



PDL BioPharma, Inc.
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May 15, 2025

Contact:

PDL Investor Relations
IR@pdl.com

Dear PDL investors,

This letter presents to you our first quarter of 2025 results and provides an update on our assets and liabilities in accordance with the liquidation basis of accounting.

We continue to prosecute our suit against Eli Lilly and Company in the Southern District of Indiana in which we allege breach of contract and request a declaratory judgment that Eli Lilly is obligated to pay a royalty on sales of their Alzheimer's Disease therapeutic, Kisunla®. PDL intends to vigorously defend its contractual and intellectual property rights in this case. PDL has retained sufficient reserves to fund the litigation against Lilly. Those reserves are included in our Consolidated Statement of Net Assets in Liquidation under Other Accrued Liquidation Costs. We will keep you updated regarding this litigation as it proceeds.

Our appeal of the California Franchise Tax Board's determination of tax owed in the period from 2013-2015 is ongoing before the Office of Tax Appeals. We continue to hold significant reserves related to this proceeding as required by the Delaware court.

In accordance with the rules applicable to the dissolution of a Delaware Corporation, we are required to continue to hold significant cash reserves as much of those reserves are earmarked at this time for unresolved potential liabilities. We will also need to carefully assess our potential future need for cash to finance our lawsuit against Lilly and intend to reserve appropriate cash to ensure that we are able to effectively litigate the matter until the lawsuit is resolved. With respect to future distributions, we will continue to assess our liquidation balances and our necessary reserves and expected expenses. When considered appropriate by our Board of Directors in light of the matters discussed above, we will request that the Delaware Chancery Court approve additional distributions.

We encourage all of our investors to continue to check for updates at <http://pdl.com/faqs> and <https://investor.pdl.com/investor-updates>.

The following is a brief summary of our first quarter financial results.

First Quarter 2025 Financial Highlights:

- As of March 31, 2025, the value of our net assets in liquidation was estimated to be \$62.9 million. The amount available to investors is \$57.8 million (approximately \$0.51 per share) net of the obligation to our stock options holders under the Wind Down Retention Plan¹.

¹ Please refer to our 2020 Form 10-K for details on wind down payment obligations to stock option holders.

- The Company received royalty payments related to the Assertio royalty asset of \$1.1 million.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of March 31, 2025.

On behalf of the Board of Directors and the whole team of PDL BioPharma, I would like to thank you again for your investment in our Company.

Sincerely,

A handwritten signature in black ink, appearing to read 'CS', with a small dot to its left.

Christopher Stone
CEO, General Counsel and Secretary

TABLE 1

PDL BIOPHARMA, INC.

CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION

(unaudited)²

(In thousands)

	March 31, 2025	
	(Under Liquidation Basis of Accounting)	
Assets		
Cash and cash equivalents	\$	5,232
Short-term investments		95,410
Royalty assets		12,256
Other assets		1,404
Total assets	\$	114,302
Liabilities		
Uncertain tax positions	\$	32,981
Compensation and benefit costs		1,130
Other accrued liquidation costs		17,264
Total liabilities	\$	51,375
Net assets in liquidation	\$	62,927

² PDL is not subject to Securities and Exchange Commission reporting requirements and does not file financial information with the SEC. This Consolidated Statement of Net Assets in Liquidation is unaudited and has not been reviewed by an independent public accounting firm.