

**Fill in this information to identify the case:**

Debtor EPI Health, LLC

United States Bankruptcy Court for the: \_\_\_\_\_ District of Delaware  
(State)

Case number 23-10938

**Official Form 410  
Proof of Claim**

**04/22**

**Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.**

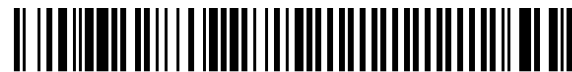
**Filers must leave out or redact** information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

**Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.**

**Part 1: Identify the Claim**

<p><b>1. Who is the current creditor?</b></p>	<p><u>Dr. Reddys Laboratories Ltd.</u> Name of the current creditor (the person or entity to be paid for this claim)</p> <p>Other names the creditor used with the debtor _____</p>	
<p><b>2. Has this claim been acquired from someone else?</b></p>	<p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. From whom? _____</p>	
<p><b>3. Where should notices and payments to the creditor be sent?</b></p> <p>Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)</p>	<p><b>Where should notices to the creditor be sent?</b></p> <p><u>Dr. Reddys Laboratories Ltd.</u> <u>Andrew J. Roth-Moore</u> <u>Cole Schotz P.C.</u> <u>500 Delaware Avenue, Suite 1410</u> <u>Wilmington, DE 19801</u></p> <p>Contact phone <u>3026512003</u></p> <p>Contact email <u>aroth-moore@coleschotz.com</u></p>	<p><b>Where should payments to the creditor be sent? (if different)</b></p> <p><u>Dr. Reddys Laboratories Ltd.</u> <u>8-2-337, Road No. 3, Banjara Hills,</u> <u>Hyderabad, Telangana 500034, India</u></p> <p>Contact phone <u>91-40-4900 2900</u></p> <p>Contact email _____</p> <p>Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____</p>
<p><b>4. Does this claim amend one already filed?</b></p>	<p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY</p>	
<p><b>5. Do you know if anyone else has filed a proof of claim for this claim?</b></p>	<p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Yes. Who made the earlier filing? _____</p>	



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor?  No  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_ \_

7. How much is the claim? \$ 560,798.88. Does this amount include interest or other charges?  
 No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
Limit disclosing information that is entitled to privacy, such as health care information.  
See Attachment

9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature or property:**  
 Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amount should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_ %  
 Fixed  
 Variable

10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

No

Yes. Check all that apply:

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(____) that applies.	\$ _____

\* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

No

Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ 285,028.80

**Part 3: Sign Below**

**The person completing this proof of claim must sign and date it. FRBP 9011(b).**

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.**

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 10/20/2023  
MM / DD / YYYY

/s/Erez Israeli  
Signature

**Print the name of the person who is completing and signing this claim:**

Name Erez Israeli  
First name Middle name Last name

Title CEO

Company Dr. Reddys Laboratories Ltd.  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 8-2-337, Road No. 3, Banjara Hills, Hyderabad, Telangana, 500034, India

Contact phone 91-40-4900 2900 Email \_\_\_\_\_



# KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (888) 251-2954 | International (310) 751-2614

<b>Debtor:</b> 23-10938 - EPI Health, LLC		
<b>District:</b> District of Delaware		
<b>Creditor:</b> Dr. Reddys Laboratories Ltd. Andrew J. Roth-Moore Cole Schotz P.C. 500 Delaware Avenue, Suite 1410 Wilmington, DE, 19801  <b>Phone:</b> 3026512003 <b>Phone 2:</b>  <b>Fax:</b>  <b>Email:</b> aroth-moore@coleschotz.com	<b>Has Supporting Documentation:</b> Yes, supporting documentation successfully uploaded  <b>Related Document Statement:</b>  <b>Has Related Claim:</b> Yes  <b>Related Claim Filed By:</b>  <b>Filing Party:</b> Authorized agent	
<b>Disbursement/Notice Parties:</b> Dr. Reddys Laboratories Ltd. 8-2-337, Road No. 3, Banjara Hills,  Hyderabad, Telangana, 500034 India <b>Phone:</b> 91-40-4900 2900 <b>Phone 2:</b>  <b>Fax:</b>  <b>E-mail:</b>  <b>DISBURSEMENT ADDRESS</b>		
<b>Other Names Used with Debtor:</b>	<b>Amends Claim:</b> No  <b>Acquired Claim:</b> No	
<b>Basis of Claim:</b> See Attachment	<b>Last 4 Digits:</b> No	<b>Uniform Claim Identifier:</b>
<b>Total Amount of Claim:</b> 560,798.88	<b>Includes Interest or Charges:</b> No	
<b>Has Priority Claim:</b> No	<b>Priority Under:</b>	
<b>Has Secured Claim:</b> No  <b>Amount of 503(b)(9):</b> Yes: 285,028.80  <b>Based on Lease:</b> No  <b>Subject to Right of Setoff:</b> No	<b>Nature of Secured Amount:</b> <b>Value of Property:</b>  <b>Annual Interest Rate:</b>  <b>Arrearage Amount:</b>  <b>Basis for Perfection:</b>  <b>Amount Unsecured:</b>	
<b>Submitted By:</b> Erez Israeli on 20-Oct-2023 12:14:15 p.m. Eastern Time  <b>Title:</b> CEO  <b>Company:</b> Dr. Reddys Laboratories Ltd.		

**Optional Signature Address:**

Erez Israeli

Dr. Reddys Laboratories Ltd.

8-2-337, Road No. 3, Banjara Hills

Hyderabad, Telangana, 500034

India

**Telephone Number:**

91-40-4900 2900

**Email:**

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

In re:

NOVAN, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

**ATTACHMENT**

Dr. Reddy’s Laboratories Ltd. (“Dr. Reddy’s Ltd.”) submits the following information in support of its proof of claim (this “Claim”) against EPI Health, LLC (“EPI”) arising from prepetition transactions.

Prior to July 17, 2023 (the “Petition Date”), EPI and Dr. Reddy’s Ltd. entered into to the *Asset Purchase Agreement*, dated August 20, 2018 (the “MinoLira APA”), pursuant to which Dr. Reddy’s Ltd. transferred certain rights related to the sale of the pharmaceutical product MinoLira to EPI for an “Upfront Payment” as well as additional, contingent “Milestone Payments” (both terms as defined in the MinoLira APA) based on EPI’s future sales of MinoLira. *See* MinoLira APA § 3.01.

As part of entering into the MinoLira APA, the parties executed a series of related agreements, including a *Supply Agreement*, dated August 20, 2018 (the “MinoLira Supply Agreement”) pursuant to which Dr. Reddy’s Ltd. supplied MinoLira to EPI. Under Article VI of the MinoLira Supply Agreement, EPI is obligated to make various taxes, fees, and interest payments (“Fees and Interest”). For example, pursuant to Section 6.4 of the MinoLira Supply Agreement, EPI is obligated to pay for products sold under the agreement within 30 days of

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits 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.

invoice. Overdue payments are subject to an additional service charge “equal to lesser of one percent (1%) per month or the highest rate permitted by law of the outstanding amount for each month or portion thereof that such undisputed amount is overdue.”

The MinoLira Supply Agreement expired on its own terms on August 20, 2021. Since then, Dr. Reddy’s Ltd. has continued to supply MinoLira to EPI under purchase orders pursuant to the terms of the MinoLira Supply Agreement (“MinoLira POs”).

Prior to the Petition Date, Dr. Reddy’s Ltd. supplied MinoLira under four MinoLira POs, for which Dr. Reddy’s Ltd. is owed a total of \$560,798.88:

<b>Invoice No.<sup>2</sup></b>	<b>Shipment Date</b>	<b>Amount</b>
9013407866	February 24, 2023	\$141,847.20
9013407885	February 24, 2023	\$133,922.88
9013420247	June 14, 2023	\$285,028.80
<b>TOTAL</b>		<b>\$560,798.88</b>

Dr. Reddy’s Ltd. holds a prepetition Claim against EPI of not less than \$560,798.88. Dr. Reddy’s Ltd. also holds a Claim for Fees and Interest related to the MinoLira POs that continues to accrue.

Further, \$285,028.80 of the Claim, the value of Invoice No. 9013420247, is entitled to administrative expense priority under 11 U.S.C. § 503(b)(9). Dr. Reddy’s Ltd. finished the goods related to Invoice No. 9013420247 at its plant in Hyderabad, India, and made those goods available for pickup on the “Shipment Date” of July 14, 2023. EPI engaged a carrier to deliver the goods into EPI’s possession. Based on historical shipment practices, it is likely that EPI took physical possession of the goods delivered under Invoice No. 9013420247 on or after June 27, 2023 (within 20 days prior to the Petition Date).

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<sup>2</sup> The Debtors have copies of these MinoLira POs. However, upon request by the Debtors, Dr. Reddy’s Ltd. will provide copies.

### **Reservations**

This Claim is not, with respect to any entity, including any Debtor, or any of their officers or directors: (a) a waiver or release of the rights of Dr. Reddy's Ltd. against any other entity or person liable for all or any part of the Claim asserted herein; (b) a waiver of any rights or remedies of Dr. Reddy's Ltd. or an election of remedies which waives or otherwise affects any other remedy; (c) consent by Dr. Reddy's Ltd. to the jurisdiction of this Court with respect to any proceeding commenced in this case against or otherwise involving Dr. Reddy's Ltd.; (d) a waiver of the right to move to withdraw the reference with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto or any other proceedings commenced in this case against or otherwise involving Dr. Reddy's Ltd.; (e) a waiver or release by Dr. Reddy's Ltd. of any right to trial by jury, or a consent by Dr. Reddy's Ltd. to a trial by jury, in this Court or any other court; (f) a waiver of any right to the subordination or recharacterization, in favor of Dr. Reddy's Ltd. of indebtedness or liens held by any creditors of the Debtors or any of their non-Debtor affiliates; (g) a waiver of any right of Dr. Reddy's Ltd. to assert that all or any portion of the Claim constitutes an administrative expense entitled to priority under sections 503 and 507 of the Bankruptcy Code; (h) a waiver of any past, present or future defaults or events of defaults or other failures to perform; (i) a waiver of any indebtedness owed to or rights held by Dr. Reddy's Ltd. with respect to any Debtor or non-Debtor affiliate or other person or entity; (j) a waiver of any right to fees, indemnities, costs and expenses permitted under any agreements or applicable law; or (k) a waiver of any right to seek and obtain additional interest, including but not limited to the right to recover default interest.



Dr. Reddy's Ltd. expressly preserves all procedural and substantive defenses with respect to any claim that may be asserted against Dr. Reddy's Ltd. by the Debtor or any of its Debtor or non-Debtor affiliates, or by any trustee or other representative of the Debtors' estates, or by any other person.

Dr. Reddy's Ltd. expressly reserves the right to file administrative expense claims.

Dr. Reddy's Ltd. expressly reserves its rights to file any separate or additional proofs of claim with respect to the Claim set forth herein or otherwise (which proofs of claim, if so filed, shall not be deemed to supersede this Claim unless expressly so stated therein), to amend or supplement this Claim in any respect, including with respect to the filing of an additional or amended claim for the purpose of fixing and liquidating any contingent or unliquidated claim, including, without limitation, any Milestone Payments that may come due under the MinoLira APA, or to file additional proofs of claim in respect of additional amounts or for any other reason.