and between the Seller and the Purchaser Representative.

"Exploit" and "Exploitation" shall mean, with respect to a product such as the Covered Product, the research, study, development, formulation, processing, engineering, manufacture, testing, use, sale, offer for sale (including marketing and promotion), sale and distribution (including importing, exporting, transporting, customs clearance, warehousing, invoicing, handling and delivering) or other commercialization of such product.

"FDA" means the U.S. Food and Drug Administration and any successor agency thereto.

"First Commercial Sale" means, with respect to any Covered Product, the first sale for end use or commercial consumption of such Covered Product. For the avoidance of doubt, disposal of any Covered Product for, or use of any Covered Product in, clinical trials, as free samples, or under compassionate use, patient assistance, named patient or test marketing programs or non-registrational studies or other similar programs or studies where any Covered Product is supplied or delivered without charge, shall not constitute a First Commercial Sale, nor shall any Covered Product donated to non-profit institutions or government agencies for a non-commercial purpose shall constitute a First Commercial Sale. Similarly, no free Covered Product that is supplied to a Third Party in conjunction with the offer for sale, or sale of any Covered Product (such free Covered Product being in an amount customary in the industry) will result in a First Commercial Sale, nor will the use of any Covered Product by a Seller Party or one of its Affiliates or sublicensees for research and development purposes constitute a First Commercial Sale.

"FFDCA" means the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).

"GAAP" means generally accepted accounting principles in effect in the United States from time to time.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority (including supranational authority), commission, instrumentality, regulatory body, court, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including each Patent Office and the FDA.

"Horizon" means Horizon Technology Finance Corporation.

"Horizon Intercreditor Agreement" means the Intercreditor Agreement, dated as of February 24, 2025, by and among Horizon, the Purchaser Representative (on behalf of the Purchasers) and the Seller Parties.

"Horizon Loan Agreement" means the Second Amended and Restated Venture Loan and Security Agreement, dated as of April 29, 2022 (the "Original Horizon Loan Agreement"), by and among Horizon, the Seller Parties and the other parties named therein, and as refinanced by the Venture Loan and Security Agreement, dated as of February 24, 2025, by and among the Seller Parent, the Seller, and Horizon (as amended, supplemented or otherwise modified or refinanced with Horizon to the extent permitted by, and in accordance with, the Horizon Intercreditor Agreement).

"Horizon Loan Documents" means, collectively, the following documents: (a) the Horizon Loan Agreement, (b) the secured promissory notes, dated as of February 24, 2025, made payable by the Seller Parent and the Seller to Horizon, (c) the Deposit Account Control Agreement, dated as of February 24, 2025, by and among the Account Bank, the Seller and Horizon, (d) the Horizon Intercreditor Agreement, and (e) all other documents, instruments and agreements entered into by the Seller Parties, as co-borrowers, in connection with the refinancing of the Indebtedness under the Original Horizon Loan Agreement by the Horizon Loan Agreement.

"Indebtedness" of any Person means (a) any obligation of such Person for borrowed money, (b) any obligation of such Person evidenced by a bond, debenture, note or other similar instrument, (c) any obligation of such Person to pay the deferred purchase price of property or services (excluding (i) any accounts payable that arise in the ordinary course of business and are not 90 days or more past due and other similar current liabilities, (ii) all payroll liabilities and deferred compensation, and (iii) any purchase price adjustment, royalty, earnout, milestone payments, contingent payment or deferred payment of a similar nature incurred in connection with any license, lease, contract research and clinic trial arrangements or acquisition), (d) the capitalized amount of any obligation of such Person as lessee under a finance lease (under GAAP as in effect on the date hereof), (e) any non-contingent obligation of such Person to reimburse any other Person in respect of amounts paid under a letter of credit or other guaranty issued by such other Person, (f) any indebtedness of any other Person secured by a Lien on any asset of such Person, and (g) any guarantees by such Person of obligations of other Persons of the type referred to in any of the foregoing clauses (a) through (f); provided that intercompany loans among the Seller Parties or their Subsidiaries shall not constitute Indebtedness.

"Indemnified Parties" has the meaning set forth in Section 7.2.

"Indemnifying Party" has the meaning set forth in Section 7.2.

"In-License" means each license, settlement agreement or other agreement or arrangement between a Seller Party or any of its Affiliates and any Third Party pursuant to which such Seller Party or any of its Affiliates obtains a license or sublicense or a covenant not to sue or similar grant of rights to any patents or other intellectual property rights of such Third Party that is necessary for the Exploitation of a Covered Product.

"Innovator" has the meaning set forth in the Recitals.

"Innovator Notes" has the meaning set forth in the Recitals.

"Innovator Purchase Agreement" has the meaning set forth in the Recitals.

"Intellectual Property Rights" means any and all of the following: (a) the Patents, (b) all Know-How and (c) all registered and unregistered trademarks, trademark applications, service marks, trade names, logos, packaging design, slogans and internet domain names, in each case, used in, relating to or necessary for the Exploitation of the Covered Product that is owned, controlled or licensed by a Seller Party.

"Knowledge" means, with respect to the Seller or the Seller Parent, the actual knowledge, as of the date of this Agreement, of any of the persons identified on Schedule 1.1, after due inquiry by each such person of each of his or her direct reports.

"Know-How" means, any and all technical, scientific, regulatory, and other information, results, knowledge, techniques and data, in whatever form and whether or not confidential, patented or patentable, including inventions, invention disclosures, discoveries, plans, processes, practices, methods, knowledge, trade secrets, know-how, instructions, skill, experience, ideas, concepts, data (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, safety, quality control, and pre-clinical and clinical data), formulae, formulations, compositions, specifications, marketing, pricing, distribution, cost, sales and manufacturing data or descriptions, and all chemical or biological materials and other tangible materials. Know-How does not include any Patent claiming any of the foregoing.

"Licensee" means the counter-party under any Out-License. For clarity, a Distributor shall not be deemed to be a "Licensee."

"Lien" means any security interest, pledge, bailment, lease, mortgage, hypothecation, conditional sales and title retention agreement, encumbrance, restriction on transfer, or other lien with respect to any property.

"Ligand" means Ligand Pharmaceuticals Incorporated.

"Lockbox Account" means, collectively, one or more segregated deposit accounts of the Seller established and maintained at the Account Bank for the purpose of receiving payments owed to the Seller in respect of the Covered Product and which are subject to Account Control Agreements.

"Loss" means, subject to Section 7.6, any loss, liability, cost, expense (including reasonable costs of investigation and defense and reasonable attorneys' fees and expenses), charge, fine, penalty, obligation, judgment, award, assessment, claim or cause of action.

"Material Adverse Effect" means any facts, circumstances, effects, conditions, change, occurrence or development that has a material adverse effect on (a) the legality, validity or enforceability of any of the Transaction Documents or the [***] Agreement, (b) the ability of the

applicable Seller Party to perform its obligations under any of the Transaction Documents or the [***] Agreement, (c) the contractual rights or remedies of any of the Purchasers or Purchaser Representative under any of the Transaction Documents, or (d) the right of any of the Purchasers to receive such Purchaser's Purchased Receivables, the timing, amount or duration of the Purchased Receivables, or the right to receive royalty reports and other information (including audit information), in each case, on the terms set forth in this Agreement.

"Material Contracts" means the [***] Agreement, the Innovator Purchase Agreement, the Innovator Note, and solely for purposes of ARTICLE V hereof, other material contracts that are material to the Exploitation of the Covered Product entered into after the date of this Agreement, to the extent permitted by, and in accordance with, this Agreement, including any Out-Licenses.

"Management Services Agreement" means [***].

"Net Sales" means, with respect to the Covered Product for the specified period, the gross amount invoiced, billed or otherwise recorded for sales of the Covered Product anywhere in the Territory during such period by or on behalf of a Seller Party, its Affiliates, any Distributor, or any Licensee of such Seller Party or any of such Seller Party's Affiliates (each of the foregoing Persons, for purposes of this definition, shall be considered a "Related Party") to a Third Party in an arms-length transaction less the following amounts, accrued in accordance with GAAP as consistently applied; provided that, any given amount may be taken as a permitted deduction only once:

[***].

For clarity, "Net Sales" shall include (i) sales or dispositions for charitable, promotional, pre-clinical, clinical, regulatory, compassionate use, named patient use or indigent or other similar programs for which Seller Parties or their successors or assignees receives payment or books an accounts receivable charge, (ii) any amounts or other consideration including milestone payments, upfront payments, or payments in kind received from a Related Party, Licensee, Distributor, or non-Related Party in consideration of the grant of a (sub)license or co-promotion or distribution right to such Related Party, Licensee, Distributor or non-Related Party and (iii) any compensation, milestone, up front payment, payment in kind, or revenue interest for sales, marketing, co-promotion or promotion rights worldwide or pursuant to an Out-License.

"Net Sales" shall not include (i) reasonable quantities of Covered Product used as samples, and Covered Product used in the development of Covered Product, or (ii) sales or dispositions between any of the Related Parties (unless a Related Party is the final end-user of such Covered Product), but will include subsequent sales or dispositions of Covered Product to a non-Related Party (the "Net Sales Exceptions").

With respect to sales of a Covered Product invoiced in U.S. dollars, Net Sales shall be determined in U.S. dollars. With respect to sales of a Covered Product invoiced in a currency other than U.S. dollars, Net Sales shall be determined by converting the currencies at which the sales are made into U.S. dollars, at rates of exchange determined in a manner consistent with the Seller Parties' or a Licensee's, as applicable, method for calculating rates of exchange in the

preparation of the Seller Parties' or such Licensee's annual financial statements in accordance with GAAP as consistently applied.

"Net Sales Exceptions" is defined in the definition of "Net Sales".

"Out-License" means each license, settlement agreement or other agreement or arrangement between a Seller Party or any of its Affiliates and any Third Party pursuant to which such Seller Party or any of its Affiliates grants a license, sublicense or similar grant of any Intellectual Property Right that is necessary for the Exploitation of a Covered Product.

[***].

[***] Agreement" means that certain License and Supply Agreement, dated September 5, 2022, by and between [***] and Seller, as may be amended from time to time.

"Party" shall mean the Seller Parent, the Seller, a Purchaser or the Purchaser Representative, as the context requires, and "Parties" shall mean, together, the Seller Parties, the Purchasers and the Purchaser Representative.

"Patent Office" means the applicable patent office, including the United States Patent and Trademark Office and any comparable foreign patent office, for any Intellectual Property Rights that are Patents.

"Patents" means any and all issued patents and pending patent applications, including without limitation, all provisional applications, substitutions, continuations, continuations-in part, divisions, and renewals, all letters patent granted thereon, and all patents-of-addition, reissues, reexaminations and extensions or restorations by existing or future extension or restoration mechanisms (including regulatory extensions), and all supplementary protection certificates, together with any foreign counterparts thereof anywhere, claiming or covering the Covered Product, or composition of matter, formulation, or methods of manufacture or use thereof, that are currently issued or filed, or issued or filed on or after the date of this Agreement, in each such case, which are owned or controlled by, issued or licensed to, licensed by, or hereafter acquired or licensed by, a Seller Party or any of its Affiliates, and including, for the avoidance of doubt, the Patents listed on Section 3.13(a) of the Disclosure Schedule.

"Permitted Debt" means:

(a) (i) the Indebtedness under the Horizon Loan Agreement from time to time and (ii) any Indebtedness permitted under the Horizon Loan Agreement as of the Closing Date;

(b) Indebtedness under the Transaction Documents;

(c) Indebtedness incurred by the Seller Parent or its Subsidiaries consisting of (i) the financing of the payment of insurance premiums (ii) take or pay obligations contained in supply agreements, in each case, in the ordinary course of business or consistent with past practice, (iii) deferred compensation or equity based compensation to current or former officers, directors, consultants, advisors or employees thereof, in each case in the ordinary course of business and

(iv) customer deposits and advance payments received in the ordinary course of business or consistent with past practice from customers for goods or services purchased in the ordinary course of business or consistent with past practice;

(d) Indebtedness in respect of performance, indemnity, bid, stay, customs, appeal, replevin and surety bonds, performance and completion guarantees and other similar bonds or guarantees, trade contracts, government contracts and leases, in each case, incurred in the ordinary course of business but excluding guaranties with respect to any obligations for borrowed money;

(e) judgments, decrees, attachments or awards (to the extent that they would be deemed Indebtedness) that do not constitute an Event of Default;

(f) Indebtedness consisting of lease obligations required by GAAP as consistently applied to be reflected as finance leases on the balance sheet of the Seller Parties and purchase money Indebtedness, in each case incurred to finance the acquisition, repair, improvement or construction of fixed or capital assets of such person, provided that the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed with such Indebtedness (each measured at the time of such acquisition, repair, improvement or construction is made);

(g) Indebtedness in respect of hedging agreements;

(h) Indebtedness in respect of the Innovator Notes.

"Permitted Liens" means,

(a) Liens permitted under the Horizon Loan Agreement (such permitted Liens being incorporated by reference into this definition of "Permitted Liens" regardless of whether the Horizon Loan Agreement remains in force or effect or is terminated) as of the Closing Date;

(b) Liens and obligations contemplated by this Agreement, the other Transactions Documents and all other documents, instruments and agreements contemplated thereby;

and

(c) Notices and filings under applicable federal and state securities Laws with respect to the issuance of the Warrants.

"Person" means any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or any other legal entity, including public bodies, whether acting in an individual, fiduciary or other capacity.

"Precigen" has the meaning set forth in the Recitals.

"Precigen Agreement" means that certain Exclusive Channel Collaboration Agreement, dated as of October 5, 2012, by and between Intrexon Corporation (n/k/a Precigen) and Fibrocell Science, Inc. (n/k/a the Seller), as amended by that certain First Amendment to the Exclusive Channel Collaboration Agreement, dated as of June 28, 2013, that certain letter agreement dated as of February 19, 2020, and by that certain letter agreement, dated as of March 20, 2020, and by that certain ECC Modification Agreement, dated as of December 18, 2024, in each case by and between Precigen and the Seller.

"Priority Review" has the meaning set forth at FFDCA § 529 under the Rare Pediatric Disease Priority Review Program.

"Priority Review Voucher" means a Priority Review Voucher issued under FFDCA § 529 under the Rare Pediatric Disease Priority Review Program.

"Product Application" means an application for Regulatory Approval to research, study, develop, formulate, process, engineer, manufacture, test, use, market, sell, offer for sale and distribute a product or drug in a country or jurisdiction in the Territory, including (a) a Biologics License Application, (b) a New Drug Application, (c) an Investigational New Drug Application, (d) any corresponding foreign application in any country or jurisdiction in the world, and (e) all supplements, amendments, variations, extensions and renewals thereof that may be filed with respect to the foregoing.

"Product Development Plan" means the clinical trial and other development plans for the Covered Product, dated as of the date hereof, furnished to the Purchaser Representative, as such clinical trial and other development plans may from time to time be modified, amended, amended and restated, and supplemented by the Seller Parent to the extent permitted by, and in accordance with, this Agreement.

"Product Rights" means any and all of the following with respect to the Covered Product that is owned, controlled or licensed by a Seller Party, as they exist throughout the Territory: (a) Intellectual Property Rights, (b) regulatory filings, submissions and approvals, with or from any Regulatory Agencies with respect to the Covered Product, including all Product Applications, (c) In-Licenses and (d) Out-Licenses.

"Proposed Allocation" has the meaning set forth in Section 5.8(a).

"PRV Interest" means all of the Seller Parties' right, title and interest in and to [***] of the PRV Proceeds.

"PRV Proceeds" means the cash purchase price or other consideration actually paid to, or, solely to extent applicable, in kind value received by, the Seller Parties on or after the closing date of the PRV Sale Transaction in consideration for the sale of the Priority Review Voucher in respect of a Covered Product issued to a Seller Party by the FDA, minus the amount of any reasonable, documented third-party expenses (including expenses of outside counsel and other advisors) incurred by the Seller Parties in connection with the PRV Sale Transaction; provided, that in the event that (a) all or any portion of such proceeds or value are subject to contingencies

the satisfaction of which are in all material respects within the control of the Seller Parties, then the amount of PRV Proceeds shall be calculated as of the closing date of such PRV Sale Transaction inclusive of all such amounts so subject to the satisfaction of such contingencies and (b) all or any portion of such proceeds or value are to be paid or received in installments, then the amount of PRV Proceeds shall include installment payments only as and when received by a Seller Party.

"PRV Request" means a request for a Priority Review Voucher in respect of a Covered Product submitted by a Seller Party to the FDA upon the filing of the Biologics License Application for such Covered Product with the FDA.

"PRV Sale Transaction" means the sale, if any, by a Seller Party of the Priority Review Voucher in respect of the Covered Product issued to a Seller Party by the FDA.

"Purchase Price" means, with respect to each Purchaser, the amount set forth opposite such Purchaser's name on Schedule I.

"Purchased Assets" means, collectively, (a) the Purchased Receivables and (b) the Purchased Warrants.

"Purchased Precigen Assets" has the meaning set forth in the Recitals.

"Purchased Receivables" means, collectively, (a) the Covered Product Revenue Payments, (b) the PRV Interest, and (c) in the case of each of (a) and (b), all "accounts" (as such term is defined in the UCC) of the Seller Parties with respect to the Covered Product Revenue Payments and the PRV Interest. For the avoidance of doubt, Purchased Receivables shall be calculated without giving effect to any outbound amounts paid, owed, accrued or otherwise payable by the Seller or its Affiliates to [***] or Innovator.

"Purchased Warrants" means, collectively, all Warrants to be sold, contributed, assigned, transferred, conveyed and granted by the Seller Parent and purchased, acquired and accepted by the Purchasers pursuant to Section 2.2.

"Purchaser Account" shall mean, with respect to each Purchaser, the designated account set forth opposite such Purchaser's name in the applicable column on Schedule I, or such other account as any Purchaser shall designate in writing to the Seller from time to time.

"Purchaser Expenses" means all documented third-party expenses incurred by the Purchasers in connection with the transactions contemplated by this Agreement and the administration, modification, amendment or enforcement of this Agreement and the Transaction Documents.

"Purchaser Indemnified Party" has the meaning set forth in Section 7.1.

"Purchaser Indemnified Tax" means any withholding Tax (other than an Excluded Tax) withheld by any licensee, sublicensee, a Seller Party, or any other applicable withholding agent

in respect of any payment made to any Purchaser pursuant to this Agreement or to a Seller Party (or its Affiliates) that are attributable to the Purchased Receivables.

"Purchaser Representative" means Ligand or such other person or entity as is agreed to in writing by the Seller Parent and the Required Purchasers.

"Purchasers" and "Purchaser" have the meanings set forth in the preamble.

"Purchasers' Liens" has the meaning set forth in Section 2.1(c).

"Qualified Party" means: [***].

"Receiving Party" has the meaning set forth in Section 8.1.

"Related Party" is defined in the definition of "Net Sales".

"Regulatory Agency" means a Governmental Authority with responsibility for the approval, permission or allowance of the research, study, development, formulation, processing, engineering, manufacturing, testing, use, marketing and sale or offering for sale of pharmaceuticals or other regulation of pharmaceuticals in any country.

"Regulatory Approval" means, collectively, all regulatory approvals, licenses, permissions, allowances, registrations, certificates, authorizations, permits and supplements thereto, as well as associated materials (including the product dossier) pursuant to which the Covered Product may be researched, studied, developed, formulated, processed, engineered, manufactured, tested, used, marketed, sold, offered for sale and distributed, in a jurisdiction, issued by the appropriate Regulatory Agency, including, to the extent required by Applicable Law for the sale of the Covered Product, all pricing approvals and pricing restrictions, and governmental reimbursement approvals and restrictions.

"Required Purchasers" means, at a specified time, Ligand and Purchasers who (together with Ligand) hold [***] of the total Allocation Percentage held by all Purchasers.

"ROFR Agreement" means the Second Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of April 19, 2022, by and among the Seller Parent and the stockholders named therein, as from time to time amended, modified, supplemented or amended and restated.

"Royalty Payment" means an amount equal to the Purchased Receivables payable on each Royalty Payment Date.

"Royalty Payment Date" has the meaning set forth in Section 2.3(a).

"Royalty Report" has the meaning set forth in Section 5.1(b).

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" the Securities Act of 1933, as amended.

"Security Agreement" means the Security Agreement, dated as of the Closing Date, by and between the Seller and the Purchaser Representative, as agent for the Purchasers, substantially in the form attached hereto as Exhibit C.

"Seller" has the meaning set forth in the preamble.

"Seller Parent" has the meaning set forth in the preamble.

"Seller Parties" has the meaning set forth in the preamble.

"Seller Account" has the meaning set forth in Section 2.2.

"Seller Indemnified Party" has the meaning set forth in Section 7.2.

"Series D-1 Preferred Stock" means the Series D-1 Preferred Stock, par value $0.00001 per share, of the Seller Parent.

"Special Representations" means the representations and warranties set forth in Section 3.13 (Intellectual Property Matters) and Section 3.15 (Material Contracts; [***] Agreement; In-Licenses).

"Subsidiary" means, with respect to any Person, any other Person of which more than 50% of the outstanding Equity Interests of such other Person (irrespective of whether at the time Equity Interests of any other class or classes of such other Person shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more other Subsidiaries of such Person or by one or more other Subsidiaries of such Person.

"Tax" or "Taxes" means any U.S. federal, state, local or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, escheat or unclaimed property, sales, use, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including, in each case, (a) any interest, penalty or addition thereto and (b) whether disputed or not.

"Territory" means worldwide.

"Third Party" means any Person that is not a Party.

"Third Party Claim" means any claim, action, suit or proceeding by a Third Party, including any investigation by any Governmental Authority.

"Threshold Amount" has the meaning set forth in Section 5.16.

"Transaction Documents" means this Agreement, the Security Agreement, the Closing Date Bills of Sale, the Warrants, and the Horizon Intercreditor Agreement.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of Delaware; provided, that if, with respect to any financing statement or by reason of any provisions of law, the perfection or the effect of perfection or non-perfection of the back-up security interest or any portion thereof granted pursuant to Section 2.1(d) is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than the State of Delaware, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of this Agreement and any financing statement relating to such perfection or effect of perfection or non-perfection.

"U.S." or "United States" means the United States of America, its 50 states, each territory thereof and the District of Columbia.

"Warrant" means a Warrant, in the form attached as Exhibit E.

Section 1.2 Rules of Construction.

(a) Unless the context otherwise requires, in this Agreement:

(i) a term has the meaning assigned to it and a financial accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(ii) unless otherwise defined, all terms that are defined in the UCC shall have the meanings stated in the UCC;

(iii) words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders;

(iv) the terms "include," "including" and similar terms shall be construed as if followed by the phrase "without limitation";

(v) unless otherwise specified, references to a contract or agreement include references to such contract or agreement as from time to time amended, restated, reformed, supplemented or otherwise modified in accordance with its terms (subject to any restrictions on such amendments, restatements, reformations, supplements or modifications set forth herein), and include any annexes, exhibits and schedules hereto or thereto, as the case may be;

(vi) any reference to any Person shall be construed to include such Person's successors and permitted assigns (subject to any restrictions on assignment, transfer or delegation set forth herein or in any of the other Transaction Documents) and any reference to a Person in a particular capacity excludes such Person in other capacities;

(vii) references to any Applicable Law shall include such Applicable Law as from time to time in effect, including any amendment, modification, codification, replacement, or reenactment thereof or any substitution therefor;

(viii) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(ix) the words "hereof," "herein," "hereunder" and similar terms shall refer to this Agreement as a whole and not to any particular provision hereof, and Article, Section and Exhibit references herein are references to Articles and Sections of, and Exhibits to, this Agreement unless otherwise specified;

(x) the definitions of terms shall apply equally to the singular and plural forms of the terms defined;

(xi) in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding"; and

(xii) where any payment is to be made, any funds are to be applied or any calculation is to be made under this Agreement on a day that is not a Business Day, unless this Agreement otherwise provides, such payment shall be made, such funds shall be applied and such calculation shall be made on the succeeding Business Day, and payments shall be adjusted accordingly;

(xiii) "provided" or "made available" means, with respect to any information, document or material, that such information document or material was uploaded to the data room (the "Data Room") established by the Seller Parties for the benefit of such Purchasers hosted by [***] and entitled "[***]" in connection with the transactions contemplated hereby at least two (2) Business Days prior to the Closing, provided that; the Innovator Purchase Agreement shall be provided to the Purchaser Representative upon the Closing by upload to the Data Room or via electronic transmission; and

(xiv) for all purposes of ARTICLE V, all obligations, covenants and agreements of the Seller Parties or any Seller Party shall be deemed to apply to and include such Seller Party's Subsidiaries (whether in existence now or in the future) such that such obligor would be responsible for any breach by such obligor's Subsidiaries of any such obligations, covenants or agreements contained in ARTICLE V hereof.

(b) The provisions of this Agreement shall be construed according to their fair meaning and neither for nor against any Party irrespective of which Party caused such provisions to be drafted. Each Party acknowledges that it has been represented by an attorney in connection with the preparation and execution of this Agreement and the other Transaction Documents.

ARTICLE II
PURCHASE AND SALE OF THE PURCHASED RECEIVABLES

Section 2.1 Purchase and Sale.

(a) Subject to the terms and conditions of this Agreement, at the Closing, the Seller Parties hereby sell, contribute, assign, transfer, convey and grant to each Purchaser, and each Purchaser hereby purchases, acquires and accepts from the Seller Parties, all of the Seller Parties' rights, title and interest in and to such Purchaser's Allocated Purchased Assets, free and clear of any and all Liens, other than (i) with respect to the Warrants, the Liens described in clause (c) of the definition of Permitted Liens and other Liens created pursuant to the Warrants and (ii) with respect to the Allocated Purchased Receivables, the Purchasers' Liens and other Liens created pursuant to this Agreement.

(b) The Seller Parties and the Purchasers intend and agree that the sale, contribution, assignment, transfer, conveyance and granting of the Allocated Purchased Receivables under this Agreement shall be, and are, a true, complete, absolute and irrevocable assignment and sale by the Seller Parties to the Purchasers of the Allocated Purchased Receivables (including for U.S. federal income tax purposes) and that such assignment and sale shall provide the Purchasers with the full benefits of ownership of the Allocated Purchased Receivables. Neither the Seller Parties nor the Purchasers intend the transactions contemplated hereby to be, or for any purpose (including U.S. federal income tax purposes) characterized as, a loan from the Purchasers to the Seller Parties or a pledge or assignment or a security agreement. The Seller Parties waive any right to contest or otherwise assert that this Agreement does not constitute a true, complete, absolute and irrevocable sale and assignment by the Seller Parties to the Purchasers of the Allocated Purchased Receivables under Applicable Law, which waiver shall be enforceable against the Seller Parties in any Bankruptcy Event in respect of the Seller Parties. The sale, assignment, transfer, conveyance and granting of the Allocated Purchased Receivables shall be reflected in the Seller Parties' consolidated financial statements and other records as a sale of assets to the Purchasers (except to the extent GAAP or the rules of the SEC require otherwise with respect to the Seller Parties' consolidated financial statements).

(c) The Seller Parties hereby authorize each Purchaser and its agents and representatives to execute, record and file, and consents to each Purchaser and its agents and representatives executing, recording and filing, at each Purchaser's sole cost and expense, financing statements in the appropriate filing offices under the UCC (and continuation statements with respect to such financing statements when applicable), and amendments thereto, in such manner and in such jurisdictions as are necessary or appropriate, and in each case, in form and substance reasonably acceptable to the Seller Parties, to evidence or perfect the sale, assignment, transfer, conveyance and grant by the Seller Parties to such Purchaser, and such Purchaser's first priority security interest (collectively, the "Purchasers' Liens") in and to all of the Seller Parties' right, title and interest in, to and under such Purchaser's Allocated Purchased Receivables.

(d) Notwithstanding that the Seller Parties and the Purchasers expressly intend for the sale, assignment, transfer, conveyance and granting of the Allocated Purchased Receivables to be a true, complete, absolute and irrevocable sale and assignment, the Seller Parties hereby assign,

convey, grant and pledge to each Purchaser, as security for their obligations created hereunder in the event that the transfer of the Allocated Purchased Receivables contemplated by this Agreement is held not to be a sale, a first priority security interest in and to all of the Seller Parties' right, title and interest in, to and under such Purchaser's Allocated Purchased Receivables and, in such event, this Agreement shall constitute a security agreement.

Section 2.2 Payment of the Purchase Price.

(a) In full consideration for the sale, transfer, conveyance and granting of the Allocated Purchased Assets (subject, in the case of the Warrants, to the provisions thereof), and subject to the terms and conditions set forth herein, at the Closing, each Purchaser shall pay to the Seller Parent such Purchaser's portion of the Purchase Price, by wire transfer of immediately available funds denominated in Dollars to the account designated by the Seller Parent and set forth on Exhibit F (the "Seller Account"); provided, however, that, the applicable Purchasers with Bridge Notes shall satisfy all or part of their portion of the Purchase Price by conversion of the Bridge Notes pursuant to Section 2.2 (b).

(b) Conversion, Cancellation, and Termination of Bridge Notes.

(i) Each Purchaser holding a Bridge Note (each a "Converting Purchaser" and, collectively, the "Converting Purchasers") at the Closing agrees that, such Bridge Note (including the original principal amount thereunder and all accrued but unpaid interest thereon through the Closing) will, pursuant to and in accordance with the proviso contained in (a) and Section 3 of such Bridge Note, be automatically converted into the Allocated Purchased Assets set forth opposite such Converting Purchaser's name on Schedule I in full satisfaction of such Converting Purchaser's Purchase Price therefor without the requirement of any further action on the part of such Converting Purchaser or any other Party, except for the surrender of such Converting Purchaser's Bridge Note, duly endorsed, at the principal office of the Seller Parent. Each Converting Purchaser hereby agrees that upon such conversion of such Bridge Note, such Converting Purchaser shall not be entitled to any consideration in respect of such Bridge Note, other than with respect to such Converting Purchaser's Allocated Purchased Assets set forth opposite such Converting Purchaser's name on Schedule I. Each Converting Purchaser hereby represents and warrants that such Converting Purchaser has not transferred, pledged or otherwise disposed of, or encumbered any interest in, such Converting Purchaser's Bridge Notes.

(ii) Each Converting Purchaser and the Seller Parent hereby agree that as of the Closing all notices required by the terms of, and all rights of such Converting Purchaser set forth in, such Converting Purchaser's Bridge Note (collectively, the "Converting Purchaser Rights") shall be terminated and of no further force or effect, and all such Converting Purchaser Rights are hereby waived and forever released by such Converting Purchaser in connection with the transactions contemplated hereby.

(iii) Each Converting Purchaser acknowledges and agrees that such Converting Purchaser's Bridge Note and all instruments or other documents entered into in

connection with such Bridge Note (collectively, the "Bridge Note Documents") shall be cancelled, terminated and no longer of any force or effect, and the Seller Parent shall have no further obligations thereunder, effective immediately as of the Closing, automatically and without any further action by the Seller Parent or such Converting Purchaser. In the event of any conflict or inconsistency with the terms and conditions of any of the Bridge Note Documents, the terms and conditions of this Agreement shall supersede such conflicting or inconsistent terms, and for the avoidance of doubt, each Converting Purchaser hereby agrees that such Converting Purchaser's Bridge Note Documents are hereby amended to give effect to the foregoing. Further, for the avoidance of doubt, other than each Converting Purchaser's right to receive such Converting Purchaser's Allocated Purchased Assets set forth opposite such Converting Purchaser's name on Schedule I and the rights provided for in this Agreement and the other Transaction Documents as a holder of such Purchaser's Allocated Purchased Assets, each Converting Purchaser hereby waives (on behalf of such Converting Purchaser) any and all demands, claims, suits, actions, causes of actions, proceedings, assessments and rights in respect of such Converting Purchaser's Bridge Note Documents, including, without limitation, past or present actual, deemed or alleged default or event of default under such Converting Purchaser's Bridge Note Documents.

Section 2.3 Payment of Purchased Receivables to PurchasersARTICLE I.

(a) In consideration of the Purchasers paying the Purchase Price hereunder at the Closing pursuant to this Agreement, the Seller shall pay to each Purchaser, by wire transfer of immediately available funds in Dollars to such Purchaser's Purchaser Account, without any setoff or offset (subject, in each case, to Section 5.8), such Purchaser's Allocation Percentage of the Covered Product Revenue Payments for each calendar quarter (commencing with the calendar quarter in which the First Commercial Sale occurs) promptly, but in any event, (i) for the fiscal year commencing with the calendar quarter in which the First Commercial Sale occurs and ending with (and including) the same calendar quarter in the following fiscal year (such fiscal year, the "First Fiscal Year"), no later than ninety (90) calendar days after the end of each calendar quarter during such fiscal year and (ii) for calendar quarters after the First Fiscal Year, no later than sixty (60) calendar days after the end of each calendar quarter (each such payment date, a "Royalty Payment Date"). Payment for the PRV Interest shall be made in accordance with Section 5.15.

(b) A late fee of [***] will accrue on all unpaid amounts with respect to any unpaid portion of Covered Product Revenue Payment for the period commencing on the applicable Royalty Payment Date to the date of payment in full thereof. The payment of a late fee shall cure the payment default created by the failure to timely pay the underlying Covered Product Revenue Payment. Payment of such accrued late fee shall accompany payment of the outstanding Royalty Payment.

(c) On or prior to each Royalty Payment Date, the Seller Parent shall provide to the Purchaser Representative a written report pursuant to Section 5.1(b).

Section 2.4 Lockbox Accounts; Collection Account; Account Control Agreements.

(a) The Seller will establish the Lockbox Account within sixty (60) days prior to the anticipated First Commercial Sale for the purpose of depositing all actual collections of Net Sales from any licensees or account debtors. The Seller will instruct all such licensees and account debtors (including any parties to an Out-License entered into pursuant to Section 5.14) to remit any amounts owed to the Seller in respect of Covered Product to the Lockbox Account. To the extent any proceeds arising from sales of Covered Product or any other payments related to Covered Product are paid directly to a Seller Party, such Seller Party shall remit to the Lockbox Account all such amounts no less than quarterly.

(b) The Seller will establish the Collection Account at least sixty (60) days prior to the date of the anticipated First Commercial Sale and cause all funds on deposit in the Lockbox Account to be swept daily to the Collection Account. With respect to any amounts that are deposited in the Collection Account, so long as all payment obligations of the Seller to Purchasers under this Agreement have been made, (i) a minimum of [***] of such amounts shall remain (such remaining amount, "Retained Amount") in the Collection Account until the Royalty Payment Date immediately following the date of such deposits and may not be transferred to any other account of the Seller and (ii) any such amount that is not a Retained Amount may be disbursed to another account of the Seller until such Royalty Payment Date from time to time at the direction of the Seller. On each Royalty Payment Date, the Seller shall instruct the Account Bank to disburse to the Purchasers collectively, and in accordance with Section 2.3 an aggregate amount equal to the lesser of (A) the funds on deposit in the Collection Account and (B) the Covered Product Revenue Payment equal to the Purchasers' total Allocation Percentages of the Covered Product Revenue Payment for such Royalty Payment Date. If the amount to be disbursed to the Purchasers on any Royalty Payment Date pursuant to the preceding sentence is less than the Covered Product Revenue Payment to which the Purchasers are entitled on such date, the Seller shall pay the amount of such shortfall to the Purchasers on such Royalty Payment Date.

(c) If an Event of Default has occurred and is continuing, the Purchasers shall have the right to exercise all of its rights and remedies under the Security Agreement, and the Account Control Agreement.

(d) The Seller shall pay all fees, expenses and charges of the Account Bank pursuant to the terms of the Account Control Agreement by depositing sufficient funds into the Lockbox Account when such fees, charges and expenses are due.

(e) Until termination of the security interest memorialized by the Security Agreement, the Seller shall have no right to terminate the Lockbox Account or the Collection Account without the Purchasers' prior written consent.

(f) In the event that any inspection or audit by the Seller uncovers that the amounts actually paid to the Purchasers for any period in respect of the Purchased Receivables were greater than the amounts that should have been paid to the Purchasers for such period in respect of the Purchased Receivables, each Purchaser shall cause the amount of such overpayment to be paid to the Seller promptly (but in no event later than three (3) Business Days) after delivery by the Seller to the Purchaser Representative and each Purchaser of the applicable inspection or

audit report or certificate, as the case may be, showing such overpayment. In the event that any inspection or audit uncovers that the amounts actually paid to the Purchasers for any period in respect of the Purchased Receivables were less than the amounts that should have been paid to the Purchasers for such period in respect of the Purchased Receivables and have not already been subsequently paid to the Purchasers after the period so audited or inspected, the Seller shall cause the amount of such underpayment to be paid to the Purchasers promptly (but in no event later than three (3) Business Days) after delivery to the Purchaser Representative and the Purchasers of the applicable inspection or audit report or certificate, as the case may be, showing such underpayment.

For the avoidance of doubt, all payments to the Purchasers hereunder shall be made in accordance with their Allocation Percentages pursuant to wiring instructions set forth on Schedule I.

Notwithstanding anything to the contrary in Section 2.4(a) and Section 2.4(b), if the Horizon Loan Documents are in effect at the time the Lockbox Account and the Collection Account are established, (i) the Account Control Agreement in respect of the Lockbox Account shall (w) provide that such Account Control Agreement is subject to the Horizon Intercreditor Agreement, (x) provide that Horizon and Purchaser Representative are secured parties thereunder, with Horizon being the "controlling" secured party thereunder until the First Lien Termination Date (as defined in the Horizon Intercreditor Agreement) and Purchaser Representative being the "controlling" secured party thereunder thereafter, (y) include an irrevocable instruction (the "Irrevocable Instruction") to the Account Bank to sweep on a daily basis [***] of the funds in the Lockbox Account to a new Collection Account established by the Seller that is subject to an Account Control Agreement that is subject to the Horizon Intercreditor Agreement and is among Horizon as secured party, Account Bank and the Seller (the "Horizon Collection Account"), which Irrevocable Instruction shall supersede and shall not in any circumstance be overridden by any other instruction given by Horizon or the Seller Parties with respect to the disposition of funds in the Lockbox Account (including if such instruction is delivered following a directive by Horizon as "controlling" secured party that the Account Bank shall no longer comply with the Seller Parties' instructions with respect to the Lockbox Account), and (z) provide that such Irrevocable Instruction may not be amended, modified or terminated by Seller Parties, the Account Bank or Horizon without the consent of Purchaser Representative, (ii) the "Retained Amount" pursuant to Section 2.4(b) shall be [***], in each case until the occurrence of the First Lien Termination Date (as defined in the Horizon Intercreditor Agreement), at which time the "Retained Amount" will revert to [***] and the remaining provisions of Section 2.4(a) and (b) shall apply and (iii) each reference to the "Collection Account" in Section 2.4(b) (other than in the first sentence thereof) shall instead refer to the Purchaser Collection Account; provided, that, to the extent the Account Bank, Purchaser Representative and Horizon are unable to agree on reasonably satisfactory Account Control Agreements with the foregoing terms, Seller shall establish such accounts and Purchaser Representative, Seller and Horizon shall enter into Account Control Agreements with respect thereto that are, in each case, reasonably satisfactory to Seller, Purchaser Representative and Horizon to achieve the purposes of the foregoing.

Section 2.5 No Assumed Obligations. Notwithstanding any provision in this Agreement or any other writing to the contrary, the Purchasers are purchasing, acquiring and accepting only the Allocated Purchased Assets and are not assuming any liability or obligation of the Seller Parties or any Affiliate of either Seller Party of whatever nature, whether presently in existence or arising or asserted hereafter. All such liabilities and obligations shall be retained by, and remain liabilities and obligations of, the Seller Parties or the Seller Parties' Affiliates, as the case may be (the "Excluded Liabilities and Obligations").

Section 2.6 Excluded Assets. The Purchasers do not, by purchase, acquisition or acceptance of the right, title or interest granted hereunder or otherwise pursuant to any of the Transaction Documents, purchase, acquire or accept any assets or contract rights of either Seller Party other than the Allocated Purchased Assets.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

Except as set forth on the Disclosure Schedule, the Seller Parties, jointly and severally, hereby make each of the following representations and warranties to the Purchasers as of the date hereof:

Section 3.1 Organization.

(a) The Seller Parent is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority, and all licenses, permits, registrations, franchises, authorizations, consents and approvals of all Governmental Authorities, required to own its property and conduct its business, as now conducted, and to exercise its rights and to perform its obligations under the Material Contracts and its other agreements. The Seller Parent is duly qualified to transact business and is in good standing in every jurisdiction in which such qualification or good standing is required by Applicable Law (except where the failure to be so qualified or in good standing would not have a Material Adverse Effect).

(b) The Seller is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and has all limited liability company power and authority, and all licenses, permits, registrations, franchises, authorizations, consents and approvals of all Governmental Authorities, required to own its property and conduct its business, as now conducted, and to exercise its rights and to perform its obligations under the Material Contracts and its other agreements. The Seller is duly qualified to transact business and is in good standing in every jurisdiction in which such qualification or good standing is required by Applicable Law (except where the failure to be so qualified or in good standing would not have a Material Adverse Effect).

Section 3.2 No Conflicts.

(a) The execution and delivery by each Seller Party of any of the Transaction Documents, the performance by each Seller Party of its obligations hereunder or thereunder or the consummation by each Seller Party of the transactions contemplated hereby or thereby will not (i) contravene, conflict with or violate any term or provision of any of the organizational documents of such Seller Party, (ii) contravene, conflict with or violate any Applicable Law or any judgment, order, writ, decree, permit or license of any Governmental Authority to which such Seller Party or any of their respective assets or properties may be subject or bound, except as would not have a Material Adverse Effect, (iii) result in a breach or violation of, constitute a default (with or without notice or lapse of time, or both) under, or give any Person the contractual right to exercise any remedy or obtain any additional rights under, or accelerate the maturity or performance of, or payment under, or cancel or terminate, (A) except as would not be reasonably expected to result in a Material Adverse Effect, to any contract, agreement, indenture, lease, license, deed, commitment, obligation or instrument to which such Seller Party is a party or by which such Seller Party or any of their respective assets or properties is bound or committed (other than the Material Contracts) or (B) the Material Contracts and (iv) except for Purchasers' Liens and other Liens created pursuant to the Transaction Documents, result in or require the creation or imposition of any Lien (x) on the Purchased Receivables or (y) on the Intellectual Property Rights and the Covered Product (other than Permitted Liens).

(b) Neither Seller Party has granted, nor does there exist, any Lien on or relating to the Intellectual Property Rights or the Covered Product. Except for Purchasers' Liens and other Liens created pursuant to the Transaction Documents and Liens in favor of Horizon (which, for the avoidance of doubt, will be released effective as of the Closing), neither Seller Party has granted, nor does there exist, any Lien on or relating to the Purchased Receivables. Except for the licenses and the sublicenses granted thereunder and set forth on Section 3.13 of the Disclosure Schedule, there are no licenses, sublicenses or other rights under the Intellectual Property Rights that have been granted by either Seller Party to any Third Party with respect to the Exploitation of the Covered Product in the Territory.

Section 3.3 Authorization. The Seller Parent has all necessary corporate power and authority to execute and deliver the Transaction Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of each of the Transaction Documents and the performance by the Seller Parent of its obligations hereunder and thereunder have been duly authorized by all necessary corporate action on the part of the Seller Parent. This Agreement has been, and on or prior to Closing each of the Transaction Documents to which the Seller Parent is a party will be, duly executed and delivered by an authorized officer of the Seller Parent. This Agreement constitutes, and as of the Closing each of the Transaction Documents will constitute, the legal, valid and binding obligation of the Seller Parent, enforceable against the Seller Parent in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, general equitable principles and principles of public policy. The Seller has all necessary limited liability company power and authority to execute and deliver the Transaction Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of each of the Transaction Documents and the performance by the Seller of its

obligations hereunder and thereunder have been duly authorized by all necessary limited liability company action on the part of the Seller. This Agreement has been, and on or prior to Closing each of the Transaction Documents to which the Seller is a party will be, duly executed and delivered by an authorized officer of the Seller. This Agreement constitutes, and as of the Closing each of the Transaction Documents will constitute, the legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, general equitable principles and principles of public policy.

Section 3.4 Ownership. The Seller Parties are the exclusive owners, or exclusive licensees, of the entire right, title (legal and equitable) and interest in, to and under the Purchased Receivables and, solely with respect to the Exploitation of the Covered Product, the Intellectual Property Rights. The Purchased Receivables sold, assigned, transferred, conveyed and granted to the Purchasers have not been pledged, sold, assigned, transferred, conveyed or granted by the Seller Parties to any other Person. The Seller Parties have the full right to sell, assign, transfer, convey and grant the Purchased Receivables to the Purchasers. Upon the sale, assignment, transfer, conveyance and granting by the Seller Parties of the Purchased Receivables to the Purchasers, the Purchasers shall acquire good and marketable title to the Purchased Receivables free and clear of all Liens (other than the Purchasers' Liens and other Liens created pursuant to this Agreement), and shall be the exclusive owners of the Purchased Receivables.

Section 3.5 Capitalization; Subsidiaries.

(a) Section 3.5(a) of the Disclosure Schedule accurately and completely sets forth the authorized, issued and outstanding shares or other Equity Interests of the Seller Parent and the Seller, in each case, as of immediately prior to the Closing (and excluding issuance of the Purchased Warrants and the issuance of Series D-1 Preferred Warrants to Horizon, in each case, in connection with the Closing). Except for the Equity Interests set forth on Section 3.5(a) of the Disclosure Schedules, there are no outstanding shares or other Equity Interests of the Seller Parent and the Seller. All of the issued and outstanding Equity Interests of the Seller Parent and the Seller were duly authorized, validly issued and are fully paid and non-assessable, and have been issued in compliance with all Applicable Laws and any preemptive rights, rights of first refusal or similar rights of any Person. Except as set forth on Section 3.5(a) of the Disclosure Schedule, there are no outstanding agreements obligating either Seller Party to repurchase, redeem or otherwise acquire, or pay any dividends in respect of, any outstanding Equity Interests of either Seller Party, or any agreements between the Seller Parent's or the Seller's equityholders (or any two or more of them) with respect to the voting of equity securities of either Seller Party. None of the Seller Parent's or the Seller's outstanding Equity Interests are entitled to acceleration or vesting (or lapse of a repurchase right) or other changes in the vesting provisions or other terms of the agreements providing for the issuance of such Equity Interests upon the occurrence of any event or combination of events. The exercise price of any issued and outstanding options previously awarded by Seller Parent has never been adjusted or amended, whether through amendment, cancellation, replacement grant, repricing or any other means.

(b) Except for the Seller, (i) Seller Parent does not have any Subsidiaries and (ii) the Seller Parties do not own any Equity Interests, directly or indirectly, in any other Person.

Section 3.6 Financial Statements. Attached hereto as Section 3.6 of the Disclosure Schedule are copies of (i) the unaudited consolidated balance sheet of the Seller Parent and the Seller as of December 31, 2024 (the "Balance Sheet") and the unaudited consolidated statements of income and cash flows for the fiscal year ended December 31, 2024, and (ii) the audited consolidated balance sheet of the Seller Parent and the Seller as of December 31, 2023, and the related audited consolidated statements of income and cash flows for the fiscal year ended December 31, 2023 (the "Financial Statements"). Except as set forth on Section 3.6 of the Disclosure Schedules, the Financial Statements: (a) present fairly in all material respects, in accordance with GAAP applied on a consistent basis (subject to the lack of footnotes required by GAAP), the consolidated financial position of the Seller Parent and the Seller as of such specified dates, and the consolidated results of operations and cash flows of the Seller Parent and the Seller for the periods specified and (b) were prepared in accordance with the books and records of the Seller Parent and the Seller. Except as set forth on the face of the Balance Sheet or in the footnotes thereto, neither the Seller Parent nor the Seller has any material liabilities or obligations, contingent or otherwise, other than (1) obligations and liabilities incurred in the ordinary course of business since December 31, 2024 (2) liabilities incurred in connection with the Management Services Agreement, (3) liabilities and obligations of a type or nature not required under GAAP to be reflected in the Financial Statements, (4) executory obligations under contracts, which are existing on the date hereof and not related to any breach or default by the Seller Parties, and (5) liabilities and obligations set forth on Section 3.6 of the Disclosure Schedule.

Section 3.7 Governmental and Third-Party Authorizations. Assuming the accuracy of the representations and warranties of the Purchasers in ARTICLE IV, the execution and delivery by each Seller Party of the Transaction Documents, the performance by each Seller Party of its obligations hereunder and thereunder and the consummation by each Seller Party of the transactions contemplated hereby and thereby do not require any consent, approval, license, order, authorization or declaration from, notice to, action or registration by, or filing with, any Governmental Authority or any other Person, except for the filing of UCC financing statements and a Form D Notice of Sale with the SEC and such other notices and filings as may be required under applicable state securities laws.

Section 3.8 No Litigation.

(a) There is no action, suit, arbitration proceeding, claim, demand, citation, summons, subpoena or other proceeding (whether civil, criminal, administrative, regulatory or informal) pending or, to the Knowledge of the Seller Parties, threatened by or against the Seller Parties, at law or in equity, that (i) would reasonably be expected to result in a liability to the Seller Parties in excess of [***] or (ii) challenges or seeks to prevent or delay the consummation of any of the transactions contemplated by any of the Transaction Documents.

(b) There is no inquiry or investigation (whether civil, criminal, administrative, regulatory, investigative or informal) by or before a Governmental Authority pending or, to the Knowledge of the Seller Parties, threatened against the Seller Parties that (i) would reasonably be expected to result in a liability to the Seller Parties in excess of [***] or (ii) challenges or seeks

to prevent or delay the consummation of any of the transactions contemplated by any of the Transaction Documents.

(c) To the Knowledge of the Seller Parties, no event has occurred or circumstance exists that would reasonably be expected to give rise to or serve as a basis for the commencement of any such action, suit, arbitration proceeding, claim, investigation, proceeding, inquiry or investigation referred to in Section 3.8(a) or 3.8(b).

Section 3.9 Indebtedness; Solvency.

(a) Section 3.9(a) of the Disclosure Schedules sets forth a complete list of all outstanding Indebtedness of the Seller Parties in excess of [***].

(b) No Bankruptcy Event has occurred with respect to the Seller Parties.

(c) Immediately after giving effect to the consummation of the transactions contemplated by the Transaction Documents and the application of the proceeds therefrom, (i) the fair value of the Seller Parties' assets will be greater than the sum of its debts, liabilities and other obligations, including contingent liabilities, (ii) the present fair saleable value of the Seller Parties' assets, including, for the avoidance of doubt, the Intellectual Property Rights, will be greater than the amount that would be required to pay its probable liabilities on its existing debts, liabilities and other obligations, including contingent liabilities, as they become absolute and matured in the normal course of business, (iii) the Seller Parties will be able to realize upon its assets and pay its debts, liabilities and other obligations, including contingent obligations, as they mature, (iv) the Seller Parties will have free cash on hand with which to engage in its business as now conducted, (v) the Seller Parties do not have any present plans or intentions to incur debts or other obligations or liabilities beyond its ability to pay such debts or other obligations or liabilities as they become absolute and matured, (vi) the Seller Parties will not have become subject to any Bankruptcy Event and (vii) the Seller Parties will not have been rendered insolvent within the meaning of Section 101(32) of Title 11 of the United States Code. For purposes of this Section 3.9(c), the amount of all contingent obligations at any time shall be computed as the amount that, in light of all facts and circumstances existing at such time, can reasonably be expected to become an actual or matured liability.

Section 3.10 Tax Matters.

(a) Each Seller Party has filed (or caused to be filed) all material tax returns and material tax reports required to be filed under Applicable Law and have paid all material taxes required to be paid by them (including, in each case, in its capacity as a withholding agent), except for any such taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with the generally accepted accounting principles applicable to each Seller Party, as in effect from time to time. There are no proposed or pending Tax assessments, deficiencies, audits or other Tax related proceedings with respect to the Seller Parties.

(b) There are no existing Liens for Taxes on the Purchased Receivables (or any portion thereof).

Section 3.11 No Brokers' Fees. No Seller Party has taken any action that would entitle any person or entity to any commission or broker's fee in connection with the transactions contemplated by this Agreement.

Section 3.12 Compliance with Laws. None of the Seller Parties (a) has violated or is in violation of, has been given notice of any violation of, or, to the Knowledge of the Seller Parties, is under investigation with respect to or has been threatened to be charged with, any material violation of, any Applicable Law or any judgment, order, writ, decree, injunction, stipulation, consent order, permit, registration or license granted, issued or entered by any Governmental Authority or (b) is subject to any judgment, order, writ, decree, injunction, stipulation or consent order issued or entered by any Governmental Authority, in each case, in a manner that would be reasonably expected to materially adversely affect the Covered Product.

Section 3.13 Intellectual Property Matters.

(a) Section 3.13(a) of the Disclosure Schedule sets forth an accurate and complete list of all issued Patents and pending Patent applications owned or licensed by the applicable Seller Party. For each Patent listed on Section 3.13(a) of the Disclosure Schedule the Seller Parties have indicated (i) the countries in which such Patent is pending, allowed, granted or issued, (ii) including a notation of any term extensions, the patent number and/or patent application serial number, (iii) the scheduled expiration date of each such issued Patent, (iv) the expected scheduled expiration date of each Patent issuing from such pending Patent application once issued and (v) the registered owner thereof.

(b) As set forth on Section 3.13(a) of the Disclosure Schedule, the applicable Seller Party is the sole and exclusive owner of each of the Patents listed on Section 3.13(a) of the Disclosure Schedule and each of the inventions claimed in such Patents.

(c) To the Knowledge of the Seller Parties and except as identified in Section 3.13(a) of the Disclosure Schedule, in each Patent listed on Section 3.13(a) of the Disclosure Schedule, there is at least one valid claim (treating pending claims as if issued) that would be infringed by the Exploitation of the Covered Product, as applicable.

(d) There are no unpaid maintenance or renewal fees payable by the Seller to any Third Party that currently are overdue for any of the Patents. No Patents listed on Section 3.13(a) of the Disclosure Schedule have lapsed or been abandoned, cancelled or expired.

(e) To the Knowledge of the Seller Parties, each Person who has or has had any rights in or to the Patents, including each inventor named on the Patents, has executed a contract assigning his, her or its entire right, title and interest in and to such Patents and the inventions embodied, described and or claimed therein, to the owner thereof, and each such contract has been duly recorded in each Patent Office wherein it would be necessary or advisable, as

determined by the Seller Parties in their commercially reasonable judgement, to document such assignment.

(f) To the Knowledge of the Seller Parties, each individual associated with the filing and prosecution of the Patents, including the named inventors of the Patents, has complied in all material respects with all applicable duties of candor and good faith in dealing with any Patent Office, including any duty to disclose to any Patent Office all information known by such inventors to be material to the patentability of the Patents (including any relevant prior art), in each case, in those jurisdictions where such duties exist.

(g) Subsequent to the issuance of each Patent, and except as may have been required in connection with overcoming any rejection of pending claims or challenge of validity of issued claims on the basis of obviousness-type double patenting, none of the Seller Parties has filed any disclaimer or made or permitted any other voluntary reduction in the scope of such Patent.

(h) There is no pending or, to the Knowledge of the Seller Parties, threatened opposition, interference, reexamination, injunction, claim, suit, action, citation, summon, subpoena, hearing, inquiry, investigation (by the International Trade Commission or otherwise), complaint, arbitration, mediation, demand, decree or other dispute, disagreement, proceeding or claim (collectively, "Disputes") challenging the legality, validity, scope, enforceability or ownership of any of the Intellectual Property Rights. There are no Disputes by or with any Third Party against the Seller Parties involving any of the Covered Product. The Intellectual Property Rights are not subject to any outstanding injunction, judgment, order, decree, ruling, change, settlement or other disposition of a Dispute. There are no proceedings, other than proceedings in the ordinary course of patent prosecution with respect to the Patents listed on Section 3.13(a) of the Disclosure Schedule.

(i) There is no pending action, suit, proceeding, investigation or claim related to the Covered Product. To the Knowledge of the Seller Parties, there is no threatened action, suit, proceeding, investigation or claim, and, to the Knowledge of the Seller Parties, no event has occurred or circumstance exists that (with or without notice or lapse of time, or both) would reasonably be expected to give rise to or serve as a basis for any action, suit, proceeding, investigation or claim by any Person that claims that the manufacture, use, marketing, sale, offer for sale, importation or distribution of any Covered Product does or could infringe on any patent or other intellectual property rights of any Third Party or constitute misappropriation of any other Person's trade secrets or other intellectual property rights.

(j) To the Knowledge of the Seller Parties, there are no patents issued, and no pending patent applications with claims reasonably likely to issue, owned by any Third Party, that the Seller Parent or the Seller does not have a right to use that would be infringed by the Seller's Exploitation of the Covered Product but for the Seller Parent's or the Seller's rights in such patents and patent applications.

(k) To the Knowledge of the Seller Parties, there is no Person infringing any of the Intellectual Property Rights, and neither Seller Party has received any notice, or put any Person on notice, of actual or alleged infringement of any of the Intellectual Property Rights.

(l) The Seller Parties have taken all reasonable precautions to protect the secrecy, confidentiality and/or value of the applicable Know-How.

(m) The Intellectual Property Rights constitute all of the intellectual property owned or licensed by the Seller Parent, the Seller or any of their respective Affiliates that is, to the Seller Parties' Knowledge, necessary or useful for the development, manufacture, use or sale of the Covered Product.

(n) No legal opinion concerning or with respect to any Third Party intellectual property rights relating to the Covered Product, including any freedom-to-operate, product clearance, patentability, validity or right-to-use opinion, has been delivered to either Seller Party.

(o) To the Knowledge of the Seller Parties, there is no Person who is or claims to be an inventor under any Patent who is not a named inventor thereof and the list of inventors named in each issued and unexpired Patent listed on Section 3.13(a) of the Disclosure Schedule is current and complete.

(p) The patents included in the Collateral (as defined in the Security Agreement) constitutes all the patents the Seller Parties need for the Exploitation of the Covered Product as of the date hereof.

Section 3.14 Regulatory Approval and Marketing.

(a) The Seller Parties are in compliance, in all material respects, with their material obligations to seek, obtain and maintain Regulatory Approval for the Covered Product.

(b) The Seller Parties possess all material permits, licenses, registrations and permissions, including Regulatory Approvals from the FDA and other Governmental Authorities required for the conduct of their business as currently conducted and for the development and Exploitation of the Covered Product, and all such permits, licenses, registrations, authorizations and permissions are in full force and effect;

(c) The Seller Parties have not received any written communication from any Governmental Authority alleging any failure of the Seller Parties to materially comply with any Applicable Laws, including any terms or requirements of any Regulatory Approval and, to the Knowledge of the Seller Parties, there are no facts or circumstances that are reasonably likely to give rise to any revocation, withdrawal, suspension, hold or clinical hold, cancellation, material limitation, material termination or adverse modification of any Regulatory Approval;

(d) To the Knowledge of the Seller Parties, none of the officers, directors, employees or, to the Knowledge of the Seller Parties, Affiliates of the Seller Parent or the Seller involved in any Product Application, has been:

(i) convicted of any crime or engaged in any conduct for which debarment or suspension is authorized by 21 U.S.C. § 335a nor, to the Knowledge of the Seller Parties, are any debarment proceedings or investigations pending or threatened against a Seller Party or any of their respective officers, employees or agents;

(ii) charged, named in a complaint, convicted, or otherwise found liable in any proceeding that falls within the ambit of 21 U.S.C. § 331, 21 U.S.C. § 333, 21 U.S.C. § 334, 21 U.S.C. § 335a, 21 U.S.C. § 335b, 42 U.S.C. § 1320a - 7, 31 U.S.C. §§ 3729 – 3733, 42 U.S.C. § 1320a-7a, or any other Applicable Law; or

(iii) disqualified or deemed ineligible pursuant to 21 C.F.R. §312.70 or otherwise restricted, in whole or in part, or subject to an assurance.

(e) To the Knowledge of the Seller Parties, none of the officers, directors, employees or Affiliates of the Seller Parties or any of their agents or consultants has (i) made an untrue statement of material fact or fraudulent statement to any Regulatory Agency or failed to disclose a material fact required to be disclosed to a Regulatory Agency; or (ii) committed an act, made a statement, or failed to make a statement that would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Regulation 46191 (September 10, 1991);

(f) All applications, notifications, submissions, information, claims, reports and statistics and other data and conclusions derived therefrom, utilized as the basis for or submitted in connection with any and all requests for Regulatory Approval from the FDA or other Governmental Authority for Covered Product, when submitted to the FDA or other Governmental Authority were true, complete and correct in all material respects as of the date of submission or any necessary or required updates, changes, corrections or modifications to such applications, submissions, information and data have been submitted to the FDA or other Governmental Authority;

(g) All preclinical and clinical trials conducted by or on behalf of the Seller Parties the results of which have been submitted to any Governmental Authority, including the FDA and its counterparts worldwide, in connection with any request for a Regulatory Approval, are being or have been conducted in compliance in all material respects with all Applicable Laws;

(h) All Covered Products have since January 1, 2022, been, manufactured, transported and held, in all material respects in accordance with all permits, and Applicable Laws;

(i) Neither Seller Party has received any written notice from a Governmental Authority that such Governmental Authority, including without limitation the FDA, the Office of the Inspector General of the United States Department of Health and Human Services or the United States Department of Justice has commenced or threatened to initiate any action against a Seller Party, any action to enjoin either Seller Party, or its officers, directors, employees, agents and Affiliates from conducting its business at any facility owned or used by it, or any action for any material civil penalty, injunction, seizure or criminal action; and

(j) Neither Seller Party has received from the FDA at any time since January 1, 2021, a Warning Letter, Form FDA-483, "Untitled Letter," notice of an investigation, request for corrective or remedial action, notice of other adverse finding or similar written correspondence or notice alleging violations of Applicable Laws enforced by the FDA or any comparable written

correspondence from any other Governmental Authority, in each case, with regard to any Covered Product or the research, study, development, formulation, processing, engineering, manufacture, testing, packaging, labeling, storage, handling, holding, transport, distribution, use, sale, offer for sale or promotion thereof.

Section 3.15 Material Contracts; [***] Agreement; In-Licenses.

(a) Except for the Material Contracts, (i) there are no In-Licenses and (ii) there are no other contracts, agreements or other arrangements (whether written or oral) to which either Seller Party is a party or by which any of its assets or properties is bound or committed pursuant to which such Seller Party has rights under any patent or intellectual property rights of any Third Party that are material to the Exploitation of the Covered Product. The Purchaser Representative (and any other Purchaser requesting such) has been provided a true, correct and complete copy of the [***] Agreement and the Innovator Purchase Agreement.

(b) The [***] Agreement is in full force and effect and is the legal, valid and binding obligation of the Seller and, to the Knowledge of the Seller, [***], enforceable against the Seller and, to the Knowledge of the Seller, [***] in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting creditors' rights generally, general equitable principles and principles of public policy. The Seller is not in breach or violation of or in default under the [***] Agreement. There is no event or circumstance that, upon notice or the passage of time, or both, would constitute or give rise to any breach or default in the performance of the [***] Agreement by the Seller or, to the Knowledge of the Seller Parties, [***].

(c) The Seller has not waived any rights or defaults under the [***] Agreement or released [***], in whole or in part, from any of its obligations under the [***] Agreement. There are no oral waivers or modifications (or pending requests therefor) in respect of the [***] Agreement. Neither the Seller nor [***] has agreed to amend or waive any provision of the [***] Agreement, and the Seller has have not received or submitted any proposal to do so.

(d) No event has occurred that would give the Seller or, to the Knowledge of the Seller, [***], the right to terminate the [***] Agreement. The Seller has not received any notice of an intention by [***] to terminate or breach the [***] Agreement, in whole or in part, or challenging the validity or enforceability of the [***] Agreement, or alleging that the Seller or [***] is currently in default of its obligations under the [***] Agreement. To the Knowledge of the Seller Parties, there is and has been no default, violation or breach of [***] under the [***] Agreement.

(e) There are no Out-Licenses that relate in any respect to the Covered Product.

(f) The Seller Parties are not in breach or violation of or in default under any Material Contract (excluding the [***] Agreement). There is no event or circumstance that, upon notice or the passage of time, or both, would constitute or give rise to any breach or default in the performance of the Material Contracts (excluding the [***] Agreement) by the Seller Parties, or,

to the Knowledge of the Seller Parties, any counterparty to the Material Contracts (excluding the [***] Agreement).

(g) The Seller Parties have not waived any rights or defaults under the Material Contracts (excluding the [***] Agreement) or released any counterparty under the Material Contracts (excluding the [***] Agreement), in whole or in part, from any of its obligations under the applicable Material Contract (excluding the [***] Agreement). There are no oral waivers or modifications (or pending requests therefor) in respect of the Material Contracts (excluding the [***] Agreement).

(h) No event has occurred that would give the Seller Parties or, to the Knowledge of the Seller Parties, any counterparty under a Material Contract (excluding the [***] Agreement) the right to terminate the Material Contracts (excluding the [***] Agreement). The Seller Parties have not received any notice of an intention by any counterparty under the Material Contracts (excluding the [***] Agreement) to terminate or breach the Material Contracts (excluding the [***] Agreement), in whole or in part, or challenging the validity or enforceability of the Material Contracts (excluding the [***] Agreement), or alleging that the Seller Parties or a counterparty under a Material Contract (excluding the [***] Agreement) is currently in default of its obligations under a Material Contract (excluding the [***] Agreement). To the Knowledge of the Seller Parties, there is and has been no default, violation or breach of a counterparty under a Material Contract (excluding the [***] Agreement).

(i) Except as set forth on Section 3.15(i) of the Disclosure Schedules, there are no contracts between either Seller Party, on the one hand, and any other Seller Party or any Affiliate of either Seller Party.

Section 3.16 UCC Matters

. The Seller Parent's exact legal name is, and since September 18, 2018, has been, "Castle Creek BioSciences, Inc". The Seller Parent's principal place of business is located in the Commonwealth of Pennsylvania. The Seller Parent's jurisdiction of formation is, and since formation has been, the State of Delaware. The Seller's exact legal name is, and since February 12, 2020, has been, "Castle Creek BioSciences, LLC". The Seller's principal place of business is located in the Commonwealth of Pennsylvania. The Seller's jurisdiction of formation is, and since formation has been, the State of Delaware.

Section 3.17 Margin Stock. The Seller Parties are not engaged in the business of extending credit for the purpose of buying or carrying margin stock, and no portion of the Purchase Price shall be used by the Seller for a purpose that violates Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time.

Section 3.18 No other Representations and Warranties. Except for the representations and warranties contained in this ARTICLE III (as qualified by the Disclosure Schedule) in the Warrant and in the certificate delivered by the Seller Parties pursuant to Section 6.2(d), the Purchased Assets conveyed hereunder are being conveyed "as-is, where-is, with all faults" and the Seller Parties do not nor does any other Person on behalf of the Seller Parties make or has

made any other representations or warranties, express or implied, directly or indirectly, or arising by operation of Law, with respect to the Purchased Assets or the businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects of the Seller Parties, and the Seller Parties hereby disclaim any such other representations or warranties. Notwithstanding anything contained in this Agreement, the representations and warranties set forth in this Agreement with respect to "Covered Product," including, but not limited to, the references in Section 3.4, Section 3.13 and Section 3.14, shall apply only to D-Fi.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each Purchaser, severally and not jointly, and only with respect to itself, hereby represents and warrants to the Seller Parties as follows as of the date hereof:

Section 4.1 Organization. Such Purchaser (other than any Purchaser that is a natural person), is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation.

Section 4.2 No Conflicts. The execution and delivery by such Purchaser of any of the Transaction Documents to which such Purchaser is a party, the performance by such Purchaser of its obligations hereunder or thereunder or the consummation by such Purchaser of the transactions contemplated hereby or thereby will not (a) contravene, conflict with or violate any term or provision of any of the organizational documents of such Purchaser (provided that no Purchaser that is a natural person makes the representations and warranties set forth in this clause (a)), (b) contravene, conflict with or violate, or give any Governmental Authority or other Person the right to exercise any remedy or obtain any relief under, in any material respect, any Applicable Law or any judgment, order, writ, decree, permit or license of any Governmental Authority to which such Purchaser or any of its assets or properties may be subject or bound or (c) result in a breach or violation of, constitute a default (with or without notice or lapse of time, or both) under, or give any Person any right to exercise any remedy, or accelerate the maturity or performance of, in any material respect, any contract, agreement, indenture, lease, license, deed, commitment, obligation or instrument to which such Purchaser is a party or by which such Purchaser or any of its assets or properties is bound or committed.

Section 4.3 Authorization. Such Purchaser (other than any Purchaser that is a natural person) has all necessary corporate or similar power and authority, and such Purchaser (if a natural person) has the legal capacity, to execute and deliver the Transaction Documents to which such Purchaser is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of each of the Transaction Documents to which such Purchaser is a party and the performance by such Purchaser of its obligations hereunder and thereunder have been duly authorized by such Purchaser. Each of the Transaction Documents to which such Purchaser is a party has been duly executed and delivered by such Purchaser. Each of the Transaction Documents to which such Purchaser is a party constitutes the legal, valid and binding obligation of such Purchaser, enforceable against such Purchaser in accordance with its respective terms, subject to applicable

bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and general equitable principles.

Section 4.4 Governmental and Third Party Authorizations. The execution and delivery by such Purchaser of the Transaction Documents to which such Purchaser is a party, the performance by such Purchaser of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby do not require any consent, approval, license, order, authorization or declaration from, notice to, action or registration by, or filing with, any Governmental Authority or any other Person, except for the filing of UCC financing statements.

Section 4.5 No Litigation. There is no (a) action, suit, arbitration proceeding, claim, demand, citation, summons, subpoena, investigation or other proceeding (whether civil, criminal, administrative, regulatory, investigative or informal) pending or, to the knowledge of such Purchaser, threatened by or against such Purchaser, at law or in equity, or (b) inquiry or investigation (whether civil, criminal, administrative, regulatory, investigative or informal) by or before a Governmental Authority pending or, to the knowledge of such Purchaser, threatened against such Purchaser, that, in any case challenges or seeks to prevent or delay the consummation of any of the transactions contemplated by any of the Transaction Documents.

Section 4.6 Access to Information. Such Purchaser acknowledges that it has (a) reviewed such documents and information relating to the Purchased Assets, the Intellectual Property Rights and the Covered Product and (b) had the opportunity to ask questions of, and to receive answers from, representatives of the Seller Parties concerning the Purchased Assets, the Intellectual Property Rights and the Covered Product, in each case, as it deemed necessary to make an informed decision to purchase, acquire and accept the Purchased Assets in accordance with the terms of this Agreement. Such Purchaser has knowledge, sophistication and experience in financial and business matters that it is capable of evaluating the risks and merits of purchasing, acquiring and accepting the Purchased Assets in accordance with the terms of this Agreement. Such Purchaser has consulted with its own advisors with respect to the Purchased Assets, and such Purchaser understands that the Purchased Assets are speculative and involve a high degree of risk, and such Purchaser can afford a complete loss of the value of its Allocated Purchased Assets and is able to bear the economic risk of holding the same for an indefinite period.

Section 4.7 Securities Laws Representations and Warranties.

(a) Such Purchaser is purchasing its Allocated Warrants (including the shares of Series D-1 Preferred Stock issuable upon exercise thereof) for such Purchaser's own account for investment only, and not with a view to the resale or distribution thereof.

(b) Such Purchaser is an "accredited investor" as that term is defined in Rule 501 promulgated under the Securities Act.

(c) Such Purchaser understands that its Allocated Warrants (including the shares of Series D-1 Preferred Stock issuable upon exercise thereof) have not been registered under the

Securities Act, or the securities or similar Applicable Laws of any jurisdiction, and is offered in reliance on exemptions therefrom, which reliance depends upon, among other things, the bona fide nature of such Purchaser's investment intent and the truth and accuracy of such Purchaser's representations as expressed herein and in the other Transaction Documents.

(d) Such Purchaser understands and agrees that (i) there are restrictions on the transferability of its Allocated Warrants (including the shares of Series D-1 Preferred Stock issuable upon exercise thereof), (ii) it has no rights to require its Allocated Warrants (including the shares of Series D-1 Preferred Stock issuable in exercise thereof) to be registered under the Securities Act or the securities laws of any jurisdiction, (iii) there currently is no, and there may never be any, public market for its Allocated Warrants (including the shares of Series D-1 Preferred Stock issuable in exercise thereof), (iv) it may not be possible for such Purchaser to liquidate its investment in the Seller Parent and (v) such Purchaser may have to hold its Allocated Warrants (including the shares of Series D-1 Preferred Stock issuable upon exercise thereof) and bear the economic risk of its investment therein indefinitely.

Section 4.8 Brokers' or Finders' Fees. Such Purchaser has not employed, and is not liable for the payment of any fee to, any agent, finder, broker, consultant or similar Person in connection with the transactions contemplated under this Agreement or any other Transaction Document.

Section 4.9 Purchaser Information. Such Purchaser's (a) full legal name, (b) place of residence if a natural person or principal place of business if other than a natural person (c) and jurisdiction of formation if other than a natural person, in each case, is as set forth on Schedule I.

Section 4.10 Non-Reliance; As-Is, Where-Is. Such Purchaser acknowledges and agrees (for such Purchaser and on behalf of such Purchaser's Affiliates and such Purchaser's representatives) that, except for the representations and warranties expressly set forth in ARTICLE III (as qualified by the Disclosure Schedule, the representations and warranties set forth in the Warrant and the certificate delivered by the Seller Parties pursuant to Section 6.2(d)), (a) the Seller Parties do not nor do any of their respective Affiliates (or any other Person on behalf of the Seller Parties) make, or has made, any representation or warranty, express or implied, directly or indirectly, or arising by operation of Applicable Law, relating to the Seller Parties, the Purchased Assets or condition (financial or otherwise), properties, businesses, operations, prospects or otherwise (including with respect to the merchantability, marketability, profitability or fitness for a particular purpose of the Purchased Assets); (b) no such Purchaser nor any of its Affiliates or its or their respective representatives is relying on any representation or warranty; and (c) no Person has been authorized by the Seller Parties or any of their Affiliates to make any other representation or warranty relating to the Purchased Assets or either Seller Party's assets, liabilities, condition (financial or otherwise), properties, businesses, operations, prospects or otherwise, and if made, such representation or warranty is not being relied upon by such Purchaser, any of its Affiliates or its or their respective representatives. This Section 4.10 shall not constitute a waiver of any rights of a Purchaser in the case of fraud in the inducement.

ARTICLE V
COVENANTS

The Parties covenant and agree as follows:

Section 5.1 Books and Records; Notices.

(a) The Seller Parties shall keep and maintain, or cause to be kept and maintained, at all times, full and accurate books and records adequate to reflect accurately, in all material respects, (i) all financial transactions and all assets and business of the Seller Parties in accordance with GAAP as consistently applied, including such records as may be required to accurately reflect in all material respects the financial information related to the Exploitation of the Covered Products and the Covered Product Revenue Payments and (ii) the status of the Seller Parties' efforts pursuant to the Product Development Plan.

(b) On or prior to each Royalty Payment Date, the Seller Parent shall prepare and deliver a report (the "Royalty Report") to the Purchasers in substantially the form attached as Exhibit H setting forth in reasonable detail: [***].

(c) In addition to the quarterly Royalty Reports to be delivered to each Purchaser pursuant to Section 5.1(b), if reasonably requested by the Purchaser Representative, the Seller Parties shall, on a semi-annual basis, provide a written update to the Purchasers regarding the Exploitation of the Covered Product, which shall include without limitation all material information relating to the Seller Parties' Exploitation of the Covered Product. The Purchaser Representative shall have the right, no more than twice per year, to request a meeting with the Seller Parent to discuss the Royalty Reports and the Seller Parties' Exploitation of the Covered Products, with one of such meetings being conducted in person and the other by videoconference. Any such videoconference or meeting shall be at a date and time agreed upon by the Seller Parent and the Purchaser Representative (with the other Purchasers having a right to attend), and shall include an executive officer of the Seller Parent and of each such attending Purchaser, at its election. Each of the Parties shall be solely responsible for their own costs and expenses associated with such videoconferences and meetings, including all travel and accommodations.

(d) Within ten (10) Business Days after receipt by the Seller Parties of (i) (x) written notice of the commencement by any Third Party of, or (y) written notice from any Third Party threatening to commence, in either case any material action, suit, arbitration proceeding, claim, demand, investigation or other proceeding relating to this Agreement, any of the other Transaction Documents, any Material Contract, any transaction contemplated hereby or thereby or the Purchased Receivables (in any case other than any notice contemplated in Section 5.1(e)), or (ii) any other material correspondence relating to the foregoing, the Seller Parent shall (A) notify the Purchaser Representative in writing of the receipt of such notice or correspondence and (B) provide the Purchaser Representative with a written summary of all material details thereof or, to the extent not prohibited by obligations of confidentiality contained

in the applicable Material Contract, if such notice is in writing, furnish to the Purchaser Representative a copy thereof and any materials reasonably related thereto.

(e) Within ten (10) Business Days after receipt by the Seller of any material written notice, offer, proposal, correspondence, report or other communication relating to the Intellectual Property Rights, the Purchased Receivables, the Covered Product, or a Material Contract (in any case, other than any notice contemplated by Section 5.1(b) or Section 5.1(e)), the Seller shall (i) notify the Purchaser Representative in writing of the receipt thereof and the material details thereof and (ii) to the extent not prohibited by obligations of confidentiality contained in the applicable Material Contract, furnish the Purchaser Representative with a copy thereof.

(f) The Seller Parent shall provide the Purchaser Representative with written notice within ten (10) Business Days after obtaining Knowledge of any of the following:

(i) the occurrence of any Bankruptcy Event in respect of the Seller Parties;

(ii) any material breach or default by the Seller Parties of or under any material covenant, agreement or other provision of any Transaction Document;

(iii) the Seller Parties receiving any notice of audit or regulatory action by Regulatory Agency in the Territory impacting in any material respect the Covered Products or the timing, amount or duration of the Purchased Receivables;

(iv) any representation or warranty made by the Seller Parties in this Agreement or any of the other Transaction Documents (or in any certificate delivered by the Seller Parties to each Purchaser pursuant to this Agreement) shall prove to be untrue, inaccurate or incomplete in any material respect on the date as of which made (provided that the Seller Parties' obligations under this (iv) shall terminate when the survival period set forth in Section 7.4 terminates);

(v) the receipt of material notice from Horizon or delivery of notice to Horizon of any occurrence of any material default, event of default or breach (in each case, with or without lapse of time, or both) related to the Horizon Loan Agreements promptly following the Seller Parties receiving or delivering, as applicable, such notice (and in any event, within five (5) Business Days or within one (1) Business Day if any Indebtedness under the Horizon Loan Agreements has been accelerated);

(vi) the termination of any Material Contract other than upon its scheduled termination date, the receipt by the Seller Parties from a counterparty asserting a default by the Seller Parties under any Material Contract where such alleged default, if accurate, would permit such counterparty to terminate such Material Contract, the entering into of any new Material Contract by the Seller with respect to the Covered Product, or any material amendment to a Material Contract; or

(vii) the occurrence of any event or development that has had, or would reasonably be expected to have, a Material Adverse Effect.

(g) The Seller Parent shall notify the Purchaser Representative in writing not less than fifteen (15) days prior to any change in, or amendment or alteration of, the Seller Parties' (i) legal name, (ii) form or type of organizational structure or (iii) jurisdiction of organization.

(h) The Seller Parent shall notify a Purchaser in writing not more than thirty (30) days after becoming aware that any Tax may be required to withheld with respect to any payment to such Purchaser pursuant to the Agreement.

(i) In addition to the quarterly Royalty Reports to be delivered to each Purchaser pursuant to Section 5.1(b) and the reports pursuant to Section 5.1(c), each Seller Party shall deliver to the Purchaser Representative: (i) as soon as available, but in any event within thirty (30) days after the end of each month, a Seller Party prepared consolidated balance sheet, consolidated income statement and consolidated cash flow statement covering each Seller Party's operations during such period, certified by such Seller Party's president, treasurer, chief financial officer or vice president of finance (each, a "Responsible Officer"); (ii) as soon as available, but in any event within one hundred eighty (180) days after the end of each Seller Party's fiscal year, audited consolidated financial statements of each Seller Party prepared in accordance with GAAP, together with an opinion on such financial statements of a nationally recognized or other independent public accounting firm reasonably acceptable to Purchaser Representative (it being acknowledged and agreed that Deloitte is acceptable to Purchaser Representative); provided, that such financial statements shall not contain a "going concern" qualification or statement; and (iii) as soon as available, but in any event within thirty (30) days after the earlier of (I) the end of each Seller Party's fiscal year or (ii) the date of each Seller Party's board of directors' (or the equivalent) adoption, each Seller Party's operating budget and plan for the next fiscal year; and (d) such other financial information as Purchaser Representative (on behalf of the Purchasers) may reasonably request from time to time. From and after such time as any Seller Party becomes a public reporting company, promptly as they are available and in any event: (i) within five (5) days of the time of filing of such Seller Party's Form 10-K with the SEC after the end of each fiscal year of such Seller Party, the financial statements of such Seller Party filed with such Form 10-K; and (ii) within five (5) days of the time of filing of such Seller Party's Form 10-Q with the SEC after the end of each of the first three fiscal quarters of such Seller Party, the consolidated financial statements of such Seller Party filed with such Form 10-Q. In addition, each Seller Party shall deliver to the Purchaser Representative (A) promptly upon becoming available, copies of all statements, reports and notices sent or made available generally by each Seller Party to its security holders and (B) promptly upon receipt of notice thereof, a report of any material legal actions pending or threatened in writing against any Seller Party or any Subsidiary or the commencement of any action, proceeding or governmental investigation involving any Seller Party or any Subsidiary is commenced that is reasonably expected to result in damages or costs to any Seller Party or Seller Parties in the aggregate of [***].

Section 5.2 Public Announcement. No Party shall, and each Party shall cause its Affiliates not to, without the prior written consent of the Seller Parent, on behalf of the Seller Parties, and the Purchaser Representative, on behalf of the Purchasers (which consent shall not be unreasonably withheld or delayed), issue any press release or make any other public disclosure with respect to this Agreement or any of the other Transaction Documents or any of

the transactions contemplated hereby or thereby, except if and to the extent that any such release or disclosure is required by Applicable Law, by the rules and regulations of any securities exchange or market on which any security of such Party may be listed or traded or by any Governmental Authority of competent jurisdiction, in which case, the Party proposing to issue such press release or make such public disclosure shall (a) provide to the other Parties a copy of such proposed release or disclosure at least three (3) Business Days prior to any such release or disclosure, and (b) incorporate in good faith all reasonable and appropriate comments or changes that the Seller Parent and the Purchaser Representative may propose or suggest; provided that a Party may make any public disclosure identical or substantially similar to a disclosure previously reviewed and approved by the Seller Parent and the Purchaser Representative, as applicable, in accordance with the foregoing clauses (a) and (b). Notwithstanding the foregoing, the Parties agree that the Purchaser Representative and other Purchasers who currently are, or in the future become, subject to the reporting obligations under the Securities Exchange Act of 1934, as amended (collectively, the "Reporting Purchasers"), shall be permitted to file with the SEC a Current Report on Form 8-K describing the material terms of the transactions contemplated by this Agreement and the other Transaction Documents and, to the extent required by Applicable Law, some or all of the Transaction Documents as exhibits thereto or to another filing with the SEC; provided, that such Reporting Purchaser shall: (i) provide to the Seller Parent a draft of such filings at least three (3) Business Days prior to filing such Form 8-K (or such other SEC filing) ; (ii) incorporate in good faith any reasonable and appropriate comments or changes that the Seller Parent may propose or suggest; and (iii) except to the extent required by Applicable Law, [***]. The Seller Parent and the Purchaser Representative shall jointly prepare a press release for dissemination promptly following the Closing, such press release to be mutually agreed upon by the Purchaser Representative and the Seller Parent.

Section 5.3 Further Assurances.

(a) Subject to the terms and conditions of this Agreement, each Party shall use commercially reasonable efforts to execute and deliver such other documents, certificates, instruments, agreements and other writings, take such other actions and perform such additional acts under Applicable Law as may be reasonably requested by the Purchaser Representative, in the case of the Seller Parties, and the Seller Parent, in the case of the Purchasers or the Purchaser Representative, and necessary to implement expeditiously the transactions contemplated by, and to carry out the purposes and intent of the provisions of, this Agreement and the other Transaction Documents, including to (i) perfect the sale, contribution, assignment, transfer, conveyance and granting of the Purchased Receivables to the Purchasers pursuant to this Agreement, (ii) perfect, protect, more fully evidence, vest and maintain in the Purchasers good, valid and marketable rights and interests in and to the Purchased Receivables free and clear of all Liens (other than the Purchasers' Liens and other Liens created pursuant to this Agreement), (iii) create, evidence and perfect the Purchasers' back-up security interest granted pursuant to Section 2.1(d) and (iv) enable the Purchasers and the Purchaser Representative to exercise or enforce any of the Purchasers' or the Purchaser Representative's rights under any Transaction Document to which a Purchaser or the Purchaser Representative is a party.

(b) The Seller Parties and the Purchasers shall cooperate and provide assistance as reasonably requested by any other Party, at the expense of such other Party (except as otherwise set forth herein), in connection with any litigation, arbitration, investigation or other proceeding (whether threatened, existing, initiated or contemplated prior to, on or after the Closing Date) to which the other Party, any of its Affiliates or controlling persons or any of their respective officers, directors, managers, employees or controlling persons is or may become a party or is or may become otherwise directly or indirectly affected or as to which any such Persons have a direct or indirect interest, in each case relating to any Transaction Document, the transactions contemplated hereby or thereby or the Purchased Receivables, but in all cases excluding any litigation brought by either Seller Party (for themselves or on behalf of any Seller Indemnified Party) against the Purchasers or brought by the Purchasers (in each case, for itself or on behalf of any Purchaser Indemnified Party) against either Seller Party.

(c) The Seller Parties shall use their commercially reasonable efforts to comply in all material respects with all Applicable Laws with respect to the Transaction Documents, the Material Contracts and the Purchased Receivables, except where compliance therewith is being contested by the Seller Parties in good faith by appropriate proceedings.

(d) The Seller Parties shall not enter into any contract, agreement or other legally binding arrangement (whether written or oral), or grant any right to any other Person, in any case that would reasonably be expected to conflict with the Transaction Documents or serve or operate to limit, circumscribe or alter any of the Purchasers' or Purchaser Representative's rights under the Transaction Documents (or the Purchasers' or Purchaser Representative's ability to exercise any such rights).

(e) Notwithstanding anything contrary contained in this Agreement, the Seller Parties shall not be required to provide access to any documentation, reports, communications, notices, correspondences or any other information (collectively, "Information") to the Purchaser Representative or any other Purchaser (including with respect to Section 5.1, Section 5.4, Section 5.12 and Section 5.14) to the extent that the applicable Seller Party reasonably determines that (i) such Seller Party is contractually prohibited from providing such Information to the Purchaser Representative by reason of contractual confidentiality undertakings with a Third Party or (ii) such Information may constitute privileged attorney-client communications or attorney work product, the sharing of which, or the provision of access to which, as determined in good faith by such Seller Party after consultation with counsel, would reasonably be expected to constitute a waiver of such privilege; provided that, to the extent the Seller Parties may do so without waiving such privilege or violating a confidentiality obligation, such Seller Party shall advise such Person that such Seller Party is withholding such Information and shall use its commercially reasonable efforts to communicate to the Purchaser Representative or its applicable representatives the substance of any such materials, whether by redacting parts of such materials or otherwise, so that disclosure would not violate such confidentiality obligations or result in the waiver of such privilege.

Section 5.4 Patent Prosecution, Enforcement and Defense. With respect to the Intellectual Property Rights relating to the Covered Product,

(a) The Seller Parties shall, at the Seller Parties' expense, take any and all actions, and prepare, execute, deliver and file any and all agreements, documents and instruments, that are reasonably necessary to diligently preserve and maintain the applicable Intellectual Property Rights, including payment of maintenance fees or annuities. In connection with any actions or decisions by the Seller Parties not to act in respect of matters contemplated by the foregoing sentence, to the extent such action or decision would reasonably be expected to have a Material Adverse Effect, the Seller Parties shall provide advance written notice to the Purchaser Representative of all such actions or decisions not to act in order to consult with the Purchaser Representative and the Seller Parties shall, in good faith, give due consideration to any reasonable suggestions of the Purchaser Representative.

(b) The Seller Parties shall, at the Seller Parties' expense, (A) diligently defend and enforce the applicable Intellectual Property Rights against infringement or interference by any other Person of which either Seller Party is or becomes aware, and against any claims of invalidity or unenforceability, in any jurisdiction (including by bringing any legal action for infringement or defending any counterclaim of invalidity or action of any other Person for declaratory judgment of non-infringement or non-interference) and (B) when available and material in respect of any applicable Covered Product, and after reasonable consideration of protection by means of trade secret or other forms of legal protection available for a given development and upon determination to pursue patent protection for such development, prosecute patent applications with reasonable diligence to issuance, and seek any corrections, substitutions, reissues and reexaminations thereof and obtain patent term extensions and any other forms of patent term restoration. In connection with any actions or decisions by the Seller Parties not to act in respect of matters contemplated by the foregoing sentence, to the extent such action or decision would reasonably be expected to have a Material Adverse Effect, the Seller Parties shall provide advance written notice to the Purchaser Representative of all such actions or decisions not to act in order to consult with the Purchaser Representative and the Seller Parties shall, in good faith, give due consideration to any reasonable suggestions of the Purchaser Representative. The Seller Parent shall notify the Purchaser Representative in writing of any such legal action, suit or other proceeding and provide documents reasonably requested by the Purchaser Representative related thereto.

(c) The Seller Parent shall promptly (but in any event within fifteen (15) Business Days), provide to the Purchaser Representative a copy of all substantive written notices or other documentation relating to the patentability, enforceability, validity, scope or term of the Patents, and shall provide the Purchaser Representative with a copy of any written material filed in response thereto.

(d) The Seller Parties shall not disclaim or abandon, or fail to take any Commercially Reasonable Action necessary or desirable to prevent the disclaimer or abandonment of, any material Intellectual Property Rights; provided that, the foregoing shall not prevent the Seller Parties from (i) filing with the USPTO a terminal disclaimer in connection with overcoming any rejection of pending claims or challenge of validity of issued claims on the basis of obviousness-type double patenting or (ii) entering a disclaimer of descriptive or generic wording in an application for trademark in order to overcome a refusal to register.

(e) The Parties shall bear their own costs and expenses in connection with the actions pursuant to this Section 5.4.

Section 5.5 Audits.

(a) Upon at least thirty (30) days written notice and during normal business hours, the Purchaser Representative may cause a limited inspection or audit by a nationally recognized independent public accounting firm of the Seller Parties' books and records in respect of the Purchased Receivables, during normal business hours and at the sole expense of the Purchasers, provided, that no calendar year will be subject to more than one such audit unless an Event of Default (as defined in the Security Agreement) has occurred and is continuing and the Purchaser Representative shall, and shall cause its representatives and its accounting firm to, use all commercially reasonable efforts to not materially disrupt the conduct of business and operations of the Seller Parties.

(b) The Seller Parties shall, with written notice to the Purchaser Representative, be entitled to cause an inspection or audit of books and records of any counterparty to an Out-License to be conducted pursuant to and in accordance with the terms of any Out-License Agreement. From time to time, but not more frequently than once per calendar year, the Purchaser Representative may request in writing the Seller Parties to, and the Seller Parties shall, subject to and in accordance with the terms of any Out-License Agreement, cause an inspection or audit of any counterparty's books and records in respect of the Purchased Receivables to be conducted pursuant to and in accordance with the terms of such Out-License Agreement. The Seller Parties shall furnish to the Purchaser Representative any inspection or audit report prepared in connection with such inspection or audit.

(c) In the event that any inspection or audit uncovers that the amounts actually paid to each Purchaser for any period in respect of the Purchased Receivables were greater than the amounts that should have been paid to each Purchaser for such period in respect of the Purchased Receivables, each Purchaser shall cause the amount of such overpayment to be paid to the Seller promptly (but in no event later than three (3) Business Days) after delivery by the Purchaser Representative to each Purchaser, of the applicable inspection or audit report or certificate, as the case may be, showing such overpayment. In the event that any inspection or audit uncovers that the amounts actually paid to each Purchaser for any period in respect of the Purchased Receivables were less than the amounts that should have been paid to each Purchaser for such period in respect of the Purchased Receivables and have not already been subsequently paid to the Purchasers after the period so audited or inspected, the Seller shall cause the amount of such underpayment to be paid to each Purchaser promptly (but in no event later than three (3) Business Days) after delivery to each Purchaser of the applicable inspection or audit report or certificate, as the case may be, showing such underpayment.

Section 5.6 Use of Proceeds. The Seller Parties shall use the Purchase Price to [***].

Section 5.7 Diligence.

(a) The Seller Parties shall use Commercially Reasonable Efforts to (i) perform and attempt to complete the material activities outlined in the Product Development Plan in the timeframes set forth therein and (ii) prepare, execute, deliver and file any and all agreements, documents or instruments that are necessary or desirable to secure and, once approved, maintain Regulatory Approval for the Covered Product in the Territory; [***].

(b) The Seller Parties shall use Commercially Reasonable Efforts not to withdraw or abandon, or fail to take any action necessary to prevent the withdrawal or abandonment of, any Regulatory Approval for the Covered Product once obtained. Following receipt of Regulatory Approval for the Covered Product in any country, the Seller Parties shall use Commercially Reasonable Efforts to Exploit the Covered Product in each such country.

(c) The Seller Parties shall maintain compliance in all material respects with all Applicable Laws and Regulatory Approvals.

(d) The Seller Parties shall not amend, modify or change in any material respect the Product Development Plan without the prior written consent of the Purchaser Representative and will at the request of the Purchaser Representative consult with the Purchaser Representative regarding the reasons for such changes.

Section 5.8 Tax Matters.

(a) Within ninety (90) days of the Closing Date the Seller Parties will provide to the Purchaser Representative a proposed allocation (by percentage) of the Purchase Price among the Covered Product Revenue Payments, the PRV Interest and the Warrants based upon relative fair market values (the "Proposed Allocation"). The Purchaser Representative and the Seller Parties shall cooperate as reasonably requested with respect to completing such allocation, including by providing such records, documentation and access to personnel as may be reasonably requested.

Within ten (10) Business Days after receipt of the Proposed Allocation, the Purchaser Representative shall either (i) notify the Seller Parties in writing of the Purchaser Representative's agreement with the Proposed Allocation or (ii) notify the Seller Parties in writing of any of the Purchaser Representative's disagreements regarding the Proposed Allocation. If the Purchaser Representative agrees with the Proposed Allocation, or if the Seller Parties do not receive either of the communications described in (i) or (ii) immediately above within the prescribed ten (10) Business Day period, then the Proposed Allocation shall be deemed to be the final and binding allocation of the Purchase Price among the Covered Product Revenue Payments, the PRV Interest and the Warrants for purposes of this Agreement, and the Parties shall file all Tax Returns, and shall report all transactions contemplated in this Agreement on their respective financial statements, consistently with the Proposed Allocation.

If the Purchaser Representative notifies the Seller Parties in writing of the Purchaser Representative's disagreement with the Proposed Allocation within the prescribed ten (10) Business Day period, the Seller Parties and the Purchaser Representative shall work in good faith to resolve any disagreements regarding the Proposed Allocation. Each of the Seller Parties and the Purchaser Representative will bear its own costs and expenses in connection with the

resolution of any disagreements or disputes relating to the Proposed Allocation. If the Seller Parties and the Purchaser Representative do not reach a final resolution within thirty (30) days after the Purchaser Representative's delivery of the notice of disagreement, then the Parties shall be free to use their own allocations of the Purchase Price among the Covered Product Revenue Payments, the PRV Interest and the Warrants for purposes of their respective Tax Returns and financial reporting.

(b) The Purchasers and the Seller Parties acknowledge and agree that, under Applicable Law as of the date of this Agreement, no Taxes are expected to be deducted or withheld from payments under this Agreement. All payments to the Purchasers under this Agreement shall be made without any deduction or withholding for or on account of any Tax unless required by Applicable Law; provided that if any deduction or withholding for or on account of any Purchaser Indemnified Tax is required by Applicable Law to be made, and is made, by any applicable withholding agent in respect of any payment to the Purchasers under this Agreement or to the Seller (or its Affiliates) that are attributable to the Purchased Receivables, then the Seller shall, within ten (10) Business Days after such deduction or withholding is made, make a payment to the Purchasers so that, after all such required deductions and withholdings are made by any applicable withholding agent (including any deductions and withholdings required with respect to any additional payments under this Section 5.8(a)), the Purchasers receive an amount equal to the amount that it would have received had no withholding of such Purchaser Indemnified Taxes been made.

(c) The Parties agree not to take any position that is inconsistent with the provisions of Section 5.8(a) or Section 2.1(b) on any Tax return or in any Tax audit or other administrative or judicial proceeding unless required by Applicable Law or final determination within the meaning of Section 1313 of the Code. If there is an inquiry by any Governmental Authority of the Seller Parties or the Purchasers related to the treatment described in Section 2.1(b)Section 2.1(a), the Parties shall cooperate with each other in responding to such inquiry in a commercially reasonable manner that is consistent with Section 2.1(b).

Section 5.9 Existence. Each Seller Party shall (a) preserve and maintain its existence; provided, however, that nothing in this Section 5.9 shall prohibit such Seller Party from (i) entering into any merger or consolidation that is otherwise permitted by this Agreement or (ii) subject to obtaining Purchaser Representative's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), effectuating any change in corporate form or reincorporation in any jurisdiction for the purpose of optimizing such Seller Party's structure for tax or transfer pricing purposes (it being understood by the Parties for the immediately preceding clause (ii), that it shall be deemed unreasonable for the Purchaser Representative to withhold consent with respect to any such change that does not adversely impact Purchasers' Liens, the intent of the structure of the transactions contemplated by the Transaction Documents, or Purchasers' economic rights under the Transaction Documents), (b) preserve and maintain its rights, franchises and privileges unless failure to do any of the foregoing would not reasonably be expected to have a Material Adverse Effect, (c) qualify and remain qualified in good standing in each jurisdiction where the failure to preserve and maintain such qualifications would reasonably be expected to have a Material Adverse Effect, including appointing and employing

such agents or attorneys in each jurisdiction where it shall be necessary to take action under this Agreement, and (d) comply with its organizational documents, except, in the case of this clause (d), for any non-compliance that would not reasonably be expected to have a Material Adverse Effect. Each Purchaser acknowledges and agrees (to the maximum extent permitted under Applicable Law), that the Purchasers shall not, and shall not cause any other Person to, petition for the bankruptcy of the Seller Parties.

Section 5.10 Additional Sales; Liens.

(a) The Seller Parties shall not create, incur, sell, issue, assume, enforce or suffer to exist any additional revenue interests (or similar economic equivalents) with respect to the Net Sales of the Covered Product, unless [***].

(b) Except as permitted pursuant to Section 5.12 (Change of Control) and Section 5.14 (Out-Licenses for Covered Product), the Seller Parties shall not [***]. Except as permitted pursuant to Section 5.14 (Out-Licenses for Covered Products), neither Seller Party shall [***].

Section 5.11 Indebtedness. No Seller Party shall, directly or indirectly, create, incur, assume or suffer to exist any Indebtedness without [***].

Section 5.12 Change of Control. [***].

Section 5.13 In-Licenses.

(a) The Seller Parties shall promptly (and in any event within five (5) Business Days following execution thereof) provide the Purchaser Representative with (i) executed copies of any In-License entered into by the Seller Parties or their respective Affiliates, and (ii) executed copies of each amendment, supplement, modification or written waiver of any provision of any In-License.

(b) The Seller Parties shall comply in all material respects with its and their obligations under the [***] Agreement and any In-Licenses that the Seller Parties enter into and shall not take any action or forego any action that would reasonably be expected to result in a material breach thereof. Promptly, and in any event within ten (10) Business Days, after receipt of any written or oral notice by the Seller Parties or any of their respective Affiliates with respect to an alleged material breach under any In-License, the Seller Parties shall provide the Purchaser Representative a copy (or, in the case of oral notices, a written summary) thereof. The Seller Parties shall cure any material breaches by it under any In-License and shall give written notice to the Purchasers upon curing any such breach. The Seller Parties shall provide the Purchasers with written notice following (and in any event within five (5) Business Days of) becoming aware of a counterparty's material breach of its obligations under any In-License. The Seller Parties shall not terminate (i) any In-License without providing the Purchaser Representative prior written notice or (ii) the [***] Agreement. The Seller Parties shall not make or enter into any amendment, supplement or modification to, or grant any waiver under any provision of, the [***] Agreement without the Purchaser Representative's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) to the extent that such amendment,

supplement, modification or grant would reasonably be expected to have a material adverse effect on the timing, amount or duration of the Royalty Payments. Promptly, and in any event within ten (10) Business Days following the Seller Parties' notice to a counterparty to any In-License of an alleged breach by such counterparty under any such In-License, the Seller Parent shall provide the Purchaser Representative written notice thereof.

Section 5.14 Out-Licenses for Covered Product.

(a) The Seller Parties and their respective Affiliates [***].

(b) The Seller Parent shall promptly (and in any event within five (5) Business Days following execution thereof) provide the Purchaser Representative with written notice of and a description of the following: (i) execution by the Seller Parties of an Out-License, and (ii) execution by the Seller Parties of any amendment, supplement, modification or written waiver of any material provision of an Out-License.

(c) The Seller Parties shall include in all Out-Licenses [***].

(d) The Seller Parties shall provide the Purchaser Representative prompt (and in any event within five (5) Business Days) written notice of a licensee's material breach of its obligations under any Out-License of which any of the individuals named in the definition of "Knowledge" (or the successors of such Person at the Seller Parties) actually becomes aware.

(e) The Seller Parent shall provide the Purchaser Representative with written notice promptly (and in any event within five (5) Business Days) following the termination of any Out-License (other than termination as a result of expiration of the Out-License according to its terms).

(f) Subject to the rights of the Parties to the Horizon Intercreditor Agreement, the Purchasers shall have a back-up security interest in any Out-License entered into by the Seller Parties in accordance with this Section 5.14 and the receivables thereunder pursuant to the Security Agreement.

Section 5.15 PRV Request and PRV Sale Transaction.

(a) The Seller Parties shall use Commercially Reasonable Efforts to request a Priority Review for D-Fi and prepare a PRV Request for submission by the Seller Parties to the FDA upon the filing of a Biologics License Application for D-Fi with the FDA. The Seller Parties shall provide access to such PRV Request to the Purchaser Representative via access methods such as secure databases established by the Parties as soon as reasonably possible for its review and comment. Prior to its submission to the FDA, the Seller Parties shall have the sole responsibility for interacting with the FDA or the applicable Governmental Authority, responding to inquiries with respect to any documentation associated with the PRV Request and filing all updates to such filings that may be required. The Purchaser Representative shall provide their comments, if any, on such PRV Request to the Seller Parties within five (5) Business Days after receipt thereof and the Seller Parties shall consider in good faith any

comments timely provided by the Purchaser Representative, but the Seller Parties shall not be obligated to incorporate any such comments, it being agreed to and acknowledged by the Purchasers that the form and content of, and responsibility for, the PRV Request submitted to the FDA shall remain within the Seller Parties' sole discretion. The Parties' rights and obligations for a PRV Request shall include the initial PRV Request, as well as any supplements or amendments thereto that the Seller Parties determines in their sole discretion are necessary or useful to be prepared and submitted to the FDA in support of the PRV Request.

(b) Upon (i) notification that the FDA has granted Priority Review for a Covered Product and (ii) receipt of a Priority Review Voucher, the Seller Parent shall promptly (but in any event within five (5) Business Days) notify the Purchaser Representative as to such receipt and provide the Purchaser Representative with a true, correct and complete copy of the approval letter from the FDA that contains such Priority Review Voucher.

(c) Following the receipt of a Priority Review Voucher, [***]. Upon the consummation of a PRV Sale Transaction, the Seller Parties shall pay to each Purchaser its applicable Allocation Percentage of the PRV Proceeds, constituting each Purchaser's Allocation Percentage of the PRV Interest. The Seller shall pay to each Purchaser by wire transfer to each Purchaser's Purchaser Account its Allocation Percentage of the PRV Interest within five (5) Business Days upon the Seller's receipt of the PRV Proceeds; provided that, if the PRV Proceeds are paid in installment payments, the installment potion of the PRV Proceeds shall be paid within five (5) Business Days of the receipt by the Seller of each such installment payment. For the avoidance of doubt, the obligations set forth in this Section 5.15 shall survive any Change of Control.

Section 5.16 Minimum Cash. The Seller Parties shall maintain [***].

Section 5.17 Innovator Purchase Agreement and Innovator Notes. The Seller Parties shall not amend, modify or change the Innovator Purchase Agreement or the Innovator Notes without the prior written consent of the Purchaser Representative.

ARTICLE VI
THE CLOSING

Section 6.1 Closing. The closing of the transactions contemplated hereby (the "Closing") shall take place remotely at 9:00 a.m., Eastern Time, via by electronic exchange of signatures and documents on the date of this Agreement (or at such time and place as the Parties may mutually agree) (the "Closing Date").

Section 6.2 Closing Deliverables of the Seller Parties. At the Closing, the Seller Parties shall deliver or cause to be delivered to the Purchasers the following:

(a) each applicable Purchaser's respective Warrants, each duly executed by the Seller Parent;

(b) a counterpart signature page to the Closing Date Bills of Sale, each duly executed by the Seller Parties;

(c) an opinion of Bradley Arant Boult Cummings LLP, counsel to the Seller Parties, in form and substance reasonably satisfactory to the Purchasers;

(d) a duly executed certificate of an executive officer of the Seller Parent dated as of the Closing Date and (i) attaching copies, certified by such officer as true and complete, of (x) the organizational documents of the Seller Parties and (y) resolutions of the Board of Directors and stockholders of the Seller Parent and resolutions of the sole member of the Seller, and resolutions of the manager of the Seller, authorizing and approving the execution, delivery and performance by applicable Seller Party of the Transaction Documents and the transactions contemplated hereby and thereby, (ii) setting forth the incumbency of the officer or officers of the Seller Parties, including who have executed and delivered the Transaction Documents, including therein a signature specimen of each such officer or officers and (iii) attaching a copy, certified by such officer as true and complete, of a good standing certificate from the Secretary of State of the State of Delaware, stating that each Seller Party is in good standing under the State of Delaware;

(e) a counterpart signature page to the Security Agreement duly executed by the Seller Parties;

(f) UCC-1 financing statements ("Purchaser UCC Filings") to evidence and perfect the sale, assignment, transfer, conveyance and grant of the Purchased Receivables pursuant to Section 2.1 and the back-up security interest granted pursuant to Section 2.1(d);

(g) a duly executed IRS Form W-9 from each Seller Party certifying it is a United States person as defined in Section 7701(a)(30) of the Code and exempt from U.S. federal backup tax withholding; and

(h) counterpart signature pages to the Innovator Purchase Agreement and applicable ancillary documents contemplated therein, in each case, by the Seller and Innovator.

Section 6.3 Closing Deliverables of the Purchasers. At the Closing, each Purchaser or Ligand in its capacity as the Purchaser Representative, as applicable, shall deliver or cause to be delivered or paid to the Seller Parties the following:

(a) a counterpart signature page to such Purchaser's Closing Date Bill of Sale, duly executed by such Purchaser;

(b) a counterpart signature page to the Security Agreement, duly executed by such Purchaser;

(c) such Purchaser's Allocated Purchased Assets in accordance with Section 2.2;

(d) a fully completed and duly executed IRS Form W-9 from such Purchaser certifying it is a United States person as defined in Section 7701(a)(30) of the Code and exempt

from U.S. federal backup tax withholding or, if such Purchaser is not a United States person, a fully completed and duly executed IRS Form W-8, as applicable (or other appropriate form) and a fully completed and duly executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, together with such supplementary documentation as may be prescribed by applicable law to permit Seller Parties to determine what if any tax withholding or deduction is required to be made;

(e) a duly executed certificate of an executive officer of Ligand, in its capacity as the Purchaser Representative, dated as of the Closing Date and setting forth the incumbency of the officer or officers of Ligand who have executed and delivered the Transaction Documents to which Ligand is a party, including therein a signature specimen of each such officer or officers;

(f) a counterpart signature page to the Horizon Intercreditor Agreement, duly executed by Ligand; and

(g) a joinder to the ROFR Agreement, duly executed by such Purchaser not already party to the ROFR Agreement as of immediately prior to the execution of this Agreement.

ARTICLE VII
INDEMNIFICATION

Section 7.1 Indemnification by the Seller. The Seller Parties agree, jointly and severally, to indemnify, defend and hold harmless the Purchasers, Purchaser Representative and each of their respective Affiliates and any or all of their respective partners, directors, trustees, officers, managers, employees, members, agents and controlling persons (each, a "Purchaser Indemnified Party") harmless from and against, and will pay to each Purchaser Indemnified Party the amount of, any and all Losses awarded against or incurred or suffered by such Purchaser Indemnified Party, whether or not involving a Third Party Claim, arising out of or resulting from:

(a) any breach of any representation or warranty made by the Seller Parties in ARTICLE III of this Agreement or in the certificate delivered by the Seller Parties to the Purchasers in writing pursuant to Section 6.2(d) of this Agreement;

(b) any breach of or default under any covenant or agreement of the Seller Parties in this Agreement or the Transaction Documents;

(c) any Excluded Liabilities and Obligations;

(d) any product liability claims relating to a Covered Product by any Third Parties against the Purchasers, Purchaser Representative or any of their Affiliates;

(e) any claims of infringement or misappropriation of any Intellectual Property Rights by any Third Parties against the Purchasers, Purchaser Representative or any of their Affiliates; or

(f) any brokerage or finder's fees or commissions or similar amounts incurred or owed by any Seller Party or any of their Affiliates to any brokers, financial advisors or comparable other Persons retained or employed by either of them in connection with the transactions contemplated by this Agreement.

Any amounts due to any Purchaser Indemnified Party hereunder shall be payable by the Seller Parties to such Purchaser Indemnified Party upon demand.

Section 7.2 Indemnification by the Purchaser. Each Purchaser, severally and not jointly in accordance with the Purchasers' respective Allocation Percentages, agrees to indemnify and hold each of the Seller Parties and their respective Affiliates and any or all of their respective partners, directors, officers, managers, members, employees, agents and controlling Persons (each, a "Seller Indemnified Party" and together with the Purchaser Indemnified Parties, the "Indemnified Parties" and any such Person from whom indemnification is sought pursuant to and in accordance with this ARTICLE VII, the "Indemnifying Party") harmless from and against, and will pay to each Seller Indemnified Party the amount of, any and all Losses awarded against or incurred or suffered by such Seller Indemnified Party, whether or not involving a Third Party Claim, arising out of:

(a) any breach of any representation or warranty made by such Purchaser in ARTICLE III of this Agreement;

(b) any breach of or default under any covenant or agreement of such Purchaser in any Transaction Document to which such Purchaser is a party; or

(c) any brokerage or finder's fees or commissions or similar amounts incurred or owed by such Purchaser to any brokers, financial advisors or comparable other Persons retained or employed by it in connection with the transactions contemplated by this Agreement.

No Purchaser shall have any liability to the Seller Indemnified Parties for any other Purchaser's breach of any representation or warranty or breach or default under any covenant or agreement. Any amounts due to any Seller Indemnified Party hereunder shall be payable by the applicable Purchaser to such Seller Indemnified Party upon demand.

Section 7.3 Claims. A claim by an Indemnified Party under this ARTICLE VII for any matter in respect of which such Indemnified Party would be entitled to indemnification hereunder may be made by delivering, in good faith, a written notice of demand to the indemnifying party within the applicable survival period set forth in Section 7.4, which notice shall contain (a) an indication as to whether such claim involves a Third Party Claim or a direct claim, (b) a description and the amount of any Losses (with reasonable details of each of the foregoing) incurred or suffered or reasonably expected to be incurred or suffered by the Indemnified Party, (c) a statement that the indemnified party is entitled to indemnification under this ARTICLE VII for such Losses and a reasonable explanation of the basis therefor (with reasonable particularity and identification of the provisions of this Agreement in respect of such claim) and (d) a demand for payment in the amount of such Losses. For all purposes of this Section 7.3, the Seller shall deliver such notice of demand to the Purchaser Representative on

behalf of the Seller Indemnified Parties, and the Purchaser Representative shall deliver such notice of demand to the Seller on behalf of their respective Purchaser Indemnified Parties.

Section 7.4 Survival. All representations and warranties made by the Seller Parties in ARTICLE III of this Agreement (other than the Special Representations) and the Purchasers in ARTICLE IV of this Agreement, or in any certificate delivered by the Seller Parties to the Purchasers in writing pursuant to Section 6.2(d) shall survive the Closing and shall terminate at 5:00 p.m., Eastern Time, on the earlier of the [***]; provided, however, that the Special Representations shall survive the Closing and shall terminate on [***]. Each covenant or other agreement made in this Agreement shall terminate upon its full performance in accordance with its terms. The rights hereunder to indemnification, payment of Losses or other remedies based on any such representation, warranty or covenant shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time (whether before or after the execution and delivery of this Agreement or the Closing) in respect of the accuracy or inaccuracy of or compliance with, any such representation, warranty or covenant.

Section 7.5 Remedies. Except in the case of actual fraud and intentional misrepresentation, and except as set forth in Section 9.1, (a) the indemnification afforded by this ARTICLE VII shall be the sole and exclusive remedy of the Parties and their respective Affiliates for any and all Losses (whether based in contract, tort or otherwise) awarded against or incurred or suffered by a Party in connection with any breach of any representation, warranty, covenant or agreement made under this Agreement or any certificate, document or instrument delivered hereunder, and except in the case of actual fraud or intentional misrepresentation, each Party hereby waives, to the fullest extent permitted by Applicable Law, and agrees not to assert after the Closing, any other claim or action in respect of any such breach, and (b) each Purchaser acknowledges and agrees that such Purchaser, together with its Affiliates and representatives, has made its own investigation of the Purchased Assets and the transactions contemplated by the Transaction Documents and is not relying on, and shall have no remedies in respect of, any implied warranties or upon any representation or warranty whatsoever as to the future amount or potential amount of the Purchased Assets.

Section 7.6 Limitations. Neither any Seller Indemnified Party nor any Purchaser Indemnified Party shall have any liability for, or Losses be deemed to include, any special, punitive or exemplary damages, or any lost profits, whether in contract, tort, or otherwise. regardless of whether the other Party shall be advised, shall have reason to know, or in fact shall know of the possibility of such damages suffered or incurred by any such Seller Indemnified Party or the Purchaser Indemnified Party in connection with this Agreement any of the other Transaction Documents or any of the transactions contemplated hereby or thereby, except to the extent any such damages are actually paid by any Indemnified Party to a Third Party in accordance with Section 7.3. Notwithstanding the foregoing, the limitations set forth in this Section 7.6 shall not apply to any claim for indemnification hereunder in the case of actual fraud. The aggregate amount of Losses for which the Purchaser Indemnified Parties shall be entitled to indemnification pursuant to this ARTICLE VII shall not exceed [***]. The aggregate amount of Losses for which the Seller Indemnified Parties shall be entitled to indemnification pursuant to

this ARTICLE VII with respect to each Purchaser shall not exceed [***]. Notwithstanding anything to the contrary in this Section 7.6, the Parties acknowledge and agree that [***].

Section 7.7 Third Party Claims. Without limiting the generality and other requirements contained in Section 7.5, if an Indemnified Party intends to claim any Loss under this ARTICLE VII involving a Third Party Claim such Indemnified Party (in the manner required by Section 7.3) shall promptly (and in any event with ten (10) Business Days after first becoming aware of a Third Party Claim) notify the Indemnifying Party of such claim (with reasonable details thereof, including copies of all complaints, summons petitions, and demand letters); provided, that failure to provide timely notice of such Third Party Claim shall not impact or reduce the amount recoverable in respect thereof by the Indemnified Party except to the extent the Indemnifying Party is materially prejudiced by such delay. The Indemnified Party shall not consent to entry of any judgment or enter into any settlement or compromise of any such Third Party Claim without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed) if such judgment, settlement or compromise (a) would directly or indirectly result in liability to the Indemnifying Party (including pursuant to the indemnification provisions herein) or (b) involves equitable or injunctive relief against the Indemnifying Party.

Section 7.8 Tax Treatment of Indemnification Payments. For all purposes hereunder, any indemnification payments made pursuant to this ARTICLE VII will be treated as an adjustment to the Purchase Price for all Tax purposes to the fullest extent permitted by Applicable Law.

ARTICLE VIII
CONFIDENTIALITY

Section 8.1 Confidentiality. Except as provided in this ARTICLE VIII, Section 5.2 or otherwise agreed in writing by the Parties, the Parties agree that each Party (the "Receiving Party") shall keep confidential, and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement (which includes the exercise of any rights or the performance of any obligations hereunder), any information (whether written or oral, or in electronic or other form) furnished, disclosed or delivered to it by or on behalf of the other Party (the "Disclosing Party") pursuant to the Existing Confidentiality Agreement or this Agreement, including the terms of this Agreement (such information, "Confidential Information" of the Disclosing Party), except for that portion of such information that:

(a) was already in the Receiving Party's possession on a non-confidential basis prior to June 8, 2023, or becomes known to the Receiving Party from a source other than the Disclosing Party and its representatives without any breach of this Agreement, in each case as evidenced by written records (provided that if such information was disclosed to the Receiving Party on a non-confidential basis by a source that is not the Disclosing Party, such source had the right to disclose such information to the Receiving Party without any legal, contractual or fiduciary obligation to, any person with respect to such information);

(b) is or becomes generally available to the public other than as a result of an act or omission by the Receiving Party or its Affiliates in breach of this Agreement or any other agreement; or

(c) was independently developed by the Receiving Party, as evidenced by written records, without use of or reference to the Confidential Information and without violation of the terms of this Agreement or any other agreement.

Section 8.2 Termination of Confidentiality Agreement. Effective upon the Closing Date, the Existing Confidentiality Agreement shall terminate and be of no further force or effect, and shall be superseded by the provisions of this ARTICLE VIII.

Section 8.3 Permitted Disclosure.

(a) In the event that the Receiving Party or its Affiliates or any of its or its Affiliates' representatives are requested by a Governmental Authority or required by Applicable Law, regulation or legal process (including the regulations of a stock exchange or Governmental Authority or the order or ruling of a court, administrative agency or other government or regulatory body of competent jurisdiction) to disclose any Confidential Information, the Receiving Party shall promptly, to the extent permitted by Applicable Law, notify the Disclosing Party in writing of such request or requirement (with reasonable details thereof) so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy (and if the Disclosing Party seeks such an order or other remedy, the Receiving Party will cooperate in good faith, at the Receiving Party's sole expense, as the Disclosing Party shall reasonably request). If no such protective order or other remedy is obtained and the Receiving Party or its Affiliates or its or its Affiliates' representatives are, in the view of their respective counsel (which may include their respective internal counsel), legally required to disclose Confidential Information, the Receiving Party or its Affiliates or its or its Affiliates' representatives, as the case may be, shall only disclose that portion of the Confidential Information that their respective counsel advises that the Receiving Party or its Affiliates or its or its Affiliates' representatives, as the case may be, are required to disclose and will use reasonable best efforts, at the Disclosing Party's sole expense, to obtain reliable assurance that confidential treatment will be accorded to that portion of the Confidential Information that is being disclosed. In any event, the Receiving Party will not oppose action by the Disclosing Party (and will cooperate in good faith) to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information. Notwithstanding the foregoing, notice to the Disclosing Party shall not be required where disclosure is made in connection with a routine examination by a regulatory examiner, where in each case such request or examination does not expressly reference the Disclosing Party, its Affiliates, the Purchased Receivables or this Agreement (provided that the examiner is advised of the confidential nature of the Confidential Information). The Receiving Party may disclose Confidential Information to its Affiliates, its and their employees, directors, officers, contractors, agents, and representatives, and to potential or actual acquirers, merger partners, permitted assignees, investment bankers, investors, limited partners, partners, lenders, or other financing sources (including, in the case of a Seller Party, any party evaluating the acquisition of any portion of the Purchased Receivables that are not included in the Purchased Receivables), and their respective directors, employees, contractors and agents;

provided that such person or entity agrees to confidentiality and non-use obligations with respect thereto at least as stringent as those specified for in this ARTICLE VIII; provided further, that the Receiving Party shall limit such disclosures solely to the extent required by such engagement. Further, notwithstanding anything contained in this ARTICLE VIII to the contrary, but subject to compliance with Section 5.2, a Party that is or becomes subject to reporting obligations under the Securities Act of 1933, as amended, the Securities and Exchange Act of 1934, as amended, and any rule, regulation or legal process promulgated by the SEC or a stock exchange, may disclose Confidential Information to the extent such disclosure is reasonably necessary to comply with the securities laws, rules and regulations referenced above that are applicable to such Party.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Specific Performance. Each Party acknowledges and agrees that, if it fails to perform any of its obligations under any of the Transaction Documents, the other Parties will be damaged irreparably and have no adequate remedy at law. In such event, each Party agrees that the other Parties shall have the right, in addition to any other rights it may have (whether at law or in equity and without posting bond or any other undertaking), to an injunction or injunctions to prevent violations under this Agreement and to enforce specific performance of this Agreement. Each Party agrees that in the event of any action for specific performance in respect of such violation, it shall not assert the defense that a remedy at law would be adequate.

Section 9.2 Notices. All notices, consents, waivers and other communications hereunder shall be in writing and shall be effective (a) upon receipt when sent by registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, (b) upon receipt when sent by an overnight courier (costs prepaid and receipt requested), (c) on the date personally delivered to an authorized officer of the Party to which sent or (d) on the date transmitted by e-mail with a confirmation of receipt, addressed to the recipient as follows:

if to any of the Seller Parties, to:

Castle Creek Biosciences, Inc.
405 Eagleview Blvd
Exton, PA 19341, USA
Attention: Chief Executive Officer
Email: [***]
with copies to (which shall not constitute notice):

Castle Creek Biosciences, Inc.
330 N. Wabash Ave
Suite 3500
Chicago, IL 60611
Attention: Jude M. Sullivan

Email: [***]
and

Bradley Arant Boult Cummings LLP
1445 Ross Avenue, Suite 3600
Dallas, Texas 75202
Attention: Gregory Hidalgo
Email: [***]

if to the Purchaser Representative (so long as Ligand is the Purchaser Representative), to:

Ligand Pharmaceuticals Incorporated
555 Heritage Drive, Suite 200
Jupiter, FL 33458
Attention: Chief Executive Officer
Email: [***]

with copy to (which shall not constitute notice):

Ligand Pharmaceuticals Incorporated
101 Huntington, Suite 250
Boston, MA 02199
Attention: Senior Vice President, Investments and Business Development
Email: [***]

Ligand Pharmaceuticals Incorporated
3911 Sorrento Valley Boulevard, Suite 110
San Diego, CA 92121
Attention: General Counsel
Email: [***]

and

Morgan, Lewis & Bockius LLP
2222 Market Street
Philadelphia, PA 19103
Attention: Conor F. Larkin; Andrew R. Mariniello
Email: [***]

if to each of the Purchasers, to the addresses set forth below each Purchaser signature hereto.

Each Party may, by notice given in accordance herewith to the other Party, designate any further or different address to which subsequent notices, consents, waivers and other communications shall be sent.

Section 9.3 Successors and Assigns. The Seller Parties shall not be entitled to assign any of their respective rights or delegate any of their respective obligations under this Agreement without the prior written consent of the Purchaser Representative, except that, without the consent of the Purchaser Representative, [***]. Each Purchaser may assign all of its rights and obligations under this Agreement, provided that, (i) such Purchaser shall cause such assignee to (A) become a party, by joinder or as otherwise as required by the Seller Parent (in form and substance reasonable satisfactory to the Seller Parent) to this Agreement, the Security Agreement, and such other agreements, documents, certificates or instruments as are reasonably required by the Seller Parent, (B) deliver a writing to the Seller Parent in which it assumes all of the obligations of such Purchaser to the Seller Parent (in form and substance reasonably satisfactory to the Seller Parent), and (C) deliver an IRS Form W-9 or applicable IRS Form W-8, as appropriate and (ii) such assignment shall be at the expense of the assigning Purchaser and at no cost to the Seller Parties, including incremental Taxes or amounts payable by the Seller Parties pursuant to [***]. Notwithstanding the foregoing, no Purchaser shall be entitled to assign its rights and obligations under this Agreement without the prior written consent of both (x) the Purchaser Representative (which consent will not be unreasonably withheld) and (y) the Seller Parties if such assignment is [***]. Each Party shall give written notice to the other Parties of any intended assignment permitted by this Section 9.3 promptly (but in any event at least ten (10) Business Days) prior to the occurrence thereof. The Seller Parties shall not be under any obligation to reaffirm any representations, warranties or covenants made in this Agreement or any of the other Transaction Documents or take any other action in connection with any such assignment by any Purchaser. Any purported assignment of rights or delegation of obligations in violation of this Section 9.3 will be void *ab initio*, and of no force or effect. Subject to the foregoing, this Agreement will apply to, be binding upon, and inure to the benefit of, the successors and permitted assigns of the Parties.

Section 9.4 Expenses. Except as otherwise provided in the Transaction Documents, all fees, costs and expenses (including any legal, accounting and banking fees) incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and to consummate the transactions contemplated hereby shall be paid by the party hereto incurring such fees, costs and expenses. If any claim is commenced by any Party to enforce its rights under this Agreement against any other Party, all fees, costs and expenses, including reasonable attorneys' fees and court costs, incurred by the prevailing party in such claim shall be reimbursed by the losing party. As used in this Section 9.4, the term "prevailing party" means the Party that has succeeded upon a significant issue in such claim and achieved a material benefit with respect to the claims at issue, taken as a whole.

Section 9.5 Independent Nature of Relationship. The relationship between the Seller Parties, on one hand, and the Purchasers, on the other hand, is solely that of seller and purchaser, and neither the Seller Parties, on one hand, nor the Purchasers, on the other hand, has any fiduciary or other special relationship with the other Parties or any of their respective Affiliates. This Agreement is not a partnership or similar agreement, and nothing contained herein or in any other Transaction Document shall be deemed to constitute either Seller Party and the Purchasers as a partnership, an association, a joint venture or any other kind of entity or legal form for any

purposes, including any Tax purposes. The Parties agree that they shall not take any inconsistent position with respect to such treatment in a filing with any Governmental Authority.

Section 9.6 Entire Agreement. This Agreement, together with the Exhibits and Schedules hereto and the other Transaction Documents, constitute a complete and exclusive statement of the terms of agreement between the Parties, and supersede all prior agreements, understandings and negotiations, both written and oral, between the Parties, with respect to the subject matter of this Agreement and other Transaction Documents. No representation, inducement, promise, understanding, condition or warranty not set forth herein (or in the Exhibits or Schedules hereto or the other Transaction Documents) has been made or relied upon by any Party.

Section 9.7 Governing Law; Exclusive Venue.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL SUBSTANTIVE LAWS OF THE STATE OF DELAWARE AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) Each Party irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court of Chancery of the State of Delaware, or, in the event that such court declines to accept jurisdiction over a particular matter, any state or federal court located within the State of Delaware, and any state appellate court therefrom located in the State of Delaware for purposes of any claim, action, suit or proceeding arising out of this Agreement, any of the other Transaction Documents or any of the transactions contemplated hereby or thereby, and agrees that all claims in respect thereof shall be brought, heard and determined only in such courts. Each Party hereby waives, and agrees not to assert in any such claim, action, suit or proceeding, to the fullest extent permitted by Applicable Law, any claim that (i) such Party is not personally subject to the jurisdiction of such courts, (ii) such Party and such Party's property is immune from any legal process issued by such courts or (iii) any claim, action, suit or proceeding commenced in such courts is brought in an inconvenient forum. Each Party agrees that a final judgment in any such claim, action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Each Party acknowledges and agrees that this Section 9.7(b) constitutes a voluntary and bargained-for agreement between the Parties.

(c) The Parties agree that service of process in any claim, action, suit or proceeding referred to in Section 9.7(b) may be served on any Party anywhere in the world, including by sending or delivering a copy of such process to such Party in any manner provided for the giving of notices in Section 9.2. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by Applicable Law. Each Party waives personal service of any summons, complaint or other process, which may be made by any other means permitted by Delaware law.

Section 9.8 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY

HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY HERETO WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 9.8.

Section 9.9 Severability. If one or more provisions of this Agreement are held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall remain in full force and effect and be enforceable in accordance with its terms. Any provision of this Agreement held invalid or unenforceable only in part or degree by a court of competent jurisdiction shall remain in full force and effect to the extent not held invalid or unenforceable.

Section 9.10 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Party. Any counterpart may be executed by facsimile or other similar means of electronic transmission, including "PDF", and such facsimile or other electronic transmission shall be deemed an original.

Section 9.11 Amendments; No Waivers. Neither this Agreement nor any term or provision hereof may be amended, supplemented, restated, waived, changed or modified except with the written consent of the Seller Parties, the Purchaser Representative and the Required Purchasers. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No notice to or demand on any Party in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval hereunder shall, except as may otherwise be stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 9.12 No Third Party Rights. Other than the Parties, no Person will have any legal or equitable right, remedy or claim under or with respect to this Agreement or any of the other Transaction Documents. This Agreement may be amended or terminated, and any provision of this Agreement may be waived, without the consent of any Person who is not a Party. The Seller Parties shall enforce any legal or equitable right, remedy or claim under or with respect to this Agreement for the benefit of the Seller Indemnified Parties and the

Purchasers shall enforce any legal or equitable right, remedy or claim under or with respect to this Agreement for the benefit of their respective Purchaser Indemnified Parties.

Section 9.13 Table of Contents and Headings. The Table of Contents and headings of the Articles and Sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

Section 9.14 Purchaser Representative; Expenses.

(a) Each Purchaser hereby irrevocably authorizes and appoints the Purchaser Representative to take such action as agent on its behalf and to exercise such powers under this Agreement and the Transaction Documents as are delegated to the Purchaser Representative by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, including (i) the exercise of the power to agree to and execute any waivers, consents, decisions, certificates or other actions under the Agreement and the Transaction Documents, in such forms and containing such provisions as the Purchaser Representative, in its sole discretion, determines to be appropriate, (ii) to take or refrain from taking any actions (whether by negotiation, settlement, litigation or otherwise) to resolve or settle all matters and disputes arising out of or related to the Agreement or the Transaction Documents and (iii) to take all actions necessary in the judgment of the Purchaser Representative for the accomplishment of the foregoing and all of the other terms, conditions and limitations of the Agreement and the Transaction Documents and the transactions contemplated hereby and thereby and the actions contemplated hereby and thereby.

(b) The Seller Parties, their respective Affiliates and their respective representatives shall be entitled to deal exclusively with the Purchaser Representative on all matters relating to this Agreement (as amended), the Transaction Documents and the documents contemplated hereby and thereby and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Purchaser by the Purchaser Representative, and (i) each Purchaser shall be bound by the actions taken by the Purchaser Representative exercising the rights granted to it by the Agreement (as amended) and (ii) no Purchaser shall have the right to object to, dissent from, protest or otherwise contest the same.

(c) For the avoidance of doubt, if any controversy arises between or involving one or more of the Purchasers, or any other person, as to any matter arising out of or relating to either Seller Party or under the Agreement or the Transaction Documents and the transactions contemplated hereby and thereby, the Purchaser Representative shall not be required to determine the same and shall be entitled to operate hereunder as if no such controversy has arisen. The Seller Parties, their respective Affiliates and their respective representatives shall have no liability to any Purchaser or any other Person with respect to any such actions by the Seller Parties, their respective Affiliates and their respective representatives taken in of reliance on the Purchaser Representative.

(d) The Purchaser Representative shall be entitled to receive reimbursement from, and be indemnified by, the Purchasers for certain expenses, charges and liabilities as provided in Section 9.14(f)Section 9.14 below. In connection with the Agreement, the Transaction Documents and any other instruments, agreements or documents relating hereto and thereto, and in exercising or failing to exercise all or any of the powers conferred upon the Purchaser Representative hereunder, (i) the Purchaser Representative shall incur no responsibility whatsoever to the Purchasers by reason of any error or lapse in judgment or any act or omission performed or omitted under this Agreement or any other instruments, agreements or documents relating hereto or thereto, excepting only responsibility for any act or failure to act which represents gross negligence or willful misconduct, and (ii) the Purchaser Representative shall be entitled to rely on the advice of counsel, accountants or other independent experts experienced in the matter at issue, and any act or omission of the Purchaser Representative pursuant to such advice shall in no event subject the Purchaser Representative to liability to the Purchasers.

(e) Each Purchaser acknowledges that it has, independently and without reliance on the Purchaser Representative or any other Purchaser and based on the information provided to it by the Seller Parties and such other documents and information as it has deemed appropriate, made its own investment evaluation and decision to enter into this Agreement. Each Purchaser acknowledges that it will, independently and without reliance upon the Purchaser Representative or any other Purchaser and based on such documents and information as it shall deem appropriate at the time, continue to make its own investment decisions in taking or not taking action under this Agreement.

(f) Each Purchaser severally agrees to indemnify and hold harmless the Purchaser Representative and its successors, assigns, Affiliates, agents and other representatives for such Purchaser's Allocation Percentage of all claims, damages, losses, liabilities and expenses (including reasonable attorneys' fees) of any kind or nature which may be imposed on, incurred or asserted against such persons in any way relating to this Agreement or the Transaction Documents or any action taken or not taken by such person under this Agreement or the Transaction Documents in its capacity as Purchaser Representative and agent hereunder and thereunder. Without limitation of the foregoing, each Purchaser agrees to reimburse the Purchaser Representative promptly upon demand for its Allocation Percentage of any Purchaser Expenses, in each case to the extent the Parties have not reimbursed such expenses. The Purchaser Representative shall not be entitled to recovery from either Seller Party for any Purchaser Expenses, such Purchaser Expenses being the sole obligation of the Purchasers.

{SIGNATURE PAGE FOLLOWS}

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

SELLER PARENT:

CASTLE CREEK BIOSCIENCES, INC., a Delaware corporation

By: /s/ Matthew J. Gantz
Name: Matthew J. Gantz
Title: President and Chief Executive Officer

SELLER:

CASTLE CREEK BIOSCIENCES, LLC, a Delaware limited liability company

By: /s/ Matthew J. Gantz
Name: Matthew J. Gantz
Title: President and Chief Executive Officer

PURCHASER REPRESENTATIVE:

LIGAND PHARMACEUTICALS INCORPORATED

By: /s/ Todd Davis
Name: Todd Davis
Title: Chief Executive Officer

PURCHASER:

LIGAND PHARMACEUTICALS INCORPORATED

By: /s/ Todd Davis
Name: Todd Davis
Title: Chief Executive Officer

[*Signature Page to Purchase and Sale Agreement*]

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd C. Davis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ligand Pharmaceuticals Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025

/s/ Todd C. Davis

Todd C. Davis
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Octavio Espinoza, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ligand Pharmaceuticals Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025

/s/ Octavio Espinoza

Octavio Espinoza
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

In connection with the Quarterly Report of Ligand Pharmaceuticals Incorporated (the "Company") on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Todd C. Davis, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2025

/s/ Todd C. Davis

Todd C. Davis
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

In connection with the Quarterly Report of Ligand Pharmaceuticals Incorporated (the "Company") on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Octavio Espinoza, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2025

/s/ Octavio Espinoza

Octavio Espinoza
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required

by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.