



SB208 Increases Daily Nail Growth Rate over Four Weeks of Treatment

Novan to Present Clinical Data from SB208 Onychomycosis Development Program at International Investigative Dermatology Meeting

MORRISVILLE, N.C., May 17, 2018 (GLOBE NEWSWIRE) -- Novan, Inc. ("the Company" or "Novan") (NASDAQ:NOVN) today announced that data from the Company's onychomycosis development program with SB208 gel demonstrated an enhanced nail growth rate in adult females and will be presented May 19, 2018 at the International Investigative Dermatology meeting in Orlando, Florida.

In a Phase 1, single-center, double-blinded, randomized clinical trial in 32 adult females, Novan evaluated the rate of fingernail growth associated with SB208 16% and the local tolerability of the gel when used over the course of 29 days. The daily nail growth rate of each patient was assessed first during a 28-day run-in period with no treatment and then a 28-day period with once daily topical treatments of SB208 16% or vehicle. SB208 16% demonstrated a statistically significant greater mean daily nail growth rate for the treatment period when compared to the same patient's own growth rate in the run-in period, as well as versus vehicle-treated patients during the treatment period. SB208 16% was well tolerated and no adverse events related to use were reported.

"Fungal infections like onychomycosis of the toenails can be difficult to treat due to slow growth of the nails," stated Boni Elewski, M.D., endowed professor for graduate education and chair; residency program director, Department of Dermatology at the University of Alabama, Birmingham. "SB208's ability to kill the dermatophytes that cause onychomycosis and tinea pedis while accelerating nail growth via nitric oxide could provide a meaningful advancement in an otherwise year-long course of treatment for patients with onychomycosis."

Novan previously announced positive Phase 2 clinical trial results with SB208 in patients with tinea pedis caused by the same pathogen that is prominent in onychomycosis. The Company is currently exploring potential partnerships, collaborations or other strategic relationships to further advance SB208 in the U.S. and select geographies.



About the Presentation

Abstract Number: 1306

Title: "Topical nitric oxide releasing therapy with SB208 increased fingernail growth"

Authors: T. Maeda-Chubachi, S. Hollenbach, R. Reeve, E. de Leon, T. Reams, D. Garlick, N. Stasko

Presenter: Tomoko Maeda-Chubachi, M.D.

Date and Time: Saturday, May 19, 2018; 11:45 a.m. – 1:45 p.m. Eastern Time

About Onychomycosis

Onychomycosis is a chronic fungal infection of the nails that affects approximately 40 million Americans and accounts for one-third of cutaneous fungal infections.¹ The prevalence of disease increases with age, and more than 50% of patients are 70 years or older.² The infection, caused by dermatophytes such as *Trichophyton rubrum*, often results in painful thickening and deformation of the nail and sometimes the separation of the nail plate from the nail bed, leading to an inability of the nail to perform its natural protective function. Oral therapies used to treat the infection are associated with severe side effects, and topical therapies have modest efficacy profiles with complete cure rates of less than 20%.

About Novan

Novan, Inc. is a clinical-stage biotechnology company focused on leveraging nitric oxide's natural antiviral and immunomodulatory mechanisms of action to treat dermatological and oncovirus-mediated diseases. We believe that our ability to conveniently deploy nitric oxide in a solid form, on demand and in localized formulations allows us the potential to significantly improve patient outcomes in a variety of diseases.

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, our potential partnership opportunities, and the future prospects of our business and our product candidates our operations and business strategy. 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, risks and uncertainties 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 related to our interpretation of data from preclinical studies or clinical trials and other risks and uncertainties described in our annual report filed with the SEC on Form 10-K for the twelve months ended Dec. 31, 2017/2016, and in our 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.

References

¹ Ghannoum M.A., et. al. A large-scale North American study of fungal isolates from nails: the frequency of onychomycosis, fungal distribution, and antifungal susceptibility patterns. *J Am Acad Dermatol.* 2000 Oct; 43(4):641-8.

² Westerberg D., et. al. Onychomycosis: current trends in diagnosis and treatment. *Am Fam Physician.* 2013 Dec 1; 88(11):762-70.

CONTACT:

(Investors)

Novan, Inc.

investors@novan.com

(Media)

Cari Green

Director, Corporate Communications and Administration

cgreen@novan.com