LIGAND

Biopharma's Technology and Capital Partner

MAY 8, 2025

First Quarter 2025 Financial Results

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- This presentation presents certain non-GAAP measures. A reconciliation between the non-GAAP adjusted financial numbers and corresponding GAAP figures is 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.
- All forward looking statements are qualified in their entirety by this cautionary statement, and Ligand undertakes no obligation to revise or update this presentation to reflect events or circumstances or updated third party research numbers occurring after the date hereof. This caution is made under the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934.

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2025 Highlights

FINANCIAL
Strong financial performance

46% Q1'25 revenue growth over Q1'24, 11% Q1'25 adjusted EPS[1] growth over Q1'24

Cash and investments of $209 million, no debt, >$400 million in deployable capital with access to $125 million credit facility (expandable to $200 million)

BUSINESS DEVELOPMENT
Highly productive, rigorous process

Invested ~ $250 million over the last 15 months across 10 transactions, including recent investment in Castle Creek Bio's Phase 3 D-Fi asset

Strategic Pelthos merger announced to finance and accelerate the commercial launch of Zelsuvmi; Ligand entitled 13% worldwide royalty on net sales

ROYALTY PORTFOLIO
Significant Growth in 2025

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

- Ohtuvayre reported net sales of $71M in Q1'25; Verona analysts increased peak sales
- Filspari sNDA submission in FSGS; REMS modification PDUFA target action date of August 28, 2025
- Capvaxive reported net sales of $107M in Q1' 25; nearly double consensus estimates

STRATEGIC DIFFERENTIATION
Financials, advantage, team

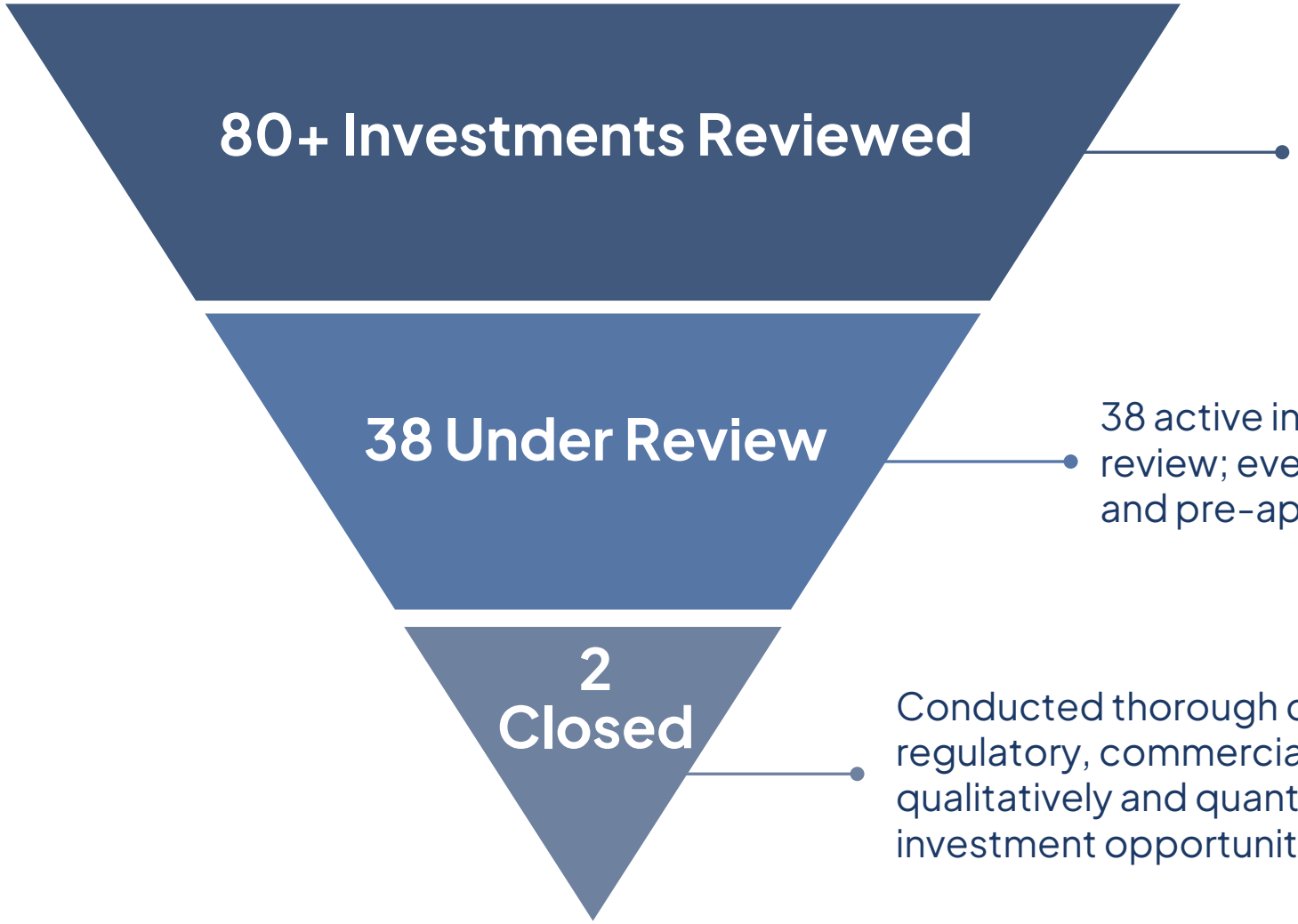
Long-term royalty revenue CAGR >22%

Inefficient market with inexhaustible demand for capital

Track record of accomplishments, building a diversified portfolio

[1] Adjusted EPS represents a non-GAAP measure. See our Q1 25 earnings release for a reconciliation to the corresponding GAAP measure

Q1' 2025 Investment Activity



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

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

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

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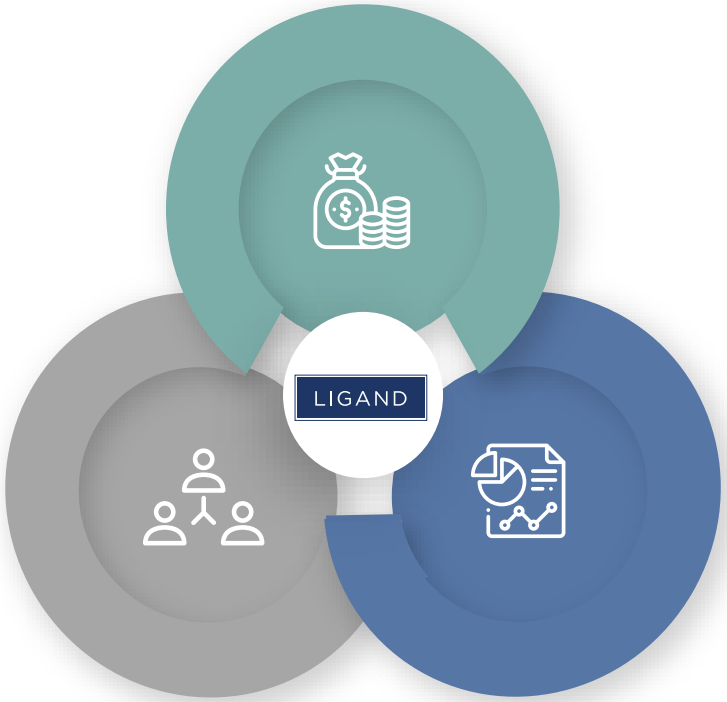
Ligand Strategic Differentiation



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

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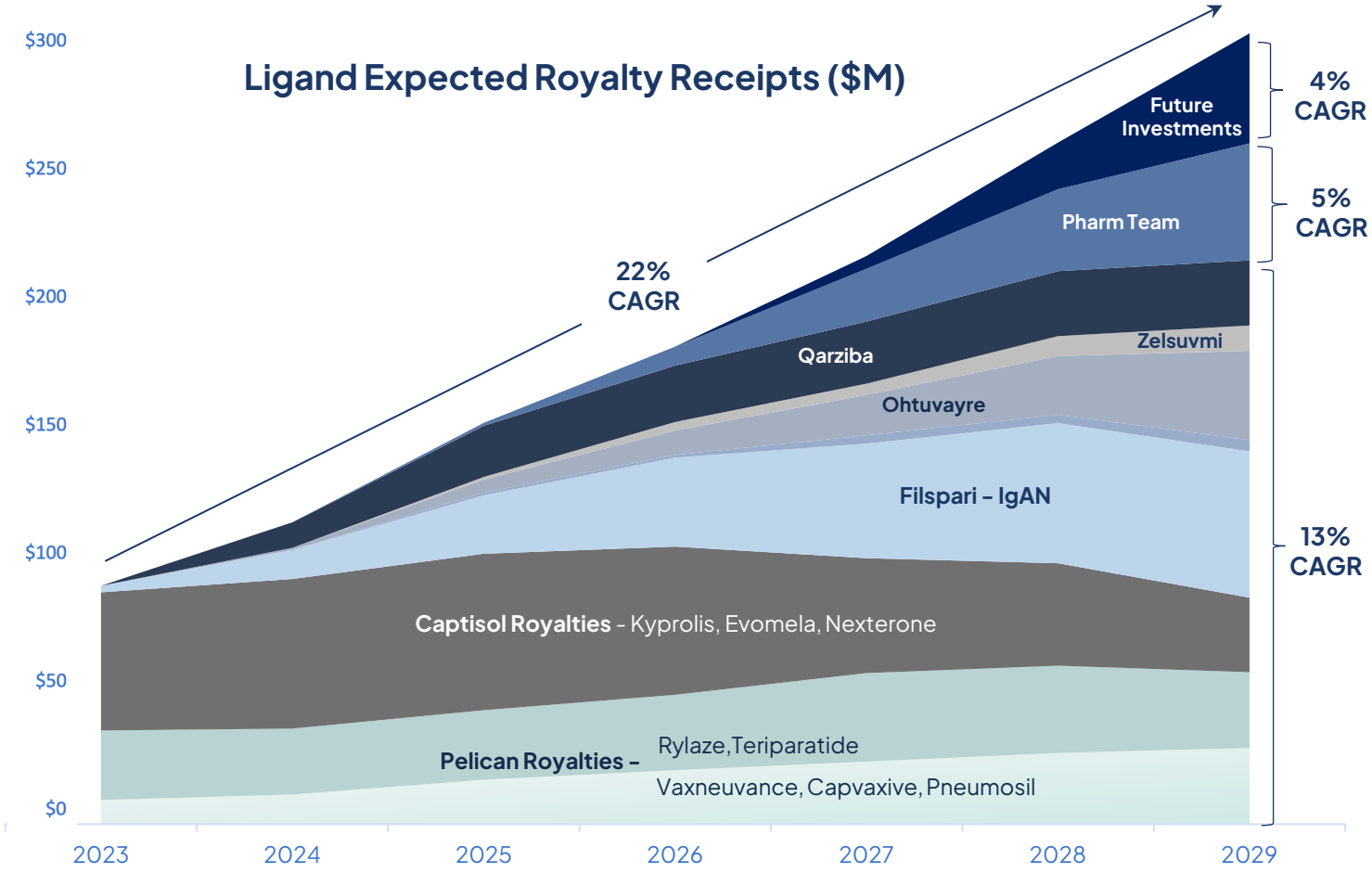
Looking Ahead To 2029

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 PTX-022 and other mid to late-stage programs



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

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Investment Update

Rich Baxter

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Pelthos Transaction Overview

Enables the combined company to focus on accelerating the launch of ZELSUVMI™ in the U.S.
Investment proceeds will be used to fund launch preparation efforts and company operations

Transaction Highlights	
Transaction Structure	• Merger with Channel Therapeutics, which will be renamed Pelthos Therapeutics and will trade on the NYSE American exchange under the ticker "PTHS"
Additional Investment	• $50M total – $18M from Ligand – $32M from investor group led by Murchinson
Equity Ownership	• Ligand will own approximately 55% of the combined company • The investor group (excluding Ligand) will own approximately 37% • Channel shareholders will own approximately 7%
Royalty Rate	• Ligand entitled to 13% royalty on ZELSUVMI™ sales
Closing Timeline	• Expected to close in summer 2025
Additional Structural Considerations	• Pelthos will also retain Channel's existing NaV 1.7 development programs for the treatment of various types of chronic pain, acute and chronic eye pain, and post-surgical nerve blocks

Zelsuvmi™ Is the First and Only At-Home Treatment for MC That Offers a First-Line Efficacious and Safe Treatment Option

Zelsuvmi™ Vision

Zelsuvmi™ is the **first and only at-home treatment** that could **revolutionize how MC is treated** today for patients greater than 1 year old

FDA-approved treatment for MC

Approved by the FDA in January 2024 with anticipated launch in summer 2025

Safely reduces lesion count, minimizing pain or scarring

Reduces lesion counts from an average of 20 to ≤1 in 43.5% of patients within 12 weeks, with no keloid or hypertrophic scarring[1]

First product to be administered from the convenience of home

The **first and only at-home, practical treatment option** that can be applied by patients or caregivers, reducing the need for in-office visits

1) Browning JC et al. Efficacy and Safety of Topical Nitric Oxide-Releasing Berdazimer Gel in Patients With Molluscum Contagiosum: A Phase 3 Randomized Clinical Trial. JAMA Dermatol. 2022 Aug 1;158(8):871-878.

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Significant Updates Since Ligand's Acquisition in Fall 2023

FDA Approval for Zelsuvmi™

- First and only product approved by FDA for MC infections for use at home by patients / caregivers rather than by medical professionals in multiple visits to an office or other medical setting
- FDA approval in January 2024 validates nitric oxide technology platform after completion of Phase 3 randomized clinical studies representing the largest interventional study cohort of patients afflicted with MC
- Manufacturing and supply chain validated with production of initial batches in Q3 2024
- New Chemical Entity exclusivity with Orange Book listed patents through 2035 as well as significant manufacturing IP, trade secret and know-how barriers to competitive entry

Ligand Investment

- Established Pelthos as a wholly-owned subsidiary of Ligand in April 2024
- Hired seasoned U.S. pharmaceutical execs to lead Pelthos through its next chapter
- Recruited two well known, highly experienced, public company specialty pharma CEOs to Pelthos' Board of Directors to help steer the direction of the business
- Executed key pre-launch commercialization activities including pediatric, pediatric dermatology and dermatology advisory boards, payer research, market access, pricing and discounting strategy research, ICD-10 forecast, distribution contracts and recruiting of commercial team leadership

Commercial Launch Strategy

- Well-positioned to be first line therapy treating a persistent and highly contagious infection afflicting millions of children each year
- 50 sales reps achieve reach and frequency targets necessary to realize Zelsuvmi market opportunity
- Upside not included in Pelthos' forecast:
  - MC prevalence: 16.7 million, incidence: 6 million annually, primarily children, creates significant non-personal promotion opportunities
  - MC afflicts HIV / immunocompromised patients
  - ROW markets can be readily accessed via an aggressive licensing strategy

Pelthos Commercial Leadership

Pelthos' management and board has extensive experience successfully commercializing products to both pediatricians and dermatologists

Management Team and Board Members with Extensive Commercial Experience

Scott Plesha
Chief Executive Officer, Board Member
Industry Experience: 30+

- Prior to joining Pelthos, Mr. Plesha was President and Chief Commercial Officer at BioDelivery Sciences (BDSI) until it was acquired by Collegium Pharmaceutical in 2022
- Under Mr. Plesha's leadership, BDSI sales grew from $5 million to $160 million
- He previously served as Senior Vice President of Gastrointestinal Sales at Salix Pharmaceuticals

Sai Rangarao
SVP, Sales, Marketing & Commercial Operations
Industry Experience: 18+

- Mr. Rangarao has more than 18 years of experience leading, launching, and marketing large and highly differentiated pharmaceutical products, including Otezla®, the only approved oral systemic therapy with a broad indication
- Prior to joining Pelthos, Mr. Rangarao was Vice President of Marketing at Collegium Pharmaceutical, where he led marketing for the full product portfolio and Neurology sales

Peter Greenleaf
Board Director
Industry Experience: 30+

- Chief Executive Officer and member of the Board of Directors of Aurinia
- Previous CEO of Cerecor Pharmaceuticals, Inc. (now Avalo Therapeutics, Inc.), Sucampo Pharmaceuticals, Inc. and Histogenics Corporation
- Has served on multiple public and private boards (Valenza Bio, Antares Pharma Inc, etc.)

Matt Pauls
Board Director
Industry Experience: 30+

- Chair of the Board of Directors and CEO of Savara since 2020
- Board of Directors of Amplo Biotechnology and Soleno Therapeutics
- President and CEO and a member of the Board of Directors of Strongbridge Biopharma, a company he took public via IPO on the NASDAQ

Financial Update

Tavo Espinoza

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Q1'25 Financial Highlights

Q1 2025 Total Revenue

$45.3M

2025 Full Year Guidance $180–$200M

Q1 2025 Royalties

$27.5M

44% increase vs Q1 2024

Q1 2025 Adjusted EPS[1]

$1.33

2025 Full Year Guidance $6.00–$6.25[2]

Cash & Investments[3]

$209M

>$400M in Deployable Capital as of March 31, 2025

1. Adjusted EPS represents a non-GAAP measure. See our Q1 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. Growth % excludes gains from Viking Therapeutics Stock sales and Pelthos operating expenses. Cash & Investments includes $24M in VKTX stock as of 3/31/2025 . See non-GAAP reconciliation in the first quarter 2025 earnings press release.

Q1'25 Financial Performance

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

	Three Months Ended March 31,	
	2025	**2024**
Revenues:		
Royalties	$27.5	$19.1
Captisol	13.5	9.2
Contract revenue	4.4	2.7
Total revenues	**45.3**	**31.0**
Operating costs and expenses:		
Cost of Captisol	4.9	2.9
Amortization of intangibles	8.3	8.2
R&D Expense	50.1	6.0
G&A Expense	18.8	11.0
Fair value adjustments and financial asset impairments	(0.4)	-
Total Operating Expenses	**81.5**	**28.0**
Operating Income (Loss)	(36.2)	3.0
Gain (loss) from short-term of investments	(12.4)	110.8
GAAP Net Income (Loss) from Cont. Ops	(42.5)	86.1
Adjusted Net Income[1]	$26.6	$69.7
Core Adjusted Net Income[1,2]	**$26.6**	**$21.8**
GAAP Diluted EPS	($2.21)	$4.75
Adjusted Diluted EPS[1]	$1.33	$3.84
Core Adjusted Diluted EPS[1,2]	**$1.33**	**$1.20**

- Q1'25 royalty revenue grew 44% driven by Filspari, Ohtuvayre,Capvaxive and Qarziba
- Increase in Captisol material sales driven in part by Gilead's Veklury,
- Increase in R&D expense due to a $44M one-time charge associated with the Castle Creek investment, as funds are earmarked to fund their Phase 3 D-Fi program
- Q1 2025 core adjusted diluted EPS[1] increased 11% to $1.33

1. Represents a non-GAAP financial measure. See our Q1 25 earnings release for a reconciliation to the corresponding GAAP measure.
2. Excludes gains from sale of VKTX stock in 2024. See *also non-GAAP reconciliation in the first quarter 2025 earnings press release*

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Ligand 2025 Financial Guidance

	2022 Actuals	2023 Actuals	2024 Actuals	2025 Financial Guidance
Royalties	$73M	$85M	$109M	$135-140M
Core Captisol Sales[1]	$16M	$28M	$31M	$35-40M
Contract Revenue	$19M	$18M	$27M	$10-20M
Total Core Revenue[1]	$108M	$131M	$167M	**$180-200M**
Adjusted Core EPS[2]	$2.44	$4.06	$5.74	**$6.00-6.25[3]**

1. Excludes Covid-19 related Captisol sales in 2022.
2. 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 Q1 25 earnings release for a reconciliation to the corresponding GAAP measure.
3. A reconciliation of forward-looking non-GAAP adjusted core EPS to the most directly comparable GAAP measure is not available without unreasonable effort, as certain items cannot be reasonably predicted because of their high variability, complexity and low visibility. Specifically, non-cash adjustments that could be made for changes in contingent liabilities, changes in the market value of investments in public companies, share-based compensation expense and the effects of any discrete income tax items, directly impact the calculation of our adjusted core EPS.

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Q&A

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