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September 4, 2024

Contact:
PDL Investor Relations
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Dear PDL investors,

In Q2 2024 we experienced a drastic reduction in the Company's royalty income as a result of a drop in sales of Glumetza. Specifically, the Company received no Glumetza royalty income in Q2 2024. Bausch Health, the manufacturer of Glumetza, halted shipment of Glumetza in April and reported negative sales for Q2 2024. It is our understanding that, due to the current sales channel mix, the rebates Bausch Health is required to pay exceed the revenue received with respect to sales of Glumetza. Bausch Health is assessing its options and has not yet determined the future of the product. As a result, and due to the importance of the Glumetza royalty to the Company's Statement of Net Assets in Liquidation, we are unable at this time to provide a Statement of Net Assets in Liquidation as of June 30, 2024. We expect to provide an updated financial statement at such time as we are able to clarify whether or not Glumetza will return to the market.

As we noted in our previous communications, we filed suit against Eli Lilly and Company in the Southern District of Indiana in December of 2023. Our suit alleges anticipatory breach of contract by Eli Lilly and requests a declaratory judgment that Eli Lilly's humanized antibody drug for treatment of Alzheimer's Disease, donanemab, is a "Licensed Product" under the Development and License Agreement between PDL and Eli Lilly dated September 15, 2000 and that Eli Lilly is obligated to pay a royalty as specified therein. Donanemab, now called Kisunla™, received marketing approval on July 2, 2024 from the FDA. Prior to approval, the parties agreed to stay discovery pending such approval. Upon approval the proceeding entered into the discovery phase. PDL intends to vigorously defend its contractual and intellectual property rights in this case. We will keep you updated regarding this litigation as it proceeds.

Our appeal of the California Franchise Tax Board's determination of tax owed in the period from 2013-2015 is ongoing before the Office of Tax Appeals. In two notable developments, FTB agreed to waive the previously assessed Large Corporate Underpayment Penalty and also agreed to forgo interest on the assessment from the period of May 2022 to January 2023 during which period the FTB delayed completing our protest. These FTB concessions could result in a reduction of the Company's reserve by approximately $4.8M. We continue to hold significant reserves related to this proceeding.

Although, as noted above, we are unable at this time to determine our liquidation balances in light of the development with Glumetza, we expect to make such a determination once the commercial status of Glumetza is resolved. In accordance with the rules applicable to the dissolution of a Delaware Corporation, we are required to continue to hold significant cash reserves as much of those reserves are earmarked at this time for unresolved potential liabilities. We will also need to carefully assess our potential future need for cash to finance our lawsuit against Lilly and intend to reserve appropriate cash to ensure that we are able to effectively litigate the matter until the lawsuit is resolved. With respect to future distributions, we will continue to assess our liquidation balances and our necessary reserves and

expected expenses. When considered appropriate by our Board of Directors in light of the matters discussed above, we will request that 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.

Sincerely,

Christopher Stone
CEO, General Counsel and Secretary