

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re:	: Chapter 11
	:
VALERITAS HOLDINGS, INC., <i>et al.</i> , ¹	: Case No. 20-10290 (LSS)
	:
Debtors.	: (Jointly Administered)
	:
	: Re: D.I. 25, 129
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NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE REGARDING THE FOLLOWING:

1. On February 9, 2020, the above-captioned debtors and debtors in possession (collectively, the “Debtors”), each filed a voluntary petition for relief pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. On February 9, 2020, the Debtors entered into an Asset Purchase Agreement (the “Stalking Horse APA”) with Zealand Pharma A/S (“Zealand”), by which Zealand or a designee of Zealand as permitted pursuant to the Stalking Horse APA (collectively, the “Stalking Horse Bidder”) will acquire all or substantially all of the Debtors’ assets (the “Assets”).

3. On February 10, 2020, in connection with a proposed sale of the Assets pursuant to section 363 of the Bankruptcy Code (the “Sale”) to the successful bidder (the “Successful Bidder”) at an auction (the “Auction”), the Debtors filed a motion (the “Motion”),² seeking, among other things, (i) entry of an order (the “Bidding Procedures Order”) approving the bidding procedures (the “Bidding Procedures”) governing the solicitation of higher or better Bids; (ii) establishing procedures for the assumption or assignment and assumption of executory contracts; (iii) scheduling a Sale Hearing; and (iv) granting related relief [D.I. 25].

4. On March 6, 2020, the Court entered the Bidding Procedures Order [D.I. 129]. Pursuant to the Bidding Procedures Order, if one or more Qualified Bids are received before the Bid Deadline (as defined below), the Debtors will conduct the Auction among such Qualified Bidders to determine the highest or otherwise best Qualified Bid, beginning on **March 17, 2020, at 10:00 a.m. (EDT)** at the offices of DLA Piper LLP (US), 1251 Avenue of the

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal tax identification number, are: Valeritas Holdings, Inc. (8907); Valeritas, Inc. (1056); Valeritas Security Corporation (9654); Valeritas US, LLC (0007). The corporate headquarters and the mailing address for the debtors is 750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.



Americas, New York, New York, or such other place and time as the Debtors shall notify all bidders that have submitted Qualified Bids (including the Stalking Horse Bidder) and any official committee appointed in the Debtors' Chapter 11 Cases and its counsel.

5. Only Qualified Bidders that have submitted Qualified Bids by the **March 12, 2020, at 4:00 p.m. (EDT)** Bid Deadline are eligible to participate in the Auction, subject to the terms of the Bidding Procedures and other limitations as may reasonably be imposed by the Debtors. Qualified Bidders participating in the Auction must appear at the Auction in person or through a duly authorized representative.

6. Any party in interest may attend (but not participate in) the Auction if any such party in interest provides the Debtors with written notice of its intention to attend the Auction on or before the Bid Deadline, which written notice shall be sent to proposed counsel for the Debtors via electronic mail, to Maris J. Kandestin, Esq., at maris.kandestin@us.dlapiper.com. For the avoidance of doubt, only Qualified Bidders (including the Stalking Horse Bidder) will be entitled to make any Bids at the Auction. For the avoidance of doubt, the Consultation Parties may attend the Auction without sending prior written notice of their intention to do so.

7. If the Debtors do not receive a Qualified Bid (other than that of the Stalking Horse Bidder), the Debtors will not conduct an Auction and shall designate the Stalking Horse Bidder as the Successful Bidder.

8. A hearing to consider approval of the Successful Bid (or to approve the Stalking Horse APA, as applicable, if no Auction is held) (the "Sale Hearing") shall take place on **March 20, 2020, at 10:00 a.m. (EDT)**, at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, Wilmington, Delaware 19801. At the Sale Hearing, the Debtors will present such Successful Bid to the Court for approval.

9. Objections, if any, to the Motion and the sale of the Assets to a Successful Bidder, must be filed with the Court and served upon counsel to the Debtors and counsel to the Stalking Horse Bidder so as to be actually received by **March 16, 2020, at 10:00 a.m. (EDT)**. If a Successful Bidder that is not the Stalking Horse Bidder prevails at the Auction, then the deadline to object to solely with respect to the conduct of the Auction, any changes to the revised APA, or the adequate assurance of future performance from the Successful Bidder, shall be extended to **March 20, 2020, at 10:00 a.m.** In each case, all objections must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state with particularity the legal and factual bases for the objection and the specific grounds therefor; and (d) be filed with the Court no later than the applicable objection deadline and served on (i) proposed counsel to the Debtors and (ii) counsel to the Stalking Horse Bidder. *Any party who fails to timely file an objection to entry of the Sale Order (i) shall be forever barred from objecting thereto, (ii) shall be deemed to consent to the sale of the Assets as approved by any Sale Order, and (iii) shall be deemed to "consent" for purposes of Section 363(f)(2) of the Bankruptcy Code.*

10. This notice is subject to the fuller terms and conditions of the Motion, the Bidding Procedures, and the Bidding Procedures Order. In the event of any conflict, the Bidding

Procedures Order shall control, and the Debtors encourage parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the Sale and/or copies of any related document, including the Motion, or the Bidding Procedures Order, may make a written request to counsel for the proposed counsel for the Debtors, DLA Piper LLP (US), 1201 North Market Street, Suite 2100 Wilmington, Delaware 19801 (Attn.: Maris J. Kandestin, Esq., maris.kandestin@us.dlapiper.com), and 1251 Avenue of the Americas, New York, New York 10020 (Attn.: Rachel Ehrlich Albanese, Esq., rachel.albanese@us.dlapiper.com). In addition, copies of the Motion, the Bidding Procedures Order and this notice can be found (i) at <http://www.kccllc.net/valeritas> (free of charge); and (ii) through PACER on the Court's website, <https://ecf.deb.uscourts.gov> (registration required), and are on file with the Clerk of the Court, 824 N. Market Street, Wilmington, Delaware 19801.

Dated: March 7, 2020
Wilmington, Delaware

DLA PIPER LLP (US)

/s/ Maris J. Kandestin
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-and-

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Proposed Counsel to Debtors and Debtors in Possession