



Novan Takes Steps to Reduce Real Estate Footprint

August 13, 2019

- **Company entered into negotiations with third party to transfer lease obligation**
- **Non-binding letter of intent signed**
- **60-day exclusivity period to finalize details**
- **A successful transaction would lead to a reduction in legacy infrastructure and associated costs**

MORRISVILLE, N.C., Aug. 13, 2019 (GLOBE NEWSWIRE) -- Novan, Inc. ("the Company" or "Novan") (Nasdaq:NOVN) today announced that the Company has executed a non-binding letter of intent (LOI) with a third party on its facility at 4105 Hopson Road in Morrisville, NC. The primary goal of the LOI is to negotiate an agreement that obtains the release of Novan from its current multi-year obligation. This agreement has a 60-day period of exclusivity for negotiations. The Company's objective is to reach a binding agreement no later than the end of the third quarter of 2019.

Embedded within the agreement is an allowance for the Company to simultaneously sublease a portion of the Hopson Road facility and remain there for the foreseeable future, which is intended to minimize business disruptions. An executed agreement is targeted to reduce Novan's real estate presence by approximately 70%.

About Novan

Novan, Inc. is a clinical development-stage biotechnology company focused on leveraging nitric oxide's naturally occurring anti-microbial and immunomodulatory mechanisms of action to treat a range of diseases with significant unmet needs. We believe that our ability to deploy nitric oxide in a solid form, on demand and in localized formulations allows us the potential to improve patient outcomes in a variety of dermatological, women's health and gastrointestinal diseases.

Forward-Looking Statements

This press release contains forward-looking statements including, but not limited to, statements related to our ability to conclude an agreement to successfully reduce our real estate footprint. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from our expectations, including, but not limited to, our ability to conclude an agreement within the third quarter on such terms as described or on such other terms as are similarly favorable to Novan, our ability to successfully reduce costs, the impact of any business disruptions resulting from completing the agreement; and other risks and uncertainties described in our annual report filed with the SEC on Form 10-K for the twelve months ended December 31, 2018, and in our 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.

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Source: Novan, Inc.