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Ligand Pharmaceuticals, Inc. (LGND - NASDAQ)

LGND: 1Q:26 Results Highlight Breadth of Portfolio

We use a blended 22.0x multiple of 2027 earnings and 17.0x multiple of 2027 EBITDA to generate our Ligand Pharmaceuticals core valuation. To this, we add investment value for securities holdings to generate our valuation.

Current Price (5/8/2026)	$221.41
Valuation	**$247.00**

OUTLOOK

Ligand Pharmaceuticals holds a portfolio of revenue, royalty and milestone generating assets that have been vetted by its internal investment team. Ligand considers individual biopharmaceutical products, platforms, companies & income streams in its opportunity set. It targets late-stage and commercial income-producing assets when making investments. The company holds a diversified portfolio of biopharmaceutical royalties, a solubilizing and stability agent, as well as equity interests and ownership in other companies including the recently added XOMA assets.

The royalty portfolio consists of 12 major commercial stage assets & >90 active programs. In addition to its identified programs, Ligand plans to deploy up to $250 million per year acquiring new assets which can largely be funded with existing cash and future free cash flow.

The company's experienced investment team takes an internal look under a confidentiality agreement at prospects' data, allowing for superior risk-adjusted returns. In addition to its major commercial assets, Ligand's portfolio of development-stage programs, along with future acquisitions funded by internally generated capital, can fuel long-term revenue growth and generate superior risk-adjusted returns.

SUMMARY DATA

52-Week High	**247.38**
52-Week Low	**98.89**
One-Year Return (%)	**116.0**
Beta	**1.1**
Average Daily Volume (sh)	**226,993**
Shares Outstanding (mil)	**20.0**
Market Capitalization ($mil)	**4,428**
Short Interest Ratio (days)	**5.6**
Institutional Ownership (%)	**105.4**
Insider Ownership (%)	**2.4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**7.5**
Earnings Per Share (%)	**12.3**
Dividend (%)	**N/A**
P/E using TTM EPS	**26.5**
P/E using 2026 Estimate	**25.2**
P/E using 2027 Estimate	**21.0**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Medium-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(In millions of USD)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2025	$45.3 A	$47.6 A	$115.5 A	$59.7 A	$268.1 A
2026	$51.7 A	$62.7 E	$80.1 E	$88.7 E	$283.3 E
2027					$354.4 E
2028					$414.4 E

Earnings per Share

	Q1	Q2	Q3	Q4	Year
2025	$1.33 A	$1.60 A	$3.09 A	$2.02 A	$8.13 A
2026	$1.63 A	$2.02 E	$2.46 E	$2.68 E	$8.79 E
2027					$10.51 E
2028					$12.70 E

WHAT'S NEW

Ligand Pharmaceuticals, Inc. (NASDAQ: LGND) reported first quarter 2026 results with revenues of $51.7 million and adjusted core earnings per share (EPS) of $1.63. Revenue growth of 14% generated a 23% EPS increase. By line item, royalties rose 56% while Captisol and Contract revenue fell. The big news since the prior financial update was the XOMA Royalty transaction, which adds over 100 new assets to the portfolio including seven key royalty generating assets. Other activity since the start of the year includes the approval of Filspari for focal segmental glomerulosclerosis (FSGS) and advancement of Palvella's QTORIN rapamycin on several fronts including an upcoming regulatory submission and start of two clinical trials. Additionally, Ligand gave notice to Viking Therapeutics regarding the TR-Beta program and remitted an additional $15 million to Orchestra Biomed along with expanded clinical work in other portfolio assets.

Along with the XOMA announcement on April 27th, Ligand raised its revenue and earnings guidance for 2026 and earnings guidance for 2027. 2026 revenue guidance was increased by $25 million to a range of $270 million to $310 million and earnings per share were increased by $0.50 to a range of $8.50 to $9.50. For 2027, Ligand anticipates that XOMA revenues will add $1.50 to EPS.

1Q:26 Financial and Operational Results

Ligand reported first quarter financial and operational results disclosed in a press release and Form 10-Q filing with the SEC on May 7th and 8th respectively. A conference call was held with an accompanying presentation to discuss results with investors following the release. For the quarter ending March 31st, 2026, Ligand recognized revenues of $51.7 million. GAAP loss per share for 1Q:26 totaled $0.67 and adjusted core EPS was $1.63 with the primary difference related to a change in fair value of the Pelthos holdings. For 1Q:26 versus the same prior year period:

- Revenues of $51.7 million rose 14% from $45.3 million, driven by strong growth in royalties. Intangible royalties grew 53% to $32.9 million and financial royalties grew 70% to $10.0 million. Captisol revenues were $8.7 million, falling 36%. Despite the decline, management has visibility into sales over the next year and maintains its 2026 guidance of $35 to $40 million. Contract revenue and other income fell 97% to $110,000 as a regulatory milestone from Xi'an Xintong recognized in the prior year was not repeated;
- Cost of revenue, which is related to Captisol cost of goods sold, totaled $3.3 million, falling 33% over prior year levels. The decrease is due to lower Captisol sales. Captisol gross margin fell to 62.2% from 64.0%;
- Amortization of intangibles was $8.1 million vs. $8.3 million with the change due to deconsolidation of LNHC, the holding vehicle for the spin-out of Pelthos, on July 1st, 2025;
- Research and development expense fell 96% to $2.1 million versus $50.1 million. The decline was due to the absence of a funding payment for D-Fi royalty rights and expenses related to Pelthos;
- General & Administrative expenses were $20.8 million, up 11% from $18.8 million with the increase primarily due to increases in headcount, higher employee-related costs and share-based compensation;
- There were no fair value adjustments to partner program derivatives compared to a $443,000 expense;
- Total non-operating expense was $41.6 million vs. $14.0 million. Material items include a $49.2 million loss related to Pelthos holdings, a $3.9 million gain from short-term investments related to increases in Palvella stock partially offset by declines in Viking stock and $1.5 million in gains from other equity securities and financial instruments. This line item also includes net interest income, which totaled $4.9 million;
- Income tax benefit of $10.9 million represents a tax rate of 45.0%;
- Net loss was $13.3 million ($0.67 per share) versus a net loss of $42.5 million ($2.21 per share). Adjustments to 2025 GAAP earnings added $2.30 per share to generate core earnings of $1.63 per share.[1] Material adjustments include $2.32 for Pelthos offset by ($0.77) for income tax effect among other items.

As of March 31st, 2026, cash, equivalents and short-term investments totaled $779 million. This amount compares to the $734 million balance held at the end of 2025. Free cash flow for the quarter totaled $48.5 million while cash used in financing was $14.1 million entirely related to taxes paid for equity awards. The company maintains access to a revolving line of credit and an at-the-market (ATM) facility with Stifel, Nicolaus that can expand its access to capital as needed. Following the end of the quarter, Ligand announced that it intends to acquire XOMA for $739 mil-

[1] Details of the GAAP to core earnings reconciliation are in Ligand's earnings press release. Material adjustments include Share-based compensation expense, Amortization, change in fair value for Pelthos securities and gain on sale of Pelthos.

lion to be funded with cash on the balance sheet and accessing an existing revolving credit facility.[2] Access to the two sources of capital along with future anticipated cash flows are expected to continue to allow Ligand to deploy from $150 to $250 million on new royalty assets.

Viking Therapeutics Program Termination

Viking Therapeutics' (NASDAQ: VKTX) TR-Beta program is a licensed thyroid hormone receptor beta agonist platform. It is developing VK2809 for MASH and VK0214 for X-linked adrenoleukodystrophy. The core license behind the TR-Beta program was part of a Master License Agreement signed on May 21st, 2014 with Ligand's subsidiary Metabasis Therapeutics.

On April 24th, 2026, Ligand delivered written notice to Viking, notifying them of termination of the TR-Beta Program. Details of the notification were included in a Form 8-K filed on April 30th. The termination was based on Ligand's assertion that Viking materially breached its obligation to develop and commercialize the TR-Beta program. Upon successful termination, Viking must grant Ligand a non-exclusive, worldwide, royalty-bearing sublicense under any patent rights controlled by Viking. Viking disputes Ligand's right to terminate the program and we anticipate that the parties are reviewing the matter. Ligand's goal is to get the programs based on TR-Beta developed due to the substantial unmet need particularly for Metabolic Dysfunction-Associated Steatohepatitis (MASH) and replicate the success of other commercially available therapies.

XOMA Acquisition

In an April 27th press release, Ligand announced that it will acquire XOMA Royalty Corporation (NASDAQ: XOMA) for $39 per share in an all-cash transaction. XOMA shareholders will receive a Contingent Value Right (CVR) entitling the holders to receive 75% of any net proceeds that may result from pending Tremfya litigation with Janssen. The merger requires cash redemption of XOMA's preferred stock, repayment of loans, along with cash settlements of in-the-money options and certain warrants. The total value of the purchase is estimated to be $739 million. It will be funded through cash on Ligand's balance sheet and borrowings under an existing credit facility. Management issued a press release, Form 8-K and slide deck accompanied by a conference call on the morning of April 27th, 2026 to provide the relevant details.

Exhibit I – Key XOMA Commercial Partnered Programs

Marketer(s)	Program	Indication(s)	Royalty Rate
Roche	VABYSMO	Wet AMD, DME, RVO	0.5%
SERVIER, Day One BIOPHARMACEUTICALS, IPSEN	ojemda™	r/rpLGG	Mid-single digit
ZEVRA THERAPEUTICS	MIPLYFFA	Niemann-Pick Disease Type C	Mid-single digit
MEDEXUS PHARMA	IXINITY®	Hemophilia B	Mid-single digit
ORGANON	XACIATO®	Bacterial Vaginosis	Low to high-single digit
ALORA pharmaceuticals	DSUVIA	Acute Pain	37–75% on DoW sales
DARÉ BIOSCIENCE.	DARE to PLAY[1] Sildenafil Cream	Female Sexual Arousal Disorder	Low-single digit

Source: Ligand Corporate Presentation, Acquisition of XOMA Royalty Corporation, April 2026

The transaction is expected to close in the third quarter of 2026 and to be immediately accretive to Ligand's earnings. 2026 revenue estimates increase by $25 million to a range of $270 to $310 million and earnings per share (EPS) increase by $0.50 per share to a range of $8.50 to $9.50. Incremental operating profit from XOMA in 2026 is expected to be $20 million offset by a $6 million hit to other income related to reduced capital deployment and acquisition related capital costs. The entire revenue increase will accrue to the Royalties segment, although there could be some milestone revenues in the back half of 2026. In 2027, earnings per share are expected to be incrementally higher by $1.50.

[2] Ligand has access to a $125 million credit facility with Citibank, of which $124.4 million is available as of March 31st, 2026.

The acquisition brings more than 100 additional assets into Ligand's portfolio. This includes seven commercial programs, 14 Phase III or registrational programs and more than 100 earlier stage assets.

Exhibit II – Key XOMA Pipeline Partnered Programs

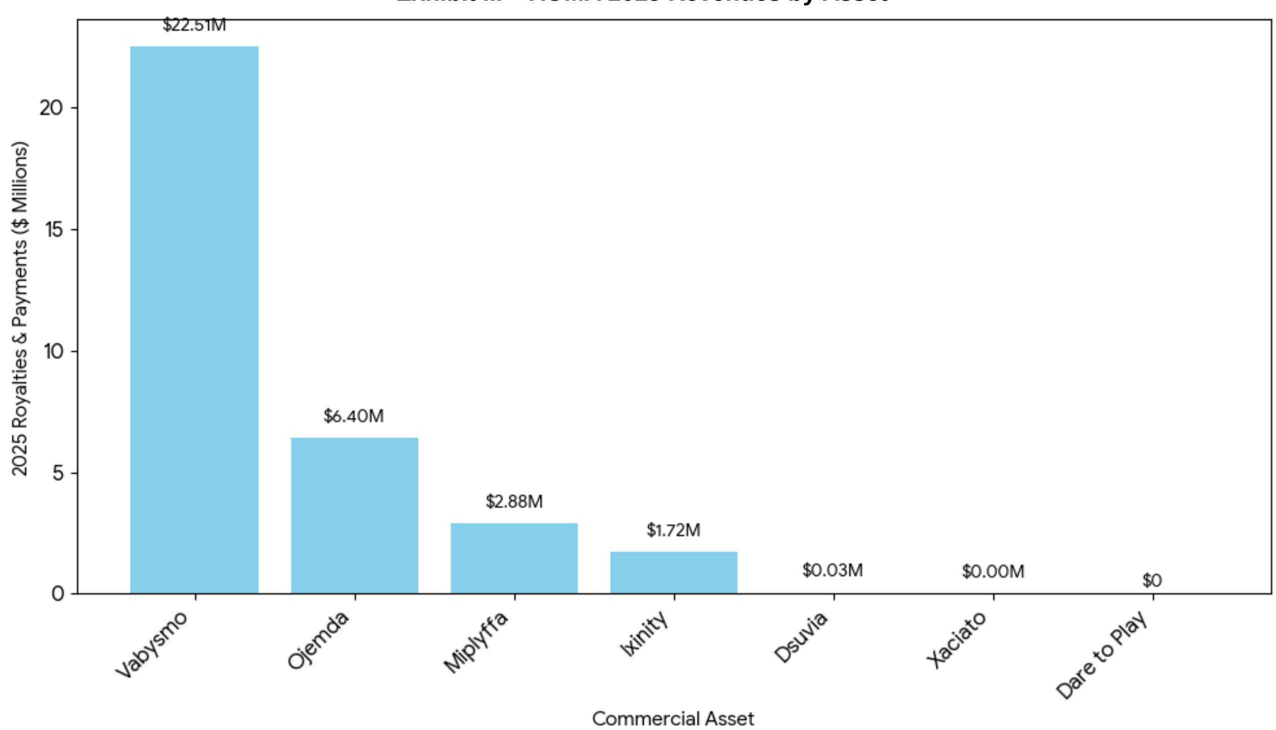
Developer(s)	Program	Indication(s)	Phase	Royalty Rate
Servier, Day One Biopharmaceuticals, Ipsen	ojemda™	Frontline Pediatric Low-Grade Glioma	Phase 3	Mid-single digit
Takeda	Mezagitamab	IgA Nephropathy Immune Thrombocytopenia	Phase 3	Low to mid-single digit
	Osavampator[1]	Major Depressive Disorder	Phase 3	Low to mid-single digit
	Volixibat[2]	Primary Sclerosing Cholangitis Primary Biliary Cholangitis	Phase 2b (Registrational)	Low to mid-single digit
AstraZeneca	Rilvegostomig	Oncology (Multiple Tumor Types)	Phase 3	Undisclosed
OHB Oak Hill Bio, Chiesi	OHB-607	Prevention of Bronchopulmonary Dysplasia	Phase 2b	Low to mid-single digit
Undisclosed	Anti-TL1A	Ulcerative Colitis Crohn's Disease	Phase 3	Undisclosed

Source: Ligand Corporate Presentation, Acquisition of XOMA Royalty Corporation, April 2026

XOMA Revenues

XOMA generated $52.1 million in revenues for 2025, representing an 83% increase over prior year revenues of $28.5 million. Cash receipts were $50.5 million. This was divided into royalties of $33.6 million, with Vabysmo comprising about two-thirds of that amount and milestones and fees of $16.9 million. Analyst estimates,[3] call for strong double-digit growth for Vabysmo, Ojemda, Miplyffa and Xaciato over the next two years.

Exhibit III – XOMA 2025 Revenues by Asset



Source: XOMA 2025 Form 10-K, Analyst Work

[3] Sourced from Evaluate, Ltd.

Exhibit IV – Summary of 2025 Revenue Generating Programs

Commercial Program	Description	Arrangement
Vabysmo / faricimab-svoa (Roche)	FDA & EMA approved for treatment of wet or neovascular, age-related macular degeneration & diabetic macular edema as well as FDA & EMA approval for treatment of retinal vein occlusion	0.5% of sales for 10 years
Ojemda / tovorafenib (Day One/Servier/Ipsen)	FDA approved for treatment of pediatric low-grade glioma, a type of brain tumor, in children 6 months of age and older	MSD royalty on sales
Miplyffa / arimoclomol (Zevra)	FDA approved to treat neurological symptoms of Niemann-Pick disease type C (NPC) in patients aged 2 years and older.	MSD royalty on sales
Ixinity / coagulation factor IX (Medexus)	Control & prevention of bleeding episodes and postoperative management in people with Hemophilia B.	MSD royalty on sales
Xaciato / clindamycin phosphate 2% (Organon)	Prescription antibiotic vaginal gel for bacterial vaginosis in females 12 and older	LSD to HSD on sales
Dsuvia / sufentanil sublingual tablet (Alora)	Sublingual opioid analgesic used to treat acute, severe pain in adults within certified medical settings	Tiered royalties up to 100%

Source: XOMA 2025 Form 10-K, Analyst Work

Beyond XOMA's revenue contribution, Ligand anticipates that it will be able to reduce costs. It has developed an investment team and infrastructure that can accommodate the layering on of additional assets. Management expects that most standalone operating costs associated with XOMA can be eliminated. This is expected to contribute to the anticipated $0.50 in incremental earnings expected in 2026 and the $1.50 of incremental earnings in 2027. Based on the ~21 million shares outstanding at Ligand and applying management guidance, this should equate to about $11 million in 2026 incremental earnings and $32 million in 2027 earnings. Additional details are provided on slide 12 of the presentation.

XOMA also offers tax benefits to the combination. In its 2025 10-K filing, XOMA reported almost $200 million of federal and $23.5 million of state net operating loss (NOL) carryforwards. The use of these tax assets may be severely limited due to anticipated expirations in the 2030s and limitations on use due to change in control. There are also federal research and development (R&D) tax credits of $2.0 million and state (California) R&D credits of about $20 million. While we do not have the data or expertise to estimate the value of these assets, Ligand management believes it can start using them immediately upon the close.

Exhibit V – 2026 Portfolio Milestones

Clinical

Q2	Takeda	Volixibat[1] Phase 2b registrational readout in primary sclerosing cholangitis
Q2	palvella THERAPEUTICS	Qtorin rapamycin initiation of Phase 2 clinically significant angiokeratomas
Mid year	Orchestra BioMed	AVIM pivotal study BACKBEAT enrollment completion
Q3	palvella THERAPEUTICS	Qtorin rapamycin Initiation of Phase 3 cutaneous venous malformations
H2	LeonaBio	Lasofoxifene full Phase 3 trial enrollment
H2	REZOLUTE	Ersodetug Phase 3 readout in THI
H2	AstraZeneca	Rilvegostomig Phase 1/2 readout in lung cancer

Regulatory and Commercial

Q2	FILSPARI (sparsentan)	Commercial launch in FSGS
Q3	sanofi	NDA submission of efdoralprin alfa for AATD
H2	palvella THERAPEUTICS	NDA Submission of Qtorin Rapamycin for Microcystic Lymphatic Malformations
H2	Ohtuvayre (ensifentrine) inhalation Suspension	Nuance potential approval in China
H2	FILSPARI (sparsentan)	Chugai regulatory submission in Japan
H2	ojemda	Marketing decision for Japan
H2	MIPLYFFA	Marketing decision for EMA
H2	Recursion	REC-4881 regulatory guidance for registration pathway

From LGND Portfolio From XOMA Portfolio

Source: Ligand Corporate Presentation, Acquisition of XOMA Royalty Corporation, April 2026

Tzield

On April 22, 2026, Sanofi announced that the FDA approved its supplemental biologic license application (BLA) for Tzield. The approval expanded pediatric labeling for Tzield to delay onset of Stage 3 Type 1 Diabetes in patients eight years and older to as young as one year of age. The approval was granted under a priority review process and is supported by one-year data from the PETITE-T1D Phase 4 study, evaluating safety and pharmacokinetics in young children.

Palvella Therapeutics

Ligand holds both an equity stake in Palvella Therapeutics and a royalty interest in its QTORIN platform. The relationship began in December 2018 when Ligand entered into a development funding and royalty agreement with Palvella covering PTX-022 (QTORIN 3.9% rapamycin gel) and at least one additional program such as PTX-367, contributing $10 million to Palvella up front in exchange for tiered royalties in the mid-to-upper single digits on net sales plus regulatory and financing milestones. In late 2023, Palvella and Ligand announced an expanded strategic partnership to accelerate Phase III development of QTORIN rapamycin for microcystic lymphatic malformations (MLMs). This increased the tiered royalty on commercial sales of the drug to 8.0 - 9.8%. Ligand also secured an option to obtain a single-digit royalty on each future topical product derivative from the QTORIN platform.

In January, Palvella provided an update on its portfolio noting that its Phase III SELVA study is on track for a March 2026 report of topline data. On February 24th, 2026, Palvella announced topline results from the clinical study evaluating QTORIN in MLMs. Along with the press release, Palvella held a conference call to discuss results and published a slide deck providing additional details.

The study achieved its primary endpoint of a statistically significant improvement of 2.13 ($p < 0.001$) units on the Microcystic Lymphatic Malformation Investigator Global Assessment (MLM-IGA). Additionally, the study achieved statistical significance on the pre-specified key secondary endpoint of blinded MLM Multi-Component Static Scale (MLM-MCSS) and all four secondary efficacy endpoints. 95% of the subjects in the trial over the age of 6 who completed the efficacy evaluation improved on the MLM-IGA at week 24. Below we summarize the efficacy endpoints.

Exhibit VI – Efficacy Endpoints at Week 24

Efficacy Endpoints at Week 24 (ITT Population, n=49)	Mean Change	Two-sided p-value
Primary: Microcystic Lymphatic Malformation Investigator Global Assessment (mLM-IGA)*	2.13	p<0.001
Key Secondary: Blinded mLM Multi-Component Static Scale (mLM-MCSS)**	-3.36	p<0.001
Secondary: Patient Global Impression of Change (PGI-C)*	1.9	p<0.001
Secondary: Live mLM-MCSS**	-4.6	p<0.001
Secondary: Clinician Global Impression of Severity (CGI-S)***	-1.7	p<0.001
Secondary: Patient Global Impression of Severity (PGI-S)***	-1	p<0.001

• n=49 subjects aged 6 and older; data analyzed per statistical analysis plan; non-completer data handled via multiple imputation per statistical analysis plan for primary endpoint; endpoints tested according to pre-specified hierarchical testing procedure
*Dynamic change scales (7-point scales ranging from "Very Much Worse" (-3) to "Very Much Improved" (+3); positive values indicate improvements from baseline)
**mLM-MCSS (Sum of three static severity scales: Height, Leaking/Bleeding, Vesicle Appearance. Each scale rated "Clear or Almost Clear" (1) to "Very Severe" (5); total score 3-15. Test baseline to Week 24 change; negative values indicate improvements from baseline)
***Static severity scales (5-point scales ranging from 1 to 5; negative values indicate improvements from baseline)

Source: Adapted from Palvella Therapeutics Press Release

Similar to previous clinical trials, the SELVA study generated data showing that QTORIN was well-tolerated. Among the 50 participants who initiated treatment, 35 participants (70%) experienced treatment-emergent adverse events (TEAEs). Four experienced serious adverse events, of which one experienced a severe TEAE. All TEAEs were deemed unrelated to the study drug by investigators. Among the TEAEs, a total of 17 participants experienced treatment-related adverse events (TRAEs), all of which were rated mild or moderate. The most common TRAEs included application site acne, application site discoloration and application site pruritus (n=3, 6%). Rapamycin levels were below 2 ng/mL in systemic circulation for all participants at all timepoints in the study.

Of the 50 participants who initiated treatment, 44 (88%) completed the 24-week efficacy evaluation period. Four participants discontinued for reasons unrelated to adverse events, one participant discontinued due to an adverse event not related to study drug, and one participant discontinued due to an adverse event (lymphorrhea) possibly related to study drug. Following completion of the efficacy evaluation period, 43 of 44 eligible participants elected to continue treatment during the extension period.

Exhibit VII – SELVA Study Selected Results for MLM, 14-Year-Old Female After Treatment

Source: Palvella Therapeutics SELVA Results Presentation

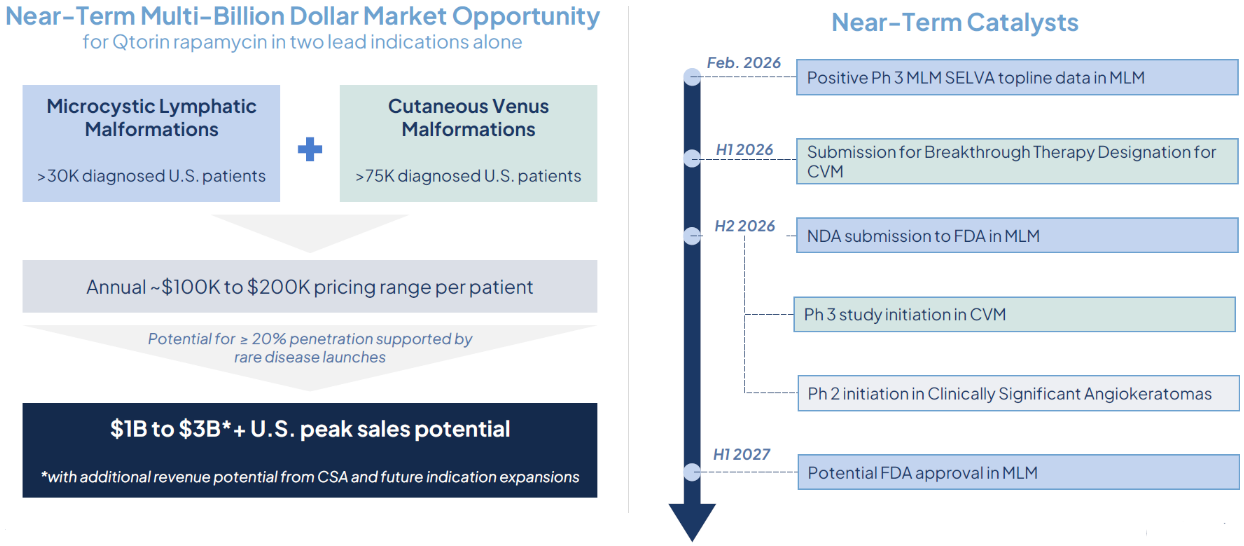
QTORIN Rapamycin
QTORIN rapamycin is a topical mTOR (mechanistic/mammalian target of rapamycin) inhibitor for rare, serious dermatologic conditions like pachyonychia congenita and microcystic lymphatic malformations. It is designed to selectively inhibit overactive mTOR signaling in skin lesions, particularly in conditions driven by PI3K–AKT–mTOR pathway dysregulation. By locally inhibiting mTOR, the drug aims to reduce endothelial cell hyper-proliferation and abnormal vascular/lymphatic signaling (e.g., VEGF), thereby shrinking or stabilizing vascular and lymphatic malformations.

Phase II results for QTORIN were announced in December 2025 for clinically significant angiokeratomas. On December 16th, Palvella announced that the FDA had granted Fast Track for the drug in this indication. The grant of this expedited treatment may allow future Accelerated Approval and Priority Review. Palvella anticipates starting a Phase II trial for the product in 2H:26. Angiokeratomas are small, firm bumps on the skin that typically appear dark red, purple, or even black. They are benign skin lesions consisting of an angioma (a cluster of dilated surface blood vessels) covered by a keratoma (a thickened layer of skin). They are treated using laser therapy, cryotherapy or electrocauterization. Ligand cites 50,000 diagnosed cases of angiokeratomas per year in the United States.

QTORIN is also in development for cutaneous venous malformations (CVMs). It recently was the subject of a Phase II trial readout in December 2025 where most patients demonstrated improvement. A Phase III trial is planned. CVM is a rare genetic disease caused by mutations that overactivate the PI3K/mTOR signaling pathway, leading to dysfunctional veins in the skin. There are no FDA-approved therapies for patients suffering from the disease. Treatment is focused on addressing symptoms and can include sclerotherapy, laser therapy, compression garments and surgical resection.

Palvella plans to submit an NDA to the FDA for QTORIN rapamycin in microcystic lymphatic malformations in 2H26. Management anticipates that approval will be granted in 1H:27 taking advantage of Fast Track and Breakthrough Therapy designations. QTORIN has two other indications in angiokeratomas and CVMs which will also generate royalty revenue for Ligand if they are ultimately approved and produce sales.

Exhibit VIII – Palvella Therapeutics Catalysts & Market Size for QTORIN Rapamycin



Source: Ligand Pharmaceuticals' 4Q:25 Earnings Presentation

Filspari

Travere's Filspari was approved in February 2023 to slow kidney function decline in adults with primary immunoglobulin A nephropathy (IgAN) who are at risk for disease progression. It later submitted its supplemental New Drug Application (sNDA) for Focal Segmental Glomerulosclerosis (FSGS) in March 2025. The application was initially given a Target Action Date of January 13th, 2026. However, just prior to this milestone, the FDA extended the review period.

In the weeks prior to the anticipated approval, the FDA made a series of information requests to clarify the benefit of Filspari in FSGS. While the responses were submitted prior to the agency's decision, there was not sufficient time for the agency to properly review the data. As a result, the FDA delayed the Target Action Date by three months classifying the additional data submission as a Major Amendment.

On April 13th, 2026 Travere announced that the FDA had granted full approval for Filspari in adults and children aged 8 years and older with FSGS who do not have nephrotic syndrome. We do not explicitly forecast FSGS revenues in our model but Ligand does include a component for FSGS revenues in their Pharm Team segment. In its Analyst Day presentation last December, Ligand estimates that the contribution from Filspari for FSGS will be an estimated $40-$45 million in 2030.

Travere reported its first quarter results on May 4th, 2026, announcing that it had registered 993 new patient start forms for IgAN in the U.S. during the first quarter. U.S. net product sales grew 88% year over year to $105 million. Further updates informed investors that the first FSGS patients were treated within one week of the mid-April approval. Travere is developing Filspari for other indications including for post-transplant patients with recurrent IgAN. This is being done in the Phase IV SPARX study which is expected to complete enrollment in the second quarter of 2026.

Lasofoxifene

Lasofoxifene was first discovered in 1992 through a research collaboration between Ligand and Pfizer. It is a type of endocrine therapy and a selective estrogen receptor modulator (SERM). In breast cancer, SERMs work by binding to the estrogen receptors in breast cells, thus blocking the effects of estrogen in the breast tissue. They also function as estrogens in bone and protect against osteoporosis. Ligand is eligible for milestones and royalties from lasofoxifene that range from 6% to 10%.

On December 18th, 2025, Athira Pharma, now LeonaBio, announced that it had acquired an exclusive license to develop lasofoxifene for metastatic breast cancer in a Phase III program. The company executed a financing for $236 million which included $90 million upfront and another $146 million if associated warrants are exercised. Ligand participated as a minor investor in the financing along with leadership from Commodore Capital, Perceptive Advisors and TCGX. The ongoing Phase III trial is over half enrolled and is expected to generate data in 2027.

Exhibit IX – Lasofoxifene Key Details

Lasofoxifene

Indication	ER+/HER2- metastatic breast cancer in patients with ESR1 mutations
Phase of Development / Approval Date	Phase 3
Background	Initially discovered through a research collaboration between Ligand and Pfizer
Royalty Rate	Tiered 6 – 10%
Partner	LeonaBio: Global (excluding Asia and certain countries in the Middle East) Henlius : Asia and certain countries in the Middle East

Source: Ligand Pharmaceuticals' 4Q:25 Earnings Presentation

LeonaBio reported its fourth quarter results on March 26th, 2026 providing an update for investors. Lasofoxifene is the subject of a Phase III clinical trial in combination with abemaciclib, a CDK4/6 inhibitor. It is pursuing targeting therapy for estrogen receptor-positive (ER+), HER2-negative, ESR1-mutated metastatic breast cancer. The primary endpoint of the study is a statistically significant improvement in progression free survival (PFS). Leona is expanding the size of its ELAINE-III trial by 100 to enroll 600 patients to ensure sufficient disease progression events. Enrollment is expected to be complete in 4Q:26 with topline data reported in 2H:27.

Ohtuvayre

In January, Nuance Pharm announced that the National Medical Products Administration (NMPA) of China has officially accepted for review the NDA for Ohtuvayre (ensifentrine) for the maintenance treatment of chronic obstructive pulmonary disease. In 2021, Nuance Pharma entered into an agreement with Verona Pharma for the exclusive rights to develop and commercialize Ohtuvayre in Greater China (mainland China, Hong Kong, Macau and Taiwan). According to the NMPA website the review timeline for drug marketing authorization applications is 200 days.

Agenus' Botensilimab and Balstilimab (BOT/BAL)

In January, Agenus closed on its planned strategic collaboration with Zydus Lifesciences to commercialize botensilimab plus balstilimab (BOT/BAL) in India and Sri Lanka. The deal included upfront monies, an equity investment in Agenus, future milestones and royalties that will support the development of manufacturing capacity in the United States. Agenus' UGN-301 will not advance as clinical results did not indicate sufficient differentiation to support further work. UGN-301 is an anti-CTLA-4 monoclonal antibody (zalifrelimab), originally licensed from Agenus in 2019 by UroGen Pharma.

On April 1, 2026, Agenus announced that it had enrolled its first patient in the global Phase 3 BATTMAN trial. This study is evaluating Agenus' immunotherapy combination BOT/BAL against the best supportive care in patients with refractory, unresectable microsatellite stable (MSS) / mismatch repair proficient (pMMR) metastatic colorectal cancer (mCRC), a population long considered resistant to immunotherapy. The BATTMAN is a registrational study for BOT/BAL, and is expected to enroll approximately 830 patients.

Milestones

- EC approves teplizumab to delay onset of stage 3 type 1 diabetes (T1D) in patients age 8+ - January 2026
- Ohtuvayre NDA acceptance by China NMPA – January 2026
- Data readout for Phase III SELVA trial for QTORIN – February 2026
- Orchestra initiated patient enrollment in the Virtue SAB US pivotal trial – March 2026
- Agenus enrolls first patient in Phase III BATTMAN trial (Bot/Bal) – April 2026
- Filspari FSGS indication FDA approval – April 13th, 2026
- FDA approved Tzield for delay in onset of stage 3 T1D in stage 2 patients – April 22nd, 2026
- Termination notice delivered to Viking Therapeutics for TR Beta program – April 24th, 2026
- XOMA acquisition announcement – April 27th, 2026
- Breakthrough Device Designation granted for Orchestra's AVIM Therapy – April 2026
- Orchestra BioMed receives $15 million investment from Ligand – May 6th, 2026
- QTORIN enrollment of LOTU (Ph2 for angiokeratomas) – May 2026
- Filspari SPARX study (post-transplant IgAN) to complete enrollment – 2Q:26
- Ojemda Phase III full enrollment – 1H:26
- Japan NDA submission for Filspari via Chugai - 2026
- Capvaxive PDUFA date for at risk children & adolescents – June 18th, 2026
- QTORIN NDA submission to FDA for MLM – 2H:26
- QTORIN Phase III trial for cutaneous venous malformations – 2H:26
- QTORIN Phase II trial for clinically significant angiokeratomas – 2H:26
- Ojemda topline data – mid-2027
- Osavampator Phase III topline data readout – 2027
- Lasofoxifene ELAINE-3 topline data – 2H:27

Valuation

We update our valuation to reflect quarter-end values for Ligand's investments and the additional revenue and earnings expected for 2027 from the XOMA acquisition. The line items that reflect the most change include 2027 revenues which rise to $351 million, net interest expense which moves from our previous $1.0 million to $6.0 million and income tax, which declines by 200 basis points over our prior estimates reflecting XOMA's tax credits. This generates adjusted core EPS of $10.51. 2027 EBITDA is forecast to be $296 million compared to our previous estimate of $275 million. We expect further refinement of growth expectations following Ligand's analyst day at year end.

Our valuation approach continues to use a blend of EPS multiple and EBITDA multiple to generate our valuation. We apply a 22.0x multiple to 2027 EPS and a 17.0x multiple to 2027 EBITDA. We add value for Ligand's securities investments and add this to the total. The result of our calculations generates a valuation of $247/share.

Exhibit X – EPS Valuation Matrix

2027 P/E Multiple	Multiple	EPS	Core Value/ Share	Investments / Share	Target Price
	20.0	$10.51	$210	$5.96	**$216**
	21.0	$10.51	$221	$5.96	**$227**
	22.0	$10.51	$231	$5.96	**$237**
	23.0	$10.51	$242	$5.96	**$248**
	24.0	$10.51	$252	$5.96	**$258**

Exhibit XI – EBITDA Valuation Matrix

2027 EV/EBITDA Multiple	Multiple	2027 EBITDA	Core Valuation	Investments	Total	Shares Outstanding	Target Price
	15.0	$296,031	$4,440,467	$119,285	$4,559,752	20,041	**$228**
	16.0	$296,031	$4,736,499	$119,285	$4,855,784	20,041	**$242**
	17.0	$296,031	$5,032,530	$119,285	$5,151,815	20,041	**$257**
	18.0	$296,031	$5,328,561	$119,285	$5,447,846	20,041	**$272**
	19.0	$296,031	$5,624,592	$119,285	$5,743,877	20,041	**$287**

Summary

Ligand reported 1Q:26 results, generating topline growth of 14% and EPS growth of 23%. Primary drivers for the year over year performance include Filspari, Qarziba, Kyprolis, Vaxneuvance and Capvaxive among others. The big news was the XOMA acquisition announcement which adds seven new key assets plus over 100 others. It is expected to add $0.50 in EPS in the latter half of the year and $1.50 per share in 2027. We believe that XOMA's portfolio has a long tail and can contribute a material increase in growth above Ligand's existing assets for the next decade. There are a host of other updates provided in our report for many of Ligand's other assets. We increase our valuation to reflect the contribution from XOMA to generate a valuation of $247 per share.

PROJECTED FINANCIALS

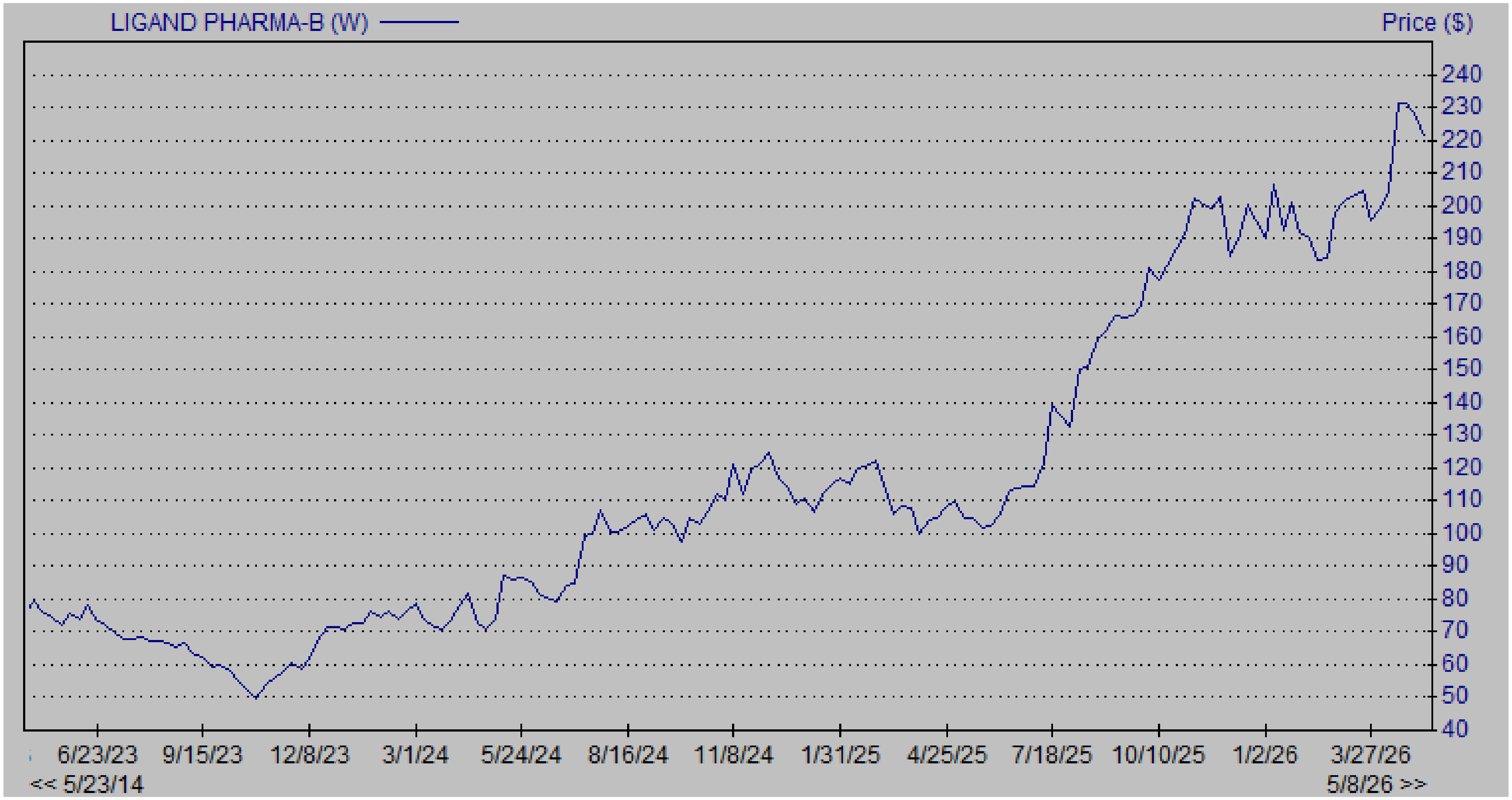
Ligand Pharmaceuticals, Inc. - Income Statement

Ligand Pharmaceuticals, Inc.	2025 A	Q1 A	Q2 E	Q3 E	Q4 E	2026 E	2027 E	2028 E
Total Revenues ($US '000)	**$268,087**	**$51,722**	**$62,714**	**$80,120**	**$88,745**	**$283,301**	**$351,384**	**$414,364**
YOY Growth	60%	14%	32%	-31%	49%	6%	24%	18%
Cost of Goods Sold (Captisol)	$14,549	$3,273	$3,115	$3,186	$3,679	$13,254	$13,751	$14,301
Product Gross Margin	63.8%	62.2%	64.00%	64.0%	64.0%	63.6%	64.0%	64.0%
Amortization of intangibles	$32,708	$8,097	$7,900	$7,950	$7,970	$31,917	$33,848	$33,700
Research & development	$81,182	$2,148	$2,145	$2,145	$2,145	$8,583	$12,888	$13,125
General & administrative	$92,449	$20,836	$8,250	$8,100	$8,500	$45,686	$41,284	$42,523
Other	$6,197	$0	$0	$0	$0	$0	$0	$0
Income from operations	$41,002	$17,368	$41,304	$58,739	$66,451	$183,861	$249,613	$310,715
Operating Margin								
Interest income, net	$904	$4,908	$5,100	$0	($1,250)	$8,758	($6,000)	($4,500)
Other income, net	$117,054	($46,535)	$0	$0	$0	($46,535)	$0	$0
Pre-Tax Income	$158,960	($24,259)	$46,404	$58,739	$65,201	$146,084	$243,613	$306,215
Provision for Income Tax	$34,507	($10,914)	$11,601	$14,685	$16,300	$31,672	$51,159	$64,305
Tax Rate	21.7%	45.0%	25.0%	25.0%	25.0%	22.5%	21.0%	21.0%
Net Income	**$124,453**	**($13,345)**	**$34,803**	**$44,054**	**$48,901**	**$114,413**	**$192,455**	**$241,910**
Net Margin								
Reported EPS	**$6.13**	**($0.67)**	**$1.63**	**$2.07**	**$2.29**	**$5.32**	**$9.04**	**$11.25**
Adjustments	$2.00	$2.30	$0.39	$0.39	$0.39	$3.47	$1.47	$1.45
Core EPS	**$8.13**	**$1.63**	**$2.02**	**$2.46**	**$2.68**	**$8.79**	**$10.51**	**$12.70**
YOY Growth	42%	23%	26%	-20%	33%	8%	19%	21%
Fully Diluted Shares	20,294	21,219	21,300	21,310	21,340	21,292	21,300	21,500

Source: Company Filing // Zacks Investment Research, Inc. Estimates

HISTORICAL STOCK PRICE

Ligand Pharmaceuticals, Inc. – Share Price Chart[4]



[4] Source: Zacks Research System

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