



PDL BioPharma, Inc.
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November 16, 2021

Contact:

PDL Investor Relations
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Dear PDL investors,

We are pleased to present to you our third quarter 2021 results. This letter should be read in conjunction with our most recently filed Form 10-K (found at <https://www.pdl.com/static-files/40f975bb-616e-423a-a3d2-95bf84b43ed7>) and provides an update on our assets and liabilities in accordance with the liquidation basis of accounting.

Our mission continues to be to optimize the monetization process for PDL's remaining assets and the efficient distribution of the proceeds from that process to our shareholders. We continue to work towards the resolution of claims under the Safe Harbor Procedures in Delaware and the filing of a petition to the Delaware Court of Chancery to facilitate such distributions. We do not know at this time when the Court would issue its orders setting the amounts and forms of security that PDL must retain and what amounts can be distributed to shareholders. We will keep you apprised of developments as we proceed. 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 third quarter unaudited financial results.

Third Quarter 2021 Financial Highlights:

- As of September 30, 2021, the value of our net assets in liquidation was estimated to be \$409.8 million, or \$392.6 million (approximately \$3.43 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 \$157.2 million.
- The Company received the quarterly payment of \$2.75 million related to the sale of the Noden subsidiary. In addition, we reduced the expected receivable from this sale by \$2.0 million due to milestone payments that are no longer expected to be achieved.
- The Company received royalty payments related to the Assertio and Cerdelga royalty assets in the amounts of \$6.8 million and \$2.6 million, respectively.
- The Company's legacy Redwood City lease guarantee decreased by \$8.0 million from December 31, 2020 and will be extinguished by the end of the year as the underlying lease is set to expire in December 2021.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of September 30, 2021.

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 blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Christopher Stone
CEO, General Counsel and Secretary

TABLE 1

PDL BIOPHARMA, INC.

CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION

(unaudited)⁽²⁾

(In thousands)

	September 30, 2021	
	<small>(Under Liquidation Basis of Accounting)</small>	
Assets		
Cash and cash equivalents	\$	157,201
Receivables from asset sales		29,040
Royalty assets		202,604
Income tax receivable		88,489
Other assets		2,295
Total assets	\$	479,630
Liabilities		
Accounts payable	\$	119
Uncertain tax positions		33,164
Compensation and benefit costs		6,619
Lease guarantee		2,675
Costs to sell assets		3,549
Other accrued liquidation costs		23,467
Convertible notes payable		213
Total liabilities	\$	69,806
Net assets in liquidation	\$	409,824

⁽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.