



PDL BioPharma, Inc.  
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May 11, 2021

**Contact:**

PDL Investor Relations  
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Dear PDL investors,

I am pleased to report that we have continued to make good progress in the execution of our liquidation and dissolution processes in the first quarter 2021. As previously disclosed, we filed the certificate of dissolution on January 4, and the official delisting of our common PDLI stock occurred on January 7. I refer you to the Form 10-K for the year ended December 31, 2020 that we filed at the end of March for a comprehensive discussion of our processes and risk factors. This letter should be read in conjunction with this Form 10-K.

We continue to adjust our structure and governance commensurate with our progress. Following the imminent filing of our 2020 Federal tax return, our CFO, Ed Imbrogno, and I will step down from our current executive positions on May 15. We are very grateful to Ed for his considerable contributions to PDL over the past couple of years. His expertise and judgement were both critical to our ability to execute our strategic liquidation process. I am delighted that Chris Stone will take over the position of Chief Executive Officer in addition to his ongoing responsibilities as PDL's General Counsel. I would also like to congratulate Christy Horgan, PDL's Corporate Controller, for her promotion to Chief Financial Officer. Both Chris's and Christy's appointments are effective May 15, 2021. Also on that date, I will join the PDL board as a non-executive director and Chris Stone will become the executive member of the board.

Below is a brief summary of our first quarter unaudited financial results. If you haven't yet done it, I encourage you to sign up for our investors' alerts on our website [pdl.com](http://pdl.com).

**First Quarter 2021 Financial Highlights:**

- As of March 31, 2021, the value of our net assets in liquidation was estimated to be \$394.8 million, or \$378.9 million (approximately \$3.31 per share) net of the obligation to our stock options holders under the Wind Down Retention Plan<sup>1</sup>. Our Net Assets in Liquidation included cash and cash equivalents of \$139.1 million.
- The Company received the scheduled first quarter payment of \$2.75 million in addition to a \$0.75 million contingent payment 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 \$9.6 million and \$2.5 million, respectively.
- The CARES Act receivable as of March 31, 2021 is estimated to be \$92.1 million.

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

- In March 2021, the Company sold the first tranche of the Evofem, Inc. (“Evofem”) warrants acquired in April 2019 to a third-party for \$0.9 million or \$0.55 per warrant. The Company continues to hold 1.67 million Evofem warrants acquired in June 2019.
- The Company’s lease guarantee decreased by \$2.7 million from December 31, 2020 and will continue to decrease throughout 2021 as the underlying lease is set to expire in December 2021.
- The Company repurchased \$142 thousand principal amount of our 2021 convertible notes during Q1 2021 in addition to \$50 thousand principal amount of 2021 convertible notes being submitted for cash conversion. As a result of this activity, \$213 thousand of 2021 convertible notes remain outstanding and are scheduled to mature on December 1, 2021.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of March 31, 2021.

It has been a privilege to lead the PDL team over the past couple of years. It is my strong conviction that the strategy we are pursuing will maximize the value of PDL for our investors, and I have been grateful for the overwhelming support we have received from our stockholders.

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,



Dominique P. Monnet  
President & CEO  
PDL BioPharma, Inc.

**TABLE 1**  
**PDL BIOPHARMA, INC.**  
**CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION**  
**(unaudited)<sup>(2)</sup>**  
**(In thousands)**

	<b>March 31, 2021</b>
	(Under Liquidation Basis of Accounting)
<b>Assets</b>	
Cash and cash equivalents	\$ 139,142
Receivables from asset sales	37,074
Royalty assets	215,988
Income tax receivable	92,116
Other assets	3,164
<b>Total assets</b>	<b>\$ 487,484</b>
<b>Liabilities</b>	
Accounts payable	\$ 1,079
Uncertain tax positions	43,974
Compensation and benefit costs	8,003
Lease guarantee	8,025
Costs to sell assets	3,950
Other accrued liquidation costs	27,489
Convertible notes payable	213
<b>Total liabilities</b>	<b>\$ 92,733</b>
<b>Net assets in liquidation</b>	<b>\$ 394,751</b>

<sup>(2)</sup> 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.