

Halozyme



Fourth Quarter and Full Year 2021 Financial Results Presentation

February 22, 2022

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 2022) and expectations for profitability, revenue (including expectations for future milestones and royalties), operating income, and earnings-per-share, and the Company's plans to repurchase shares under its share repurchase program and to potentially expand the Company's platform through acquisitions. Forward-looking statements regarding the Company's ENHANZE® drug delivery technology may include the possible benefits and attributes of ENHANZE® including 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. 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 approvals and launches), projections for future sales revenue of our collaborators' products, potential new ENHANZE® collaborations, collaborative targets and indications for ENHANZE® products, co-formulation intellectual property and the Company's plans to develop new formulations of its API for longer intellectual property protection. 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 (including as a result of unexpected conversion rates), obtaining new co-formulation intellectual property, or in the development, regulatory review or commercialization of new formulations of the Company's API or its partners' 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 filed with the Securities and Exchange Commission.

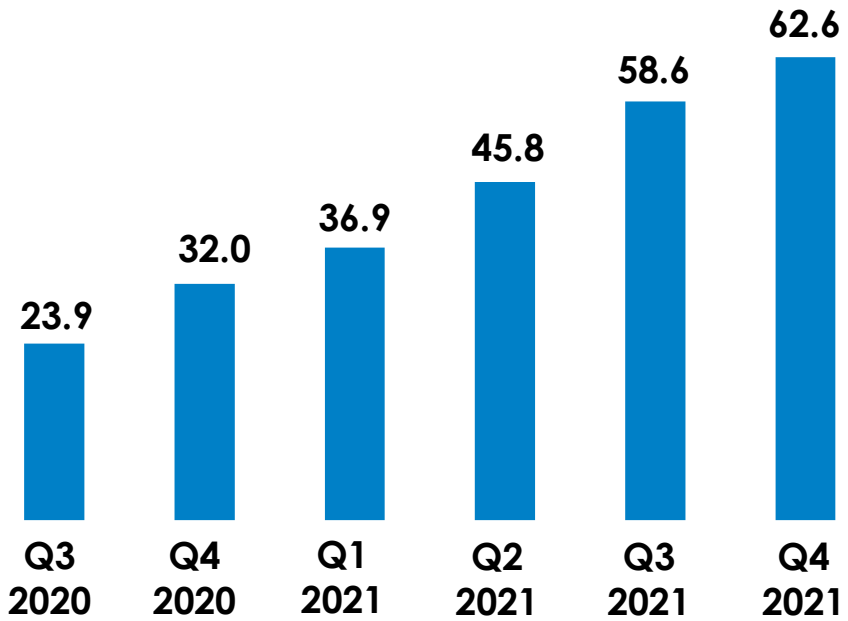
Non-GAAP Financial Measures:
In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), these materials contain certain non-GAAP financial measures. The Company reports non-GAAP net income and non-GAAP diluted earnings per share and 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

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

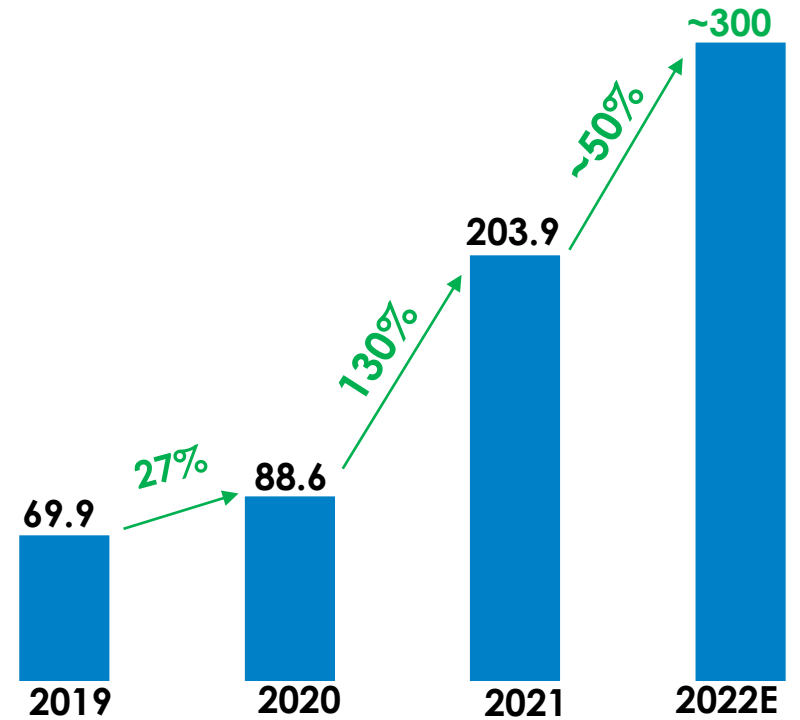
Quarterly Royalty Revenue ($M)

96% year-over-year growth and 7% sequential growth in Q4 2021



Annual Royalty Revenue ($M)

130% year-over-year growth in FY 2021



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

Wave 1

HyQvia
[Immune Globulin Infusion 10% (Human) with Recombinant Human Hyaluronidase]

RituxanHYCELA
rituximab/hyaluronidase human
subcutaneous injection | 1,400 mg/23,400 Units | 1,600 mg/26,800 Units

/

MabThera SC
Rituximab Subcutaneous
FAST • EASY • EFFECTIVE

Herceptin HYLECTA™
trastuzumab and hyaluronidase-oysk
INJECTION FOR SUBCUTANEOUS USE | 600 mg/10,000 units

/

Herceptin® SC
trastuzumab
subcutaneous

Wave 2

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

/ DARZALEX® SC

PHESGO™
pertuzumab/trastuzumab/hyaluronidase-zzxf
SUBCUTANEOUS INJECTION / 1,200 mg/600 mg/30,000 units 600 mg/600 mg/20,000 units

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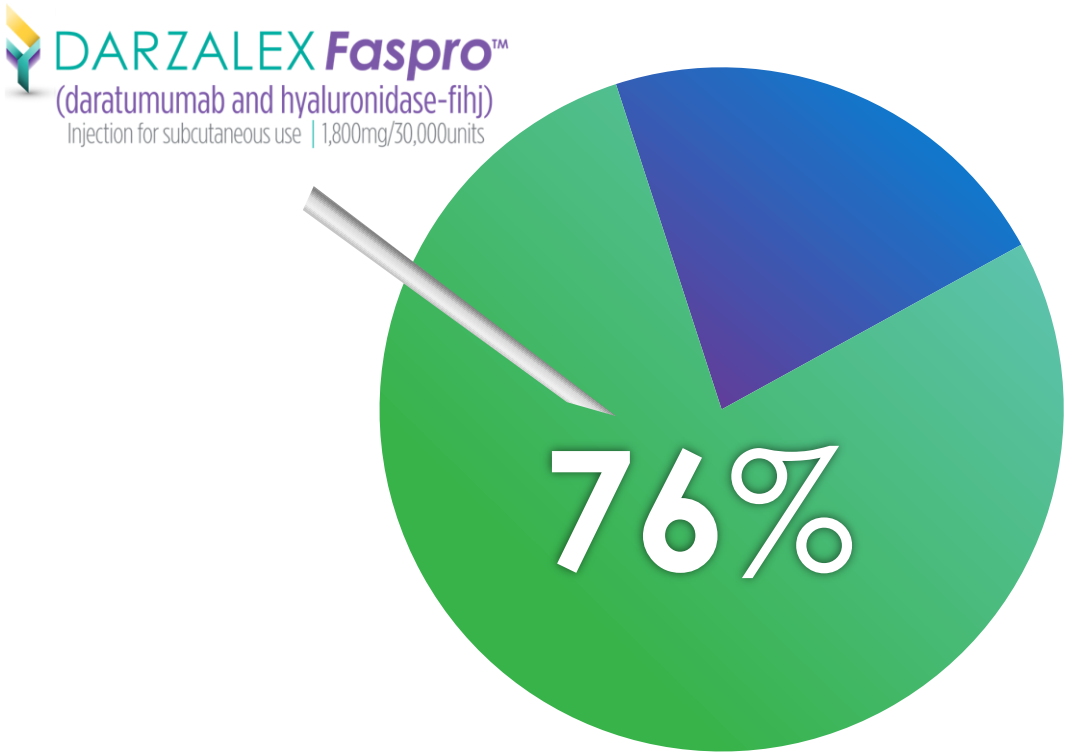
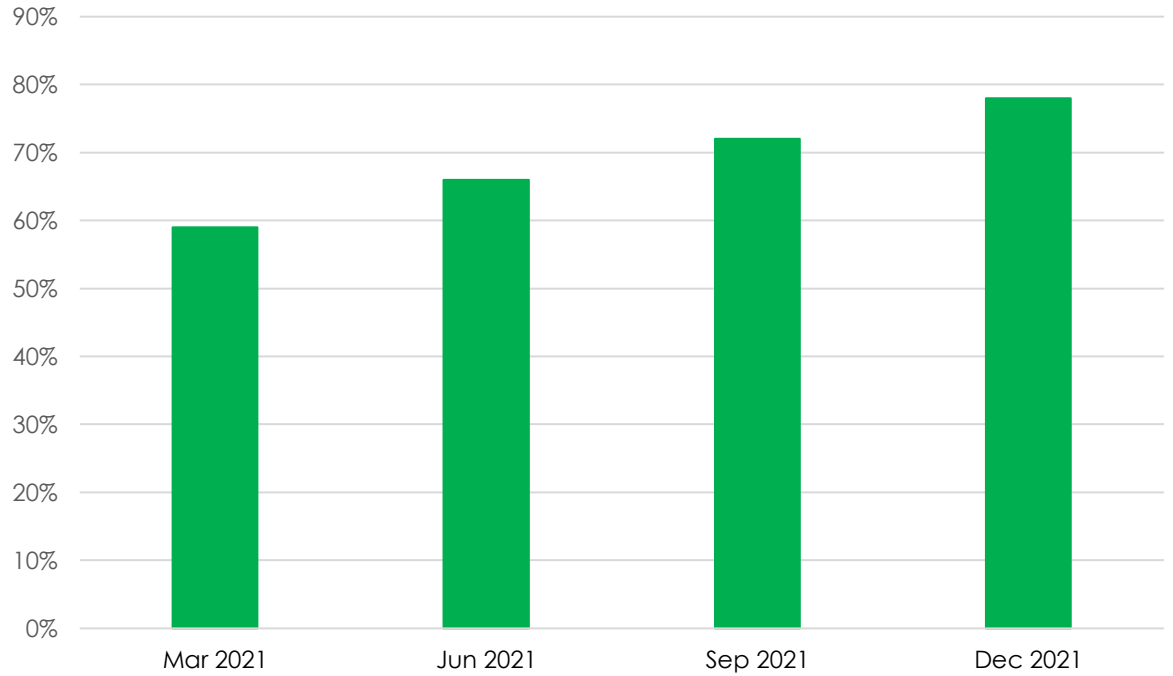
Growth in DARZALEX FASPRO® in the U.S.

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



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



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

15 Partner Products in Development as of February 2022

Current Program / Product	Indications	Phase 1 New Starts	Phase 1 Ongoing	Phase 2 Trial Starts	Phase 3 Trial Starts
ARGX-117 (argenx)	Multifocal motor neuropathy				
Nivolumab+Relatlimab (BMS)	Solid tumors				
Anti-TIM3 (BMS)	Solid tumors				
CAP256V2LS (CAPRISA)	HIV (vaccine)				
Teprotumumab-trbw (Horizon)	Thyroid Eye Disease				
Undisclosed (Janssen)	Undisclosed				
Rilpivirine (Janssen)	HIV		NEW		
Undisclosed (Roche)	Undisclosed		NEW		
TAK-881 (Takeda)	Undisclosed		NEW		
Cabotegravir (Viiv)	HIV		NEW		
N6LS bnAb (VRC)	HIV (treatment)				
Ocrelizumab (Roche)	Multiple sclerosis				★ PENDING P3 START
Nivolumab (BMS)	Solid tumors				
Atezolizumab (Roche)	NSCLC				
Efgartigimod (argenx)	CIDP				
Efgartigimod (argenx)	Immune thrombocytopenia				
Efgartigimod (argenx)	Pemphigus vulgaris				
Efgartigimod (argenx)	MG				

Expected in 2022: At Least 4 New Products to Enter Clinic and 5 New Phase 2/3 Starts

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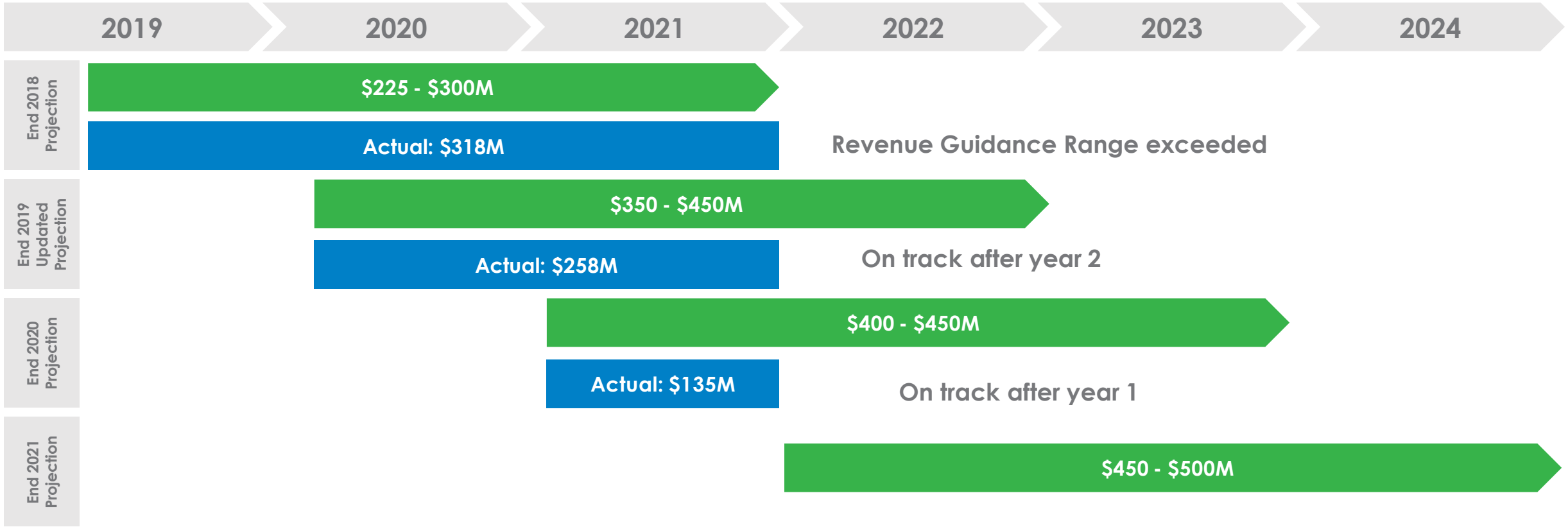
Pipeline and New Deal Progress Drives Significant Revenue

3 Year Forward Milestone Revenue Projection



Includes development, commercial and new agreement upfront milestones and other collaboration revenue. Updated through December 2021.

ENHANZE®

A Royalty Growth Story



2027 Projection based on approved products and assumes global approval and launches of 20 additional products in multiple indications. Includes projections for subcutaneous versions for targets not currently approved or commercially available. Assumes approved and under review co-formulation patents, Innovator revenues based on Bloomberg or Evaluate Ltd analyst-based estimates when available. Conversion rates based on Halozyme internal projections. Royalty revenue projections includes targets selected and not yet disclosed. Projected royalty revenue is not risk-adjusted.

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Fourth Quarter 2021 Financial Highlights[1]

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

	Q4 2021	Q4 2020	% Change
Royalties	$62.6	$32.0	96%
Product sales, net	$27.1	$32.5	(17)%
Collaboration Revenues	$12.3	$57.3	(78)%
Total Revenues	$102.0	$121.7	(16)%
Cost of product sales	$21.6	$26.3	(18)%
R&D Expense	$10.1	$7.4	37%
SG&A Expense	$13.8	$10.4	32%
Total Operating Expenses	$45.5	$44.1	3%
Operating Income	$56.5	$77.6	(27)%
Net Income	$66.8	$73.2	(9)%
GAAP Diluted EPS	$0.46	$0.50	(8)%
Non-GAAP Diluted EPS	$0.42	$0.56	(25)%

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

Full Year 2021 Financial Highlights[1]

$ U.S. in Millions, except EPS

	FY 2021	FY 2020	% Change
Royalties	$203.9	$88.6	130%
Product sales, net	$104.2	$56.0	86%
Collaboration Revenues	$135.2	$123.0	10%
Total Revenues	$443.3	$267.6	66%
Cost of product sales	$81.4	$43.4	88%
R&D Expense	$35.7	$34.2	4%
SG&A Expense	$50.3	$45.7	10%
Total Operating Expenses	$167.4	$123.3	36%
Operating Income	$275.9	$144.3	91%
Net Income	$402.7	$129.1	212%
GAAP Diluted EPS	$2.74	$0.91	201%
Non-GAAP Diluted EPS	$2.00	$1.12	79%
Cash and marketable securities	$740.9	$368.0	101%

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

2022 Financial Guidance Highlights

	2021	2022	
Total Revenue	$443.3M	$530M-$560M	• ~20-26% growth • Includes one new deal upfront milestone • API and milestone revenue overall similar to 2021 • First time annual revenue >$500M
Royalty Revenue	$203.9M	~$300M	• Project ~50% YoY Growth • Second year of projected increase of ~$100M
Operating Income	$275.9M	$350M-$380M	• ~27-38% growth • >65% Operating Margin • Includes incremental $20M Op-Ex Investment to maximize ENHANZE® and extend Royalty Revenue durability
GAAP Diluted EPS	$2.74	$1.90-$2.05	• 2021 GAAP Diluted EPS includes $154.2M one-time benefit from reversal of tax valuation allowance, representing ~$1.05 per share • 2022 represents first year of income tax expense projected to be ~$0.55-0.60 per share
Non- GAAP Diluted EPS	$2.00	$2.05-$2.20	• 2021 Non-GAAP Diluted EPS excludes $154.2M one-time benefit from reversal of tax valuation allowance • 2022 represents first year of income tax expense projected to be ~$0.55-0.60 per share

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Capital Allocation Priorities



Invest to Maximize ENHANZE® Growth and Durability



Continue to Return Capital to Shareholders



Identify Opportunities for External growth

Potential M&A expanding platform technologies

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Q4 and FY 2021 Financial Results Appendix

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

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
GAAP Net Income	**$ 66,770**	**$ 73,164**	**$ 402,710**	**$ 129,085**
Adjustments:				
Inducement expense related to convertible notes	—	—	20,959	—
Share-based compensation	5,126	4,196	20,820	17,204
Amortization of debt discount	1,267	3,598	3,940	14,137
Income tax benefit[(1)]	(11,960)	—	(154,192)	—
Income tax effect of above adjustments[(1)]	64	(9)	(127)	(52)
Non-GAAP Net Income	**$ 61,267**	**$ 80,949**	**$ 294,110**	**$ 160,374**
GAAP Diluted EPS	**$ 0.46**	**$ 0.50**	**$ 2.74**	**$ 0.91**
Adjustments:				
Inducement expense related to convertible notes	—	—	0.14	—
Share-based compensation	0.04	0.03	0.14	0.12
Amortization of debt discount	0.01	0.02	0.03	0.10
Income tax benefit[(1)]	(0.08)	—	(1.05)	—
Non-GAAP Diluted EPS	**$ 0.42**	**$ 0.56**	**$ 2.00**	**$ 1.12**
GAAP & Non-GAAP Diluted Shares	**144,253**	**145,122**	**146,796**	**141,463**

(1) In 2021, the Company recognized a non-cash tax benefit of approximately $154 million related to the release of substantially all of its valuation allowance against its deferred tax assets. Estimated income tax effect of the Non-GAAP reconciling items are calculated using applicable statutory tax rates, taking into consideration of any valuation allowance.

Dollar amounts, as presented, are rounded. Consequently, totals may not add up.

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GAAP to Non-GAAP Reconciliation: Net Income and Diluted EPS 2022 Guidance

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

	2022	2021
GAAP Net Income	**$ 270 - 295**	**$ 402.7**
Adjustments:		
Inducement expense related to convertible notes	—	21.0
Share-based compensation	22 - 25	20.8
Amortization of debt discount	4 - 4	3.9
Income tax benefit	—	(154.2)
Income tax effect of above adjustments	(6) - (7)	(0.1)
Non-GAAP Net Income	**$ 290 -315**	**$ 294.1**
GAAP Diluted EPS	**$ 1.90 - 2.05**	**$ 2.74**
Adjustments:		
Inducement expense related to convertible notes	—	0.14
Share-based compensation	0.16 - 0.17	0.14
Amortization of debt discount	0.04 - 0.04	0.03
Income tax benefit	—	(1.05)
Income tax effect of above adjustments	(0.04) - (0.05)	—
Non-GAAP Diluted EPS	**$ 2.05 - 2.20**	**$ 2.00**
GAAP & Non-GAAP Diluted Shares	**142 - 143**	**146.8**

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Dollar amounts, as presented, are rounded. Consequently, totals may not add up.