

LIGAND

Biopharma's Technology  
and Capital Partner



# Corporate Presentation

August 2025

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These forward-looking statements include, without limitation: Ligand's ability to expand its portfolio with life sciences royalty opportunities; the timing of clinical and regulatory events of Ligand's partners and other commercialization and marketing efforts; the timing of the initiation or completion of preclinical studies and clinical trials by Ligand and its partners; the timing of product launches by Ligand or its partners; and guidance regarding projected 2025 financial results. 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Information regarding partnered products and programs comes from information publicly released by our partners. Our trademarks, trade names and service marks referenced herein include Ligand, Captisol, NITRICIL and ZELSUVMI. Each other trademark, trade name or service mark appearing in this presentation belongs to its owner.
- This presentation presents certain non-GAAP measures. A reconciliation between the non-GAAP adjusted financial numbers and corresponding GAAP figures is included in this presentation and usually shown in our quarterly earnings press release or the fiscal year annual report, available at <https://investor.ligand.com/news-and-events/press-releases/>. However, other than with respect to total revenues, Ligand only provides financial guidance on an adjusted basis and does not provide reconciliations of such forward-looking adjusted measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation.
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# Ligand: Biopharma's Technology & Capital Partner

Biopharma royalty aggregator, focused on investing in highly differentiated late-clinical and commercial stage assets and operating royalty-generating platform technologies

## Robust Commercial Royalty Portfolio

- 12 major commercial-stage royalty streams (e.g., Filspari, Kyprolis, Qarziba, Ohtuvayre, Capvaxive)
- Forecasting ~\$150 million in royalty revenue in 2025 (versus \$109M in 2024)

## Deep Pipeline

- Over 90 additional active programs with economic rights
- Royalty-generating platform technologies include Captisol® and NITRICIL™

## Executing at Scale

- Robust business development and investment capabilities
- Rapidly increasing level of investment activity with proprietary origination

## Lean Operating Structure

- Current operating cash flow run rate of ~\$150M
- Lean operating structure driving strong profit margins (\$40M cash opex, growing at ~5% annually)

## Strong Balance Sheet

- Well capitalized with ~ \$245 million<sup>1</sup> in cash and investments , access to \$200 million credit facility
- Bolstered balance sheet with \$460 million convertible note on August 11, 2025

## Highly Experienced Team

- Deep network of relationships and alliances across biopharma ecosystem
- Premier investing and operating expertise

# Benefits Of Royalty Investing

## What are biopharmaceutical royalties?



Royalty is a percentage of top-line pharmaceutical net revenue



Royalties are non-dilutable and transfer to a new marketer upon company acquisition



Royalty cash flows can be protected in bankruptcy



Royalty acquisition requires minimal corporate infrastructure

Royalty investing offers high-margin, predictable, and profitable growth, as well as superior returns

# Investment Tactics & Methods

Ligand utilizes multiple investment approaches to add late-stage programs to the portfolio

## Royalty Monetization

Acquire existing royalty contracts

- Inventors
- Universities
- Non-strategic assets held by companies

## Project Finance

Fund late-stage clinical trials for royalty interest

- Applicable in all market conditions
- De-risked late-stage assets
- \$20 – 50M per asset
- Favorable time to market

## Special Situations

Identify companies with attractive royalty contracts and technology

Significant discounts in current equity environment

Operational team capable of cutting costs and restructuring

## Platforms

Focus on infrastructure-light and leverageable platforms

- **Scalable**  
Limited operations
- **Broad applicability**  
Large market opportunity
- **Enabling**  
Higher royalties
- **Commercially validated**  
Existing royalties

# Ligand Platform Technologies



*Acquired through CyDex investment in 2011*

Solvent-free, all-aqueous processed modified cyclodextrin to improve formulation solubility and stability



*Acquired through Novan investment in 2023*

Leverages nitric oxide's naturally occurring antimicrobial and immunomodulatory effects to develop new therapies across multiple therapeutic areas

Ligand Platform  
Technology  
Investment Criteria

Infrastructure  
Light

Broadly  
Applicable

Enabling

Commercially  
Validated

# Ligand Strategic Differentiation

## STRONG FINANCIALS

High-margin / high-growth strategy

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

Predictable and diversified growth

## ADVANTAGEOUS STRATEGY

**High Demand:** Inefficient market with inexhaustible demand for capital

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

**Flexible Structures:** Customized investment structures with non-dilutable interests

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

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

## EXPERIENCED TEAM

Track record of accomplishments, building a diversified portfolio



# Leadership Team

## *Differentiated Relationships & Biopharma Investment Experience*

Deep network of biopharma relationships enable proprietary deal sourcing and rigorous due diligence

### CORPORATE MANAGEMENT



**Todd Davis**  
Chief Executive Officer



**Tavo Espinoza**  
Chief Financial Officer



**Andrew Reardon**  
Chief Legal Officer



**Keith Marschke, Ph. D.**  
SVP, Biology & Scientific Affairs



### INVESTMENTS



**Paul Hadden**  
SVP, Investments & Business Development



**Rich Baxter**  
SVP, Investment Operations



**Lauren Hay**  
VP, Strategic Planning & Investment Analytics



**Michael Vigilante**  
VP, Investments & Business Development



### CLINICAL OPERATIONS & TECHNOLOGY



**Karen Reeves, M.D.**  
SVP, Investments & Head of Clinical Strategy; General Manager, Captisol



**Vince Antle, Ph. D.**  
SVP, Technical Operations & Quality



**James Pipkin, Ph. D.**  
VP, New Product Development





# Portfolio & Investments

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# Key Commercial Partnered Programs

| Marketer                                                                                                                                                            | Program      | Therapeutic Area   | Royalty Rate                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------|----------------------------------|
|                                                                                    | Kyprolis     | Oncology           | 1.5% to 3%                       |
|                                                                                    | Qarziba      | Oncology           | Tiered Mid-Teen                  |
|                                                                                    | Filspari     | Nephrology         | 9%                               |
|   | Ohtuvayre    | Pulmonology        | 3%                               |
|                                                                                    | Rylaze       | Oncology           | Low Single-Digit                 |
|                                                                                    | Vaxneuvance  | Infectious Disease | Low Single-Digit                 |
|                                                                                    | Capvaxive    | Infectious Disease | Low Single-Digit                 |
|   | Evomela      | Oncology           | 20%                              |
|                                                                                   | Teriparatide | Endocrinology      | 25% to 40%<br>Gross Profit Share |
|                                                                                  | Nexterone    | Cardiovascular     | Low Single-Digit                 |
|                                                                                  | Pneumosil    | Infectious Disease | Low Single-Digit                 |
|                                                                                  | Zelsuvmi     | Infectious Disease | 13%                              |

# Key Pipeline Partnered Programs

| Developer                                                                                                     | Program          | Indication                                                         | Phase        | Royalty Rate                                   |
|---------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------|--------------|------------------------------------------------|
|  TRAVERE<br>THERAPEUTICS     | Filspari         | Focal Segmental Glomerulosclerosis (FSGS)                          | Registration | 9%                                             |
|  palvella<br>THERAPEUTICS    | QTORIN Rapamycin | Microcystic Lymphatic Malformations/Cutaneous Venous Malformations | Phase 3      | 8% to 9.8%                                     |
|  Castle Creek<br>Biosciences | D-Fi             | Dystrophic Epidermolysis Bullosa (DEB)                             | Phase 3      | Mid single-digit                               |
|  Verona Pharma               | Ohtuvayre        | Non-Cystic Fibrosis Bronchiectasis & Fixed Dose Ohtuvayre+LAMA     | Phase 2      | 3%                                             |
|  a genus                     | BOT/BAL          | Microsatellite-Stable (MSS) Colorectal Cancer (mCRC)               | Phase 2      | 2.625%                                         |
|  Orchestra<br>BioMed        | AVIM/Virtue SAB  | Hypertension / In-Stent Restenosis                                 | Phase 3      | High teens <\$100M<br>Mid single-digit >\$100M |
|  RECORDATI                  | Qarziba          | Ewing sarcoma                                                      | Phase 2      | Tiered mid-teen                                |
|  VIKING<br>THERAPEUTICS    | VK-2809          | Metabolic dysfunction-associated steatohepatitis                   | Phase 2b     | 3.5% to 7.5%                                   |

# Near-Term Growth Drivers: Filspari



## Product Value Proposition

### Approved: IgA Nephropathy (IgAN)

- First non-immunosuppressive therapy approved for IgAN, a rare kidney disease that leads to diminished kidney filtering, proteinuria, and progressive kidney function loss
- **Analyst Consensus Peak Sales: \$1B (\$90M potential royalty to LGND)**

### Registration: Focal Segmental Glomerulosclerosis (FSGS)

- Approval of Filspari in FSGS, another rare kidney disease with extremely high unmet need, could represent the first FDA approved treatment
- **Analyst Consensus Peak Sales: \$1B (\$90M potential royalty to LGND)**

## Recent News

- Travele reported Q2'25 Filspari sales of \$71M, representing 165% growth year-over-year

## Key Upcoming Catalysts

- **August 28, 2025:** PDUFA date for potential modification to IgAN REMS liver monitoring requirement
- **January 13, 2026:** FSGS PDUFA date

# Near-Term Growth Drivers: Ohtuvayre



## Product Value Proposition

- First inhaled product with novel mechanism of action in over 20 years for COPD, addressing high unmet need for patients uncontrolled on current therapies
- Strongest launch in COPD history. Blockbuster sales potential with ~8.6M maintenance treated patients, 50% of whom remain persistently symptomatic
- Potential for indication expansion in non-cystic fibrosis bronchiectasis and a fixed-dose combination with a LAMA in COPD
- **Analyst Consensus Peak Sales: \$3.5B (~\$100M potential royalty to LGND)**

## Recent News

- Merck announced it plans to acquire Ohtuvayre marketer, Verona Pharma, for \$10B
- Verona reported Q2'25 Ohtuvayre sales of \$103M, up from \$70M in Q1'25

## Key Upcoming Catalysts

- **Q3 2025:** Expected initiation of Phase 2b trial with a fixed dose combination of Ohtuvayre with glycopyrrolate
- **Q4 2025:** Expected closing of Merck acquisition

# Near-Term Growth Drivers: QTORIN Rapamycin



## Product Value Proposition

- Received FDA Breakthrough Therapy Designation
- If approved, would be the first FDA-approved therapies indicated for Microcystic Lymphatic Malformations (MLM, Phase 3) and Cutaneous Venous Malformations (CVM, Phase 2), both serious, rare genetic skin diseases
- Analyst Consensus Peak Sales: \$1.2B (~\$115M potential royalty to LGND)

## Recent News

- Palvella and Pieris Pharma closed merger in Dec '24, with \$80M in PIPE financing. Palvella trades on NASDAQ as PVLA
- PVLA stock up > 340% YTD (~\$540M market cap)
- Phase 3 MLM trial enrolled ahead of schedule in June '25

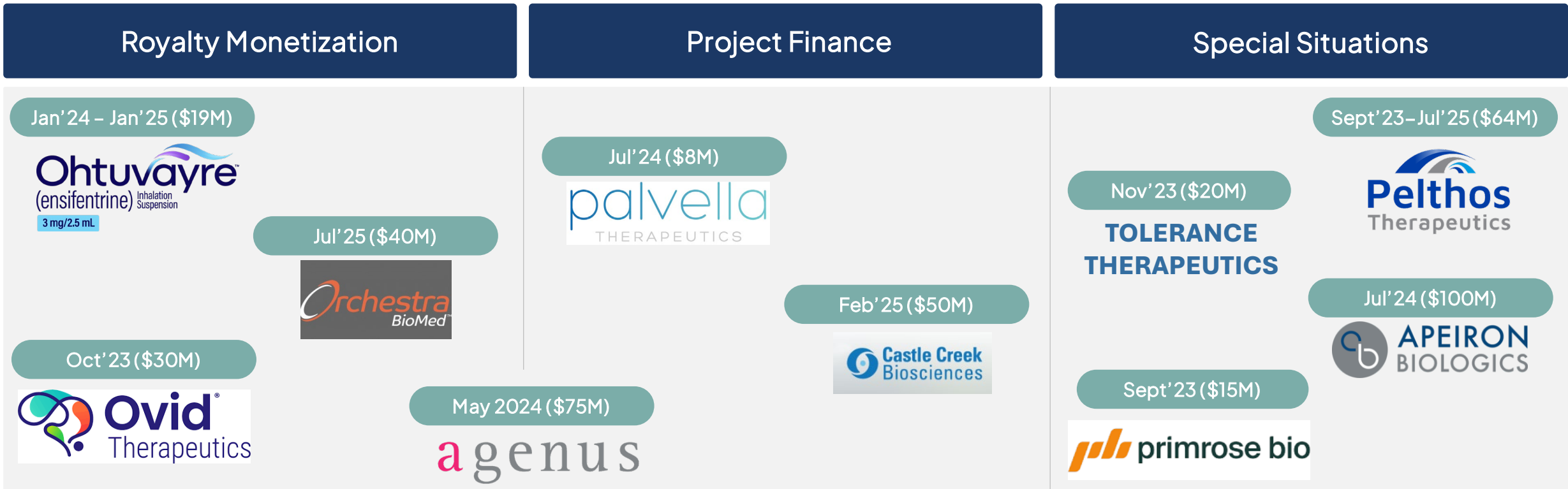
## Key Upcoming Catalysts

- **H2 2025:** Expected new indication announcement for QTORIN rapamycin
- **Q4 2025:** Data readout from the Phase 2 TOIVA CVM trial
- **Q1 2026:** Data readout from Phase 3 SELVA MLM trial

# Ligand Recent Investment Activity

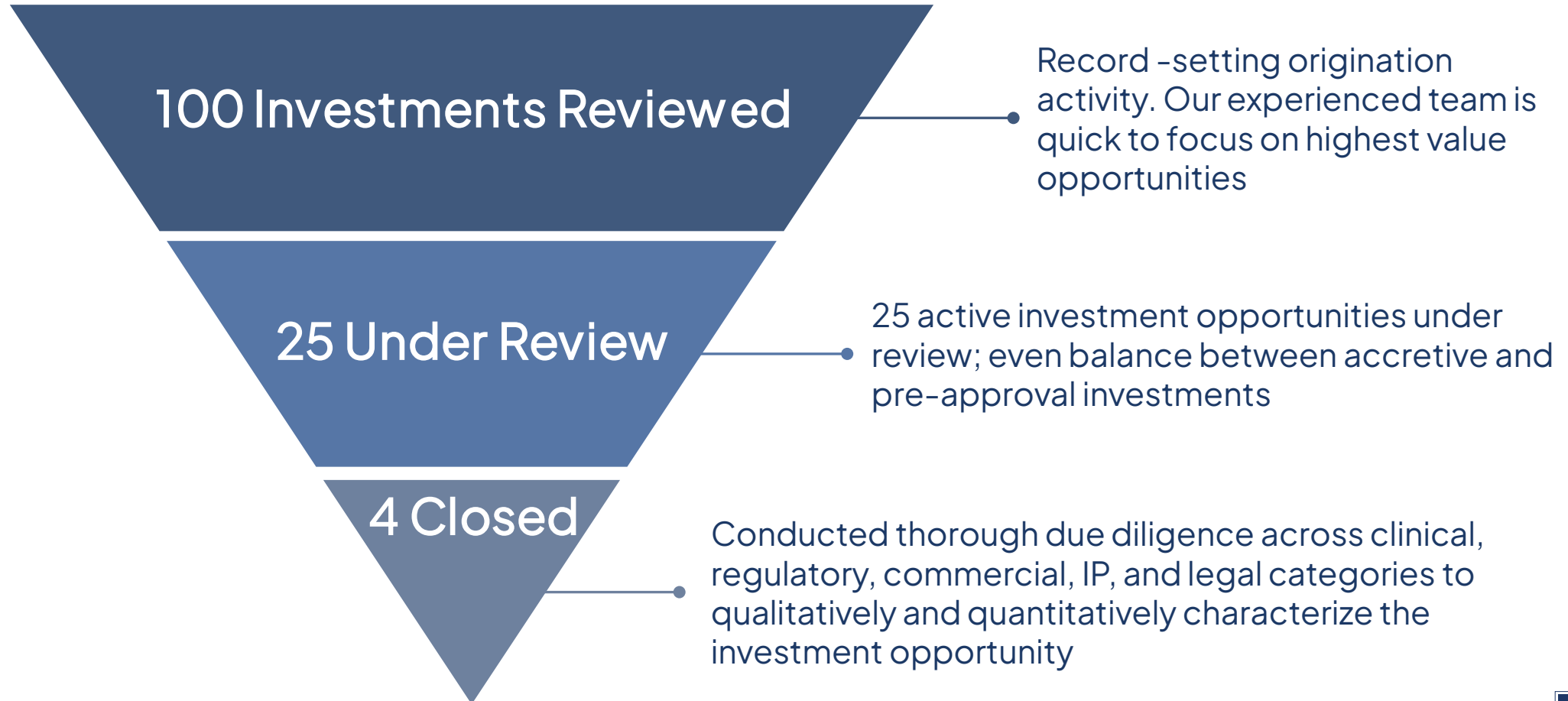
During the past 18 months, Ligand has deployed nearly \$400M into 10 investments which reflect the diverse strategic approaches we can pursue

## Investment Approach and Counterparties



# H1 2025 Investment Activity

Convertible note proceeds will be used to enable Ligand to prosecute this target-rich environment and generate superior returns for investors





# Financial Update

Financial Review & Growth Expectations

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# Q2'25 Financial Highlights

Q2 2025 Total Revenue Grows 15%

**\$47.6M**

2025 Full Year Revised Guidance \$200–\$225M

Q2 2025 Royalties

**\$36.4M**

57% increase vs Q2 2024

Q2 2025 Adjusted EPS Grows 14%<sup>1</sup>

**\$1.60**

2025 Full Year Revised Guidance \$6.70–\$7.00<sup>2</sup>

Cash & Investments<sup>3</sup>

**\$245M**

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

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

# Overview of Ligand's 2030 Convertible Notes

## Issuance Size



Took advantage of strong convertible debt market and executed a \$460M transaction including the exercise of the greenshoe

## Convertible Terms



0.75% Coupon and 32.5% Conversion Premium were the best end of both the coupon range and the conversion premium range



Net Share Settlement reduces further dilution as we will repay the principal in cash

## Call Spread



~10% cost for up 100% call spread, results in no dilution up to stock price of \$294 per share



Pre-tax annual yield 2.91%/After-tax annual yield 1.65%

## Shares Repurchased



Repurchased ~102K shares for \$15M to alleviate pressure on the stock caused by hedging, demonstrating our confidence in our valuation

## Use of Proceeds

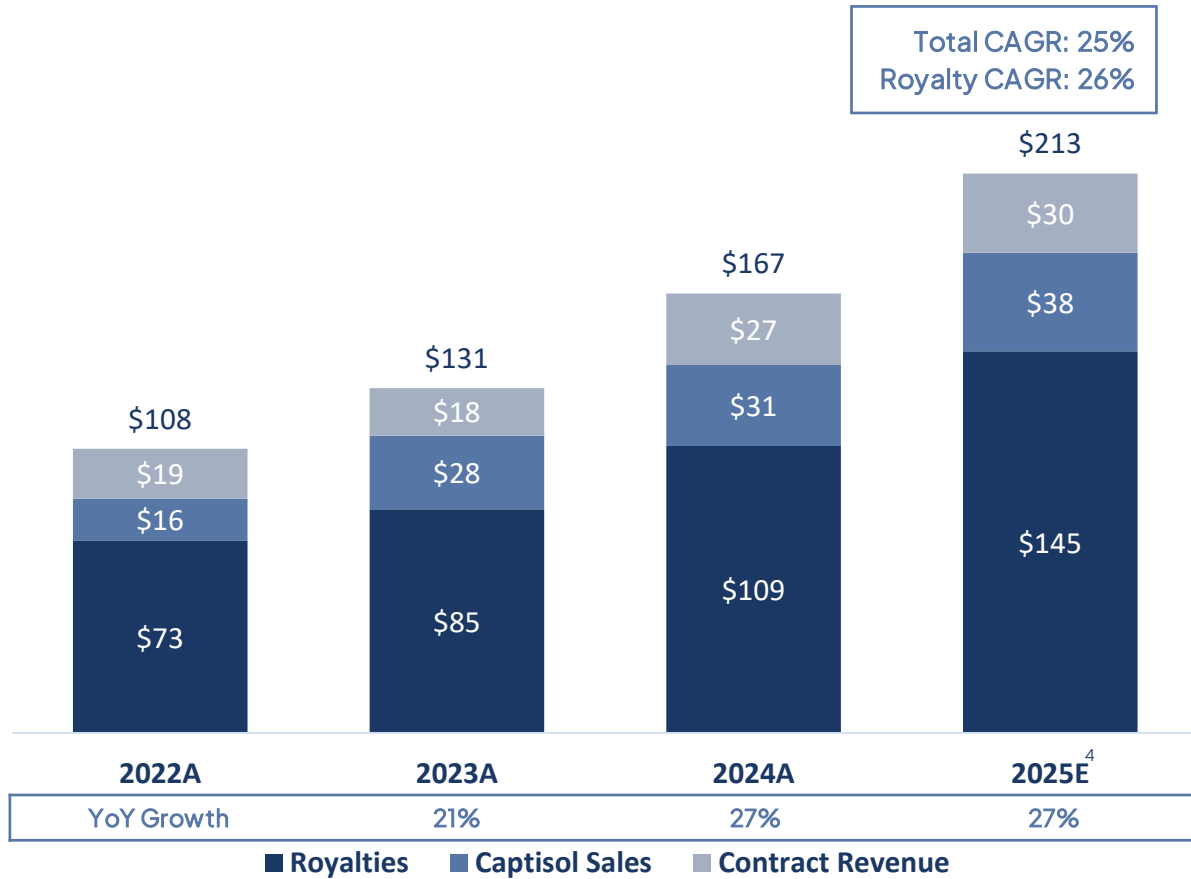


Net proceeds will bolster balance sheet, be accretive to earnings, and allow Ligand to take advantage of our robust business development pipeline

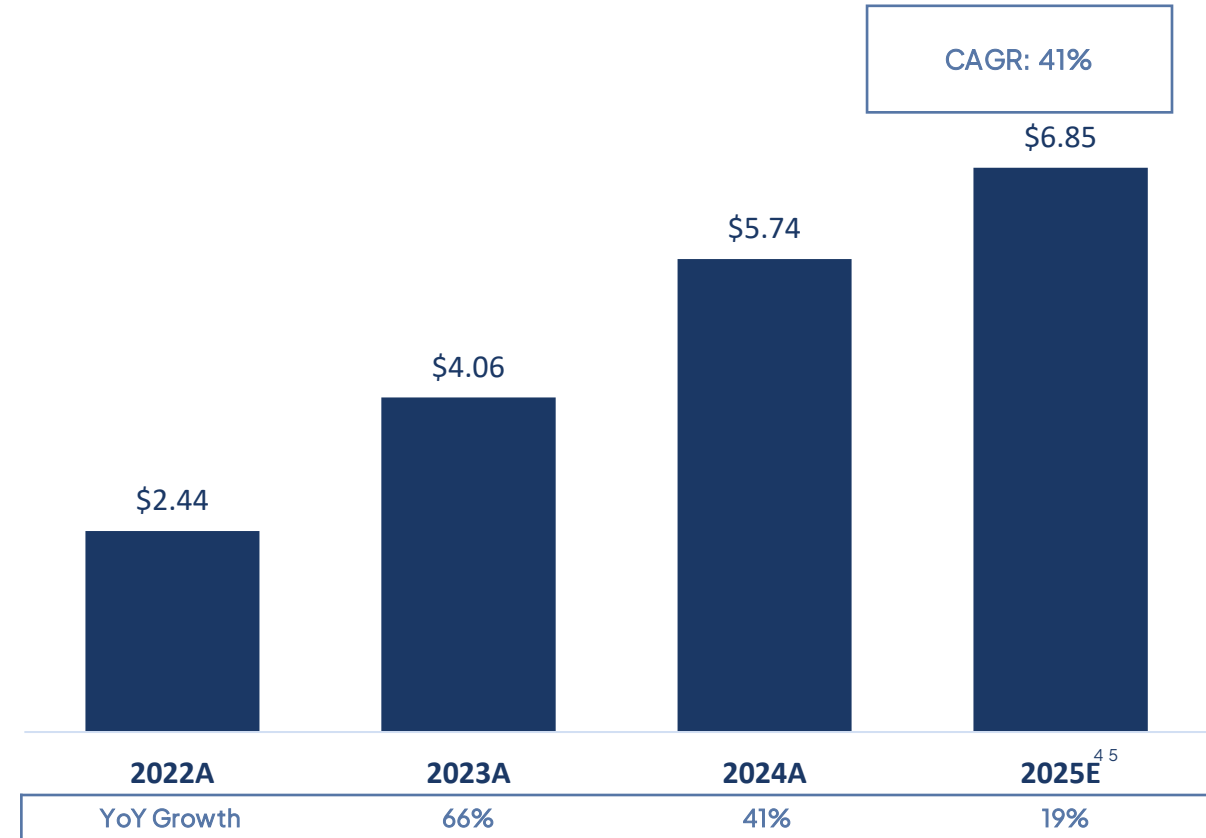
# Track Record of Execution

Since separation of OmniAb in 2022, share price appreciation of ~100%<sup>1</sup>

## Core Revenue<sup>2</sup>



## Adj. Core EPS<sup>3</sup>



- Figures from 11/2/2022 to 8/5/2025.
- Excludes Covid-19 related Captisol sales in 2022 and gains associated with the sale of Pelthos to Channel Therapeutics in Q3 2025, except the Zelsuvmi out-license component, as it represents a core element of the Company's value creation strategy.
- Excludes gains from short-term investments on the sale of Viking Therapeutics stock. Actual historical Adjusted Core EPS represents a non-GAAP measure. See our Q2 25 earnings release for a reconciliation to the corresponding GAAP measure.
- Calculated using the midpoint of management guidance.
- A reconciliation of forward-looking non-GAAP adjusted core EPS to the most directly comparable GAAP measure is not available without unreasonable effort, as certain items cannot be reasonably predicted because of their high variability, complexity and low visibility. Specifically, non-cash adjustments that could be made for changes in contingent liabilities, changes in the market value of investments in public companies, share-based compensation expense and the effects of any discrete income tax items, directly impact the calculation of our adjusted core EPS.

# Ligand Updated 2025 Financial Guidance

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

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

1. Excludes Covid-19 related Captisol sales in 2022 and gains associated with the sale of Pelthos to Channel Therapeutics in Q3 2025, except the Zelsuvmi out-license component, as it represents a core element of the Company's value creation strategy.

2. Calculated using top end of guidance range.

3. Excludes gains from short-term investments on the sale of Viking Therapeutics stock. Actual historical Adjusted Core EPS represents a non-GAAP measure. See our Q2 25 earnings release for a reconciliation to the corresponding GAAP measure.

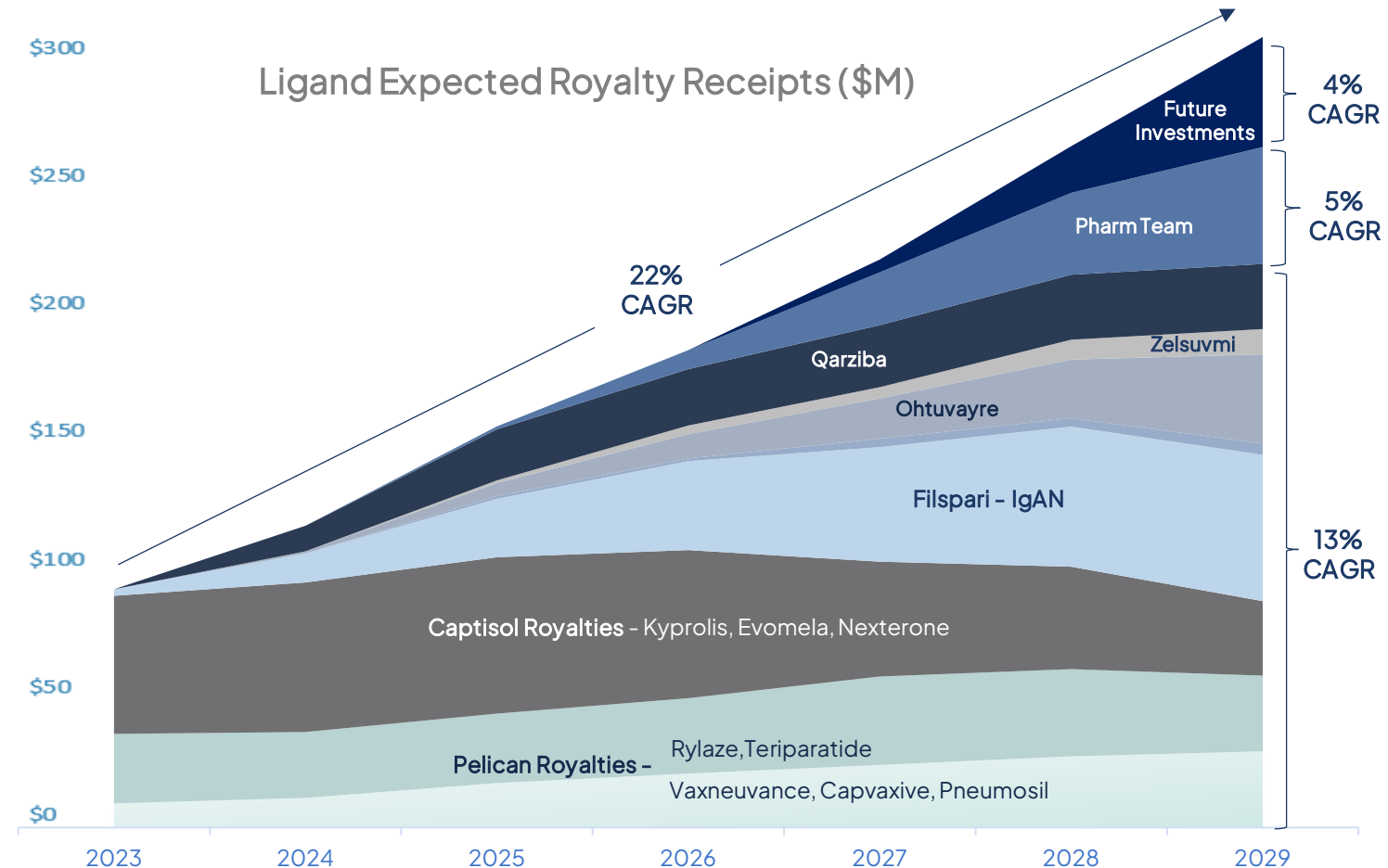
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# Looking Ahead to 2029

Expected Royalty Receipts CAGR 22% from 2024–2029

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

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



# 5-Year Outlook To Be Updated In December

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



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

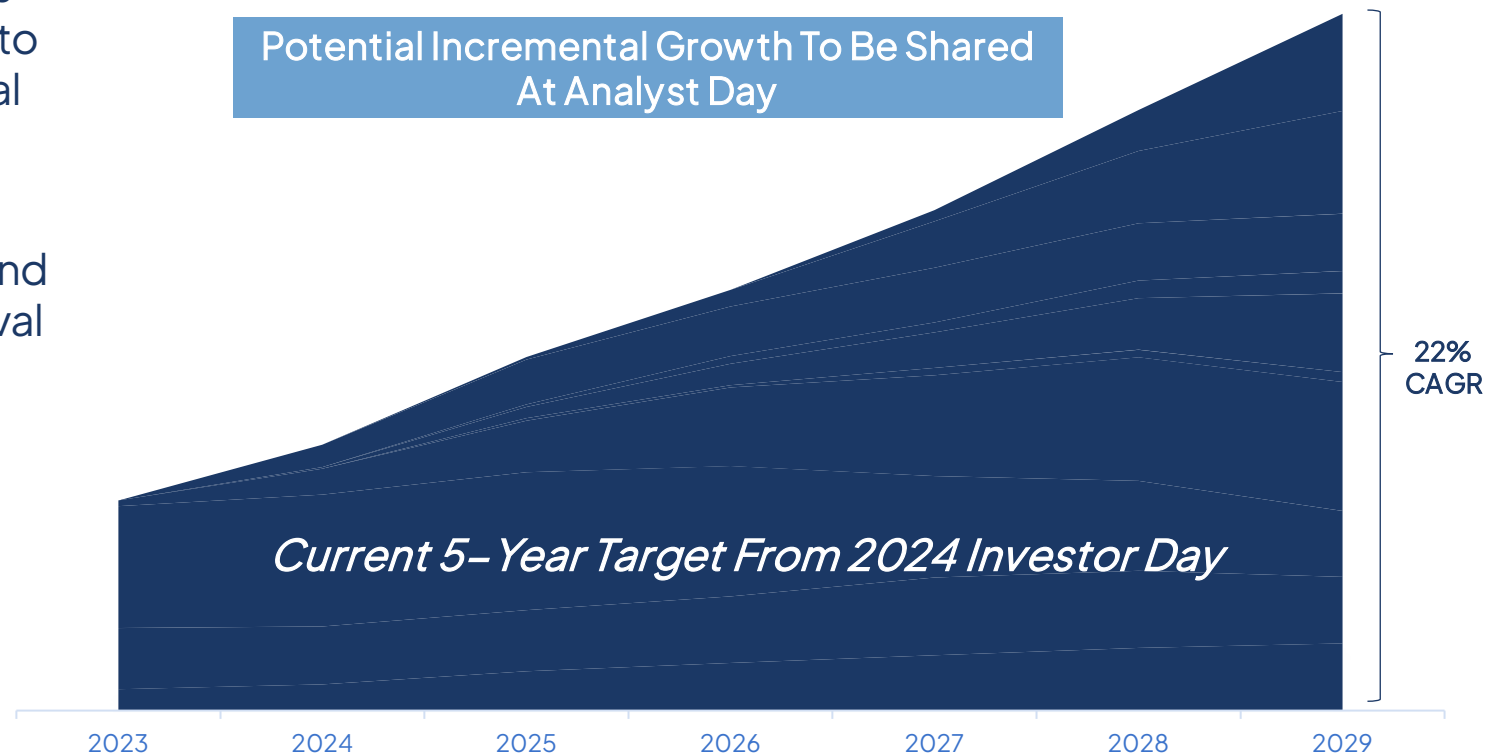


Sell-side gaining conviction around Filspari FSGS likelihood of approval and commercial opportunity



Initiation of analyst coverage and conviction around QTORIN rapamycin in MLM

Ligand Target Royalty Receipts (\$M)





# Q&A

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