

Noven Therapeutics, LLC (Noven) is a US market leader in transdermal drug delivery. Noven's mission is to develop products that meaningfully benefit patients by advancing patient care through transdermal drug delivery system (TDDS). We strive to develop products that fulfill unmet patient needs in a variety of therapeutic areas.

Two of our products, Combipatch® and Daytrana®, exceeded the 16% Wholesale Acquisition Cost (WAC) increase threshold during the measurement period primarily due to the following reasons:

- In addition to currently marketed products in the areas of hormone therapy and ADHD, Noven has invested significantly in Research and Development (R&D) during the measurement period in order to bring new innovative TDDS products to patients.
- Noven is committed to meeting the highest standards for transdermal drug products. Noven has invested heavily to upgrade its manufacturing and quality systems over the past three years including additional in-process controls and testing.
- Noven's costs of manufacturing have gone up significantly in areas of material costs, labor and compliance costs, including implementation of Serialization as required by the Drug Supply Chain Security Act (DSCSA).
- Noven's distribution costs and sales rebates to payers have increased significantly during the measurement period, due to market pressures.

Noven has demonstrated and will continue to demonstrate a clear commitment to its mission of developing transdermal products that meaningfully benefit patients.

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