



# Corporate Presentation

November 2021

# Forward-Looking Statements

In addition to historical information, the statements set forth in this presentation include forward-looking statements including, without limitation, statements concerning the Company's expected future financial performance (including the Company's financial outlook for 2021) and expectations for profitability, revenue (including expectations for future milestones and royalty growth), operating income, cash flow, expenses and earnings-per-share and the Company's plans to continue its share repurchase program and to potentially expand its platform through acquisitions. Forward-looking statements regarding the Company's ENHANZE® drug delivery technology may include the possible activity, benefits and attributes of ENHANZE®, the possible method of action of ENHANZE®, its potential application to aid in the dispersion and absorption of other injected therapeutic drugs and facilitating more rapid delivery or larger volumes of injectable medications through subcutaneous delivery, and lowering the treatment burden for patients and health care system costs. Forward-looking statements regarding the Company's ENHANZE® business may include potential growth driven by our partners' development and commercialization efforts (including anticipated new clinical trial starts, number of products in development and ENHANZE® product approvals and launches), projections for future sales revenue of our collaborators' products, potential new ENHANZE® collaborations, collaborative targets and co-formulation intellectual property. These forward-looking statements are typically, but not always, identified through use of the words "believe," "enable," "may," "will," "could," "intends," "estimate," "anticipate," "plan," "predict," "probable," "potential," "possible," "should," "continue," and other words of similar meaning and involve risk and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Actual results could differ materially from the expectations contained in these forward-looking statements as a result of several factors, including unexpected levels of revenues (including royalty and milestone revenue received from our collaboration partners), expenditures and costs, unexpected delays in the execution of the Company's share repurchase program or planned platform expansion, unexpected results or delays in the growth of the Company's ENHANZE® business, obtaining new co-formulation intellectual property, or in the development, regulatory review or commercialization of ENHANZE® products, including any potential delays caused by the current COVID-19 global pandemic, regulatory approval requirements, unexpected adverse events or patient outcomes and competitive conditions. These and other factors that may result in differences are discussed in greater detail in the Company's most recently filed Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission.

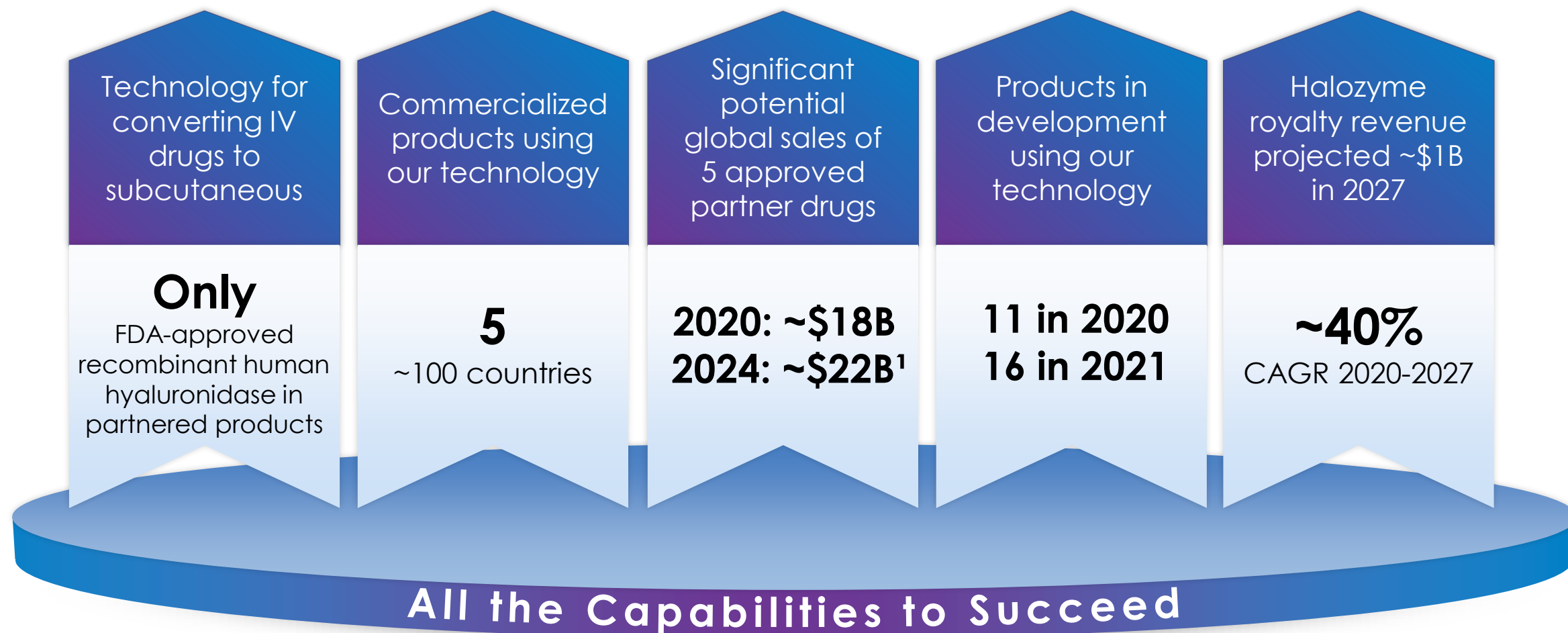
## Non-GAAP Financial Measures:

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), these materials contain certain non-GAAP financial measures. The Company reports non-GAAP net income and non-GAAP diluted earnings per share and expectations of those measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Reconciliations between GAAP and non-GAAP financial measures are included in these materials.

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Note: This presentation contains product names, trademarks and registered trademarks are property of their respective owners

# Momentum Building. Long Growth Runway.



THE HALOZYME STORY

# A Repositioned Company. Long Growth Runway.

**1**

**Uniquely positioned,  
momentum  
building**

**2**

**Scalable,  
low risk  
business model**

**3**

**Growing portfolio  
of marketed  
products**

**4**

**Expanding  
pipeline of future  
products**

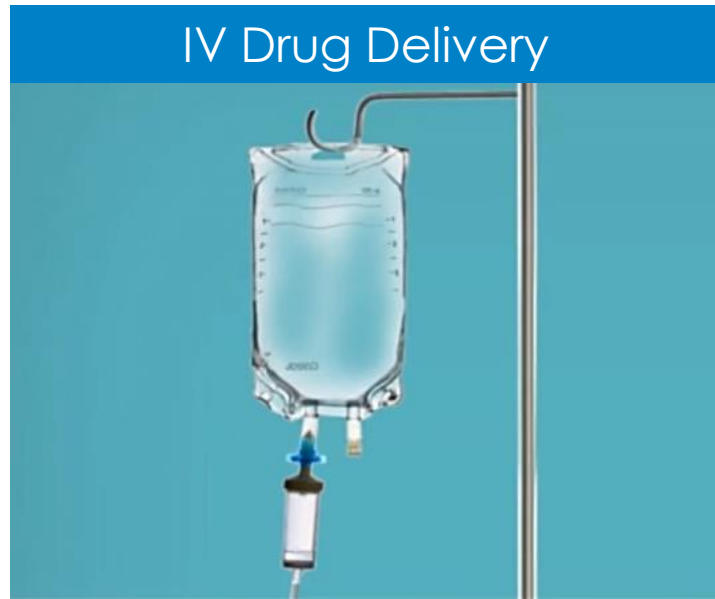
**5**

**Strong  
growth  
trajectory**





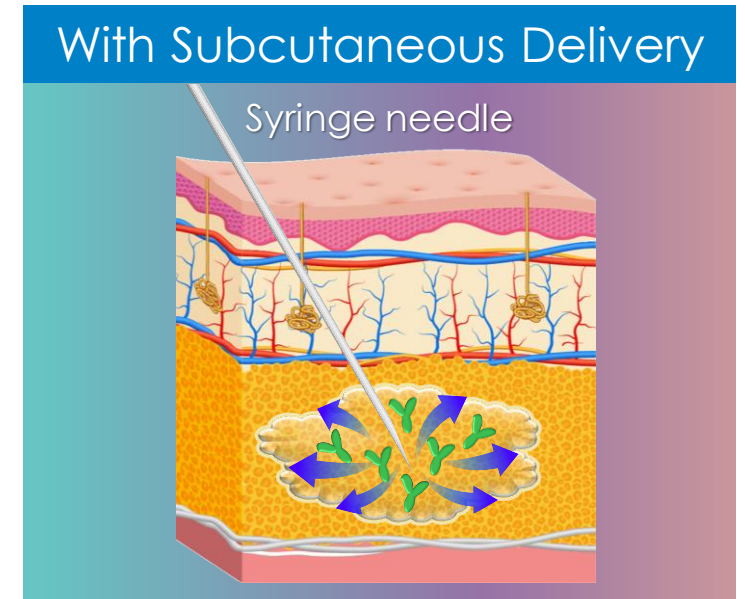
# Platform Technology Facilitating Subcutaneous Delivery of IV Delivered Drugs



Long process

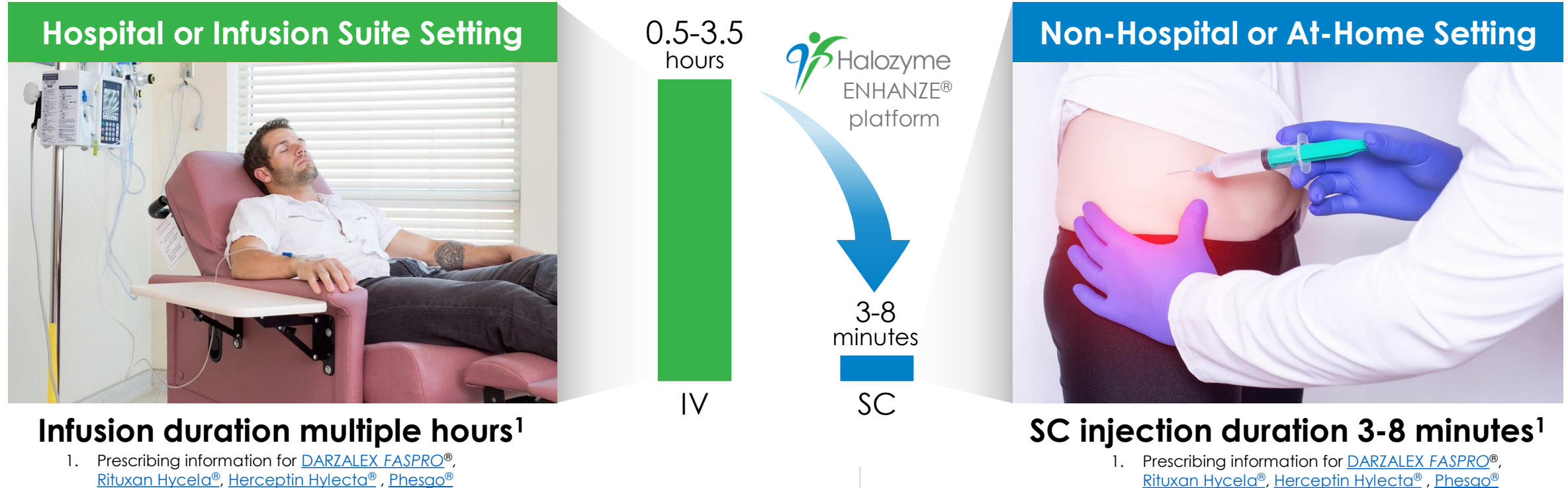


Uses proprietary Halozyme fully owned rHuPH20 enzyme



Temporarily degrades extracellular matrix enabling increased fluid flow and dispersion of drugs co-formulated with ENHANZE®

# Proven Enabling Platform for Facilitating Subcutaneous Delivery of IV Administered Drugs



- ↓ Burden on patient and caregivers
- ↓ Health care system resource utilization and cost<sup>2,3</sup>

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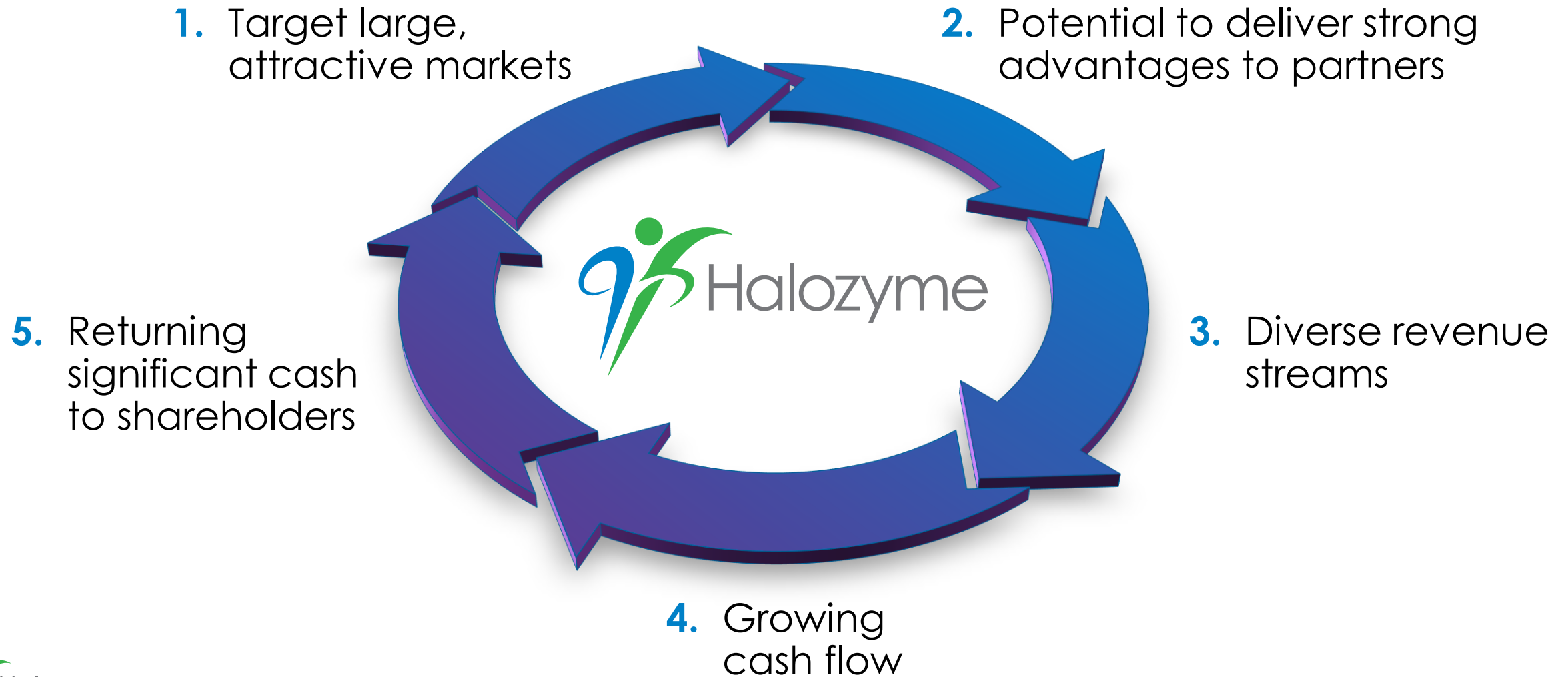
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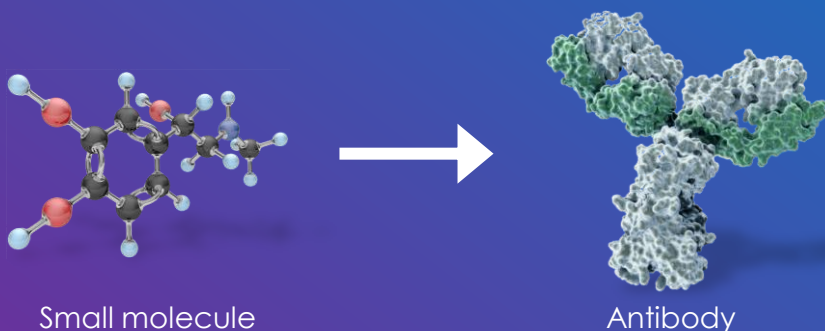
# Low Risk Business Model



# 1. Targeting Large Attractive Markets

## Market Trends Play to Our Strengths

- Pharma industry shift from oral small molecules to antibody-based approaches
  - ideal for ENHANZE® platform



## Large Potential Market

**79**

FDA approved products<sup>1</sup>

**>79**

monoclonal antibodies  
in late stage trials<sup>2</sup>

**~550**

monoclonal antibodies  
in early clinical trials<sup>2</sup>

# Building on a Strong Foundation: 11 Partnerships Focused On a Broad Range of Disease Areas

11 Partnerships/61 Targets		
Partner	Year	Total Targets
Roche	2006	12
Baxalta/Takeda	2007	1
Pfizer	2012	3
Janssen	2014	5
AbbVie	2015	9
Eli Lilly	2015	5
BMS	2017	11
Alexion	2017	4
argenx	2019	6
Horizon	2020	1
ViiV	2021	4

Therapeutic Areas
Oncology
Neurology
Autoimmune diseases
Rare diseases
Infectious diseases

Latest Collaboration

<ul style="list-style-type: none"> <li>• Deal signed June 2021</li> <li>• Majority-owned by GlaxoSmithKline</li> <li>• 4 targets with a goal of developing of "ultra-long-acting" medicines for HIV</li> <li>• Small and large molecule focused</li> </ul>

## 2. ENHANZE®: Potential to Deliver Strong Advantages to Partners

### Advantages



Reduced treatment burden and healthcare costs



Potential for competitive differentiation



Potential to combine two therapeutic antibodies in single injection



Facilitating higher injection volume, potential to extend dosing interval



Potential for new intellectual property for co-formulations



## 2. Case Study Demonstrates Success of ENHANZE® Platform in Daratumumab SC

### DARZALEX® (daratumumab) IV

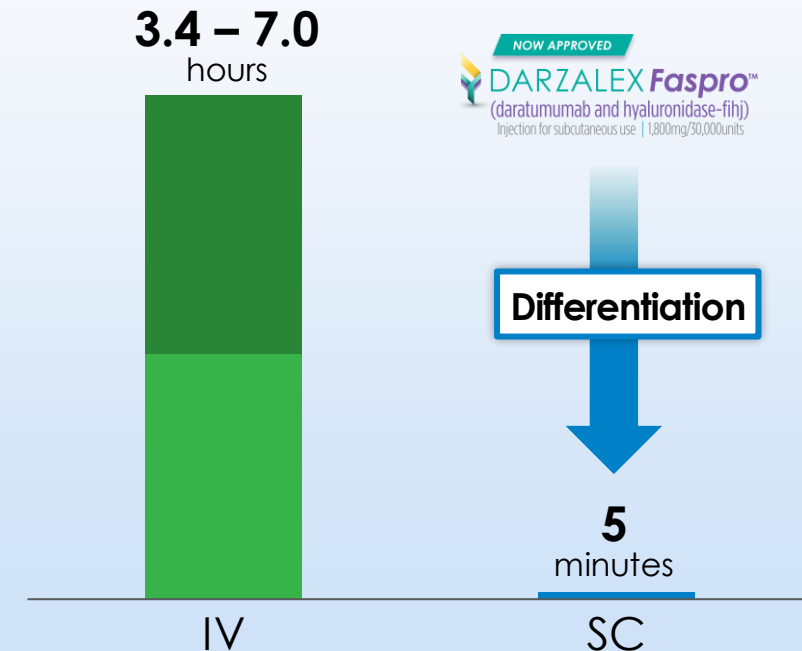
- Janssen: DARZALEX® for multiple myeloma
- Approved in US 2015, EU 2016
- Analyst consensus for worldwide DARZALEX® sales<sup>1</sup>:
  - ~\$5.4B in 2021<sup>(1)</sup>
  - ~\$8.5B in 2024<sup>(1)</sup>

Janssen  Oncology



### DARZALEX® Subcutaneous with ENHANZE®

- Shorter Time to Administer<sup>2</sup>

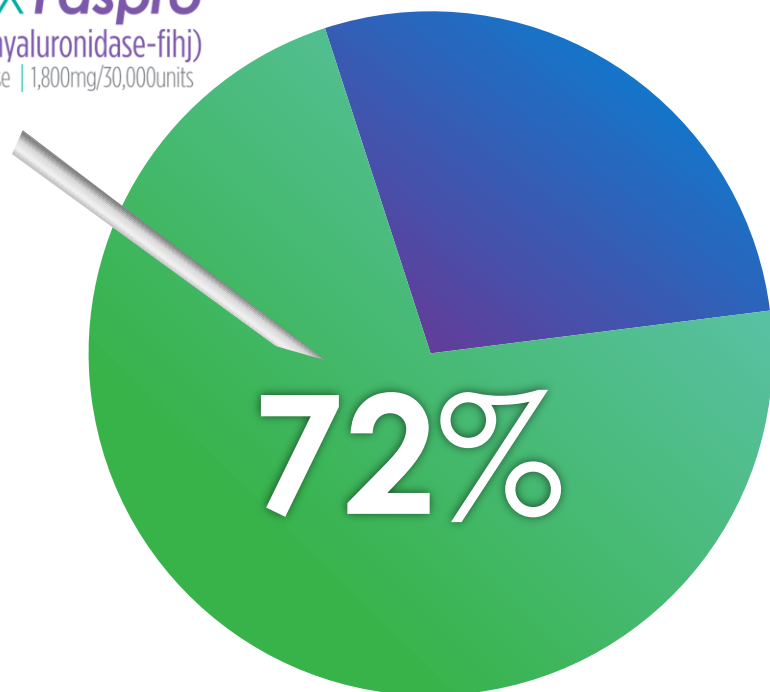


- Lower rate of infusion-related reactions<sup>2</sup>

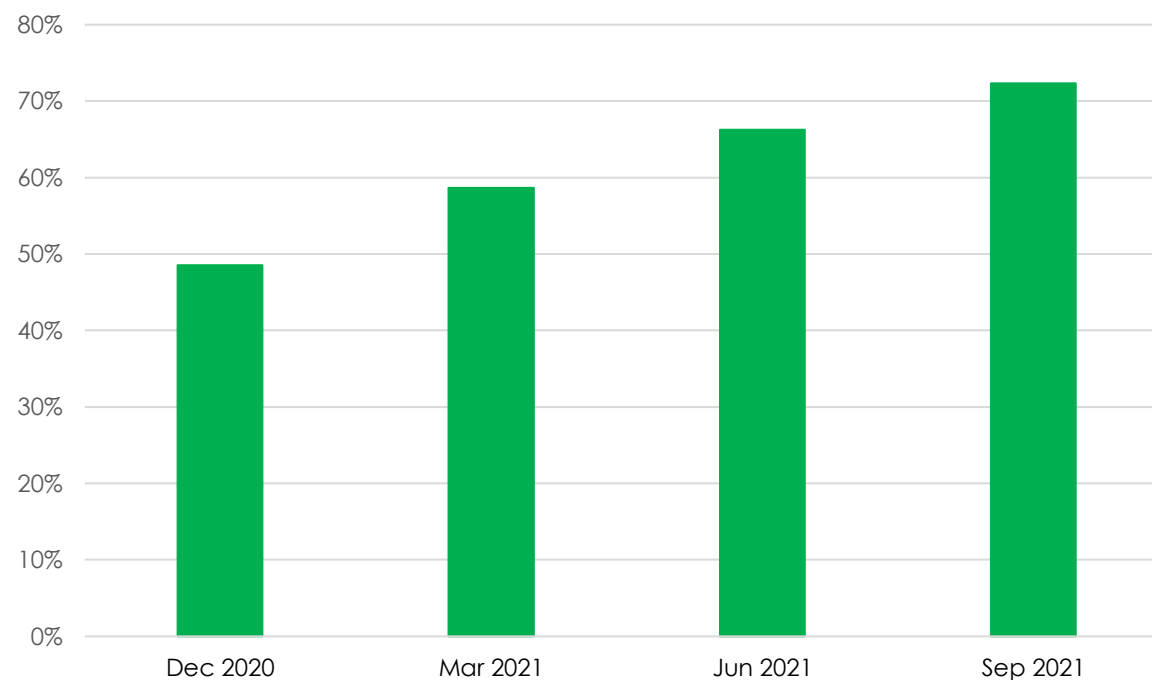
# Growth in DARZALEX Faspro® in the U.S.

Reported DARZALEX Faspro® Share of Total US DARZALEX® Sales (US) End September 2021<sup>1</sup>

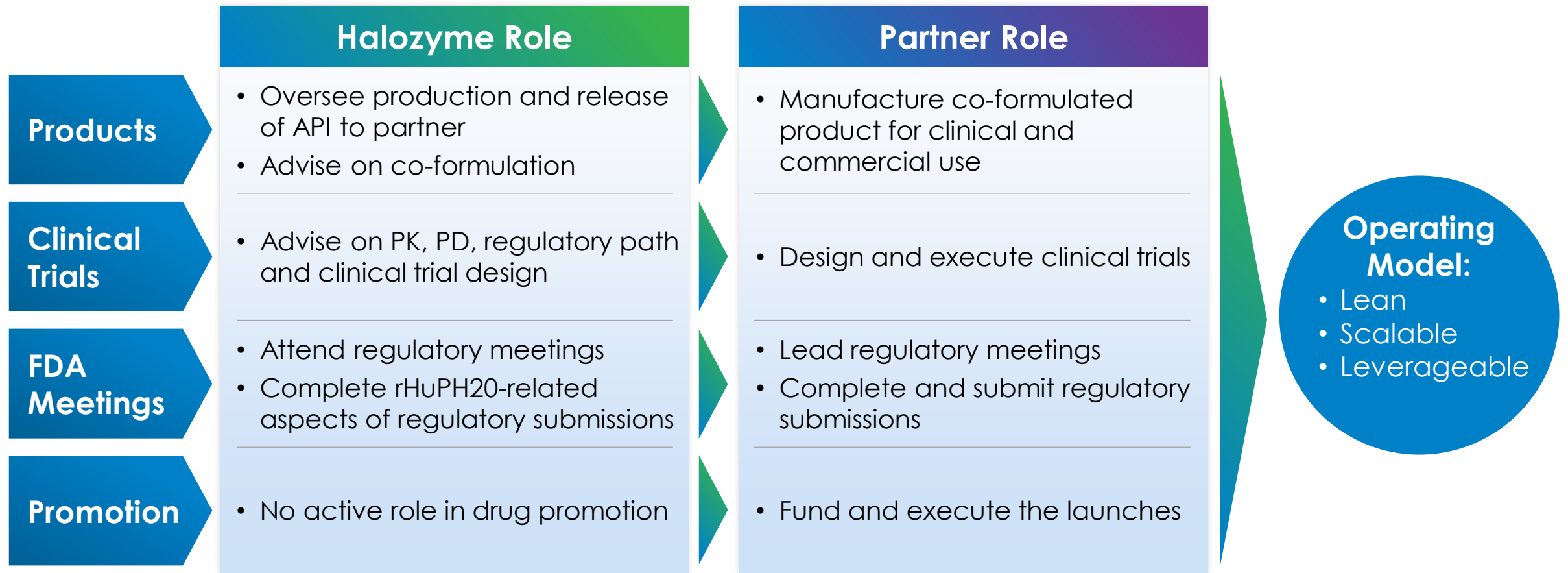
 **DARZALEX Faspro™**  
(daratumumab and hyaluronidase-fihj)  
Injection for subcutaneous use | 1,800mg/30,000units



Reported DARZALEX Faspro® Share of Total US DARZALEX® Sales (US) in Last Month of Trailing Four Quarters<sup>1</sup>



## 2. Role with Our ENHANZE® Partners Supports Our Lean, Scalable Model



### 3. Diverse Revenue Stream; New Launches to Drive Expanded Royalty Stream

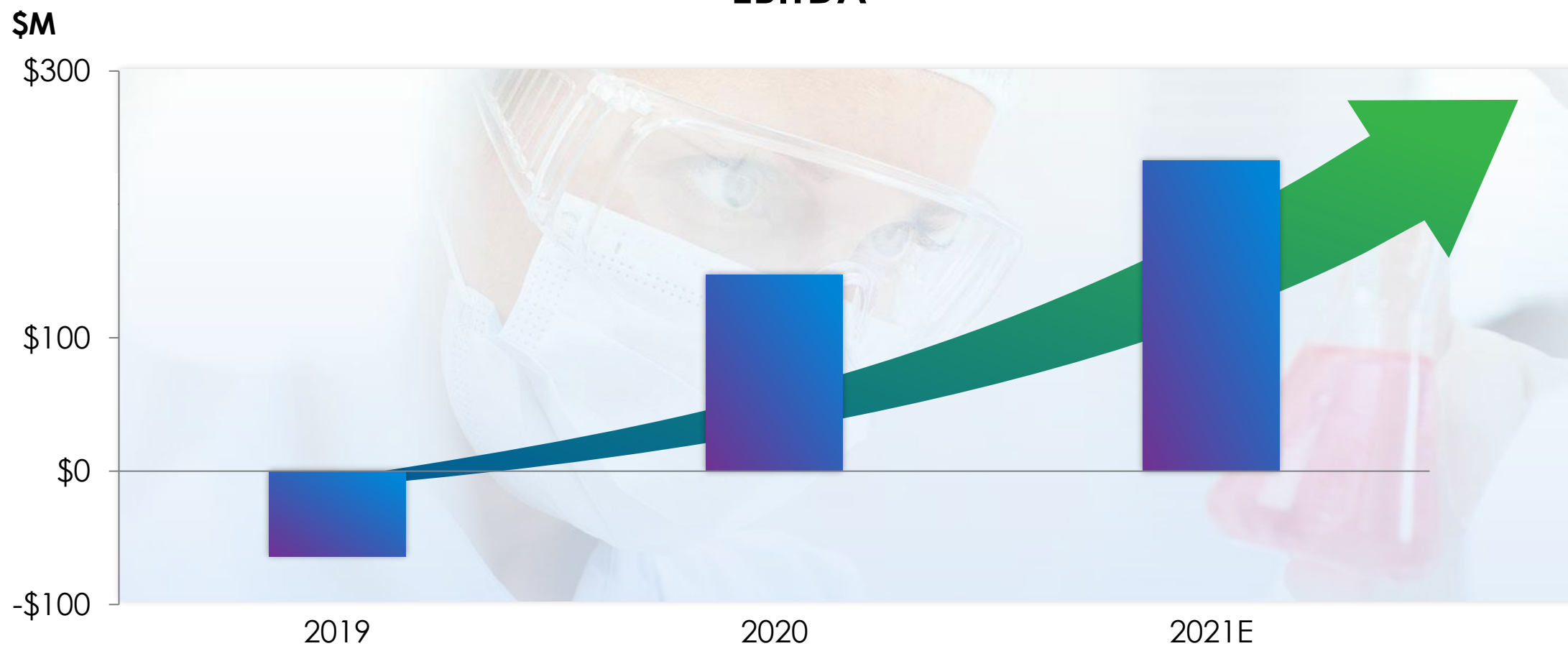
		Projected Percent of Total Revenues	
		2020	5 Years Out
<b>Milestones</b>  Typically ~\$160M per target	<ul style="list-style-type: none"> <li>Upfront: \$30-\$40M for 1-2 targets to access technology</li> </ul>		
	<ul style="list-style-type: none"> <li>Development: 40-60% as development progresses / first sale</li> <li>Commercial: 40-60% as sales targets met</li> </ul>	~45%	~30%
<b>Royalties</b>	<ul style="list-style-type: none"> <li>On average mid-single digit</li> </ul>	~35%	~60%
<b>Product Sales</b>	<ul style="list-style-type: none"> <li>API Cost Plus 20%</li> <li>Hylanex® (hyaluronidase human injection) Sales</li> </ul>	~20%	~10%





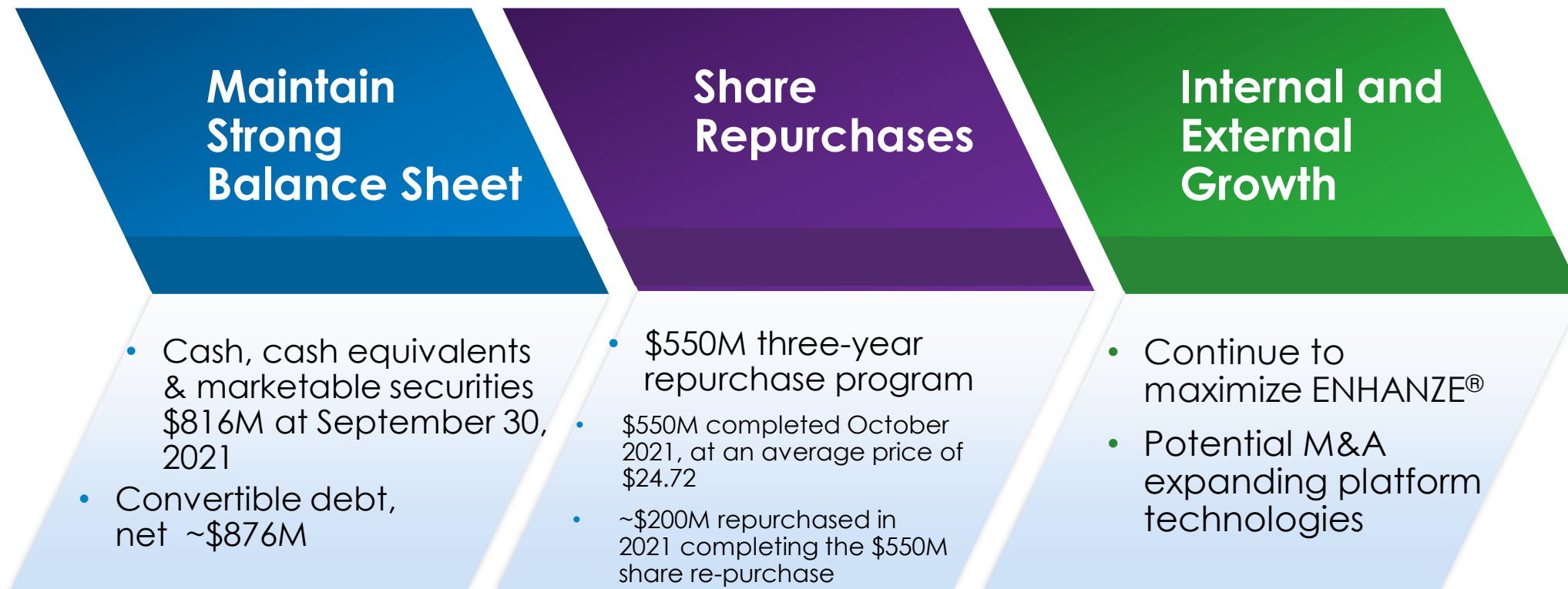
## 4. Growing Cash Flow

### EBITDA



# Continue to Return Significant Capital to Shareholders

## Capital Allocation Priorities



THE HALOZYME STORY

# A Repositioned Company. Long Growth Runway.

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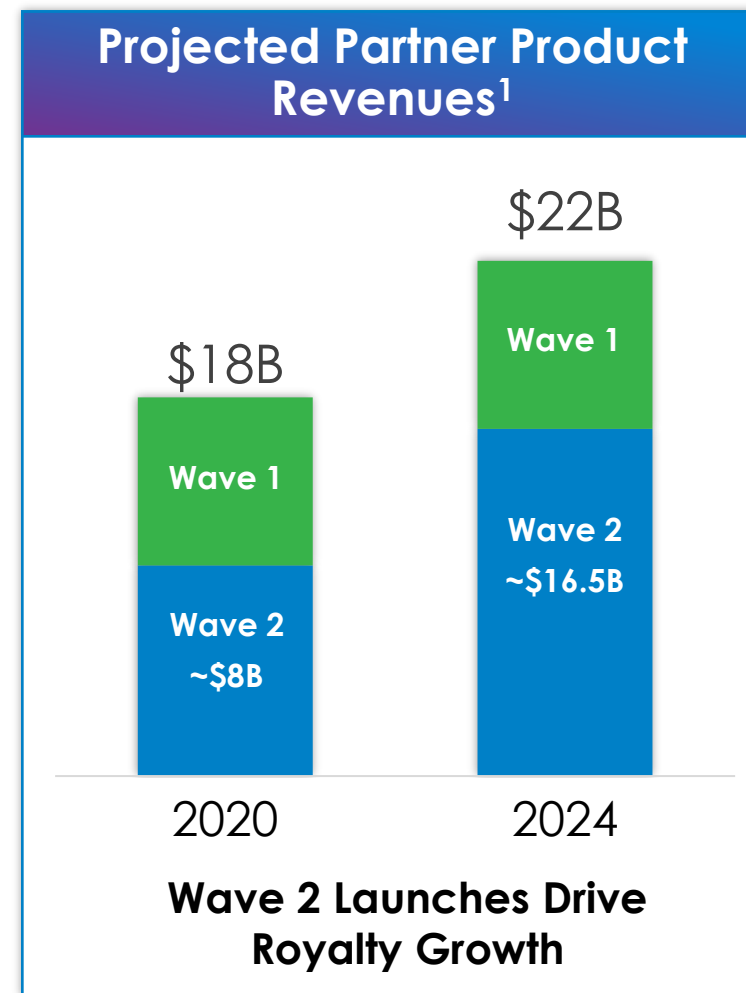
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**5**

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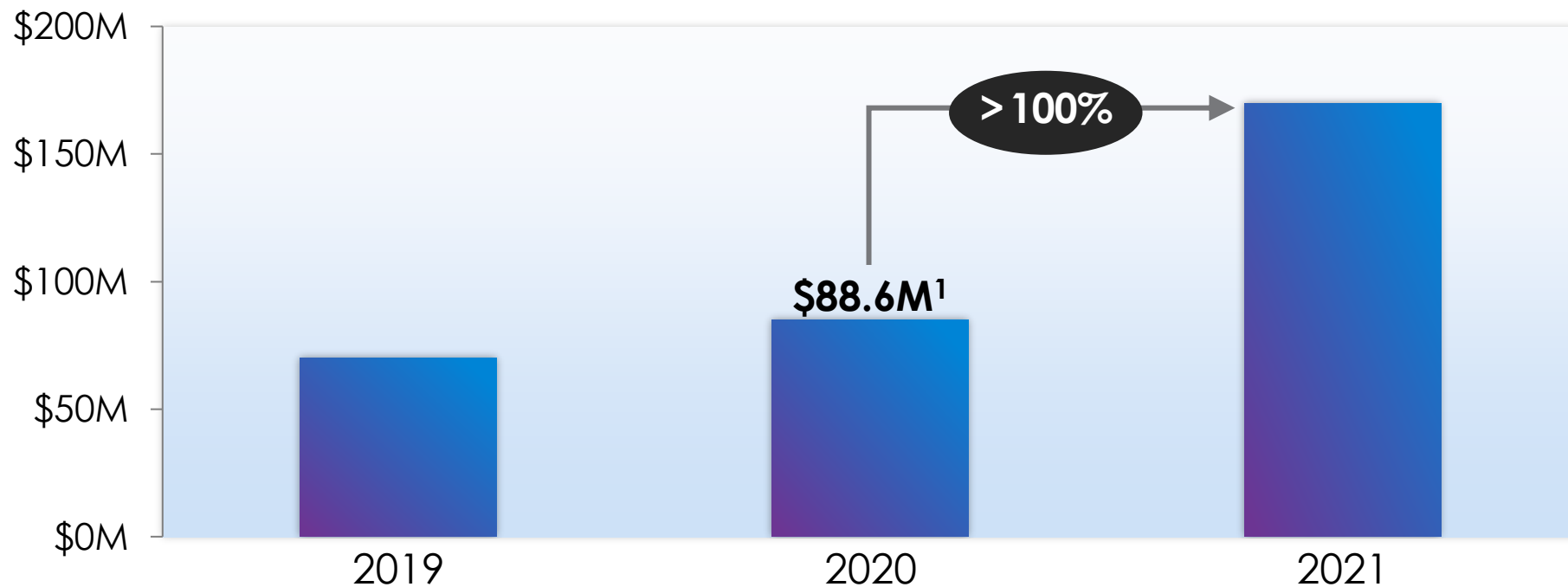
# Wave 1 and 2 Launches: Five Products Commercialized in Global Markets





# Significant Royalty Revenue Growth Projected in 2021

## Royalty Revenue



### Launches

- DARZALEX FASPRO® and SC
- Phesgo® U.S.
- Phesgo® EU

### Marketed products at year end

3

5

5

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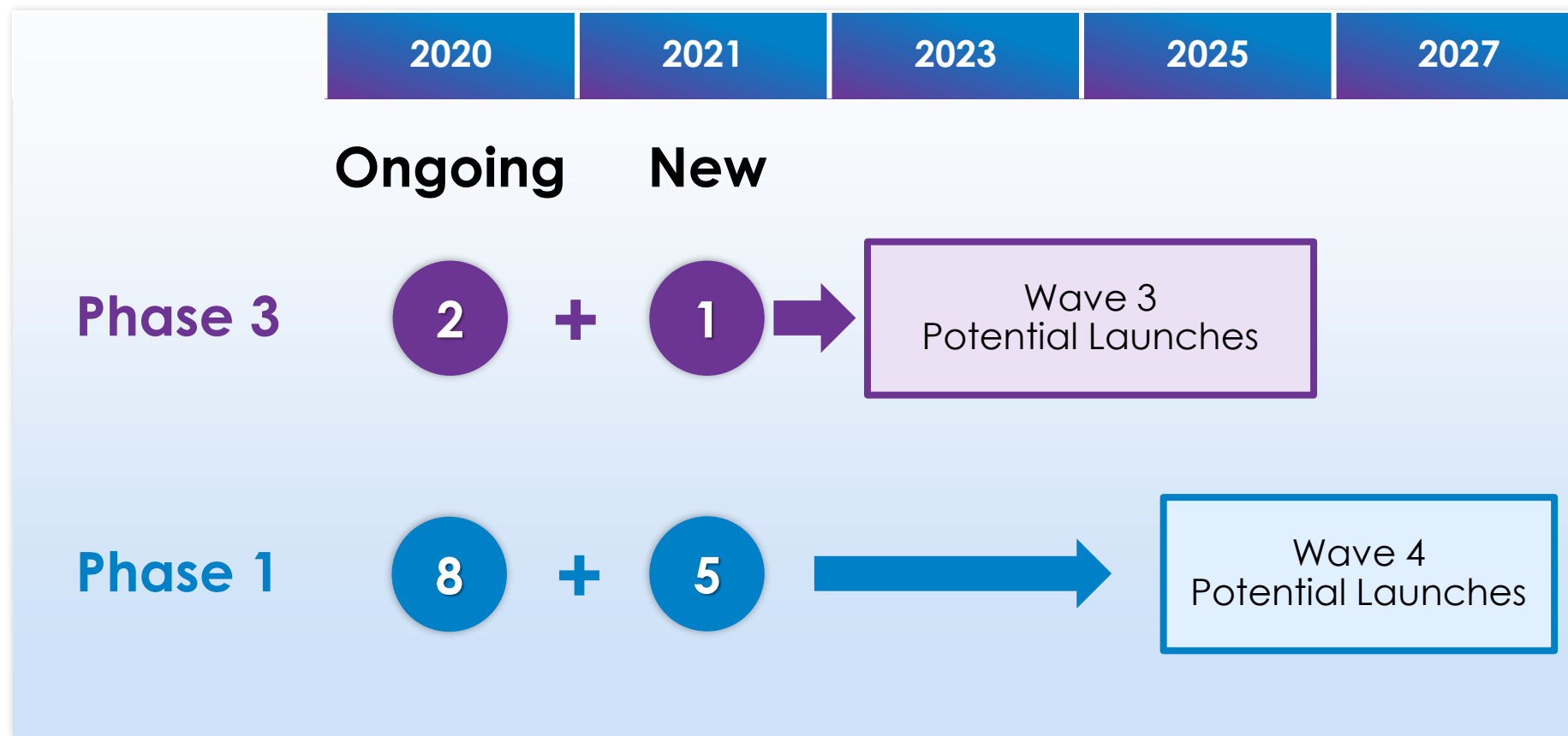
# Project 16 Products In Development by YE 2021

Current Program / Product	Indications	Phase 1 New Starts	Phase 1 Ongoing	Phase 2 Trial Starts	Phase 3 Trial Starts
<b>Teprotumumab-trbw (Horizon)</b>	Thyroid Eye Disease				
<b>N6LS bnAb (VRC)</b>	HIV (treatment)				
<b>ARGX-117 (argenx)</b>	Multifocal motor neuropathy				
<b>Anti-TIM3 (BMS)</b>	Solid tumors				
<b>Undisclosed (Janssen)</b>	Undisclosed				
<b>CAP256V2LS (CAPRISA)</b>	HIV (vaccine)				
<b>Anti-CD73 (BMS)</b>	Solid tumors				
<b>Nivolumab+Relatlimab (BMS)</b>	Solid tumors				
<b>Ocrelizumab (Roche)</b>	Multiple sclerosis				
<b>ALXN-1720 (Alexion)</b>	Undisclosed				
<b>Nivolumab (BMS)</b>	Solid tumors				
<b>Atezolizumab (Roche)</b>	NSCLC				
<b>Efgartigimod (argenx)</b>	CIDP				
<b>Efgartigimod (argenx)</b>	Immune thrombocytopenia				
<b>Efgartigimod (argenx)</b>	Pemphigus vulgaris				
<b>Efgartigimod (argenx)</b>	MG				

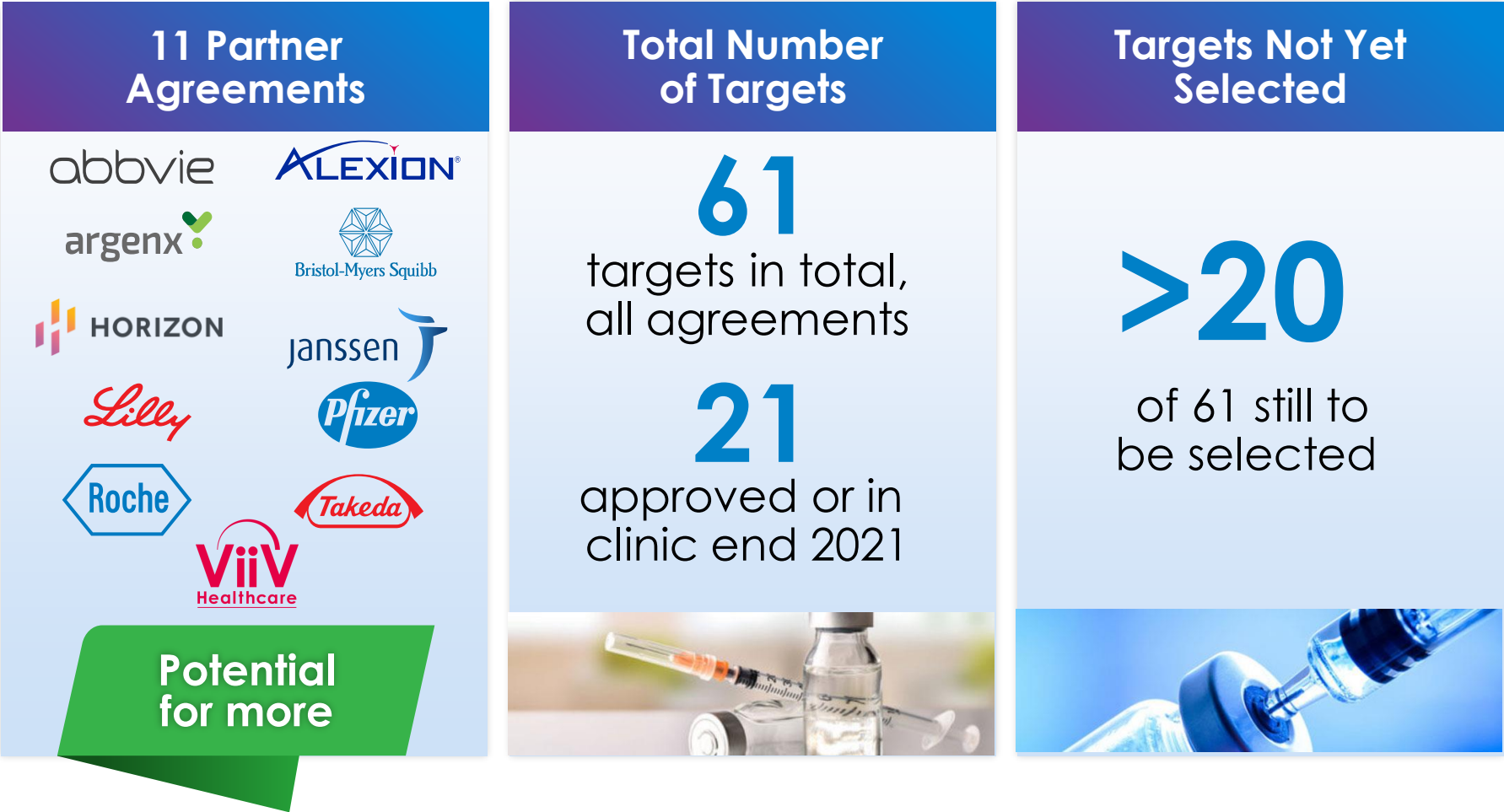
**Total of Five New Products Expected to Enter Clinic in 2021: 3 Phase1 Starts in Q4**

# Continued Pipeline Progress in 2021 and Beyond Drives Multiple Additional Potential Launches

## Number of Products in Development By Latest Stage



# Additional Growth Opportunity Potential From Signing New Partner Agreements and Current Partners Selecting New Targets



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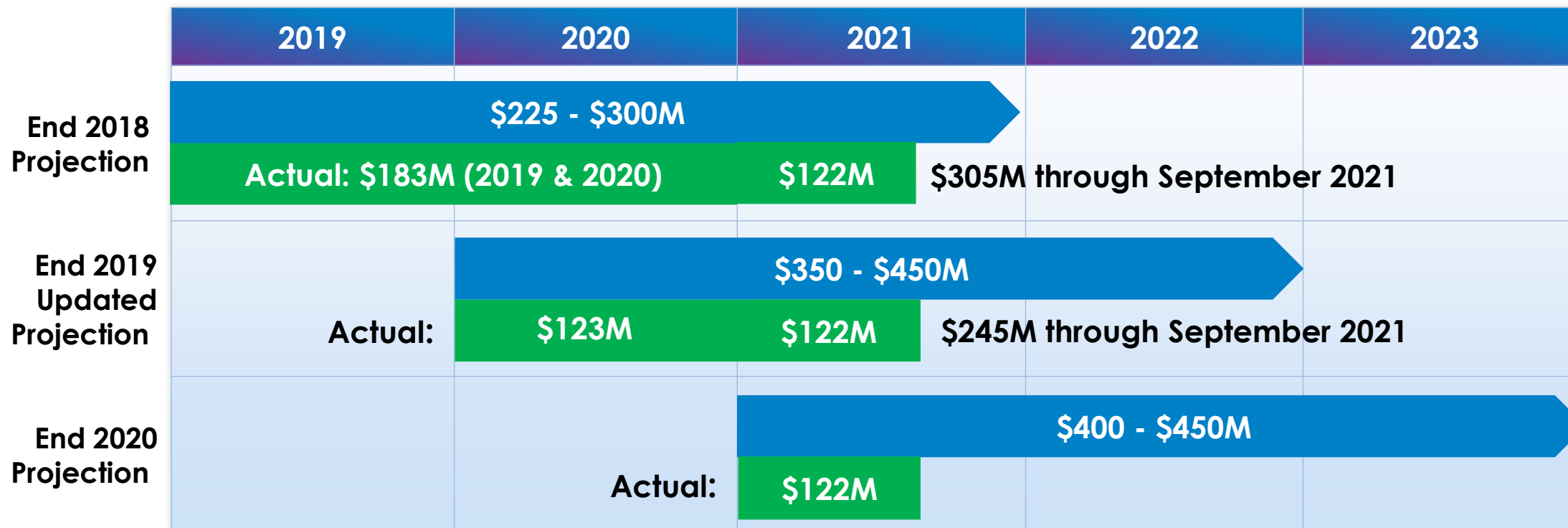
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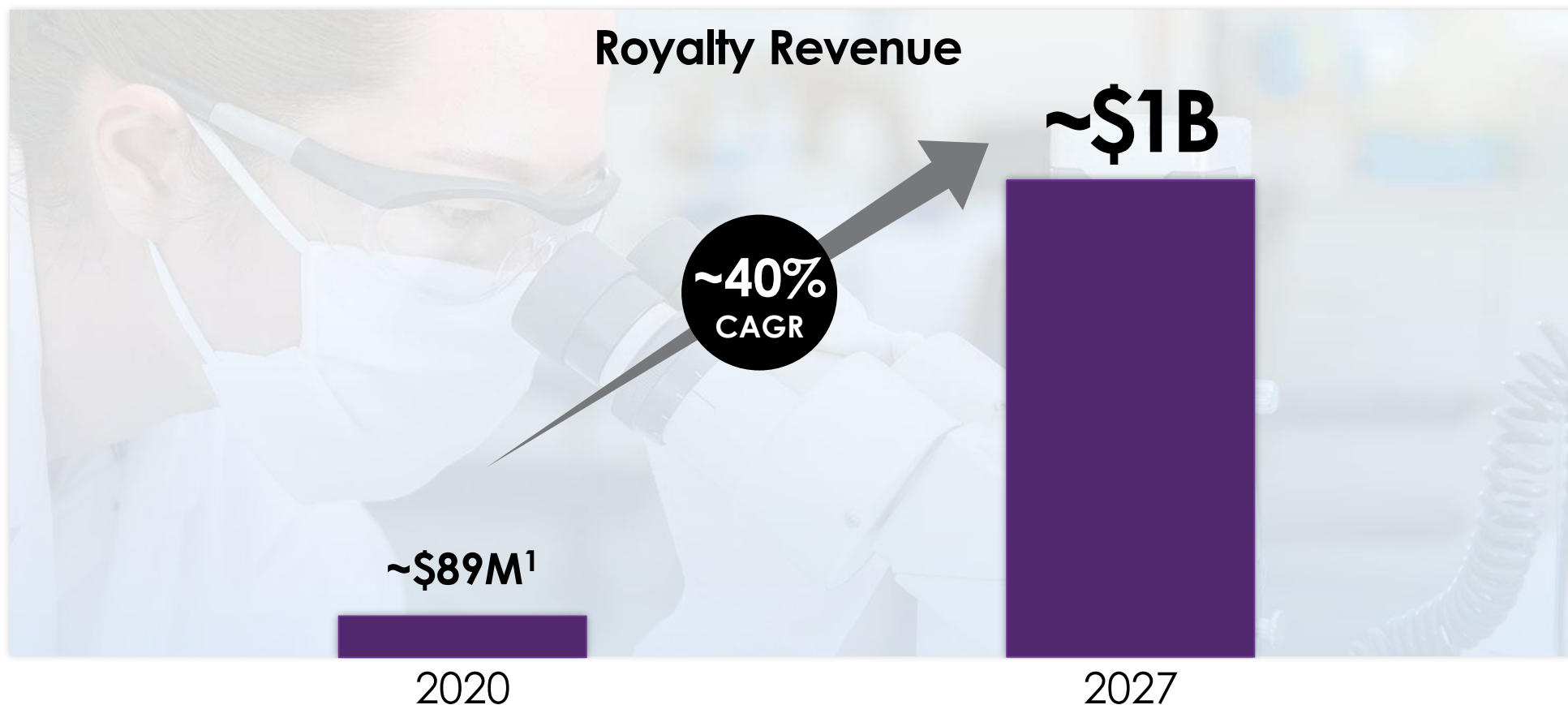
# Projected Milestones Drive Revenue and Free Cash Flow

## 3 Year Forward Milestone Revenue Projection



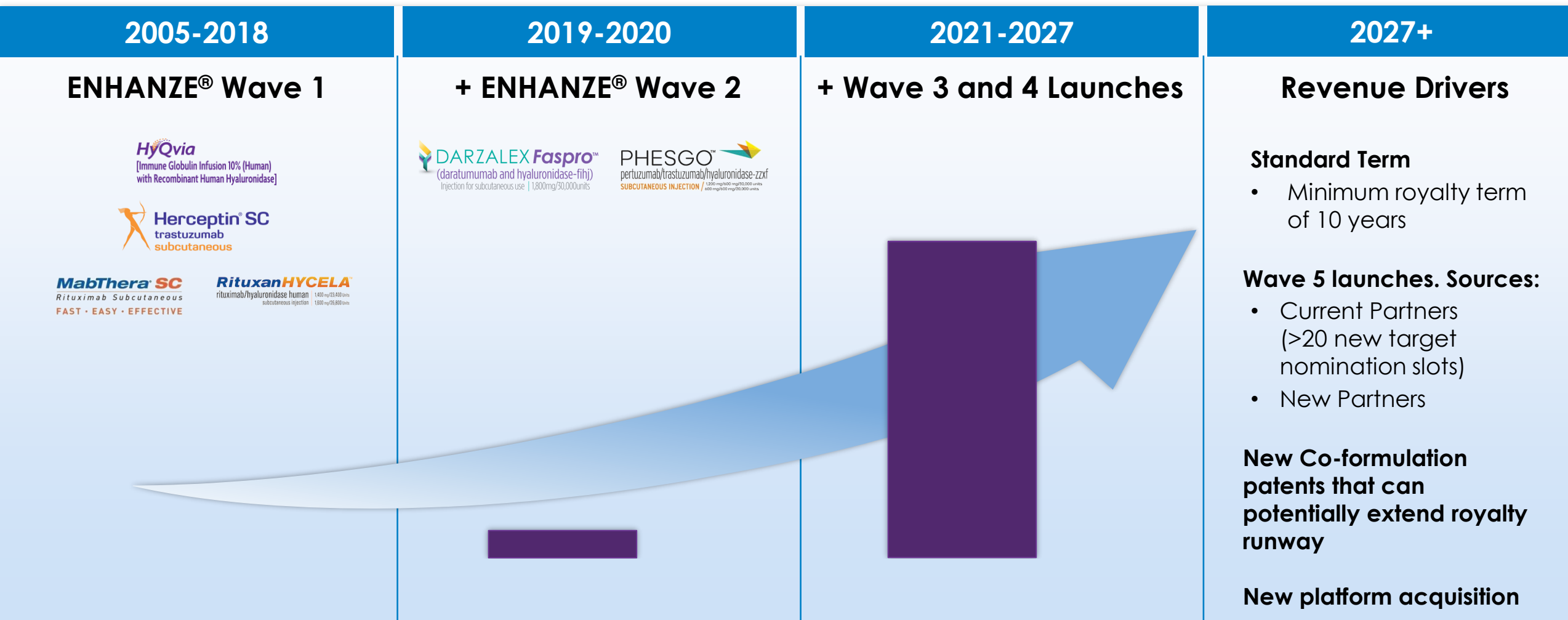
Includes development, commercial and new agreement upfront milestones  
Updated through end September 2021

# Projecting Potential for ~\$1B Royalty Revenue in 2027 Based on Product Launch Waves 1-4



Projection based on approved products and assumes global approval and launches for 16 additional products in multiple indications. Includes projections for subcutaneous versions of targets not currently approved or commercially available. Innovator revenues based on Bloomberg and EvaluatePharma analyst-based estimates, when available. Conversion rates based on Halozyme internal projections. Royalty revenue projection includes targets selected but not yet disclosed. Projected royalty revenue is not risk-adjusted.

# Multiple Revenue Growth Drivers Beyond 2027



# 2021 Annual Financial Guidance

	2021	Comment
<b>Net Revenue</b>	<b>\$430 - \$445M</b>	<ul style="list-style-type: none"> <li>- Updated guidance represents growth of 61%-66% over 2020</li> <li>- Revenues from royalties projected to more than double</li> <li>- Revenues from product sales projected to increase 79 – 88%</li> <li>- Revenues under collaborative agreements expected to exceed 2020</li> </ul>
<b>Operating Income</b>	<b>\$265 - \$280M</b>	<ul style="list-style-type: none"> <li>- Updated guidance represents growth of 84%-94% over 2020</li> <li>- Increase in COGS commensurate with increase in projected product sales</li> <li>- Implied operating income margin of more than 60%</li> </ul>
<b>GAAP Net Income</b>	<b>\$380 - \$395M</b>	<ul style="list-style-type: none"> <li>- Updated guidance reflects \$142M income tax benefit recorded in Q3.</li> </ul>
<b>Non-GAAP Net Income</b>	<b>\$285 - \$300M</b>	<ul style="list-style-type: none"> <li>- Updated guidance represents growth of 78%-87% over 2020</li> <li>- Excludes: one-time inducement expense related to convertible note, stock-based compensation, amortization of debt issuance/discount, income tax adjustments and related tax effects</li> </ul>
<b>GAAP Diluted EPS</b>	<b>\$2.60 - \$2.70</b>	<ul style="list-style-type: none"> <li>- Updated guidance reflects \$142M income tax benefit recorded in Q3.</li> </ul>
<b>Non-GAAP Diluted EPS</b>	<b>\$1.90 - \$2.00</b>	<ul style="list-style-type: none"> <li>- Updated guidance represents growth of 70%-79% over 2020</li> <li>- Excludes: one-time inducement expense related to convertible note, stock-based compensation, amortization of debt issuance/discount, income tax adjustments and related tax effects</li> </ul>

# Potential Value-Driving Events in 2021

- Continued product launch momentum:  
DARZALEX® SC: US and International  
Phesgo® US and EU Launch
- 3 New phase1 study starts resulting in 16 products in development
- Potential for new partners, new nominations/trial starts
- Potential for growth through M&A



# GAAP to Non-GAAP Reconciliation: Net Income and Diluted EPS 2021 Guidance

**\$ U.S. in Millions, except EPS (unaudited)**

	2021	2020
<b>GAAP Net Income</b>	<b>\$ 380 - 395</b>	<b>\$ 129.1</b>
Adjustments:		
Inducement expense related to convertible note .....	21 - 21	—
Share-based compensation .....	21 - 21	17.2
Amortization of debt discount .....	4 - 4	14.1
Income tax benefit .....	(142) - (142)	—
<b>Non-GAAP Net Income</b>	<b>\$ 285 -300</b>	<b>\$ 160.4</b>
<b>GAAP Diluted EPS</b>	<b>\$ 2.60 - 2.70</b>	<b>\$ 0.91</b>
Adjustments:		
Inducement expense related to convertible note .....	0.14 - 0.14	—
Share-based compensation .....	0.14 - 0.15	0.12
Amortization of debt discount .....	0.02 - 0.02	0.10
Income tax benefit .....	(0.97) - (0.97)	
<b>Non-GAAP Diluted EPS</b>	<b>\$ 1.90 - 2.00</b>	<b>\$ 1.12</b>
<b>GAAP &amp; Non-GAAP Diluted Shares</b>	<b>147 - 148</b>	<b>141.5</b>