

Halozyme



Second Quarter 2021 Financial Results Presentation

August 9, 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, 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 and administration of larger volumes of injectable medications through subcutaneous delivery and potentially lowering the treatment burden for patients, including the potential extension of dosing intervals for people taking medicines for the treatment and prevention of HIV. 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 and ENHANZE® product launches), projections for future sales revenue of our collaborators' products, potential new ENHANZE® collaborations and collaborative targets and potential approvals of new ENHANZE® products. 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, 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.

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

ViiV Healthcare - Deal Highlights

- 11th ENHANZE® collaboration and license agreement
- 4 targets with a goal of developing of "ultra-long-acting" medicines for HIV
- $40 million upfront payment with up to $175 million per target in development and commercial milestones
- Potential for mid-single digit royalties on future net sales of products utilizing ENHANZE®
- Demonstrates flexibility of ENHANZE® platform to deliver potential benefits for small molecule drugs in addition to large molecules

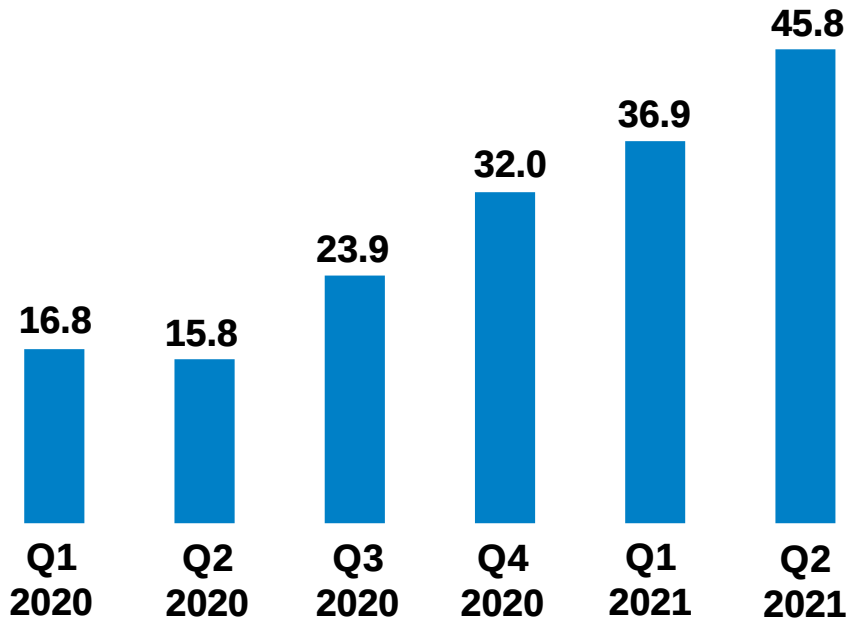


Halozyme

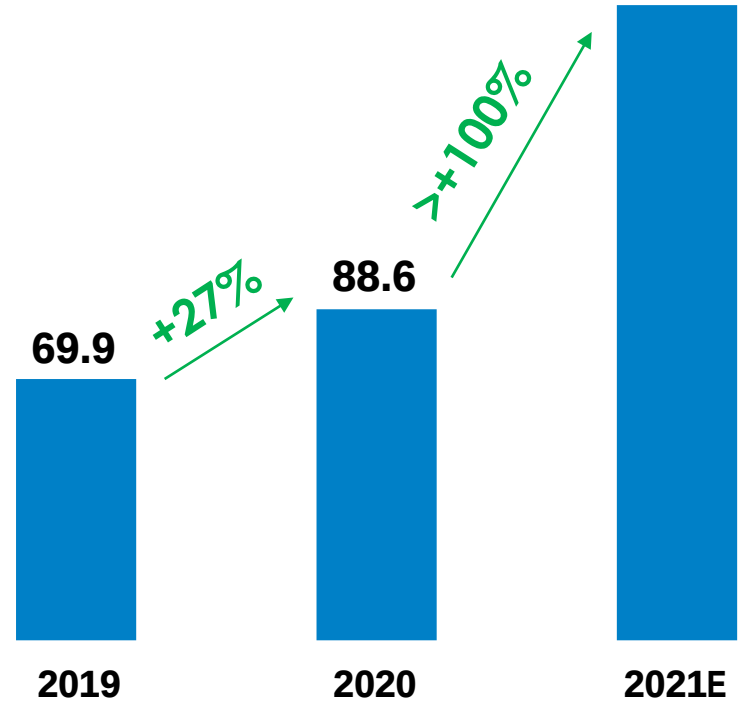
Continued Strong Royalty Growth Primarily Driven by DARZALEX® (daratumumab) SC Launch

Quarterly Royalty Revenue ($M)

189% year-over-year growth and 24% sequential growth in Q2 2021 driven by DARZALEX® SC utilizing ENHANZE®



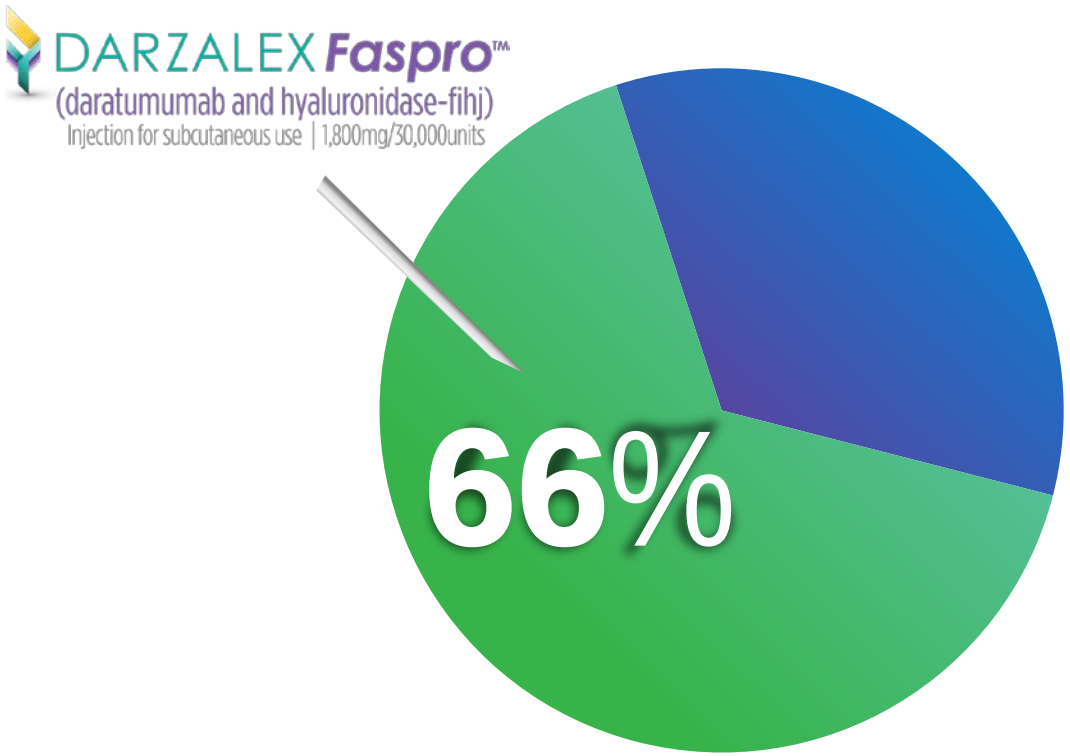
Annual Royalty Revenue ($M)



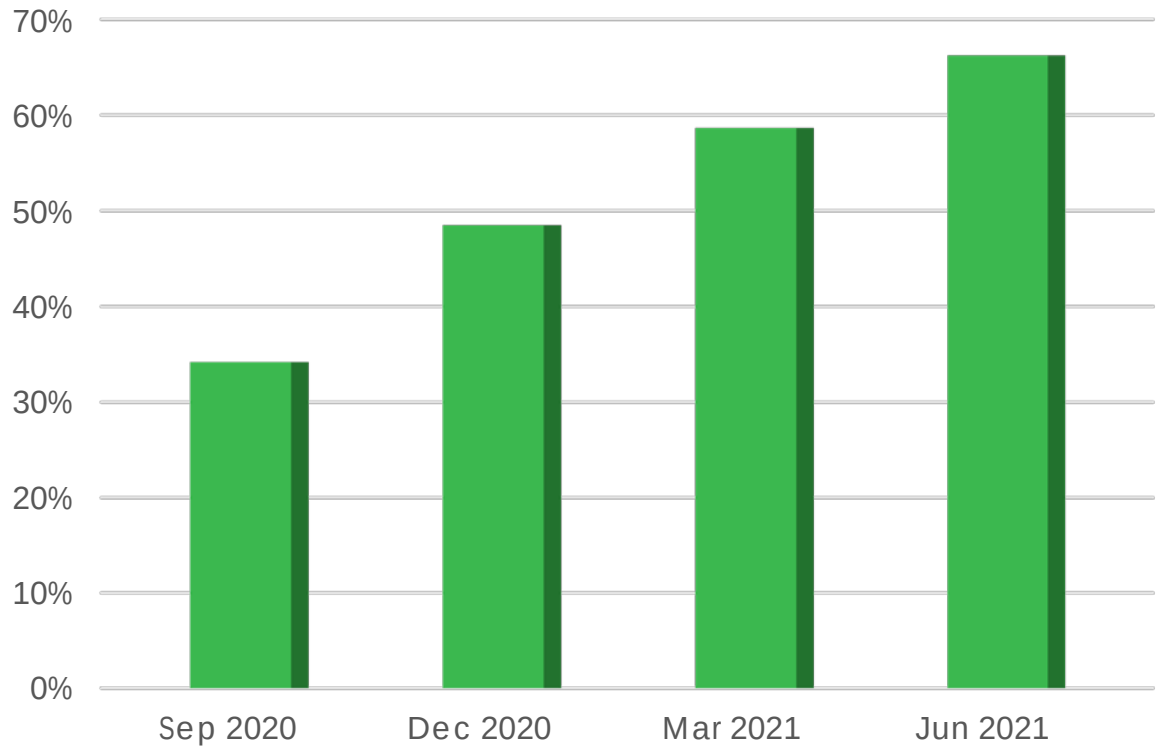
Halozyme

Growth in DARZALEX FASPRO® in the U.S.

Reported DARZALEX Faspro® Share of Total US DARZALEX® Sales (US) End June 2021[1]



Reported DARZALEX Faspro® Share of Total US DARZALEX® Sales (US) in Last Month of Trailing Four Quarters[1]



Halozyme

1. Source: Symphony Health (subscription data presented with permission)

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



Halozyme

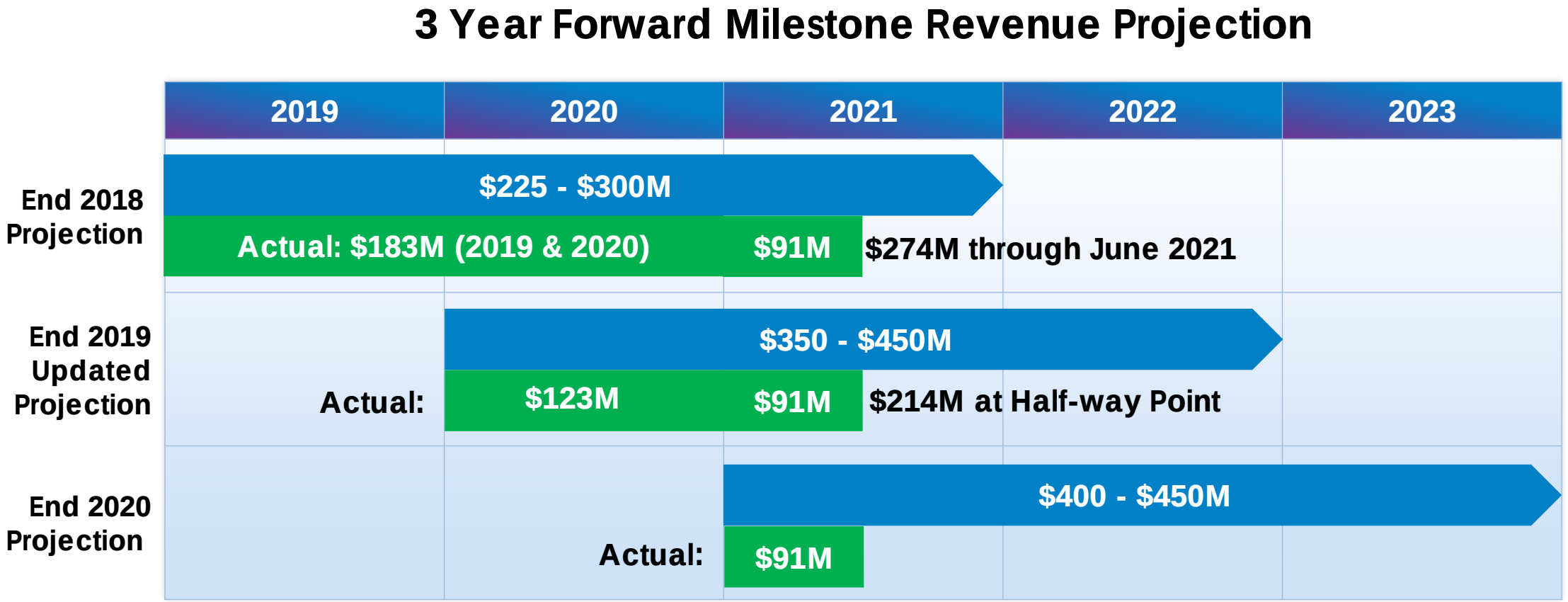
Project 16 Products In Development by YE 2021

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

Total of Five New Products Expected to Enter Clinic in 2021

Halozyme

Projected Milestones Drive Revenue and Free Cash Flow



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

Halozyme

Second Quarter 2021 Revenue Highlights[1]

$ U.S. in Millions (unaudited)

	Q2 2021	Q2 2020	% Change
Total Revenue	$136.5	$55.2	147%
Royalty Revenue	$45.8	$15.8	189%
Product Sales (incl. bulk rHuPH20 and ENHANZE® Drug Product Sales, and Hylenex® (Hyaluronidase Human Injection))	$30.4	$6.3	379%
Collaboration Revenue	$60.3	$33.0	83%

1) Dollar amounts and percentages, as presented, are rounded. Consequently totals may not add up.

Halozyme

Second Quarter 2021 Financial Highlights[1]

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

	Q2 2021	Q2 2020	% Change
Total Revenue	$136.5	$55.2	147%
Total Operating Expense	$43.4	$25.7	69%
Cost of Product Sales	$23.0	$5.7	302%
R&D Expense	$8.1	$9.0	(10%)
SG&A Expense	$12.3	$11.0	12%
Operating Income	$93.0	$29.6	215%
Net Income	$91.5	$25.8	254%
GAAP Diluted Earnings per Share	$0.62	$0.19	226%
Non-GAAP Diluted Earnings per share	$0.66	$0.24	175%

[1] Dollar amounts and percentages, as presented, are rounded. Consequently totals may not add up.

2021 Annual Financial Guidance

	Prior	New	Comment
Net Revenue	**$375 - $395M**	**$425 - $445M**	- Updated guidance represents growth of 59%-66% over 2020 - Revenues from royalties projected to more than double - Revenues from product sales projected to increase 70 – 80% - Revenues under collaborative agreements expected to exceed 2020
Operating Income	**$215 - $235M**	**$260 - $280M**	- Updated guidance represents growth of 80%-94% over 2020 - Increase in COGS commensurate with increase in projected product sales - Expect operating expense excluding COGS ~ $83M - Implied operating income margin of more than 60%
GAAP Net Income	**$190 - $210M**	**$235 - $255M**	- Updated guidance represents growth of 82%-98% over 2020
Non-GAAP Net Income	**$235 - $255M**	**$280 - $300M**	- Updated guidance represents growth of 75%-87% over 2020 - Excludes: one-time inducement expense related to convertible note, stock-based compensation, amortization of debt issuance/discount and related tax effects
GAAP Diluted EPS	**$1.25 - $1.40**	**$1.55 - $1.70**	- Updated guidance represents growth of 70%-86% over 2020
Non-GAAP Diluted EPS	**$1.55 - $1.70**	**$1.85 - $2.00**	- Updated guidance represents growth of 65%-78% over 2020 - Excludes: one-time inducement expense related to convertible note, stock-based compensation, amortization of debt issuance/discount and related tax effects

Halozyme

Continue to Return Significant Capital to Shareholders

Capital Allocation Priorities

1 Maintain Strong Balance Sheet

- Cash, cash equivalents & marketable securities $755M at June 30, 2021
- Convertible debt, net ~$875M

2 Share Repurchases

- $550M repurchase program 2019-2022
  - $475M completed to date at an average price of $23.27
  - ~$49M repurchased in Q2 completing share re-purchase target for 2021

3 Internal and External Growth

- Continue to maximize ENHANZE®
- Potential M&A expanding platform technologies

Halozyme

Potential Value-Driving Events in 2021

- Continued product launch momentum (Wave 2):
  - DARZALEX® SC: US and International
  - Phesgo® US and EU Launch
- 3 products in Phase 3 in 6 Indications: Potential Wave 3 launches
- 5 NEW phase 1 starts resulting in 13 ongoing Phase 1: Potential Wave 4 launches
- New partners, new nominations/trial starts: Potential Wave 5 launches
- Ongoing commitment to capital return and potential growth through M&A



Halozyme





Q2 2021 Financial Results Appendix

GAAP to Non-GAAP Reconciliation: Net Income and Diluted EPS

$ U.S. in thousands, except per share amounts (unaudited)[1]

	Three Months Ended June 30,	
	2021	2020
GAAP Net Income	**$ 91,458**	**$ 25,817**
Adjustments:		
Share-based compensation	5,372	4,257
Amortization of debt discount	965	3,510
Income tax effect of above adjustments [2]	(4)	(17)
Non-GAAP Net Income	**$ 97,791**	**$ 33,567**
GAAP Diluted EPS	**$ 0.62**	**$ 0.19**
Adjustments:		
Share-based compensation	0.04	0.03
Amortization of debt discount	0.01	0.03
Non-GAAP Diluted EPS	**$ 0.66**	**$ 0.24**
GAAP & Non-GAAP Diluted Shares	**147,624**	**138,084**

[1] Dollar amounts and percentages, as presented, are rounded. Consequently totals may not add up.

[2] Estimated income tax effect of the Non-GAAP reconciling items are calculated using applicable statutory tax rates, taking into consideration of any valuation allowance.

Halozyme

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

$ U.S. in Millions, except EPS (unaudited)[1]

	2021	2020
GAAP Net Income	**$ 235 - 255**	**$ 129.1**
Adjustments:		
Inducement expense related to convertible note	21 - 21	—
Share-based compensation	20 - 21	17.2
Amortization of debt discount	4 - 4	14.1
Non-GAAP Net Income	**$ 280 -300**	**$ 160.4**
GAAP Diluted EPS	**$ 1.55 - 1.70**	**$ 0.91**
Adjustments:		
Inducement expense related to convertible note	0.14 - 0.14	—
Share-based compensation	0.14 - 0.14	0.12
Amortization of debt discount	0.02 - 0.02	0.10
Non-GAAP Diluted EPS	**$ 1.85 - 2.00**	**$ 1.12**
GAAP & Non-GAAP Diluted Shares	**148 - 149**	**141.5**

[1] Dollar amounts and percentages, as presented, are rounded. Consequently totals may not add up.