

**RECOMMENDATION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF VALERITAS HOLDINGS, INC., et al.<sup>1</sup>**

**CHAPTER 11 CASE NO. 20-10290 (LSS)**

**c/o Porzio, Bromberg & Newman, P.C.  
100 Southgate Parkway  
Morristown, NJ 07960**

**c/o Morris James, LLP  
500 Delaware Avenue, Suite 1500  
Wilmington, DE 19801**

**April 21, 2020**

**To: Holders of Class 4 General Unsecured Claims of Valeritas Holdings, Inc., et al.**

Porzio, Bromberg & Newman, P.C. and Morris James, LLP are co-counsel to the Official Committee of Unsecured Creditors (the "Committee") in the above-referenced chapter 11 cases of Valeritas Holdings, Inc., *et. al.*, the debtors and debtors-in-possession (collectively, the "Debtors"). The Committee was appointed by the United States Trustee to represent the interests of all of the Debtors' unsecured creditors. We write to advise you of the Committee's position regarding the First Amended Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation of Valeritas Holdings, Inc. and its Affiliated Debtors, the Official Committee of Unsecured Creditors, and the Prepetition Lenders [D.I. 309] (as amended, the "Combined Disclosure Statement and Plan"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Combined Disclosure Statement and Plan, as applicable.

*The Committee urges holders of Class 4 General Unsecured Claims to vote to **ACCEPT** the Combined Disclosure Statement and Plan.*

The Committee is a co-proponent of the Combined Disclosure Statement and Plan and believes that the Combined Disclosure Statement and Plan, and the recoveries to be provided to Holders of General Unsecured Claims thereunder, represent a favorable outcome for Holders of General Unsecured Claims and that the failure to confirm the Plan could result in extensive delays and increased administrative expenses, which, in turn, could result in no (or smaller) distributions to Holders of General Unsecured Claims. Accordingly, the Committee strongly encourages Holders of Class 4 General Unsecured Claims to vote to ACCEPT the Plan.

*This letter is sent solely by the Committee and has not been approved by the Bankruptcy Court. The information and descriptions herein is solely the view of the Committee, and not of the Debtors, and is not intended as a substitute for the Combined Disclosure Statement and Plan, which has been approved by the Bankruptcy Court. Creditors should read the Combined Disclosure Statement and Plan in their entirety, and then make their own respective independent decision as to whether the Plan is acceptable.*

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<sup>1</sup> 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 c/o DLA Piper LLP (US), 1251 Avenue of the Americas, New York, New York 10020.

The Debtors have provided you with a Ballot with which to vote to accept or reject the Plan. In order to have your vote counted, you must complete and return the Ballot in accordance with the procedures set forth therein and in the accompanying Order (I) Approving the Debtors' Combined Disclosure Statement and Plan on an Interim Basis for Solicitation Purposes Only; (II) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Combined Disclosure Statement and Plan; (III) Approving the Form of Ballot and Solicitation Packages; (IV) Establishing the Voting Record Date; (V) Scheduling a Combined Hearing for Final Approval of the Adequacy of Disclosures in, and Confirmation of, the Combined Disclosure Statement and Plan; and (VI) Granting Related Relief [D.I. 326]. PLEASE READ THE DIRECTIONS ON THE BALLOT CAREFULLY AND COMPLETE YOUR BALLOT IN ITS ENTIRETY BEFORE RETURNING IT TO THE DEBTORS' SOLICITATION AGENT.

Should you have any questions about this letter, the Combined Disclosure Statement and Plan or the solicitation procedures, we would be pleased to discuss them with you at your convenience. Please direct any such questions to Kelly D. Curtin (973-889-4089; [kdcurtin@pbnlaw.com](mailto:kdcurtin@pbnlaw.com)).

Very truly yours,

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF VALERITAS HOLDINGS, INC., ET AL.