

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **September 23, 2020**

Novan, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-37880
(Commission
File Number)

20-4427682
(IRS Employer
Identification No.)

4105 Hopson Road, Morrisville, North Carolina 27560
(Address of principal executive offices) (Zip Code)

(919) 485-8080
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.0001 par value	NOVN	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Director

On September 23, 2020, the Board of Directors (the “Board”) of Novan, Inc. (the “Company”) voted to increase the size of the Board from six (6) to seven (7) directors and appointed James L. Bierman to the Board to fill the resulting vacancy, effective immediately, and to serve as a Class II director until the Company’s 2021 annual meeting of stockholders and until his successor is elected and qualified or until his earlier death, resignation or removal. Mr. Bierman has also been appointed to serve as a member of the Nominating and Corporate Governance Committee of the Board. There are no arrangements or understandings between Mr. Bierman and any other persons pursuant to which he was appointed as a director of the Company and he is not a party to, and he does not have any direct or indirect material interest in, any transaction requiring disclosure under Item 404(a) of Regulation S-K.

Mr. Bierman served as President and Chief Executive Officer and as a member of the board of directors of Owens & Minor, Inc., a Fortune 500 company and a leading distributor of medical and surgical supplies, from September 2014 to June 2015. Previously, he served in various other senior roles at Owens & Minor, including President and Chief Operating Officer from August 2013 to September 2014, Executive Vice President and Chief Operating Officer from March 2012 to August 2013, Executive Vice President and Chief Financial Officer from April 2011 to March 2012, and Senior Vice President and Chief Financial Officer from June 2007 to April 2011. Earlier in his career, Mr. Bierman served as Executive Vice President and Chief Financial Officer at Quintiles Transnational Corp. Before joining Quintiles, Mr. Bierman was a partner with Arthur Andersen LLP from 1988 to 1998. Mr. Bierman currently serves on the board of directors of Tenet Healthcare Corporation and MIMEDX Group, Inc. and previously served as Independent Lead Director on the board of directors of Team Health Holdings, Inc. Mr. Bierman earned his B.A. from Dickinson College and his M.B.A. at Cornell University’s Johnson Graduate School of Management.

Mr. Bierman will receive compensation for his service as director in accordance with the Company’s non-employee director compensation policy, a copy of such policy, which is effective October 1, 2020, is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference. In connection with his appointment to the Board, Mr. Bierman is expected to enter into the Company’s standard form of indemnification agreement, a copy of which is filed as Exhibit 10.1 to the Company’s Registration Statement on Form S-1 filed on August 24, 2016 and is incorporated herein by reference.

Employment Agreement with John M. Gay

On September 23, 2020, the Company entered into an Employment Agreement (the “Employment Agreement”) with John M. Gay, in which Mr. Gay has agreed to serve as the Company’s Chief Financial Officer, effective immediately. The Employment Agreement may be terminated at-will by the Company or Mr. Gay at any time, for any or no cause or reason, and with or without prior notice. Pursuant to the Employment Agreement, Mr. Gay receives an annual base salary of \$315,000 (applied retroactively as of June 1, 2020), is eligible to receive an annual performance-based bonus with a target bonus equal to 35% of his base salary, is eligible to participate in the Company’s incentive award plans and is entitled to the maximum amount of paid time-off allowed under the Company’s policies. The Employment Agreement also provides Mr. Gay with eligibility to participate in the Company’s employee benefit plans, programs and arrangements as are provided generally from time to time to all other similarly situated employees of the Company, as well as reimbursement of reasonable business expenses.

In the event of termination of Mr. Gay’s employment by the Company without “cause” or by Mr. Gay for “good reason,” in each case not in connection with a “change in control,” with such terms as defined in the Employment Agreement, then in addition to any accrued amounts and subject to Mr. Gay timely delivering an effective release of claims in the Company’s favor and continued compliance with the existing Restrictive Covenants Agreements, as defined in the Employment Agreement, between Mr. Gay and the Company, Mr. Gay will be entitled to receive (i) payment of an amount equal to six months of his base salary, plus a prorated annual bonus, calculated at the target bonus level for the calendar year in which the separation date occurs based on the percentage of the calendar year actually worked by Mr. Gay as of the separation date, with such amount generally to be paid in equal installments over six months in accordance with the Company’s standard payroll practices, (ii) vesting of any of Mr. Gay’s then-unvested equity awards that would have otherwise vested through the end of the calendar year in which the separation date occurs, and (iii) reimbursement of a portion of Mr. Gay’s applicable Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), premiums for up to six months after such separation date. In the event of termination of Mr. Gay’s employment by the Company without “cause” or by Mr. Gay for “good reason,” at the time of or within twelve months after a “change in control,” then in addition to any accrued amounts and subject to Mr. Gay timely delivering an effective release of claims in the Company’s favor and continued compliance with the existing Restrictive Covenants Agreements, Mr. Gay will be entitled to receive (i) payment of an amount equal to twelve months of his base salary, plus an amount equal to an annual bonus calculated at the target bonus level for the calendar year in which the separation date occurs, with such amount generally to be paid in equal installments over twelve months in accordance with the Company’s standard payroll practices, (ii) accelerated vesting of the remaining unvested portion of any and all equity awards issued to Mr. Gay as of the separation date and (iii) reimbursement of a portion of Mr. Gay’s applicable COBRA premiums for up to twelve months after such separation date. In the event of termination of Mr. Gay’s employment by the Company for “cause,” by Mr. Gay other than for “good reason,” or due to Mr. Gay’s death or “disability,” as defined in the Employment Agreement, Mr. Gay will not be entitled to any additional compensation under the Employment Agreement beyond any accrued amounts.

Mr. Gay will continue to serve as the Company's Secretary and principal financial officer. Mr. Gay joined the Company in May 2018 and previously held the positions of Senior Director of Finance and Corporate Controller from May 2018 through January 2019, and Vice President, Finance, Corporate Controller, Secretary and principal financial officer since January 2019. Prior to joining the Company, Mr. Gay held director positions, including Director of SEC Reporting, with Valassis Digital and MaxPoint Inc., from May 2014 to April 2018. Mr. Gay also served as Corporate Controller of Furiex Pharmaceuticals, Inc. from June 2010 to May 2014, including from its initial listing on the Nasdaq stock market through the execution of an acquisition agreement of the company by Actavis plc (Forest Laboratories, Inc.) in an all-cash transaction valued at approximately \$1.1 billion. Prior to joining Furiex Pharmaceuticals, Inc., Mr. Gay served as Audit Senior Manager and in other roles of increasing responsibilities at Deloitte and Arthur Andersen from September 2000 to May 2010. Mr. Gay is a certified public accountant and holds Bachelor's degrees in Economics and History and a Master of Accounting degree from the University of North Carolina at Chapel Hill.

There are no arrangements or understandings between Mr. Gay and any other persons pursuant to which he was appointed as an officer of the Company, he has no family relationships with any of the Company's directors or executive officers, and he is not a party to, and he does not have any direct or indirect material interest in, any transaction requiring disclosure under Item 404(a) of Regulation S-K.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the Employment Agreement, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.2 and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

The press release issued by the Company on September 24, 2020, announcing the matters described above, is furnished herewith as Exhibit 99.1, and is incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Furthermore, the information in Item 7.01, including exhibit 99.1, in this report shall not be deemed incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended.

Item 8.01. Other Events.

The Company, in an effort to optimize B-SIMPLE4 (the Company's ongoing pivotal Phase 3 trial for its lead product candidate SB206 in molluscum contagiosum), has decided to expand the study size of B-SIMPLE4 by 100, now up to approximately 850 patients. Anticipated completion of patient enrollment is unchanged and remains targeted for the first quarter of 2021. Topline results from the B-SIMPLE4 trial are still targeted for the second quarter of 2021, subject to trial execution which has been and may be further impacted by the COVID-19 pandemic. Clinical trials are subject to a variety of risks and uncertainties, including 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 clinical trials may not be predictive of results, conclusions or interpretations of later research activities or additional trials. Please see "Risk Factors" included 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 its subsequent filings with the SEC. Forward-looking statements speak only as of the date hereof, and the Company disclaims any intent or obligation to update such forward-looking statements to reflect events or circumstances, except as required by law.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits

EXHIBIT INDEX

Exhibit No.	Description
10.1	Non-Employee Director Compensation Policy.
10.2	Employment Agreement, dated September 23, 2020, by and between Novan, Inc. and John M. Gay.
99.1	Press release dated September 24, 2020.

The inclusion of any website address in this Form 8-K, and any exhibit thereto, is intended to be an inactive textual reference only and not an active hyperlink. The information contained in, or that can be accessed through, such website is not part of or incorporated into this Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Novan, Inc.

Date: September 24, 2020

By: /s/ Paula Brown Stafford

Paula Brown Stafford

Chairman, President and Chief Executive Officer

NOVAN, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

October 1, 2020

Non-employee members of the board of directors (the “*Board*”) of Novan, Inc. (the “*Company*”) shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Policy (this “*Policy*”). The cash and equity compensation described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a “*Non-Employee Director*”), who may be eligible to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Policy shall become effective on the date hereof (the “*Effective Date*”) and shall remain in effect until it is revised or rescinded by further action of the Board. This Policy may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Policy shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors and between any subsidiary of the Company and any of its non-employee directors. No Non-Employee Director shall have any rights hereunder, except with respect to equity awards granted pursuant to the Policy.

1. Cash Compensation.

(a) Annual Retainers. Each Non-Employee Director shall receive an annual retainer of \$40,000 for service on the Board.

(b) Additional Annual Retainers. In addition, a Non-Employee Director shall receive the following annual retainers:

(i) Chairman of the Board. A Non-Employee Director serving as Chairman of the Board shall receive an additional annual retainer of \$32,500 for such service.

(ii) Lead Independent Director. A Non-Employee Director serving as Lead Independent Director shall receive an additional annual retainer of \$22,500 for such service.

(iii) Audit Committee. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of \$17,500 for such service. A Non-Employee Director serving as a member of the Audit Committee (other than the Chairperson) shall receive an additional annual retainer of \$8,750 for such service.

(iv) Compensation Committee. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of \$17,500 for such service. A Non-Employee Director serving as a member of the

Compensation Committee (other than the Chairperson) shall receive an additional annual retainer of \$7,500 for such service.

(v) Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of \$10,000 for such service. A Non-Employee Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson) shall receive an additional annual retainer of \$5,000 for such service.

(vi) Science and Technology Committee. A Non-Employee Director serving as Chairperson of the Science and Technology Committee shall receive an additional annual retainer of \$20,000 for such service. A Non-Employee Director serving as a member of the Science and Technology Committee (other than the Chairperson) shall receive an additional annual retainer of \$6,000 for each service.

(vii) Special Committee. In the event the Board creates a special committee, or designates the members of a standing committee to function with respect to a special purpose as members of a special committee, additional cash compensation in the form of a retainer or a per meeting fee, whether such meeting is attended in person or by telephone, shall be paid at the rate established by the Board at the time the Board establishes such committee or designates members of a standing committee to function with respect to a special purpose as members of a special committee. Only the members of the special committee (or members of a standing committee to function with respect to a special purpose as members of a special committee) are eligible for the payments described in this section with respect to meetings of such special committee.

(c) Payment of Retainers. The annual retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, such Non-Employee Director shall receive a prorated portion of the retainer(s) otherwise payable to such Non-Employee Director for such calendar quarter pursuant to Section 1(b), with such prorated portion determined by multiplying such otherwise payable retainer(s) by a fraction, the numerator of which is the number of days during which the Non-Employee Director serves as a Non-Employee Director or in the applicable positions described in Section 1(b) during the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter.

2. Equity Compensation. Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2016 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "**Equity Plan**") and shall be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Policy

as if fully set forth herein, and all equity grants hereunder are subject in all respects to the terms of the Equity Plan.

(a) Annual Awards. A Non-Employee Director who (i) serves on the Board as of the date of any annual meeting of the Company's stockholders (an "**Annual Meeting**") after the Effective Date and (ii) will continue to serve as a Non-Employee Director immediately following such Annual Meeting shall be automatically granted, on the date of such Annual Meeting, an option to purchase the number of shares of the Company's common stock (at a per-share exercise price equal to the closing price per share of the Company's common stock on the date of such annual meeting (or on the last preceding trading day if the date of the annual meeting is not a trading day)) equal to the lesser of 20,000 shares or the number of shares that have an aggregate fair value on the date of grant of \$100,000 (as determined in accordance with ASC 718) (with the number of shares of Common Stock underlying each such award subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(a) shall be referred to as the "**Annual Awards**." Notwithstanding the foregoing, the Board in its sole discretion may determine that the Annual Awards for any year be granted in the form of restricted stock units with equivalent value on the date of grant (with the number of shares of Common Stock underlying each such award not to exceed 20,000 shares and subject to adjustment as provided in the Equity Plan). For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an Annual Meeting shall only receive an Annual Award in connection with such election, and shall not receive any Initial Award (as defined below) on the date of such Annual Meeting as well.

(b) Initial Awards. Except as otherwise determined by the Board, each Non-Employee Director who is initially elected or appointed to the Board on any date other than the date of an Annual Meeting shall be automatically granted, on the date of such Non-Employee Director's initial election or appointment (such Non-Employee Director's "**Start Date**"), an option to purchase shares of the Company's common stock (at a per-share exercise price equal to the closing price per share of the Company's common stock on the date of such election or appointment (or on the last preceding trading day if such date is not a trading day)) equal to the lesser of 20,000 shares or the number of shares that have an aggregate fair value on such Non-Employee Director's Start Date equal to the product of (i) \$100,000 (as determined in accordance with ASC 718), and (ii) a fraction, the numerator of which is (x) 365 minus (y) the number of days in the period beginning on the date of the Annual Meeting immediately preceding such Non-Employee Director's Start Date and ending on such Non-Employee Director's Start Date and the denominator of which is 365 (with the number of shares of Common Stock underlying each such award subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(b) shall be referred to as "**Initial Awards**." Notwithstanding the foregoing, the Board in its sole discretion may determine that the Initial Award for any Non-Employee Director be granted in the form of restricted stock units with equivalent value on the date of grant (with the number of shares of Common Stock underlying each such award not to exceed 20,000 shares and subject to adjustment as provided in the Equity Plan). For the avoidance of doubt, no Non-Employee Director shall be granted more than one Initial Award.

(c) Termination of Service of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their service with the Company and any parent or subsidiary of the Company and remain on the

Board will not receive an Initial Award pursuant to Section 2(b) above, but to the extent that they are otherwise eligible, will be eligible to receive, after termination from service with the Company and any parent or subsidiary of the Company, Annual Awards as described in Section 2(a) above.

(d) Vesting of Awards Granted to Non-Employee Directors. Each Annual Award and Initial Award shall vest and become exercisable in four equal quarterly installments, such that each such award shall be fully vested and exercisable on the first anniversary of the date of grant, subject to the Non-Employee Director's continued service on the Board as a Non-Employee Director through each applicable vesting date. No portion of an Annual Award or Initial Award that is unvested or unexercisable at the time of a Non-Employee Director's termination of service on the Board as a Non-Employee Director shall become vested and exercisable thereafter. All of a Non-Employee Director's Annual Awards and Initial Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

* * * * *

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of September 23, 2020 (the "Effective Date") by and between Novan, Inc., a Delaware corporation with its principal place of business in Durham County, North Carolina (the "Company"), and John M. Gay ("Executive").

WITNESSETH:

WHEREAS, Executive has been serving as the principal financial officer of the Company and is subject to the terms of the Confidentiality and Assignment of Inventions Agreement and the Noncompetition Agreement, both executed by Executive on May 21, 2018 (collectively the "Restrictive Covenants Agreements"); and

WHEREAS, the Company wishes to appoint Executive as the Chief Financial Officer, and Executive desires to accept such appointment and continued employment with the Company, on the terms described herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises herein contained, and other good and valuable consideration, including the employment of Executive by the Company and the compensation received by Executive from the Company from time to time, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows.

1. **EMPLOYMENT.** As of the Effective Date, Executive shall serve as the Company's Chief Financial Officer ("CFO") upon the terms and conditions hereinafter set forth.

2. **DUTIES; EXCLUSIVE SERVICE.**

(a) Executive shall faithfully discharge his responsibilities and perform all duties prescribed to him by the Company's Chief Executive Officer (the "CEO"), as well as any duties as are set forth in the Bylaws of the Company related to Executive's position. In addition, Executive expressly agrees that his services include but are not limited to attendance at scheduled meetings of the Company's Board of Directors (the "Board") and all other normal duties associated with the responsibilities of a Chief Financial Officer. Executive agrees to comply with all Company policies, standards and regulations now existing or hereafter promulgated. Executive further agrees to devote all of his working time and attention to the performance of his duties and responsibilities on behalf of the Company and in furtherance of its best interests. Notwithstanding the foregoing, Executive may serve on boards or advisory committees without compensation of non-profit or charitable organizations and, with the prior written consent of the CEO, boards or advisory committees of for-profit organizations or companies, in each case, so long as such service and obligations do not interfere with Executive's duties at the Company. During the Term, Executive agrees to immediately resign from the board of any company that engages in any business that competes with or represents a conflict with the business of the Company as determined in the reasonable discretion of the Board.

3. COMPENSATION. Executive's compensation shall be paid as follows:

(a) Base Salary. Executive shall receive as compensation a base salary at an annual rate of Three Hundred Fifteen Thousand Dollars (\$315,000.00) ("Base Salary"), less any federal, state and local payroll taxes and other withholdings legally required or properly requested by Executive. Base Salary under this Agreement shall be applied retroactively as of June 1, 2020, and the Company shall provide Executive with a make-up payment to cover such retroactive application in the first payroll check following the Effective Date. Base Salary shall be payable semi-monthly in accordance with the Company's regular payroll practices and procedures. Base Salary shall be subject to annual review by the Company and adjustment within the Company's discretion.

(b) Annual Bonus. For each calendar year during the Term, Executive will be eligible to receive an annual performance-based cash bonus, upon achievement of the annual bonus objectives established by the Company ("Annual Bonus") pursuant to the Company's Executive Annual Incentive Plan or another bonus plan established by the Company, with a target Annual Bonus equal to thirty five percent (35%) of Base Salary for achievement of the performance objectives established by the Company. Executive's eligibility for an Annual Bonus is contingent on Executive remaining employed through December 31 of the applicable calendar year. Each Annual Bonus will be paid to Executive no later than March 15 of the calendar year following the calendar year during which performance is measured. Executive's Annual Bonus for 2020 will be prorated retroactively as of June 1, 2020 such that 5/12 of the bonus is determined at the target bonus level in effect prior to the Effective Date and 7/12 of the bonus is determined based on the target bonus level described above.

(c) Equity Incentive Plan. Executive will be eligible to participate in Company's incentive award plans as may be approved by the Board from time-to-time, including the Novan, Inc. 2016 Incentive Award Plan, at such level and on such terms as shall be approved by the Compensation Committee of the Board, in its sole discretion

(d) Paid Time Off. Executive is entitled to receive the maximum amount of paid-time-off ("PTO") allowed under the Company's policies, which PTO will be accrued and used in accordance with the Company's policies.

(e) Benefits. Executive shall be entitled to participate in employee benefit plans, programs and arrangements of the Company as are provided generally from time to time to all other similarly situated employees of the Company. All such benefits are subject to the provisions of their respective plan documents in accordance with their terms and are subject to amendment or termination by the Company without Executive's consent.

(f) Business Expenses. The Company will reimburse all reasonable expenses incurred by Executive in the performance of his duties to the Company, provided Executive complies with the Company's policies and procedures for reimbursement or advance of business expenses established by the Company.

4. EMPLOYMENT AT WILL; TERMINATION. The term of employment under this Agreement (the “Term”) shall commence on the Effective Date and continue until termination as provided in this Section 4, and subject to the terms of Section 6. Subject to Section 6, Executive’s employment with the Company is atwill, and either party can terminate the employment relationship and/or this Agreement at any time, for any or no cause or reason, and with or without prior notice.

5. EFFECT OF TERMINATION. Upon termination of Executive’s employment hereunder by either party regardless of the cause or reason, the Company shall pay Executive only accrued, unpaid wages through the termination date and reimbursement for unreimbursed business expenses properly incurred by Executive, which shall be subject to and paid in accordance with the Company’s expense reimbursement policy (the “Accrued Amounts”). The final payment of wages, less any withholdings required by law or properly requested by Executive, shall be made on the next regular payday of the Company following the termination, in accordance with the Company’s normal payroll procedures. Except as otherwise provided in Section 6 of this Agreement, no other payments, benefits or other remuneration shall be due or payable to Executive.

6. SEVERANCE PROVISIONS.

(a) Definitions. For the purposes of this Agreement, the following terms shall be defined as set out below:

i. “Cause” shall be determined in good faith by the Board (excluding Executive if then a director) and shall mean:

a. Executive’s conviction of, or plea of no contest to, any crime (whether or not involving the Company) that constitutes a felony in the jurisdiction in which Executive is charged, or that involves moral turpitude;

b. Any act of theft, fraud or embezzlement, or any other willful misconduct or materially dishonest behavior by Executive;

c. Executive’s failure to adequately perform his reasonably assigned duties, provided that such failure or refusal is not corrected as promptly as practicable, and in any event within ten (10) calendar days after Executive shall have received written notice from the Company stating the nature of such failure or refusal;

d. Executive’s willful or material violation of any of his obligations contained in any agreement between Executive and the Company, including but not limited to the Confidentiality and Assignment of Inventions Agreement and Noncompetition Agreement executed by Executive;

e. Conduct by Executive that constitutes willful gross neglect or willful gross misconduct in carrying out his duties under this Agreement that results or that may result, as reasonably determined by the Company, in material harm to the Company, including harm to its reputation; and/or

f. Any material failure by Executive to comply with the Company's written policies or rules, as they may be in effect from time to time, if such failure causes material/reputational or financial harm to the Company.

ii. "Change in Control" shall have the same meaning given to such term in Section 2.9 of the Company's 2016 Incentive Award Plan, as amended or restated from time to time. The Board shall have sole discretion to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and all incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

iii. "Disability" shall mean Executive's inability due to a physical or mental impairment to perform the essential functions of his job, with or without reasonable accommodation, for a period of at least ninety (90) consecutive or non-consecutive days in any twelve-month period.

iv. "Effective Release" is defined as a general release of claims in favor of the Company in a form reasonably acceptable to the Company's counsel that is executed after the Separation Date and within any consideration period required by applicable law and that is not revoked by Executive within any legally prescribed revocation period. Failure to provide and have in effect an Effective Release within the sixty (60) day period following the Separation Date shall result in forfeiture of any benefits conditioned upon the existence of an Effective Release.

v. "Good Reason" shall mean the occurrence of any of the following, in each case during the Term without Executive's consent:

a. a material diminution in Executive's Base Salary or Annual Bonus eligibility (other than in both cases a diminution that is in connection with an across the board reduction in the base salaries or bonus eligibility of the management level employees of the Company);

b. a material, adverse change in Executive's title, authority, duties, or responsibilities (other than temporarily while Executive is physically or mentally incapacitated or as required by applicable law), taking into account the Company's size, status as a public company, and capitalization as of the date of this Agreement; *provided, however*, that Good Reason shall not exist based on Executive's appointment to similar positions of a subsidiary or affiliate of the Company;

c. a material change in the geographic location at which Executive must perform services for the Company, not to include regular business travel; or

d. any other action or inaction that constitutes a material breach of the terms of this Agreement by the Company.

Notwithstanding the forgoing, “Good Reason” shall not include an event or condition unless (A) Executive notifies the Company within thirty (30) days of the initial existence of one of the adverse events described above, (B) Executive provides the Company with at least thirty (30) days’ written notice of his intent to resign for Good Reason, and (C) the Company fails to correct the adverse event within thirty (30) days of such notice.

vi. “Separation Date” shall mean the date that Executive’s employment is terminated.

(b) “Compensation upon Separation without “Cause” or for “Good Reason” Not in Connection with a Change in Control” Upon termination of employment by the Company without Cause or upon termination of employment by Executive for Good Reason, in each case, only if Executive is not entitled to benefits under Section 6(c) of this Agreement, conditioned upon the existence of an Effective Release and Executive’s continued compliance with the Restrictive Covenants Agreements and the terms thereunder, and subject to Section 8, Executive shall be entitled to, in lieu of any other separation payment or severance benefit available under any plan or otherwise:

i. Payment of “Severance Pay” in an amount equal to (i) six (6) months of Executive’s current Base Salary, plus (ii) a prorated Annual Bonus calculated at the minimum target level for the calendar year in which the Separation Date occurs based on the percentage of the calendar year actually worked by Executive as of the Separation Date (both (i) and (ii) referred to herein collectively as “Regular Severance Pay”). All applicable withholdings required by law or authorized by Executive shall be withheld from Severance Pay. Severance Pay shall be paid in equal installments paid over the six-month period (the “Regular Severance Period”) following Executive’s Separation Date pursuant to the Company’s standard payroll practices and procedures applicable to Executive immediately prior to Executive’s separation from service and such payments shall commence on the first such payroll date on or following the 10th day after the date on which the Effective Release becomes effective and non-revocable, as provided in Section 6(a)(iv); provided, however, that if the 60th day following Executive’s termination from employment occurs in the year following the year of Executive’s termination, then the payments shall commence no earlier than January 1 of such subsequent year, and the first such installment payment may include any payments missed due to any delay under this Section 6(b)(i);

ii. Vesting as of the Separation Date of any then unvested equity awards that would have otherwise vested through the end of the calendar year in which the Separation Date occurs; and

iii. If Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”), the Company shall reimburse Executive during the Regular Severance Period for the difference between the monthly COBRA premium paid by Executive for himself and his dependents and the monthly premium amount paid by similarly situated active executives. Such reimbursement shall be paid to Executive on the 10th business day of the month immediately following the month in which the Executive timely remits the premium payment. Executive shall be eligible to receive such reimbursement until the earliest of: (a) the six-month anniversary of the Separation Date; (b) the date Executive is no

longer eligible to receive COBRA continuation coverage; or (c) the date on which Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's reimbursements under this Section 6(b)(iii) would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 6(b)(iii) in a manner as is necessary to comply with the ACA.

(c) Compensation upon Separation due to Change in Control. Upon termination of employment by the Company without Cause or upon termination of employment by Executive for Good Reason at the time of, or within twelve (12) months after a Change in Control, and conditioned upon the existence of an Effective Release and Executive's continued compliance with the Restrictive Covenants Agreements and the terms thereunder, and subject to Section 8, Executive shall be entitled to, in lieu of any other separation payment or severance benefit available under any plan or otherwise (including but not limited to the severance benefits provided for in Section 6(b) hereof):

i. Payment of severance pay in an amount equal to (i) twelve (12) months of Executive's current Base Salary, plus (ii) an amount equal to the Annual Bonus calculated at the minimum target level for the calendar year in which the Separation Date occurs (both (i) and (ii) referred to herein collectively as "CIC Severance Pay"). All applicable withholdings required by law or authorized by Executive shall be withheld from Severance Pay. Severance Pay shall be paid in equal installments paid over the twelve-month period (the "CIC Severance Period") following Executive's Separation Date pursuant to the Company's standard payroll practices and procedures applicable to Executive immediately prior to Executive's separation from service and such payments shall commence on the first such payroll date on or following the 10th day after the date on which the Effective Release becomes effective and non-revocable, as provided in Section 6(a)(iv); provided, however, that if the 60th day following Executive's termination from employment occurs in the year following the year of Executive's termination, then the payments shall commence no earlier than January 1 of such subsequent year, and the first such installment payment may include any payments missed due to any delay under this Section 6(c)(i);

ii. Accelerated vesting of the remaining unvested portion of any and all equity awards issued to Executive as of the Separation Date;

iii. If Executive timely and properly elects health continuation coverage under COBRA, the Company shall reimburse Executive during the CIC Severance Period for the difference between the monthly COBRA premium paid by Executive for himself and his dependents and the monthly premium amount paid by similarly situated active executives. Such reimbursement shall be paid to Executive on the 10th business day of the month immediately following the month in which the Executive timely remits the premium payment. Executive shall be eligible to receive such reimbursement until the earliest of: (a) the twelfth-month anniversary of the Separation Date; (b) the date Executive is no longer eligible to receive COBRA continuation coverage; or (c) the date on which Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's reimbursements under

this Section 6(c)(iii) would violate the nondiscrimination rules applicable to non-grandfathered plans under the ACA, or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 6(c)(iii) in a manner as is necessary to comply with the ACA.

(d) Other Termination of Employment. Upon the termination of Executive's employment by Executive, other than for Good Reason, or due to Executive's death or Disability, or by the Company for Cause, Executive shall not be entitled to additional compensation under this Agreement beyond the Accrued Amounts. For clarity and the avoidance of doubt, under no circumstances will Executive be entitled to benefits under both Section 6(b) and Section 6(c).

7. SECTION 409A.

(a) Intent of the Parties. The parties hereby acknowledge and agree that all benefits or payments provided by the Company to Executive pursuant to this Agreement are intended either to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), or to be in compliance with Section 409A, and this Agreement shall be interpreted to the greatest extent possible to be so exempt or in compliance and to incorporate the terms and conditions required by Section 409A. If there is an ambiguity in the language of this Agreement, or if Section 409A guidance indicates that a change to this Agreement is required or desirable to achieve exemption or compliance with Section 409A, notwithstanding any provision of this Agreement to the contrary, the Company reserves the right (without any obligation to do so or to indemnify Executive for failure to do so) to (i) adopt such amendments to this Agreement and or adopt such other policies and procedures, including amendments, policies and procedures with retroactive effect, that the Company determines to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company and/or (ii) take such other actions as the Company determines to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder. No provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Executive or any other individual to the Company or any of its affiliates, employees or agents.

(b) Installments. If any severance or other payments that are required by this Agreement are to be paid in a series of installment payments, each individual payment in the series shall be considered a separate payment for purposes of Section 409A. To the extent that any reimbursement of expenses or inkind benefits constitutes "deferred compensation" under Section 409A, such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any inkind benefits provided in one year shall not affect the amount of inkind benefits provided in any other year.

(c) Delay. If any severance compensation or other benefit provided to Executive pursuant to this Agreement that constitutes “nonqualified deferred compensation” within the meaning of Section 409A is considered to be paid on account of “separation from service” within the meaning of Section 409A, and Executive is a “specified employee” within the meaning of Section 409A, no payments of any such severance or other benefit shall be made for six (6) months plus one (1) day after the Separation Date (the “New Payment Date”). Amounts payable under this Agreement shall be deemed not to be “nonqualified deferral of compensation” subject to Section 409A to the extent provided in the exceptions in Treasury Regulation § 1.409A-1(b)(4) (“shortterm deferrals”) and (b)(9) (“separation pay plans,” including the exception under subparagraph (iii)) and other applicable provisions of Section 409A. The aggregate of any such payments that would have otherwise been paid during the period between the Separation Date and the New Payment Date shall be paid to Executive in a lump sum on the New Payment Date.

8. EXCESS PARACHUTE PAYMENTS. In the event amounts payable under this Agreement or otherwise are contingent on a change in control for purposes of Section 280G of the Code, and it is determined by a public accounting firm or legal counsel authorized to practice before the Internal Revenue Service selected by the Company that any payment or benefit made or provided to Executive in connection with this Agreement or otherwise (“Payment” or collectively, the “Payments”) would be subject to the excise tax imposed by Section 4999 of the Code (the “Parachute Tax”), the Payments under this Agreement shall be payable in full or, if applicable, in such lesser amount which would result in no portion of such Payments being subject to the Parachute Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Parachute Tax, results in Executive’s receipt, on an after-tax basis, of the greatest amount of Payments under this Agreement. If Payments are reduced pursuant to this paragraph, cash severance payments under Sections 6(b)(i) and 6(b)(iii) or Sections 6(c)(i) and 6(c)(iii), as applicable, shall first be reduced, and the other benefits under this Agreement shall thereafter be reduced, to the extent necessary so that no portion of the Payments is subject to the Parachute Tax.

9. NOTICES. Any notice required or permitted hereunder shall be made in writing (a) either by actual delivery of the notice into the hands of the party thereto entitled, by messenger, by fax or by over-night delivery service or (b) by the mailing of the notice in the United States mail, certified or registered mail, return receipt requested, all postage pre-paid and addressed to the party to whom the notice is to be given at the party’s respective address set forth below, or such other address as the parties may from time to time designate by written notice as herein provided.

If to Executive: John M. Gay
[***]

If to the Company: Novan, Inc.
4105 Hopson Road
Morrisville, NC 27560
(Fax) (919) 237-9212
Attn: President and Chief Executive Officer

The notice shall be deemed to be received, if sent per subsection (a), on the date of its actual receipt by the party entitled thereto and, if sent per subsection (b), on the third day after the date of its mailing.

10. RETURN OF COMPANY PROPERTY. Upon Executive's separation from employment from the Company for any reason, Executive shall return to the Company all personal property belonging to the Company ("Company Property") that is in Executive's possession or control as of the Separation Date, including, without limitation, all records, papers, drawings, notebooks, specifications, marketing materials, software, reports, proposals, equipment, or any other device, document or possession, however obtained, whether or not such Company Property contains confidential information belonging to the Company. Such Company Property shall be returned in the same condition as when provided to Executive, reasonable wear and tear excepted.

11. EMPLOYEE REPRESENTATIONS.

(a) Executive represents that his performance of all of the terms of this Agreement does not and will not breach any arrangement to keep in confidence information acquired by Executive in confidence or in trust prior to Executive's employment by the Company. Executive represents that he has not entered into, and agrees not to enter into, any agreement either oral or written in conflict herewith.

(b) Executive understands as part of the consideration for this Agreement and for Executive's employment or continued employment by the Company, that Executive has not brought and will not bring with Executive to the Company, or use in the performance of Executive's duties and responsibilities for the Company or otherwise on its behalf, any materials or documents of a former employer or other owner which are generally not available to the public, unless Executive has obtained written authorization from the former employer or other owner for their possession and use and has provided the Company with a copy thereof.

(c) Executive understands that during his employment for the Company he is not to breach any obligation of confidentiality that Executive has to a former employer or any other person or entity and agrees to comply with such understanding.

12. INDEMNIFICATION.

(a) By Executive. Executive agrees to indemnify and hold harmless the Company, its directors, officers, agents and employees against any liabilities and expenses, including amounts paid in settlement, incurred by any of them in connection with any claim by any of Executive's prior employers that the termination of Executive's employment with such employer, Executive's employment by the Company, or use of any skills and knowledge by the Company is a violation of contract or law or otherwise violates the rights thereof.

(b) By the Company. The Company will indemnify and hold harmless the Executive from any liabilities and expenses arising from Executive's actions as an officer, director or employee of the Company to the fullest extent permitted by law, excepting any unauthorized

acts, intentional or illegal conduct which breaches the terms of this or any other agreement or Company policy, including but not limited to the Restrictive Covenants Agreements. Executive will be covered by the Company's D&O insurance to the same extent as other executive officers and directors. The indemnification described in this Section 12 is in addition to, and not in lieu of, any right to indemnification provided by the Company to Executive pursuant to any separate written agreement between them, including but not limited to the Indemnification Agreement between the Company and Executive dated as of January 28, 2019 (the "Indemnification Agreement").

13. SEVERABILITY. Executive hereby agrees that each provision herein shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein.

14. WAIVER. Any waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision or any other provision hereof.

15. AFFILIATES; ASSIGNMENT; BINDING EFFECT. The term "Company" shall also include any of the Company's subsidiaries, subdivisions or affiliates. The Company shall have the right to assign this Agreement to its successors and assigns, and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by said successors or assigns. Executive may not assign any of his rights or delegate any of his duties under this Agreement. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto, and to their respective heirs, representatives, successors and permitted assigns.

16. ENTIRE AGREEMENT. The terms of this Agreement (together with any other agreements and instruments contemplated hereby or referred to herein) are intended by the parties hereto to be the final expression of their agreement with respect to the employment of Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement (including, without limitation, any prior or contemporaneous employment agreement, term sheet or offer letter). The parties hereto further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal proceeding to vary the terms of this Agreement. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by each of the parties hereto.

17. GOVERNING LAW; VENUE. This Agreement shall be construed, interpreted, and governed in accordance with and by North Carolina law and the applicable provisions of federal law ("Applicable Federal Law"). Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the state of North Carolina, including its statutes of limitations, except for Applicable Federal Law, without giving effect to any North Carolina conflict-of-laws rule that would result in the application of the laws of a different jurisdiction. Both Executive and the Company acknowledge and agree that the state or federal courts located in North Carolina have personal jurisdiction over them and over any dispute arising under this Agreement, and both Executive and the Company irrevocably consent to the jurisdiction of such courts.

18. COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one agreement. Counterparts may be transmitted and/or signed by facsimile or electronic mail. The effectiveness of any such documents and signatures shall have the same force and effect as manually signed originals and shall be binding on the parties to the same extent as a manually signed original thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement effective as of the day and year first above written.

NOVAN, INC.

/s/ Paula Brown Stafford

Paula Brown Stafford

Chairman, President and Chief Executive Officer

JOHN M. GAY

/s/ John M. Gay

[Signature Page for Employment Agreement]



Novan Strengthens Financial Leadership with Appointments of Chief Financial Officer and Seasoned Industry Executive to Board of Directors

- John M. Gay, Vice President, Finance and Corporate Controller with over 20 years of financial and accounting experience appointed as Chief Financial Officer

- James L. Bierman, seasoned industry executive with extensive strategic financial expertise and business acumen and former CEO, COO and CFO of Owens & Minor, Inc. appointed to Board of Directors

MORRISVILLE, N.C. - September 24, 2020 - Novan, Inc. (“the Company” or “Novan”) (Nasdaq: NOVN), today announced the appointment of John M. Gay to serve as the Company’s Chief Financial Officer and the appointment of James L. Bierman to its Board of Directors.

Mr. Gay is an accomplished finance and accounting executive with 20 years of professional experience and a demonstrated track record of strategic financial planning and analysis, accessing capital markets and public company technical and regulatory reporting over the course of his career. Mr. Gay joined Novan in May 2018 and has most recently served as Vice President, Finance and Corporate Controller, in addition to Principal Financial Officer and Corporate Secretary for the Company.

“John has established himself as a key member of the team since joining Novan and is now perfectly suited to take on the role of Chief Financial Officer. He has proven himself to be a financial leader and is responsible for executing the Company’s financial strategy, which has provided us with sufficient capital to advance SB206 through the B-SIMPLE4 pivotal Phase 3 study in molluscum, a potentially transformational catalyst for the Company, through to data targeted for Q2 2021,” commented Paula Brown Stafford, Chairman and Chief Executive Officer of Novan.

Mr. Bierman is a seasoned executive and brings extensive strategic financial expertise, including financial and operational strategies, mergers and acquisitions, strategic alliances, enterprise risk management and investor relations to Novan’s Board of Directors.

“We are thrilled to welcome Mr. Bierman to our Board of Directors. He is a proven industry leader with key executive experience amassed over the course of his career including having served as the CEO, COO and CFO of Owens & Minor, Inc., a FORTUNE 500 company. His strategic expertise will be an integral asset and bring a new perspective to our Board. With these two key appointments, I believe our financial leadership has never been stronger and believe we continue to make tremendous progress towards Novan’s next phase of growth,” continued Ms. Stafford.

Mr. Bierman is an experienced independent director who has mentored and assisted in the professional development of both financial executives and senior members of management over the course of his career. In addition to his executive leadership experience, including serving as President and Chief Executive Officer of Owens & Minor, Inc. (NYSE: OMI), as well as Executive Vice President and Chief Financial Officer of Quintiles Transnational Corporation (formerly Nasdaq: QTRN), he has also served on multiple public company boards, including currently serving as a member of the Board of Directors of Tenet Healthcare Corporation (NYSE: THC), a FORTUNE 500 company, and MiMedx Group, Inc. (Nasdaq OTC: MDXG).

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

This press release contains forward-looking statements including, but not limited to, statements related to pharmaceutical development of nitric oxide-releasing product candidates and our intention to advance development of certain product candidates and the timing of reporting findings or results from our programs currently in process. 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, 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 our product candidates may not be approved or that additional studies may be required for approval or other delays may occur and that we may not obtain funding sufficient to complete the regulatory or development process; our ability to retain key personnel; our ability to obtain additional funding or enter into strategic or other business relationships necessary or useful for the further development of our product candidates; 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 our annual report filed with the SEC on Form 10-K for the twelve months ended December 31, 2019, as amended, 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.

INVESTOR AND MEDIA CONTACT:

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

###