



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

June 2, 2022

Contact:

PDL Investor Relations
IR@pdl.com

Dear PDL investors,

We are pleased to present to you our first 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. While we currently hold significant cash reserves, 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 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 2022 Financial Highlights:

- As of March 31, 2022, the value of our net assets in liquidation was estimated to be \$431.0 million, or \$411.8 million (approximately \$3.60 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 \$295.6 million.
- The Company received the quarterly payment of \$2.75 million related to the sale of the Noden subsidiary.
- The Company received \$26.25 million in January 2022 following the settlement of a prior contractual dispute, the terms of which are confidential.
- The Company received the income tax receivable amount of \$88.4 million.
- The Company received royalty payments related to the Assertio and Cerdelga royalty assets in the amounts of \$8.8 million and \$2.6 million, respectively.

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 March 31, 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

TABLE 1

PDL BIOPHARMA, INC.

CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION

(unaudited)⁽²⁾

(In thousands)

	March 31, 2022	
	(Under Liquidation Basis of Accounting)	
Assets		
Cash and cash equivalents	\$	295,590
Receivables from asset sales		23,540
Royalty assets		182,410
Other assets		1,965
Total assets	\$	503,506
Liabilities		
Uncertain tax positions	\$	37,708
Compensation and benefit costs		5,256
Costs to sell assets		3,482
Other accrued liquidation costs		26,124
Total liabilities	\$	72,570
Net assets in liquidation	\$	430,936

⁽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.