



Novan Announces Pricing of \$40 Million Public Offering of Common Stock

June 17, 2021

DURHAM, N.C., June 17, 2021 (GLOBE NEWSWIRE) -- Novan, Inc. (the "Company" or "Novan") (NASDAQ:NOVN) today announced the pricing of the Company's previously announced underwritten public offering (the "Offering") of 3,636,364 shares of common stock at a public offering price of \$11.00 per share for gross proceeds of approximately \$40 million, before deducting underwriting discounts and commissions and other estimated offering expenses payable by Novan. All of the shares of common stock to be sold in the offering are being offered by Novan. The Offering is expected to close on or about June 21, 2021, subject to customary closing conditions. In addition, Novan has granted the underwriter of the Offering a 30-day option to purchase up to 545,454 additional shares of its common stock.

Cantor Fitzgerald & Co. is acting as the sole book-running manager for the Offering. In addition, ROTH Capital Partners, LLC acted as financial advisor to the Company in connection with the Offering.

Novan intends to use the net proceeds from the Offering, together with existing cash, to fund research and development program activities, including (i) preparing for and seeking regulatory approval of its product candidate SB206 as a treatment for molluscum contagiosum, (ii) planning for potential commercialization of SB206 and (iii) continuing research and development activities primarily related to its product candidate SB204 as a treatment for acne vulgaris, as well as for general corporate purposes.

The Offering is being made pursuant to a shelf registration statement on Form S-3 (Registration No. 333-236583) filed with the Securities and Exchange Commission (the "SEC") and declared effective on April 10, 2020. A preliminary prospectus supplement relating to the Offering has been filed with the SEC and a final prospectus supplement and the accompanying prospectus relating to this offering will be filed with the SEC. The securities may be offered only by means of a written prospectus, including a prospectus supplement, forming a part of the effective registration statement. When available, electronic copies of the final prospectus supplement and the accompanying base prospectus relating to the Offering may be obtained from the SEC at <http://www.sec.gov>. Alternatively, copies of the final prospectus and the accompanying base prospectus relating to the Offering can be obtained, when available, from Cantor Fitzgerald & Co., Attn: Capital Markets, 499 Park Avenue, 4th Floor, New York, New York 10022 or by email at prospectus@cantor.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

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 is SB206, a topical antiviral gel, for the treatment of molluscum contagiosum. 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 contagiosum.

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," "target," "anticipate," "may," "plan," "potential," "will," "intends" 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, the Company's pharmaceutical development of nitric oxide-releasing product candidates, statements regarding the Company's expectations as to the completion of the public offering, and statements regarding the anticipated use of proceeds from the public offering. 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 associated with the clinical development and regulatory approval processes, market conditions and the satisfaction of customary closing conditions related to the proposed public offering, as well as 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, 2020, and in the Company's subsequent filings with the SEC. Such forward-looking statements speak only as of the date of this press release or the announced presentation, as applicable, and the Company 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.

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