Revance Releases Second Quarter 2018 Results

August 2, 2018

NEWARK, Calif.--(BUSINESS WIRE)--Aug. 2, 2018-- Revance Therapeutics, Inc. (NASDAQ:RVNC), a biotechnology company developing neuromodulators for use in treating aesthetic and therapeutic conditions, today announced results for the second quarter ended June 30, 2018.

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

- Revance expects to complete the SAKURA 3 open-label, long-term safety study of RT002 for the treatment of glabellar (frown) lines in the fourth quarter of 2018. The Company remains on track to file its Biologics Licensing Application (BLA) for RT002 to treat glabellar (frown) lines in first half of 2019.
- Revance initiated the ASPEN Phase 3 program with RT002 for the treatment of moderate to severe isolated cervical dystonia for the U.S. in June of 2018. The program includes a single pivotal trial and an open-label safety study, each to enroll approximately 300 patients across sites in the U.S., Canada and Europe.
- Announced the appointments of Susanne Fors, Vice President, Regulatory Affairs, Conor Gallagher, Ph.D., as Head of Medical Affairs, Aesthetics, and Caryn McDowell as Senior Vice President, General Counsel & Corporate Secretary in May of 2018.

"Our clinical body of work for RT002 injectable, including the SAKURA 1 & 2 pivotal trials for the treatment of glabellar lines, supports the potential for this product to provide patients and physicians with unequaled, enduring performance. We look forward to the SAKURA 3 open-label safety study readout in the fourth quarter of this year, followed by the BLA filing in the first half of 2019," said Dan Browne, President and Chief Executive Officer at Revance. "In parallel to our pre-commercialization plans underway in the aesthetics market, we are advancing the development of long-acting RT002 in multiple therapeutic indications. We recently dosed the first patient in our ASPEN Phase 3 Program for RT002 for the treatment of cervical dystonia and look forward to accomplishing additional clinical milestones in the fourth quarter, including the initiations of Phase 2 trials for the treatment of plantar fasciitis and upper limb spasticity. With the potential for twice yearly administration, RT002 could represent a meaningful advancement in neuromodulator treatment."

Summary Financial Results

Cash, cash equivalents and investments as of June 30, 2018 were $233.7 million.

Revenue for the three and six months ended June 30, 2018 was $0.7 million and $0.9 million compared to $0.1 million and $0.2 million for the same periods in 2017, respectively. The revenue recognized during 2018 represents the portion of revenue earned from the $25 million upfront payment from Mylan under the biosimilar collaboration and license agreement.

Research and development expenses for the three and six months ended June 30, 2018 were $22.9 million and $45.1 million compared to $18.3 million and $37.7 million for the same periods in 2017, respectively. The change in research and development expenses is primarily due to the cervical dystonia Phase 3 clinical trial implementation costs and increased costs to support manufacturing, quality efforts and research.

General and administrative expenses for the three and six months ended June 30, 2018 were $12.7 million and $26.4 million compared to $8.6 million and $16.4 million for the same periods in 2017, respectively. The increase in general and administrative expenses is primarily due to increased costs related to personnel, consulting and pre-commercial activities to support future product launches.

Total operating expenses for the three and six months ended June 30, 2018 were $35.6 million and $71.5 million compared to $26.9 million and $54.1 million for the same periods in 2017, respectively. Stock-based compensation for the three and six months ended June 30, 2018 was $4.2 million and $8.3 million, respectively. When excluding depreciation and stock-based compensation, total operating expenses for the three and six months ended June 30, 2018 were $31.0 million and $62.3 million, respectively.

Net loss for the three and six months ended June 30, 2018 was $34.1 million and $69.1 million compared to $26.9 million and $54.0 million for the same periods in 2017, respectively.

2018 Financial Outlook

Revance reiterates its financial guidance provided in January 2018. Revance expects cash burn for 2018 to be in the range of $117 to $137 million. Revance expects 2018 GAAP operating expense to be in the range of $128 to $154 million, which when excluding depreciation of $1 to $3 million and estimated stock-based compensation of $17 to $21 million, results in projected 2018 non-GAAP operating expense of $110 to $130 million, driven by increased research and development expenditure and launch preparation activities. With three clinical programs and preparations to file the BLA for RT002 to treat glabellar (frown) lines all underway, Revance anticipates 2018 GAAP research and development expense to be in the range of $84 to $101 million, which when excluding depreciation of $1 to $2 million and estimated stock-based compensation of $7 to $9 million, results in projected 2018 non-GAAP research and development expense of $76 to $90 million.

Conference Call

Individuals interested in listening to the conference call may do so by dialing (855) 453-3827 for domestic callers, or (484) 756-4301 for international callers and reference conference ID: 3480629; or from the webcast link in the investor relations section of the company's website at: www.revance.com.

A replay of the call will be available beginning August 2, 2018 at 4:30pm PT/7:30pm ET to August 3, 2018 at 4:30pm PT/7:30pm ET. To access the

replay, dial (855) 859-2056 or (404) 537-3406 and reference conference ID: 3480629. 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 Therapeutics is an emerging Silicon Valley biotechnology leader developing neuromodulators for the treatment of aesthetic and therapeutic conditions. Revance uses a unique proprietary, stabilizing excipient peptide technology to create novel, differentiated therapies. The company's lead compound, DaxibotulinumtoxinA for Injection (RT002), is in clinical development for a broad range of aesthetic and therapeutic indications, including glabellar lines, cervical dystonia, plantar fasciitis, upper limb spasticity and chronic migraine. RT002 has the potential to be the first long-acting neuromodulator. The company is advancing a robust pipeline of injectable and topical formulations of DaxibotulinumtoxinA. More information on Revance may be found at www.revance.com.

Forward-Looking Statements

This press release contains forward-looking statements, including statements related to Revance Therapeutics' long-term financial outlook, expected cash burn 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, including the timing and results of the SAKURA 3 study of RT002 and ASPEN Phase 3 program, 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; including our pre-commercialization plans; and statements about our ability to obtain regulatory approval, including the timing of potential BLA filing for RT002 to treat glabellar (frown) lines; 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, 2018. 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)

	June 30, 2018	**December 31, 2017**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 39,282	$ 282,896
Short-term investments	194,452	—
Prepaid expenses and other current assets	9,148	2,315
Total current assets	242,882	285,211
Property and equipment, net	12,196	9,250
Restricted cash	730	580
Other non-current assets	3,315	658
TOTAL ASSETS	$ 259,123	$ 295,699

LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 5,435	$ 6,805
Accruals and other current liabilities	13,569	12,225
Deferred revenue, current portion	9,320	—
Financing obligations	—	1,872
Total current liabilities	28,324	20,902
Derivative liability associated with Medicis settlement	2,717	2,613
Deferred revenue, net of current portion	14,800	—
Deferred rent	3,427	3,339
TOTAL LIABILITIES	49,268	26,854
Commitments and Contingencies		
STOCKHOLDERS' EQUITY		
Common stock, par value $0.001 per share — 95,000,000 shares authorized as of June 30, 2018 and December 31, 2017; 36,917,723 and 36,516,075 shares issued and outstanding as of June 30, 2018 and December 31, 2017, respectively	37	37
Additional paid-in capital	821,326	810,975
Accumulated other comprehensive loss	(224)	—
Accumulated deficit	(611,284)	(542,167)
TOTAL STOCKHOLDERS' EQUITY	209,855	268,845
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 259,123	$ 295,699

Revance Therapeutics, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(In thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2018	**2017**	**2018**	**2017**
Revenue	$ 686	$ 75	$ 880	$ 150
Operating expenses:				
Research and development	22,871	18,307	45,111	37,714
General and administrative	12,734	8,609	26,350	16,363
Total operating expenses	35,605	26,916	71,461	54,077
Loss from operations	(34,919)	(26,841)	(70,581)	(53,927)
Interest income	1,081	347	2,103	658
Interest expense	—	(141)	(44)	(335)
Change in fair value of derivative liability associated with Medicis settlement	(70)	(107)	(104)	(167)
Other expense, net	(172)	(132)	(492)	(258)
Net loss	(34,080)	(26,874)	(69,118)	(54,029)
Unrealized gain (loss) on available for sale securities	52	(17)	(224)	(69)
Comprehensive loss	$ (34,028)	$ (26,891)	$ (69,342)	$ (54,098)
Basic and Diluted net loss attributable to common stockholders	$ (34,080)	$ (26,874)	$ (69,118)	$ (54,029)
Basic and Diluted net loss per share attributable to common stockholders	$ (0.94)	$ (0.90)	$ (1.92)	$ (1.84)
Basic and Diluted weighted-average number of shares used in computing net loss per share attributable to common stockholders	36,123,659	29,776,893	36,037,604	29,295,220

Revance Therapeutics, Inc.

2018 Financial Results

Reconciliation of GAAP Operating Expense to Non-GAAP Operating Expense

(In thousands)

	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Operating expense:		
GAAP operating expense	$ 35,605	$ 71,461
Adjustments:		
Stock-based compensation	(4,172)	(8,330)
Depreciation	(417)	(807)
Non-GAAP operating expense	$ 31,016	$ 62,324

Revance Therapeutics, Inc.

2018 Financial Guidance

Reconciliation of GAAP Operating Expense to Non-GAAP Operating Expense

(In thousands)

	Fiscal Year 2018	
	Low	**High**
Operating expense:		
GAAP operating expense	$ 128,000	$ 154,000
Adjustments:		
Stock-based compensation	(17,000)	(21,000)
Depreciation	(1,000)	(3,000)
Non-GAAP operating expense	$ 110,000	$ 130,000

Reconciliation of GAAP R&D Expense to Non-GAAP R&D Expense

(In thousands)

	Fiscal Year 2018	
	Low	**High**
R&D expense:		
GAAP R&D expense	$ 84,000	$ 101,000
Adjustments:		
Stock-based compensation	(7,000)	(9,000)
Depreciation	(1,000)	(2,000)
Non-GAAP R&D expense	$ 76,000	$ 90,000

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