**Risk Factors Comparison 2025-02-28 to 2024-02-29 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business is subject to numerous risks and uncertainties, including those described below. The principal risks and uncertainties affecting our business include, but are not limited to **,** the following: **Risks related to our business operations and reliance on third parties, including:** • **Our ability to collect** ~~Future~~ **future** revenue ~~based on Kyprolis~~ , **including** ~~Evomela, Teriparatide and Rylaze as well as royalties from our other partnered products, may be lower than expected; • Future revenue~~ from sales of **products from our collaboration partners,** Captisol material ~~to our~~ **sales and** ~~license~~ **licensing relationships, and other** ~~partners may be lower than expected; • We rely heavily on~~ collaboration relationships ~~to generate milestone and royalty payments and our collaboration partners have significant discretion when deciding whether to pursue any development program~~ , **is not guaranteed** ~~and any failure by our partners to successfully develop a product candidate or a termination or breach of any of the related agreements, or a change in their strategy or the focus of their development and commercialization efforts with respect to our partnered programs, could reduce our milestone and license fee revenue, and potentially reduce future royalties~~ ; • Our **ability** ~~product candidates, and the product candidates of our partners, face significant development and regulatory hurdles prior~~ to ~~partnering and /~~ **source Captisol from** ~~or~~ **our sole supplier may be impacted by a supply interruption** ~~marketing which could delay or prevent licensing, sales- based royalties and / or milestone revenue~~ ; • The ~~royalty~~ **success of our partnered programs could be adversely affected by a change in our collaboration partners' strategy or focus and / or development or regulatory hurdles, and** market ~~may~~ **acceptance of such programs is** not **guaranteed** ~~grow at the same rate as it has in the past, or at all, and we may not be able to acquire sufficient royalties to create or sustain growth of our business~~ ; • **Risks related to the biopharmaceutical product market in general, including changes in growth rate, competition resulting from new technologies and developments, and other sales risks; • Risks related to our ability to receive adequate** ~~Information~~ **information** ~~available to us~~ about the biopharmaceutical products **we acquire and invest in and our** underlying **assumptions regarding** ~~the royalties we buy may be limited and, therefore, our ability to analyze each product and its potential~~ future cash flow ~~may be similarly limited~~ **and revenue generation from such products** ; **and • Our collaboration partners may become insolvent. Risks related to our intellectual property, including:** • Third party intellectual property **rights** may prevent us or our partners from developing our potential products; our and our partners' intellectual property may not prevent competition; and any intellectual property issues may be expensive and time consuming to resolve; **• Risks related to our ability to obtain and maintain sufficient intellectual property protection for our products, platforms and technology; • Risks related to the validity, scope and enforceability of our and our collaboration partners' patents and other intellectual property; and • Other intellectual property- related risks, including the scope and validity of in- licenses from third parties, claims and disputes regarding patent infringement and other intellectual property rights that may be brought by third parties, changes in relevant patent and other intellectual property law, and the confidentiality of our trade secrets and other proprietary information. Risks related to government regulation and legal proceedings, including:** • Market acceptance and sales of any approved product will depend significantly on the availability and adequacy of coverage and reimbursement from third- party payors and may be affected by existing and future healthcare reform measures; **• Regulatory approval of our product candidates can be time- consuming** and **unpredictable and is not guaranteed; and • Risks related to our and our collaboration partners' compliance with healthcare, environmental and other applicable laws and regulations. Risks related to our strategic transactions, including: • Difficulties from strategic acquisitions and other M & A transactions could adversely affect our stock price, operating results and results of operations; and • Risks we may face if we do not consummate a strategic transaction involving our Pelthos business and continue to operate Pelthos on a go- forward basis. Other risks and uncertainties affecting our business, including:** • Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance we may provide **; • Changes or modifications in financial accounting standards or tax laws may harm our results of operations; • Risks related to our accounting methodologies and tax status; and • Other general risks and uncertainties affecting our business** . Risks Related to Our Business Operations and Reliance on Third Parties: Future revenue based on Kyprolis, **Qarziba, Filspari,** Evomela, Teriparatide and Rylaze **,** as well as royalties from our other partnered products, may be lower than expected. A significant portion of our royalty revenue is based on sales of Kyprolis by Amgen **, sales of Qarziba by Recordati, sales of Filspari by Travere** , sales of Evomela by Acrotech Biopharma, sales of Teriparatide by Alvogen / Adalvo and sales of Rylaze by Jazz. Royalties, including payments from the foregoing partners, are expected to be a substantial portion of our ongoing revenues for the foreseeable future. Any setback that may occur with respect to any of our partners' products, and in particular Kyprolis, could significantly impair our operating results and / or reduce our revenue and the market price of our stock. Setbacks for the products could include problems with shipping, distribution, manufacturing, product safety, marketing, government regulation or reimbursement, licenses and approvals, intellectual property rights, including failure by any of the foregoing partners to enforce their respective intellectual property rights, competition with existing or new products and physician or patient acceptance of the products, as well as higher than expected total rebates, returns, discounts, or unfavorable exchange rates. These products also are or may become subject to generic competition. For example, we entered into a settlement agreement with Teva and Acrotech Biopharma (the holder of the NDA for Evomela) which will allow Teva to market a generic version of Evomela in the United States on June 1, 2026, or earlier under certain circumstances. The entry of generic competition for Evomela may materially and adversely affect the revenue we derive from Evomela sales. Also, Amgen previously settled patent litigation related to Kyprolis

on confidential terms with several parties, but it was publicly reported that the U. S. launch date for at least Breckenridge Pharmaceuticals' applicable generic product will be " on a date that is held as confidential in 2027 or sooner, depending on certain occurrences. " Future revenue from sales of Captisol material to our license partners may be lower than expected. Revenues from sales of Captisol material to our collaboration partners, including Amgen, represent **approximately half** ~~a significant portion~~ of our ~~current~~ **royalty** revenues. Any setback that may occur with respect to Captisol could significantly impair our operating results and / or reduce the market price of our stock. Setbacks for Captisol could include problems with shipping, distribution, manufacturing, product safety, marketing, government regulation or reimbursement, licenses and approvals, intellectual property rights, competition with existing or new products and physician or patient acceptance of the products using Captisol. In addition, we may continue to generate no revenue from Captisol sales related to remdesivir due to a number of factors, including alternative treatments for COVID- 19 that have been or will be developed by other companies and the decrease in COVID- 19 infections, in which case the commercial opportunity could be ~~continue to be~~ limited. If products or product candidates incorporating Captisol material were to cause any unexpected adverse events, the perception of Captisol safety could be seriously harmed. If this were to occur, we may not be able to sell Captisol unless and until we are able to demonstrate that the adverse event was unrelated to Captisol, which we may not be able to do. Further, the FDA could require us to submit additional information for regulatory review or approval, including data from extensive safety testing or clinical testing of products using Captisol. This would be expensive and it may delay the marketing of Captisol- enabled products and receipt of revenue related to those products, which could significantly impair our operating results and / or reduce the market price of our stock **. A supply chain interruption may impact our ability to obtain Captisol material** . We obtain Captisol from Hovione, our third party manufacturer, primarily at their facilities in Ireland and Portugal. If Hovione were to cease to be able, for any reason, to supply Captisol to us in the amounts we require, or decline to supply Captisol to us, we would be required to seek an alternative source, which could potentially take a considerable length of time and impact our revenue and customer relationships. In the event of a Captisol supply interruption, we are permitted to designate and, with Hovione' s assistance, qualify one or more alternate suppliers, although there is no assurance that we could do so timely or at acceptable costs, if at all. In addition to manufacturing at Hovione' s facilities in Ireland and Portugal, we have processing capacity for Captisol in both the United States and England. We maintain inventory of Captisol, which has a five- year shelf life, at three geographically dispersed storage locations in the United States and Europe. If we were to encounter problems maintaining our inventory, such as natural disasters, at one or more of these locations, it could lead to supply interruptions. In addition, we rely on Hovione to expand manufacturing capacity of Captisol and any failure by Hovione to timely implement such increased capacity could adversely affect our ability to supply Captisol to our partners. While we believe we maintain adequate inventory of Captisol to meet our current partner needs, and our Captisol capacity will be sufficient to meet future partner needs, our estimates and projections for Captisol demand may not be correct and any supply interruptions could materially adversely impact our operating results. **Future revenue from royalties on Captisol partnered products may be lower than expected.** We currently depend on our **contractual** arrangements with our partners and licensees to sell products using our Captisol technology. These agreements generally provide that our partners may terminate the agreements at will. If our partners discontinue sales of products using Captisol, fail to obtain regulatory approval for products using Captisol, fail to satisfy their obligations under their agreements with us, choose to utilize a competing product, or if we are unable to establish new licensing and marketing relationships ~~,~~ **then revenue from royalties on Captisol partnered products could be decreased and** our financial results and growth prospects ~~would~~ **could** be materially affected. Further, under most of our Captisol **out** ~~outlicenses~~ **licenses** , the amount of royalties we receive will be reduced or will cease when the relevant patent expires. Our low- chloride patents and foreign equivalents are not expected to expire until 2033, our high purity patents and foreign equivalents ~~,~~ are not expected to expire until 2029 and our morphology patents and foreign equivalents are not expected to expire until 2026 in the United States **; however** , ~~but~~ the initially filed patents relating to Captisol expired starting in 2010 in the United States and in 2016 in most countries outside the United States. If our other intellectual property rights are not sufficient to prevent a generic form of Captisol from coming to market **,** and if in such case our partners choose to terminate their agreements with us, our Captisol revenue may decrease significantly. We rely heavily on collaboration relationships to generate milestone and royalty payments and our collaboration partners have significant discretion when deciding whether to pursue any development program, and any failure by our partners to successfully develop a product candidate or a termination or breach of any of the related agreements could reduce our milestone and license fee revenue, and potentially reduce future royalties. Our strategy for developing and commercializing many of our product candidates includes entering into collaboration agreements, outlicenses, and development funding and royalty purchase agreements with corporate **and other collaboration** partners ~~and others~~ . These agreements give our collaboration partners significant discretion when deciding whether or not to pursue any development program. Our existing collaborations may not continue or be successful, and we may be unable to enter into future collaboration arrangements to develop and commercialize our unpartnered assets. In addition, our ~~collaborators~~ **collaboration partners** may develop products, either alone or with others **,** that compete with the types of products they are developing with us (or that we are developing on our own). This would result in increased competition for our or our partners' programs. If product candidates are approved for marketing under our collaboration programs, revenues we receive will depend on the manufacturing, marketing and sales efforts of our collaboration partners, who generally retain commercialization rights under the collaboration agreements. Generally, our current collaboration partners also have the right to terminate their collaborations at will or under specified circumstances. If any of our collaboration partners breach (for example, by not making required payments when due, or at all) or terminate their agreements with us or otherwise fail to conduct their collaboration activities successfully, including due to insolvency events, ongoing product development under these agreements will be delayed or terminated. Disputes or litigation may also arise with our collaborators (with us and / or with one or more third parties), including those over ownership rights to intellectual property, know- how or technologies developed with our ~~collaborators~~ **collaboration partners** . Such

disputes or litigation could adversely affect our rights to one or more of our product candidates. Any such dispute or litigation could delay, interrupt or terminate the collaboration research, development and commercialization of certain potential products, create uncertainty as to ownership rights of intellectual property, or could result in litigation or arbitration. The occurrence of any of these problems could be time- consuming and expensive and could adversely affect our business. Our collaboration partners may change their strategy or the focus of their development and commercialization efforts with respect to our partnered programs, and the success of our partnered programs could be adversely affected. If our collaboration partners terminate their collaborations with us or do not commit sufficient resources to the development, manufacture, marketing or distribution of our partnered programs, we could be required to devote additional resources to our partnered programs, seek new collaboration partners or abandon such partnered programs, all of which could reduce our revenues and otherwise have an adverse effect on our business. In addition, biopharmaceutical development is inherently uncertain and very few therapeutic candidates ultimately progress through clinical development and receive approval for commercialization. If our partners do not receive regulatory approval for a sufficient number of therapeutic candidates originating from our partnerships, we may not be able to sustain our business model. Our product candidates, and the product candidates of our partners, face significant development and regulatory hurdles prior to partnering and / or marketing which could delay or prevent licensing, sales- based royalties and / or milestone revenue. Before we or our partners obtain the approvals necessary to sell any of our unpartnered assets or partnered programs, we must show through preclinical studies and human testing that each potential product is safe and effective. We and / or our partners have a number of partnered programs and unpartnered assets moving toward or currently awaiting regulatory action. Failure to show any product' s safety and effectiveness could delay or prevent regulatory approval of a product and could **, and has in the past,** adversely ~~affect~~ **affected** our business. The product development and clinical trials process is complex and uncertain. For example, the results of preclinical studies and initial clinical trials may not necessarily predict the results from later large- scale clinical trials. In addition, clinical trials may not demonstrate a product' s safety and effectiveness to the satisfaction of the regulatory authorities. A number of companies have suffered significant setbacks in advanced clinical trials or in seeking regulatory approvals, despite promising results in earlier trials. The FDA may also require additional clinical trials after regulatory approvals are received. Such additional trials may be expensive and time- consuming, and failure to successfully conduct those trials could jeopardize continued commercialization of a product. The speed at which we and our partners complete our scientific studies and clinical trials depends on many factors, including, but not limited to, the ability to obtain adequate supplies of the products to be tested and patient enrollment. Patient enrollment is a function of many factors, including the size of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial and other potential drug candidates being studied. Delays in patient enrollment for our or our partners' trials may result in increased costs and longer development times. In addition, our partners have rights to control product development and clinical programs for products developed under our collaborations. As a result, these partners may conduct these programs more slowly or in a different manner than expected. Moreover, even if clinical trials are completed, we or our partners still may not apply for FDA or foreign regulatory approval in a timely manner, or the FDA or foreign regulatory authority still may not grant approval. Our product candidate discovery, early- stage development, and product reformulation programs may require substantial additional capital to complete successfully. Our partners' development programs may require substantial additional capital to complete successfully, arising from costs to: conduct research, preclinical testing and human studies; establish pilot scale and commercial scale manufacturing processes and facilities; and establish and develop quality control, regulatory, marketing, sales and administrative capabilities to support these programs. While we expect to fund our research and development activities from cash generated from operations to the extent possible, if we are unable to do so, we may need to complete additional equity or debt financings or seek other external means of financing. These financings could depress our stock price. If additional funds are required to support our operations and we are unable to obtain them on terms favorable to us, we may be required to cease or reduce further development or commercialization of our products, to sell some or all of our technology or assets or to merge with another entity. ~~The royalty~~ **Biopharmaceutical products are subject to sales risks. Biopharmaceutical product sales may be lower than expected due to a number of reasons, including pricing pressures, insufficient demand, product competition, failure of clinical trials, lack of** market ~~may not grow at~~ **acceptance, changes in the marketer' s strategic priorities, obsolescence, lack of acceptance by government healthcare programs or private insurance plans, loss of patent protection, government regulations or** ~~the~~ **other factors** ~~same rate as it has in the past~~ , **and development- stage product candidates may fail to reach the market. Unexpected side effects, safety or efficacy concerns can arise with respect to a product, leading to product recalls, withdrawals, declining sales or litigation. As a result, payments of** ~~or~~ **our** ~~at all, and we may not be able to acquire sufficient~~ royalties **may be reduced** ~~to create or sustain growth of our~~ - **or** ~~business~~ **ceased** . **In addition** ~~The growth of our business depends on our ability to acquire royalties and we may not be able to identify and acquire a sufficient number of royalties~~ , **these payments may be delayed, causing** ~~or~~ **our** ~~royalties of sufficient scale,~~ **near- term financial performance** to **be weaker** ~~invest the full amount of capital that~~ **than expected** ~~may be available to us in the future, or at our targeted amount and rate of deployment,~~ which could **have** ~~prevent us from executing our growth strategy and~~ - **an** ~~negatively impact~~ **adverse effect on our business. New products and technologies of other companies may render some** ~~our~~ - **or** ~~results~~ **all** of ~~operations. Changes in the~~ **our or our potential milestone and** royalty **providers' product candidates noncompetitive or obsolete. The** ~~market, including its structure, participants and growth rate, changes in preferred methods of financing and capital raising in the~~ biopharmaceutical industry ~~,~~ **is a highly competitive and rapidly evolving industry. New developments by others may render** ~~or~~ **our** ~~a reduction in~~ **potential milestone and royalty providers' product candidates or technologies obsolete or uncompetitive. Current marketers of products may undertake** ~~the~~ **these** ~~growth of~~ **development efforts in order to improve** ~~the~~ **their products or to avoid paying our royalty. In addition, as** biopharmaceutical **companies increasingly devote significant resources to innovate next- generation products and therapies using gene editing and new curative modalities, such as cell and gene therapy, products on which we have a**

**milestone or royalty rights may become obsolete. Positive developments in connection with a potentially competing product may have an adverse impact on our future potential for receiving revenue derived from development milestones and royalties. For example, if another product is perceived to have a competitive advantage, or another product' s failure is perceived to increase the likelihood that our licensed product will fail, our potential milestone and royalty providers may halt development of product candidates in which we have an interest. Adverse competition, obsolescence or governmental and regulatory action or healthcare policy changes could significantly affect the revenues, including royalty- related revenues, of the products which generate our potential milestones and royalties. Finally, because many of the companies with which we do business also are in the biotechnology** industry, ~~could lead to diminished opportunities for~~ **the volatility of that industry can affect** us **indirectly as well as directly** ~~to acquire royalties, fewer royalties (or fewer royalties of significant scale) being available, or increased competition for royalties~~ . **The same** ~~Even if we continue to acquire royalties, they may not generate a meaningful return for a period of several years, if at all, due to numerous~~ factors ~~including~~ **that affect us directly also can adversely affect us indirectly by affecting** the ~~structure~~ **ability** of ~~the transaction, or~~ **our** ~~circumstances relating~~ **partners and others with whom we do business** to **meet** ~~the~~ **their** ~~underlying~~ **obligations to us and reduce our ability to realize the value of the consideration provided to us by these other companies in connection with their licensing of our** products ~~. As a result, we may not be able to create or sustain growth of our business as we expect or at all~~ . We face competition in acquiring **existing " passive "** royalties and locating suitable **passive** royalties to acquire. There are a limited number of suitable and attractive opportunities to acquire high- quality royalties available in the market. ~~Therefore~~ **Many potential royalty acquisition targets do not meet our criteria** , **and for those that do, we may face significant** competition ~~to acquire such royalties is intense and may increase. We compete with other potential acquirers~~ for these **acquisitions from** ~~opportunities, including~~ companies that market the products on which royalties are paid, financial institutions and others. **This competition to acquire such royalties may increase.** These competitors may be able to access lower cost capital, may be larger than us **, may cause the price we pay for such royalty assets to increase** , may have relationships that provide them access to opportunities before us, or may be willing to acquire royalties for lower projected returns than we are. **Unsuccessful attempts to acquire new royalties because of transactions that do not meet our criteria or because of such competition could result in significant costs to us, could hurt our reputation and divert management and financial resources. Ligand may have to pursue different avenues such as project finance and special situations in order to create and capture royalty value.** Information available to us about the biopharmaceutical products underlying the royalties we ~~buy~~ **purchase and invest in** may be limited and, therefore, our ability to analyze each product and its potential future cash flow may be similarly limited. We may have limited information concerning the products generating the royalties we are evaluating for acquisition. ~~Often~~ **At times** , the information we have regarding products following our acquisition of a royalty may be limited to the information that is available in the public domain. Therefore, there may be material information that relates to such products that we would like to know but do not have and may not be able to obtain. For example, we do not always know the results of studies conducted by marketers of the products or others or the nature or amount of any complaints from doctors or users of such products. In addition, the market data that we obtain independently may also prove to be incomplete or incorrect. Due to these and other factors, the actual cash flow from a royalty may be significantly lower than our estimates. A significant portion of our future income is dependent upon numerous royalty- specific assumptions and, if these assumptions prove not to be accurate, we may not achieve our expected rates of returns. Our business model is based on multiple- year internal and external forecasts regarding product sales and numerous product- specific assumptions in connection with each royalty acquisition, including where we have limited information regarding the product, sales of our products and licenses to our technology. There can be no assurance that the assumptions underlying our financial models, including those regarding product sales or competition, patent expirations, exclusivity terms, license terms or license terminations for the products underlying our portfolio, products and technology, are accurate. These assumptions involve a significant element of subjective judgment and may be adversely affected by post- acquisition changes in market conditions and other factors affecting the underlying product or technology. The risks relating to these assumptions may be exacerbated for development- stage product candidates due to the uncertainties around their development, labeling, regulatory approval, commercialization timing, manufacturing and supply, competing products or related factors. With respect to our partnered programs, our assumptions regarding the financial stability or operational or marketing capabilities of the partner obligated to pay us royalties or license, milestone or other service payments, may also prove, and in the past have proven, to be incorrect. Due to these and other factors, the assets in our current portfolio or future assets, or our current or future products or technology, may not generate expected returns or returns in line with our historical financial performance or in the time periods we expect or at all, which could adversely affect our financial condition and results of operation. The insolvency of any of our partners or third- parties who are developing or commercializing products to which we have economic rights could adversely affect our receipt of cash flows on the related milestones or royalties that we own. If any of our partners or third- parties who are developing or commercializing products to which we have economic rights were to become insolvent and seek to reorganize under Chapter 11 of Title 11 of the U. S. Code, as amended, or the Bankruptcy Code, or liquidate under Chapter 7 of the Bankruptcy Code (or foreign equivalent), such event could delay or impede the payment of the amounts due to us under any license agreement, royalty purchase agreement or other contract under which we have acquired economic rights, pending a resolution of the insolvency proceeding. Unless we obtained a secured interest, any unpaid royalty payments under our license agreements with our partners and third- parties due for the period prior to the filing of the bankruptcy proceeding could become unsecured claims against such partner or third- party, which might not be paid in full or at all. The actual payment of such post- filing royalty payments could be delayed for a substantial period of time and might not be in the full amount due under such agreements. Given the nature of our royalty purchase agreements, royalty payments due to our partners or third- parties prior to or after a bankruptcy proceeding may not be subject to the insolvency proceeding and may be considered our property, meaning there is a reduced risk of payment delay and

/ or non- payment. Nevertheless, a partner or third- party or another party ~~in~~ **with an** interest in an insolvency proceeding may attempt to recharacterize the royalty purchase agreement and claim that the royalty payments are property of the bankruptcy estate, in which case we would rely upon contractual protections related to such recharacterizations, which may not be respected in bankruptcy. In addition, certain of agreements with our partners or third- parties permit us to take a secured interest in the intellectual property underlying the licenses and royal purchase agreements **and / or other collateral** , which may improve our risk profile in an insolvency proceeding **. However, even if such transactions are collateralized, we may be, or may become, under- secured in that collateral, or such collateral may lose value or may be liquidated at prices not sufficient to recover the full amount we are due pursuant to the terms of the agreements covering the particular assets, and we therefore may not be able to recuperate our capital expenditures associated with such transaction** . In some cases and depending on the terms of the agreement, we are not the licensor and instead are dependent on the licensor to enforce its right to royalties under an agreement with a licensee. In any bankruptcy proceeding, the licensor would be prevented by the automatic stay from taking any action to enforce its rights without the permission of the bankruptcy court. In addition, such partner or third- party could elect to reject the license agreement. Though this would prohibit such partner or third- party from continuing to market the applicable product, it would require the licensor to undertake a new effort to market the applicable product with another distributor. Such proceedings could adversely affect the ability of a partner or other payor to make payments with respect to a royalty, and could consequently adversely affect our business, financial condition or results of operations. **The commercial success of our product candidates will depend upon the degree of market acceptance by physicians, patients, third- party payers and others in the medical community. The commercial success of our products, if approved for marketing, will depend in part on the medical community, patients and third- party payers accepting our product candidates as effective and safe.** If ~~the~~ **these products do not achieve** ~~Distribution, together with certain related transactions, failed to qualify as a reorganization under Sections 355 and~~ **an adequate level** ~~368 (a) (1) (D)~~ of **acceptance** ~~the Internal Revenue Code of 1986, as amended (the " Code "), or the Merger failed to qualify as a reorganization under Section 368 (a) of the Code,~~ we ~~could incur~~ **may not generate** significant ~~tax liabilities~~ **product revenue and may not become profitable** . The **degree** ~~Distribution and the Merger were conditioned upon receipt~~ of **market acceptance** ~~a tax opinion from outside counsel to the effect that the Distribution qualified as a reorganization under Sections 355 and 368 (a) (1) (D)~~ of ~~the Code~~ **our products** , **if approved for marketing, will depend** ~~that the Merger would not cause Section 355 (e) of the Code to apply to the Distribution and that the Merger would be treated as a reorganization under Section 368 (a) of the Code. The opinion was delivered in connection with the closing of the Merger and was based~~ on **a number of** ~~, among other things, certain facts~~ **factors** ~~, assumptions, representations and undertakings from us, OmniAb and New OmniAb~~ , including **: •** ~~those~~ -- **the safety** ~~regarding the past~~ and **efficacy** ~~future conduct~~ of ~~the companies' respective businesses and other~~ -- **the** ~~matters. If~~ **products, and advantages over alternative treatments; • the labeling of** any ~~of~~ **approved product; •** ~~these~~ -- **the prevalence** ~~facts, assumptions, representations, or undertakings were incorrect or not satisfied, we may not be able to rely on the opinion,~~ and **severity of** ~~we and our stockholders could be subject to significant U. S. federal income tax liabilities. In addition, the opinion is not binding on the IRS or the courts, and notwithstanding the opinion, the IRS could determine on audit that the Distribution or Merger does not qualify as a reorganization if it determines that~~ any **side effects** ~~of the facts, assumptions, representations or undertakings on which the opinion is based are not correct or have been violated or that the Distribution or Merger should be taxable for other reasons~~ , including as a result of a significant change..... bankruptcy by New OmniAb or Ligand or any ~~of their respective subsidiaries) may bring an action alleging that the Separation or Distribution or any of the related transactions constituted a constructive fraudulent conveyance. If a court accepts these allegations, it could impose a number of remedies, including without limitation~~ **limitations** ~~, voiding New OmniAb~~ **or warnings contained in a product** ' s **approved labeling; •** ~~claims against Ligand, requiring New OmniAb stockholders to return to Ligand some or all of~~ the ~~shares~~ **prevalence** of ~~New OmniAb common stock issued via~~ the **disease** ~~Distribution and Merger,~~ or **condition** ~~providing Ligand with a claim~~ for ~~money damages against New OmniAb in~~ **which the product is approved; • the emergence,** ~~an~~ **and** ~~amount equal to~~ **timing of market introduction, of competitive products; •** the **effectiveness of our** ~~difference between the consideration received by Ligand~~ and ~~OmniAb~~ **our collaboration partners** ' ~~s fair~~ **marketing strategy; • obtaining and maintaining adequate pricing and reimbursement; and • sufficient third- party insurance coverage or governmental reimbursement, which may depend on our ability to provide compelling evidence that a product meaningfully improves health outcomes to support such insurance coverage or reimbursement. Even if a potential product displays a favorable efficacy and safety profile in preclinical studies and clinical trials,** market **acceptance** ~~value at the time~~ of the **product** ~~Distribution. The measure of insolvency for purposes of the fraudulent conveyance laws~~ will **not** ~~vary depending on which jurisdiction' s law is applied. Generally, an entity would~~ be **known until after** ~~considered insolvent if (i) the present fair saleable value of its assets is less than the amount of its liabilities (including contingent liabilities); (ii) the present fair saleable value of its assets is less than its probable liabilities on its debts as such debts become absolute and matured; (iii) it cannot pay its debts and other liabilities (including contingent liabilities and other commitments) as they mature; or (iv) it has unreasonably small capital for the business in which~~ it is ~~engaged~~ **launched** . **Any failure** ~~We cannot assure you what standard a court would apply~~ to ~~determine insolvency~~ **achieve market acceptance** ~~or~~ **for** ~~that a court would determine that New OmniAb or~~ **our** ~~Ligand~~ **product candidates will harm** ~~or~~ **our business, results and financial condition. Furthermore, government agencies, as well as private organizations involved in healthcare, from time to time publish guidelines or recommendations to healthcare providers and patients. Such guidelines or recommendations can be very influential and may adversely affect product usage directly (for example, by recommending a decreased dosage of a product in conjunction with a concomitant therapy) or indirectly (for example, by recommending a competitive product over a product in which we have** ~~any~~ **an** ~~of~~ **ownership or royalty interest). Consequently, we do not know if physicians or patients will adopt or use products in which we have an ownership or royalty interest for** their **approved indications** subsidiaries were solvent at the time of.....

the Distribution to Ligand stockholders was unlawful . Risks Related to Intellectual Property: Third party intellectual property may prevent us or our partners from developing our potential products; our and our partners' intellectual property may not prevent competition; and any intellectual property issues may be expensive and time consuming to resolve. The manufacture, use or sale of our potential products or our licensees' products or potential products may infringe the patent rights of others. If others obtain patents with conflicting claims, we may be required to obtain licenses to those patents or to develop or obtain alternative technology. We may not be able to obtain any such licenses on acceptable terms, or at all. Any failure to obtain such licenses could delay or prevent us from pursuing the development or commercialization of our potential products, platform and technology. Generally, our success will depend on our ability and the ability of our partners to obtain and maintain patents and other intellectual property rights for our and their potential products and technologies. Our patent position is uncertain and involves complex legal and technical questions for which legal principles are unresolved. Even if we or our partners do obtain patents, such patents may not adequately protect the technology we own or have licensed. We permit our partners to list our patents that cover their branded products in the Orange Book. If a third party submits a new drug application ( **“** NDA **”** ) or abbreviated new drug application ( **“** ANDA **”** ) for a generic drug product that relies in whole or in part on studies contained in our partner' s NDA for their branded product, the third party will have the option to certify to the FDA that, in the opinion of that third party, the patents listed in the Orange Book for our partner' s branded product are invalid, unenforceable, or will not be infringed by the manufacture, use or sale of the third party' s generic drug product. A third party certification that a new product will not infringe Orange Book- listed patents, or that such patents are invalid, is called a paragraph IV patent certification. If the third party submits a paragraph IV patent certification to the FDA, a notice of the paragraph IV patent certification must be sent to the NDA owner and the owner of the patents that are subject to the paragraph IV patent certification notice once the third- party' s NDA or ANDA is accepted for filing by the FDA. A lawsuit may then be initiated to defend the patents identified in the notice. The filing of a patent infringement lawsuit within 45 days of the receipt of notice of a paragraph IV patent certification automatically prevents the FDA from approving the generic NDA or ANDA until the earlier of the expiration of a 30- month period, the expiration of the patents, the entry of a settlement order stating that the patents are invalid or not infringed, a decision in the infringement case that is favorable to the NDA or ANDA applicant, or such shorter or longer period as the court may order. If a patent infringement lawsuit is not initiated within the required 45- day period, the third- party' s NDA or ANDA will not be subject to the 30- month stay. Several third parties have challenged, and additional third parties may challenge, the patents covering our partner' s branded products, including Kyprolis and Evomela, which could result in the invalidation or unenforceability of some or all of the relevant patent claims. We may from time to time become party to litigation or other proceedings as a result of Paragraph IV certifications. For example, as a result of the settlement of one such matter, Teva will be permitted to market a generic version of Evomela ~~®~~ in the United States on June 1, 2026 or earlier under certain circumstances. The terms of the settlement agreement are otherwise confidential. Also, as noted above, Amgen previously settled patent litigation related to Kyprolis on confidential terms with several parties, but it has been publicly reported that the U. S. launch date for at least Breckenridge Pharmaceuticals' applicable generic product will be " on a date that is held as confidential in 2027 or sooner, depending on certain occurrences. " In addition, we cannot assure you that all of the potentially relevant prior art information that was or is deemed available to a person of skill in the relevant art prior to the priority date of the claimed invention- relating to our and our partners' patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent from issuing from a pending patent application, and we or our partners may be subject to a third party pre- issuance submission of prior art to the USPTO. Even if our patent applications do successfully issue and even if such patents cover our or our partner' s products or potential products, third parties may initiate litigation or opposition, interference, re- examination, post- grant review, inter partes review, nullification or derivation action in court or before patent offices, or similar proceedings challenging the validity, enforceability or scope of such patents, which may result in the patent claims being narrowed or invalidated, may allow third parties to commercialize our or our partners' products and compete directly with us and our partners, without payment to us or our partners, or limit the duration of the patent protection of our and our partners' technology and products. In addition, similar to what other companies in our industry have experienced, we expect our competitors and others may have patents or may in the future obtain patents and claim that making, having made, using, selling, offering to sell or importing our technologies infringes these patents. Defense of infringement and other claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. Parties making claims against us may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources **, or** ~~. Parties making claims against us~~ may be able to obtain injunctive or other relief, which could block our ability to develop, commercialize and sell products or services and could result in the award of substantial damages against us, including treble damages, attorney' s fees, costs and expenses if we are found to have willfully infringed. In the event of a successful claim of infringement against us, we may be required to pay damages and ongoing royalties and obtain one or more licenses from third parties, or be prohibited from selling certain products or services. As discussed above, we may not be able to obtain these licenses on acceptable or commercially reasonable terms, if at all, or these licenses may be non- exclusive, which could result in our competitors gaining access to the same intellectual property. In addition, we could encounter delays in product or service introductions while we attempt to develop alternative products or services to avoid infringing third- party patents or proprietary rights. Defense of any lawsuit or failure to obtain any of these licenses could prevent us from commercializing products or services, and the prohibition of sale of any of our technologies could materially affect our business and our ability to gain market acceptance for our technology. Litigation or other proceedings to enforce or defend intellectual property rights are often very complex in nature, may be very expensive and time- consuming, may divert our management' s attention from our core business, and may result in unfavorable results that could adversely impact our ability to prevent third parties from competing with our partner' s products or technologies. Any adverse outcome of such litigation or other proceedings could result in one or

more or our patents being held invalid or unenforceable, which could adversely affect our ability to successfully execute our business strategy and negatively impact our financial condition and results of operations. However, given the unpredictability inherent in litigation, we cannot predict or guarantee the outcome of these matters or any other litigation. Regardless of how these matters are ultimately resolved, these matters may be costly, time- consuming and distracting to our management, which could have a material adverse effect on our business. It may be necessary for us to pursue litigation or adversarial proceedings before the patent office in order to enforce our patent and proprietary rights or to determine the scope, coverage and validity of the proprietary rights of others. The outcome of any such litigation might not be favorable to us, and even if we were to prevail, such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on our business, operating results or financial condition. In addition, periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and or applications will be due to the U. S. and various foreign patent offices at various points over the lifetime of our and our licensees' patents and / or applications. We have systems in place to remind us to pay these fees, and we rely on our outside patent annuity service to pay these fees when due. Additionally, the U. S. and various foreign patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We ~~employ~~ **engage** reputable law firms and other **third party** professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it could have a material adverse effect on our business. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, during the course of this kind of litigation, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Any conflicts with the patent rights of others could significantly reduce the coverage of our patents or limit our ability to obtain meaningful patent protection. For example, our European patent related to Agglomerated forms of Captisol was limited during an opposition proceeding, and the rejection of our European patent application related to High Purity Captisol was upheld on appeal. In addition, any determination that our patent rights are invalid may result in early termination of our agreements with our license partners and could adversely affect our ability to enter into new license agreements. We also rely on unpatented trade secrets and know- how to protect and maintain our competitive position. We require our employees, consultants, licensees and others to sign confidentiality agreements when they begin their relationship with us. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our competitors may independently discover our trade secrets. We may also need to initiate litigation, which could be time-consuming and expensive, to enforce our proprietary rights or to determine the scope and validity of others' rights. If this occurs, a court may find our patents or those of our licensors invalid or may find that we have infringed on a competitor' s rights. In addition, if any of our competitors have filed patent applications in the United States prior to March 2013 which claim technology we also have invented, the United States Patent and Trademark Office may require us to participate in expensive interference proceedings to determine who has the right to a patent for the technology. In addition, our agreements with some of our partners, suppliers or other entities with whom we do business require us to defend or indemnify these parties to the extent they become involved in infringement claims, including the types of claims described above. We could also voluntarily agree to defend or indemnify third parties in instances where we are not obligated to do so if we determine it would be important to our business relationships. If we are required or agree to defend or indemnify third parties in connection with any infringement claims, we could incur significant costs and expenses that could adversely affect our business, financial condition, results of operations and prospects. The occurrence of any of the foregoing problems could be time- consuming and expensive and could adversely affect our financial position, liquidity and results of operations. If we are unable to obtain and maintain sufficient intellectual property protection for our products, platform and technology, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technologies or a platform similar or identical to ours, and our ability to successfully sell our platform and services may be impaired. Our success depends in part on our ability to obtain and maintain adequate protection of the intellectual property we may own solely and jointly with others or otherwise have rights to, particularly patents, in the United States and in other countries with respect to our platform, our software and our technologies, without infringing the intellectual property rights of others. We strive to protect and enhance the proprietary technologies that we believe are important to our business, including seeking patents intended to cover our platform and related technologies and uses thereof, as we deem appropriate. However, obtaining and enforcing patents in our industry is costly, time- consuming and complex, and we may fail to apply for patents on important products and technologies in a timely fashion or at all, or we may fail to apply for patents in potentially relevant jurisdictions. There can be no assurance that the claims of our patents (or any patent application that issues as a patent), will exclude others from making, using, importing, offering for sale, or selling products or services that are substantially similar to ours. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. In countries where we have not sought and do not seek patent protection, third parties may be able to manufacture and sell our technology without our permission, and we may not be able to stop them from doing so. We may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. We may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the rights to patents licensed to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. It is possible that

none of our pending patent applications will result in issued patents in a timely fashion or at all, and even if patents are granted, they may not provide a basis for intellectual property protection of commercially viable products or services, may not provide us with any competitive advantages, or may be challenged and invalidated by third parties or deemed unenforceable by a court. It is possible that others will design around our current or future patented technologies. As a result, our owned and licensed patents and patent applications comprising our patent portfolio may not provide us with sufficient rights to exclude others from commercializing technology and products similar to any of our products, platform and technology. In addition, we may identify third party intellectual property and technology we may need to acquire or license in order to engage in our business, including to develop or commercialize new technologies. However, such licenses may not be available to us on acceptable terms or at all. Furthermore, ~~geo- political~~ **geopolitical** actions in the United States and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future license partners and the maintenance, enforcement or defense of our issued patents or those of any current or future license partners. For example, the United States and foreign government actions related to Russia' s conflict in Ukraine may limit or prevent filing, prosecution, and maintenance of patent applications in Russia. Government actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of our or our license partners' patents or patent applications, resulting in partial or complete loss of patent rights in Russia. If such an event were to occur, it could have a material adverse effect on our business. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees from the United States without consent or compensation. Consequently, we or our license partners would not be able to prevent third parties from practicing our or our inventions in Russia or from selling or importing products made using our inventions in and into Russia. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected. Issued patents directed to our platform and technology could be found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Some of our patents or patent applications (including licensed patents) may be challenged at a future point in time in opposition, derivation, reexamination, inter partes review, post- grant review or interference. Any successful third party challenge to our patents in this or any other proceeding could result in the unenforceability or invalidity of such patents or amendment to our patents in such a way that any resulting protection may lead to increased competition to our business, which could harm our business. In addition, in patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on certain aspects of our platform technologies. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products, platform and technology. We may not be aware of all third party intellectual property rights potentially relating to our products, platform and technology. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until approximately 18 months after filing or, in some cases, not until such patent applications issue as patents. We or our licensors might not have been the first to make the inventions included in each of our pending patent applications and we or our licensors might not have been the first to file patent applications for these inventions. There is also no assurance that all of the potentially relevant prior art relating to our patents and patent applications or licensed patents and patent applications has been found, which could be used by a third party to challenge their validity, or prevent a patent from issuing from a pending patent application. To determine the priority of these inventions, we may have to participate in interference proceedings (with respect to patent applications filed prior to March 2013), derivation proceedings or other post- grant proceedings declared by the USPTO that could result in substantial cost to us. The outcome of such proceedings is uncertain. No assurance can be given that other patent applications will not have priority over our patent applications. In addition, changes to the patent laws of the United States allow for various post- grant opposition proceedings that have not been extensively tested, and their outcome is therefore uncertain. Furthermore, if third parties bring these proceedings against our patents, we could experience significant costs and management distraction. The validity, scope and enforceability of any patents that cover our partners' biologic product candidate can be challenged by third parties. For biologics, the Biologics Price Competition and Innovation Act of 2009, BPCIA, provides a mechanism for one or more third parties to seek FDA approval to manufacture or sell biosimilar or interchangeable versions of brand name biological products. Due to the large size and complexity of biological products, as compared to small molecules, a biosimilar must be " highly similar " to the reference product with " no clinically meaningful differences between the two. " The BPCIA does not require reference product sponsors to list patents in an Orange Book and does not include an automatic 30- month stay of FDA approval upon the timely filing of a lawsuit. The BPCIA, however, does require a formal pre- litigation process which includes the exchange of information between a biosimilar applicant and a reference biologic sponsor that includes the identification of relevant patents and each parties' basis for infringement and invalidity. After the exchange of this information, sponsors may then initiate a lawsuit within 30 days to defend the patents identified in the exchange. If the biosimilar applicant successfully challenges the asserted patent claims it could result in the invalidation of, or render unenforceable, some or all of the relevant patent claims or result in a finding of non- infringement. Such litigation or other proceedings to enforce or defend intellectual property rights are often very complex in nature, may be very expensive and time-consuming, may divert our management' s attention from our core business, and may result in unfavorable results that could limit our partners' ability to prevent third parties from competing with their products or product candidates. Changes in patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products, platform and technology. Changes in either the patent laws or interpretation of the patent laws in the United

States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents, and may diminish our ability to protect our inventions, obtain, maintain, enforce and protect our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our future owned and licensed patents. Depending on future actions by the United States Congress, the United States courts, the USPTO and the relevant law- making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our or our license partners' ability to obtain new patents and patents that we or our license partners' might obtain in the future. For example, on June 1, 2023, the European Union Patent Package ( "EU Patent Package") regulations were implemented with the goal of providing a single pan- European Unitary Patent and a new European Unified Patent Court ( "UPC") for litigation involving European patents. As a result, all European patents, including those issued prior to ratification of the EU Patent Package, now by default automatically fall under the jurisdiction of the UPC. It is uncertain how the UPC will impact granted European patents in the biotechnology and pharmaceutical industries. Our or our license partners' European patent applications, if issued, could be challenged in the UPC. During the first seven years of the UPC' s existence, the UPC legislation allows a patent owner to opt its European patents out of the jurisdiction of the UPC. We or our license partners may decide to opt out future European patents from the UPC, but doing so may preclude us or our license partners from realizing the benefits of the UPC. Moreover, if we or our license partners do not meet all of the formalities and requirements for opt- out under the UPC, our or our license partners' future European patents could remain under the jurisdiction of the UPC. The UPC will provide our and our license partners' competitors with a new forum to centrally revoke our European patents, and allow for the possibility of a competitor to obtain pan- European injunction. Such a loss of patent protection could have a material adverse impact on our or our license partners business and ability to commercialize our technology and product candidates and, resultantly, on our business, financial condition, prospects and results of operations. We rely on in- licenses from third parties. If we lose these rights, our business may be materially and adversely affected, our ability to develop improvements to our technology platform may be negatively and substantially impacted, and if disputes arise, we may be subjected to future litigation, as well as the potential loss of or limitations on our ability to incorporate the technology covered by these license agreements. We are party to royalty- bearing license agreements that grant us rights to practice certain patent rights that are related to our products, platform and technology. In spite of our efforts to comply with our obligations under our in- license agreements, our licensors might conclude that we have materially breached our obligations under our license agreements and might therefore, including in connection with any aforementioned disputes, terminate the relevant license agreement, thereby removing or limiting our ability to develop and commercialize technology covered by these license agreements. If any such in- license is terminated, or if the licensed patents fail to provide the intended exclusivity, competitors or other third parties might have the freedom to market or develop technologies similar to ours. In addition, absent the rights granted to us under our license agreements, we may infringe the intellectual property rights that are the subject of those agreements, we may be subject to litigation by the licensor, and if such litigation by the licensor is successful we may be required to pay damages to our licensor, or we may be required to cease our development and commercialization activities that are deemed infringing, and in such event we may ultimately need to modify our activities or technologies to design around such infringement, which may be time- and resource- consuming, and which ultimately may not be successful. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, our rights to certain components of our technology platform, may be licensed to us on a non- exclusive basis. The owners of these non- exclusively licensed technologies are therefore free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor' s rights. In addition, certain of our agreements with third parties may provide that intellectual property arising under these agreements, such as data that could be valuable to our business, will be owned by the third party, in which case, we may not have adequate rights to use such data or have exclusivity with respect to the use of such data, which could result in third parties, including our competitors, being able to use such data to compete with us. We may be subject to claims challenging the inventorship of our patents and other intellectual property. We or our licensors may be subject to claims that former employees, partners or other third parties have an interest in our or our in- licensed patents, trade secrets or other intellectual property as an inventor or co- inventor. Litigation may be necessary to defend against these and other claims challenging inventorship of our or our licensors' ownership of our owned or in- licensed patents, trade secrets or other intellectual property. If we or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our systems, including our software, workflows, consumables and reagents. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees, and certain partners or partners may defer engaging with us until the particular dispute is resolved. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. If we are unable to protect the confidentiality of our information and our trade secrets, the value of our technology could be materially and adversely affected and our business could be harmed. We rely on trade secrets and confidentiality agreements to protect our unpatented know- how, technology and other proprietary information, including parts of our technology platform, and to maintain our competitive position. However, trade secrets and know- how can be difficult to protect. In addition to pursuing patents on our technology, we take steps to protect our intellectual property and proprietary technology by entering into agreements, including confidentiality agreements, non- disclosure agreements and intellectual property assignment agreements, with our employees, consultants, academic institutions, corporate partners and, when needed, our advisers. However, we cannot be certain that such agreements have been entered into with all relevant parties, and we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop

substantially equivalent information and techniques. For example, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Such agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, and we may not be able to prevent such unauthorized disclosure, which could adversely impact our ability to establish or maintain a competitive advantage in the market. If we are required to assert our rights against such party, it could result in significant cost and distraction. Monitoring unauthorized disclosure and detection of unauthorized disclosure is difficult, and we do not know whether the steps we have taken to prevent such disclosure are, or will be, adequate. If we were to enforce a claim that a third party had illegally obtained and was using our trade secrets, it would be expensive and time- consuming, and the outcome would be unpredictable. In addition, some courts both within and outside the United States may be less willing, or unwilling, to protect trade secrets. Further, we may need to share our trade secrets and confidential know- how with current or future partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. If any of our confidential proprietary information were to be lawfully obtained or independently developed by a competitor or other third party, absent patent protection, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. If any of our trade secrets were to be disclosed to or independently discovered by a competitor or other third party, it could harm our business, financial condition, results of operations and prospects. Risks Related to Government Regulation and Legal Proceedings: Market acceptance and sales of any approved product will depend significantly on the availability and adequacy of coverage and reimbursement from third- party payors and may be affected by existing and future healthcare reform measures. Sales of the products we may market or license to our collaboration partners and the royalties we receive will depend in large part on the extent to which coverage and reimbursement is available from government and health administration authorities, private health maintenance organizations and health insurers, and other healthcare payors. Significant uncertainty exists as to the reimbursement status of healthcare products. Healthcare payors, including Medicare, are challenging the prices charged for medical products and services. Government and other healthcare payors are increasingly attempting to contain healthcare costs by limiting both coverage and the level of reimbursement for medical products. Even if a product is approved by the FDA, insurance coverage may not be available, and reimbursement levels may be inadequate, to cover the costs associated with the research, development, marketing and sale of the product. If government and other healthcare payors do not provide adequate coverage and reimbursement levels for any product, market acceptance and any sales could be reduced. From time to time, legislation is implemented to reign in rising healthcare expenditures. By way of example, the Affordable Care Act ( “ ACA ” ) was enacted in 2010 and included a number of provisions affecting the pharmaceutical industry, including, among other things, annual, non- deductible fees on any entity that manufactures or imports some types of branded prescription drugs and increases in Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program. Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U. S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Thus, the ACA will remain in effect in its current form. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, beginning April 1, 2013, Medicare payments to providers were reduced under the sequestration required by the Budget Control Act of 2011, which will remain in effect through 2032, unless additional Congressional action is taken. Additionally, on January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law, which eliminated the statutory Medicaid drug rebate cap, beginning January 1, 2024. Previously, the Medicaid rebate was capped at 100 % of a drug’ s average manufacturer price, or AMP. Additional changes that may affect our business include the expansion of new programs such as Medicare payment for performance initiatives for physicians under the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, which was fully implemented in 2019. At this time, it is unclear how the introduction of this Medicare quality payment program will impact overall physician reimbursement. The cost of prescription pharmaceuticals in the United States has also been the subject of considerable discussion in the United States. There have been several Congressional inquiries, as well as legislative and regulatory initiatives and executive orders designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. Moreover, the federal government and the individual states in the United States have become increasingly active in developing proposals, passing legislation and implementing regulations designed to control drug pricing, including price or patient reimbursement constraints, discounts, formulary flexibility, marketing cost disclosure, drug price increase reporting, and other transparency measures. These types of initiatives may result in additional reductions in Medicare, Medicaid, and other healthcare funding. Most significantly, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 ( “ IRA ” ) into law. This statute marks the most significant action by Congress with respect to the pharmaceutical industry since adoption of the ACA in 2010. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services ( “

HHS ” ) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the Medicare drug price negotiation program is currently subject to legal challenges. The impact of the IRA on the pharmaceutical industry cannot yet be fully determined, but is likely to be significant. We expect that these and other healthcare reform measures that may be adopted in the future may result in more rigorous coverage and payment criteria and in additional downward pressure on the prices that can be realized for any approved drug. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us or our partners from being able to generate revenue, attain profitability, or commercialize drugs. Individual states in the United States have also become increasingly active in implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for drug candidates or additional pricing pressures **. Further, the new presidential administration could result in policy shifts that may affect us in ways we cannot foresee** . We cannot predict with certainty what impact any federal or state health reforms will have on us, but such changes could impose new or more stringent regulatory requirements or result in reduced reimbursement for our products, any of which could adversely affect our business, results of operations and financial condition. If we or our commercialization partners market products in a manner that violates healthcare laws, we may be subject to civil or criminal penalties. We and our collaboration partners are subject to federal and state healthcare laws, including fraud and abuse, government price reporting, anti- kickback, false claims, physician payment transparency and civil monetary penalties. These laws may impact, among other things, financial arrangements with physicians, sales, marketing and education programs and the manner in which any of those activities are implemented. If our operations or those of our collaboration partners are found to be in violation of any of those laws or any other applicable governmental regulations, we or our collaboration partners may be subject to penalties, including civil and criminal penalties, damages, fines, imprisonment, exclusion from government healthcare programs or the curtailment or restructuring of operations, any of which could adversely affect our ability to operate our business and our financial condition. Pricing and rebate calculations vary among products and programs. The calculations are complex and are often subject to interpretation by our collaboration partners, governmental or regulatory agencies, and the courts. CMS, the Department of Health & Human Services Office of Inspector General, and other governmental agencies have pursued manufacturers that were alleged to have failed to report these data to the government in a timely or accurate manner. Governmental agencies may also make changes in program interpretations, requirements or conditions of participation, some of which may have implications for amounts previously estimated or paid. We cannot assure you that any submissions by our collaboration partners to federal healthcare programs, and other governmental drug pricing programs, will not be found to be incomplete or incorrect. Changes in and actual or perceived failures to comply with applicable data privacy, security and protection laws, regulations, standards and contractual obligations may adversely affect our business, operations and financial performance. We and our partners may be subject to federal, state, and foreign laws and regulations that govern data privacy and security. The legislative and regulatory landscape for privacy and data protection continues to evolve, and there has been an increasing focus on privacy and data protection issues, which may affect our business and may increase our compliance costs and exposure to liability. In the United States, numerous federal and state laws and regulations govern the collection, use, disclosure, and protection of personal information, including state data breach notification laws, federal and state health information privacy laws, and federal and state consumer protection laws. Each of these laws is subject to varying interpretations by courts and government agencies, creating complex compliance issues. If we fail to comply with applicable laws and regulations we could be subject to penalties or sanctions, including criminal penalties if we knowingly obtain or disclose individually identifiable health information from a covered entity in a manner that is not authorized or permitted by the Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and regulations implemented thereunder (collectively, “ HIPAA ”) or applicable state laws. Certain states have also adopted comparable privacy and security laws and regulations, which govern the privacy, processing and protection of health- related and other personal information. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. For example, the California Consumer Privacy Act of 2018 ( “ CCPA ”) went into effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that has increased the likelihood of, and risks associated with data breach litigation. Further, the California Privacy Rights Act ( “ CPRA ”) generally went into effect on January 1, 2023, and significantly amends the CCPA. It imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also created a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Additional compliance investment and potential business process changes may be required. Similar laws have passed in other states and are continuing to be proposed at the state and federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition. We are also or may become subject to rapidly evolving data

protection laws, rules and regulations in foreign jurisdictions. For example, the European Union General Data Protection Regulation ( “ GDPR ” ) governs certain collection and other processing activities involving personal data about individuals in the European Economic Area ( “ EEA ” ). Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to € 20 million or 4 % of the annual global revenues of the noncompliant company, whichever is greater. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the EEA and the United States remains uncertain. Case law from the Court of Justice of the European Union ( “ CJEU ” ) states that reliance on the standard contractual clauses- a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism- alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case- by- case basis. On October 7, 2022, President Biden signed an Executive Order on ‘ Enhancing Safeguards for United States Intelligence Activities’ which introduced new redress mechanisms and binding safeguards to address the concerns raised by the CJEU in relation to data transfers from the EEA to the United States and which formed the basis of the new EU- US Data Privacy Framework ( “ DPF ” ), as released on December 13, 2022. The European Commission adopted its Adequacy Decision in relation to the DPF on July 10, 2023, rendering the DPF effective as a GDPR transfer mechanism to U. S. entities self- certified under the DPF. The DPF also introduced a new redress mechanism for ~~EU~~ **E. U.** citizens which addresses a key concern in the previous CJEU judgments and may mean transfers under standard contractual clauses are less likely to be challenged in future. With the advice of outside counsel and privacy experts, we take appropriate steps to ensure transfers of personal data outside the EEA and the UK, including to the United States, are conducted in a manner consistent with applicable law and legal requirements. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. In particular, we expect the DPF Adequacy Decision to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. As a result, we may have to make certain operational changes and we will have to implement revised standard contractual clauses and other relevant documentation for existing data transfers within required time frames. Since the beginning of 2021, after the end of the transition period following the United Kingdom’ s departure from the European Union, we are also subject to the United Kingdom data protection regime, which imposes separate but similar obligations to those under the GDPR and comparable penalties, including fines of up to £ 17. 5 million or 4 % of a noncompliant company’ s global annual revenue for the preceding financial year, whichever is greater. ~~.~~ On October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK Government), as a UK GDPR data transfer mechanism to U. S. entities self- certified under the UK Extension to the DPF. As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business. Furthermore, the FTC also has authority to initiate enforcement actions against entities that make deceptive statements about privacy and data sharing in privacy policies, fail to limit third- party use of personal health information, fail to implement policies to protect personal health information or engage in other unfair practices that harm customers or that may violate Section 5 of the FTC Act. Failing to take appropriate steps to keep consumers’ personal information secure can constitute unfair acts or practices in or affecting commerce in violation of Section 5 (a) of the Federal Trade Commission Act. The FTC expects a company’ s data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Additionally, federal and state consumer protection laws are increasingly being applied by FTC and states’ attorneys general to regulate the collection, use, storage, and disclosure of personal or personally identifiable information, through websites or otherwise, and to regulate the presentation of website content. Compliance with applicable data privacy and security laws, rules and regulations could require us to take on more onerous obligations in our contracts, require us to engage in costly compliance exercises, restrict our ability to collect, use and disclose data, or in some cases, impact our or our partners’ ability to operate in certain jurisdictions. Each of these constantly evolving laws can be subject to varying interpretations. If we fail to comply with any such laws, rules or regulations, we may face government investigations and / or enforcement actions, fines, civil or criminal penalties, private litigation or adverse publicity that could adversely affect our business, financial condition and results of operations. The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and if we or our partners are ultimately unable to obtain regulatory approval for product candidates, our business will be substantially harmed. The clinical development, manufacturing, labeling, storage, record- keeping, advertising, promotion, import, export, marketing and distribution of drugs and biologics are subject to extensive regulation by the FDA in the U. S. and by comparable foreign regulatory authorities in foreign markets. In the U. S., neither we nor our partners are permitted to market our product candidates in the U. S. until we receive approval of a biologics license application ( “ BLA ” ) or an NDA from the FDA. The process of obtaining such regulatory approval is expensive, often takes many years following the commencement of clinical trials and can vary substantially based upon the type, complexity and novelty of the product candidates involved, as well as the target indications and patient population. Approval policies or regulations may change, and the FDA and comparable regulatory authorities have substantial discretion in the approval process, including the ability to delay, limit or deny approval of a product candidate for many reasons. Despite the time and expense invested in clinical development of product candidates, regulatory approval of a product candidate is never guaranteed. Of the large number of drugs in development, only a small percentage successfully complete the FDA or foreign regulatory approval processes and are commercialized. Prior to obtaining approval to commercialize a drug or biological product candidate in the U. S. or abroad, we or our partners must demonstrate with substantial evidence from adequate and well- controlled clinical trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that such product candidates are safe and effective for their intended uses, and in the case of biological products in the U. S., that such product candidates are safe, pure and potent. Results

from nonclinical studies and clinical trials can be interpreted in different ways. Even if we or our partners believe available nonclinical or clinical data support the safety purity, potency or efficacy of our product candidates, such data may not be sufficient to obtain approval from the FDA and comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities, as the case may be, may also require us or our partners to conduct additional preclinical studies or clinical trials for our product candidates either prior to or post- approval, or may object to elements of clinical development programs. The FDA or comparable foreign regulatory authorities can delay, limit or deny approval of a product candidate for many reasons, including: • such authorities may disagree with the design or execution of clinical trials; • negative or ambiguous results from clinical trials or results may not meet the level of statistical significance or persuasiveness required by the FDA or comparable foreign regulatory agencies for approval; • serious and unexpected drug- related side effects may be experienced by participants in clinical trials or by individuals using drugs similar to the applicable product candidates; • the population studied in the clinical trial may not be sufficiently broad or representative to assure safety in the full population for which we or our partners seek approval; • such authorities may not accept clinical data from trials that are conducted at clinical facilities or in countries where the standard of care is potentially different from that of their own country; • we or our partners may be unable to demonstrate that a product candidate' s clinical and other benefits outweigh its safety risks; • such authorities may disagree with our or our partners' interpretation of data from preclinical studies or clinical trials; • such authorities may not agree that the data collected from clinical trials are acceptable or sufficient to support the submission of a BLA, NDA or other submission or to obtain regulatory approval in the U. S. or elsewhere, and such authorities may impose requirements for additional preclinical studies or clinical trials; • such authorities may disagree with us or our partners regarding the formulation, labeling and / or product specifications; • approval may be granted only for indications that are significantly more limited than those sought by us or our partners, and / or may include significant restrictions on distribution and use; • such authorities may find deficiencies in the manufacturing processes or facilities of the third- party manufacturers utilized for clinical and commercial supplies; or • such authorities may not accept a submission due to, among other reasons, the content or formatting of the submission. With respect to foreign markets, approval procedures vary among countries and, in addition to the foregoing risks, may involve additional product testing, administrative review periods and agreements with pricing authorities. Even if we or our partners eventually complete clinical trials and receive approval of a BLA, NDA or comparable foreign marketing application for our product candidates, the FDA or comparable foreign regulatory authority may grant approval contingent on the performance of costly additional clinical trials and / or the implementation of burdensome monitoring requirements to address safety concerns. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of that product candidate, which could materially and adversely impact our revenues, business and prospects. Pharmaceutical products are subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. For any regulatory approvals that we or our partners may receive for our respective product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates will remain subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post- marketing information and reports, registration, as well as ongoing compliance with current Good Manufacturing Practices ( **“** cGMPs **”** ) and Good Clinical Practice requirements for any clinical trials that we or they may conduct. In addition, manufacturers of drug and biological products and their facilities are subject to continual review and periodic, unannounced inspections by the FDA and other regulatory authorities for compliance with cGMP regulations and standards. In addition, regulatory approvals require the submission of periodic reports to regulatory authorities and surveillance to monitor the safety and efficacy of the product, and such approvals may contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, and may include burdensome post- approval study or risk management requirements. For example, the FDA may require a Risk Evaluation and Mitigation Strategy as a condition of approval, which could include requirements for a medication guide, physician training and communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. If we, our partners or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facilities where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. In addition, failure to comply with FDA and other comparable foreign regulatory requirements may lead to administrative or judicially imposed sanctions, including: • restrictions on the marketing or manufacturing of our products, withdrawal of the product from the market or voluntary or mandatory product recalls; • restrictions on product distribution or use, or requirements to conduct post- marketing studies or clinical trials; • fines, restitutions, disgorgement of profits or revenues, warning letters, untitled letters or holds on clinical trials; • refusal by the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of approvals; • product seizures or detentions, or refusal to permit the import or export of products; and • injunctions or the imposition of civil or criminal penalties. The occurrence of any event or penalty described above may inhibit our or our partners' ability to commercialize and generate revenue from products and could require us or our partners to expend significant time and resources in response and could generate negative publicity. In addition, the FDA' s and other regulatory authorities' policies may change and additional government regulations may be promulgated that could prevent, limit or delay marketing authorization of any product candidates we or our partners develop. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may be subject to enforcement action and we may not achieve or sustain profitability. **We or our collaboration partners may rely on orphan drug status to develop and commercialize certain of our product candidates, but orphan drug designations may not confer marketing exclusivity or other expected commercial benefits and we or our**

**collaboration partners may not be able to obtain orphan drug designations for our other product candidates. We may rely on orphan drug exclusivity for product candidates that we may develop. Orphan drug status confers seven years of marketing exclusivity in the United States under the Federal Food Drug, and Cosmetic Act, and up to ten years of marketing exclusivity in Europe for a particular product in a specified indication, subject to certain conditions. However, we may be unable to obtain orphan drug designations for any of our product candidates that we are currently developing or may pursue. Even if we do obtain orphan drug designations and are the first to obtain marketing approval of our product candidates for the applicable indications, we will not be able to rely on these designations to exclude other companies from manufacturing or selling biological products using the same principal molecular structural features for the same indication beyond these timeframes. Furthermore, any marketing exclusivity in Europe can be reduced from ten years to six years if the initial designation criteria have significantly changed since the market authorization of the orphan product. For any product candidate for which we may be granted orphan drug designation in a particular indication, it is possible that another company also holding orphan drug designation for the same product candidate will receive marketing approval for the same indication before we do. If that were to happen, our applications for that indication may not be approved until the competing company' s period of exclusivity expires. Even if we are the first to obtain marketing authorization for an orphan drug indication in the United States, there are circumstances under which a competing product may be approved for the same indication during the seven- year period of marketing exclusivity, such as if the later product is shown to be clinically superior to our orphan product, or if the later product is deemed a different product than ours. Further, the seven- year marketing exclusivity would not prevent competitors from obtaining approval of the same product candidate as ours for indications other than those in which we have been granted orphan drug designation, or for the use of other types of products in the same indications as our orphan product.**

Changes in funding for the FDA and other government agencies could hinder their ability to hire and retain key leadership and other personnel, or otherwise prevent new products and services from being developed or commercialized in a timely manner, which could negatively impact our business or the business of our partners. The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. **The new presidential administration is expected to result in decreases to government agency funding and personnel across departments, which may have an adverse effect on review times or other processing functions.** Disruptions at the FDA and other agencies may also slow the time necessary for new drugs and biologics to be reviewed and / or approved by necessary government agencies, which would adversely affect our business or the business of our partners. For example, over the last several years, the U. S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. If the timing of FDA' s review and approval of new products is delayed, the timing of our or our partners' development process may be delayed which would result in delayed milestone revenues and materially harm our operations of business. Separately, in response to the COVID- 19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. Even though the FDA has resumed standard inspection operations of domestic facilities where feasible, any resurgence of the **COVID- 19** virus or **future pandemics** ~~emergence of new variants~~ may lead to further inspectional or administrative delays. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to **future** ~~the COVID- 19 pandemic~~ **pandemics** . If a prolonged government shutdown occurs, or if global health concerns continue to hinder or prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our or our partners' regulatory submissions, which could have a material adverse effect on our business. If plaintiffs bring product liability lawsuits against us or our partners, we or our partners may incur substantial liabilities and may be required to limit commercialization of our approved products and product candidates. As is common in our industry, **we and** our partners ~~and we~~ face an inherent risk of product liability as a result of the clinical testing of our product candidates in clinical trials and face an even greater risk for commercialized products. Although we are not currently a party to product liability litigation, if we are sued, we may be held liable if any product or product candidate we develop causes injury or is found otherwise unsuitable during product testing, manufacturing, marketing or sale. Regardless of merit or eventual outcome, liability claims may result in decreased demand for any product candidates, partnered products or products that we may develop, injury to our reputation, discontinuation of clinical trials, costs to defend litigation, substantial monetary awards to clinical trial participants or patients, loss of revenue and product recall or withdrawal from the market and the inability to commercialize any products that we develop. We have product liability insurance that covers our clinical trials up to a $ 15. 0 million annual limit. Our insurance coverage may not be sufficient to cover all of our product liability related expenses or losses and may not cover us for any expenses or losses we may suffer. If we are sued for any injury caused by our product candidates, partnered products or any future products, our liability could exceed our total assets. We face risks related to handling of hazardous materials and other regulations governing environmental safety. Our operations are subject to complex and stringent environmental, health, safety and other governmental laws and regulations that both public officials and private individuals may seek to enforce. Our activities that are subject to these regulations include, among other things, our use of hazardous materials and the generation, transportation and storage of waste. Although we have secured clearance from the EPA historically, and currently are operating in material compliance with applicable EPA rules and regulations, our business could be adversely affected if we discover that we or an acquired business is not in material compliance with these rules and regulations. In the

future, we may pursue the use of other surfactant substances that will require clearance from the EPA, and we may fail to obtain such clearance. Existing laws and regulations may also be revised or reinterpreted, or new laws and regulations may become applicable to us, whether retroactively or prospectively, that may have a negative effect on our business and results of operations. It is also impossible to eliminate completely the risk of accidental environmental contamination or injury to individuals. In such an event, we could be liable for any damages that result, which could adversely affect our business. We may also be subject to **other** laws and regulations not specifically targeting the healthcare industry. Certain regulations not specifically targeting the healthcare industry also could have material effects on our operations. For example, the California Financing Law (the " CFL "), Division 9, Sections 22000- 22780. 1 of the California Financial Code, could be applied to us as a result of loans or similar arrangements we enter into with partners. If a regulator were to take the position that such loans were covered by the California Financing Law, we could be subject to regulatory action that could impair our ability to continue to operate and may have a material adverse effect on our profitability and business as we currently do not hold a CFL finance lenders license. Pursuant to an exemption under the CFL, a person may make five or fewer commercial loans with a California nexus in a 12- month period without a CFL finance lenders license if such loans are " incidental " to the business of the person making the loan. This exemption, however, creates some uncertainty as to which loans could be deemed as incidental to our business. In addition, there is another exemption that would allow a person without a CFL finance lenders license to make a single commercial loan with a California nexus in a 12- month period. Risk Related to Our Strategic Transactions: Any difficulties from strategic acquisitions **and other M & A transactions** could adversely affect our stock price, operating results and results of operations. We may acquire companies, businesses and products **with significant royalty assets or where we believe we could create significant synthetic royalties or** that **otherwise** complement or augment our existing business. We may not be able to integrate any acquired business successfully or operate any acquired business profitably **or these acquired businesses may not perform as we project** . Integrating any newly acquired business could be expensive and time- consuming. Integration efforts often take a significant amount of time, place a significant strain on managerial, operational and financial resources and could prove to be more difficult or expensive than we predict. The diversion of our management' s attention and any delay or difficulties encountered in connection with any future acquisitions we may consummate could result in the disruption of our ongoing business or inconsistencies in standards and controls that could negatively affect our ability to maintain third- party relationships. Moreover, we may need to raise additional funds through public or private debt or equity financing, or issue additional shares, to acquire any businesses or products, which may result in dilution for stockholders or the incurrence of indebtedness **. In addition, the acquisition of operating biopharmaceutical companies could result in the assumption of, or exposure to, liabilities of the acquired business that are not inherent in our other royalty acquisitions, such as direct exposure to product liability claims, high fixed costs or an expansion of our operations and expense structure, thereby potentially decreasing our profitability** . As part of our efforts to acquire companies, business or product candidates or to enter into other significant transactions, we conduct business, legal and financial due diligence with the goal of identifying and evaluating material risks involved in the transaction. Despite our efforts, we ultimately may be unsuccessful in ascertaining or evaluating all such risks and, as a result, might not realize the intended advantages of the transaction. If we fail to realize the expected benefits from acquisitions we may consummate in the future or have consummated in the past, whether as a result of unidentified risks, integration difficulties, regulatory setbacks, litigation with current or former employees and other events, our business, results of operations and financial condition could be adversely affected. If we acquire product candidates, we will also need to make certain assumptions about, among other things, development costs, the likelihood of receiving regulatory approval and the market for such product candidates. Our assumptions may prove to be incorrect, which could cause us to fail to realize the anticipated benefits of these transactions. In addition, we will likely experience significant charges to earnings in connection with our efforts, if any, to consummate acquisitions. For transactions that are ultimately not consummated, these charges may include fees and expenses for investment bankers, attorneys, accountants and other advisors in connection with our efforts. Even if our efforts are successful, we may incur, as part of a transaction, substantial charges for closure costs associated with elimination of duplicate operations and facilities and acquired in- process research and development charges. In either case, the incurrence of these charges could adversely affect our results of operations for particular quarterly or annual periods. **We may also seek to expand our market opportunity by acquiring securities issued by biopharmaceutical companies. Where we acquire equity securities as all or part of the consideration for M & A acquisitions or other business development activities, the value of those securities will fluctuate, and may depreciate. We may not control the companies in which we acquire securities, and as a result, we may have limited ability to determine management, operational decisions or policies of such companies. Further, such transactions may face risks and liabilities that due diligence efforts fail to discover, that are not disclosed to us, or that we inadequately assess. In addition, as a result of our business model, we may receive material non- public information about other companies. Where such information relates to a company whose equity securities we hold, we may be delayed or prevented from selling such securities when we would otherwise choose to do so, and such delay or prohibition may result in a loss or reduced gain on such securities. The Pelthos business may suffer from uncertain business operations if we do not consummate a transaction or enter into commercial partnerships involving Pelthos. Consistent with our business model, we are engaging with potential commercial partners to maximize the value for our stockholders of the assets we acquired through the Novan acquisition that are held by our Pelthos business (including ZELSUVMI and other assets that may be developed using the NITRICIL technology platform) through a licensing or other strategic transaction involving Pelthos. If we do not consummate a transaction or enter into commercial partnerships, we will continue to be exposed to uncertainties with respect to the continued operations of the Pelthos business. Such uncertainties may affect our results of operations similarly to those faced by our Captisol business as described above under " Risks Related to Our Business Operations and Reliance on Third Parties. "** Other Risks: Our ~~business is subject to risks arising from pandemic and~~

~~epidemic diseases. Future pandemics, including the residual effects of the COVID- 19 pandemic, or other public health epidemics, pose the risk that we or our employees, contractors, including our CROs, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. Although we have lifted the restrictions we previously imposed on in- person access to our facilities and currently do not believe the COVID- 19 pandemic is having a material impact on our business, we cannot guarantee that pandemics, such as COVID- 19 or the emergence of variants thereof, or a similar event, will not impact our operations~~ **operating** ~~in the~~ **results may fluctuate significantly, which makes our** future ~~. Several of our partners reported that their operations~~ **operating results difficult** ~~were impacted by the COVID- 19 pandemic, with such impacts including delays in research and development programs and deprioritizing clinical trials in favor of treating patients who had contracted the virus or~~ to **predict** ~~prevent the spread of the virus. In addition, certain of our partners reported negative impacts on product sales which impacted our royalty revenues. Although we believe that we~~ and ~~our partners have adjusted our business practices to the impacts of the COVID- 19 pandemic, in the future, we may experience similar pandemics or epidemic diseases that~~ could **cause** ~~severely impact our business, drug manufacturing and supply chain, nonclinical activities and clinical trials and our partners' business may be impacted in similar ways, including due to delays or~~ **our operating** ~~difficulties in enrolling patients in clinical trials, diversion of healthcare resources away from the conduct of clinical trials, interruption of, or delays in receiving, supplies of Captisol or other product or product candidates from contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems, which may result~~ **results to** ~~in cancellations of Captisol orders or refunds if we fail~~ **fall below expectations** ~~to deliver Captisol timely, interruption or delays to discovery and development pipelines and difficulties launching or commercializing products, including due to reduced access to doctors as a result of social distancing protocols. Further, the COVID- 19 pandemic impacted the trading price of shares of our common stock. The extent to which the emergence of new variants of COVID- 19,~~ or any **guidance we** ~~other outbreak of a pandemic or epidemic disease, impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact. Further, to the extent any pandemic or epidemic disease adversely affects our business and financial results, it may also have the effect of heightening many~~ **may provide** ~~of the other risks described in this section~~ . Our quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including, but not limited to: • the royalties from the sales of Kyprolis, Evomela and other products sold by our partners; • the success of our collaboration partners' preclinical and clinical programs; • the timing of Captisol purchases for use in clinical trials and commercial products; • the timing and cost of, and level of investment in, research, development, regulatory approval and commercialization activities relating to our internal development programs, which may change from time to time; • expenditures that we may incur to acquire or develop additional product candidates and platform technologies; and • future accounting pronouncements or changes in our accounting policies. The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results and revenues. This variability and unpredictability could result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide. Changes or modifications in financial accounting standards, including those related to revenue recognition, may harm our results of operations. From time to time, the FASB either alone or jointly with other organizations, promulgates new accounting principles that could have an adverse impact on our results of operations. For example, in May 2014, FASB issued an accounting standard for revenue recognition- Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, or ASC 606- that supersedes most current revenue recognition guidance. The guidance requires a company to recognize revenue upon transfer of goods or services to a customer at an amount that reflects the expected consideration to be received in exchange for those goods or services. The guidance became effective in fiscal 2018. Under ASC 606, Ligand estimates and books royalties in the same quarter that our partners report the sale of the underlying product. We rely on our partners' earning releases and other information from our partners to determine the sales of our partners' products and to estimate the related royalty revenues. If our partners report incorrect sales, or if our partners delay reporting of their earnings release, our royalty estimates may need to be revised and / or our financial reporting may be delayed. **Changes in tax laws or regulations that are applied adversely to us may have a material adverse effect on our business, cash flow, financial condition, or results of operations. New tax laws, statutes, rules, regulations, or ordinances could be enacted at any time. For instance, the recently enacted Inflation Reduction Act imposes, among other rules, a 15 % minimum tax on the book income of certain large corporations and a 1 % excise tax on certain corporate stock repurchases. Further, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted differently, changed, repealed, or modified at any time. Any such enactment, interpretation, change, repeal, or modification could adversely affect us, possibly with retroactive effect. In particular, changes in corporate tax rates, the realization of our net deferred tax assets, the taxation of foreign earnings, and the deductibility of expenses under the Tax Act, as amended by the CARES Act or any future tax reform legislation, could have a material impact on the value of our deferred tax assets, result in significant one- time charges, and increase our future tax expenses.** Our ability to use our net operating loss carryforwards and certain other tax attributes to offset future taxable income may be subject to certain limitations. As of December 31, ~~2023~~ **2024** , we had U. S. federal and state net operating loss carryforwards ( **"** NOLs **"** ) of approximately $ ~~48~~ **21** . ~~0~~ **4** million and $ ~~165~~ **162** . ~~1~~ **8** million, respectively. Our federal NOLs expire through 2037 and our state NOLs begin to expire in 2028, if not utilized. Under the Tax Act, any federal NOLs arising in taxable years ending after December 31, 2017

will carry forward indefinitely. As of December 31, ~~2023~~ **2024** , we had federal and California research and development tax credit carryforwards of approximately $ ~~8~~ **6** . ~~5~~ **2** million and $ 29. ~~4~~ **5** million, respectively. The federal research and development tax credit carryforwards expire in various years through 2040, if not utilized. The California research and development credit will carry forward indefinitely. Under Sections 382 and 383 of Internal Revenue Code of 1986, as amended ( **the "** Code **"** ) if a corporation undergoes an " ownership change, " the corporation' s ability to use its pre- change NOLs and other pre- change tax attributes, such as research tax credits, to offset its future post- change income and taxes may be limited. In general, an " ownership change " occurs if there is a cumulative change in our ownership by " 5 % shareholders " that exceeds 50 percentage points over a rolling three- year period. Similar rules may apply under state tax laws. We believe we have experienced certain ownership changes in the past and have reduced our deferred tax assets related to NOLs and research and development tax credit carryforwards accordingly. In the event that it is determined that we have in the past experienced additional ownership changes, or if we experience one or more ownership changes as a result future transactions in our stock, then we may be further limited in our ability to use our NOLs and other tax assets to reduce taxes owed on the net taxable income that we earn in the event that we attain profitability. Furthermore, under the Tax Act, although the treatment of tax losses generated in tax years beginning before December 31, 2017 has generally not changed, tax losses generated in tax years beginning after December 31, 2017 may only offset 80 % of our taxable income. This change may require us to pay federal income taxes in future years despite having potentially generated a loss for federal income tax purposes in prior years. Any such limitations on the ability to use our NOLs and other tax assets could adversely impact our business, financial condition and operating results. ~~OmniAb or Ligand or any of their~~ subsidiaries were solvent at the time of or after giving effect to the ~~OmniAb~~ Distribution.The **Distribution of** OmniAb ~~Distribution~~ **common stock** is also subject to review under state corporate distribution statutes.Under the **DGCL** ~~Delaware General Corporation Law~~ ,a corporation may only pay dividends to its stockholders either (i) out of its surplus (net assets minus capital) or (ii) if there is no such surplus,out of its net profits for the fiscal year in which the dividend is declared or the preceding fiscal year.Although Ligand intended to make the **Distribution of** OmniAb ~~Distribution~~ **common stock** entirely from surplus,we cannot assure you that a court will not later determine that some or all of the ~~OmniAb~~ **Distribution to Ligand stockholders was unlawful** The occurrence of a catastrophic disaster could disrupt our business, damage our facilities beyond insurance limits, increase our costs and expenses, or we could lose key data which could cause us to curtail or cease operations. We are vulnerable to damage, business disruptions and / or loss of vital data from natural or man- made disasters, such as earthquakes, tornadoes, severe weather conditions, power loss, fire, floods and similar events, as well as from accidental loss or destruction. If any disaster were to occur, our ability to operate our business could be seriously impaired. We have property, liability, and business interruption insurance which may not be adequate to cover our losses resulting from disasters or other similar significant business interruptions, and we do not plan to purchase additional insurance to cover such losses due to the cost of obtaining such coverage. Any significant losses that are not recoverable under our insurance policies could seriously impair our business, financial condition and prospects. Our ability to obtain Captisol supply from our third- party manufactures could be disrupted if the operations of these manufacturers were affected by a natural or man- made disaster or other business interruption. In addition, we rely on our partners to generate most of our revenues through royalties, Captisol sales and development activities and any disruptions to their business as a result of such disasters could negatively impact our revenues. We rely on information technology system and any failure, inadequacy, interruption or security lapse of our information technology systems, including any cyber security incidents, could harm our ability to operate our business effectively. Our business is increasingly dependent on critical, complex and interdependent information technology systems, including internet- based systems, to support business processes as well as internal and external communications. We operate some of these systems and networks, but we also rely on third- party providers for various products and services across our operations. Despite the implementation of security measures, our information technology systems and those of our partners and third party service providers are vulnerable to attack, damage, and interruption from cyber- attacks, computer viruses and malware (e. g. ransomware), security breaches, unauthorized access, natural disasters, terrorism, war, telecommunication and electrical failures, hacking, phishing attacks and other social engineering schemes, employee theft or misuse, human error, fraud, denial or degradation of service attacks, sophisticated nation- state and nation-state- supported actors or unauthorized access or use by persons inside our organization, or persons with access to systems inside our organization. Attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. Furthermore, because the technologies used to obtain unauthorized access to, or to sabotage or disrupt, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. We may also face increased cybersecurity risks due to our reliance on internet technology and the number of our and our service providers' employees who are (and may continue to be) working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. The White House, SEC and other regulators have also increased their focus on companies' cybersecurity vulnerabilities and risks. We and certain of our service providers are from time to time, subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failures, accidents or security breaches, if such an event were to occur and cause interruptions in our or our critical third parties' operations, it could lead to the loss of trade secrets or other intellectual property, as well as the public exposure of personal information of our employees and others, and could result in a material disruption of our clinical and commercialization activities and business operations, in addition to possibly requiring substantial expenditures to remedy. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications,

or inappropriate disclosure of confidential or proprietary information, we could incur liability and our business, reputation, and financial condition could be harmed. Any losses, costs or liabilities may not be covered by, or may exceed the coverage limits of, any or all applicable insurance policies. The terms of our Credit Agreement may limit our flexibility in operating our business and adversely **affect** ~~af cet~~ our financial health and competitive position, and all of our obligations under our Credit Agreement are secured by certain of our collateral and the collateral of certain of our subsidiaries, as Guarantors. If we default on these obligations, our lenders could foreclose on such assets. In October 2023, we entered into a $ 75. 0 million Revolving Credit Facility with Citibank, N. A. as the Administrative Agent. We, our material domestic subsidiaries, as Guarantors, and the Lenders entered into the Credit Agreement with the Administrative Agent, under which the Lenders, the Swingline Lender and the L / C Issuer agreed to make loans and other financial accommodations to us in an aggregate amount of up to $ 75. 0 million. Borrowings under the Credit Agreement are secured by certain of our collateral and that of the Guarantors. In specified circumstances, additional guarantors are required to be added. As a result, if we default on any of our obligations under the Credit Agreement, the Lenders could foreclose on their security interest and liquidate some or all of the collateral, which would harm our business, financial condition and results of operations and could require us to reduce or cease operations. **On July 8, 2024, we entered into the first amendment (the " Amendment ") to the Credit Agreement, which amends the Credit Agreement to increase the aggregate revolving credit facility amount from $ 75 million to $ 125 million.** As of the date of this report, we have been borrowed approximately $ 0. ~~5~~ **6** million under the Revolving Credit Facility. In order to service any indebtedness we may incur in the future, we would need to generate cash from our operating activities or other financings. Our ability to generate cash is subject, in part, to our ability to successfully execute our business strategy, as well as general economic, financial, competitive, regulatory and other factors beyond our control. Our business may not be able to generate sufficient cash flow from operations, and future borrowings or other financings may not be available to us in an amount sufficient to enable us to service our indebtedness and fund our other liquidity needs. To the extent we are required to use cash from operations or the proceeds of any future financing to service our indebtedness instead of funding working capital or other general corporate purposes, we will be less able to plan for, or react to, changes in our business, industry and in the economy generally. This could place us at a competitive disadvantage compared to our competitors that have less indebtedness. The Credit Agreement contains customary affirmative and negative covenants that limit our ability to engage in certain transactions that may be in our long- term best interest. The affirmative covenants include, among others, covenants requiring us to maintain a leverage ratio of no greater than 2. 50 to 1. 00 (increasing to 3. 00 to 1. 00 with respect to the fiscal quarter in which a material permitted acquisition is consummated and the immediately subsequent three fiscal quarters thereafter) and maintain minimum consolidated EBITDA (as defined in the Credit Agreement) for any trailing four- quarter period of not less than $ 45 million. The negative covenants include, among others, limitations on our ability to incur indebtedness and certain liens, make certain investments, become liable under contingent obligations in certain circumstances, make certain restricted payments, make certain dispositions within guidelines and limits, engage in certain affiliate transactions, alter our fundamental business and make certain fundamental changes. While we believe we are currently in compliance with the covenants contained in the Credit Agreement, we may breach these covenants in the future. Our ability to comply with these covenants may be affected by events and factors beyond our control. In the event that we breach one or more covenants, the Lenders may choose to declare an event of default and require that we immediately repay all amounts outstanding under the agreement, terminate any commitment to extend further credit and foreclose on the collateral. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations. We use or draw down on our Credit Agreement or use other debt in connection with our capital deployment, which magnifies the potential for loss if the royalties acquired do not generate sufficient income to us. We draw down on or use debt to finance a portion of our deployed capital. The use of debt creates an opportunity for an increased return but also increases the risk of loss if our assets do not generate sufficient income to us. The interest expense and other costs incurred in connection with such borrowings may not be covered by our cash flow and the level of our indebtedness could limit our ability to respond to changing business conditions. Our Credit Agreement imposes, and other debt we may incur in the future may impose, affirmative and negative covenants that could impact our operations and affect the number and size of the royalties that we may pursue. Therefore, no assurance can be given that we will be able to take advantage of favorable conditions or opportunities as a result of any restrictive covenants under our Credit Agreement or other future indebtedness. There can also be no assurance that additional debt financing, either to replace or increase existing debt financing, will be available when needed or, if available, will be obtainable on terms that are commercially reasonable. **In addition, to the extent that interest rates at which we borrow increase, our borrowing costs will increase and our leveraging strategy will become more costly, which could lead to diminished net profits.** Impairment charges pertaining to goodwill, identifiable intangible assets or other long- lived assets from our mergers and acquisitions could have an adverse impact on our results of operations and the market value of our common stock. The total purchase price pertaining to our acquisitions in recent years have been allocated to net tangible assets, identifiable intangible assets, in- process research and development and goodwill. To the extent the value of goodwill or identifiable intangible assets or other long- lived assets become impaired, we will be required to incur material charges relating to the impairment. Any impairment charges could have a material adverse impact on our results of operations and the market value of our common stock. Our investments are subject to market and credit risks that could diminish their value and these risks could be greater during periods of extreme volatility or disruption in the financial and credit markets, which could adversely impact our business, financial condition, results of operations, liquidity and cash flows. Our investments are subject to risks of credit defaults and changes in market values. Periods of macroeconomic weakness or recession, heightened volatility or disruption in the financial and credit markets **, including as a result of the change in presidential administration, and any resulting economic uncertainty,** could increase these risks, potentially resulting in other than temporary impairment of assets in our investment portfolio. Any event reducing the estimated fair value of these securities, other than on a temporary basis, could have a material and adverse effect on our business, results of

operations, financial condition, liquidity and cash flows. If our investment manager ~~,~~ fails to react appropriately to difficult market, economic and geopolitical conditions, our investment portfolio could incur material losses. We have a risk management framework in place to identify, assess and prioritize risks, including the market and credit risks to which our investments are subject. As part of that framework, we test our investment portfolio based on various market scenarios. Under certain stressed market scenarios, unrealized losses on our investment portfolio could lead to material reductions in its carrying value. A decline in fair value below the amortized cost of a security requires management to assess whether an impairment has occurred. The decision on whether to record an impairment is determined in part by our assessment of the financial condition and prospects of a particular issuer, projections of future cash flows and recoverability of the particular security as well as management' s assertion of whether it is more likely than not that we will sell the particular security before recovery. Our charter documents and concentration of ownership may hinder or prevent change of control transactions. Provisions contained in our certificate of incorporation and bylaws may discourage transactions involving an actual or potential change in our ownership. In addition, our Board of Directors may issue shares of common or preferred stock without any further action by the stockholders. Our directors, officers and certain of our institutional investors collectively beneficially own a significant portion of our outstanding common stock. Such provisions and issuances may have the effect of delaying or preventing a change in our ownership. If changes in our ownership are discouraged, delayed or prevented, it would be more difficult for our current Board of Directors to be removed and replaced, even if you or our other stockholders believe that such actions are in the best interests of us and our stockholders. Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of Delaware or our amended and restated certificate of incorporation or amended and restated bylaws, or (iv) any action asserting a claim governed by the internal affairs doctrine. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act provides for concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, and as such, the exclusive jurisdiction clauses set forth above would not apply to such suits. The choice of forum provisions in our amended and restated bylaws may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. By agreeing to these provisions, however, stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation and bylaws has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the choice of forum provisions in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition. Our stock price has been volatile and could experience a sudden decline in value. The market prices for securities of biotechnology and pharmaceutical companies have historically been highly volatile, and the market has experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. Continued volatility in the overall capital markets could reduce the market price of our common stock in spite of our operating performance. Further, high stock price volatility could result in higher share- based compensation expense. Our common stock has experienced significant price and volume fluctuations and may continue to experience volatility in the future. Many factors may have a significant impact on the market price of our common stock, including, but not limited to, the following factors: results of or delays in our preclinical studies and clinical trials; the success of our collaboration agreements; publicity regarding actual or potential medical results relating to products under development by us or others; announcements of technological innovations or new commercial products by us or others; developments in patent or other proprietary rights by us or others; comments or opinions by securities analysts or major stockholders or changed securities analysts' reports or recommendations; future sales or shorting of our common stock by existing stockholders; regulatory developments or changes in regulatory guidance; litigation or threats of litigation; economic and other external factors or other disaster or crises; the departure of any of our officers, directors or key employees; period- to-period fluctuations in financial results; and price and volume fluctuations in the overall stock market. If we are unable to remediate **any** ~~the identified~~ material weakness in our internal control over financial reporting ~~, or if we experience additional material weakness or other deficiencies~~ or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately and timely report our financial results, in which case our business may be harmed, investors may lose confidence in the accuracy and completeness of our financial reports, and the price of our common stock may decline. Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on the effectiveness of our system of internal control **, including monitoring corrective actions** . Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP. We are required to furnish annually a report by management of its assessment of the effectiveness of our internal control over financial reporting as of the end of our most recent fiscal year. In addition, our independent registered public accounting firm is required to provide a related attestation report on our internal control over financial reporting. In connection with our ~~2023~~ **2024** year- end assessment of internal control over financial reporting, we determined that the **previously identified** material weakness related to the

ineffective process- level control activities in the business combination processes were ~~unremediated~~ -- **remediated** as of December 31, ~~2023~~ **2024** . For further discussion of the material weakness identified and our remedial efforts, see Item 9A. Controls and Procedures. If we are unable to **monitor and** remediate successfully ~~our existing or~~ any future material weakness or other deficiencies in our internal control over financial reporting: the accuracy and timing of our financial reporting may be adversely affected; our liquidity, our access to capital markets, the perceptions of our creditworthiness, and our ability to complete acquisitions may be adversely affected; we may be unable to maintain compliance with applicable securities laws, Nasdaq listing requirements, and the covenants under our debt instruments regarding the timely filing of periodic reports; we may be subject to regulatory investigations and penalties; and investors may lose confidence in our financial reporting. If any such event or circumstance were to occur, our stock price could decline and our business, financial condition and results of operations could be materially adversely affected. **Unfavorable global economic and political conditions could adversely affect our business, financial condition or results of operations.** Our results of operations and **ability to invest in and expand our business, meet our financial obligations, attract and retain collaboration partners and to raise additional capital and meet our** liquidity needs could be materially negatively affected by **prevailing** ~~market fluctuations and~~ economic **and political** ~~downturn. Our results of operations could be materially negatively affected by economic~~ conditions generally, both in the United States and elsewhere around the world. Concerns over inflation, energy costs, geopolitical issues, **the new presidential administration in the U. S.,** military conflicts, including the wars between Russia and Ukraine and Israel and Hamas, terrorism, public health emergencies or pandemics, the availability and cost of credit, and the U. S. financial markets have in the past contributed to, and may continue in the future to contribute to, increased volatility and diminished expectations for the economy and the markets. Sanctions imposed by the United States and other countries in response to military conflicts, including the wars between Russia and Ukraine and Israel and Hamas, **significant natural disasters (including as a result of climate change), new or increased tariffs or other barriers to trade, changes to fiscal or monetary policy or government budget dynamics (particularly in the biotechnology and pharmaceutical industries), higher interest rates and economic inflation, declines in economic growth or recession, geopolitical instability and other unstable market and macroeconomic conditions** may also adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. Domestic and international equity markets periodically experience heightened volatility and turmoil. **In addition, actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of** ~~These~~ **these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. All of these** events may have an adverse effect on us. In the event of a market downturn, our results of operations could be adversely affected by those factors in many ways, including making it more difficult for us to raise funds if necessary, and our stock price may further decline. We cannot provide assurance that our investments are not subject to adverse changes in market value. If our investments experience adverse changes in market value, we may have less capital to fund our operations. **Our business is subject to risks arising from pandemic and epidemic diseases. Future pandemics, including the residual effects of the COVID- 19 pandemic, or other public health epidemics, pose the risk that we or our employees, contractors, including our CROs, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. Although we have lifted the restrictions we previously imposed on in- person access to our facilities and currently do not believe the COVID- 19 pandemic is having a material impact on our business, we cannot guarantee that pandemics, such as COVID- 19 or the emergence of variants thereof, or a similar event, will not impact our operations in the future. Several of our partners reported that their operations were impacted by the COVID- 19 pandemic, with such impacts including delays in research and development programs and deprioritizing clinical trials in favor of treating patients who had contracted the virus or to prevent the spread of the virus. In addition, certain of our partners reported negative impacts on product sales which impacted our royalty revenues. Although we believe that we and our partners have adjusted our business practices to the impacts of the COVID- 19 pandemic, in the future, we may experience similar pandemics or epidemic diseases that could severely impact our business, drug manufacturing and supply chain, nonclinical activities and clinical trials and our partners' business may be impacted in similar ways, including due to delays or difficulties in enrolling patients in clinical trials, diversion of healthcare resources away from the conduct of clinical trials, interruption of, or delays in receiving, supplies of Captisol or other product or product candidates from contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems, which may result in cancellations of Captisol orders or refunds if we fail to deliver Captisol timely, interruption or delays to discovery and development pipelines and difficulties launching or commercializing products, including due to reduced access to doctors as a result of social distancing protocols. Further, the COVID- 19 pandemic impacted the trading price of shares of our common stock. The extent to which the emergence of new variants of COVID- 19, or any other outbreak of a pandemic or epidemic disease, impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact. Further, to the extent any pandemic or epidemic disease adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. If securities or industry analysts do not publish research reports about our business or if they make adverse recommendations regarding an investment in our stock, our stock price and trading volume may decline. The trading market for our common stock can be influenced by the research and reports that industry or securities analysts publish about our business. Currently, coverage of our Company by industry and securities analysts is limited. Investors have**

**many investment opportunities and may limit their investments to companies that receive greater coverage from analysts. If additional industry or securities analysts do not commence coverage of the Company, the trading price of our stock could be negatively impacted. If one or more of the analysts downgrade our stock or comment negatively on our prospects, our stock price may decline. If one or more of these analysts cease to cover our industry or fail to publish reports about the Company regularly, our common stock could lose visibility in the financial markets, which could also cause our stock price or trading volume to decline. Further, incorrect judgments, estimates or assumptions made by research analysts may adversely affect our stock price, particularly if subsequent performance falls below the levels that were projected by the research analyst (s), even if we did not set or endorse such expectations. Any of these events could cause further volatility in our stock price and could result in substantial declines in the value of our stock. Cyber- attacks or other failures in telecommunications or information technology systems could result in information theft, data corruption and significant disruption of our business operations. We utilize information technology systems and networks to process, transmit and store electronic information in connection with our business activities. As use of digital technologies has increased, cyber incidents, including deliberate attacks and attempts to gain unauthorized access to computer systems and networks, have increased in frequency and sophistication. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. We have been subject to these attacks in the past and expect to be subject to them in the future. There can be no assurance that we will be successful in preventing cyber- attacks or mitigating their effects. Any cyber- attack or destruction or loss of data could adversely affect our business. In addition, we may suffer reputational harm or face litigation as a result of cyber- attacks or other data security breaches and may incur significant additional expense to implement further data protection measures or as a result of being found liable for data losses or theft from such a breach. The biopharmaceutical industry may be negatively affected by federal government deficit reduction policies, which could reduce the value of the royalties that we hold. In an effort to contain the U. S. federal deficit, the biopharmaceutical industry could be considered a potential source of savings and could be the target of legislative proposals aimed at reducing federal expenditures. Government action to reduce U. S. federal spending on entitlement programs, including Medicare, Medicaid or other publicly funded or subsidized health programs, or to lower drug spending, may affect payment for the products that generate our royalties. These and any other cost controls or any significant additional taxes or fees that may be imposed on the biopharmaceutical industry as part of deficit reduction efforts could reduce cash flows from our royalties and therefore adversely affect our business, financial condition or results of operations.**