



PDL BioPharma, Inc.
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May 23, 2023

Contact:
PDL Investor Relations
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Dear PDL investors,

We are pleased to present to you our first quarter 2023 results. This letter should be read in conjunction with our 2022 year-end audited financial statements (found at <https://www.pdl.com/static-files/e6cabe1a-4307-4c5f-8d49-537b5f056b3d>) and provides an update on our assets and liabilities in accordance with the liquidation basis of accounting.

We continue to optimize the monetization process for PDL's remaining assets and have made significant progress towards the efficient distribution of the proceeds from that process to our shareholders. In accordance with the rules applicable to the dissolution of a Delaware Corporation, we continue to hold significant cash reserves as much of those reserves are earmarked at this time for unresolved potential liabilities. When, and if, the liabilities covered by those cash reserves are resolved, and as deemed appropriate by our Board of Directors, we will request the Delaware Chancery Court approve additional distributions. We anticipate that future revenues may allow additional distributions as we continue to receive income from, for example, our royalty assets. Our Board will consider the amount of our unreserved distributable cash and the costs associated with requesting distributions from the Delaware court and processing with our transfer agent in determining when and how much cash to distribute.

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

Below is a brief summary of our first quarter financial results.

First Quarter 2023 Financial Highlights:

- As of March 31, 2023, the value of our net assets in liquidation was estimated to be \$329.5 million, or \$307.2 million (approximately \$2.68 per share) net of the obligation to our stock options holders under the Wind Down Retention Plan¹.
- Our Net Assets in Liquidation included cash and cash equivalents of \$103.4 million and short-term investments of \$94.6 million.
- The Company received the quarterly payment of \$3.7 million related to the sale of the Noden subsidiary.
- The Company received royalty payments related to the Assertio royalty asset of \$3.2 million.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of March 31, 2023.

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

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 blue ink, consisting of stylized, overlapping loops and lines that form the initials 'CS'.

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, 2023	
	(Under Liquidation Basis of Accounting)	
Assets		
Cash and cash equivalents	\$	103,379
Short-term investments		94,638
Receivables from asset sales		11,576
Royalty assets		172,139
Other assets		2,076
Total assets	\$	383,809
Liabilities		
Uncertain tax positions	\$	31,674
Compensation and benefit costs		3,332
Other accrued liquidation costs		19,322
Total liabilities	\$	54,327
Net assets in liquidation	\$	329,481

⁽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.