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February 19, 2026

Contact:
PDL Investor Relations
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Dear PDL investors,

This letter presents to you our fourth quarter of 2025 results and provides an update on our assets and liabilities in accordance with the liquidation basis of accounting.

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 December we received notice from the Office of Tax Appeals that a panel of administrative judges has been assigned. There is no scheduled date yet for a hearing. We continue to hold significant reserves related to this proceeding as required by the Delaware court.

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. With respect to future distributions, we have filed a motion with the Delaware Chancery Court to approve a sixth distribution of $0.14 per share.

We encourage all of our investors to continue to check for updates at https://www.pdl.com/investor-relations/faqs and https://investor.pdl.com/investor-updates.

The following is a brief summary of our fourth quarter financial results.

Fourth Quarter 2025 Financial Highlights:

- As of December 31, 2025, the value of our net assets in liquidation was estimated to be $55.2 million. The amount available to investors is $50.6 million (approximately $0.44 per share) net of the obligation to our stock options holders under the Wind Down Retention Plan[1].
- The Company received royalty payments related to the Assertio royalty asset of $1.2 million. In addition, the forecast for the Assertio royalty asset was updated to reflect the trailing four-quarter trend. The total Assertio royalty asset balance of $7.45 million at December 31, 2025 reflects this update.
- Please see Table 1 for the Consolidated Statement of Net Assets in Liquidation as of December 31, 2025.

[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,

Christopher Stone

TABLE 1

PDL BIOPHARMA, INC.
CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION
(unaudited) [2]
(In thousands)

		December 31, 2025 (Under Liquidation Basis of Accounting)
Assets		
Cash and cash equivalents	$	1,309
Short-term investments		80,505
Royalty assets		7,450
Other assets		1,391
Total assets	$	90,655
Liabilities		
Uncertain tax positions	$	34,263
Other accrued liquidation costs		1,169
Total liabilities	$	35,432
Net assets in liquidation	$	55,223

[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.