September 16, 2016

Ligand Enters OmniAb® License Agreement with TeneoBio, Inc.

SAN DIEGO-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announces it has entered into a worldwide license agreement with Menlo Park, CA-based TeneoBio, Inc. Under the license, TeneoBio will be able to use the OmniFlic® technology from the OmniAb® platform to discover fully human bispecific antibodies to be developed for the treatment of various diseases, with an initial focus on therapeutics for cancer, autoimmunity, and infectious diseases. Ligand is eligible to receive annual platform access payments, sublicensing fees, milestone payments and royalties for products incorporating an OmniFlic antibody. TeneoBio will be responsible for all costs related to the programs.

“Ligand continues to increase its portfolio of partners and fully funded drug research programs. Similar to our Captisol acquisition years ago, our OmniAb business is proving to be a valuable platform for new deal making,” said John Higgins, Chief Executive Officer of Ligand. “These follow-on licensing deals post acquisition are important as we are able to expand our programs from which we are entitled to receive potential future economics without increasing our operating costs or diluting our capital structure.”

“We are delighted with our partnership with Ligand,” said Wim van Schooten, Chief Scientific Officer of TeneoBio. “OmniFlic platform access will enable TeneoBio to discover novel antibody sequences that perfectly complement our UniAb™ technology. We are familiar with the range of technology offerings in the field, and believe OmniAb is an industry-leading platform for the efficient generation of fully-human antibodies. We look forward to further leveraging our unique discovery engine to develop therapeutic antibodies at unprecedented speeds.”

About OmniAb®

OmniAb includes three transgenic animal platforms 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. The three platforms use patented technology, have broad freedom to operate and deliver fully human antibodies with high affinity, specificity, expression, solubility and stability.

About TeneoBio, Inc.

TeneoBio, Inc. is a development stage biotechnology company developing a new class of biologics, Human Heavy Chain Antibodies (UniAbs™), for the treatments of cancer,

autoimmunity, and infectious diseases. TeneoBio's proprietary TeneoSeek technology involves high-throughput UniAb™ repertoire analysis and screening for the identification of unique antibodies specific for therapeutic targets of interest. Versatile antibody variable domains (UniDabs™) derived from UniAbs™ can be assembled into bispecific and multivalent therapeutic antibodies for the development of novel biologics, surpassing limitations of conventional antibody therapeutics. TeneoBio's "plug-and-play" T cell engaging platform includes a diverse set of anti-CD3 antibodies to optimize lead selection. TeneoBio is expecting to begin clinical development of its first multi-specific T-cell engager against multiple myeloma in 2018.

Roland Buelow, PhD., serves as the Chief Executive Officer of TeneoBio, and was the Chief Executive Officer of Open Monoclonal Technology, Inc. (OMT) prior to Ligand's acquisition of OMT in January 2016. Following the acquisition of OMT, Dr. Buelow joined Ligand as Vice President, Antibody Technologies, and works on behalf of Ligand to advance the OmniAb platform and scientific collaborations.

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. These include statements regarding Ligand's license agreement with TeneoBio, Inc. under which Ligand may receive annual platform access payments, sublicensing fees, milestone payments and royalties (which, as used herein includes royalty-like payments based upon the development and commercialization of any products based on antibodies discovered under the license). Actual events or results may differ from our expectations. For example, there can be no assurances that TeneoBio will successfully develop or market any antibodies discovered under the license. 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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