



Novan Receives Approval to Transfer to Nasdaq Capital Market

November 4, 2020

– Trading on Nasdaq Capital Market is expected to begin on November 5, 2020 –

– Company receives additional 180-day grace period, until May 3, 2021, to satisfy the \$1.00 bid price requirement to maintain Nasdaq listing –

MORRISVILLE, N.C., Nov. 04, 2020 (GLOBE NEWSWIRE) -- Novan, Inc. ("the Company" or "Novan") (Nasdaq: NOVN), today announced that on November 3, 2020, the Listing Qualifications department of The Nasdaq Stock Market LLC ("Nasdaq") approved the Company's request to transfer its listing to The Nasdaq Capital Market from The Nasdaq Global Market. The transfer is expected to take effect on the start of trading on Thursday, November 5, 2020.

The approval was, in part, based upon the Company meeting the applicable market value of publicly held shares requirement for continued listing and all other applicable requirements for initial listing on the Nasdaq Capital Market (except for the minimum bid price requirement), the Company's written notice of its intention to cure the minimum bid price deficiency by effecting a reverse stock split, if necessary, its agreement to the conditions outlined in the Nasdaq Listing Agreement, and additional supporting information provided in the Company's application.

The transfer of the Company's listing to The Nasdaq Capital Market is not expected to have any impact on trading in the Company's shares. The Company's shares will continue to trade uninterrupted under the symbol "NOVN." The Nasdaq Capital Market is a continuous trading market that operates in substantially the same manner as The Nasdaq Global Market, and listed companies must meet certain financial and corporate governance requirements to qualify for continued listing.

On transfer to The Nasdaq Capital Market, Nasdaq granted the Company its second grace period of 180 calendar days, or until May 3, 2021, to regain compliance with the minimum bid price requirement for continued listing. To regain compliance, the closing bid price of the Company's common stock must meet or exceed \$1.00 per share for a minimum of 10 consecutive business days prior to May 3, 2021.

The Company intends to continue to actively monitor the minimum bid price requirement and, as appropriate, will consider available options to resolve any deficiencies and regain compliance.

About Novan

Novan, Inc. is a clinical development-stage biotechnology company focused on leveraging its proprietary nitric oxide (NO) based technology platform, NITRICIL™ to generate macromolecular New Chemical Entities (NCEs) to treat multiple indications in dermatology, men's and women's health, infectious diseases and gastroenterology conditions with significant unmet needs. The Company's lead product candidate, SB206, a topical antiviral gel, for the treatment of molluscum contagiosum, is currently being evaluated in the B-SIMPLE4 pivotal Phase 3 clinical study. The Company believes that SB206 as a topical, at-home, caregiver-applied therapy with a rapid treatment benefit, if approved, would address an important patient-care need for the treatment of molluscum.

Forward-Looking Statements

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "believe," "expect," "may," "plan," "potential," "will," and similar expressions, and are based on the Company's current beliefs and expectations. These forward-looking statements include, but are not limited to, statements related to the potential therapeutic value of the Company's NITRICIL™ platform technology and the Company's plans to regain compliance with the Nasdaq listing standards. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the Company's expectations, including, but not limited to, risks and uncertainties in the Company's ongoing or future product development activities and preclinical studies, which may not prove successful in demonstrating proof-of-concept, or may show adverse toxicological findings, and even if successful may not necessarily predict that subsequent clinical trials will show the requisite safety and efficacy of the Company's product candidates; the Company's ability to enter arrangements with third parties to support its development efforts on terms that are acceptable to the Company or at all; risks and uncertainties in the clinical development process, including, among others, length, expense, ability to enroll patients, reliance on third parties, potential for delays or other impacts, whether as a result of the COVID-19 pandemic or other factors, and that results of earlier research and preclinical or clinical trials may not be predictive of results, conclusions or interpretations of later research activities or additional trials; risks related to the regulatory approval process, which is lengthy, time-consuming and inherently unpredictable, including the risk that the Company's product candidates may not be approved or that additional studies may be required for approval or other delays may occur; the Company's ability to obtain additional funding or enter into strategic or other business relationships necessary or useful for the further development of the Company's product candidates; risks related to the manufacture of raw materials, including the Company's active pharmaceutical ingredient, and drug product components utilized in clinical trial materials, including failure to transfer technology and processes to third parties effectively or failure of those third parties to obtain approval of and maintain compliance with the FDA or comparable regulatory authorities; any operational or other disruptions as a result of the COVID-19 pandemic, including any delays or disruptions to the enrollment in and conduct of the B-SIMPLE4 Phase 3 trial; and other risks and uncertainties described in the Company's annual report filed with the SEC on Form 10-K for the twelve months ended December 31, 2019, as amended, and in the Company's subsequent filings with the SEC. These forward-looking statements speak only as of the date of this press release, and Novan disclaims any intent or obligation to update these forward-looking statements to reflect events or circumstances after the date of such statements, except as may be required by law.

INVESTOR AND MEDIA CONTACT:

Jenene Thomas

JTC Team, LLC
833-475-8247
NOVN@jtcir.com