

November 9, 2021



Ligand Pursuing Plans for OmniAb to Become a Standalone Public Company

Strategic Decision Based Upon Recent Business Success and Plans to Support Continued Growth and Investments in OmniAb's Drug Discovery Platform

Conference Call Begins at 4:30 p.m. Eastern Time Today

EMERYVILLE, Calif.--(BUSINESS WIRE)-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** today announced it is pursuing plans to split Ligand into two separate, publicly traded companies with one featuring the OmniAb business, and the other featuring Ligand's existing collection of core royalties and the technologies, pipeline and contracts associated with the Pelican protein expression platform and the Captisol business. The spin-off is intended to create two companies with dedicated operational focus, business-specific capital allocation, agility to meet partner needs, and compelling focused investment profiles.

"Our OmniAb business continues to have an outstanding year with the first regulatory approval for an OmniAb-derived antibody received during the third quarter and a second approval anticipated by year-end," said John Higgins, CEO of Ligand. "We believe more than ever that OmniAb offers one of the industry's leading antibody discovery platforms and that the business is primed for success for years to come. After significant planning and analysis, we have concluded we are operating two distinct, high-growth companies within Ligand. Along with outside advisors we have determined the time is right to pursue a strategic plan to create two independent companies and accelerate investment into the OmniAb platform and technologies to further drive value."

Based on initial management and advisor review, an IPO and eventual distribution of OmniAb shares to Ligand shareholders is the leading option under consideration at this time. The IPO would be of newly issued shares of OmniAb, Inc., which would include the Ab Initio computational antigen design technology, Icagen's ion channel technology, the xPloration high-throughput screening technology, and the suite of OmniAb transgenic animals used for antibody discovery. In an IPO, Ligand expects OmniAb to issue less than 20% of its common stock, with Ligand retaining the remaining interest, which would eventually be distributed to Ligand stockholders in a manner generally intended to qualify as a tax-free transaction. Ligand's OmniAb strategic review is in response to the ongoing success of OmniAb, as well as the opportunity to unlock the value of this business. Ligand's Board of Directors has not approved a specific course of action, and Ligand will continue to evaluate other options to optimize value and ensure flexibility to invest in growth. There can be no assurance that this process will result in Ligand pursuing a particular transaction or consummating any such transaction.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation, or sale in any jurisdiction in which

such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

The latest corporate presentation can be accessed at investor.ligand.com.

Conference Call

Ligand management will host a conference call today beginning at 4:30 p.m. Eastern time (1:30 p.m. Pacific time) to discuss third quarter financial results as well as this announcement, and to answer questions. To participate via telephone, please dial (833) 540-1167 from the U.S. or (929) 517-0358 from outside the U.S., using the conference ID 5486177. To participate via live or replay webcast, a link is available at www.ligand.com.

About OmniAb[®]

The OmniAb discovery platform provides Ligand's pharmaceutical industry partners access to the diverse antibody repertoires and high-throughput screening technologies to enable discovery of next-generation therapeutics. At the heart of the OmniAb platform is the Biological Intelligence of our proprietary transgenic animals, including OmniRat, OmniChicken and OmniMouse that have been genetically modified to generate antibodies with human sequences to facilitate development of human therapeutic candidates. OmniFlic (transgenic rat) and OmniClic (transgenic chicken) address industry needs for bispecific antibody applications through a common light chain approach, and OmniTaur features unique structural attributes of cow antibodies for complex targets. OmniAb animals comprise the most diverse host systems available in the industry and they are optimally leveraged through computational antigen design and immunization methods, paired with high-throughput microfluidic-based single B cell screening and deep computational analysis of next-generation sequencing datasets to identify fully human antibodies with superior performance and developability characteristics. An established core competency focused on ion channels and transporters further differentiates our technology and creates opportunities to further leverage across modalities, including antibody-drug conjugates and others. The OmniAb suite of technologies and differentiating computational capabilities and BI features are combined to offer a highly efficient and customizable end-to-end solution for the growing discovery needs of the global pharmaceutical industry.

About Ligand Pharmaceuticals

Ligand is a revenue-generating biopharmaceutical company focused on developing or acquiring technologies that help pharmaceutical companies discover and develop medicines. Our business model creates value for stockholders by providing a diversified portfolio of biotech and pharmaceutical product revenue streams that are supported by an efficient and low corporate cost structure. Our goal is to offer investors an opportunity to participate in the promise of the biotech industry in a profitable, diversified and lower-risk business than a typical biotech company. Our business model is based on doing what we do best: drug discovery, early-stage drug development, product reformulation and partnering. We partner with other pharmaceutical companies to leverage what they do best (late-stage development, regulatory management and commercialization) ultimately to generate our revenue. Ligand's OmniAb[®] technology platform is a patent-protected transgenic animal platform used in the discovery of fully human monoclonal and bispecific therapeutic antibodies. The Captisol platform technology is a patent-protected, chemically modified

cyclodextrin with a structure designed to optimize the solubility and stability of drugs. Ligand's Pelican Expression Technology is a robust, validated, cost-effective and scalable platform for recombinant protein production that is especially well-suited for complex, large-scale protein production where traditional systems are not. Ab Initio™ technology and services for the design and preparation of customized antigens enable the successful discovery of therapeutic antibodies against difficult-to-access cellular targets. Ligand has established multiple alliances, licenses and other business relationships with the world's leading pharmaceutical companies including Amgen, Merck, Pfizer, Sanofi, Janssen, Takeda, Servier, Gilead Sciences and Baxter International. For more information, please visit www.ligand.com.

Forward-Looking Statements

This news release contains forward-looking statements by Ligand that involve risks and uncertainties and reflect Ligand's judgment as of the date of this release. Words such as "plans," "believes," "expects," "anticipates," and "will," and similar expressions, are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements regarding: Ligand's plans to pursue a separation of the OmniAb business, including the makeup of the separated and retained businesses and their strategic focus and plans; the potential structure of the separation, including through an IPO and eventual distribution to Ligand's stockholders, and the tax implications thereof; and the potential to accelerate investment in OmniAb and drive value in each respective business. Actual events or results may differ from Ligand's expectations due to risks and uncertainties inherent in Ligand's business and those related to the potential separation, including, without limitation: the separation may not be completed in accordance with the expected plans or anticipated timeline or at all, and may not achieve the intended strategic, operational and financial benefits, and will involve significant time, expense and management attention, any of which could negatively impact Ligand's business, financial condition and results of operations; the separation, including the IPO and distribution, is subject to market, tax and legal considerations, final approval by Ligand's board of directors and other customary requirements; and the announcement or pendency of the separation may have negative effects on relationships with Ligand's employees, partners, suppliers, and other third parties or otherwise disrupt Ligand's or the OmniAb business. 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 risk factors affecting Ligand can be found in 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 release, including the possibility of additional contract revenue we may receive. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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