November 18, 2015

Ligand Provides Highlights from Today's Analyst Day Event

Webcast available at www.ligand.com

SAN DIEGO-- At an Analyst Day event held earlier today in New York City, **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** reviewed the recent progress of its business, its revenue growth opportunities and its portfolio of partnered assets and unpartnered development programs. Management also discussed the Captisol, LTP and SURE*technology* (owned by Selexis) formulation and delivery technologies as well as its financial outlook through 2017.

"Ligand is an exciting financial story with a growing list of commercial assets, partner-driven clinical trials and core technologies," said John Higgins, Chief Executive Officer of Ligand. "Various metrics we highlighted today tell the story: more than 125 programs with over 72 companies, including more than 25 new programs since our last Analyst Day event; upwards of $1.8 billion in partner R&D to be spent on these programs during 2016, up from about $1.1 billion spent in 2015; and projections for 24 commercial products in 2020, up from projections for 20 commercial products at our last Analyst Day event. Together this momentum supports our expectation for a revenue compound annual growth rate of 36% for the years 2012 to 2017, all against a relatively flat expense structure."

Highlights of presentations by Ligand's senior management include the following:

Business model and growth drivers:

- Ligand has more than 125 fully-funded programs in partnership with more than 72 different pharmaceutical and biotechnology companies. Eight products have been commercialized and are generating revenue for Ligand today, and the company projects that in 2020 more than 24 products from its portfolio will be commercialized and generating revenue for Ligand.
- Ligand estimates that in 2016 its partners will spend more than $1.8 billion on R&D to advance partnered programs, including funding 17 Phase 3 trials and 44 Phase 2 trials.
- Global product sales by partners on which Ligand is entitled to receive royalty payments are projected to be approximately $1.8 billion in 2016 and approximately $2.5 billion in 2017. The blended average royalty rate to Ligand during this period is expected to be 3.5% to 4.5% of net sales.
- Ligand released an overview of the market potential of its portfolio, noting that 7% of programs could each generate annual revenue to Ligand of more than $70 million, 23% of programs could each generate annual revenue between $30 million and $70 million, 44% of programs could each generate annual revenue between $3 million and $30 million and 26% of programs could each generate annual revenue of less than $3

million.

- Ligand expects a revenue compound annual growth rate (CAGR) of 36% for the period 2012 through 2017 and an adjusted EPS CAGR of 79% over the same period.

Asset portfolio review:

- Management provided an update on the Big 6 pipeline assets along with providing further insight into the portfolio by highlighting the Next 12, which includes the following programs:
    - Oncology - SAR125844 (Sanofi), Motolimod/VTX-2337 (VentiRx/Celgene), Prexasertib/LY2606368 (Lilly), MM-302 (Merrimack), Pevonedistat/MLN-4924 (Takeda/Millennium) and Altiratinib (Deciphera)
    - Metabolic diseases – SARM/VK5211 and TR-β/VK2809 (Viking) and Lasofoxifene (Sermonix)
    - Cardiovascular and other diseases - TAK-020 (Takeda), CHS-0214 (Coherus) and CXL-1427 (Cardioxyl)
- Management also highlighted consistent revenue growth from Promacta®, with double-digit growth driving Ligand royalty rates into the highest tier in 2015 for the first time ever. The number of approved indications for Promacta (branded Revolade™ in certain markets outside the U.S.) has expanded to now include idiopathic thrombocytopenia (ITP), thrombocytopenia induced by the hepatitis C virus, aplastic anemia and pediatric ITP, with additional indications in oncology-related thrombocytopenia in development.
- Kyprolis®, developed and marketed by Amgen for the treatment of multiple myeloma, recently received FDA approval for use in second-line treatment in combination with Revlimid. Results of the CLARION trial, which could lead to approval as a first-line therapy, are expected in the first half of 2016.
- Ligand announced that a partner received approval for an adalimumab biosimilar, bringing the number of approved drugs in Ligand's portfolio to eight. Rights to the program were acquired in the March 2013 Selexis portfolio acquisition. The name of the partner and program economics are undisclosed.
- GRA is Ligand's proprietary glucagon receptor antagonist in development as an oral treatment for type 2 diabetes, which recently completed Phase 1 testing. At the Analyst Day event management discussed the drug's positive safety and efficacy profile along with the significant diabetes market opportunity available for a novel treatment mechanism such as GRA. The company remains on track to initiate Phase 2 testing in 2016.
- Brian Lian, CEO of Viking Therapeutics (a company in which Ligand is a partner and shareholder), gave an overview of Viking's strategy and the status of its two lead Phase 2 programs, VK5211 (a selective androgen receptor for treatment of hip fracture) and VK2809 (a TRβ agonist for treatment of cholesterolemia and fatty liver disease). Readouts for both Phase 2 programs are expected in 2016.
- Ligand also highlighted the strength of the intellectual property protecting its portfolio and technologies, with over 500 worldwide issued patents and 300 pending

applications.

Underlying technologies review:

- Management gave an update on the progress of Captisol, highlighting that Captisol-enabled drugs are now marketed in 60 countries and that more than 45 partners have Captisol-enabled drugs in development. While most work with Captisol to date has been with intravenous formulations, partners are also beginning to focus on using Captisol to develop ophthalmic, oral, subcutaneous, intramuscular and nasal routes of administration.
- Management also highlighted recent Captisol licensing deals with new and existing partners including AiCuris, Avion Pharmaceuticals, Cuda Pharmaceuticals, Novogen and Sage Therapeutics.
- Ligand also provided a summary of the Selexis SURE*technology* Platform, which is the technology underlying the programs acquired from Selexis in 2013 and 2015.

Financial outlook:

- Management highlighted revenue and adjusted EPS projections, as follows:
  - 2016: Revenue is projected to be between $107 million and $111 million and adjusted EPS is projected to be between $3.33 and $3.38.
  - 2017: Revenue is projected to exceed $146 million and adjusted EPS is projected to exceed $4.75.
- Management also highlighted projected 2016 margins, including expectations for gross margin of 90%, EBITDA margin (excluding stock-based compensation expense) of 70% and adjusted profit margin of 66%. These figures compare with 2014 margins of 86%, 52% and 50%, respectively.
- Ligand's cash expenses are expected to remain at approximately $22 million to $24 million per year through 2017, excluding any increases due to new programs acquired or licensed during that period.
- With the recent release of the net operating loss (NOL) valuation allowance, the company will begin to report earnings under a full tax rate. The actual cash tax rate is expected to be below 5% until our NOLs and tax assets are fully utilized.

A webcast of the Analyst Day presentations can be accessed at www.ligand.com for the next 90 days.

Adjusted Financial Measures

The adjusted financial measures discussed above exclude changes in contingent liabilities, mark-to-market adjustment for amounts owed to licensors, non-cash stock-based compensation expense, non-cash debt-related costs, pro-rata non-cash net losses of Viking Therapeutics, non-cash tax expense and excess convert shares covered by bond hedge.

Ligand believes that the presentation of adjusted financial measures provides useful supplementary information to investors and reflects amounts that are more closely aligned with the cash profits for the period as the items that are excluded from adjusted net income

are all non-cash items. Ligand uses these adjusted financial measures in connection with its own budgeting and financial planning. These adjusted financial measures are in addition to, and not a substitute for, or superior to, measures of financial performance prepared in conformity with GAAP.

A reconciliation of the adjusted financial measures and the corresponding GAAP figure is included in Exhibit 99.1 to Ligand's Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 18, 2015.

About Ligand Pharmaceuticals

Ligand is a biopharmaceutical company with a business model focused on developing or acquiring royalty generating assets and coupling them with a lean corporate cost structure. Ligand's goal is to produce a bottom line that supports a sustainably profitable business. By diversifying the portfolio of assets across numerous technology types, therapeutic areas, drug targets and industry partners, we offer investors an opportunity to invest in the increasingly complicated and unpredictable pharmaceutical industry. In comparison to its peers, we believe Ligand has assembled one of the largest and most diversified asset portfolios in the industry with the potential to generate revenue in the future. These therapies seek to address the unmet medical needs of patients for a broad spectrum of diseases including thrombocytopenia, multiple myeloma, hepatitis, ventricular fibrillation, muscle wasting, Alzheimer's disease, dyslipidemia, diabetes, anemia, asthma, focal segmental glomerulosclerosis, menopausal symptoms and osteoporosis. Ligand's Captisol® platform technology is a patent-protected, chemically modified cyclodextrin with a structure designed to optimize the solubility and stability of drugs. Ligand has established multiple alliances, licenses and other business relationships with the world's leading pharmaceutical companies including Novartis, Amgen, Merck, Pfizer, 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. 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: growth in the number of products in Ligand's portfolio, the research and development expenditures of Ligand's partners, Ligand's future revenues and other projected financial measures, the timing and results of Ligand's clinicial trials and clinical trials to be conducted by Ligand's partners, Ligand's expected tax rate, expected value creation for shareholders and guidance regarding fourth-quarter and full-year 2015 financial results. Actual events or results may differ from Ligand's expectations. For example, Ligand may not receive expected revenue from material sales of Captisol, expected royalties on partnered products and research and development milestone payments. Ligand and its partners may not be able to timely or successfully advance any product(s) in its internal or partnered pipeline. In addition, there can be no assurance that Ligand will achieve its guidance for 2015 or any portion thereof or beyond, that Ligand's 2015 revenues will be at the levels or be broken down as currently anticipated, that Ligand will be able to create future revenues and cash flows by developing innovative therapeutics, that results of any clinical study will be timely, favorable or confirmed by later studies, that products under development

by Ligand or its partners will receive regulatory approval, that there will be a market for the product(s) if successfully developed and approved, or that Ligand's partners will not terminate any of its agreements or development or commercialization of any of its products. Further, Ligand may not generate expected revenues under its existing license agreements and may experience significant costs as the result of potential delays under its supply agreements. Also, Ligand and its partners may experience delays in the commencement, enrollment, completion or analysis of clinical testing for its product candidates, or significant issues regarding the adequacy of its clinical trial designs or the execution of its clinical trials, which could result in increased costs and delays, or limit Ligand's ability to obtain regulatory approval. Further, unexpected adverse side effects or inadequate therapeutic efficacy of Ligand's product(s) could delay or prevent regulatory approval or commercialization. In addition, Ligand may not be able to successfully implement its strategic growth plan and continue the development of its proprietary programs. 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. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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