NOVAN

Innovative Therapies for Skin Diseases

CORPORATE PRESENTATION / NOVEMBER 2022

NASDAQ: NOVN | novan.com

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements including, but not limited to, statements related to the potential benefits of the acquisition of EPI Health, the potential terms of and the potential timing for entering into an exclusive license agreement with Sato, the therapeutic value and benefits of the Company's promoted products, the potential therapeutic value and benefits of the Company's Nitricil™ platform technology and its product candidates, the potential market opportunity for the Company's product candidates and promoted products, the Company's pharmaceutical development of nitric oxide-releasing product candidates, such as berdazimer gel, 10.3% (SB206) for molluscum contagiosum, the timing of regulatory filings the availability of potential financing options and the Company's expected cash runway.

These forward-looking statements are included throughout this presentation, and the Company uses the words "believe," "expect," "target," "anticipate," "may," "plan," "potential," "will," and similar expressions, and are based on the Company's current beliefs and expectations. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the Company's expectations, including, but not limited to, risks related to the acquisition of EPI Health; risks and uncertainties associated with market conditions and the ability to complete the negotiation of an exclusive license agreement with respect to Rhofade on terms that are favorable to the Company or at all and that, even if an agreement is finalized, the Company will continue to need significant additional funding to continue its development and operating activities; risks related to the regulatory approval process, which is lengthy, time-consuming and inherently unpredictable, including the risk that the FDA will not agree with the Company's approach to a potential NDA submission, that the Company's product candidates may not be approved or that additional studies may be required for approval or other delays may occur, that the Company may not have sufficient quantities of drug substance and/or drug product to support regulatory submissions and that the Company may not obtain funding sufficient to extend its cash runway or to complete the regulatory or development process; the Company's limited experience as a company in obtaining regulatory approvals for and launching products developed internally and its ability to recruit and retain qualified personnel and key talent; changes in the size and nature of the market for the Company's product candidates and promoted products, including potential competition, patient and payer perceptions and reimbursement determinations; the Company's ability to grow revenues from promoted products and the risks that past performance may not be indicative of future performance; risks and uncertainties in the Company's ongoing or future product development activities and preclinical studies, which may not prove successful in demonstrating proof-of concept, or may show adverse toxicological findings, and even if successful may not necessarily predict that subsequent clinical trials will show the requisite safety and efficacy of the Company's product candidates, or that any of the Company's product candidates, if approved, will continue to demonstrate requisite safety and efficacy following their commercial launch; any operational or other disruptions as a result of the COVID-19 pandemic and related or unrelated constraints on the global workforce; risks related to the manufacture of raw materials and finished drug product, such as supply chain disruptions or delays, price increases, failure to transfer technology and processes to third parties effectively or failure of those third parties (or the Company in connection with the Company's facility) to obtain approval of and maintain compliance with the FDA or comparable regulatory authorities; the Company's reliance on arrangements with third parties to support its operations and its development, manufacturing and commercialization efforts and the risk that such parties will not successfully carry out their contractual duties or meet expected deadlines; the Company's ability to obtain additional funding or enter into strategic or other business relationships necessary or useful for the further development or commercialization of the Company's product candidates and the operation of its business on terms that are acceptable to the Company or at all or if such relationships or transactions are unsuccessful or the Company is unable to realize the potential economic benefits of such relationships or transactions; and other risks and uncertainties described in the Company's annual report filed with the Securities and Exchange Commission on Form 10-K for the twelve months ended December 31, 2021, and in the Company's subsequent filings with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date of this presentation, and the Company 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.

Certain information contained in this presentation relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company's own estimates and research. While the Company believes these third-party sources to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of or that any independent source has verified, any information obtained from third-party sources.

A medical dermatology company primarily focused on researching, developing and commercializing innovative therapeutic products for skin diseases

A FULLY INTEGRATED MEDICAL DERMATOLOGY COMPANY

NOVAN

Late-stage pipeline of clinical assets

EPIHEALTH

A NOVAN Company

Three commercially marketed products

Filing of SB206 (berdazimer gel, 10.3%) NDA submission around end of 2022

Acquisition of EPI Health in March 2022 provides commercial infrastructure to support potential launch of berdazimer gel, 10.3%

Growth in commercial product prescriptions year-over-year

Entered into nonbinding MoU with Sato to market RHOFADE® in Japan

PROVEN TEAM WITH EXPERTISE ACROSS DRUG DEVELOPMENT AND COMMERCIALIZATION

Paula Brown Stafford, MPH
President, Chief Executive Officer and Chairman

QUINTILES | UNC GILLINGS SCHOOL OF GLOBAL PUBLIC HEALTH

John Donofrio
EVP, Chief Operating Officer; President, EPI Health

gsk | MERZ

John M. Gay, CPA
Chief Financial Officer

Furiex Pharmaceuticals | Deloitte.

Carri Geer, Ph.D.
SVP, Chief Technology Officer

MERCK | UNC COLLEGE OF ARTS & SCIENCES

Brian M. Johnson, MBA
Chief Commercial Officer

GALDERMA | MEDICIS

Tomoko Maeda-Chubachi, MD, Ph.D., MBA
Chief Medical Officer

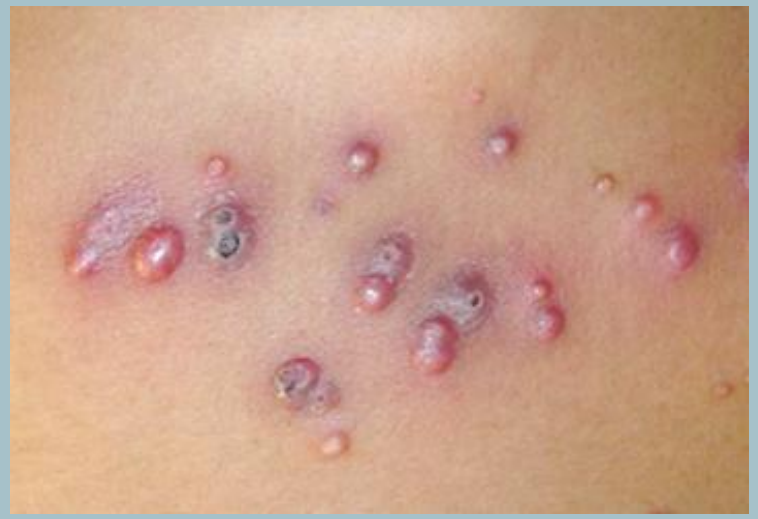
gsk | Pfizer

SB206 (berdazimer gel, 10.3%) Molluscum Contagiosum

Potential to Be a First-In-Class Prescription Treatment for Molluscum

MOLLUSCUM MARKET AND TREATMENT LANDSCAPE

U.S. addressable market of ~6 million[1,2]



Contagious skin infection caused by the molluscipoxvirus, a double-stranded DNA virus

High unmet medical need for topical at-home solution prescribed by GPs and pediatricians

Current treatments are cumbersome and potentially painful in-office procedures

Cryo, curettage, burning procedures are primarily performed by dermatologists and pediatric dermatologists

1. Prevalence in the US of 5.1% to 11.5% in children aged 0-16 years. (Fam Pract. 2014 Apr;31(2):130-6).
2. Molluscum Contagiosum - Epidemiology Forecast – 2028. Seven Major Markets (U.S., Germany, Spain, Italy, France, the United Kingdom, and Japan from 2017 – 2028).

SB206 (BERDAZIMER GEL, 10.3%)

B-SIMPLE4 Met Primary and Secondary Endpoints with Nearly 900 Patients

Demonstrated clinical evidence of efficacy and a favorable safety profile across the Phase 3 program[1]

Robust clinical data including primary efficacy endpoint ($p<0.0001$) versus vehicle[1]

A rapid treatment benefit, if approved, would satisfy an important patient-care need for the treatment of molluscum

Novel topical nitric oxide-releasing medication

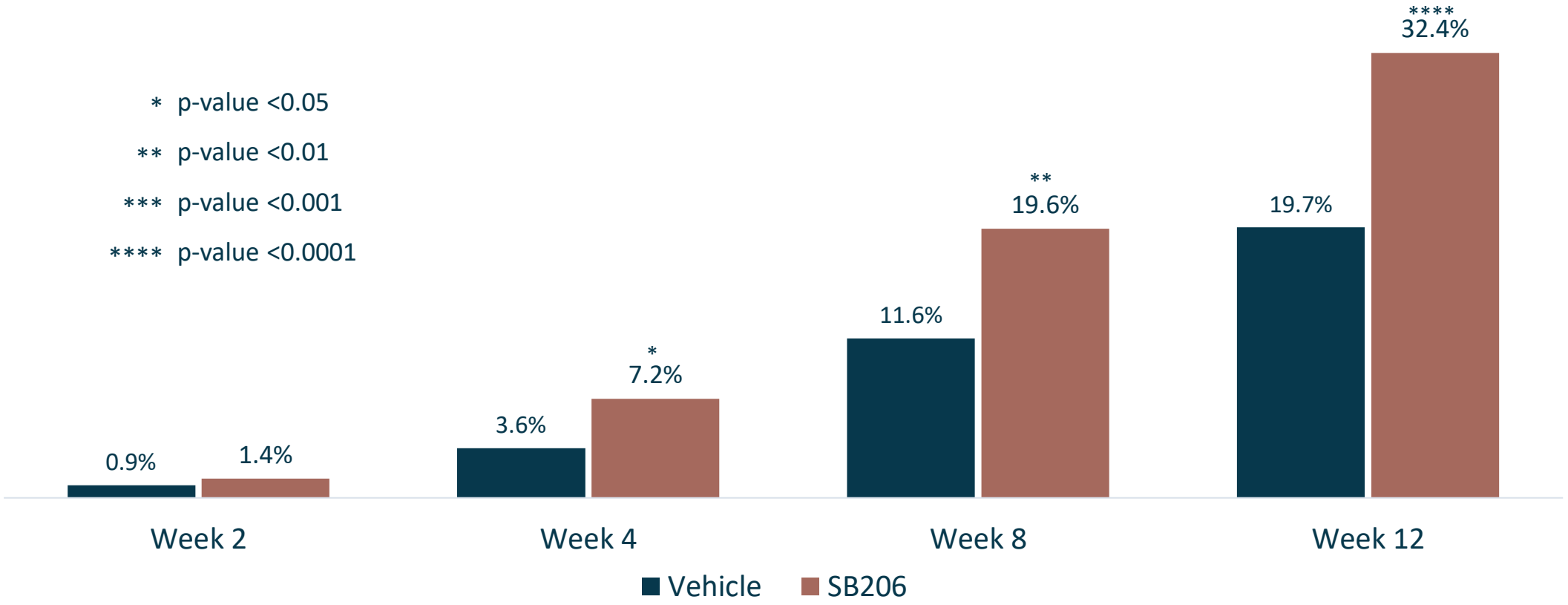
Applied once daily to the top of all lesions (up to 12 weeks)

Results published in *JAMA Dermatology* in July 2022

1. B-SIMPLE4 is a pivotal Phase 3 study. B-SIMPLE1 & B-SIMPLE2, also Phase 3 studies, will be integrated to support B-SIMPLE4 in the NDA. B-SIMPLE3 was a Phase 1, Maximum-Use PK study in patients.

PIVOTAL B-SIMPLE4 PHASE 3: PRIMARY EFFICACY ENDPOINT AT WEEK 12

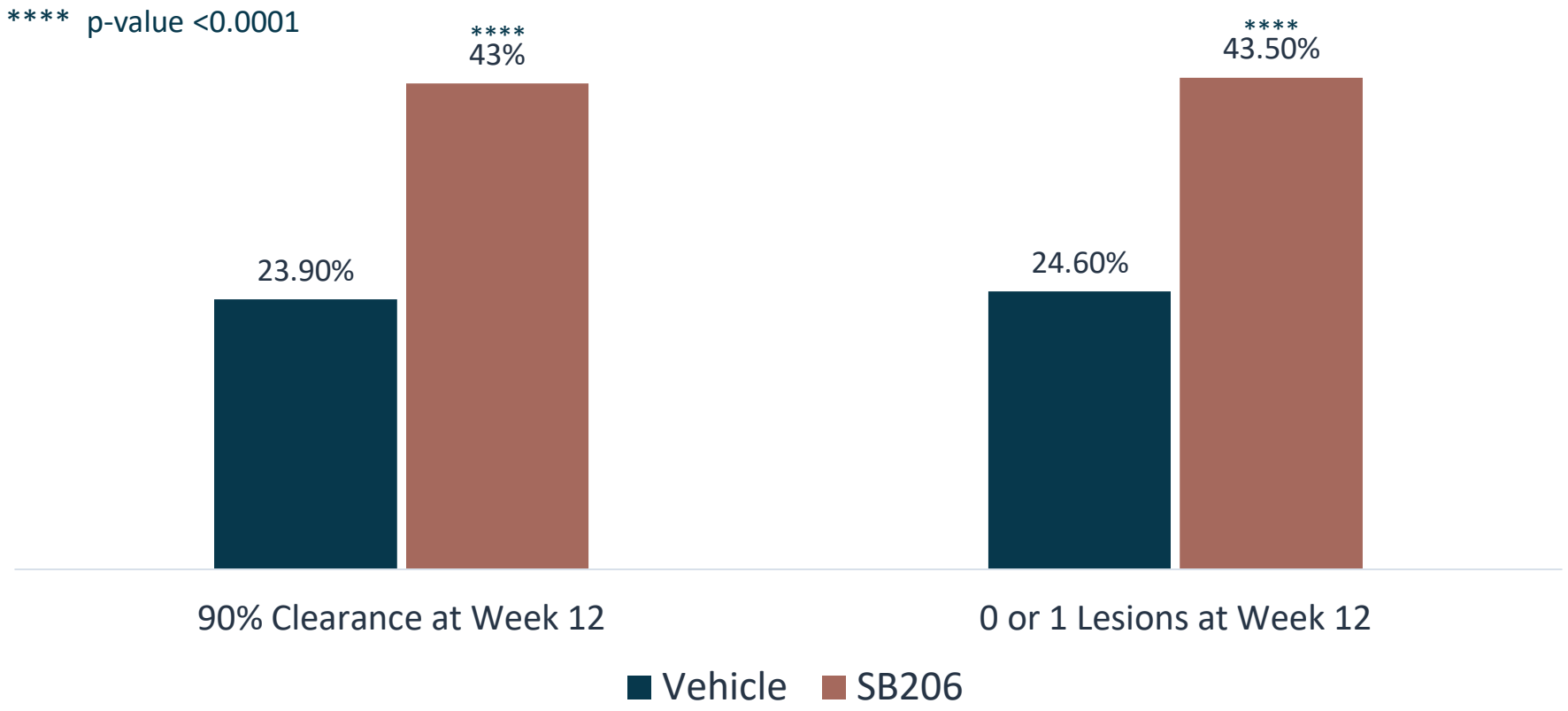
Percentage of Subjects with Complete Clearance of Treatable Lesions



Notes:
1. Total enrollment of 891 (1:1 randomization)
2. Two previously completed Phase 3 studies posted directionally similar results and one or both will be included in the NDA submission as confirmatory studies

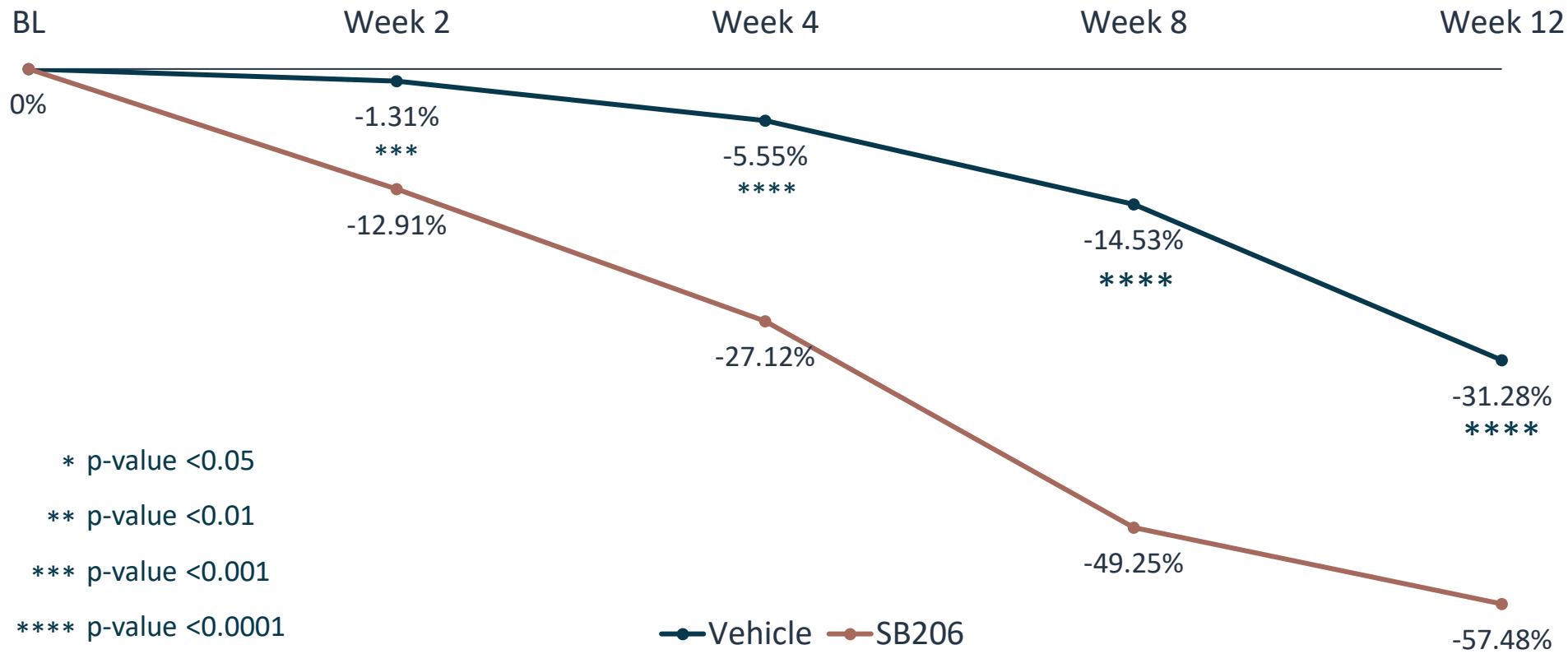
PIVOTAL PHASE 3: SECONDARY ENDPOINTS

90% Clearance and 0 or 1 Remaining Lesions at Week 12



PIVOTAL PHASE 3: SECONDARY ENDPOINT - CHANGE AT WEEK 4

% Change From Baseline Lesion Count



SB206 NDA SUBMISSION PROGRESSING AS PLANNED

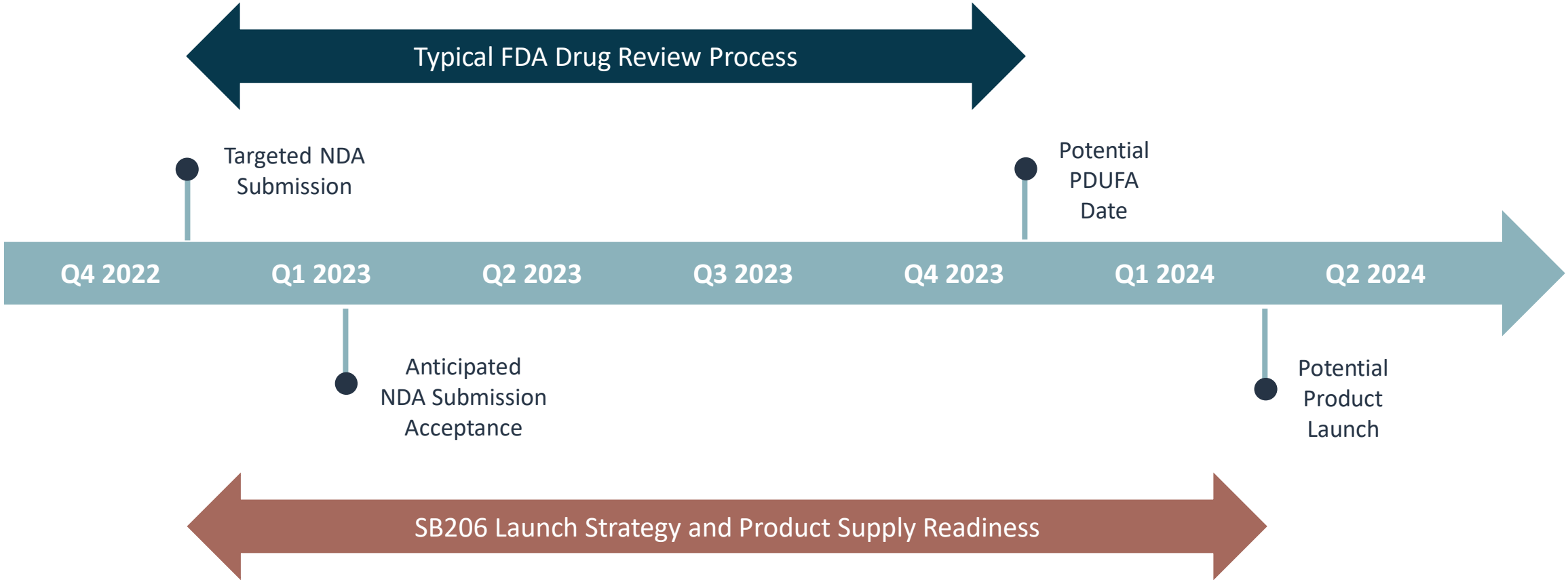
Drug Product Stability Testing Complete For NDA Purposes

Other Analytical Testing Ongoing

Drug Substance (API)	Drug Product (SB206)
Novan constructed cGMP facility in Durham, NC, dedicated to berdazimer sodium	Orion in Finland chosen as CMO in 2018
Registration batches on stability, with third party	Stability of registration batches complete for NDA

Targeting NDA Submission Around End of 2022

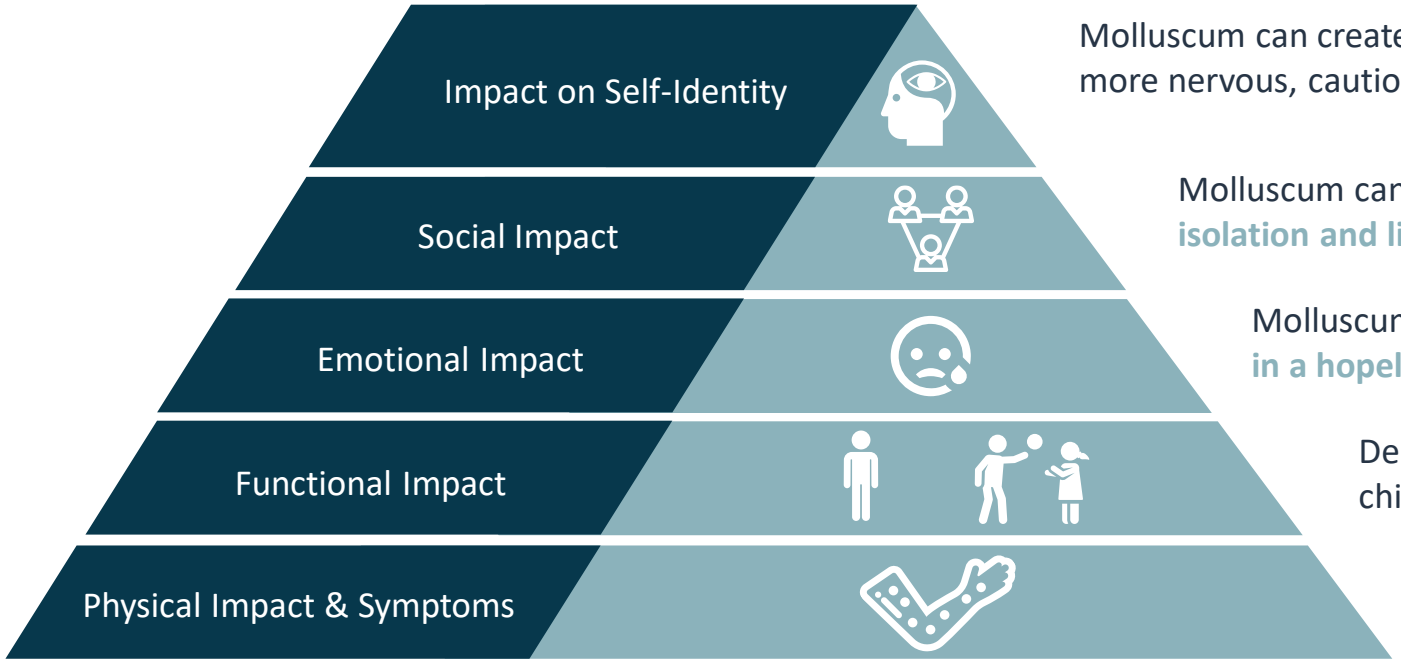
BERDAZIMER GEL, 10.3%
TARGETED REGULATORY TIMELINE



MOLLUSCUM IMPACTS DAILY LIVES

Negatively Affects Children, Caregivers, and Families

"They are itchy pink bumps on her arms, legs and back. Overall, our state of mind is ok, she has her days that she gets down/depressed, but I try to keep her busy and active, so that her mindset stays positive. She just wishes that this would go away completely at a much faster rate. It feels very time consuming, waiting for it to get better. Although I was told by the pediatrician that this is a benign, mild skin disease, it definitely does not feel like that."



Molluscum can create changes in **how children see themselves**, making them more nervous, cautious, or negatively conscious of their body

Molluscum can limit children's social development, creating **feelings of isolation and limiting the activities** they can participate in

Molluscum can feel like a losing battle, creating the feeling of being **trapped in a hopeless cycle** that seems like it will never resolve

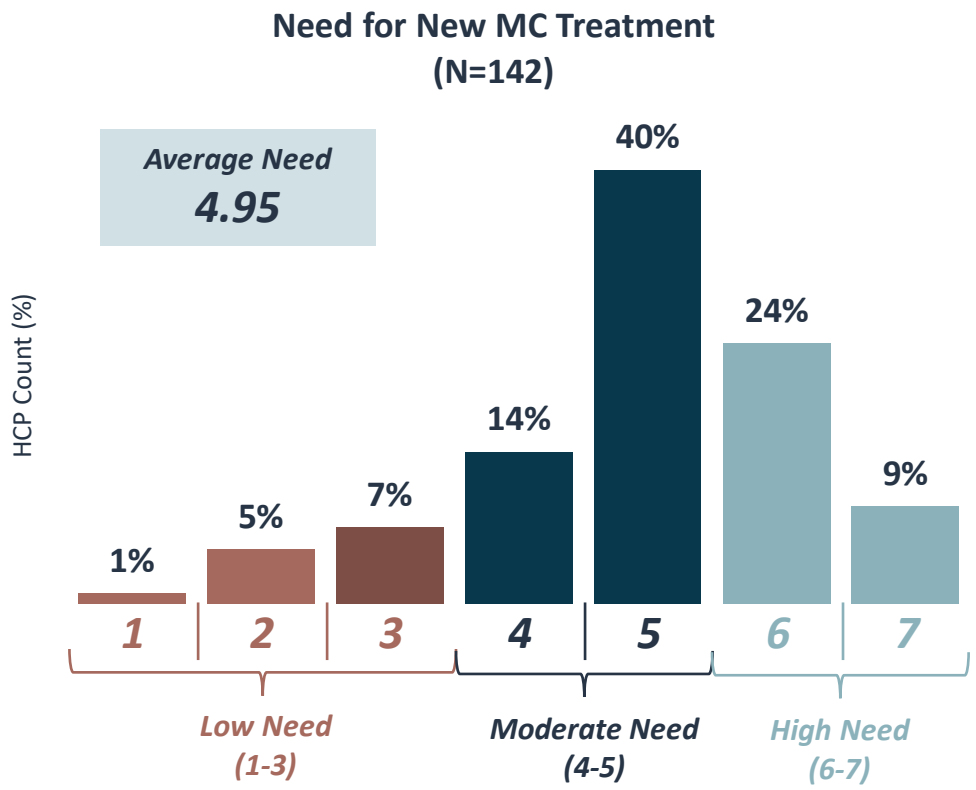
Dealing with molluscum can **take its toll** on daily life, affecting children's ability to **fully participate in activities**

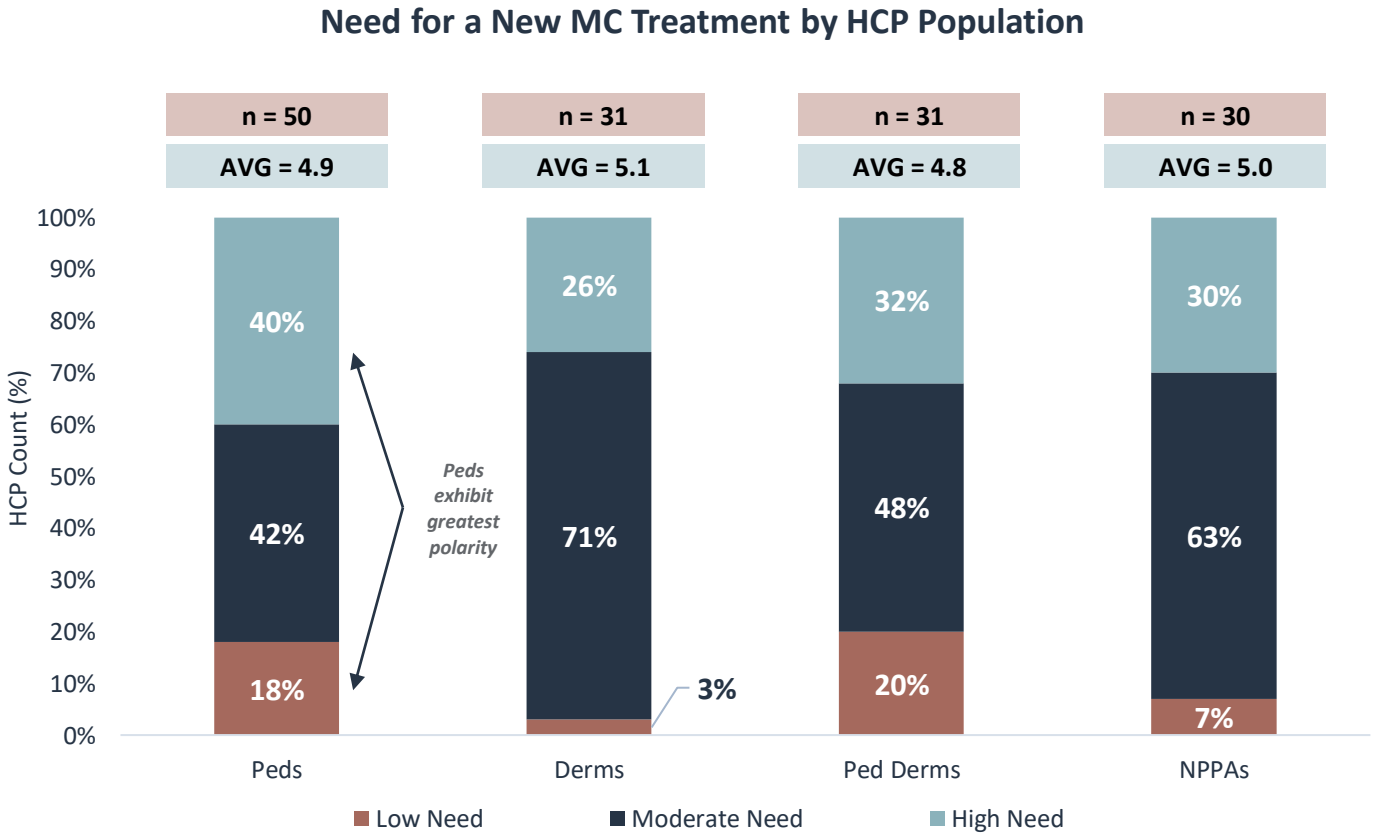
Molluscum and its treatments can cause **damage to the skin and permanent scarring**

Source: Syneos Health, Digital ethnography research, July – September 2022 (n=13)

NEED FOR NEW TREATMENT OPTIONS

High Level of Interest





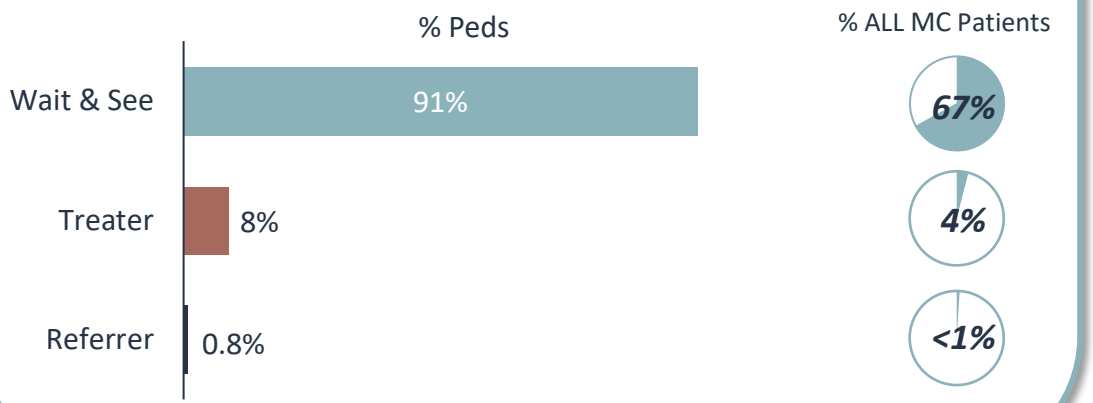
Source: Syneos Health HCP Survey Results, August 2022. Q5. How would you rate the level of need for new drug therapy options for molluscum, on a scale of 1-7, where 1=no/minimal need and 7=very high need?

PEDIATRICIANS LARGELY "WAIT AND SEE" TODAY

Majority of Dermatologists Treat Upon Diagnosis

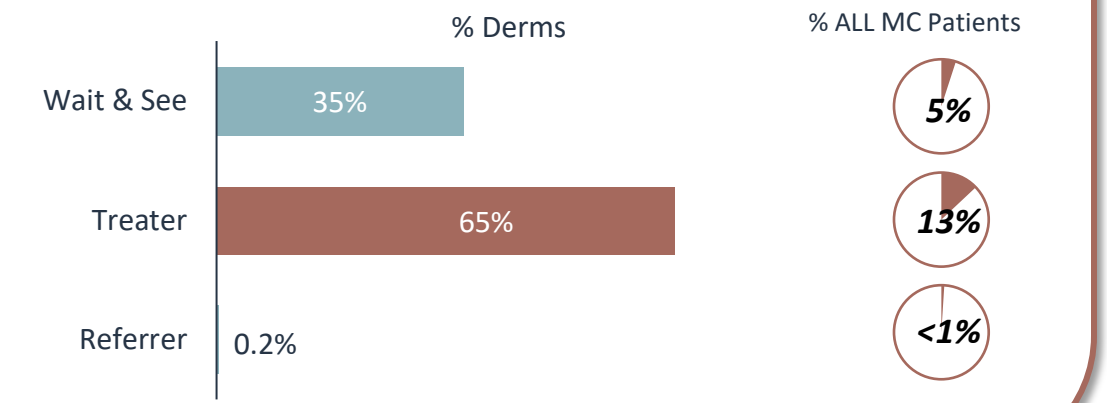
35K Pediatricians
187K MC Patients

PEDIATRICIAN



7K Dermatologists
48K MC Patients

DERMATOLOGIST

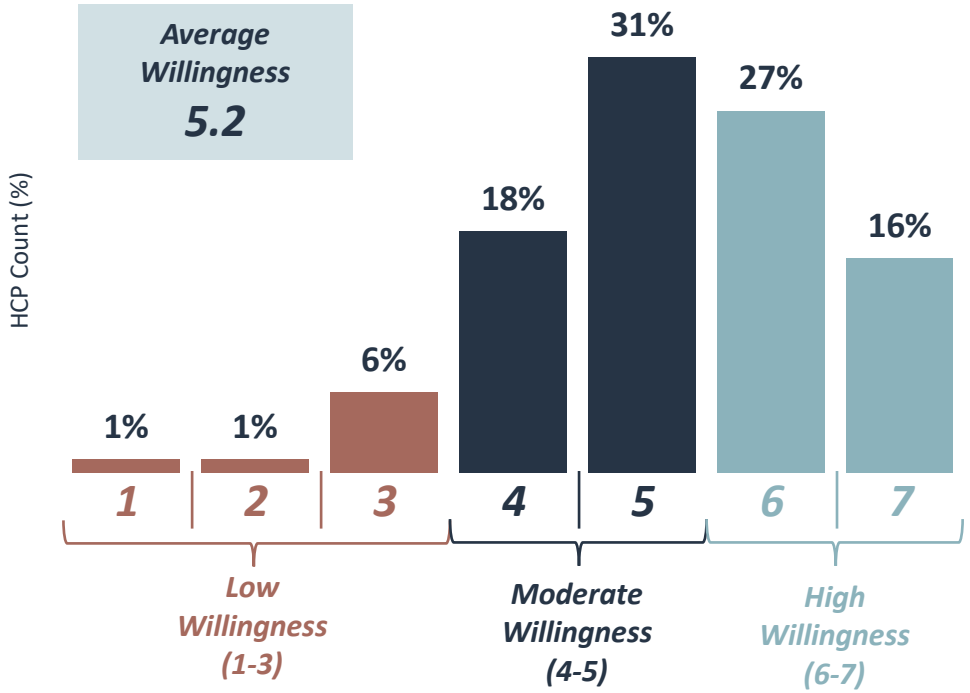


Source: Medical and Pharmacy Benefits Claims, Syneos Insights Suite, 2022

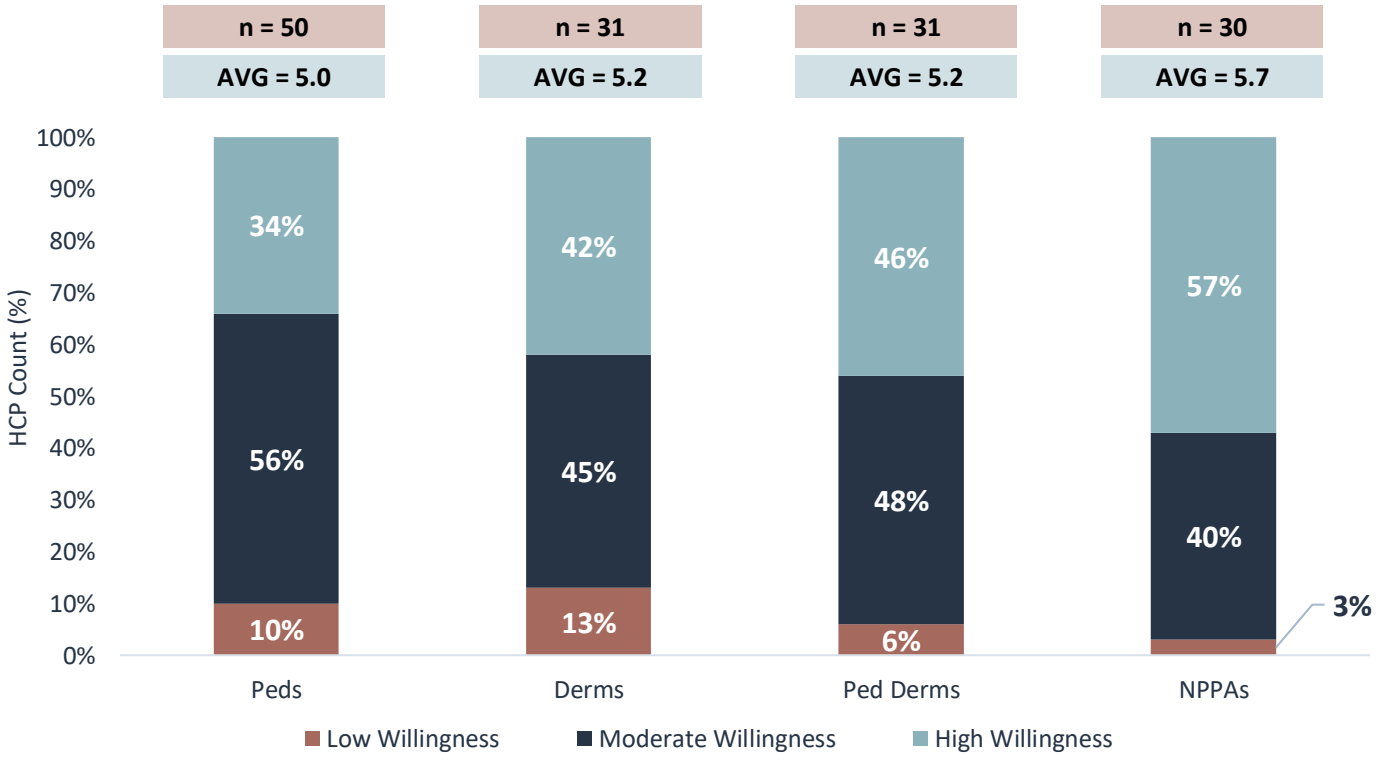
HCP WILLINGNESS FOR NEW OPTION

To Prescribe Berdazimer Gel, 10.3%, If Approved

Willingness to Prescribe Berdazimer Gel, 10.3% (N=142)



Willingness to Prescribe Berdazimer Gel, 10.3% by HCP Population



1. Source: Syneos Health HCP Survey Results, August 2022. Q6. Assume Berdazimer 10.3% Gel is approved by the FDA for molluscum. How would you rate your willingness to prescribe Berdazimer 10.3% Gel for molluscum on a scale of 1-7 (1=very low/unwilling and 7=very high/very willing)?

PAYER, PRICING AND REIMBURSEMENT

Strategy Continues To Advance Positively

Current Management of Molluscum Contagiosum

- There is **limited-to-no management of molluscum contagiosum** due to lack of FDA approved therapeutic options
- Payers acknowledged lack of visibility into drugs or medical procedures used to treat the condition
- No notable differences exist between pediatric- and adult-product review process or coverage decision making approach; however, payers may be more favorably disposed to give access to a new product for pediatric patients

Expectation for a New Product and Reaction to Berdazimer TPP

- With lack of FDA approved therapeutic options and self-resolving nature of the condition, payers had a mixed response regarding the unmet need in the molluscum contagiosum space
- **Most payers rated berdazimer gel, 10.3% highly** (average rating of 5.1 on a scale of 1–7)
- Berdazimer's status as the **first FDA approved drug in this space was cited as the primary advantage,** if approved

Anticipated Access

- **Step edits and non coverage were unlikely** due to lack of FDA approved therapeutic options
- No notable differences were suggested for access controls in commercial vs Medicaid book of business

1. Source: Syneos Health, Active Payer Primary Research, August 2022 (n=6)

PLANNING FOR COMMERCIAL SUCCESS

Berdazimer Gel, 10.3%

- ✓ Developed integrated launch plan
- ✓ Established commercial infrastructure
- ✓ Building awareness with prescribers through medical education
- ✓ Developing pricing and reimbursement strategy
- Preparing for commercial supply

Commercial

COMMERCIAL CAPABILITIES

Established Presence Across the Dermatology Community

Supply Chain And Market Access

Well established dermatology specialty pharmacy network

Comprehensive market access (payor strategy, patient assistance program)

Established supply chain with 3rd parties

Marketing

Leadership team with decades of relevant dermatology experience

Recent significant launches: Wynzora, Rhofade, Minolira, Cloderm

Strong KOL relationships

Sales Team

42 territories across the U.S.

Solid engagement with ~4,000 HCPs

Dedicated to 3 of the most prevalent medical dermatological conditions

Ready to support potential approval and launch of Berdazimer Gel, 10.3%

DELIVERED YEAR-OVER-YEAR GROWTH ACROSS PROMOTED PRODUCTS[1]

	Rhofade® (oxymetazoline HCl) cream, 1%	Wynzora® (calcipotriene and betamethasone dipropionate) Cream, 0.005%/0.064%	minolira™ (minocycline hydrochloride) extended-release tablets
Q3 2022 TRx's	37,900	10,085	12,417
YTD 2022 TRx's	115,873	31,059	29,880
2021 TRx's	117,436	10,033	25,213
YTD Q3'21 vs. Q3 22 Growth	37%	—[2]	59%
Q3'21 vs. Q3'22 Growth	31%	216%[2]	78%
Q2'22 vs. Q3'22 Growth	(7%)	(14%)	23%

1. Source: IQVIA's SMART Database – U.S. Edition
2. Commercial launch in the United States in Q3 2021

Rhofade (oxymetazoline HCl) cream, 1%

#1 Prescribed for the Treatment of Persistent Facial Erythema[1] (Facial Redness)

Highlights:

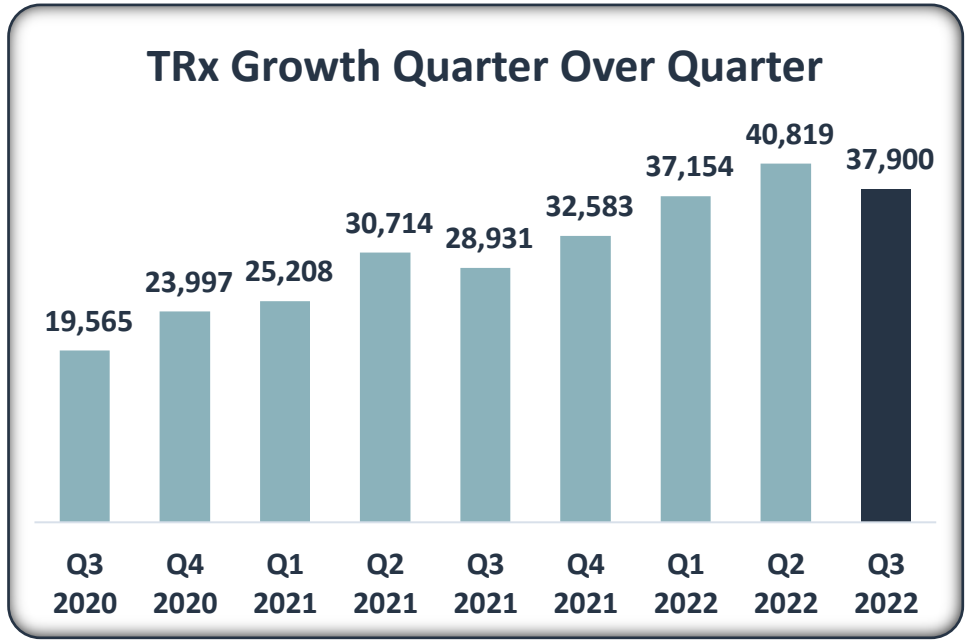
- Vascular dysregulation is the primary cause of persistent facial erythema (PFE) in rosacea patients
- Often left untreated, PFE can worsen and changes can become permanent[1,3,4]
- Rhofade works quickly and lasts all day
  - Visible reduction in redness as early as 1 hour[5]
  - Improvement persists with regular daily use over 52 weeks[6]

Rosacea U.S. Market Overview

- ~16 million people in the U.S.[2]

Entered into nonbinding MoU with Sato to market RHOFADE® in Japan

31% Growth vs 3Q Prior Year



1: IQVIA National Prescription Audit, Moving Annual Total June 2022; 2: "Understanding Rosacea." Rosacea.org, accessed 10 Jan. 2022, https://www.rosacea.org/patients/materials/understanding-rosacea/what-is-rosacea; 3: Del Rosso JQ. Advances in understanding and managing rosacea: part 1: connecting the dots between the pathophysiological mechanisms and common clinical features of rosacea with emphasis on vascular changes and facial erythema. *J Clin Aesthet Dermatol*. 2012;5(3):16-25.; 4: Huynh TT. Burden of disease: the psychosocial impact of rosacea on a patient's quality of life. *Am Health Drug Benefits*. 2013;6(6):348-354; 5: Eichenfield LF, Del Rosso JQ, Tan JKL, et al. Use of an alternative method to evaluate erythema severity in a clinical trial: difference in vehicle response with evaluation of baseline and postdose photographs for effect of oxymetazoline cream 1.0% for persistent erythema of rosacea in a phase IV study. *Br J Dermatol*. 2019;180(5):1050-1057.; 6: Draelos ZD, Gold MH, Weiss RA, et al. Efficacy and safety of oxymetazoline cream 1.0% for treatment of persistent facial erythema associated with rosacea: findings from the 52-week open label REVEAL trial. *J Am Acad Dermatol*. 2018;78(6):1156-1163.

Wynzora®
(calcipotriene and betamethasone dipropionate)
Cream, 0.005%/0.064%

Once Daily Topical Treatment Combines the Benefits of a High Potency Steroid Plus Vitamin D for the Treatment of Plaque Psoriasis

Highlights:

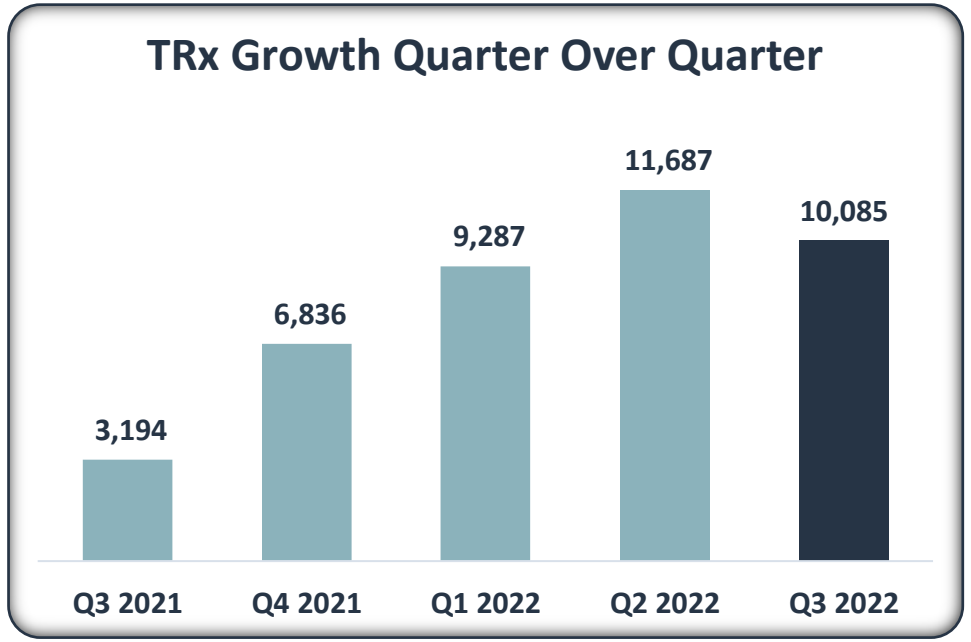
- First and only water-based calcipotriene and betamethasone dipropionate cream[1,2,3]
- Ideal for patients with localized plaques on their knees, elbows and scalp
- Launched in July 2021, Wynzora demonstrates a rapid onset of action with continued improvement at 8 weeks
  - Visible results as early as 1 week[1,4]
  - 83.6% of trial subjects had at least a 1-grade improvement from baseline at week 8[2]

Psoriasis U.S. Market Overview

- ~7.5 million people in the U.S.[5]

216% Growth vs 3Q Prior Year

Based in part to timing of product launch in the United States



1. Wynzora® Cream [package insert]. MC2 Therapeutics; 2020; 2. Præstegaard M, Vestbjerg B, Selmer J, Holm-Larsen T. Phase 3 trial demonstrates superior patient treatment convenience of MC2-01 calcipotriene plus betamethasone dipropionate cream compared to current topical suspension. J of Skin. 2020;4(5):s62; 3. US Department of Health and Human Services. Orange Book: Approved Drug Products with Therapeutic Equivalence Evaluations. 41st ed. US Government Publishing Office; 2021. https://www.fda.gov/media/71474/download. Accessed June 24, 2021; 4. Data on file. MC2 Therapeutics 5. Rachakonda TD et aJ Am Acad Dermatol 2014;70:512-6.

minolira™
(minocycline hydrochloride) extended-release tablets

First Ever Biphasic Delivery System of Minocycline for the Treatment of Acne[1]

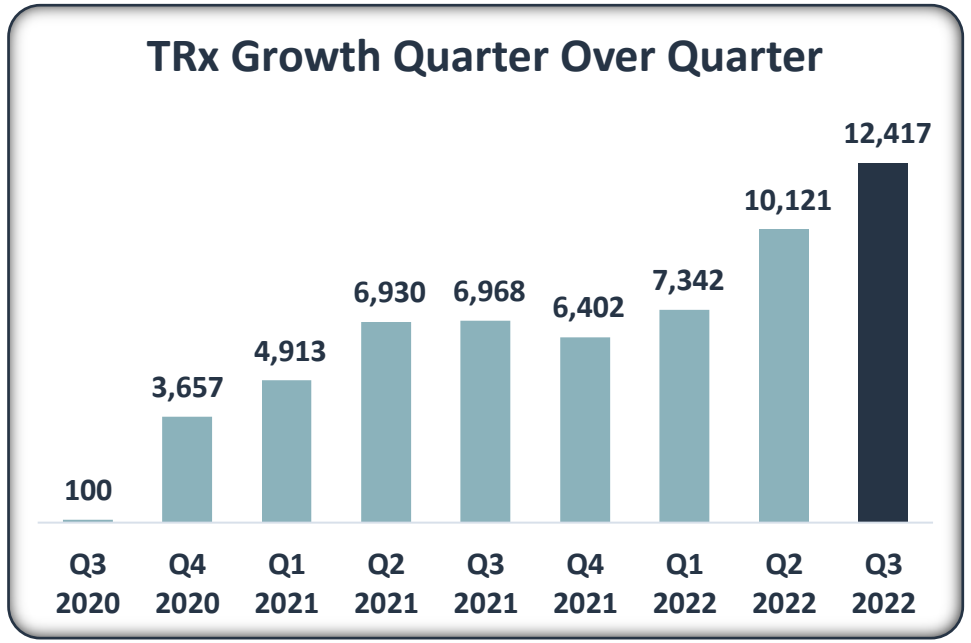
Highlights:

- The only delivery technology that offers functional scoring weight-based flexible dosing[2]
- The safety of sustained-release minocycline with low risk of GI upset[4,5]

Acne U.S. Market Overview

- ~50 million people in the U.S.[3]

78% Growth vs 3Q Prior Year



1: Indicated to treat only inflammatory lesions of non-nodular moderate to severe acne vulgaris in patients 12 years of age and older; 2: Minolira PI; 3: Bickers DR, Lim HW, Margolis D, Weinstock MA, Goodman C, Faulkner E et al. The burden of skin diseases: 2004 a joint project of the American Academy of Dermatology Association and the Society for Investigative Dermatology. Journal of the American Academy of Dermatology 2006;55:490-500; 4: Ward D Jr. Pharmacokinetic implications of a patented delivery system on a new FDA approved biphasic minocycline extended release tablet dosed 1 mg/kg in acne vulgaris. Poster presented at: Dermatology Educational Foundation Essential Resource Meeting; July 18-21, 2019; Las Vegas, NV; 5: Hamman H, Hamman J, Steenekamp J. Multiple-unit pellet system (MUPS): production and applications as advanced drug delivery systems. Drug Deliv Lett. 2017; 7(3):201-210.

Corporate Overview

FINANCIAL SNAPSHOT

COMMERCIAL OPERATIONS[1]

Year-to-Date September 30, 2022

Revenue of $11.2 million

Net Loss of $3.5 million

R&D OPERATIONS

Year-to-Date September 30, 2022

Revenue of $2.0 million

Net Loss of $24.8 million

Growth in Promoted Product TRx's from YTD Q3 2022 vs 2021[2] **40%**

$16.5M Satisfied Promissory Note in July 2022

$14.9M Cash as of September 30, 2022[3]

Additional Capital Needed for Potential Q1 2024 Launch of SB206

1. Commercial Operation YTD information represents March 11, 2022 through September 30, 2022, based on acquisition date of EPI Health.
2. Excludes Wynzora as was launched in Q3 2021 and Cloderm as not currently actively marketed.
3. As of the Company's September 30, 2022 Form 10-Q as filed with the SEC on November 14, 2022, cash runway into the beginning of 2023 based on Management's projections and planned development and operating activities.

FOCUS GOING FORWARD

NOVAN

A medical dermatology company primarily focused on researching, developing and commercializing innovative therapeutic products for skin diseases

File NDA for berdazimer gel, 10.3% (SB206) before end of 2022

Execute pre-commercial activities to support potential launch of berdazimer gel, 10.3% (SB206)

Grow sales and expand commercial organization through multiple initiatives

Pursue additional business development initiatives, including out-licensing products ex-U.S.

Thank You!

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Innovative Therapies for Skin Diseases

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