



Novan Presents Preclinical Data from Inflammatory Skin Diseases Program

Poster Presentations Provide Mechanistic Evidence for SB414 as a Potential Treatment for Psoriasis and Atopic Dermatitis

MORRISVILLE, N.C., April 27, 2017 -- Novan, Inc. ("the Company" or "Novan") (NASDAQ:NOVN) today announced that data from two preclinical studies with SB414, a nitric oxide-releasing cream in development for the treatment of inflammatory skin diseases such as psoriasis and atopic dermatitis, will be presented at the 76th Annual Meeting of the Society for Investigative Dermatology in Portland, Oregon. In a psoriasis mouse model, SB414 significantly ($p < 0.05$) reduced composite psoriasis scores and also inhibited the production of pro-inflammatory cytokines, including interleukin-17, or IL-17a and IL-17f. Additionally, in two in vivo models that assess critical components of atopic dermatitis disease pathology, SB414 displayed potent anti-staphylococcal activity and dose-dependent inhibition of inflammation comparable to betamethasone, a mid-potency corticosteroid used to treat eczema patients.

"Both psoriasis and atopic dermatitis patients are in need of new topical therapeutic options," said Alan Menter, M.D., program director of dermatology residency and chair of dermatology for Baylor University, and dermatologist at Texas Dermatology Associates, P.A. "I am specifically intrigued by SB414's effect on the proven psoriatic pathway IL23/IL17. The majority of new drugs for psoriasis over the past 12 years have been limited to systemic and biologic therapies. Approximately six million people in the United States, or 80% of all psoriasis sufferers, with mild to moderate disease have been treated purely with topical agents and have yet to benefit from our deeper understanding of the pathophysiology of the disease. These preclinical results give hope that there may be a therapeutically valuable, novel topical treatment that downregulates many of the key cytokines in the immunological cascade of psoriasis."

Novan plans to submit an Investigational New Drug application, or IND, to the U.S. Food and Drug Administration, or FDA, for SB414 in the second quarter of 2017 and initiate clinical development of the nitric oxide-releasing cream with a Phase 2 proof-of-concept trial in patients with mild-to-moderate psoriasis.

About the Presentations

Abstract Number: 703

Title: "Preclinical evidence for nitric oxide-releasing SB414 in a psoriasis animal model"

Authors: S Hollenbach, K McHale, M Martin, R Doxey, J Ross and N Stasko

Poster Presentation

Presenter: Stanley Hollenbach



Date and Time: Thursday, April 27, 2017, 10:15 a.m. – 12:15 p.m. Pacific Time
Session: Poster Session I, Exhibit Hall A

Abstract Number: 709

Title: “Nitric oxide-releasing topical therapeutic agent for atopic dermatitis”

Authors: K McHale, J Gil, S Davis, S Hollenbach and N Stasko

Oral Presentation

Presenter: Stanley Hollenbach

Date and Time: Thursday, April 27, 2017, 3:38 p.m. Pacific Time

Session: Mini symposium: Interdisciplinary Spotlight: Frontiers in Atopic Dermatitis,
B113 - 116

Poster Presentation

Presenter: Stanley Hollenbach

Date and Time: Thursday, April 27, 2017, 10:15 a.m. – 12:15 p.m. Pacific Time

Session: Poster Session I, Exhibit Hall A

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, pharmaceutical development of nitric oxide-releasing product candidates 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, , delays associated with the submission or effectiveness of an IND, delays in initiating clinical trials, 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 annual report filed with the Securities and Exchange Commission, or SEC, on Form 10-K for the twelve



months ended Dec. 31, 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.

CONTACT:

(Investors)

Novan, Inc.

919-627-6847

investors@novan.com

(Media)

Deb Holliday

Pascale Communications, LLC

412-877-4519

deb@pascalecommunications.com