



August 8, 2017

## Novelion Therapeutics Reports Second Quarter 2017 Financial Results

- | *MYALEPT® Total Net Revenues Increase 28% Over Prior Quarter, Excluding One-Time Adjustments*
- | *Global Expansion Plans for Metreleptin Opportunity Underway*
- | *Company Updates Guidance for FY 2017 Total Net Revenues*
- | *Conference call to be held today at 8:30 a.m. ET*

VANCOUVER, Aug. 08, 2017 (GLOBE NEWSWIRE) -- Novelion Therapeutics Inc. (NASDAQ:NVLN), a biopharmaceutical company dedicated to developing and commercializing innovative new therapies for individuals living with rare and unmet need diseases ("Novelion" or the "Company"), today reported financial results for the second quarter ended June 30, 2017 and provided an overview of recent business highlights, including an update on its clinical development programs for metreleptin.

Chief Executive Officer Mary Szela commented, "We continue to transform Novelion into a leading rare and orphan disease company and have prioritized our clinical development strategy for metreleptin, our core focus and anticipated future growth driver. We believe metreleptin presents a 'pipeline in a drug' potential opportunity, given the breadth of its potential effects across a wide range of potential indications under a hypoleptinemic dysmetabolic disorder (HDD) umbrella."

Hypoleptinemic dysmetabolic disorder is a spectrum of metabolic sequelae secondary to underlying leptin deficiency. HDD patients differ from epidemic "lifestyle" diseases such as common obesity, type 2 diabetes mellitus/insulin resistance and dyslipidemia, in that low leptin is the driver of the metabolic dysfunction.

Ms. Szela continued, "The next phase in our transformation will be focused on continuing to maximize the pipeline potential of metreleptin, while working to grow global sales of JUXTAPID® and MYALEPT®."

### Second Quarter 2017 Highlights & Business Update

- **MYALEPT:** Novelion reported net revenues of MYALEPT of \$20.2 million in the second quarter of 2017, which includes a one-time adjustment of \$2.3 million, representing previously deferred U.S. sales, resulting from a change in estimate in revenue recognition practices which allows the Company to recognize U.S. revenues upon sale to our distributor rather than upon delivery by the distributor to the patient. \$14.9 million, or 74%, of these revenues were from prescriptions written in the U.S. Excluding the \$2.3 million one-time adjustment, MYALEPT revenues grew 28% from the first quarter of 2017.
- **JUXTAPID:** Novelion reported net revenues of JUXTAPID of \$20.7 million in the second quarter of 2017, \$11.1 million, or 54%, of which were from prescriptions written in the U.S. This represents sequential global growth of 29% from the first quarter of 2017.
- Novelion reported total net revenues of \$40.9 million in the second quarter of 2017. Total net sales increased 29%, excluding one-time adjustments, from the first quarter of 2017.
- Novelion ended the second quarter of 2017 with \$83.3 million in unrestricted cash, compared with \$84.8 million at the end of the first quarter of 2017.
- Novelion completed a comprehensive program evaluation and prioritization exercise of metreleptin that considered factors such as strategic fit, likelihood of clinical success and commercial opportunity. As a result, the Company has identified three indications as metreleptin development priorities: HDD obesity, HDD liver disease, and infertility associated with hypothalamic amenorrhea. The Company believes these therapeutic opportunities for metreleptin may, assuming successful clinical development, regulatory approvals and commercial execution in all three indications, present a combined addressable commercial opportunity of potentially over \$1 billion. The Company plans to provide further detail on these indications and clinical development plans later this year.
- Novelion's marketing authorization application for metreleptin was accepted by the European Medicines Agency in January of 2017. Regulatory authorities have requested and the Company is conducting a user testing study, in order to confirm dosing accuracy, to be submitted in conjunction with the Company's Day 120 responses. Due to this request, the timeline for review and potential approval will be delayed by approximately three months, in order to complete the request. The Company now expects a CHMP opinion in the first quarter of 2018 and remains encouraged by its ongoing interactions with

the European regulatory authorities.

• On July 1, 2017, Novelson appointed John Orloff, M.D., to its board of directors. Dr. Orloff is providing strategic guidance as the Company executes its metreleptin life-cycle management and R&D plans. In addition, on August 1, 2017, Novelson announced the appointment of Mark DiPaolo to its board of directors. Mr. DiPaolo brings to the board a focus on capital allocation and maximizing shareholder value.

## **2017 Financial Guidance**

The Company is revising its previously stated net revenues financial guidance for full year 2017 and now expects:

- ┆ Total net revenues between \$135 million and \$145 million, compared to the prior range of between \$155 million and \$165 million;
- ┆ MYALEPT net revenues between \$65 million and \$70 million, compared to the prior range of between \$75 million and \$80 million; and
- ┆ JUXTAPID net revenues between \$70 million and \$75 million, compared to the prior range of between \$80 million and \$85 million.

## **Second Quarter 2017 Financial Results**

On November 29, 2016, the Company completed its acquisition of Aegerion Pharmaceuticals, Inc. ("Aegerion"). The acquisition has been accounted for as a business combination in which Novelson was considered the acquirer of Aegerion. As such, under U.S. Generally Accepted Accounting Principles ("GAAP"), the financial statements of Novelson are treated as the historical financial statements of the consolidated companies, with the results of Aegerion being included from November 29, 2016. This release also includes pro forma adjusted non-GAAP financial information showing pro forma results of operations of Novelson as if the acquisition had occurred on January 1, 2016. Reconciliation of the financial results on a GAAP versus non-GAAP basis are provided below the financial information that follows.

GAAP total net revenues for the second quarter of 2017 were \$40.9 million compared to the prior year's second quarter net revenues of \$0. GAAP net revenues for MYALEPT in the second quarter of 2017 were \$20.2 million compared to \$0 for the same period in 2016. GAAP net revenues for JUXTAPID in the second quarter of 2017 were \$20.7 million compared to \$0 in the prior year.

For the three-month period ended June 30, 2017, the Company recognized a one-time increase in net revenue of \$2.3 million, resulting from a change in estimate in revenue recognition practices for MYALEPT sales in the U.S. and representing previously deferred product sales. In the second quarter of 2017, to improve distribution efficiency, the Company signed a letter of intent for the distribution of JUXTAPID with the same specialty pharmacy that distributes MYALEPT. Prior to the second quarter of 2017, the Company accounted for MYALEPT shipments using a deferred revenue recognition model (sell-through). Beginning in the second quarter of 2017, to align its revenue streams of JUXTAPID and MYALEPT under the same distributor, the Company is recognizing sales for MYALEPT when the product is shipped to its distributor (sell-in).

GAAP total operating expenses for the second quarter of 2017 were \$38.4 million compared to total operating expenses of \$7.4 million for the same period in 2016. GAAP SG&A expenses were \$26.5 million in the second quarter of 2017 compared to \$4.5 million for the same period in 2016. GAAP R&D expenses were \$10.8 million in the second quarter of 2017 compared to \$2.9 million for the same period in 2016.

During the second quarter of 2017, SG&A expenses on a pro forma basis were \$25.1 million compared to \$41.3 million for the same period in 2016. The decrease in pro forma SG&A expenses in the second quarter of 2017 compared with the same period in 2016 was primarily related to a reduction in headcount and legal and consulting fees.

During the second quarter of 2017, R&D expenses on a pro forma basis were \$10.7 million compared to \$12.6 million for the same period in 2016. The decrease in R&D expenses in the second quarter of 2017 compared with the same period in 2016 was primarily related to a reduction in headcount.

GAAP net loss in the second quarter of 2017 was \$21.4 million compared to GAAP net loss of \$5.1 million during the same period in 2016.

Net loss on a pro forma basis in the second quarter of 2017 was \$1.4 million, compared to \$26.4 million for the same period in 2016.

## **First Six Months of 2017 Financial Results**

GAAP total net revenues for the first six months of 2017 were \$70.9 million compared to \$0 for the same period of 2016. GAAP net revenues for MYALEPT for the first six months of 2017 were \$34.1 million compared to \$0 for the same period in 2016. GAAP net revenues for JUXTAPID for the first six months of 2017 were \$36.8 million compared to \$0 in same period in 2016.

GAAP total operating expenses for the first six months of 2017 were \$73.6 million compared to total operating expenses of \$16.3 million for the same period in 2016. GAAP SG&A expenses were \$51.0 million in the first six months of 2017 compared to \$10.4 million for the same period in 2016. GAAP R&D expenses were \$20.1 million for the first six months of 2017 compared to \$5.9 million for the same period in 2016.

For the first six months of 2017, SG&A expenses on a pro forma basis were \$48.0 million compared to \$83.3 million for the same period in 2016. For the first six months of 2017, R&D expenses on a pro forma basis were \$19.7 million compared to \$25.2 million for the same period in 2016.

GAAP net loss for the first six months of 2017 was \$52.4 million compared to GAAP net loss of \$27.0 million during the same period in 2016.

Net loss on a pro forma basis for the first six months of 2017 was \$10.1 million, compared to \$97.4 million for the same period in 2016.

As of June 30, 2017, the Company's consolidated unrestricted cash balance was \$83.3 million, compared to \$84.8 million at March 31, 2017 and \$108.9 million at December 31, 2016. As of June 30, 2017, there were 18.6 million shares outstanding. At June 30, 2017, total debt was \$325 million, reflecting the principal amount of convertible debt issued by Aegerion and consolidated as a result of the acquisition.

## **Conference Call Details**

Novelion will hold a conference call to discuss its financial results, business highlights and outlook today, August 8, 2017 at 8:30 a.m. ET. In addition, the Company will answer questions about its business and current financial guidance.

To listen to the conference call, dial (866) 516-3002; international callers dial (760) 298-5082. In addition, the presentation will be webcast live, and may be accessed for up to 90 days following the call, by visiting the "Investors" section of Novelion's website, [www.novelion.com](http://www.novelion.com). An accompanying slide presentation also can be accessed via the "Investors" section of the website.

## **About Novelion Therapeutics**

Novelion Therapeutics is a biopharmaceutical company dedicated to developing new standards of care for individuals living with rare diseases. Novelion has a diversified commercial portfolio through its indirect subsidiary, Aegerion Pharmaceuticals, Inc., and is also developing zuretinol acetate for the potential treatment of a rare inherited retinal disease caused by underlying mutations in RPE65 or LRAT genes. The Company seeks to advance its portfolio of rare disease therapies by investing in science and clinical development.

## **Non-GAAP Results**

The non-GAAP results in this press release, including, without limitation, non-GAAP net revenues, non-GAAP operating expenses, non-GAAP R&D expenses and non-GAAP SG&A expenses and non-GAAP net loss, are provided as a complement to results provided in accordance with GAAP because management believes, when considered together with the GAAP information, these non-GAAP financial measures help indicate underlying trends in the Company's business, are important in comparing current results with prior period results and provide additional information regarding the Company's financial performance. In particular, management believes that the pro-forma financial information facilitates the evaluation of the impact of Novelion's acquisition of Aegerion on the business and performance of the Company. Management also uses these non-GAAP financial measures to establish budgets and operational goals that are communicated internally and externally, and to manage the Company's business and evaluate its performance. The non-GAAP financial measures have no standardized meaning under GAAP and therefore may not be comparable to similar measures presented by other companies. The non-GAAP financial measures are not intended to be considered in isolation or as a substitute for, or superior to, the financial measures prepared and presented in accordance with GAAP and should be reviewed in conjunction with the relevant GAAP financial measures. A reconciliation of the GAAP financial results to non-GAAP financial results is included in the attached financial information.

## **Forward-Looking Statements**

Certain statements in this press release constitute "forward-looking statements" of Novilion within the meaning of applicable laws and regulations and constitute "forward-looking information" within the meaning of applicable Canadian securities laws, including statements regarding expectations such as expectations about 2017 revenues, planned regulatory filings, approvals and activities, maximizing the value of metreleptin and potential additional indications, drug development, marketing authorizations and label expansions, as well as long-term growth prospects. Forward-looking statements are based on estimates and assumptions made by Novilion in light of current conditions and expected future developments, as well as other factors that Novilion believes are appropriate in the circumstances, including, but not limited to, our financial position and execution of our business strategy, resolution of litigation and investigations, receipt of regulatory approvals, and product competition, market acceptance, sales, pricing, reimbursement and side effects. These forward-looking statements are neither promises nor guarantees of future performance, and are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Many such risks, uncertainties and other factors are taken into account as part of our assumptions underlying these forward-looking statements and include, among others, the following: the risk that market acceptance of JUXTAPID and MYALEPT in the U.S. may not continue at the levels we expect, and may be lower outside the U.S., including in Brazil and Japan, than we expect; the risk that the conversion of prescriptions for JUXTAPID or MYALEPT into patients on therapy may be lower than we expect or the drop-out rate may be higher than we expect; the risk that the prevalence of the diseases JUXTAPID and MYALEPT treat, or that we are pursuing treatment for, may be lower than we estimate, and that it may be more difficult to identify patients than we expect; the risk that the side effect profile or other results for JUXTAPID and MYALEPT in commercial use and in further clinical studies are inconsistent, in scope and severity, with the side effect profile and other results observed in the pivotal study of each drug; the risk that the negative impact of PCSK9 inhibitors on JUXTAPID sales will be greater than we currently expect, particularly in the U.S., where the negative impact has been greater than we expected to date, or that other competitive products will negatively impact our results; the risk that private or government payers may refuse to reimburse lomitapide or metreleptin, or may impose onerous restrictions that hinder reimbursement or significantly limit or cap the price of such products or the number of reimbursed patients who receive products; the risk that revisions to the JUXTAPID Risk Evaluation and Mitigation Strategies (REMS) Program, and the implementation of the revised REMS Program, may negatively impact U.S. sales; the risk that net revenues for MYALEPT in the U.S. may be negatively impacted if there are more Medicaid patients prescribed MYALEPT than we expect; the risk that net revenues for JUXTAPID in the U.S. may be negatively impacted by Medicare patients not being able to afford JUXTAPID; the risk that named patient sales for JUXTAPID and MYALEPT in Brazil and other key countries outside the U.S. may not be at the levels we expect; the risk that regulatory authorities in regions or countries where JUXTAPID or MYALEPT is not yet approved may refuse to approve such products or that regulatory authorities may refuse to approve additional indications for such products, such approvals are not made on a timely basis or such approvals impose significant restrictions or require additional development; the risk that exchange rates will negatively impact the amount of revenues recognized; the risk that the initiation of future clinical trials may be delayed or that larger or a greater number of clinical trials necessary to obtain approvals of indications for our products may be required; the risk that we will not be successful in our lifecycle management or business development efforts; the risk that Aegerion's and our patent portfolios and marketing and data exclusivity may not be as strong as we anticipate; the risk of unexpected manufacturing issues affecting future commercial or clinical supply; the risk that Aegerion incurs more costs than we expect in responding to investigations, defending litigation and resolving litigation; the risk that any of the foregoing may cause net revenue to be lower than we expect, or that we may incur unanticipated expenses in connection with our activities; the risk that we may not be able to successfully execute strategic plans, including our cost-reduction program; and the other risks inherent in the commercialization, drug development and regulatory approval process; the risk associated with our ability to be granted a Rare Pediatric Disease Designation and any subsequent qualification for a Rare Pediatric Disease Priority Review Voucher, including the risk that zuretinol will not qualify under the current or any future applicable criteria for designation as a Rare Pediatric Disease or that an NDA for zuretinol will not qualify for a Priority Review Voucher, and the risk that future changes to the zuretinol program and/or the Voucher Program, including related to the transferability of the Priority Review Voucher, limit the future benefits of the Rare Pediatric Disease Designation and/or Priority Review Voucher; and the risk that we may not be able to outlicense zuretinol in the event we elect to do so. The terms of Aegerion's agreement in principle related to its class action litigation include risks related to the final approval by the court of the final settlement terms, including that the payment amount and availability of insurance could be amended and the amount and terms of any final settlement may be substantially higher and less favorable than we anticipate based on the terms of the preliminary agreement in principle, and the possibility that the court may materially alter or fail to approve the settlement terms. In addition, Aegerion's agreement in principle with the U.S. Department of Justice ("DOJ") and the U.S. Securities and Exchange Commission ("SEC") relating to the investigations by these agencies and the terms of potential final settlements with these agencies include risks associated with the required approvals of final settlement terms by relevant government agencies, such as the proposed settlement with the DOJ being subject to approval of supervisory personnel within the DOJ and relevant federal and state agencies and approval by a U.S. District Court judge of the criminal plea and sentence and the civil settlement agreement, and the proposed settlement with the SEC being subject to review by other groups in the SEC and approval by the Commissioners of the SEC. The terms of the preliminary agreements in principle may change following further negotiations. The amount and terms of any final settlement may be substantially higher and less favorable than we anticipate based on the terms of the preliminary agreements in principle. Final settlement terms could include the imposition of additional penalties, further limiting Aegerion's ability to conduct its business as currently conducted and as planned to be conducted. Additionally, the DOJ and the SEC each likely will outline their views of the factual background in connection with any final settlement. The government's recitation of their assessment of the background could lead to additional legal claims or investigations by state government entities or private parties and may have adverse effects on Aegerion's existing

class action litigation, including the agreement in principle to settle such litigation, commercial operations and contracts.

This press release also contains "forward-looking information" that constitutes "financial outlooks" within the meaning of applicable Canadian securities laws. This information is provided to give investors general guidance on management's current expectations of certain factors affecting our business, including our financial results. Given the uncertainties, assumptions and risk factors associated with this type of information, including those described above, investors are cautioned that the information may not be an appropriate subject of reliance for other purposes.

For additional disclosure regarding these and other risks we face, see the disclosure contained in the "Risk Factors" section of Novelion's Annual Report on Form 10-K filed on March 30, 2017, available on the SEC's website at [www.sec.gov](http://www.sec.gov). Except as required by law, we undertake no obligation to update or revise the information contained in this press release, whether as a result of new information, future events or circumstances or otherwise.

Investors and others should note that we communicate with our investors and the public using our company website [www.novelion.com](http://www.novelion.com), including, but not limited to, company disclosures, investor presentations and FAQs, SEC filings, press releases, public conference calls transcripts and webcast transcripts. The information that we post on these websites could be deemed to be material information. As a result, we encourage investors, the media and others interested to review the information that we post there on a regular basis. The contents of our website shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

## U.S. INDICATIONS AND IMPORTANT SAFETY INFORMATION

MYALEPT<sup>®</sup> (metreleptin) for injection is a leptin analog indicated as an adjunct to diet as replacement therapy to treat the complications of leptin deficiency in patients with congenital or acquired generalized lipodystrophy. **LIMITATIONS OF USE:** The safety and effectiveness of MYALEPT for the treatment of complications of partial lipodystrophy or for the treatment of liver disease, including nonalcoholic steatohepatitis (NASH), have not been established.

Anti-metreleptin antibodies with neutralizing activity have been identified in patients treated with MYALEPT. T-cell lymphoma has been reported in patients with acquired generalized lipodystrophy, both treated and not treated with MYALEPT. For more detailed information, please see additional Important Safety Information and the Prescribing Information for MYALEPT.

JUXTAPID<sup>®</sup> (lomitapide) capsules is a microsomal triglyceride transfer protein inhibitor indicated as an adjunct to a low-fat diet and other lipid-lowering treatments, including low-density lipoprotein (LDL) apheresis where available, to reduce LDL cholesterol, total cholesterol, apolipoprotein B, and non-high-density lipoprotein cholesterol in patients with homozygous familial hypercholesterolemia (HoFH). **LIMITATIONS OF USE:** The safety and effectiveness of JUXTAPID have not been established in patients with hypercholesterolemia who do not have HoFH, including those with heterozygous familial hypercholesterolemia (HeFH). The effect of JUXTAPID on cardiovascular morbidity and mortality has not been determined.

JUXTAPID can cause elevations in transaminases, as well as increases in hepatic fat, with or without concomitant increases in transaminases. Because of the risk of hepatotoxicity, JUXTAPID is available only through a restricted distribution program called the JUXTAPID REMS PROGRAM. For more detailed information, please see additional Important Safety Information and the Prescribing Information for JUXTAPID.

**Novelion Therapeutics Inc.**  
**Condensed Consolidated Statements of Operations**  
(unaudited)

<i>(In 000s)</i>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net revenues	\$ 40,877	\$ —	\$ 70,861	\$ —
Cost of product sales	14,277	—	30,722	—
Operating expenses:				
Selling, general and administrative	26,514	4,474	50,965	10,410
Research and development	10,824	2,929	20,124	5,919
Restructuring charges	1,034	—	2,485	—
Total operating expenses	38,372	7,403	73,574	16,329
Loss from operations	(11,772)	(7,403)	(33,435)	(16,329)
Interest (expense) income, net	(9,613)	54	(18,825)	129
Fair value loss on investment	—	2,256	—	(10,704)

Other income (expense), net	75	(22)	127	(99)
Loss before provision for income taxes	(21,310)	(5,115)	(52,133)	(27,003)
Provision for income taxes	(126)	(5)	(265)	(11)
Net loss	<u>\$ (21,436)</u>	<u>\$ (5,120)</u>	<u>\$ (52,398)</u>	<u>\$ (27,014)</u>
Net loss per common share—basic and diluted	<u>\$ (1.15)</u>	<u>\$ (0.48)</u>	<u>\$ (2.82)</u>	<u>\$ (2.56)</u>
Weighted-average shares outstanding—basic and diluted	<u>18,609</u>	<u>10,565</u>	<u>18,575</u>	<u>10,565</u>

**Novelion Therapeutics Inc.**  
**Condensed Consolidated Balance Sheets**  
(unaudited)

<i>(In 000s)</i>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Cash and cash equivalents	\$ 83,254	\$ 108,927
Restricted cash	253	390
Accounts receivable, net	13,445	9,339
Inventories	68,260	74,721
Insurance proceeds receivable	22,000	22,000
Prepaid expenses and other current assets	9,002	9,762
Property and equipment, net	3,744	4,159
Intangible assets, net	237,820	250,324
Other assets	2,498	1,160
Total assets	<u>\$ 440,276</u>	<u>\$ 480,782</u>
Accounts payable and accrued liabilities	\$ 48,077	\$ 54,789
Provision for legal settlement	63,137	64,010
Convertible Notes, net	241,389	225,584
Other noncurrent liabilities	587	612
Total liabilities	<u>353,190</u>	<u>344,995</u>
Total stockholders' equity	<u>87,086</u>	<u>135,787</u>
Total liabilities and stockholders' equity	<u>\$ 440,276</u>	<u>\$ 480,782</u>

**Novelion Therapeutics Inc.**  
**Reconciliation of GAAP to Non-GAAP Financial Information**  
(unaudited)

<i>(In 000s)</i>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Net loss reconciliation:</b>				
GAAP net loss	\$ (21,436)	\$ (5,120)	\$ (52,398)	\$ (27,014)
Stock based compensation	1,094	36	2,493	36
Amortization of acquired intangible assets	6,273	—	12,504	—
Amortization of debt discount	8,063	—	15,805	—
Inventory fair value step-up	3,576	—	9,028	—
2016 Aegerion non-GAAP net loss (Note 1)	—	(21,324)	—	(70,425)
Restructuring charge related to acquisition	1,034	—	2,485	—
Non-GAAP net loss	<u>\$ (1,396)</u>	<u>\$ (26,408)</u>	<u>\$ (10,083)</u>	<u>\$ (97,403)</u>
GAAP net loss per common share - basic and diluted	<u>\$ (1.15)</u>	<u>\$ (0.48)</u>	<u>\$ (2.82)</u>	<u>\$ (2.56)</u>
Non-GAAP net loss per common share - basic	<u>\$ (0.08)</u>	<u>\$ (2.50)</u>	<u>\$ (0.54)</u>	<u>\$ (9.22)</u>
GAAP and Non-GAAP weighted-average common shares outstanding — basic	<u>18,609</u>	<u>10,565</u>	<u>18,575</u>	<u>10,565</u>

**Net revenues reconciliation:**

GAAP net revenues	\$ 40,877	\$ —	\$ 70,861	\$ —
2016 Aegerion revenues (Note 1)	—	44,530	—	80,246
Non-GAAP net revenues	<u>\$ 40,877</u>	<u>\$ 44,530</u>	<u>\$ 70,861</u>	<u>\$ 80,246</u>

**Cost of product sales reconciliation:**

GAAP cost of product sales	\$ 14,277	\$ —	\$ 30,722	\$ —
Amortization of acquired intangible assets	(6,273)	—	(12,504)	—
Inventory fair value step-up	(3,097)	—	(8,206)	—
Aegerion non-GAAP cost of product sales (Note 1)	—	17,342	—	26,815
Non-GAAP cost of product sales	<u>\$ 4,907</u>	<u>\$ 17,342</u>	<u>\$ 10,012</u>	<u>\$ 26,815</u>

**Selling, general and administrative reconciliation:**

GAAP selling, general and administrative	\$ 26,514	\$ 4,474	\$ 50,965	\$ 10,410
Stock based compensation	(980)	(14)	(2,104)	(14)
Inventory fair value step-up	(479)	—	(822)	—
Aegerion non-GAAP SG&A (Note 1)	—	36,828	—	72,940
Non-GAAP selling, general and administrative	<u>\$ 25,055</u>	<u>\$ 41,288</u>	<u>\$ 48,039</u>	<u>\$ 83,336</u>

**Research and development reconciliation:**

GAAP research and development	\$ 10,824	\$ 2,929	\$ 20,124	\$ 5,919
Stock based compensation	(114)	(22)	(389)	(22)
Aegerion non-GAAP R&D (Note 1)	—	9,730	—	19,263
Non-GAAP research and development	<u>\$ 10,710</u>	<u>\$ 12,637</u>	<u>\$ 19,735</u>	<u>\$ 25,160</u>

**Note 1** - Includes financial information from pre-merger Aegerion for the three and six months ended June 30, 2016, excluding stock based compensation, amortization of acquired intangible assets, amortization of debt discount and deferred financing fees, inventory fair value step-up, restructuring expense and goodwill impairment.

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