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Ligand Announces Licensing Partner Janssen Has Filed an IND for an Antibody Discovered Using the OmniAb® Technology

IND filing results in $1 million milestone payment to Ligand

SAN DIEGO--(BUSINESS WIRE)-- **Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)** announces that CNA Development LLC, an affiliate of Janssen Pharmaceuticals, Inc. (Janssen) has filed an IND for an antibody discovered using Ligand's OmniAb technology. This IND filing results in a $1 million milestone payment to Ligand.

"This milestone represents an important step in the development process and is the second IND filed with the FDA for an antibody discovered with the OmniAb technology," said John Higgins, Chief Executive Officer of Ligand. "Ligand acquired the OmniAb technology platform in January of 2016 and has since entered into multiple new licensing agreements for the technology. This IND filing represents continued value creation from the OmniAb acquisition and continues to build on Ligand's shots-on-goal business model."

Janssen gained access to the OmniAb platform in October of 2013 and is able to use the OmniRat®, OmniMouse® and OmniFlic® platforms to discover fully human mono- and bispecific antibodies. Ligand is eligible to receive development milestone payments and royalties for each product incorporating an OmniAb antibody. Janssen is responsible for all costs related to the programs.

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 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 Jannsen under which Ligand may receive milestone payments and royalties. Actual events or results may differ from our expectations. For example, there can be no assurances that the FDA will approve the IND filed by Janssen; Janssen may choose to delay or abandon their program related to the OmniAb antibodies, including for reasons beyond Janssen's control; and Janssen may not successfully develop or market any antibodies discovered under the license agreement. 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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