

September 27, 2023



Ligand Acquires Assets of Novan, Inc. for \$12.2 Million

SAN DIEGO--(BUSINESS WIRE)-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announced that it has closed the transaction to acquire assets of Novan, Inc. ("Novan") following the offer it made on July 17, 2023. On July 17, 2023, Ligand offered \$15 million to acquire all of the assets of Novan as well as to provide up to \$15 million in debtor-in-possession ("DIP") financing. In September 2023, the Bankruptcy Court approved a \$12.2 million bid from Ligand to purchase berdazimer gel and all the assets related to the NITRICIL™ technology platform, and the rights to the Bayer-partnered Sitavig program. The remaining commercial assets of EPI Health will be sold to other parties. The approved \$12.2 million bid was credited to the \$15 million DIP financing, with the balance of \$2.8 million and accrued interest repaid to Ligand. Berdazimer gel remains on track for a PDUFA goal date of January 5, 2024, as the first potential at-home treatment for molluscum contagiosum.

"We are pleased with the outcome of the bankruptcy proceeding resulting in Ligand's full ownership of berdazimer gel, NITRICIL platform and related assets. We will look forward to the FDA's decision regarding the New Drug Application for berdazimer gel in January of next year, and remain confident in its potential approval as the first-ever at home treatment for molluscum contagiosum," said Todd Davis, CEO of Ligand. "We are ideally positioned to take advantage of special situations such as this, and, consistent with our business model, will seek marketing partners for the acquired assets to maximize value to Ligand shareholders."

Birch Lake acted as financial advisor and Morgan Lewis acted as legal advisor to Ligand for this transaction.

About Ligand Pharmaceuticals

Ligand is a biopharmaceutical company enabling scientific advancement through supporting the clinical development of high-value medicines. Ligand does this by providing financing, licensing our technologies or both. Our business model generates value for stockholders by creating a diversified portfolio of biotech and pharmaceutical 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 is based on funding programs in mid- to late-stage drug development in return for economic rights 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. Our Captisol® platform technology is a chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. We have established multiple alliances, licenses and other business relationships with the world's leading pharmaceutical companies including Amgen, Merck,

Pfizer, Jazz, Takeda, Gilead Sciences and Baxter International. For more information, please visit www.ligand.com.

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Forward-Looking Statements

This news release contains forward-looking statements by Ligand that involve risks and uncertainties and reflect Ligand's judgment as of the date of this release. Words such as "plans," "believes," "expects," "anticipates," and "will," and similar expressions, are intended to identify forward-looking statements. These forward-looking statements include: the timing and outcome of FDA review of Novan's NDA related to berdazimer gel for the treatment of molluscum contagiosum infections or any of the products related to the NITRICIL™ technology platform; and the potential value of any of the assets acquired from Novan's. Actual events or results may differ from Ligand's or its partner's expectations due to risks and uncertainties inherent in Ligand's and its partner's business, including, without limitation: the FDA may not approve berdazimer gel for the treatment of molluscum contagiosum infections; Ligand may not be successful in finding partners for the acquired assets, even if successful, may not achieve the anticipated benefits of such acquisition; and other risks described in Ligand's and Novan's prior press releases and filings with the Securities and Exchange Commission available at www.sec.gov. Ligand disclaims any intent or obligation to update these forward-looking statements beyond the date of this release. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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