



PDL BioPharma, Inc.
59 Damonte Ranch Pkwy., Suite B-375
Reno, NV 89521
Tel: 775-832-8500
www.pdl.com

November 10, 2022

Contact:

PDL Investor Relations
IR@pdl.com

Dear PDL investors,

We are pleased to present to you our third quarter 2022 results. This letter should be read in conjunction with our 2021 year-end audited financial statements (found at <https://www.pdl.com/static-files/181eced0-4013-4c0a-bfcb-ca41d0dc1ffd>) 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. As you are aware from our previous communications, we distributed \$114,515,806, or \$1.00/share, on May 13, 2022. We are pleased to announce that on November 7, 2022 the Delaware Chancery Court granted our request to make a second distribution. A copy of the order is available on our website at <https://investor.pdl.com/investor-updates>. As a consequence of the Court's approval, we expect to make a cash distribution of \$24,048,319 or \$0.21/share. We are currently processing the distribution with our transfer agent and expect payments to reach shareholders promptly. We will 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.

In August 2022, the Company received a notice of examination from the United States Internal Revenue Service (the "IRS") for tax years 2015, 2016, 2017 and 2020. As previously stated, PDL has been reserving the \$88.9 million received from the IRS in March 2022 in case the IRS opened an examination. We requested a prompt assessment, as discussed in our June 1, 2022 Letter to Investors, resulting in the statute of limitations for an examination expiring on January 19, 2023. However, we have agreed with the IRS to extend the statute of limitations to March 31, 2023. We will keep investors informed of any significant developments.

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

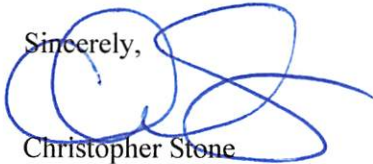
Below is a brief summary of our third quarter financial results.

Third Quarter 2022 Financial Highlights:

- As of September 30, 2022, the value of our net assets in liquidation was estimated to be \$324.7 million, or \$304.8 million (approximately \$2.66 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 \$41.0 million and short-term investments of \$163.1 million. During the third quarter PDL purchased short term US Treasury securities to take advantage of favorable interest rates.
- The Company received the quarterly payment of \$2.75 million related to the sale of the Noden subsidiary.
- The Company received royalty payments related to the Assertio and Cerdelga royalty assets in the amounts of \$5.9 million and \$1.1 million, respectively. This is the last quarter we expect any significant royalty revenue from Cerdelga.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of September 30, 2022.

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,



Christopher Stone
CEO, General Counsel and Secretary

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

TABLE 1

PDL BIOPHARMA, INC.

CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION

(unaudited) ⁽²⁾

(In thousands)

	September 30, 2022	
	<small>(Under Liquidation Basis of Accounting)</small>	
Assets		
Cash and cash equivalents	\$	41,043
Short-term investments	\$	163,101
Receivables from asset sales		18,040
Royalty assets		174,296
Other assets		2,032
Total assets	\$	398,513
Liabilities		
Uncertain tax positions	\$	38,797
Compensation and benefit costs		3,293
Costs to sell assets		3,392
Other accrued liquidation costs		28,353
Total liabilities	\$	73,836
Net assets in liquidation	\$	324,677

⁽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.