



Novan Presents Safety Data for SB204 Program

No Detectable Systemic Exposure in Three Pharmacokinetic Clinical Trials

MORRISVILLE, N.C., April 27, 2017 -- Novan, Inc. ("the Company" or "Novan") (NASDAQ:NOVN) today announced that pharmacokinetic data for SB204, a once-daily, topical monotherapy for the treatment of acne vulgaris, will be presented at the 76th Annual Meeting of the Society for Investigative Dermatology in Portland, Oregon. In three pharmacokinetic clinical trials conducted in patients with moderate to severe acne to assess systemic exposure following topical application of SB204, there was no detectable systemic exposure to markers for nitric oxide exposure in adults or adolescents treated with SB204 under maximal use conditions. Maximal use conditions were defined as application of SB204 Gel or vehicle to 17% of body surface area, or the face, upper chest, upper back and shoulders, of patients with moderate to severe acne. In general, all doses of SB204 were well tolerated and not associated with any significant safety issues in these trials.

"These results are another series of strong data points contributing to the evolving understanding of the safety of SB204," said Lawrence Eichenfield, M.D., chief of pediatric and adolescent dermatology at Rady Children's Hospital–San Diego, vice chair of the Department of Dermatology and professor of dermatology and pediatrics at the University of California, San Diego School of Medicine. "The lack of detectable systemic exposure, even in adolescents, further demonstrates the appropriateness of SB204 for a wide range of acne patients."

Novan expects to report additional safety data from the long-term safety trial, NI-AC303, currently ongoing in eligible patients who completed 12 weeks of treatment in the Company's Phase 3 pivotal trials with SB204 in the third quarter of this year. As previously announced, Novan intends to pursue a pre-submission meeting with the U.S. Food and Drug Administration, or FDA, to discuss the entirety of the SB204 development program in the third quarter of 2017, which could lead to a new drug application, or NDA, submission targeted in the first quarter of 2018.

About the Presentation

Abstract Number: 257

Title: "Pharmacokinetics of SB204 in subjects with acne vulgaris"

Authors: M Rico, J DuBois, C Canabrio, J Scoggin and R Guttendorf

Presenter: M. Joyce Rico

Date and Time: Friday, April 28, 2017, 11:30 am – 1:30 p.m. Pacific Time

Session: Poster Session II, 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, 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, including the risk that the FDA is not amenable to our plan for SB204 or requires additional studies or information before we can submit our NDA, the risks that we are delayed in making an NDA submission, the FDA does not accept our submission for filing, disagrees with our analysis of endpoints or that the FDA requires additional studies to support the submission and the risk the FDA does not approve our NDA or approves our NDA with limitations or subject to additional studies; 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.

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