



August 3, 2017

Revance Releases Second Quarter 2017 Results

NEWARK, Calif.--(BUSINESS WIRE)-- Revance Therapeutics, Inc. (NASDAQ:RVNC), a biotechnology company developing botulinum toxin products for use in treating aesthetic and therapeutic conditions, today announced results for the second quarter ended June 30, 2017.

Recent Highlights and Upcoming Milestones for DaxibotulinumtoxinA for Injection (RT002)

- 1 Reported positive topline 24-week duration of effect results in all three cohorts of RT002 injectable for the treatment of moderate to severe isolated cervical dystonia. Study investigators presented two posters highlighting this and additional data at the 21st International Congress of Parkinson's Disease and Movement Disorders in June.
- 1 Published results from its successfully completed BELMONT Phase 2 trial in glabellar (frown) lines in the peer-reviewed journal, *Dermatologic Surgery*.
- 1 Announced expansion of its leadership team with the addition of industry veteran Todd Zavodnick, who will join Revance in September as its Chief Commercial Officer and President, Aesthetics & Therapeutics to lead the company's commercial operations along with the launch of RT002 injectable.
- 1 SAKURA 1 & 2 Phase 3 pivotal trials of RT002 injectable for the treatment of glabellar (frown) lines remain on track to report topline results in the fourth quarter of 2017.
- 1 Phase 2 trial of RT002 injectable in the management of plantar fasciitis continues to enroll subjects, and Revance plans to report topline results in the fourth quarter of 2017.

"The recent clinical results from our Phase 2 cervical dystonia program, along with the peer-reviewed publication of results from the BELMONT Phase 2 clinical trial for glabellar lines, reinforce the potential advantages we believe RT002 injectable has over commercially available toxins in terms of safety, response rates and duration of effect," said Dan Browne, President and Chief Executive Office at Revance. "The totality of the evidence is building and we look forward to reporting topline results for our SAKURA Phase 3 pivotal trials for glabellar lines and Phase 2 trial for plantar fasciitis in the fourth quarter of this year. We believe these trial results will validate our differentiation and put us on track to file for our first regulatory approval. Long term, we believe we can build a meaningful aesthetics business around RT002 that will allow us to fund and support a fast-growing therapeutics portfolio."

Summary Financial Results

Cash and investments as of June 30, 2017 were \$165.5 million.

Research and development expenses for the three and six months ended June 30, 2017 were \$18.3 million and \$37.7 million compared to \$15.2 million and \$27.6 million for the same periods in 2016, respectively. The change in research and development expenses is primarily due to increased clinical trial activity for RT002 injectable, including the SAKURA Phase 3 program, the plantar fasciitis Phase 2 trial, the Phase 2 cervical dystonia trial, along with increased pre-commercial manufacturing activities.

General and administrative expenses for the three and six months ended June 30, 2017 were \$8.6 million and \$16.4 million compared to \$7.0 million and \$14.5 million for the same periods in 2016, respectively. The increase in general and administrative expenses is primarily due to increased personnel, pre-commercial, and information technology expenses.

Total operating expenses for the three and six months ended June 30, 2017 were \$26.9 million and \$54.1 million compared to \$24.2 million and \$44.0 million for the same periods in 2016, respectively. Stock-based compensation for the three and six months ended June 30, 2017 was \$3.5 million and \$6.7 million, respectively. When excluding depreciation and stock-based compensation, total operating expenses for the three and six months ended June 30, 2017 were \$23.0 million and \$46.7 million, respectively.

Net loss for the three and six months ended June 30, 2017 was \$26.9 million and \$54.0 million compared to \$24.6 million and \$44.5 million for the same periods in 2016, respectively.

2017 Financial Outlook

Revance reaffirmed its financial guidance provided in January 2017. Revance expects cash burn for 2017 to be in the range of \$102 to \$112 million. Revance expects 2017 GAAP operating expense to be in the range of \$108 to \$119 million, which when excluding depreciation of \$1 to \$2 million and estimated stock-based compensation of \$13 to \$15 million, results in projected 2017 non-GAAP operating expense of \$94 to \$102 million. With three clinical programs underway, Revance anticipates 2017 GAAP research and development expense to be in the range of \$75 to \$83 million, which when excluding depreciation of \$1 to \$2 million and estimated stock-based compensation of \$5 to \$6 million, results in projected 2017 non-GAAP research and development expense of \$69 to \$75 million.

Conference Call

Individuals interested in listening to the conference call today, August 3, at 1:30pm PT/4:30pm ET, may do so by dialing (855) 453-3827 for domestic callers, or (484) 756-4301 for international callers and reference conference ID: 51659239; or from the webcast link in the investor relations section of the Company's website at: <http://investors.revance.com/index.cfm>.

A replay of the call will be available beginning today at 4:30pm PT/7:30pm ET through 4:30pm PT/7:30pm ET on August 4, 2017. To access the replay, dial (855) 859-2056 or (404) 537-3406 and reference conference ID: 51659239. The webcast will be available in the investor relations section on the Company's website for 30 days following the completion of the call.

About Revance Therapeutics, Inc.

Revance, a Silicon Valley-based biotechnology company, is committed to the advancement of remarkable science. The company is developing a portfolio of products for aesthetic medicine and underserved therapeutic specialties, including dermatology, orthopedics and neurology. Revance's science is based upon a proprietary peptide technology, which when combined with active drug molecules, may help address current unmet needs. Revance's initial focus is on developing daxibotulinumtoxinA, the company's highly purified botulinum toxin, for a broad spectrum of aesthetic and therapeutic indications, including facial wrinkles and muscle movement disorders.

The company's lead drug candidate, DaxibotulinumtoxinA for Injection (RT002), is currently in development for the treatment of glabellar lines, cervical dystonia and plantar fasciitis with the potential to be the first long-acting neuromodulator. The company holds worldwide rights to RT002 injectable and RT001 topical and the pharmaceutical uses of its proprietary peptide technology platform. More information on Revance may be found at www.revance.com.

"Revance Therapeutics" and the Revance logo are registered trademarks of Revance Therapeutics, Inc.

Forward-Looking Statements

This press release contains forward-looking statements, including statements related to Revance Therapeutics' 2017 Financial Outlook and other financial performance, the process and timing of, and ability to complete, current and anticipated future clinical development of our investigational drug product candidates, including but not limited to initiation and design of clinical studies for current and future indications, related results and reporting of such results; statements about our business strategy, timeline and other goals and market for our anticipated products, plans and prospects; and statements about our ability to obtain regulatory approval; and potential benefits of our drug product candidates and our technologies.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from our expectations. These risks and uncertainties include, but are not limited to: the outcome, cost, and timing of our product development activities and clinical trials; the uncertain clinical development process, including the risk that clinical trials may not have an effective design or generate positive results; our ability to obtain and maintain regulatory approval of our drug product candidates; our ability to obtain funding for our operations; our plans to research, develop, and commercialize our drug product candidates; our ability to achieve market acceptance of our drug product candidates; unanticipated costs or delays in research, development, and commercialization efforts; the applicability of clinical study results to actual outcomes; the size and growth potential of the markets for our drug product candidates; our ability to successfully commercialize our drug product candidates and the timing of commercialization activities; the rate and degree of market acceptance of our drug product candidates; our ability to develop sales and marketing capabilities; the accuracy of our estimates regarding expenses, future revenues, capital requirements and needs for financing; our ability to continue obtaining and maintaining intellectual property protection for our drug product candidates; and other risks. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements in this press release may be found in Revance's periodic filings with the Securities and Exchange Commission (the "SEC"), including factors described in the section entitled "Risk Factors" of our quarterly report on Form 10-Q filed May 9, 2017. These forward-looking statements speak only as of the date hereof. Revance disclaims any obligation to update these forward-looking statements.

Use of Non-GAAP Financial Measures

Revance has presented certain non-GAAP financial measures in this release. This release and the reconciliation tables included herein include total non-GAAP operating expense and non-GAAP R&D expense, both of which exclude depreciation and stock-based compensation. Revance excludes depreciation costs and stock-based compensation expense because management believes the exclusion of these items is helpful to investors to evaluate Revance's recurring operational performance. Revance management uses these non-GAAP financial measures to monitor and evaluate its operating results and trends on an on-going basis, and internally for operating, budgeting and financial planning purposes. The non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

REVANCE THERAPEUTICS, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	<u>June 30,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 53,693	\$ 63,502
Short-term investments	111,852	122,026
Restricted cash, current portion	502	—
Prepaid expenses and other current assets	8,306	7,167
Total current assets	<u>174,353</u>	<u>192,695</u>
Property and equipment, net	11,255	10,585
Restricted cash, net of current portion	580	580
Other non-current assets	888	500
TOTAL ASSETS	<u><u>\$187,076</u></u>	<u><u>\$ 204,360</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 4,079	\$ 3,754
Accruals and other current liabilities	14,347	12,418
Financing obligations, current portion	3,550	3,475
Total current liabilities	<u>21,976</u>	<u>19,647</u>
Financing obligations, net of current portion	—	1,872
Derivative liability associated with Medicis settlement	2,189	2,022
Deferred rent	3,497	3,648
Other non-current liabilities	—	100
TOTAL LIABILITIES	<u><u>27,662</u></u>	<u><u>27,289</u></u>
Commitments and Contingencies		
STOCKHOLDERS' EQUITY		
Common stock, par value \$0.001 per share — 95,000,000 shares authorized both as of June 30, 2017 and December 31, 2016; 30,416,028 and 28,648,954 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	30	29
Additional paid-in capital	635,108	598,630
Accumulated other comprehensive loss	(114)	(45)
Accumulated deficit	<u>(475,610)</u>	<u>(421,543)</u>
TOTAL STOCKHOLDERS' EQUITY	<u><u>159,414</u></u>	<u><u>177,071</u></u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$187,076</u></u>	<u><u>\$ 204,360</u></u>

REVANCE THERAPEUTICS, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)
(Unaudited)

Three Months Ended Six Months Ended

	June 30,		June 30,	
	2017	2016	2017	2016
Revenue	\$ 75	\$ 75	\$ 150	\$ 150
Operating expenses:				
Research and development	18,307	15,192	37,714	27,556
General and administrative	8,609	7,018	16,363	14,473
Loss on impairment	—	1,949	—	1,949
Total operating expenses	26,916	24,159	54,077	43,978
Loss from operations	(26,841)	(24,084)	(53,927)	(43,828)
Interest income	347	324	658	635
Interest expense	(141)	(286)	(335)	(601)
Change in fair value of derivative liability associated with Medicis settlement	(107)	(413)	(167)	(428)
Other expense, net	(132)	(143)	(258)	(268)
Net loss	(26,874)	(24,602)	(54,029)	(44,490)
Unrealized gain (loss) on available for sale securities	(17)	(38)	(69)	188
Comprehensive loss	\$ (26,891)	\$ (24,640)	\$ (54,098)	\$ (44,302)
Net loss attributable to common stockholders:				
Basic and Diluted	\$ (26,874)	\$ (24,602)	\$ (54,029)	\$ (44,490)
Net loss per share attributable to common stockholders:				
Basic and Diluted	\$ (0.90)	\$ (0.88)	\$ (1.84)	\$ (1.59)
Weighted-average number of shares used in computing net loss per share attributable to common stockholders:				
Basic and Diluted	29,776,893	28,089,731	29,295,220	28,047,671

Revance Therapeutics, Inc.
2017 Financial Results
(Unaudited)

Reconciliation of GAAP Operating Expense to Non-GAAP Operating Expense
(In thousands)

	Three Months Ended	Six Months Ended
	June 30, 2017	June 30, 2017
Operating expense:		
GAAP operating expense	\$ 26,916	\$ 54,077
Adjustments:		
Stock-based compensation	(3,519)	(6,674)
Depreciation	(364)	(722)
Non-GAAP operating expense	<u>\$ 23,033</u>	<u>\$ 46,681</u>

Revance Therapeutics, Inc.
2017 Financial Guidance

Reconciliation of GAAP Operating Expense to Non-GAAP Operating Expense
(In thousands)

	Fiscal Year	
	2017	
	Low	High
Operating expense:		
GAAP operating expense	\$ 108,000	\$ 119,000
Adjustments:		
Stock-based compensation	(13,000)	(15,000)
Depreciation	(1,000)	(2,000)

Non-GAAP operating expense \$ 94,000 \$ 102,000

**Reconciliation of GAAP R&D Expense to Non-GAAP R&D Expense
(In thousands)**

	Fiscal Year 2017	
	Low	High
R&D expense:		
GAAP R&D expense	\$ 75,000	\$ 83,000
Adjustments:		
Stock-based compensation	(5,000)	(6,000)
Depreciation	(1,000)	(2,000)
Non-GAAP R&D expense	<u>\$ 69,000</u>	<u>\$ 75,000</u>

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