



PDL BioPharma, Inc.  
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August 10, 2022

**Contact:**

PDL Investor Relations  
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Dear PDL investors,

We are pleased to present to you our second 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 second quarter financial results.

**Second Quarter 2022 Financial Highlights:**

- As of June 30, 2022, the value of our net assets in liquidation was estimated to be \$326.4 million, or \$306.4 million (approximately \$2.68 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 \$193.6 million.
- The Company received the quarterly payment of \$2.75 million 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 \$9.0 million and \$1.8 million, respectively.
- Under the liquidation basis of accounting the Company made an estimate of when the Assertio royalty asset would be sold. The estimate, as discussed in our 2021 year-end financial statements, was June 30, 2022. As the Assertio royalty asset has not been sold as of this date, management has made a new estimate of December 31, 2022. This estimate is based on assumptions made by management regarding the active sales process for this asset. Under the liquidation basis of

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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.

accounting the Assertio royalties are valued using undiscounted estimated cash receipts until the estimated date of sale, plus a discounted value of the remaining estimated cash receipts as an estimate of the expected cash consideration from the sale of the royalty rights. Therefore, the Assertio royalty value at June 30, 2022 includes an update for this change.

- The Company paid a liquidating distribution of \$114,515,806.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of June 30, 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) <sup>(2)</sup>**

**(In thousands)**

	<b>June 30, 2022</b>	
	(Under Liquidation Basis of Accounting)	
<b>Assets</b>		
Cash and cash equivalents	\$	193,592
Receivables from asset sales		20,790
Royalty assets		184,321
Other assets		1,934
<b>Total assets</b>	\$	400,638
<b>Liabilities</b>		
Uncertain tax positions	\$	37,858
Compensation and benefit costs		3,735
Costs to sell assets		3,438
Other accrued liquidation costs		29,216
<b>Total liabilities</b>	\$	74,246
<b>Net assets in liquidation</b>	\$	326,391

<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.