

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): August 31, 2020

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware
(State or Other Jurisdiction of Incorporation)

94-3023969
(I.R.S. Employer Identification No.)

932 Southwood Boulevard
Incline Village, Nevada 89451
(Address of principal executive offices, with zip code)

(775) 832-8500
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common stock, par value \$0.01 per share | PDLI | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On August 31, 2020, PDL BioPharma, Inc. (the “Company”) issued a press release announcing the signing and closing of a definitive agreement for the sale of three royalty interests for Kybella®, Zalviso®, and Coflex® to SWK Funding, LLC, a wholly owned subsidiary of SWK Holdings Corporation (Nasdaq: SWKH), in exchange for the Company to receive \$4.35 million in cash. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Press Release, dated August 31, 2020 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDL BIOPHARMA, INC.
(Company)

By: /s/ Dominique Monnet
Dominique Monnet
President and Chief Executive Officer

Dated: August 31, 2020

Exhibit Index

| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release, dated August 31, 2020 |

**Contact:**

Jody Cain
LHA Investor Relations
310-691-7100
jcain@lhai.com

PDL BioPharma Announces Sale of Kybella®, Zalviso® and Coflex® Royalties to SWK Holdings Corporation

INCLINE VILLAGE, Nev. (August 31, 2020) - PDL BioPharma, Inc. ("PDL" or the "Company") (Nasdaq: PDLI) announces the signing and closing of a definitive agreement for the sale of three royalty interests for Kybella®, Zalviso®, and Coflex® (collectively the "Royalties") to SWK Funding, LLC ("SWK"), a wholly owned subsidiary of SWK Holdings Corporation (Nasdaq: SWKH), in exchange for PDL to receive \$4.35 million in cash.

"The sale of these Royalties to SWK represents another step in the execution of our monetization strategy," commented PDL's President and CEO Dominique Monnet. "This transaction is expected to generate meaningful benefits for our stockholders as we move toward liquidation and dissolution."

In addition to the cash proceeds from the sale to SWK, PDL believes that this transaction may qualify for Federal tax benefits under the CARES Act. In connection with its monetization process, PDL expects to execute transactions in 2020 that may result in the recognition of ordinary tax losses that, under the CARES Act, could be applied to prior tax years in which PDL was a substantial tax payer. At this time, however, there can be no assurance that such tax benefits will be realized.

BofA Securities, Inc. acted as sole structuring advisor to PDL for the transaction. BofA Securities, Inc. will continue the sale process for the Company's royalty interests in Glumetza®, Jentaduetto® XR, Invokamet® XR, and Synjardy® XR (collectively "the Assertio Royalties") and the remaining royalty interest in Cerdelga®.

About SWK Holdings Corporation

SWK Holdings Corporation ("SWK Holdings") is a specialized finance company with a focus on the global healthcare sector. SWK Holdings partners with ethical product marketers and royalty holders to provide flexible financing solutions at an attractive cost of capital to create long-term value for both SWK Holdings' business partners and its investors. SWK Holdings believes its financing structures achieve an optimal partnership for companies, institutions and inventors seeking capital for expansion or capital and estate planning by allowing its partners to monetize future cash flow with minimal dilution to their equity stakes. SWK Holdings also owns Enteris Biopharma, whose core Peptelligence™ drug delivery technology creates oral formulations of peptide-based and BCS class II, III, and IV small molecules. With Enteris, SWK Holdings has the opportunity to grow its specialty finance business by actively building a wholly owned portfolio of milestones and royalties through licensing activities. Additional information on the life science finance market is available on SWK Holdings' website at www.swkhold.com.

About PDL BioPharma, Inc.

Throughout its history, PDL's mission has been to improve the lives of patients by aiding in the successful development of innovative therapeutics and healthcare technologies. PDL BioPharma was founded in 1986 as Protein Design Labs, Inc. when it pioneered the humanization of monoclonal antibodies, enabling the discovery of a

new generation of targeted treatments that have had a profound impact on patients living with different cancers as well as a variety of other debilitating diseases. In 2006, the Company changed its name to PDL BioPharma, Inc.

As of December 2019, PDL ceased making additional strategic transactions and investments and is pursuing a formal process to unlock the value of its portfolio by monetizing its assets and ultimately distributing net proceeds to stockholders in the form of cash or equity.

For more information please visit <https://www.pdl.com/>

NOTE: PDL, PDL BioPharma, the PDL logo and associated logos and the PDL BioPharma logo are trademarks or registered trademarks of, and are proprietary to, PDL BioPharma, Inc. which reserves all rights therein.

Forward-looking Statements

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including as it relates to the Company’s proposed plan of complete liquidation, proposed dissolution or transactions thereunder. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Important factors that could impair the value of the Company’s assets and business, including the implementation or success of the Company’s monetization strategy/plan of complete liquidation and proposed dissolution, are disclosed in the risk factors contained in the Company’s Annual Report on Form 10-K filed with the SEC on March 11, 2020 and Quarterly Reports on Form 10-Q, filed with the SEC on May 11, 2020 and August 20, 2020, and subsequent filings. All forward-looking statements are expressly qualified in their entirety by such factors. The Company does not undertake any duty to update any forward-looking statement except as required by law.

###