



Revance Therapeutics: A Case Study

Revance Therapeutics, Inc.

Revance (RVNC) is a clinical stage specialty pharmaceutical company developing botulinum toxin products that will change the botulinum toxin landscape in aesthetic and therapeutic dermatology. The company's lead investigational product is RT001, a physician-applied topical formulation of botulinum toxin type A (BoNTA) with a broad pipeline of potential indications. RT001 is a Phase III Botox successor for cosmetic, hyperhidrosis and dermatologic indications designed as a painless alternative to existing treatments.

RT001 could prove to have uses beyond crow's feet, such as excessive sweating and chronic migraine headache. The company is also developing a longer-lasting, injectable form of RT001, known as RT002, a Phase I injectable formulation of botulinum toxin type A with hopes of smoothing out frown lines. Revance Therapeutics, Inc. was founded in 2002 and is based in Mountain View, California.

Financing History

- **Essex Capital Corporation** provided Revance Therapeutics with lease financing in the amount of \$4 million in August and November of 2010.
- Essex Capital also made an equity investment in the Series D financing.
- RT001 proved effective in its Phase II trial in 2010, (results from two clinical trials involving a total of 270 people in 2010) and its promise helped Revance close a \$33 million Series E last year.
- Between November of 2010 and January 2014, Essex Capital made additional equity investments and in December of 2013 provided the company with a \$10.8 million equipment lease finance facility.
- By providing the leasing facility, Essex Capital received warrants which will allow Essex to buy shares of the common shares at a strike price of \$14.40 per share. The term of the warrants is for 6 years.
- Revance (RVNC) had the third-best first-day return of the year (68%), clearing \$96 million with its \$16-a-share debut, pricing at the top of its range and commanding a \$284 million market cap.
- As of July 29, 2014 the stock was trading at \$31.85.

Shareholders:

Essex Woodlands Health Ventures, NovaQuest, Technology Partners, Vivo Ventures, and Essex Capital

About Essex Capital:

Essex Capital Corporation is a privately held, California-based firm that has provided funding in excess of one billion dollars to credit worthy companies who choose to acquire assets via lease rather than purchase, since 1993. Essex also makes equity investments in select private and public companies. Our investing emphasis has been primarily on private companies following or in connection with a subsequent institutional round of equity financing and more established-stage middle-market companies, private companies in later rounds of financing and certain public companies. We concentrate our investing activities primarily in United States based companies in industries in which we have investment experience. We believe that our experience and focus will enable us to leverage our expertise in structuring prospective investments, to assess the value of both tangible and intangible assets, to evaluate the business prospects and operating characteristics of venture capital backed companies and to identify and originate attractive investments with these types of companies.

Essex Capital fully understands the dynamics and risk/reward of providing venture capital leasing to pre-profit venture backed companies and works with leading venture capital firms to provide mission critical equipment financing to venture capital backed companies at all stages of development, including select publicly listed companies and lower middle market companies. We believe that we can mitigate the risk of loss through the combination of loan principal amortization, cash interest payments, relatively short maturities, security interests in the assets, and on select investment covenants requiring prospective portfolio companies to have certain amounts of available cash at the time of our investment and the continued support from a venture capital or private equity firm at the time we make our investment. These leases are generally for amounts of up to \$5.0 million and have an average term between two and four years. Essex Capital works as a strategic partner to satisfy the equipment needs in a less dilutive and constrictive way than traditional equity-based or bank financing options can provide.



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