



PDL BioPharma, Inc.
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August 8, 2023

Contact:
PDL Investor Relations
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Dear PDL investors,

We are pleased to present to you our second 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.

On July 14, 2023 we filed a Motion for a Fourth Interim Distribution with the Delaware Court of Chancery seeking approval to distribute up to \$29,774,110 to shareholders of record as of January 4, 2021. We continue to execute on our monetization process for PDL's remaining assets with our goal being 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 second quarter financial results.

Second Quarter 2023 Financial Highlights:

- As of June 30, 2023, the value of our net assets in liquidation was estimated to be \$233.3 million. The amount available to investors is \$214.2 million (approximately \$1.87 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 \$6.3 million and short-term investments of \$102.5 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 \$5.8 million.

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

- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of June 30, 2023.

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 initials 'CS' followed by a long horizontal stroke.

Christopher Stone
CEO, General Counsel and Secretary

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

	June 30, 2023	
	(Under Liquidation Basis of Accounting)	
Assets		
Cash and cash equivalents	\$	6,293
Short-term investments		102,508
Receivables from asset sales		7,863
Royalty assets		165,467
Other assets		1,814
Total assets	\$	283,944
Liabilities		
Uncertain tax positions	\$	31,931
Compensation and benefit costs		3,068
Other accrued liquidation costs		15,630
Total liabilities	\$	50,629
Net assets in liquidation	\$	233,315

⁽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.