May 4, 2016

Ligand Acquires Portfolio of Synthetic Royalty and Milestone Rights from CorMatrix® Cardiovascular for $17.5 Million

SAN DIEGO-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announces the acquisition of economic rights to multiple programs owned by CorMatrix®. Ligand will pay $17.5 million and in return will receive a portion of revenue (synthetic royalty) from CorMatrix's existing marketed products and will have the right to receive future synthetic royalties from potential future products. CorMatrix's products are medical devices that are designed to permit the development and regrowth of human tissue. This transaction will be immediately accretive to Ligand and represents Ligand's entry into the field of medical devices.

Ligand will receive a share of revenue from the currently marketed CorMatrix portfolio of vascular, cardiac and pericardial tissue repair products. In addition, Ligand will receive a share of revenue and potential milestones from the currently marketed CorMatrix CanGaroo® ECM Envelope for cardiac implantable electronic devices. Ligand is owed a guaranteed minimum annual payment of $2.75 million. The currently marketed portfolio is expected to deliver approximately the annual minimum payments in the near term but has the potential to double over time based on the commercial success of the programs. Ligand will also potentially receive a mid-single digit royalty from CorMatrix's development-stage Micronized ECM product and replacement valve products. CorMatrix's existing and pipeline medical devices address market opportunities estimated to exceed $1 billion annually.

"This transaction further diversifies Ligand's revenue and expands our portfolio to now include economic rights on unique and innovative medical devices that have already begun to prove their utility in the market today," said John Higgins, Chief Executive Officer of Ligand. "The opportunity is an excellent fit for Ligand as it is financially accretive, does not require increased operating expenses and enables Ligand to begin to participate in the highly lucrative and growing medical device industry. We are very impressed with CorMatrix's technology and operating team, and look forward to further development and expansion of their product line."

The technology foundation for the underlying assets is Extracellular Matrix (ECM), an innovative implantable medical device that enables migration, vascularization and remodeling of pericardial, cardiac and vascular tissues, which remodels into the patient's own native tissue with no foreign materials left behind. The programs are indicated or intended for use in a variety of cardiovascular procedures. The products are marketed and developed by CorMatrix Cardiovascular.

Ligand expects this transaction to add approximately $1 million for partial year revenue in 2016 and contribute approximately $0.04 of adjusted EPS in 2016. Ligand will not incur any expenses to develop or commercialize the underlying products. The amount Ligand will record as revenue will reflect deductions for deal amortization that will be recorded as an offset to revenue.

Greenhill & Co., LLC served as sole financial advisor to CorMatrix Cardiovascular.

About CorMatrix Cardiovascular

CorMatrix Cardiovascular, Inc. is a privately held medical device company dedicated to developing and delivering innovative biomaterial devices that harness the body's innate ability to repair damaged cardiac and vascular tissue. CorMatrix ECM Technology allows surgeons to restore the native anatomy of cardiac and vascular tissue in need of repair, serving as a superior alternative to synthetic or cross-linked materials. CorMatrix is an innovative implantable medical device that enables migration, vascularization and remodeling of pericardial, cardiac and venous tissues. The patient's native tissue is restored with no foreign materials left behind to cause scarring or adhesions.

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 report. These forward-looking statements include comments regarding future net sales and commercial success of CorMatrix's marketed programs, the possibility for regulatory approval of CorMatrix's marketed and development programs, for which Ligand has acquired the synthetic royalty payment streams, and regarding the usefulness of CorMatrix's technology in the clinical and commercial development of such programs. Actual events or results may differ from Ligand's

expectations. For example, there can be no assurance that CorMatrix will be able to successfully sell its existing or, if approved, future products; development of new products and medical devices will require significant expense on the part of CorMatrix; CorMatrix may abandon the development of new products if commercially reasonable; CorMatrix may not file marketing applications or, if filed, such applicable may not be approved; and our rights relating to income streams from these medical devices may be challenged. The same risks apply to the other programs which comprise Ligand's shots-on-goal portfolio. 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 (including Ligand's current reliance on revenues based on sales of Promacta® and Kyprolis®, and various risks to which Ligand's Captisol® cyclodextrin operations are subject) can be found in Ligand's prior periodic filings with the Securities and Exchange Commission (including its Form 10-K filed on February 26, 2016), available at www.sec.gov, as updated by future period reports filed with the Securities and Exchange Commission. Ligand disclaims any intent or obligation to update these forward-looking statements beyond the date of this report. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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