

Novan to Present Anti-viral Data for Nitric Oxide Product Candidate SB206

Preclinical Data Demonstrating Novel Mechanism of Action for the Treatment of HPV-Associated Warts to be Presented During Society for Investigative Dermatology Annual Meeting

DURHAM, N.C. – May 10, 2016 – Novan, Inc. today announced that Kimberly McHale, Ph.D., Novan Senior Scientist, Research & Nonclinical Development, will present data demonstrating a novel mechanism of action for the Company’s anti-viral product candidate, SB206, Saturday, May 14, at the 75th Annual Meeting of the Society for Investigative Dermatology in Scottsdale, Ariz.

The data from two preclinical studies conducted in collaboration with Neil Christensen, Ph.D., of The Pennsylvania State University and Tom Broker, Ph.D., and Louise Chou, Ph.D., of the University of Alabama at Birmingham demonstrated direct *in vitro* and *in vivo* anti-viral effects of NVN1000 and NVN4000, two investigational nitric oxide-donating macromolecule new chemical entities (“NCEs”). NVN1000 and NVN4000 are two of many potential NCEs based on Novan’s proprietary Nitricil™ technology, and each possesses a unique nitric oxide release profile. Based on the preclinical findings, NVN1000 was selected as the active pharmaceutical ingredient in SB206, the Company’s topical treatment candidate for human papillomavirus (“HPV”) skin infections. Novan is currently conducting a Phase 2 clinical trial to evaluate the safety and efficacy of SB206 in subjects with external genital and perianal warts, and expects to report top line results from this study in the second half of 2016.

About the Presentation

Oral Presentation Title: “*In vitro* and *In vivo* Efficacy of Nitric Oxide-Releasing Anti-viral Therapeutic Agents”

Presenter: Kimberly McHale, Ph.D., Senior Scientist, Research & Nonclinical Development, Novan, Inc.

Date and Time: Saturday, May 14, 2016, 12:30 – 3:00 p.m. PT

Session: Pharmacology and Drug Development

Session Order: CM14-01

Abstract/Poster Number: 536

Investigators: K.A. McHale, K. Balogh, H. Wang, S. Hollenbach, N. Christensen, L. Chow, T. Broker, N. Stasko

Date and Time: Saturday, May 14, 2016, 10 a.m. – 12 p.m. PT

About HPV and Warts

HPV refers to a large family of viruses, the majority of which induce rapidly reproducing lesions of the skin or mucosal surfaces. HPV affects nearly 80 million Americans, and an estimated 14 million people become infected with the virus each year, according to the Centers for Disease Control and Prevention. Although several HPV vaccines have been developed, currently available vaccines do not cover all HPV subtypes,¹ leaving an unmet need for additional treatment options.

All warts, including genital warts, are caused by HPV.² According to *The Journal of Clinical and Aesthetic Dermatology*, the prevalence of genital warts exceeds 500,000 people in the United States,³ and Novan estimates that the population suffering with non-genital warts exceeds three million people in the United States. Additionally, infections can persist up for up to two years.⁴

About Novan

Novan, Inc. is a late-stage pharmaceutical company focused on redefining the standard of care in dermatology through the development and commercialization of innovative therapies using the Company's nitric oxide platform. Nitric oxide plays a vital role in the natural immune system response against microbial pathogens and is a critical regulator of inflammation. Our ability to harness nitric oxide and its multiple mechanisms of action has enabled us to create a pipeline of differentiated, first-in-class product candidates. We are rapidly advancing a pipeline in five dermatological indications with significant unmet medical need. We believe that our platform allows us the potential to significantly improve patient outcomes and positions us to be a commercially successful leader in the dermatology market.

For more information, visit the Company's website at www.Novan.com.

Forward-Looking Statements

This press release contains forward-looking statements including, but not limited to, statements related to pharmaceutical development of nitric oxide-based product candidates and future prospects. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from our expectations. 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, except as expressly required by law.

References

¹ Centers for Disease Control and Prevention. "HPV Vaccine Information for Clinicians." <http://www.cdc.gov/hpv/hcp/need-to-know.pdf> (May 3, 2016).

² American Academy of Dermatology. "Warts." <https://www.aad.org/public/diseases/contagious-skin-diseases/warts> (May 3, 2016).

³ Yanofsky V, Patel R, Goldenberg G. Genital warts: a comprehensive review. *J Clin Aesthet Dermatol*. 2012 Jun; 5(6):25–36.

⁴ Juckett G, Hartman-Adams H. Human papillomavirus: clinical manifestations and prevention. *Am Fam Physician*. 2010 Nov 15;82(10):1209-1214.

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