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Ligand Acquires Royalty on Sanofi's TZIELD® for $20 Million

TZIELD is the first and only FDA approved treatment to delay the onset of Stage 3 type 1 diabetes

SAN DIEGO--(BUSINESS WIRE)-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** today announced that it has acquired Tolerance Therapeutics, Inc. ("Tolerance Therapeutics") for $20 million in cash. Tolerance Therapeutics is a holding company, owned by the inventors of TZIELD (teplizumab-mzwv), that is owed a royalty of less than 1% on worldwide net sales. The transaction will be immediately accretive to Ligand's royalty revenue.

TZIELD is the first disease-modifying therapy in type 1 diabetes ("T1D"). It is a CD3-directed antibody indicated to delay the onset of Stage 3 T1D in adults and children aged 8 years and older with Stage 2 T1D. TZIELD was granted Breakthrough Therapy Designation in 2019 and was approved by the U.S. Food and Drug Administration in November 2022. TZIELD is marketed by Sanofi, following its acquisition of Provention Bio, Inc., the owner of TZIELD, in 2023 for $2.9 billion. Sanofi recently announced new data from TZIELD's PROTECT Phase 3 trial which showed TZIELD's potential to slow the progression of Stage 3 T1D in newly diagnosed children and adolescents. TZIELD met the study's primary endpoint, significantly slowing the decline of C-peptide levels, compared to placebo.

"TZIELD is a premier asset and a perfect complement to our growing portfolio of commercial and pipeline programs that address diseases with high unmet medical needs," said Todd C. Davis, CEO of Ligand. "This product has traveled through a 30+ year journey from the bench to patients in need of new, disease-modifying therapies. We are honored to work with inventors who are dedicated to getting critical treatments to patients."

David Epstein, President of Tolerance Therapeutics, stated, "The FDA approval of TZIELD and its path to market was a passion of ours and many decades in the making. The high-quality team at Ligand was a pleasure to work with and partner with on this transaction."

Locust Walk Partners served as exclusive financial advisor to Tolerance Therapeutics.

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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We use X and our investor relations website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Investors should monitor our X account and our website, in addition to following our press releases, SEC filings, public conference calls and webcasts.

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 potential opportunity for TZIELD; the timing and outcome of Sanofi's Phase 3 trials evaluating TZIELD in newly diagnosed Stage 3 T1D patients; the expectation that the acquisition with Tolerance will be immediately accretive to Ligand's royalty revenue; and statements regarding Ligand's strategy and potential future financial growth. 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: Ligand is dependent on Sanofi to successfully develop and commercialize TZIELD; risks relating to the development and regulatory approval process for TZIELD; the results of prior clinical trials of teplizumab-mzwv are not necessarily predictive of future results; changes in the size and nature of the market for TZIELD, including potential competition, patient and payer perceptions and reimbursement determinations; Ligand may not receive expected revenue under this agreement or others; Ligand or its partners may not be able to protect their intellectual property, and patents covering certain products and technologies may be challenged or invalidated; and other risks described in Ligand'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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