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Ligand Earns \$6 Million as OmniAb Partner Out-Licenses Antibody Projects

Raises 2017 Guidance

SAN DIEGO--(BUSINESS WIRE)-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announces that its partner HanAll Biopharma successfully out-licensed antibody projects that were discovered by HanAll using Ligand's OmniAb[®] antibody discovery platform. The licensing events triggered \$6 million of payments to Ligand. HanAll has had access to the OmniAb platform since December 2014 and is developing multiple antibody projects in the immuno-oncology and autoimmune areas using this platform. Under the license agreements with HanAll, Ligand is eligible to receive milestones and royalties on the successful development of antibodies and to share sub-license revenue on out-licensed antibodies.

"These are excellent licensing transactions for HanAll and for Ligand, putting a clinical-stage antibody into the hands of two partners to advance the development of the program in markets around the world. The licenses illustrate the value and potential of the OmniAb platform for delivering novel antibodies that succeed through the intense discovery selection process," said John Higgins, Chief Executive Officer of Ligand. "We are very pleased with HanAll's success in quickly moving one of its novel antibodies into human trials in 2017 and in subsequently securing two license agreements for the antibody. Ligand has a best-in-class antibody discovery technology with its OmniAb platform offering three distinct species for drug discovery. Since acquiring the technology less than two years ago, Ligand has expanded its portfolio of OmniAb partners and has secured substantial partnering payments as the programs advance."

Including these payments, Ligand now anticipates total revenue for full year 2017 to be approximately \$140 million with adjusted EPS to be between \$3.13 and \$3.16. Previous guidance was for revenue to be between \$134 and \$136 million and for adjusted earnings per share to be between \$2.95 and \$3.00.

About OmniAb[®]

OmniAb is a three-species transgenic-animal platform consisting of four different technologies used for producing mono- and bispecific human therapeutic antibodies.

OmniRat[®] is the industry's first human monoclonal antibody technology based on rats. It has a complete immune system with a diverse antibody repertoire and generates antibodies with human idiotypes as effectively as wild-type animals make rat antibodies.

OmniMouse[®] is a transgenic mouse that complements OmniRat and expands epitope coverage. OmniFlic[®] is an engineered rat with a fixed light chain for development of

bispecific, fully human antibodies. OmniChicken™ is the industry's first human monoclonal antibody technology based on chickens. The four technologies use patented technology, have broad freedom to operate and deliver fully human antibodies with high affinity, specificity, expression, solubility and stability.

About Ligand Pharmaceuticals

Ligand is a biopharmaceutical company focused on developing or acquiring technologies that help pharmaceutical companies discover and develop medicines. Our business model creates value for stockholders by providing a diversified portfolio of biotech and pharmaceutical product revenue streams that are supported by an efficient and low corporate cost structure. Our goal is to offer investors an opportunity to participate in the promise of the biotech industry in a profitable, diversified and lower-risk business than a typical biotech company. Our business model is based on doing what we do best: drug discovery, early-stage drug development, product reformulation and partnering. We partner with other pharmaceutical companies to leverage what they do best (late-stage development, regulatory management and commercialization) to ultimately generate our revenue. Ligand's Captisol® platform technology is a patent-protected, chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. OmniAb® is a patent-protected transgenic animal platform used in the discovery of fully human mono- and bispecific therapeutic antibodies. Ligand has established multiple alliances, licenses and other business relationships with the world's leading pharmaceutical companies including Novartis, Amgen, Merck, Pfizer, Celgene, Gilead, Janssen, Baxter International and Eli Lilly.

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Forward-Looking Statements

This news release contains forward-looking statements by Ligand that involve risks and uncertainties and reflect Ligand's judgment as of the date of this release. The failure to meet expectations with respect to any of the foregoing matters may reduce Ligand's stock price. Additional information concerning these and other important risk factors affecting Ligand can be found in Ligand's prior press releases available at www.ligand.com as well as in Ligand's public periodic filings with the Securities and Exchange Commission, available at www.sec.gov. Ligand disclaims any intent or obligation to update these forward-looking statements beyond the date of this press release, except as required by law. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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