



PDL BioPharma, Inc.
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May 13, 2026

Contact:

PDL Investor Relations
IR@pdl.com

Dear PDL investors,

This letter presents to you our first quarter of 2026 results and provides an update on our assets and liabilities in accordance with the liquidation basis of accounting.

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 ("OTA"). The OTA has scheduled a hearing to occur on June 23, 2026 and we would expect a decision in the several months after the hearing. 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. 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, we will request that the Delaware Chancery Court approved additional distributions.

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

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

First Quarter 2026 Financial Highlights:

- As of March 31, 2026 the value of our net assets in liquidation was estimated to be \$39.0 million. The amount available to investors is \$35.7 million (approximately \$0.31 per share) net of the obligation to our stock options holders under the Wind Down Retention Plan¹.
- The Company completed a \$0.14 per share distribution on March 25, 2026 which totaled \$16.0 million.
- The Company received royalty payments related to the Assertio royalty asset of \$2.0 million.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of March 31, 2026.

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 black ink, appearing to be the initials 'CS' with a stylized flourish.

Christopher Stone

TABLE 1

PDL BIOPHARMA, INC.

CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION

(unaudited)²

(In thousands)

	March 31, 2026	
	(Under Liquidation Basis of Accounting)	
Assets		
Cash and cash equivalents	\$	11,433
Short-term investments		55,279
Royalty assets		6,462
Other assets		1,439
Total assets	\$	74,613
Liabilities		
Uncertain tax positions	\$	34,685
Other accrued liquidation costs		957
Total liabilities	\$	35,642
Net assets in liquidation	\$	38,971

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.