Sarepta Therapeutics Announces First Quarter 2023 Financial Results and Recent Corporate Developments

5/2/23

- ***Total revenues, which consist of net product revenues and collaboration revenues, for the first quarter 2023 totaled $253.5 million***
- ***Net product revenues for the first quarter 2023 totaled $231.5 million, a 23% increase over the same quarter of prior year***

CAMBRIDGE, Mass.--(BUSINESS WIRE)--May 2, 2023-- Sarepta Therapeutics, Inc. (NASDAQ:SRPT), the leader in precision genetic medicine for rare diseases, today reported financial results for the first quarter 2023.

“We are pleased to report another strong quarter of performance serving the Duchenne community. With EXONDYS 51, VYONDYS 53, and AMONDYS 45, we once again exceeded analyst estimates, with total revenue for the quarter reaching $253.5 million and net product revenue standing at $231.5 million and growing at 23% versus the same quarter of prior year. The Sarepta team has consistently performed and served the patient community over the last 6 years and it will be this team, with its track record of success, that will launch and serve the community in the United States with SRP-9001 if our BLA is approved,” said Doug Ingram, president and chief executive officer, Sarepta. “We look forward to sharing the totality of evidence supporting the safety and efficacy of SRP-9001 at the upcoming advisory committee meeting on May 12 and at the same time continuing to prepare for the launch of SRP-9001 in the United States.”

First Quarter 2023 and Recent Developments:

- ***FDA advisory committee meeting for SRP-9001 to be held on May 12, 2023:*** In March, the Company announced that at its late cycle meeting for the SRP-9001 (delandistrogene moxeparvovec) biologics license application (BLA), the U.S. Food and Drug Administration’s Office of Therapeutic Products determined that an advisory committee meeting will be held for SRP-9001 in advance of the May 29, 2023 regulatory action date. In April, Sarepta announced May 12, 2023 as the date of the U.S. Food and Drug Administration’s Cellular, Tissue and Gene Therapies Advisory Committee meeting for the SRP-9001 BLA. The advisory committee meeting will be hosted as a virtual meeting. SRP-9001 is Sarepta’s investigational gene therapy for the treatment of Duchenne muscular dystrophy.
- ***SRP-5051-201 MOMENTUM Part B clinical trial fully enrolled:*** Sarepta has completed enrollment for Part B of the MOMENTUM clinical trial investigating the use of SRP-5051, the Company’s next-generation peptide-conjugated phosphorodiamidate morpholino oligomer (PPMO), to treat patients with Duchenne muscular dystrophy who are amenable to exon 51 skipping. Data from Part B is expected in the second half of this year. If successful, Sarepta anticipates Part B to serve as the pivotal study for SRP-5051 and plans to seek accelerated approval for the candidate.
- ***On track to complete enrollment in 2H23 for VOYAGENE clinical trial:*** VOYAGENE, or Study SRP-9003-102, is Sarepta’s phase 1 study of SRP-9003 (bidridistrogene xeboparvovec) for the treatment of limb-girdle muscular dystrophy Type 2E (LGMD2E). It is a U.S.-only study enrolling ambulant patients aged 18 years or older and non-ambulant patients aged 4 to 50 years old, using clinical process SRP-9003 material. The Company has already seen positive expression and functional data in their first clinical trial, SRP-9003-101, and is conducting VOYAGENE to gain insights into a broader patient population. Sarepta expects to complete enrollment for VOYAGENE in the second half of 2023 and to begin their phase 3 study using commercially representative process material by the end of this year.

Conference Call
The event will be webcast live under the investor relations section of Sarepta's website at **https://investorrelations.sarepta.com/events-presentations** and following the event a replay will be archived there for one year. Interested parties participating by phone will need to register using **this online form**. After registering for dial-in details, all phone participants will receive an auto-generated e-mail containing a link to the dial-in number along with a personal PIN number to use to access the event by phone.

Financial Results
On a GAAP basis, for the three months ended March 31, 2023, the Company reported a net loss of $516.8 million, or $5.86 per basic and diluted share, compared to a net loss of $105.0 million reported for the same period of 2022, or $1.20 per basic and diluted share. This change is primarily due to the loss on debt extinguishment of $387.3 million incurred in the three months ended March 31, 2023, with no similar activity for the same period of 2022, as discussed in further detail below. On a non-GAAP basis, the net loss for the three months ended March 31, 2023 was $85.5 million, or $0.97 per basic and diluted share, compared to a net loss of $48.6 million, or $0.56 per basic and diluted share for the same period of 2022.

Revenues
For the three months ended March 31, 2023, the Company recorded total revenues of $253.5 million, which consist of net product revenues and collaboration revenues, compared to total revenues of $210.8 million for the same period of 2022, an increase of $42.7 million.

For the three months ended March 31, 2023, the Company recorded net product revenues of $231.5 million, compared to net product revenues of $188.8 million for the same period of 2022, an increase of $42.7 million. The increase primarily reflects the continuing increase in demand for the

Company's products.

For both the three months ended March 31, 2023 and 2022, the Company recognized $22.0 million of collaboration revenue, which relates to the F. Hoffman-La Roche Ltd. (Roche) collaboration arrangement.

Cost and Expenses

Cost of sales (excluding amortization of in-licensed rights)

For the three months ended March 31, 2023, cost of sales (excluding amortization of in-licensed rights) was $35.0 million, compared to $31.4 million for the same period of 2022, an increase of $3.6 million. The increase primarily reflects increasing demand for the Company's products as well as the write-offs of certain batches of the Company's products not meeting the Company's quality specifications for the three months ended March 31, 2023, with no similar activity for the same period of 2022, partially offset by a decrease in royalty payments during the three months ended March 31, 2023 due to changes in the BioMarin Pharmaceuticals, Inc. (BioMarin) royalty terms.

Research and development

Research and development expenses were $245.7 million for the three months ended March 31, 2023, compared to $194.3 million for the same period of 2022, an increase of $51.4 million. The increase in research and development expenses primarily reflects the following:

- $15.6 million increase in manufacturing expenses primarily due to a continuing ramp-up of the Company's SRP-9001 manufacturing;
- $14.0 million increase in compensation and other personnel expenses primarily due to changes in headcount;
- $10.5 million increase in clinical trial expenses primarily due to an increased patient enrollment and site activation for the Company's MOMENTUM and MIS51ON programs;
- $6.5 million increase in research and other expenses primarily driven by an increase in sponsored research with academic institutions during the three months ended March 31, 2023 and an increase in lab-related expenses primarily due to changes in headcount;
- $3.3 million increase in stock-based compensation expense primarily due to changes in headcount and the value of stock awards;
- $2.8 million increase in facility- and technology-related expenses primarily due to the Company's continuing expansion efforts;
- $2.7 million increase in professional service expenses primarily due to an increase in reliance on third-party research and development contractors as the Company prepares for a potential launch of SRP-9001;
- $1.5 million decrease in pre-clinical expenses primarily due to a decrease in toxicology study activity across multiple gene therapy and RNA platforms; and
- $2.5 million increase in the offset to expense associated with a collaboration reimbursement from Roche due to continuing development of the Company's SRP-9001 gene therapy programs.

Non-GAAP research and development expenses were $220.7 million and $173.2 million for the three months ended March 31, 2023 and 2022, respectively, an increase of $47.5 million.

Selling, general and administrative

Selling, general and administrative expenses were $110.7 million for the three months ended March 31, 2023, compared to $71.8 million for the same period in 2022, an increase of $38.9 million. The increase in selling, general and administrative expenses primarily reflects the following:

- $17.8 million increase in professional service expenses primarily due to an increase in reliance on third-party selling, general and administrative contractors as the Company prepares for a potential launch of SRP-9001;
- $11.0 million increase in compensation and other personnel expenses primarily due to changes in headcount;
- $8.7 million increase in stock-based compensation expense primarily due to the Chief Executive Officer grant modification agreement executed in 2022, as well as changes in headcount and the value of stock awards; and
- $1.7 million increase in facility- and technology-related expenses primarily due to the Company's continuing expansion efforts.

Non-GAAP selling, general and administrative expenses were $83.3 million and $53.2 million for the three months ended March 31, 2023 and 2022, respectively, an increase of $30.1 million.

Amortization of in-licensed rights

For both the three months ended March 31, 2023 and 2022, the Company recorded amortization of in-licensed rights of approximately $0.2 million. This is related to the amortization of the in-licensed right assets recognized as a result of agreements the Company entered into with BioMarin and the University of Western Australia in July 2017 and April 2013, respectively.

Loss on debt extinguishment

On November 14, 2017, the Company issued $570.0 million aggregate principal amount of senior convertible notes due on November 15, 2024 (2024 Notes). On March 2, 2023, the Company entered into separate, privately negotiated exchange agreements with certain holders of the outstanding 2024 Notes (Exchange Agreements). The Exchange Agreements resulted in an exchange of $313.5 million in aggregate principal value of the 2024 Notes for shares of the Company's common stock (2024 Notes Exchange). In connection with the 2024 Notes Exchange, the Company issued approximately 4.5 million shares of its common stock representing an agreed upon contractual exchange rate pursuant to the terms of each Exchange Agreement. The exchange was not pursuant to the conversion privileges included in the terms of the debt at issuance and therefore was accounted for as a debt extinguishment. The Company accounted for the debt extinguishment by recognizing the difference between the fair value of the shares of common stock transferred on the exchange date and the net carrying amount of the extinguished debt as a loss on debt extinguishment. The loss

incurred on the extinguishment was $387.3 million, inclusive of $6.9 million in third-party debt conversion costs.

Other income (expense), net
For the three months ended March 31, 2023 and 2022, other income, net was $12.7 million and other expense, net was $17.3 million, respectively. The changes are primarily due to a $10.0 million increase in accretion of investment discount, net and a $9.1 million increase in interest income due to the investment mix of the Company's investment portfolio, as well as a $9.5 million reduction of interest expense incurred as a result of the repayment of the December 2019 Term Loan in 2022.

Income tax expense
Income tax expense for the three months ended March 31, 2023 and 2022 was approximately $4.0 million and $0.9 million, respectively. Income tax expense for all periods presented relates to state and foreign income taxes.

Cash, Cash Equivalents, Restricted Cash and Investments
The Company had approximately $1.9 billion in cash, cash equivalents, investments and long-term restricted cash as of March 31, 2023 compared to $2.0 billion as of December 31, 2022. This decrease is driven by cash used to fund the Company's ongoing operations during 2023.

Use of Non-GAAP Measures
In addition to the GAAP financial measures set forth in this press release, the Company has included certain non-GAAP measurements. The non-GAAP loss is defined by the Company as GAAP net loss excluding interest (income) expense, net, income tax expense, depreciation and amortization expense, stock-based compensation expense and other items. Non-GAAP research and development expenses are defined by the Company as GAAP research and development expenses excluding depreciation and amortization expense, stock-based compensation expense and other items. Non-GAAP selling, general and administrative expenses are defined by the Company as GAAP selling, general and administrative expenses excluding depreciation and amortization expense, stock-based compensation expense and other items.

1. Interest, tax, depreciation and amortization
Interest (income) expense, net amounts can vary substantially from period to period due to changes in cash and debt balances and interest rates driven by market conditions outside of the Company's operations. Tax amounts can vary substantially from period to period due to tax adjustments that are not directly related to underlying operating performance. Depreciation expense can vary substantially from period to period as the purchases of property and equipment may vary significantly from period to period and without any direct correlation to the Company's operating performance. Amortization expense primarily associated with in-licensed rights as well as patent costs are amortized over a period of several years after acquisition or patent application or renewal and generally cannot be changed or influenced by management.

2. Stock-based compensation expenses
Stock-based compensation expenses represent non-cash charges related to equity awards granted by the Company. Although these are recurring charges to operations, the Company believes the measurement of these amounts can vary substantially from period to period and depend significantly on factors that are not a direct consequence of operating performance that is within the Company's control. Therefore, the Company believes that excluding these charges facilitates comparisons of the Company's operational performance in different periods.

3. Other items
The Company evaluates other items of expense and income on an individual basis. It takes into consideration quantitative and qualitative characteristics of each item, including (a) nature, (b) whether the items relate to the Company's ongoing business operations, and (c) whether the Company expects the items to continue on a regular basis. These other items include loss on debt extinguishment and impairment of equity investments.

- The Company excludes from its non-GAAP results the loss on debt extinguishment, which is considered to be a non-recurring event as it is associated with a distinct financing decision and is not indicative of the performance of the Company's core operations, which accordingly would make it difficult to compare the Company's results to peer companies that also provide non-GAAP disclosures.
- The Company excludes from its non-GAAP results the impairment of any equity investments as it is a non-cash item and is not considered to be a normal operating expense due to the variability of amount and lack of predictability as to the occurrence and/or timing of such impairments.

The Company uses these non-GAAP measures as key performance measures for the purpose of evaluating operational performance and cash requirements internally. The Company also believes these non-GAAP measures increase comparability of period-to-period results and are useful to investors as they provide a similar basis for evaluating the Company's performance as is applied by management. These non-GAAP measures are not intended to be considered in isolation or to replace the presentation of the Company's financial results in accordance with GAAP. Use of the terms non-GAAP research and development expenses, non-GAAP selling, general and administrative expenses, non-GAAP other income and loss adjustments, non-GAAP income tax expense, non-GAAP net loss, and non-GAAP basic and diluted net loss per share may differ from similar measures reported by other companies, which may limit comparability, and are not based on any comprehensive set of accounting rules or principles. All relevant non-GAAP measures are reconciled from their respective GAAP measures in the attached table "Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures."

About EXONDYS 51
EXONDYS 51 (eteplirsen) uses Sarepta's proprietary phosphorodiamidate morpholino oligomer (PMO) chemistry and exon-skipping technology to bind to exon 51 of dystrophin pre-mRNA, resulting in exclusion, or "skipping", of this exon during mRNA processing in patients with genetic mutations that are amenable to exon 51 skipping. Exon skipping is intended to allow for production of an internally truncated dystrophin protein.

EXONDYS 51 is indicated for the treatment of Duchenne muscular dystrophy in patients who have a confirmed mutation of the dystrophin gene that is amenable to exon 51 skipping.

This indication is approved under accelerated approval based on an increase in dystrophin production in skeletal muscle observed in some patients treated with EXONDYS 51. Continued approval may be contingent upon verification of a clinical benefit in confirmatory trials.

EXONDYS 51 has met the full statutory standards for safety and effectiveness and as such is not considered investigational or experimental.

Important Safety Information About EXONDYS 51
Hypersensitivity reactions, bronchospasm, chest pain, cough, tachycardia, and urticaria have occurred in patients who were treated with EXONDYS 51. If a hypersensitivity reaction occurs, institute appropriate medical treatment and consider slowing the infusion or interrupting the EXONDYS 51 therapy.

Adverse reactions in Duchenne patients (N=8) treated with EXONDYS 51 30 mg or 50 mg/kg/week by intravenous (IV) infusion with an incidence of at least 25% more than placebo (N=4) (Study 1, 24 weeks) were (EXONDYS 51, placebo): balance disorder (38%, 0%), vomiting (38%, 0%) and contact dermatitis (25%, 0%). The most common adverse reactions were balance disorder and vomiting. Because of the small numbers of patients, these represent crude frequencies that may not reflect the frequencies observed in practice. The 50 mg/kg once weekly dosing regimen of EXONDYS 51 is not recommended.

The most common adverse reactions from observational clinical studies (N=163) seen in greater than 10% of the study population were headache, cough, rash, and vomiting.

For further information, please see the full Prescribing Information.

About VYONDYS 53
VYONDYS 53 (golodirsen) uses Sarepta's proprietary phosphorodiamidate morpholino oligomer (PMO) chemistry and exon-skipping technology to bind to exon 53 of dystrophin pre-mRNA, resulting in exclusion, or "skipping," of this exon during mRNA processing in patients with genetic mutations that are amenable to exon 53 skipping. Exon skipping is intended to allow for production of an internally truncated dystrophin protein.

VYONDYS 53 is indicated for the treatment of Duchenne muscular dystrophy in patients who have a confirmed mutation of the dystrophin gene that is amenable to exon 53 skipping.

This indication is approved under accelerated approval based on an increase in dystrophin production in skeletal muscle observed in patients treated with VYONDYS 53. Continued approval may be contingent upon verification of a clinical benefit in confirmatory trials.

VYONDYS 53 has met the full statutory standards for safety and effectiveness and as such is not considered investigational or experimental.

Important Safety Information for VYONDYS 53
Hypersensitivity reactions, including rash, pyrexia, pruritus, urticaria, dermatitis, and skin exfoliation have occurred in VYONDYS 53-treated patients, some requiring treatment. If a hypersensitivity reaction occurs, institute appropriate medical treatment and consider slowing the infusion or interrupting the VYONDYS 53 therapy.

Kidney toxicity was observed in animals who received golodirsen. Although kidney toxicity was not observed in the clinical studies with VYONDYS 53, the clinical experience with VYONDYS 53 is limited, and kidney toxicity, including potentially fatal glomerulonephritis, has been observed after administration of some antisense oligonucleotides. Kidney function should be monitored in patients taking VYONDYS 53. Because of the effect of reduced skeletal muscle mass on creatinine measurements, creatinine may not be a reliable measure of kidney function in Duchenne patients. Serum cystatin C, urine dipstick, and urine protein-to-creatinine ratio should be measured before starting VYONDYS 53. Consider also measuring glomerular filtration rate using an exogenous filtration marker before starting VYONDYS 53. During treatment, monitor urine dipstick every month, and serum cystatin C and urine protein-to-creatinine ratio every three months. Only urine expected to be free of excreted VYONDYS 53 should be used for monitoring of urine protein. Urine obtained on the day of VYONDYS 53 infusion prior to the infusion, or urine obtained at least 48 hours after the most recent infusion, may be used. Alternatively, use a laboratory test that does not use the reagent pyrogallol red, as this reagent has the potential to cross react with any VYONDYS 53 that is excreted in the urine and thus lead to a false positive result for urine protein.

If a persistent increase in serum cystatin C or proteinuria is detected, refer to a pediatric nephrologist for further evaluation.

Adverse reactions observed in at least 20% of treated patients and greater than placebo were (VYONDYS 53, placebo): headache (41%, 10%), pyrexia (41%, 14%), fall (29%, 19%), abdominal pain (27%, 10%), nasopharyngitis (27%, 14%), cough (27%, 19%), vomiting (27%, 19%), and nausea (20%, 10%).

Other adverse reactions that occurred at a frequency greater than 5% of VYONDYS 53-treated patients and at a greater frequency than placebo were: administration site pain, back pain, pain, diarrhea, dizziness, ligament sprain, contusion, influenza, oropharyngeal pain, rhinitis, skin abrasion, ear infection, seasonal allergy, tachycardia, catheter site related reaction, constipation, and fracture.

For further information, please see the full Prescribing Information.

About AMONDYS 45
AMONDYS 45 (casimersen) uses Sarepta's proprietary phosphorodiamidate morpholino oligomer (PMO) chemistry and exon-skipping technology to bind to exon 45 of dystrophin pre-mRNA, resulting in exclusion, or "skipping," of this exon during mRNA processing in patients with genetic mutations that are amenable to exon 45 skipping. Exon skipping is intended to allow for production of an internally truncated dystrophin protein.

AMONDYS 45 is indicated for the treatment of Duchenne muscular dystrophy in patients who have a confirmed mutation of the dystrophin gene that is amenable to exon 45 skipping.

This indication is approved under accelerated approval based on an increase in dystrophin production in skeletal muscle observed in patients treated with AMONDYS 45. Continued approval may be contingent upon verification of a clinical benefit in confirmatory trials.

AMONDYS 45 has met the full statutory standards for safety and effectiveness and as such is not considered investigational or experimental.

Important Safety Information for AMONDYS 45
AMONDYS 45 is contraindicated in patients with known hypersensitivity to casimersen or to any of the inactive ingredients. Instances of hypersensitivity, including angioedema and anaphylaxis, have occurred in patients receiving AMONDYS 45. If a hypersensitivity reaction occurs, institute appropriate medical treatment, and consider slowing the infusion, interrupting, or discontinuing the AMONDYS 45 infusion and monitor until

the condition resolves.

Kidney toxicity was observed in animals who received casimersen. Although kidney toxicity was not observed in the clinical studies with AMONDYS 45, kidney toxicity, including potentially fatal glomerulonephritis, has been observed after administration of some antisense oligonucleotides. Kidney function should be monitored in patients taking AMONDYS 45. Because of the effect of reduced skeletal muscle mass on creatinine measurements, creatinine may not be a reliable measure of kidney function in Duchenne patients. Serum cystatin C, urine dipstick, and urine protein-to-creatinine ratio should be measured before starting AMONDYS 45. Consider also measuring glomerular filtration rate using an exogenous filtration marker before starting AMONDYS 45. During treatment, monitor urine dipstick every month, and serum cystatin C and urine protein-to-creatinine ratio (UPCR) every three months. Only urine expected to be free of excreted AMONDYS 45 should be used for monitoring of urine protein. Urine obtained on the day of AMONDYS 45 infusion prior to the infusion, or urine obtained at least 48 hours after the most recent infusion, may be used. Alternatively, use a laboratory test that does not use the reagent pyrogallol red, as this reagent has the potential to cross react with any AMONDYS 45 that is excreted in the urine and thus lead to a false positive result for urine protein.

If a persistent increase in serum cystatin C or proteinuria is detected, refer to a pediatric nephrologist for further evaluation.

Adverse reactions observed in at least 20% of patients treated with AMONDYS 45 and at least 5% more frequently than in the placebo group were (AMONDYS 45, placebo): upper respiratory tract infections (65%, 55%), cough (33%, 26%), pyrexia (33%, 23%), headache (32%, 19%), arthralgia (21%, 10%), and oropharyngeal pain (21%, 7%).

Other adverse reactions that occurred in at least 10% of patients treated with AMONDYS 45 and at least 5% more frequently in the placebo group, were: ear pain, nausea, ear infection, post-traumatic pain, and dizziness and light-headedness.

For further information, please see the full Prescribing Information.

About Sarepta Therapeutics

Sarepta is on an urgent mission: engineer precision genetic medicine for rare diseases that devastate lives and cut futures short. We hold leadership positions in Duchenne muscular dystrophy (Duchenne) and limb-girdle muscular dystrophies (LGMDs), and we currently have more than 40 programs in various stages of development. Our vast pipeline is driven by our multi-platform Precision Genetic Medicine Engine in gene therapy, RNA and gene editing. For more information, please visit www.sarepta.com or follow us on Twitter, LinkedIn, Instagram and Facebook.

Forward-Looking Statements

In order to provide Sarepta's investors with an understanding of its current results and future prospects, this press release contains statements that are forward-looking. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "will," "may," "intends," "prepares," "looks," "potential," "possible" and similar expressions are intended to identify forward-looking statements. These forward-looking statements include statements relating to our future operations, financial performance and projections, business plans, market opportunities, priorities and research and development programs and technologies; the potential benefits of our technologies and scientific approaches; the potential benefits of our product candidates; our upcoming Advisory Committee meeting for SRP-9001 on May 12, including sharing the totality of evidence supporting the safety and efficacy of SRP-9001 at such meeting; the May 29, 2023 regulatory action date for our BLA for SRP-9001; a potential launch of SRP-9001 in the United States; receiving data from Part B of Study 5051-201 in the second half of this year; our anticipation that, if successful, Part B of Study 5051-201 will serve as the pivotal study for SRP-5051 and that we will seek accelerated approval; completing enrollment for VOYAGENE in the second half of 2023; and beginning our phase 3 study using commercially representative process material by the end of this year for SRP-9003.

These forward-looking statements involve risks and uncertainties, many of which are beyond Sarepta's control. Actual results could materially differ from those stated or implied by these forward-looking statements as a result of such risks and uncertainties. Known risk factors include the following: we may not be able to comply with all FDA post-approval commitments and requirements with respect to our products in a timely manner or at all; success in preclinical and clinical trials, especially if based on a small patient sample, does not ensure that later clinical trials will be successful, and the results of future research may not be consistent with past positive results or may fail to meet regulatory approval requirements for the safety and efficacy of product candidates; certain programs may never advance in the clinic or may be discontinued for a number of reasons, including regulators imposing a clinical hold and us suspending or terminating clinical research or trials; products intended for use in gene therapies are novel, complex and difficult to manufacture and we could experience production problems that result in delays in our development or commercialization of gene therapy programs, limit the supply of our product candidates or future approved products or otherwise harm our business; only a few gene therapy products have been approved in the U.S. and EU and if we are unable to show the safety and efficacy of these product candidates, experience delays in doing so or are unable to successfully commercialize at least one of these drugs, our business would be materially harmed; because we are developing product candidates for the treatment of certain diseases in which there is little clinical experience and we are using new endpoints or methodologies, there is increased risk that the FDA, the EMA or other regulatory authorities may not consider the endpoints of our clinical trials to provide clinically meaningful results and that these results may be difficult to analyze; if the actual number of patients suffering from the diseases we aim to treat is smaller than estimated, our revenue and ability to achieve profitability may be adversely affected; we may not be able to execute on our business plans, including meeting our expected or planned regulatory milestones and timelines, research and clinical development plans, and bringing our product candidates to market, for various reasons, some of which may be outside of our control, including possible limitations of company financial and other resources, manufacturing limitations that may not be anticipated or resolved for in a timely manner, the COVID-19 pandemic and regulatory, court or agency decisions, such as decisions by the United States Patent and Trademark Office with respect to patents that cover our product candidates; and those risks identified under the heading "Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2022 and our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) as well as other SEC filings made by the Company which you are encouraged to review.

Internet Posting of Information

We routinely post information that may be important to investors in the 'For Investors' section of our website at www.sarepta.com. We encourage investors and potential investors to consult our website regularly for important information about us.

Sarepta Therapeutics, Inc.
Condensed Consolidated Statements of Operations

(unaudited, in thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2023	**2022**
Revenues:		
Products, net	$ 231,495	$ 188,825
Collaboration	22,005	22,005
Total revenues	253,500	210,830
Cost and expenses:		
Cost of sales (excluding amortization of in-licensed rights)	35,017	31,443
Research and development	245,679	194,250
Selling, general and administrative	110,714	71,840
Amortization of in-licensed rights	178	178
Total cost and expenses	391,588	297,711
Operating loss	(138,088)	(86,881)
Other loss, net:		
Loss on debt extinguishment	(387,329)	—
Other income (expense), net	12,707	(17,265)
Total other loss, net	(374,622)	(17,265)
Loss before income tax expense	(512,710)	(104,146)
Income tax expense	4,045	879
Net loss	$ (516,755)	$ (105,025)
Net loss per share — basic and diluted	$ (5.86)	$ (1.20)
Weighted average number of shares of common stock used in computing basic and diluted net loss per share	88,186	87,253

Sarepta Therapeutics, Inc.
Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures
(unaudited, in thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2023	**2022**
GAAP net loss	$ (516,755)	$ (105,025)
Interest (income) expense, net	(12,992)	15,581
Income tax expense	4,045	879
Impairment of equity investment	321	—
Loss on debt extinguishment	387,329	—
Depreciation and amortization expense	11,305	10,719
Stock-based compensation expense	41,250	29,198
Non-GAAP net loss	$ (85,497)	$ (48,648)
Non-GAAP net loss per share:		
Basic and diluted	$ (0.97)	$ (0.56)
Weighted average number of shares of common stock used in computing earnings per share:		
Basic and diluted	88,186	87,253

	For the Three Months Ended March 31,	
	2023	**2022**
GAAP research and development expenses	$ 245,679	$ 194,250
Stock-based compensation expense	(16,413)	(13,068)
Depreciation and amortization expense	(8,551)	(8,022)
Non-GAAP research and development expenses	$ 220,715	$ 173,160

	For the Three Months Ended March 31,	
	2023	2022
GAAP selling, general and administrative expenses	$ 110,714	$ 71,840
Stock-based compensation expense	(24,837)	(16,130)
Depreciation and amortization expense	(2,576)	(2,519)
Non-GAAP selling, general and administrative expenses	$ 83,301	$ 53,191

Sarepta Therapeutics, Inc.
Condensed Consolidated Balance Sheets
(unaudited, in thousands, except share and per share data)

	As of March 31, 2023	As of December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 871,668	$ 966,777
Short-term investments	1,010,429	1,022,597
Accounts receivable	223,836	214,628
Inventory	202,675	203,968
Other current assets	179,769	149,891
Total current assets	2,488,377	2,557,861
Property and equipment, net	182,862	180,037
Right of use assets	62,016	64,954
Non-current inventory	164,144	162,545
Other non-current assets	162,387	162,969
Total assets	$ 3,059,786	$ 3,128,366
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 106,710	$ 95,875
Accrued expenses	345,554	418,996
Deferred revenue, current portion	67,239	89,244
Other current liabilities	17,381	15,489
Total current liabilities	536,884	619,604
Long-term debt	1,234,284	1,544,292
Lease liabilities, net of current portion	53,931	57,578
Deferred revenue, net of current portion	485,000	485,000
Contingent consideration	36,900	36,900
Other non-current liabilities	38	42
Total liabilities	2,347,037	2,743,416
Stockholders' equity:		
Preferred stock, $0.0001 par value, 3,333,333 shares authorized; none issued and outstanding	—	—
Common stock, $0.0001 par value, 198,000,000 shares authorized; 93,140,135 and 87,950,117 issued and outstanding at March 31, 2023 and December 31, 2022, respectively	9	9
Additional paid-in capital	5,140,150	4,296,841
Accumulated other comprehensive loss, net of tax	(419)	(1,664)
Accumulated deficit	(4,426,991)	(3,910,236)
Total stockholders' equity	712,749	384,950
Total liabilities and stockholders' equity	$ 3,059,786	$ 3,128,366

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