



Novan Announces Presentation of Anti-Viral Data at International Papillomavirus Conference

Preclinical Data Showed Significant Inhibition of High-Risk HPV-18 and Reduction of E6 Viral Protein

MORRISVILLE, N.C., March 01, 2017 -- Novan, Inc. ("the Company" or "Novan") (NASDAQ:NOVN) today announced that preclinical data demonstrating the anti-viral effects of the Company's nitric oxide-releasing drug candidates will be presented at the 31st International Papillomavirus Conference in Cape Town, South Africa.

Thomas Broker, Ph.D., and Louise Chow, Ph.D., both of the University of Alabama at Birmingham, or UAB, are scheduled to present "Antiviral Efficacy of Nitric Oxide-Releasing Drug Candidates in Suppressing Productive Infection by HPV-18 in the Organotypic Epithelial Raft Culture Model System" on Thursday, Mar. 2. Drs. Broker and Chow are professors in the Department of Biochemistry and Molecular Genetics at UAB's School of Medicine. The Broker-Chow research program has been focused on human papillomavirus, or HPV, for more than 33 years.

"We are very excited by the continuing success of the investigational nitric oxide-releasing agents against HPV infections," said Dr. Broker. "The data we are presenting showed significant inhibition of the high-risk HPV-18 genotype and reduction of the E6 viral protein in the raft culture model. We are quite pleased that the testing results from our laboratory have had a very constructive impact in elucidating some of the probable mechanisms of action and the affected cellular and viral pathways."

Published studies have demonstrated that the E6 protein impedes the body's ability to recognize HPV-infected cells and disrupts the cells' ability to repair DNA damage and prevent abnormal cellular replication. As a result, E6 is believed to be a primary driver of HPV-related cancers and other abnormal growths.

"The findings generated in Broker-Chow's human tissue model support the novel mechanism of action of Novan's topical SB206 anti-viral development program," said Nathan Stasko, Ph.D., President and Chief Executive Officer of Novan. "HPV affects millions of Americans, and we believe nitric oxide-releasing drug candidates have incredible potential not only for the topical treatment of genital, common and plantar warts caused by HPV, but also against cancers associated with high-risk HPV subtypes."

Top-line results from Novan's Phase 2 clinical trial with SB206 for the treatment of genital warts caused by HPV were announced in November 2016.



About Human Papillomavirus and Genital Warts

HPV refers to a large family of double-stranded DNA viruses that induce abnormal growths on the skin or mucosal surfaces. HPV affects nearly 80 million Americans, and an estimated 14 million new cases of the virus are reported each year, according to the Centers for Disease Control and Prevention, or CDC. There are over 100 subtypes of the virus, characterized as low-risk or high-risk based on their cancer-causing potential. The virus is typically transmitted via direct skin-to-skin contact through disruptions in the normal skin barrier. All warts are caused by HPV, including genital and perianal warts, common warts and plantar warts.

Genital warts are among the world's most common sexually transmitted diseases. Genital warts are usually flesh-colored growths that can be raised, flat or cauliflower-shaped and are typically found on the surface of the external genitalia or in and around the anus. In males, they can appear on the surface of the penis and scrotum, and in females inside the vagina or on the cervix. Genital warts carry a substantial psychosocial burden due to the shame and embarrassment related to having a sexually transmitted disease as well as the inconvenience and discomfort of current treatment modalities. Current treatment options for genital warts consist of ablative procedures that cut, burn or freeze the warts but do not address the underlying viral infection, and there are no currently approved oral or topical prescription products indicated for the treatment of genital warts with a direct anti-viral mechanism of action.

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-releasing 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 platform with the potential to generate differentiated, first-in-class product candidates. We are rapidly advancing programs in five dermatological conditions with significant unmet medical need. We believe that our ability to conveniently deploy nitric oxide on demand in topical formulations allows us the potential to significantly improve patient outcomes in a variety of skin diseases 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-releasing product candidates, expected performance of our product candidates, publication and presentation of our trial results in the medical community and future prospects of our business and our product candidates. 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, uncertainties and risks in the clinical development process, including, among others, length, expense, ability to enroll patients, reliance on third parties, and that results of earlier research and preclinical or clinical trials may not be predictive of results, conclusions or interpretations of later research or trials; the lengthy and unpredictable nature of the U.S. Food and Drug Administration's drug approval process; whether we will be able to obtain additional funding when needed; and other risks and uncertainties described in our prospectus dated Sept. 20, 2016, filed with the Securities and Exchange Commission, or SEC, in our quarterly report filed with the SEC on Form 10-Q for the three months ended Sept. 30, 2016, and in any 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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