



Novelion Therapeutics Announces Issuance of General Cease Trade Order in Canada and Notice of Delisting from Nasdaq

August 21, 2019

VANCOUVER, British Columbia and CAMBRIDGE, Mass., Aug. 21, 2019 (GLOBE NEWSWIRE) -- Novelion Therapeutics Inc. (NASDAQ: NVLN) ("Novelion" or the "Company") announced that, further to its press release dated August 12, 2019, the British Columbia Securities Commission and the Ontario Securities Commission (on behalf of the applicable Canadian securities regulatory authorities) have issued a general "failure to file" cease trade order ("CTO") dated August 20, 2019 in respect of the securities of the Company as a result of Novelion being unable to file its Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, including the related management's discussion and analysis and CEO and CFO certifications (collectively, the "Interim Disclosure") by the filing deadline of August 14, 2019.

The CTO prohibits the trading by any person of any securities of Novelion in each jurisdiction in Canada in which the Company is a reporting issuer for as long as the CTO remains in effect; however, the CTO provides an exception for beneficial securityholders of the Company who are not currently (and who were not as of August 20, 2019) insiders or control persons of the Company and who sell securities of the Company acquired before August 20, 2019 if both of the following criteria are met: (i) the sale is made through a "foreign organized regulated market", as defined in section 1.1 of the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada and (ii) the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation. Novelion anticipates that the CTO will remain in place until such time as the Interim Disclosure has been filed.

Notice of Delisting from Nasdaq

As reported in Novelion's press releases dated May 21, 2019 and August 12, 2019, Aegerion Pharmaceuticals, Inc. and Aegerion Pharmaceuticals Holdings, Inc. (together, "Aegerion"), each a subsidiary of Novelion, filed voluntary petitions under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York on May 20, 2019 (the "Aegerion Bankruptcy Case"). As a result of the Aegerion Bankruptcy Case, Novelion analyzed and evaluated the appropriate accounting treatment of its investment in Aegerion and concluded that Aegerion's financials should be deconsolidated from Novelion's financial statements, commencing with Novelion's interim financial statements for the quarter ended June 30, 2019.

On August 21, 2019, the Company received a letter (the "Nasdaq Letter") from the Listing Qualifications Staff ("Staff") of The Nasdaq Stock Market LLC ("Nasdaq"), notifying the Company that Nasdaq has determined to delist the Company's common stock from Nasdaq pursuant to the Staff's discretionary authority under Listing Rule 5101. The Nasdaq Letter stated that the Staff's determination was based on its belief that the Company has no current operating business and has not publicly disclosed its future business operations following the completion of the Aegerion Bankruptcy Case.

The Nasdaq Letter also stated that the Company's delay in filing its Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 serves as an additional basis for delisting the Company's securities from Nasdaq. Nasdaq Listing Rule 5250(c)(1) requires companies to timely file all required periodic financial reports with the Securities and Exchange Commission ("SEC"). Previously, and as required, on August 12, 2019, the Company filed a Form 12b-25 with the SEC which reported that it would not be in a position to timely file the Form 10-Q because of the significant work required to effect the deconsolidation and the other demands associated with the Aegerion Bankruptcy Case.

The Nasdaq Letter further stated that the Company may appeal the Staff's determination to a Hearings Panel (the "Panel"), pursuant to the procedures set forth in the Nasdaq Listing Rules. If the Company requests a hearing, it may also request an extended stay of the suspension of the trading of the Company's common stock, pending the hearing. Unless the Company requests an appeal, the Company's common stock will be suspended from trading at the opening of business on August 30, 2019 and a Form 25-NSE will be filed with the SEC, which will remove the Company's common stock from listing and registration on Nasdaq.

The Company intends to appeal the Staff's decision prior to the deadline to appeal on August 28, 2019 pursuant to the procedures set forth in the Nasdaq Listing Rules, and to request an extended stay of the suspension of the trading of the Company's common stock in connection therewith. The Company can provide no assurance that the Panel will grant the Company's request of an extended stay of the suspension of the trading of the Company's common stock, pending the hearing, or as to the outcome of any appeal or that the Company can maintain compliance with the other Nasdaq Listing Rules and the Company's securities may still be delisted from Nasdaq.

Cautionary Information Regarding Trading in the Company's Securities

The Company continues to caution that trading in the Company's securities is highly speculative and poses substantial risks. Trading prices for the Company's securities may bear little or no relationship to the actual value realized, if any, by holders of the Company's securities. Accordingly, the Company urges extreme caution with respect to existing and future investments in its securities.

Forward-Looking Statements

Certain statements in this press release constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable laws and regulations, including U.S. and Canadian securities laws. Any statements contained herein which do not describe historical facts, including, but not limited to, statements regarding beliefs about, or expectations for, the anticipated effect of a CTO on the ability of persons to trade in the securities of Novelion, the anticipated duration of the CTO, Novelion's anticipated timing for filing the Interim Disclosure, the possibility that Nasdaq

may suspend the Company's common stock from trading and remove the Company's common stock from listing and registration on Nasdaq and the Company's intention to appeal the Staff's decision prior to the applicable deadline, are forward-looking statements which involve risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements.

Such risks and uncertainties include, among others, the Company's ability to file the Interim Disclosure and to have the CTO revoked, the delisting of the Company's securities from Nasdaq and the success of any appeal associated therewith, the possibility that there will be no market for trading the Company's securities or that trading will be suspended, as well as those risks identified in Novelion's filings with the SEC, including under the heading "Risk Factors" in Novelion's Annual Report on Form 10-K for the year ended December 31, 2018, filed on March 15, 2019, as amended, and subsequent filings with the SEC, including its Current Report on Form 8-K filed on May 21, 2019 (which, in addition to identifying important risks, includes important information about the bankruptcy proceedings and related matters), all of which are available on the SEC's website at www.sec.gov. If the Company's common stock is delisted from Nasdaq, it may trade in the U.S. on the over-the-counter market, which is a less liquid market. In such case, the Company's shareholders' ability to trade, or obtain quotations of the market value of, the Company's common stock would be severely limited because of lower trading volumes and transaction delays.

Novelion cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date they are made. Except as required by law, Novelion undertakes no obligation to update or revise the information contained in this press release, whether as a result of new information, future events or circumstances or otherwise.

Investors and others should note that Novelion communicates with its investors and the public using the Novelion website www.novelion.com, including, but not limited to, company disclosures, investor presentations and FAQs, SEC filings, press releases, public conference call transcripts and webcast transcripts. The information that Novelion posts on this website could be deemed to be material information. As a result, Novelion encourages investors, the media and others interested to review the information that Novelion posts there on a regular basis. The contents of Novelion's website shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended.

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