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Ligand Provides Highlights from its Investor and Analyst Day Event

Executive Management Reviewed Business Model and Growth Drivers Following the Successful Spin-Off of OmniAb, Introduced 2023 Financial Guidance

SAN DIEGO--(BUSINESS WIRE)-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announced that at today's Investor and Analyst Day event its executive management provided an overview of Ligand's corporate structure and business following the successful spin-off of its OmniAb antibody discovery business, reviewed Ligand's recent progress and near-term partner milestones and provided an outlook for financial growth. Management also introduced 2023 financial guidance and discussed its capital deployment strategy. A webcast of the event including slides is available here.

Highlights of today's event held in-person in New York City and virtually included the following:

Business Model and Growth Drivers

- Management reviewed Ligand's business model and the ongoing diversification of its partnership portfolio. Ligand shares in the promise of the biopharmaceutical industry through royalty economics earned from providing development capital and access to its platform technologies.
- Management reviewed its capital deployment strategy, which is focused on providing developmental capital and acquiring scalable platform technologies, and noted that current market conditions have created a substantial number of M&A opportunities.
- Today Ligand has economic rights to more than 100 programs being developed or commercialized by nearly 100 different partners. Ligand spotlighted the most advanced late-stage assets in its portfolio and reviewed 10 potential major pipeline events expected in 2023, including:
    - FDA approval of Travere's Sparsentan for the treatment of IgA nephropathy;
    - NDA submission of Verona's Ensifentrine for the treatment of COPD;
    - EMA approval of Jazz's Rylaze for the treatment of ALL/LBL;
    - FDA approval of Novan's Berdazimer gel for the treatment of molluscum;
    - Late-stage clinical data for Palvella's QTORIN in pachyonychia congenita, MLM and Gorlin syndrome;
    - Late-stage clinical data for Marinus' ganaxolone in refractory status epilepticus;
    - Phase 2b data for Vikings' VK2809 in NASH;
    - FDA Therapeutic Equivalence rating of Alvogen's teriparatide injection in reference to Forteo.
- Management outlined the development status and market landscape of select pipeline programs including Travere's Sparsentan, Verona's Ensifentrine and Novan's Berdazimer gel.

- Management reviewed Ligand's role in the manufacturing of Veklury® (remdesivir) to treat COVID-19 and highlighted that cumulative sales of Captisol related to COVID between 2020 and 2022 are expected to exceed $300 million, providing Ligand with significant non-dilutive capital.
- Management provided an overview and update on the Captisol and Pelican Expression Technology platforms, including recent partner progress.
- Management reviewed the recently completed spin-off of OmniAb and the strength each company has as independent publicly traded companies.
- Management discussed how intellectual property is fundamental to Ligand's revenue streams, how innovations in its platform technologies can drive licensing opportunities, and the means it uses to protect potential returns in its transactions.
- Ligand highlighted progress in Environmental, Social and Governance (ESG) initiatives, including a $2.5 million solar investment and water savings from innovative manufacturing techniques, and its continued future focus on such initiatives.

Financial Overview and Outlook

- Management discussed Ligand's strong revenue growth and its expectations for continued topline growth. Revenue growth has contributed to significant cash flow and earnings.
- The company introduced 2023 financial guidance, as follows:
    - Total core revenue of $118 million to $122 million, comprised of $72 million to $76 million from royalties, $21 million from sales of Captisol (excluding COVID-related sales) and $25 million from contract revenue;
    - Total cash operating expenses of $46 million;
    - Adjusted diluted EPS of $3.10 to $3.30.
- Ligand estimates that at the end of 2022 it will have $150 million of cash and investments available to fund its M&A initiatives.

Adjusted Financial Measures

The Company reports adjusted net income and adjusted net income per diluted share in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company's financial measures under GAAP include share-based compensation expense, non-cash interest expense, amortization related to acquisitions and intangible assets, changes in contingent liabilities, mark-to-market adjustments for amounts relating to its equity investments in public companies, excess tax benefit from share-based compensation, gross profit for Captisol sales related to COVID-19, net of tax, transaction costs and others that are listed in the itemized reconciliations between GAAP and adjusted financial measures included in its earnings releases for the year ended December 31, 2021 and the third quarter ended September 30, 2022, available here. However, the Company 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, including adjustments that could be made for changes in contingent liabilities, changes in the market value of its investments in public companies, share-based compensation expense and the effects of any discrete income tax items. Management has excluded the effects of these items in its adjusted measures to assist investors in analyzing and assessing the Company's past and future core operating performance. Additionally, adjusted earnings per diluted share is a key component

of the financial metrics utilized by the Company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation.

About Ligand Pharmaceuticals

Ligand is a revenue-generating biopharmaceutical company focused on developing or acquiring technologies that help pharmaceutical companies discover and develop medicines. Our business model creates value for stockholders by providing 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, diversified and lower-risk business than a typical biotech company. Our business model is based on doing what we do best: drug discovery, early-stage drug development, product reformulation and partnering. We partner with other pharmaceutical companies to leverage what they do best (late-stage development, regulatory management and commercialization) ultimately to generate our revenue. Ligand's Captisol platform technology is a patent-protected, chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. Ligand's Pelican Expression Technology is a robust, validated, cost-effective and scalable platform for recombinant protein production that is especially well-suited for complex, large-scale protein production where traditional systems are not. Ligand has established multiple alliances, licenses and other business relationships with the world's leading pharmaceutical companies including Amgen, Merck, Pfizer, Takeda, Gilead Sciences and Baxter International. For more information, please visit www.ligand.com.

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 major pipeline events in 2023; expected cumulative sales of Captisol related to COVID; the strength of Ligand and OmniAb as independent publicly traded companies; guidance regarding its year-end 2022 cash position and 2023 financial results, including the expected breakdown of forecasted core revenue; and the potential to create value for stockholders by providing a diversified portfolio of product revenue streams supported by a low corporate cost structure. Actual events or results may differ from Ligand's expectations due to risks and uncertainties inherent in Ligand's business, including, without limitation: risks and uncertainties related to management and key personnel changes; Ligand may not receive expected revenue from royalties, Captisol sales or contract revenue and may not achieve its guidance for 2022 or 2023; the inherent risks of clinical development and regulatory approval of product candidates, including the FDA or foreign regulatory authorities may not agree with our or our partners' conclusions regarding the results of clinical trials; the total addressable market for our partners' products may be smaller than estimated; Ligand faces competition with respect to its technology platforms which may demonstrate greater market acceptance or superiority; the COVID-19 pandemic has disrupted and may continue to disrupt Ligand's and its partners' business, including delaying manufacturing, preclinical studies and clinical trials and product sales, and impairing global economic activity, all of which could materially and adversely impact Ligand's results of operations and financial

condition; changes in general economic conditions, including as a result of the conflict between Russia and Ukraine; the commercial opportunity for remdesivir could be materially and adversely affected as a result of approved vaccines and alternative approved and investigational therapies, or the FDA revising or revoking its approval; Gilead may develop an alternative formulation of remdesivir that does not incorporate Captisol or uses less Captisol in such formulation; Ligand is currently dependent on a sole supplier for Captisol and failures by such supplier may result in delays or inability to meet the Captisol demand of its partners; Ligand may experience significant costs as the result of potential delays under its supply agreements; Ligand's and its partners' products may not be proved to be safe and efficacious and may not perform as expected and uncertainty regarding the commercial performance of such products; Ligand relies on collaborative partners for milestone payments, royalties, materials revenue, contract payments and other revenue projections; Ligand's partners may not execute on their sales and marketing plans for marketed products for which Ligand has an economic interest; 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; Ligand's partners may terminate any of their agreements or development or commercialization of any of their products; Ligand may not generate expected revenues under its existing license agreements; Ligand and its partners may experience delays in the commencement, enrollment, completion or analysis of clinical testing for its product candidates, which could result in increased costs and delays, or limit Ligand's or partners' ability to obtain regulatory approval; challenges, costs and charges associated with the completed spin-off of the OmniAb business and the possibility that the expected cost savings will not be achieved; ongoing or future litigation could expose Ligand to significant liabilities and have a material adverse effect on the Company; 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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Ligand Pharmaceuticals Incorporated
Simon Latimer
investors@ligand.com
(858) 550-7766
Twitter: @Ligand_LGND

LHA Investor Relations
Bruce Voss
bvoss@lhai.com
(310) 691-7100

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