

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
NOVAN, INC., *et al.*,¹)
) Case No. 23-10937 (LSS)
Debtors.) (Jointly Administered)
)
) **Re: D.I. 16, 166, 291, 321, and 326**
)

NOTICE OF CLOSING OF SALE TO LNHC, INC.

PLEASE TAKE NOTICE that, on July 17, 2023 (the “Petition Date”), the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under 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”), commencing these chapter 11 cases (the “Chapter 11 Cases”);

PLEASE TAKE FURTHER NOTICE that, on September 12, 2023, the Court entered that certain *Order (I) Approving Asset Purchase Agreement, (II) Authorizing the Sale of the Debtors’ Development Assets and Certain of the Commercial Assets Free and Clear of All Encumbrances to LNHC, Inc., (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* [Dkt. No. 291] (the “LNHC Sale Order”);²

PLEASE TAKE FURTHER NOTICE that, annexed as Exhibit A to the LNHC Sale Order is that certain *Amended and Restated Asset Purchase Agreement*, by and among Novan, Inc., EPI Health, LLC, and Ligand Pharmaceuticals Incorporation (or its designee or assignee), dated September 1, 2023 (“Amended and Restated APA”);

PLEASE TAKE FURTHER NOTICE that, on September 26, 2023, the Debtors filed that certain *Notice of Revised Assumed Contracts List*, [Dkt. No. 321], which annexed as Exhibit A an updated and final “Assumed Contract List” (as defined in the Amended and Restated APA) containing those agreements designated by LNHC, Inc. (“LNHC”), as “Assumed Contracts” (as defined in the Amended and Restated APA) on Schedule 2.6(a) to the Amended and Restated APA;

PLEASE TAKE FURTHER NOTICE that, pursuant to the LNHC Sale Order, including paragraphs 10 and 46 therein, the Debtors are authorized to take any and all actions necessary to consummate the transactions contemplated in the Amended and Restated APA,

¹ The Debtors in these chapter 11 cases, along with the last four digitals of the Debtors’ federal tax identification number (if applicable), are: Novan, Inc. (7682) and EPI Health, LLC (9118). The corporate headquarters and the mailing address for the Debtors is 4020 Stirrup Creek Drive, Suite 110, Durham, NC 27703.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the LNHC Sale Order.



including without limitation modifying, amending, or supplementing the Amended and Restated APA without further order of the Court provided that any such modifications, amendments or supplement does not have a material adverse effect on the Debtors' estates; and

PLEASE TAKE FURTHER NOTICE, that, on September 27, 2023, the Debtors filed notice of that certain *Amendment No. 1 to Amended and Restated Asset Purchase Agreement*, dated September 26, 2023, by and among Novan, Inc., EPI Health, LLC, and LNHC (as assignee of Ligand Pharmaceuticals Incorporated) ("Amendment No. 1"), whereby the Debtors and LNHC amended the Amended and Restated APA to, among other things, and as more particularly described in Amendment No. 1, insert certain closing conditions surrounding LNHC's acquisition of equity interests in a newly formed, non-debtor subsidiary of the Debtors holding labeler code 71403 assigned by the U.S. Food and Drug Administration and certain related National Drug Codes [Dkt. No. 326]; and

PLEASE TAKE FURTHER NOTICE that, the Sale closed on September 27, 2023, which shall be deemed the Closing Date under the Amended and Restated APA (as amended by Amendment No. 1).

Dated: September 28, 2023
Wilmington, Delaware

Respectfully submitted,

/s/ Daniel B. Butz

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