UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___ to ___

Commission File No. 001-36297

Revance Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**77-0551645**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1222 Demonbreun Street, Suite 2000, Nashville, Tennessee, 37203
(Address, including zip code, of principal executive offices)

(615) 724-7755
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which register**
Common Stock, par value $0.001 per share	RVNC	Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial statement accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares outstanding of the registrant's common stock, par value $0.001 per share, as of July 31, 2023: 87,955,357

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DEFINED TERMS

Unless expressly indicated or the context requires otherwise, the terms "Revance," "Company," "we," "us," and "our," in this Quarterly Report on Form 10-Q (this "Report") refer to Revance Therapeutics, Inc., a Delaware corporation, and, where appropriate, its wholly-owned subsidiaries. We also have used several other terms in this Report, the consolidated financial statements and accompanying notes included herein, most of which are explained or defined below.

"2014 EIP" means the Company's 2014 Equity Incentive Plan.

"2014 ESPP" means the Company's 2014 Employee Stock Purchase Plan.

"2014 IN" means the Company's 2014 Inducement Plan.

"2020 ATM Agreement" means the Sales Agreement by and between Revance and Cowen, dated November 2020, and terminated on May 10, 2022.

"2022 ATM Agreement" means the Sales Agreement by and between Revance and Cowen, dated May 10, 2022.

"2027 Notes" means Revance's 1.75% Convertible Senior Notes due 2027.

"ABPS" means Ajinomoto Althaea, Inc., doing business as Ajinomoto Bio-Pharma Services, a contract development and manufacturing organization.

"ABPS Services Agreement" means the Technology Transfer, Validation and Commercial Fill/Finish Services Agreement by and between the Company and ABPS, dated March 14, 2017, as amended on December 18, 2020.

"Adjusted Three-Month LIBOR" has the meaning set forth in the Note Purchase Agreement.

"Adjusted Three-Month Term SOFR" has the meaning set forth in the Note Purchase Agreement, as amended by the First Amendment.

"Allergan" means Allergan, Inc.

"Amortization Trigger" has the meaning set forth in the Note Purchase Agreement.

"ASC" means the Accounting Standards Codification as set forth by the Financial Accounting Standards Board.

"Athyrium" means Athyrium Buffalo LP.

"ATM" means at-the-market offering program.

"BLA" means a biologics license application.

"BTRX" means Botulinum Toxin Research Associates, Inc.

"CODM" means the chief operating decision maker.

"Consolidated Teoxane Distribution Net Product Sales" has the meaning set forth in the Note Purchase Agreement.

"consumers" means the patients of our aesthetic practice customers.

"Cowen" means Cowen and Company, LLC.

"CROs" means contract research organizations.

"DAXXIFY®" means (DaxibotulinumtoxinA-lanm) for injection.

"DAXXIFY® GL Approval" means the FDA approval in September 2022, of DAXXIFY® in the United States for the temporary improvement of moderate to severe glabellar lines in adults.

"DAXXIFY® GL Approval PSUs" means performance stock units that vested on the 6-month anniversary of the date of DAXXIFY® GL Approval.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Expansion Premises" means the additional 30,591 square feet added to the initial premises pursuant to the Nashville Lease.

"FDA" means the United States Food and Drug Administration.

"Fintech Platform" means OPUL® and the HintMD Platform.

"First Amendment" means the first amendment to the Note Purchase Agreement, by and among the Company, HintMD and Athyrium, dated August 8, 2023.

"First Tranche" means the Notes Payable issued to the Purchasers in an aggregate principal amount of $100.0 million on March 18, 2022.

"Fosun" means Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.

"Fosun License Agreement" means the License Agreement by and between Revance and Fosun, dated December 4, 2018, as amended on February 15, 2020.

"Fosun Territory" means mainland China, Hong Kong and Macau.

"FY2022 10-K" means our Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 28, 2023.

"GPV" means gross-processing volume of the Fintech Platform or the total dollar amount of all transactions processed in the period through the Fintech Platform, net of refunds.

"HintMD" means Hint, Inc., our wholly owned subsidiary.

"HintMD Acquisition" means Revance's acquisition of HintMD, completed on June 23, 2020.

"HintMD Plan" means the Hint, Inc. 2017 Equity Incentive Plan.

"HintMD Platform" means the legacy HintMD fintech platform.

"JPM" means JPMorgan Chase & Co., and its assigns.

"Indenture" means the indenture, by and between Revance and U.S. Bank National Association, as trustee, dated February 14, 2020.

"injector" means a professional licensed to inject our Products, including physicians.

"Maturity Date" means September 18, 2026, the maturity date of the Notes Payable set forth in the Note Purchase Agreement.

"Nashville Lease" means the office lease by and between Revance and 1222 Demonbreun, LP, dated November 19, 2020, as amended on January 4, 2021, July 1, 2021 and January 13, 2023.

"neuromodulator" means injectable botulinum toxins and neurotoxins.

"NMPA" means China's National Medical Products Administration.

"Note Purchase Agreement" means the note purchase agreement by and between Revance; Athyrium, as administrative agent; the Purchasers, including Athyrium; and HintMD, as a guarantor, dated March 18, 2022.

"Notes Payable" means notes payable by Revance pursuant to the Note Purchase Agreement.

"NPA Effective Date" means the effective date of the Note Purchase Agreement, March 18, 2022.

"onabotulinumtoxinA biosimilar" means a biosimilar to the branded biologic product (onabotulinumtoxinA) marketed as BOTOX®.

"option counterparties" means capped call transactions with a purchasers and another financial institution.

"OPUL®" means the OPUL® Relational Commerce Platform.

"PAS" means prior approval supplement.

"PayFac" means payment facilitator.

"PCI" means PCI Pharma Services, formerly known as Lyophilization Services of New England, Inc., which was acquired by PCI in December 2021.

"PCI Supply Agreement" means the Commercial Supply Agreement by and between Revance and PCI, dated April 6, 2021.

"PDUFA" means Prescription Drug User Fee Act.

"POS" means point of sale.

"PrevU" means the early experience program for DAXXIFY®.

"Products" means DAXXIFY® and the RHA Collection® of dermal fillers.

"Product Segment" means the business that includes the research, development and commercialization of our Products and product candidates.

"PSA" means a performance stock award.

"PSU" means a performance stock unit.

"Purchasers" means Athyrium and its successors and assigns.

"RHA® Collection of dermal fillers" means RHA® 2, RHA® 3 and RHA® 4, which have been approved by the FDA for the correction of moderate to severe dynamic facial wrinkles and folds; and RHA® Redensity.

"RHA® Pipeline Products" means future hyaluronic acid filler advancements and products by Teoxane.

"RHA® Redensity" means a dermal filler, which has been approved by the FDA for the treatment of moderate to severe dynamic perioral rhytids (lip lines).

"RSAs" means restricted stock awards.

"RSUs" means restricted stock units.

"SEC" means the U.S. Securities and Exchange Commission.

"Second Expansion Premises" means the additional 17,248 square feet added to the current premises pursuant to the Nashville Lease.

"Second Tranche" means $50.0 million in Notes Payable that remains available to Revance until September 18, 2023, subject to the satisfaction of certain conditions set forth in the Note Purchase Agreement.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Services" means the Fintech Platform business.

"Service Segment" means the business that includes the development and commercialization of the Fintech Platform.

"**SOFR**" has the meaning set forth in the Note Purchase Agreement, as amended by the First Amendment.

"stock awards" means RSAs, PSAs, RSUs and PSUs.

"Third Tranche" means the uncommitted tranche of additional Notes Payable in an aggregate amount of up to $150.0 million, available until March 31, 2024, subject to the satisfaction of certain conditions set forth in the Note Purchase Agreement.

"Teoxane" means Teoxane SA.

"Teoxane Agreement" means the exclusive distribution agreement by and between Revance and Teoxane, dated January 10, 2020, as amended on September 30, 2020, December 22, 2020 and December 22, 2022.

"U.S. GAAP" means U.S. generally accepted accounting principles.

"Viatris" means Viatris Inc., formerly known as Mylan Ireland Ltd.

"Viatris Agreement" means the Collaboration and License Agreement by Revance and Viatris, dated February 28, 2018, as amended on August 22, 2019.

"Viatris Territory" means world-wide (excluding Japan).

"Zero-cost Inventory" means DAXXIFY® inventory produced prior to the DAXXIFY® GL Approval in early September 2022, for which the related manufacturing costs were incurred and expensed to research and development expense prior to the FDA approval.

Revance®, the Revance logos, DAXXIFY®, OPUL® and other trademarks or service marks of Revance appearing in this Report are the property of Revance. This Report contains additional trade names, trademarks and service marks of others, which are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

PART I. FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements (Unaudited)

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

	June 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 141,235	$ 108,965
Restricted cash, current	275	—
Short-term investments	178,488	231,742
Accounts receivable, net	17,043	11,339
Inventories	34,448	18,325
Prepaid expenses and other current assets	7,458	4,356
Total current assets	378,947	374,727
Property and equipment, net	12,690	13,799
Goodwill	77,175	77,175
Intangible assets, net	28,461	35,344
Operating lease right-of-use assets	34,438	39,223
Finance lease right-of-use asset	26,460	6,393
Restricted cash, non-current	7,145	6,052
Finance lease prepaid expense	27,500	27,500
Other non-current assets	4,719	1,687
TOTAL ASSETS	$ 597,535	$ 581,900
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 8,345	$ 4,546
Accruals and other current liabilities	39,535	59,357
Deferred revenue, current	5,433	6,867
Finance lease liability, current	15,505	669
Operating lease liabilities, current	5,261	4,243
Total current liabilities	74,079	75,682
Debt, non-current	380,348	379,374
Deferred revenue, non-current	82,213	78,577
Operating lease liabilities, non-current	31,274	34,182
Other non-current liabilities	2,835	1,485
TOTAL LIABILITIES	570,749	569,300
Commitments and Contingencies (Note 11)		
STOCKHOLDERS' EQUITY		
Preferred stock, par value $0.001 per share — 5,000,000 shares authorized, and no shares issued and outstanding as of June 30, 2023 and December 31, 2022	—	—
Common stock, par value $0.001 per share — 190,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 87,949,987 and 82,385,810 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	88	82
Additional paid-in capital	1,908,244	1,767,266
Accumulated other comprehensive loss	(61)	(374)
Accumulated deficit	(1,881,485)	(1,754,374)
TOTAL STOCKHOLDERS' EQUITY	26,786	12,600
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 597,535	$ 581,900

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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,	
	2023	2022	2023	2022
Revenue:				
Product revenue	$ 54,393	$ 25,483	$ 100,051	$ 46,320
Service revenue	3,721	1,226	7,278	2,082
Collaboration revenue	20	1,659	136	5,227
Total revenue	58,134	28,368	107,465	53,629
Operating expenses:				
Cost of product revenue (exclusive of depreciation and amortization)	17,607	8,121	30,094	15,449
Cost of service revenue (exclusive of amortization)	3,700	1,402	7,384	1,967
Selling, general and administrative	77,384	47,847	143,395	92,922
Research and development	22,807	24,913	45,984	55,642
Depreciation and amortization	2,135	3,927	4,139	7,712
Total operating expenses	123,633	86,210	230,996	173,692
Loss from operations	(65,499)	(57,842)	(123,531)	(120,063)
Interest income	3,148	619	6,118	695
Interest expense	(4,368)	(3,874)	(8,865)	(5,805)
Other expense, net	(599)	(338)	(833)	(604)
Net loss	(67,318)	(61,435)	(127,111)	(125,777)
Unrealized gain (loss)	64	(327)	313	(368)
Comprehensive loss	$ (67,254)	$ (61,762)	$ (126,798)	$ (126,145)
Basic and diluted net loss	$ (67,318)	$ (61,435)	$ (127,111)	$ (125,777)
Basic and diluted net loss per share	$ (0.80)	$ (0.88)	$ (1.54)	$ (1.82)
Basic and diluted weighted-average number of shares used in computing net loss per share	83,685,919	70,061,457	82,417,064	69,202,062

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

REVANCE THERAPEUTICS, INC.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Preferred Stock	—	$ —	—	$ —	—	$ —	—	$ —
Common Stock								
Balance — Beginning of period	84,017,208	84	71,763,765	72	82,385,810	82	71,584,057	72
Issuance of common stock related to ATM	3,223,767	3	1,264,783	1	3,223,767	3	1,734,853	1
Issuance of common stock related to stock awards	513,443	1	—	—	1,720,310	2	—	—
Issuance of common stock related to 2014 ESPP	157,313	—	171,824	—	157,313	—	171,824	—
Issuance of common stock upon exercise of stock options	109,185	—	11,234	—	671,224	1	30,634	—
Cancellation of stock awards, net of issuance	(52,874)	—	(63,711)	—	(71,493)	—	(212,859)	—
Shares withheld related to net settlement of stock awards	(18,055)	—	(24,532)	—	(136,944)	—	(185,146)	—
Balance — End of period	87,949,987	88	73,123,363	73	87,949,987	88	73,123,363	73
Additional Paid-In Capital								
Balance — Beginning of period	—	1,787,535	—	1,487,822	—	1,767,266	—	1,466,369
Issuance of common stock related to ATM, net of commissions and issuance costs	—	99,956	—	22,661	—	99,956	—	31,585
Issuance of common stock related to 2014 ESPP	—	2,455	—	2,018	—	2,455	—	2,018
Issuance of common stock upon exercise of stock options	—	2,034	—	30	—	11,515	—	109
Shares withheld related to net settlement of stock awards	—	(564)	—	(383)	—	(4,294)	—	(2,760)
Issuance of common stock related to stock awards	—	(1)	—	—	—	(2)	—	—
Stock-based compensation	—	16,829	—	9,379	—	31,318	—	23,742
Other	—	—	—	(116)	—	30	—	348
Balance — End of period	—	$ 1,908,244	—	$ 1,521,411	—	$ 1,908,244	—	$ 1,521,411

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

REVANCE THERAPEUTICS, INC.
Condensed Consolidated Statements of Stockholders' Equity (Deficit) — (Continued)
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Other Accumulated Comprehensive Loss								
Balance — Beginning of period	—	(125)	—	(59)	—	(374)	—	(18)
Unrealized gain (loss)	—	64	—	(327)	—	313	—	(368)
Balance — End of period	—	(61)	—	(386)	—	(61)	—	(386)
Accumulated Deficit								
Balance — Beginning of period	—	(1,814,167)	—	(1,462,294)	—	(1,754,374)	—	(1,397,952)
Net loss	—	(67,318)	—	(61,435)	—	(127,111)	—	(125,777)
Balance — End of period	—	(1,881,485)	—	(1,523,729)	—	(1,881,485)	—	(1,523,729)
Total Stockholders' Equity (Deficit)	87,949,987	$ 26,786	73,123,363	$ (2,631)	87,949,987	$ 26,786	73,123,363	$ (2,631)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

REVANCE THERAPEUTICS, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (127,111)	$ (125,777)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	28,681	23,626
Depreciation and amortization	10,149	11,985
Amortization of debt discount and debt issuance costs	1,035	834
Amortization of discount on investments	(3,197)	(14)
Other non-cash operating activities	498	295
Changes in operating assets and liabilities:		
Accounts receivable	(5,704)	(2,242)
Inventories	(11,652)	(3,446)
Prepaid expenses and other current assets	(3,102)	12
Lease right-of-use assets	(18,949)	(16,018)
Other non-current assets	(3,093)	(454)
Accounts payable	3,703	1,975
Accruals and other liabilities	(19,536)	(12,138)
Deferred revenue	2,202	(3,243)
Lease liabilities	21,844	17,908
Other non-current liabilities	1,350	1,202
Net cash used in operating activities	(122,882)	(105,495)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	185,247	113,183
Purchases of investments	(128,859)	(163,676)
Purchases of property and equipment	(604)	(920)
Finance lease prepayments	—	(9,900)
Net cash provided by (used in) investing activities	55,784	(61,313)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock in connection with ATM, net of commissions	100,183	31,814
Proceeds from the exercise of stock options and employee stock purchase plan	13,970	2,127
Taxes paid related to net settlement of stock awards	(4,294)	(2,760)
Principal payments on finance lease obligations	(8,899)	(1,760)
Payment of debt issuance costs and offering costs	(224)	(1,441)
Proceeds from issuance of notes payable, net of debt discount	—	98,150
Other financing activities	—	348
Net cash provided by financing activities	100,736	126,478
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	33,638	(40,330)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — Beginning of period	115,017	115,669
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — End of period	$ 148,655	$ 75,339

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. The Company and Summary of Significant Accounting Policies

Overview

Revance is a biotechnology company focused on developing and commercializing innovative aesthetic and therapeutic offerings. Revance's aesthetics portfolio includes DAXXIFY® (DaxibotulinumtoxinA-lanm) for injection, the RHA® Collection of dermal fillers from Teoxane and OPUL®, a relational commerce platform for aesthetic practices. Revance has also partnered with Viatris to develop an onabotulinumtoxinA biosimilar, which would compete in the existing short-acting neuromodulator marketplace. Revance's therapeutics pipeline is currently focused on muscle movement disorders, including evaluating DAXXIFY® in two debilitating conditions, cervical dystonia and upper limb spasticity.

Liquidity and Financial Condition

Since our inception, most of our resources have been dedicated to the research, development, manufacturing development, regulatory approval and/or commercialization of our Products and Services. We began generating revenue from commercial sales in July 2020 when we acquired the HintMD Platform, followed by the launch of the RHA® Collection of dermal fillers in August 2020. Although we received DAXXIFY® GL Approval, we expect to continue to incur losses for the foreseeable future. For the three and six months ended June 30, 2023, we had a net loss of $67.3 million and $127.1 million. As of June 30, 2023, we had a working capital surplus of $304.9 million and an accumulated deficit of $1.9 billion. In recent years, we have funded our operations primarily through the sale of common stock, convertible senior notes, sales of Products, proceeds from notes issued pursuant to the Note Purchase Agreement, and payments received from collaboration arrangements. As of June 30, 2023, we had capital resources of $319.7 million consisting of cash, cash equivalents, and short-term investments. On or before August 31, 2023, the Company expects to issue to the purchasers under the Note Purchase Agreement notes in an aggregate principal amount of $50.0 million, provided certain conditions are met. We also have a remaining capacity to sell up to $47.2 million of our common stock under the 2022 ATM Agreement as of June 30, 2023. We believe that our existing capital resources along with our ability to draw on the Second Tranche will be sufficient to fund the operating plan through at least the next 12 months following the issuance of the condensed consolidated financial statements.

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements are unaudited, and reflect all adjustments which are, in the opinion of management, of a normal recurring nature and necessary for a fair statement of the results for the interim periods presented.

Our consolidated balance sheet for the year ended December 31, 2022 was derived from audited consolidated financial statements, but does not include all disclosures including notes required by U.S. GAAP. The interim results presented herein are not necessarily indicative of the results of operations that may be expected for the full fiscal year ending December 31, 2023, or any other future period. Our condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements contained in our FY2022 10-K.

Our condensed consolidated financial statements include our accounts and those of our wholly-owned subsidiaries, and have been prepared in conformity with U.S. GAAP. All intercompany transactions have been eliminated.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

Reclassification

At the beginning of 2023, we changed our presentation of internal-use software where approximately $8.3 million has been reclassified from property and equipment, net into intangible assets, net. Refer to Note 4 for further detail as of June 30, 2023 and December 31, 2022.

Use of Estimates & Risks and Uncertainties

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the condensed consolidated financial statements and accompanying notes. These estimates form the basis for judgments we make about the carrying values of our assets and liabilities, which are not readily apparent from other sources. We base our estimates and judgments on historical information and on various other assumptions that we believe are reasonable under the circumstances. U.S. GAAP requires us to make estimates and judgments in several areas, including, but not limited to, the incremental borrowing rate used to measure operating lease and finance lease liabilities, the recoverability of goodwill and long-lived assets, useful lives associated with property and equipment and intangible assets, the period of benefit associated with deferred costs, revenue recognition (including the timing of satisfaction of performance obligations, estimating variable consideration, estimating stand-alone selling prices of promised goods and services, and allocation of transaction price to performance obligations), deferred revenue classification, accruals for clinical trial costs, valuation and assumptions underlying stock-based compensation and other equity instruments, and income taxes.

As of the date of issuance of these condensed consolidated financial statements, we are not aware of any specific event or circumstance that would require us to update our estimates, judgments or revise the carrying value of our assets or liabilities. These estimates may change as new events occur and additional information is obtained, and are recognized in the condensed consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to our condensed consolidated financial statements.

Significant Accounting Policies

There have been no material changes to our significant accounting policies from our FY2022 10-K.

Recent Accounting Pronouncements

The recent accounting pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and we do not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on our present or future financial statements.

2. Revenue

Our revenue is primarily generated from U.S. customers. Our product and collaboration revenues are generated from the Product Segment, and our service revenue is generated from the Service Segment (Note 12). The following table presents our revenue disaggregated by timing of transfer of goods or service:

	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Transferred			Transferred		
(in thousands)	at a point in time	over time	Total	at a point in time	over time	Total
Product revenue	$ 54,393	$ —	$ 54,393	$ 100,051	$ —	$ 100,051
Service revenue	2	3,719	3,721	59	7,219	7,278
Collaboration revenue	—	20	20	—	136	136
Total revenue	$ 54,395	$ 3,739	$ 58,134	$ 100,110	$ 7,355	$ 107,465

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

	Three Months Ended June 30, 2022			Six Months Ended June 30, 2022		
	Transferred			Transferred		
(in thousands)	at a point in time	over time	Total	at a point in time	over time	Total
Product revenue	$ 25,483	$ —	$ 25,483	$ 46,320	$ —	$ 46,320
Service revenue	148	1,078	1,226	239	1,843	2,082
Collaboration revenue	—	1,659	1,659	—	5,227	5,227
Total revenue	$ 25,631	$ 2,737	$ 28,368	$ 46,559	$ 7,070	$ 53,629

Product Revenue

Our product revenue breakdown is summarized below:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Product:				
RHA® Collection of dermal fillers	$ 31,767	$ 25,483	$ 62,047	$ 46,320
DAXXIFY®	22,626	—	38,004	—
Total product revenue	$ 54,393	$ 25,483	$ 100,051	$ 46,320

Accounts receivables and contract liabilities from contracts with our product customers are as follows:

(in thousands)	June 30, 2023	December 31, 2022
Accounts receivables:		
Accounts receivable, net	$ 16,878	$ 10,966
Total accounts receivable, net	$ 16,878	$ 10,966
Contract liabilities:		
Deferred revenue, current	$ 471	$ 705
Total contract liabilities	$ 471	$ 705

Service Revenue

We offer customer payment processing and certain value-added services to aesthetic practices through the Fintech Platform. Generally, revenue related to the HintMD Platform payment processing service, was recognized at a point in time and revenue related to the OPUL® payment processing service is recognized over time. The migration of the remaining HintMD customers to OPUL® was completed during the three months ended June 30, 2023. For the Fintech Platform, revenue related to the value-added services component is recognized over time.

Accounts receivable from contracts with our service customers are as follows:

(in thousands)	June 30, 2023	December 31, 2022
Accounts receivable:		
Accounts receivable, net	$ 165	$ 59
Total accounts receivable, net	$ 165	$ 59

Collaboration Revenue

Viatris Agreement

Agreement Terms

We entered into the Viatris Agreement in February 2018, pursuant to which we are collaborating with Viatris exclusively in the Viatris Territory, to develop, manufacture, and commercialize an onabotulinumtoxinA biosimilar.

Viatris has paid us an aggregate of $60 million in non-refundable upfront and milestone fees as of June 30, 2023, and the agreement provides for additional remaining contingent payments of up to $70 million in the aggregate, upon the achievement of certain clinical and regulatory milestones and of specified, tiered sales milestones of up to $225 million. The payments do not represent a financing component for the transfer of goods or services. In addition, Viatris is required to pay us low to mid-double digit royalties on any sales of the biosimilar in the U.S., mid-double digit royalties on any sales in Europe, and high single digit royalties on any sales in other ex-U.S. Viatris territories. However, we have agreed to waive royalties for U.S. sales, up to a maximum of $50 million in annual sales, during the first approximately four years after commercialization to defray launch costs.

Revenue Recognition

We estimated the transaction price for the Viatris Agreement using the most likely amount method within the scope of ASC 606. In order to determine the transaction price, we evaluated all of the payments to be received during the duration of the contract, which included milestones and consideration payable by Viatris. Other than the upfront payment, all other milestones and consideration we may earn under the Viatris Agreement are subject to uncertainties related to development achievements, Viatris' rights to terminate the agreement, and estimated effort for cost-sharing payments. Components of such estimated effort for cost-sharing payments include both internal and external costs. Consequently, the transaction price does not include any milestones and considerations that, if included, could result in a probable significant reversal of revenue when related uncertainties become resolved. At the end of each reporting period, we re-evaluate the probability of achievement of each such milestone and any related constraint, and if necessary, adjust our estimates of the overall transaction price. Sales-based milestones and royalties are not included in the transaction price until the sales occur because the underlying value relates to the license, and the license is the predominant feature in the Viatris Agreement. As of June 30, 2023, the transaction price allocated to the unfulfilled performance obligations was $54.5 million.

We recognize revenue and estimate deferred revenue based on the cost of development service incurred over the total estimated cost of development services to be provided for the development period. For revenue recognition purposes, the development period is estimated to be completed in 2026. It is possible that this period will change and is assessed at each reporting date. ASC Topic 606, Revenue from Contracts with Customers (ASC 606) requires that an entity include a constraint on the amount of variable consideration included in the transaction price. Variable consideration is considered "constrained" if there is a potential for significant reversal of cumulative revenue recognized. As part of the constraint evaluation, we considered numerous factors, including a potential shift in certain responsibilities between the two parties which would result in changes to the net cost sharing payments, for which outcomes are difficult to predict as of the date of this Report. As a result, no collaboration revenue is recognized from the biosimilar program for the six months ended June 30, 2023. We will continue to evaluate the variable transaction price and related revenue recognition in each reporting period and as the above uncertainties are resolved or other changes in circumstances occur. For the three and six months ended June 30, 2023, we recognized no revenue related to development services under the Viatris Agreement. For the three and six months ended June 30, 2022, we recognized $1.7 million and $5.2 million related to the development services under the Viatris Agreement, respectively.

Fosun License Agreement

Agreement Terms

In December 2018, we entered into the Fosun License Agreement with Fosun, whereby we granted Fosun the exclusive rights to develop and commercialize DaxibotulinumtoxinA for Injection in the Fosun Territory and certain sublicense rights.

As of June 30, 2023, Fosun has paid us non-refundable upfront and other payments totaling $38.0 million before foreign withholding taxes. We are also eligible to receive (i) additional remaining contingent payments of up to $222.5 million upon the achievement of certain milestones and (ii) tiered royalty payments in low double digits to high teen percentages on annual net sales. The royalty percentages are subject to reduction in the event that (i) we do not have any valid and unexpired patent claims that cover the product in the Fosun Territory, (ii) biosimilars of the product are sold in the Fosun Territory or (iii) Fosun needs to pay compensation to third parties to either avoid patent infringement or market the product in the Fosun Territory.

Revenue Recognition

We estimated the transaction price for the Fosun License Agreement using the most likely amount method. We evaluated all of the variable payments to be received during the duration of the contract, which included payments from specified milestones, royalties, and estimated supplies to be delivered. We will re-evaluate the transaction price at each reporting period and upon a change in circumstances. As of June 30, 2023, the transaction price allocated to unfulfilled performance obligation is $38.0 million.

For the three and six months ended June 30, 2023, revenue of less than $0.1 million and $0.1 million was recognized from the Fosun License Agreement, respectively. For the three and six months ended June 30, 2022, no revenue was recognized from the Fosun License Agreement.

Accounts receivables and contract liabilities from contracts with our collaboration customers are as follows:

(in thousands)	June 30, 2023	December 31, 2022
Accounts receivables:		
Accounts receivable, net — Fosun	$ —	$ 315
Total accounts receivable, net	$ —	$ 315
Contract liabilities:		
Deferred revenue, current — Viatris	$ 4,962	$ 6,162
Total contract liabilities, current	$ 4,962	$ 6,162
Deferred revenue, non-current — Viatris	$ 44,236	$ 40,600
Deferred revenue, non-current — Fosun	37,977	37,977
Total contract liabilities, non-current	$ 82,213	$ 78,577

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

Changes in our contract liabilities from contracts with our collaboration revenue customers for the six months ended June 30, 2023 are as follows:

	(in thousands)
Balance on December 31, 2022	$ 84,739
Revenue recognized	(136)
Billings and adjustments, net	2,572
Balance on June 30, 2023	$ 87,175

3. Cash Equivalents and Short-Term Investments

The following table summarizes our cash equivalents and short-term investments:

	June 30, 2023				December 31, 2022		
(in thousands)	Adjusted Cost	Gains	Losses	Fair Value	Adjusted Cost	Losses	Fair Value
U.S. treasury securities	$ 136,829	$ —	$ (52)	$ 136,777	$ 109,984	$ (228)	$ 109,756
Money market funds	98,349	—	—	98,349	85,206	—	85,206
Commercial paper	57,843	—	(6)	57,837	80,946	—	80,946
U.S. government agency obligations	14,760	5	—	14,765	4,480	—	4,480
Corporate bonds	7,531	—	(8)	7,523	41,186	(146)	41,040
Total cash equivalents and short-term investments	$ 315,312	$ 5	$ (66)	$ 315,251	$ 321,802	$ (374)	$ 321,428
Classified as:							
Cash equivalents				$ 136,763			$ 89,686
Short-term investments				178,488			231,742
Total cash equivalents and short-term investments				$ 315,251			$ 321,428

As of June 30, 2023 and December 31, 2022, all of our cash equivalents and short-term investments were available-for-sale securities and had contractual maturities of less than one-year. There were no other-than-temporary impairments on such securities.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

4. Intangible Assets, net

The following table sets forth the major categories of intangible assets and the weighted-average remaining useful lives for those assets that are not already fully amortized:

	June 30, 2023				December 31, 2022			
(in thousands, except for in years)	Weighted Average Remaining Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Distribution rights	4.8	$ 32,334	$ (21,974)	$ 10,360	1.4	$ 32,334	$ (20,882)	$ 11,452
Acquired developed technology	3.8	16,200	(6,075)	10,125	4.2	35,800	(24,325)	11,475
Internally developed technology	2.0	8,918	(3,798)	5,120	2.4	8,062	(2,271)	5,791
Customer relationships	1.1	10,300	(7,510)	2,790	1.6	10,300	(6,223)	4,077
Other software	0.6	879	(813)	66	1.8	3,166	(1,592)	1,574
Development in progress	N/A	—	—	—	N/A	975	—	975
Total intangible assets		$ 68,631	$ (40,170)	$ 28,461		$ 90,637	$ (55,293)	$ 35,344

N/A - Not applicable

Amortization expense of intangible assets for the three and six months ended June 30, 2023 was $2.8 million and $6.8 million, respectively. Amortization expense of intangible assets for the three and six months ended June 30, 2022 was $4.9 million and $9.9 million, respectively.

Based on the amount of intangible assets as of June 30, 2023, the expected amortization expense for each of the next five fiscal years was as follows:

Year Ending December 31,	(in thousands)
2023 remaining six months	$ 5,271
2024	8,752
2025	6,147
2026	4,890
2027	2,856
2028 and thereafter	545
Total	$ 28,461

5. Inventories

Inventories consist of the following:

(in thousands)	June 30, 2023	December 31, 2022
Raw materials	$ 2,208	$ 505
Work in process	9,397	4,933
Finished goods	22,843	12,887
Total inventories	$ 34,448	$ 18,325

6. Accruals and other current liabilities

Accruals and other current liabilities consists of the following:

(in thousands)	June 30, 2023	December 31, 2022
Accruals related to:		
Compensation	$ 17,771	$ 28,014
Selling, general and administrative	7,143	9,681
Research and development	5,374	9,012
Interest expense	1,887	1,912
Clinical trials	1,173	1,863
Inventories	872	2,312
Other current liabilities	5,315	6,563
Total accruals and other current liabilities	$ 39,535	$ 59,357

7. Leases

Operating Leases

Our operating leases primarily consist of non-cancellable facilities leases for research, manufacturing, and administrative functions. Our non-cancellable facilities operating leases have original lease periods expiring between 2027 and 2034, and include one or more options to renew for seven years to fourteen years. The monthly payments for our operating leases escalate over the remaining lease term. Our lease contracts do not contain termination options, residual value guarantees or restrictive covenants.

Finance Lease

Our finance lease represents a dedicated fill-and-finish line for the manufacturing of DAXXIFY®. In March 2017, we entered into the ABPS Services Agreement. The ABPS Services Agreement contains a lease, which commenced in January 2022, related to a dedicated fill-and-finish line for the manufacturing of DAXXIFY® because it has an identified asset that is physically distinct for which we have the right of control as defined under ASC 842. The right of control is conveyed because the embedded lease provides us with both (i) the right to obtain substantially all of the economic benefit from the fill-and-finish line resulting from the exclusivity of the dedicated manufacturing capacity and (ii) the right to direct the use of the fill-and-finish line through our purchase orders to ABPS. Each party has the right to terminate the ABPS Services Agreement without cause, with an 18-month written notice to the other party. The lease is classified as a finance lease in the condensed consolidated balance sheets.

Under the ABPS Services Agreement, until May 2022, we were subject to minimum purchase obligations of up to $30.0 million for each of the years ending December 31, 2022, 2023 and 2024. In May 2022, we amended a statement of work under the ABPS Services Agreement pursuant to which the minimum purchase obligations of $30.0 million per year were eliminated, and instead the minimum purchase obligations would be negotiated prior to the beginning of each year over the term of the agreement. As a result of the amended statement of work, the finance lease was modified. The primary change was that the modification reflects payments in 2023 and 2024 as variable lease payments, contingent on negotiation at the beginning of each period and excludes such payments in the present value calculation in arriving at the remaining finance lease liabilities with a corresponding adjustment to the related right-of-use asset, among other considerations and changes.

In January 2023, we entered into a second amendment to the above mentioned statement of work under the ABPS Services Agreement. The second amendment established a minimum purchase obligation for the year ending December 31, 2023 of $23.9 million, which represents ABPS' practical manufacturing capability based on experience. The minimum purchase obligation for the year ending December 31, 2023 was determined to be fixed lease payments and such payments

will increase the present value calculation in arriving at the remaining finance lease liabilities with a corresponding adjustment to the related finance lease right-of-use asset.

The operating and finance lease costs are summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Finance lease:				
Amortization of finance lease right-of-use asset [1]	$ 1,350	$ 1,158	$ 3,668	$ 1,158
Interest on finance lease liability	442	751	1,008	2,259
Variable lease cost [2]	—	323	374	1,713
Total finance lease costs	1,792	2,232	5,050	5,130
Operating leases:				
Operating lease cost	4,312	2,223	6,519	4,446
Variable lease cost [3]	548	431	1,055	865
Total operating lease costs	4,860	2,654	7,574	5,311
Total lease costs	$ 6,652	$ 4,886	$ 12,624	$ 10,441

(1) Starting in the three months ended June 30, 2023, amortization of the finance lease right-of-use asset is capitalized into inventories on the condensed consolidated balance sheets resulting from the FDA approval of the PAS of the ABPS manufacturing facility.

(2) Variable finance lease cost includes validation, qualification, materials, and other related services which are not included in the lease liabilities and are expensed as incurred.

(3) Variable operating lease cost includes management fees, common area maintenance, property taxes, insurance and parking fees, which are not included in the lease liabilities and are expensed as incurred.

As of June 30, 2023, maturities of our lease liabilities are as follows:

(in thousands)	Finance Lease	Operating Leases	Total
Year Ending December 31,			
2023 remaining six months	$ 12,855	$ 3,952	$ 16,807
2024	3,102	8,723	11,825
2025	—	8,981	8,981
2026	—	9,242	9,242
2027	—	2,535	2,535
2028 and thereafter	—	14,612	14,612
Total lease payments	15,957	48,045	64,002
Less imputed interest	(452)	(11,510)	(11,962)
Present value of lease payments	$ 15,505	$ 36,535	$ 52,040

Our lease contracts do not provide readily determinable implicit rates, as such, we used the estimated incremental borrowing rate based on the information available at the adoption, commencement, or remeasurement date. As of June 30, 2023, weighted-average remaining lease terms and discount rates are as follows:

	Finance Leases	Operating Leases
Weighted-average remaining lease term (years)	2.8	7.2
Weighted-average discount rate	10.7 %	9.8 %

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

Supplemental cash flow information related to the leases was as follows:

(in thousands)	Six Months Ended June 30, 2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 4,188	$ 4,192
Operating cash flows from finance lease	$ 1,008	$ 627
Financing cash flows from finance lease	$ 8,899	$ 1,760
Right-of-use assets obtained in exchange for lease liabilities		
Finance lease	$ 23,735	$ 18,556

Leases Not Yet Commenced

PCI Supply Agreement

In April 2021, we entered into the PCI Supply Agreement pursuant to which PCI would serve as a non-exclusive manufacturer and supplier of DAXXIFY®. The initial term of the PCI Supply Agreement is dependent upon the date of regulatory submission for the manufacturing of DAXXIFY® and may be terminated by either party in accordance with the terms of the PCI Supply Agreement. The term of the PCI Supply Agreement may also be extended for one additional three-year term upon mutual agreement of the parties.

The PCI Supply Agreement contains a lease related to a dedicated fill-and-finish line and closely related assets for the manufacturing of DAXXIFY® because it has identified assets that are physically distinct for which we will have the right of control as defined under ASC 842. The right of control is conveyed because the embedded lease will provide us with both (i) the right to obtain substantially all of the economic benefit from the fill-and-finish line resulting from the exclusivity implied from the dedicated manufacturing capacity and (ii) the right to direct the use of the fill-and-finish line.

The embedded lease had not yet commenced as of June 30, 2023. The accounting commencement and recognition of the right-of-use lease assets and lease liabilities related to the embedded lease will take place when we have substantively obtained the right of control. The embedded lease is preliminarily classified as a finance lease.

Pursuant to the PCI Supply Agreement, we are responsible for certain costs associated with the design, equipment procurement and validation, and facilities-related costs, monthly payments and minimum purchase obligations throughout the initial term of the PCI Supply Agreement. As of June 30, 2023, we have made prepayments of $27.5 million to PCI which is recorded within “Finance lease prepaid expense” in the condensed consolidated balance sheets. Based on our best estimate as of June 30, 2023, our remaining minimum commitment under the PCI Supply Agreement will be $12.7 million for 2023, $15.9 million for 2024, $18.3 million for 2025, $25.3 million for 2026, $29.5 million for 2027, and $134.5 million for 2028 and thereafter in aggregate.

Nashville Lease Expansion Premises

In November 2020, we entered into the Nashville Lease, a non-cancelable operating lease for an office space in Nashville, Tennessee. The lease commenced and was recognized on the condensed consolidated balance sheets in June 2021. In July 2021, we entered into the second amendment to the Nashville Lease, which provided for the expansion of the initial premises to include the Expansion Premises, an additional 30,591 square feet with an expected term to 2034. The lease accounting commencement date of the Expansion Premises has not occurred and is expected to take place when the office space is made available to us after the completion of certain improvement work, which is currently expected in late 2023 at the earliest. The monthly base rent payments for the lease escalate over the term. The total undiscounted basic rent payments currently determinable for the Expansion Premises are $16 million with an expected term to 2034.

In January 2023, we entered into the third amendment to the Nashville Lease, which provides for the expansion of the current premises to include the Second Expansion Premises, an additional 17,248 square feet with an expected term to 2032. The monthly base rent payments for the lease escalate over the term, and the total undiscounted basic rent payments determinable for the Second Expansion Premises are $7 million. The lease accounting commencement date of the Second Expansion Premises has not occurred and is expected to take place when the office space is made available to us after the completion of certain improvement work, which is currently expected in late 2023.

8. Debt

The following table provides information regarding our debt:

(in thousands)	June 30, 2023	December 31, 2022
2027 Notes	$ 287,500	$ 287,500
Less: Unamortized debt issuance costs	(4,937)	(5,587)
Carrying amount of the 2027 Notes	282,563	281,913
Notes Payable	100,000	100,000
Less: Unamortized debt discount	(1,175)	(1,347)
Less: Unamortized debt issuance costs	(1,040)	(1,192)
Carrying amount of Notes Payable	97,785	97,461
Debt, non-current	$ 380,348	$ 379,374

Interest expense relating to our debt in the condensed consolidated statements of operations and comprehensive loss are summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Contractual interest expense	$ 3,407	$ 3,383	$ 6,790	$ 4,971
Amortization of debt issuance costs	431	417	863	749
Amortization of debt discount	87	74	172	85
Total interest expense	$ 3,925	$ 3,874	$ 7,825	$ 5,805

Convertible Senior Notes

In February 2020, we issued the 2027 Notes, in the aggregate principal amount of $287.5 million pursuant to the Indenture. The 2027 Notes are senior unsecured obligations and bear interest at a rate of 1.75% per year, payable semiannually in arrears on February 15 and August 15 of each year, began on August 15, 2020. The 2027 Notes will mature on February 15, 2027, unless earlier converted, redeemed or repurchased. In connection with issuing the 2027 Notes, we received $278.3 million in net proceeds, after deducting the initial purchasers' discount, commissions, and other issuance costs.

The 2027 Notes may be converted at any time by the holders prior to the close of business on the business day immediately preceding November 15, 2026 only under the following circumstances: (i) during any fiscal quarter commencing after the fiscal quarter ending on June 30, 2020 (and only during such fiscal quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any ten consecutive trading day period (the "measurement period") in which the trading price (as defined in the Indenture) per $1,000 principal amount of the 2027 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (iii) if we call any or all of the 2027 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (iv) upon the occurrence of specified corporate events. On or after November 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their 2027 Notes at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

The conversion rate will initially be 30.8804 shares of our common stock per $1,000 principal amount of the 2027 Notes (equivalent to an initial conversion price of approximately $32.38 per share of our common stock). The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 2027 Notes in connection with such a corporate event or notice of redemption, as the case may be.

Contractually, we may not redeem the 2027 Notes prior to February 20, 2024. We may redeem for cash all or any portion of the 2027 Notes, at our option, on or after February 20, 2024 if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the 2027 Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2027 Notes.

If we undergo a fundamental change (as defined in the Indenture), holders may require us to repurchase for cash all or any portion of their 2027 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2027 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Capped Call Transactions

Concurrently with the 2027 Notes, we entered into capped call transactions with the option counterparties and used $28.9 million of the net proceeds from the 2027 Notes to pay the cost of the capped call transactions. The capped call transactions are expected generally to reduce the potential dilutive effect upon conversion of the 2027 Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 2027 Notes, as the case may be, with such reduction and/or offset subject to a price cap of $48.88 of our common stock per share, which represents a premium of 100% over the last reported sale price of our common stock on February 10, 2020. The capped calls have an initial strike price of $32.38 per share, subject to certain adjustments, which corresponds to the conversion option strike price in the 2027 Notes. The capped call transactions cover, subject to anti-dilution adjustments, approximately 8.9 million shares of our common stock.

The capped call transactions are separate transactions that we entered into with the option counterparties and are not part of the terms of the 2027 Notes. As the capped call transactions meet certain accounting criteria, the premium paid of $28.9 million was recorded as a reduction in additional paid-in capital in the condensed consolidated balance sheets, and will not be remeasured to fair value as long as the accounting criteria continue to be met. As of June 30, 2023 and December 31, 2022, we had not purchased any shares under the capped call transactions.

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Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

Note Purchase Agreement

In March 2022, we entered into the Note Purchase Agreement and issued the First Tranche in an aggregate principal amount for all such Notes of $100 million. On August 8, 2023, the Company, HintMD and Athyrium entered into the First Amendment. Pursuant to the First Amendment, the Second Tranche commitment was reduced from $100 million to $50 million, and the uncommitted Third Tranche was increased from $100 million to $150 million. On or before August 31, 2023, the Company expects to issue to the purchasers under the Note Purchase Agreement notes in an aggregate principal amount of $50 million, provided certain conditions are met. The uncommitted Third Tranche is available until March 31, 2024, subject to the satisfaction of certain conditions set forth in the Note Purchase Agreement, including the achievement of greater than or equal to $50 million in trailing twelve months revenue for DAXXIFY® preceding the date of the draw request for the Third Tranche, and approval by Athyrium.

Our obligations under the Note Purchase Agreement are secured by substantially all of our assets and the assets of our wholly owned domestic subsidiaries, including their respective intellectual property.

The notes issued pursuant to the First Tranche and to be issued pursuant to the Second Tranche will bear interest at an annual fixed interest rate equal to 8.50%. The First Amendment modified the variable interest rate adjustment for the Third Tranche from Adjusted Three-Month LIBOR to Adjusted Three-Month Term SOFR. If the Third Tranche of Notes Payable becomes committed, the Notes Payable will then bear interest at an annual rate equal to the sum of (a) 7.0% and (b) Adjusted Three-Month Term SOFR for such interest period (subject to a floor of 1.50% and a cap of 2.50%). We are required to make quarterly interest payments on each Notes Payable commencing on the last business day of the calendar month following the funding date thereof, and continuing until the Maturity Date. Pursuant to the First Amendment, the Company is required to repay Athyrium the outstanding principal amount of the Second Tranche notes in installments on the last business day of each March, June, September and December (commencing in September 2024), in each case, based on the following principal amortization payment schedule: 2.5% in September and December 2024; 5.0% in March and June 2025; 7.5% in September and December 2025; and 10.0% in March and June 2026; followed by repayment of the Second Tranche in full on September 18, 2026. The Maturity Date may be extended to March 18, 2028 if, as of September 18, 2026, less than $90 million principal amount of our existing 2027 Notes remain outstanding and with the consent of the Purchasers. Initially, all principal for each tranche is due and payable on the Maturity Date. If any Third Tranche notes are issued, upon the occurrence of an Amortization Trigger (as defined in the Note Purchase Agreement), we are required to repay the principal of the Third Tranche in equal monthly installments beginning on the last day of the month in which the Amortization Trigger occurred and continuing through the Maturity Date. At our option, we may prepay the outstanding principal balance of all or any portion of the principal amount of the Notes Payable, subject to a prepayment fee equal to (i) a make-whole amount if the prepayment occurs on or prior to the first anniversary of the NPA Effective Date and (ii) 2.0% of the amount prepaid if the prepayment occurs after the first anniversary of the NPA Effective Date but on or prior to the second anniversary of the NPA Effective Date. Upon prepayment or repayment of all or any portion of the principal amount of the Notes Payable (whether on the Maturity Date or otherwise), we are also required to pay an exit fee to the Purchasers.

The Note Purchase Agreement includes affirmative and negative covenants applicable to us, our current subsidiaries and any subsidiaries we create in the future. The affirmative covenants include, among others, covenants requiring us to maintain our legal existence and governmental approvals, deliver certain financial reports, maintain insurance coverage and satisfy certain requirements regarding deposit accounts. We must also (i) maintain at least $30.0 million of unrestricted cash and cash equivalents in accounts subject to a control agreement in favor of Athyrium at all times and (ii) upon the occurrence of certain specified events set forth in the Note Purchase Agreement, achieve at least $70.0 million of Consolidated Teoxane Distribution Net Product Sales on a trailing twelve-months basis. The negative covenants include, among others, restrictions on our transferring collateral, incurring additional indebtedness, engaging in mergers or acquisitions, paying dividends or making other distributions, making investments, creating liens, selling assets and undergoing a change in control, in each case subject to certain exceptions.

If we do not comply with the affirmative and negative covenants, such non-compliance may be an event of default under the Note Purchase Agreement. The Note Purchase Agreement also includes events of default, the occurrence and continuation of which could cause interest to be charged at the rate that is otherwise applicable plus 2.0% and would provide Athyrium, as administrative agent, with the right to exercise remedies against us and the collateral, including foreclosure against our property securing the obligations under the Note Purchase Agreement, including our cash. These events of default

include, among other things, our failure to pay principal or interest due under the Note Purchase Agreement, a breach of certain covenants under the Note Purchase Agreement, our insolvency, the occurrence of a circumstance which could have a material adverse effect and the occurrence of any default under certain other indebtedness.

9. Stockholders' Equity and Stock-Based Compensation

Equity Compensation Plans

2014 EIP

On January 1, 2023, the number of shares of common stock reserved for issuance under the 2014 EIP increased by 3.3 million shares. For the six months ended June 30, 2023, 2.4 million shares of stock awards and 0.2 million stock options were granted under the 2014 EIP. As of June 30, 2023, 4.0 million shares were available for issuance under the 2014 EIP.

2014 IN

For the six months ended June 30, 2023, no stock options or awards were granted under the 2014 IN. As of June 30, 2023, 0.8 million shares were available for issuance under the 2014 IN.

HintMD Plan

For the six months ended June 30, 2023, no stock options or awards were granted under the HintMD Plan. As of June 30, 2023, 0.1 million shares were available for issuance under the HintMD Plan.

2014 ESPP

On January 1, 2023, the number of shares of common stock reserved for issuance under the 2014 ESPP increased by 0.3 million shares. As of June 30, 2023, 1.8 million shares were available for issuance under the 2014 ESPP.

Net Loss per Share

Our basic net loss per share is calculated by dividing the net loss by the weighted average number of shares of common stock outstanding for the period. The diluted net loss per share is calculated by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, shares of common stock underlying the 2027 Notes at the initial conversion price, outstanding stock options, and unvested stock awards, are considered common stock equivalents, which were excluded from the computation of diluted net loss per share because including them would have been antidilutive.

Common stock equivalents that were excluded from the computation of diluted net loss per share are presented below:

	June 30,	
	2023	2022
Convertible senior notes	8,878,938	8,878,938
Outstanding stock options	4,391,679	5,063,074
Unvested RSUs and PSUs	3,281,382	2,492,797
Unvested RSAs and PSAs	1,577,981	2,656,703

ATM Offering Programs

In November 2020, we entered into the 2020 ATM Agreement with Cowen. Under the 2020 ATM Agreement, we could offer and sell, from time to time, through Cowen, shares of our common stock having an aggregate offering price of up to $125.0 million. We were not obligated to sell any shares under the 2020 ATM Agreement. Subject to the terms and

conditions of the 2020 ATM Agreement, Cowen was required to use commercially reasonable efforts, consistent with its normal trading and sales practices, applicable state and federal law, rules and regulations and the rules of The Nasdaq Global Market, to sell shares from time to time based upon our instructions, including any price, time or size limits specified by us. We paid Cowen a commission of up to 3.0% of the aggregate gross proceeds from each sale of shares, reimbursed legal fees and disbursements and provided Cowen with customary indemnification and contribution rights. From January 1, 2022 through May 10, 2022, we sold 1.7 million shares of common stock under the 2020 ATM Agreement at a weighted average price of $18.71 per share resulting in net proceeds of $31.6 million after sales agent commissions and offering costs. The 2020 ATM Agreement was terminated on May 10, 2022.

On May 10, 2022, we entered into the 2022 ATM Agreement with Cowen. Under the 2022 ATM Agreement, we may sell up to $150.0 million of our common stock. We are not obligated to sell any shares under the 2022 ATM Agreement. Subject to the terms and conditions of the 2022 ATM Agreement, Cowen will use commercially reasonable efforts, consistent with its normal trading and sales practices, applicable state and federal law, rules and regulations and the rules of The Nasdaq Global Market, to sell shares from time to time based upon our instructions, including any price, time or size limits specified by us. We pay Cowen a commission of up to 3.0% of the aggregate gross proceeds from each sale of shares, reimburse legal fees and disbursements and provide Cowen with customary indemnification and contribution rights.

For the three months ended June 30, 2023, we sold 3.2 million shares of common stock under the 2022 ATM Agreement at a weighted average price of $31.90 per share, resulting in net proceeds of $100.0 million after sales agent commissions and offering costs. No shares of common stock were sold under the 2022 ATM Agreement for the three months ended March 31, 2023.

Stock-Based Compensation Expense

The following table summarizes our stock-based compensation expense by line item in our condensed consolidated statements of operations and comprehensive loss:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Selling, general and administrative	$ 12,178	$ 6,528	$ 22,443	$ 14,692
Research and development	3,421	2,735	6,238	8,934
Cost of product revenue (exclusive of depreciation and amortization)	948	—	948	—
Total stock-based compensation expense	$ 16,547	$ 9,263	$ 29,629	$ 23,626

Capitalized Stock-based Compensation Expense

For the three and six months ended June 30, 2023, stock-based compensation expense of $0.9 million and $1.9 million, respectively, was capitalized in inventories on the condensed consolidated balance sheets, which is subsequently expensed to cost of product revenue (exclusive of depreciation and amortization) on the condensed consolidated statements of operations and comprehensive loss as shown in the table above.

10. Fair Value Measurements

The following table summarizes, for assets and liabilities measured at fair value, the respective fair value and the classification by level of input within the fair value hierarchy.

	June 30, 2023			
(in thousands)	Fair Value	Level 1	Level 2	Level 3
Assets				
U.S. treasury securities	$ 136,777	$ 136,777	$ —	$ —
Money market funds	98,349	98,349	—	—
U.S. government agency obligations	14,765	14,765	—	—
Commercial paper	57,837	—	57,837	—
Corporate bonds	7,523	—	7,523	—
Total assets measured at fair value	$ 315,251	$ 249,891	$ 65,360	$ —

	December 31, 2022			
(in thousands)	Fair Value	Level 1	Level 2	Level 3
Assets				
U.S. treasury securities	$ 109,756	$ 109,756	$ —	$ —
Money market funds	85,206	85,206	—	—
U.S. government agency obligations	4,480	4,480	—	—
Commercial paper	80,946	—	80,946	—
Corporate bonds	41,040	—	41,040	—
Total assets measured at fair value	$ 321,428	$ 199,442	$ 121,986	$ —

For Level 1 investments, we use quoted prices in active markets for identical assets to determine the fair value. For Level 2 investments, we use quoted prices for similar assets sourced from certain third-party pricing services. The third-party pricing services generally utilize industry standard valuation models for which all significant inputs are observable, either directly or indirectly, to estimate the price or fair value of the securities. The primary input generally includes reported trades of or quotes on the same or similar securities. We do not make additional judgments or assumptions made to the pricing data sourced from the third-party pricing services.

The fair value of the 2027 Notes and the Notes Payable (Note 8) was determined on the basis of market prices observable for similar instruments and is considered Level 2 in the fair value hierarchy. We present the fair value of the 2027 Notes and the Notes payable for disclosure purposes only. As of June 30, 2023, and December 31, 2022, the fair value of the 2027 Notes was $302.9 million and $288.2 million, respectively. As of June 30, 2023 and December 31, 2022, the fair value of the Notes Payable was approximately the same as its unamortized carrying value.

11. Commitments and Contingencies

Teoxane Agreement

In January 2020, we entered into the Teoxane Agreement, pursuant to which Teoxane granted us the exclusive right to import, market, promote, sell and distribute Teoxane's line of Resilient Hyaluronic Acid® dermal fillers, which include: (i) RHA® Collection of dermal fillers, and (ii) the RHA® Pipeline Products in the U.S. and U.S. territories and possessions, in exchange for 2,500,000 shares of our common stock and certain other commitments by us. The Teoxane Agreement is effective for a term of ten years from product launch in September 2020 and may be extended for a two-year period upon the mutual agreement of the parties. We are required to meet certain minimum purchase obligations during each year of the term. Our minimum purchase obligation for the years ending December 31, 2023 and December 31, 2024 will be $40 million and $52 million, respectively. Minimum purchase obligations after December 31, 2024 may be determined at a later date. We are also required to meet certain minimum expenditure requirements in connection with commercialization efforts. Our minimum expenditures related to the commercialization and promotion of RHA® Collection of dermal fillers and RHA® Pipeline Products for the years ended December 31, 2023 and 2024 will be $34 million and $36 million, respectively. Minimum expenditures related to the commercialization and promotion of RHA® Collection of dermal fillers and RHA® Pipeline Products after December 31, 2024 may be determined at a later date.

Either party may terminate the Teoxane Agreement in the event of the insolvency of, or a material breach by, the other party, including certain specified breaches that include the right for Teoxane to terminate the Teoxane Agreement for our failure to meet the minimum purchase requirements or commercialization expenditure during specified periods, or for our breach of the exclusivity obligations under the Teoxane Agreement.

Other Contingencies

As of June 30, 2023, we are obligated to pay BTRX up to a remaining $15.5 million upon the satisfaction of certain milestones relating to our product revenue, intellectual property, and clinical and regulatory events.

Indemnification

We have standard indemnification agreements in the ordinary course of business. Under these indemnification agreements, we indemnify, hold harmless, and agree to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to our technology. The term of these indemnification agreements is generally perpetual after the execution of the agreements. The maximum potential amount of future payments we are obligated to pay under other indemnification agreements is not determinable because it involves claims for indemnification that may be made against us in the future but have not been made. We have not yet incurred material costs to defend lawsuits or settle claims related to indemnification agreements.

We have indemnification agreements with our directors and officers that may require us to indemnify them against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual.

For the six months ended June 30, 2023 and 2022, no material amounts associated with the indemnification agreements have been recorded.

Litigation

In October 2021, Allergan filed a complaint against us and ABPS, one of our manufacturing sources of DAXXIFY®, in the U.S. District Court for the District of Delaware, alleging infringement of the following patents assigned and/or licensed to Allergan: U.S. Patent Nos. 11,033,625; 7,354,740; 8,409,828; 11,124,786; and 7,332,567. Allergan claims that our formulation for DAXXIFY® and ABPS's manufacturing process used to produce DAXXIFY® infringes its patents. Allergan also asserted a patent with claims related to a substrate for use in a botulinum toxin detection assay. On November 3, 2021, we filed a motion to dismiss. On November 24, 2021, Allergan filed an amended complaint against us and ABPS, alleging

infringement of an additional patent assigned and/or licensed to Allergan: U.S. Patent No. 11,147,878. On December 17, 2021, we filed a second motion to dismiss, and on January 14, 2022, Allergan filed an opposition to that motion. We filed a reply to Allergan's opposition on January 21, 2022, and on August 19, 2022, the court denied our second motion to dismiss. On September 2, 2022, we filed an answer and counterclaims to Allergan's amended complaint. On December 30, 2022, Allergan filed a second amended complaint against us and ABPS, alleging infringement of three additional patents assigned and/or licensed to Allergan: U.S. Patent Nos. 11,203,748; 11,326,155; and 11,285,216. On January 20, 2023, we filed an answer and counterclaims to Allergan's second amended complaint. On March 3, 2023, we filed invalidity contentions, which challenge Allergan's asserted patents. A Markman hearing was held on June 28, 2023, and we await the court's decision on claim construction.

On December 10, 2021, a putative securities class action complaint was filed against the Company and certain of its officers on behalf of a class of stockholders who acquired the Company's securities from November 25, 2019 to October 11, 2021, in the U.S. District Court for the Northern District of California. The complaint alleges that the Company and certain of its officers violated Sections 10(b) and 20(a) of Exchange Act by making false and misleading statements regarding the manufacturing of DAXXIFY® and the timing and likelihood of regulatory approval and seeks unspecified monetary damages on behalf of the putative class and an award of costs and expenses, including reasonable attorneys' fees. The court appointed the lead plaintiff and lead counsel on September 7, 2022. The lead plaintiff filed an amended complaint on November 7, 2022. On January 23, 2023, we filed a motion to dismiss. On March 8, 2023, the lead plaintiff filed an opposition to our motion to dismiss. On April 7, 2023, we filed a reply in support of our motion to dismiss. A hearing on our motion to dismiss is scheduled for August 10, 2023, but we cannot be certain of whether that motion to dismiss will be granted.

We dispute the claims in these lawsuits and intend to defend the matters vigorously. These lawsuits are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors. The outcome of the lawsuits is necessarily uncertain. We could be forced to expend significant resources in the defense of either lawsuit, and we may not prevail. In addition, we may incur substantial legal fees and costs in connection with each lawsuit.

We record a provision for a liability when we believe that it is both probable that a liability has incurred, and the amount can be reasonably estimated. As of both June 30, 2023 and December 31, 2022, no such provision for liabilities related to the above litigation matters were recorded on the condensed consolidated balance sheets.

12. Segment Information

Reportable Segments

We report segment information based on the management approach. The management approach designates the internal reporting used by the CODM for making decisions and assessing performance as the source of our reportable segments.

We have two reportable segments: the Product Segment and the Service Segment. Each reportable segment represents a component, or an operating segment, for which separate financial information is available that is utilized on a regular basis by our CODM in determining resource allocations and performance evaluation. We also considered whether the identified operating segments should be further aggregated based on factors including economic characteristics, the nature of products and services, production processes, customer base, distribution methods, and regulatory environment; however, no such aggregation was made due to dissimilarity of the operating segments.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

Product Segment

Our Product Segment refers to the business that includes the research, development and commercialization of our approved products and product candidates, including DAXXIFY®, the onabotulinumtoxinA biosimilar and the RHA® Collection of dermal fillers.

Service Segment

Our Service Segment refers to the business that includes the development and commercialization of the Fintech Platform.

Corporate and Other Expenses

Corporate and other expenses include operating expenses related to general and administrative expenses, depreciation and amortization, stock-based compensation, and intersegment elimination that are not used in evaluating the results of, or in allocating resources to, our segments. Intersegment revenue represents the revenue generated between the two segments. For the three months ended June 30, 2023 and 2022, intersegment revenue was $0.7 million and $0.3 million, respectively. For the six months ended June 30, 2023 and 2022, intersegment revenue was $1.3 million and $0.6 million, respectively.

Reconciliation of Segment Revenue to Consolidated Revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Revenue:				
Product Segment	$ 54,413	$ 27,142	$ 100,187	$ 51,547
Service Segment	3,721	1,226	7,278	2,082
Total revenue	$ 58,134	$ 28,368	$ 107,465	$ 53,629

Reconciliation of Segment Loss from Operations to Consolidated Loss from Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Loss from operations:				
Product Segment	$ (19,335)	$ (24,969)	$ (32,065)	$ (49,920)
Service Segment	(4,978)	(5,598)	(12,065)	(9,533)
Corporate and other expenses	(41,186)	(27,275)	(79,401)	(60,610)
Total loss from operations	$ (65,499)	$ (57,842)	$ (123,531)	$ (120,063)

We do not evaluate performance or allocate resources based on segment asset data, and therefore such information is not presented.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the accompanying notes appearing elsewhere in this Report and in conjunction with our other SEC filings, including our FY2022 10-K.

This Report, including the documents incorporated by reference herein, contains forward-looking statements within the meaning of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical facts contained in this Report and the documents incorporated by reference herein, including statements regarding our future financial condition, regulatory approvals, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing" and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. In addition, any statements that refer to our financial outlook or projected performance, anticipated growth, milestone expectations, future expenses and cash flows, anticipated working capital requirements, capital expenditures and capital allocation plans; our ability to comply with our debt obligations; our plans regarding the Second Tranche; the evaluation of the variable transaction price related to Viatris Agreement; the availability of the Second and Third Tranches; our ability to sell stock under the 2022 ATM Agreement; our future financing plans and strategies; our future responses to macroeconomic and geopolitical factors, including the effects of the COVID-19 pandemic; our ability to successfully commercialize and maintain regulatory approvals for DAXXIFY®; our ability to obtain, and the timing relating to, regulatory submissions and approvals with respect to our drug product candidates and third-party manufacturers, including with respect to DAXXIFY® for indications other than glabellar lines and the RHA® Pipeline Products; our opportunity in aesthetics and therapeutics; our expectations regarding the Fintech Platform, including its features, functionality, GPV and profitability; the process and timing of, and ability to complete, the current and anticipated future pre-clinical and clinical development of our product candidates, including the outcome of such clinical studies and trials; the design of our clinical studies; development of an onabotulinumtoxinA biosimilar, which would compete in the existing short-acting neuromodulator marketplace; the process and our ability to effectively and reliably manufacture supplies of DAXXIFY®; our ability to manufacture or receive sufficient supply of our Products in order to meet commercial demand; our ability to successfully compete in the dermal filler, neuromodulator and fintech services markets; the markets for our current and future products and services; our business strategy, plans and prospects, including our commercialization plans and ability to commercialize DAXXIFY® and continued commercialization of the RHA® Collection of dermal fillers; the potential benefits of DAXXIFY®, the RHA® Collection of dermal fillers, our drug product candidates and the Fintech Platform; the potential safety, efficacy and duration of our Products; our ability to maintain and seek out new strategic third-party collaborations to support our goals; the extent to which our products and services are considered innovative, differentiated, exclusive or premium; consumer preferences related to our Products and Services; the rate and degree of economic benefit of DAXXIFY® , the RHA® Collection of dermal fillers, OPUL® and out other drug product candidates, if approved; our ability to set a new standard in healthcare; patent defensive measures; timing related to our ongoing litigation matters; our ability to defend ourselves in ongoing litigation; international expansion; the commencement of the Second Expansion Premises; our ability to expand our operations to support the commercialization of our Products and attract and retain qualified personnel to support our business; and our ability to comply with applicable laws and regulations are forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including risks described in Item 1A. "Risk Factors" and elsewhere in this Report and our FY2022 10-K and our Quarterly Report on Form 10-Q for the period ended March 31, 2023.

You should not rely upon forward-looking statements as predictions of future events. These forward-looking statements represent our estimates and assumptions only as of the date of this Report. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason to conform these statements to actual results or to changes in our expectations. You should read this Report, together with the information incorporated herein by reference, with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Summary of Risk Factors

Investing in our common stock involves risks. See Item 1A. “Risk Factors” in this Report and in our FY2022 10-K and Quarterly Report on Form 10-Q for the period ended March 31, 2023 for a discussion of the following principal risks and other risks that make an investment in Revance speculative or risky.

- Our success as a company, including our ability to finance our business and generate revenue, and our future growth is substantially dependent on the commercial and clinical success of our Products. Our longer-term prospects will also depend on the successful development, regulatory approval and commercialization of our onabotulinumtoxinA biosimilar product candidate and any future product candidates. If we are unable to successfully commercialize our Products, complete the development and regulatory approval process of our product candidates, and maintain regulatory approval of our Products, we may not be able to generate sufficient revenue to continue our business.

- DAXXIFY®, the RHA® Collection of dermal fillers, and any future product candidates, if approved, may not achieve market acceptance among injectors and consumers, and may not be commercially successful, which would adversely affect our operating results and financial condition.

- We will require substantial additional funding to continue to operate our business and achieve our goals and a failure to obtain the necessary capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our product development, other operations or commercialization efforts. We have incurred significant losses since our inception and we anticipate that these losses will continue. Our prior losses, combined with expected future losses, may adversely affect the market price of our common stock and our ability to raise capital and continue operations.

- DAXXIFY®, the RHA® Collection of dermal fillers and any future product candidates will face significant competition, including from companies that enjoy significant competitive advantages, such as substantially greater financial, research and development, regulatory, manufacturing, marketing resources and expertise, greater brand recognition and more established relationships. Our failure to effectively compete may prevent us from achieving significant market penetration and expansion.

- We use third-party collaborators, including Teoxane, Viatris, Fosun, ABPS and PCI to help us develop, validate, manufacture and/or commercialize our products. Our ability to commercialize our products could be impaired or delayed if these collaborations are unsuccessful.

- Reports of adverse events or safety concerns involving DAXXIFY®, the RHA® Collection of dermal fillers or other Teoxane approved product candidates, could delay or prevent the Company or Teoxane from maintaining regulatory approval or obtaining additional regulatory approval for DAXXIFY® for indications other than glabellar lines or the RHA® Pipeline Products. The denial, delay or withdrawal of any such approval would negatively impact commercialization and could have a material adverse effect on our ability to generate revenue, business prospects, and results of operations.

- Macroeconomic and geopolitical factors, including the COVID-19 pandemic, have and may continue to adversely affect our business, as well as those of third-parties on which we rely for significant manufacturing, clinical or other business operations. They may also impact disposable income levels, which could reduce consumer spending and lower demand for our products.

- If we are not able to effectively and reliably manufacture DAXXIFY® or any future product candidates at sufficient scale, including through any third-party manufacturers, as well as acquire supplies of the RHA® Collection of dermal fillers from Teoxane, our product development, regulatory approval, commercialization and sales efforts and our ability to generate revenue may be adversely affected.

- Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results or actual consumer outcomes.

- If our efforts to protect our intellectual property related to DAXXIFY®, the RHA® Collection of dermal fillers, any future product candidates or the Fintech Platform are not adequate, we may not be able to compete effectively. Additionally, we are currently and in the future may become involved in lawsuits or administrative proceedings to

defend against claims that we infringe the intellectual property of others and to protect or enforce our patents or other intellectual property or the patents of our licensors, which could be expensive and time-consuming and would have a material adverse effect on our ability to generate revenue if we are unsuccessful.

- The HintMD Acquisition may result in additional impairment charges from the recording of goodwill and intangible assets that could adversely affect our financial results.

- If we do not effectively manage our expanded operations in connection with the HintMD Acquisition, or if we are not able to achieve market acceptance of the Fintech Platform, then we may not achieve the anticipated benefits or recoup the substantial expense incurred in connection with the acquisition.

- Servicing our debt, including the Notes Payable and 2027 Notes, requires a significant amount of cash to pay our substantial debt. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive.

- We are currently, and in the future, may be subject to litigation. If product liability, stockholder derivative actions, additional securities class actions, intellectual property lawsuits or other lawsuits are brought against us and we cannot successfully defend ourselves, we may incur substantial liabilities or be required to limit commercialization of our products. Even a successful defense would require significant financial and management resources.

- As our business and operations continue to grow, we may need to expand our development, manufacturing, regulatory, sales, marketing and distribution capabilities. If and when we expand such capabilities, we may encounter difficulties in managing our growth, which could disrupt our operations.

- If we are not successful in discovering, developing, acquiring and commercializing additional product candidates other than our Products, our ability to expand our business and achieve our strategic objectives may be impaired.

- Significant disruptions of information technology systems or security incidents impacting us or third parties upon which we rely could materially adversely affect our business, our reputation, our customer relationships, results of operations and financial condition.

- Changes in and failures to comply with applicable laws, regulations and standards may adversely affect our business, operations and financial performance.

- If we fail to attract and retain qualified personnel at all levels and functions, we may be unable to successfully execute our objectives.

Overview

Revance is a biotechnology company setting the new standard in healthcare with innovative aesthetic and therapeutic offerings that elevate patient and physician experiences. Revance's aesthetics portfolio of expertly created products and services, including DAXXIFY®, the RHA® Collection of dermal fillers and OPUL®, the first-of-its-kind relational commerce platform for aesthetic practices, deliver a differentiated and exclusive offering for Revance's elite practice partners and their consumers. Revance has also partnered with Viatris to develop an onabotulinumtoxinA biosimilar, which will compete in the existing short-acting neuromodulator marketplace. Revance's therapeutics pipeline is currently focused on muscle movement disorders including evaluating DAXXIFY® in two debilitating conditions, cervical dystonia and upper limb spasticity.

Recent Developments

For the three and six months ended June 30, 2023, we generated $58.1 million and $107.3 million, respectively, in revenue from the sale of our Products and our Services. As of June 30, 2023, we had over 6,000 aesthetic accounts across our Products and Services.

First Amendment to Note Purchase Agreement

On August 8, 2023, the Company, HintMD and Athyrium entered into the First Amendment. Pursuant to the First Amendment, the Second Tranche commitment was reduced from $100.0 million to $50.0 million, and the uncommitted Third Tranche was increased from $100.0 million to $150.0 million. On or before August 31, 2023, the Company expects to issue to the purchasers under the Note Purchase Agreement notes in an aggregate principal amount of $50.0 million, provided certain conditions are met. The notes to be issued pursuant to the Second Tranche will bear interest at an annual fixed interest rate equal to 8.50%.

The First Amendment eliminated the applicability of the Amortization Trigger to the amortization of the Second Tranche and provided for a principal amortization payment schedule for the Second Tranche. See "—Liquidity and Capital Resources—First Amendment to Note Purchase Agreement" for additional information. Except as explicitly amended, all of the terms and conditions of the Note Purchase Agreement remain in full force and effect.

DAXXIFY®

Following DAXXIFY® GL Approval, we trained a group of faculty members on DAXXIFY® as part of PrevU, our early experience program for the product, which we initiated in December 2022. PrevU focuses on providing practices with product education, tools for practice integration, and the opportunity to gain real-world clinical insights for DAXXIFY® with the goal of optimizing aesthetic outcomes. We completed the PrevU program in March 2023, and initiated the market introduction of DAXXIFY®, which has been focused on our existing customers. For the three and six months ended June 30, 2023, we recognized $22.6 million and $38.0 million, respectively, in product revenue from the sale of DAXXIFY®.

The FDA approved our PAS submission for the ABPS manufacturing facility, which is serving as one of our DAXXIFY® commercial supply sources, in addition to our Northern California manufacturing facility. All inventory produced at the ABPS facility prior to DAXXIFY® GL Approval has been released for commercial use.

We are pursuing regulatory approval of DAXXIFY® for the treatment of cervical dystonia. On January 6, 2023, the FDA accepted for review the supplemental BLA for DAXXIFY® for the treatment of cervical dystonia that we submitted in October 2022. The PDUFA date is August 19, 2023. If the supplemental BLA is approved on or by the PDUFA date, we plan to initiate an early experience program in late 2023, followed by broad commercial launch in 2024.

Fosun Partnership

In April 2023, Fosun announced that the BLA for DaxibotulinumtoxinA for Injection for the improvement of glabellar lines was accepted for review by the NMPA. In July 2023, the NMPA accepted the BLA for DaxibotulinumtoxinA for Injection for the treatment of cervical dystonia.

RHA® Collection of Dermal Fillers

For the three and six months ended June 30, 2023, we recognized $31.8 million and $62.0 million, respectively, in product revenue from the sale of the RHA® Collection of dermal fillers.

OPUL® Relational Commerce Platform

For the three months ended June 30, 2023, we recognized $3.7 million in service revenue and $3.7 million in cost of service revenue (exclusive of amortization) from the Fintech Platform. For the six months ended June 30, 2023, we recognized $7.3 million in service revenue and $7.4 million in cost of service revenue (exclusive of amortization) from the Fintech Platform. Since the Fintech Platform generates revenue as a percentage of credit card processing volumes, we use GPV as a key indicator of the ability of the Fintech Platform to generate revenue. GPV measures the total dollar amount of all transactions processed in the period through the Fintech Platform, net of refunds. The Company also uses the Fintech Platform PayFac capabilities to process credit card transactions for Products purchased from the Company; these transactions are not included in GPV. GPV for OPUL® was approximately $173 million for the three months ended June 30, 2023. GPV for the trailing-twelve months ended June 30, 2023 totaled approximately $697 million.

Results of Operations

We operate in two reportable segments: our Product Segment and our Service Segment. Our Product Segment refers to the business that includes the research, development and commercialization of our approved products and product candidates, including DAXXIFY®, the onabotulinumtoxinA biosimilar and the RHA® Collection of dermal fillers. Our Service Segment refers to the business that includes the development and commercialization of the Fintech Platform.

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
(in thousands, except percentages)	**2023**	**2022**	**Change**	**% Change**	**2023**	**2022**	**Change**	**% Change**
Product revenue	$ 54,393	$ 25,483	$ 28,910	113 %	$ 100,051	$ 46,320	$ 53,731	116 %
Service revenue	3,721	1,226	$ 2,495	204 %	7,278	2,082	$ 5,196	250 %
Collaboration revenue	20	1,659	$ (1,639)	(99)%	136	5,227	$ (5,091)	(97)%
Total revenue	$ 58,134	$ 28,368	$ 29,766	105 %	$ 107,465	$ 53,629	$ 53,836	100 %

Product Revenue

Our breakdown of revenue by Product is summarized below:

	Three Months Ended June 30,				Six Months Ended June 30,			
(in thousands, except percentages)	**2023**	**2022**	**Change**	**% Change**	**2023**	**2022**	**Change**	**% Change**
Product:								
RHA® Collection of dermal fillers	$ 31,767	$ 25,483	$ 6,284	25 %	$ 62,047	$ 46,320	$ 15,727	34 %
DAXXIFY®	22,626	—	$ 22,626	N/M	38,004	—	$ 38,004	N/M
Total product revenue	$ 54,393	$ 25,483	$ 28,910	113 %	$ 100,051	$ 46,320	$ 53,731	116 %

N/M - Percentage not meaningful

For the three and six months ended June 30, 2023, our Product revenue from the sale of the RHA® Collection of dermal fillers increased compared to the same periods in 2022 primarily due to increased U.S. market penetration as well as the launch of RHA® Redensity in the third quarter of 2022.

We started to generate product revenue from DAXXIFY® in the fourth quarter of 2022 from the PrevU program, which is a pre-launch promotional program for select practice partners. We completed the PrevU program in March 2023, and initiated the market introduction of DAXXIFY®, which has been focused on our existing customers.

Service Revenue

Our service revenue is generated from the Fintech Platform, which earns revenues through payment processing fees and certain value-added services. In our HintMD Platform service offerings, we generally recognize service revenue net of costs as an accounting agent. In our OPUL® service offerings, we generally recognize service revenue on a gross basis as the accounting principal because, as the PayFac, we maintain control of the service offerings to our customers. Since the fourth quarter of 2021, we have been onboarding new customers exclusively to OPUL® and the migration of the remaining HintMD customers to OPUL® was completed during the three months ended June 30, 2023. The migration did not have a material impact on the gross margin generated by the Fintech Platform in the near term.

For the three and six months ended June 30, 2023, our service revenue increased compared to the same periods in 2022, primarily due to the presentation difference in the revenue accounting method described above as well as the increased OPUL® GPV.

Collaboration Revenue

We are actively developing an onabotulinumtoxinA biosimilar in collaboration with Viatris. As described in Part I, Item 1. “Condensed Consolidated Financial Statements (Unaudited)—Notes to Condensed Consolidated Financial Statements (Unaudited) —Note 2—Revenue,” we generally recognize collaboration revenue for the onabotulinumtoxinA biosimilar program based on the determined transactions price of the contract multiplied by the quotient of the cost of development services incurred over the total estimated cost of development services for the expected duration of our performance obligations in the biosimilar development program per the Viatris Agreement. ASC Topic 606, Revenue from Contracts with Customers (ASC 606) requires that an entity include a constraint on the amount of variable consideration included in the transaction price. Variable consideration is considered “constrained” if there is a potential for significant reversal of cumulative revenue recognized. As part of the constraint evaluation, we considered numerous factors, including a potential shift in certain responsibilities between the two parties which would result in changes to the net cost sharing payments, for which outcomes are difficult to predict as of the date of this Report. As a result, no collaboration revenue is recognized from the biosimilar program for the six months ended June 30, 2023. We will continue to evaluate the variable transaction price and related revenue recognition in each reporting period and as the above uncertainties are resolved or other changes in circumstances occur. For the three and six months ended June 30, 2023, we recognized no revenue related to development services under the Viatris Agreement. For the three and six months ended June 30, 2022, we recognized $1.7 million and $5.2 million related to the development services under the Viatris Agreement, respectively.

We are also working with Fosun to develop and commercialize DaxibotulinumtoxinA for Injection in the Fosun Territory under the Fosun License Agreement. As described in Part I, Item 1. “Condensed Consolidated Financial Statements (Unaudited)—Notes to Condensed Consolidated Financial Statements (Unaudited) —Note 2—Revenue,” we evaluated all of the variable payments to be received during the duration of the contract, which included payments from specified milestones, royalties, and estimated supplies to be delivered. For the three and six months ended June 30, 2023, revenue of less than $0.1 million and $0.1 million was recognized from the Fosun License Agreement, respectively. For the three and six months ended June 30, 2022, no revenue was recognized from the Fosun License Agreement.

Operating Expenses

(in thousands, except percentages)	Three Months Ended June 30, 2023	2022	Change	% Change	Six Months Ended June 30, 2023	2022	Change	% Change
Operating expenses:								
Cost of product revenue (exclusive of depreciation and amortization)	$ 17,607	$ 8,121	$ 9,486	117 %	$ 30,094	$ 15,449	$ 14,645	95 %
Cost of service revenue (exclusive of amortization)	3,700	1,402	$ 2,298	164 %	7,384	1,967	$ 5,417	275 %
Selling, general and administrative	77,384	47,847	$ 29,537	62 %	143,395	92,922	$ 50,473	54 %
Research and development	22,807	24,913	$ (2,106)	(8)%	45,984	55,642	$ (9,658)	(17)%
Depreciation and amortization	2,135	3,927	$ (1,792)	(46)%	4,139	7,712	$ (3,573)	(46)%
Total operating expenses	$ 123,633	$ 86,210	$ 37,423	43 %	$ 230,996	$ 173,692	$ 57,304	33 %

Cost of product revenue (exclusive of depreciation and amortization)

(in thousands, except percentages)	Three Months Ended June 30, 2023	2022	Change	% Change	Six Months Ended June 30, 2023	2022	Change	% Change
Cost of product revenue (exclusive of depreciation and amortization):								
Purchasing and manufacturing costs (exclusive of stock-based compensation)	$ 15,192	$ 7,851	$ 7,341	94 %	$ 25,613	$ 14,370	$ 11,243	78 %
Distribution, royalty and other fulfillment charges	1,467	270	$ 1,197	443 %	3,533	1,079	$ 2,454	227 %
Stock-based compensation	948	—	$ 948	N/M	948	—	$ 948	N/M
Total cost of product revenue (exclusive of depreciation and amortization)	$ 17,607	$ 8,121	$ 9,486	117 %	$ 30,094	$ 15,449	$ 14,645	95 %

N/M - Percentage not meaningful

Cost of product revenue (exclusive of depreciation and amortization) primarily consists of the purchasing cost of the RHA® Collection of dermal fillers and manufacturing costs of DAXXIFY® inventory (exclusive of stock-based compensation), distribution expenses, royalty, other fulfillment costs related to the RHA® Collection of dermal fillers and DAXXIFY®, and stock-based compensation expenses related to manufacturing efforts.

We obtained DAXXIFY® GL Approval in September 2022, and the first delivery of DAXXIFY® to a consumer took place in the fourth quarter of 2022. Cost of product revenue (exclusive of depreciation and amortization) related to DAXXIFY® generally incur when delivered. Substantially all of DAXXIFY® manufacturing expenses incurred prior to DAXXIFY® GL Approval were classified as research and development expenses, resulting in Zero-cost Inventory.

Our cost of product revenue (exclusive of depreciation and amortization) for the three and six months ended June 30, 2023 increased compared to the same periods in 2022, which was due to the higher sales volumes of the RHA® Collection of dermal fillers and DAXXIFY® in the respective periods. When Zero-cost Inventory (discussed below) is depleted, we

expect our cost of product revenue (exclusive of depreciation and amortization) associated with DAXXIFY® to increase. We also anticipate that our cost of product revenue (exclusive of depreciation and amortization) associated with the RHA® Collection of dermal fillers may increase if higher sales volumes result.

Purchasing and manufacturing costs (exclusive of stock-based compensation)

For the three and six months ended June 30, 2023, purchasing and manufacturing costs (exclusive of stock-based compensation) related to the RHA® Collection of dermal fillers and DAXXIFY® increased compared to the same periods in 2022 due to higher sales volumes of the RHA® Collection of dermal fillers and DAXXIFY®.

Distribution, royalty and other fulfillment charges

For the three and six months ended June 30, 2023, distribution, royalty and other fulfillment charges related to the RHA® Collection of dermal fillers and DAXXIFY® increased compared to the same periods in 2022 due to higher sales volumes of the RHA® Collection of dermal fillers and DAXXIFY®.

Stock-based compensation

We started to incur stock-based compensation expense in cost of product revenue (exclusive of depreciation and amortization) during the three months ended June 30, 2023, which is related to the equity grants of employees in departments involved in the manufacturing of DAXXIFY®. DAXXIFY® manufacturing related stock-based compensation expense incurred prior to DAXXIFY® GL Approval was classified as research and development expenses.

Impact of Zero-cost Inventory for DAXXIFY®

If cost of product revenue included previously expensed inventories, the cost of product revenue (exclusive of depreciation and amortization) for the three and six months ended June 30, 2023 would have increased by approximately $4 million and $8 million, respectively. We expect to utilize Zero-cost Inventory related to DAXXIFY® in the near-term until depleted.

Cost of Service Revenue (exclusive of amortization)

Costs of service revenue (exclusive of amortization) primarily consists of payment processing costs and the cost of POS devices. For the six months ended June 30, 2023, cost of service revenue (exclusive of amortization) increased compared to the same periods in 2022 due to the change to the gross accounting presentation of revenue as well as the increase of OPUL® GPV and costs associated with OPUL® as described in the Service Revenue section above.

Selling, General and Administrative Expenses

(in thousands, except percentages)	Three Months Ended June 30, 2023	2022	Change	% Change	Six Months Ended June 30, 2023	2022	Change	% Change
Selling, general and administrative	$ 64,166	$ 40,301	$ 23,865	59 %	$ 117,770	$ 76,078	$ 41,692	55 %
Stock-based compensation	12,178	6,528	$ 5,650	87 %	22,443	14,692	$ 7,751	53 %
Depreciation and amortization	1,040	1,018	$ 22	2 %	3,182	2,152	$ 1,030	48 %
Total selling, general and administrative expenses	$ 77,384	$ 47,847	$ 29,537	62 %	$ 143,395	$ 92,922	$ 50,473	54 %

Selling, general and administrative expenses (before stock-based compensation and depreciation and amortization)

Selling, general and administrative expenses (before stock-based compensation and depreciation and amortization) consist primarily of the following:

- Costs of sales and marketing activities and sales force compensation related to DAXXIFY®, the RHA® Collection of dermal fillers and the OPUL®; and
- Personnel and professional service costs in our finance, information technology, investor relations, legal, human resources, and other administrative departments;

We expect selling, general and administrative expenses to increase in the near term in connection with the expansion of our commercial sales team and incremental administrative and infrastructure support. For the three and six months ended June 30, 2023, selling, general and administrative expenses increased compared to the same periods in 2022, primarily due to an increase in sales and marketing expenses, of which $15.7 million and $26.8 million, respectively, was attributed to the Product Segment in connection with the infrastructure investment to support the DAXXIFY® launch for the respective periods.

Stock-based compensation

For the three and six months ended June 30, 2023, stock-based compensation included in selling, general and administrative expenses increased compared to the same periods in 2022, primarily due to (i) increased headcount in selling, general and administrative functions; (ii) the stock-based compensation expense recognized for the vesting of the DAXXIFY® GL Approval PSUs in March 2023; and (iii) the stock-based compensation expense recognized for the vesting of certain market-based PSUs in May 2023.

Research and Development Expenses

(in thousands, except percentages)	Three Months Ended June 30, 2023	2022	Change	% Change	Six Months Ended June 30, 2023	2022	Change	% Change
Research and development	$ 19,031	$ 21,672	$ (2,641)	(12)%	$ 36,918	$ 45,745	$ (8,827)	(19)%
Stock-based compensation	3,421	2,735	$ 686	25 %	6,238	8,934	$ (2,696)	(30)%
Depreciation and amortization	355	506	$ (151)	(30)%	2,828	963	$ 1,865	194 %
Total research and development expenses	$ 22,807	$ 24,913	$ (2,106)	(8)%	$ 45,984	$ 55,642	$ (9,658)	(17)%

Research and development expenses (before stock-based compensation and depreciation and amortization)

In the Product Segment, we generally do not allocate costs by product candidates unless contractually required by our business partners. In the Service Segment, our research and development expenses relate to the development and introduction of new functionalities and features of OPUL® that are not subject to capitalization.

Research and development expenses (before stock-based compensation and depreciation and amortization) consist primarily of:

- salaries and related expenses for personnel in research and development functions;
- expenses related to the initiation and completion of clinical trials and studies for DAXXIFY®, the RHA® Pipeline Products and an onabotulinumtoxinA biosimilar, including expenses related to the production of clinical supplies;
- expenses related to the manufacturing of supplies for clinical activities, regulatory approvals, and pre-commercial inventory;
- certain expenses related to the establishment and maintenance of our manufacturing facilities;
- expenses related to medical affairs, medical information, publications and pharmacovigilance oversight;
- expenses related to license fees, milestone payments, and development efforts under in-licensing agreements;
- expenses related to compliance with drug development regulatory requirements in the U.S. and other foreign jurisdictions;
- fees paid to clinical consultants, CROs and other vendors, including all related fees for investigator grants, patient screening fees, laboratory work and statistical compilation and analysis;
- expenses related to the development of new features and functionalities of OPUL® and services that are not eligible for capitalization; and
- other consulting fees paid to third parties.

Our research and development expenses (before stock-based compensation and depreciation and amortization) are subject to numerous uncertainties, primarily related to the timing and cost needed to complete our respective projects. In our Product Segment, the development timelines, probability of success and development expenses can differ materially from expectations, and the completion of clinical trials may take several years or more depending on the type, complexity, novelty and intended use of a product candidate. Accordingly, the cost of clinical trials may vary significantly over the life of a project as a result of differences arising during clinical development. We expect our research and development cost (before

stock-based compensation and depreciation and amortization) to be relatively consistent in the near term, primarily due to deferring the Phase 3 clinical program for upper limb spasticity and other therapeutics pipeline activities. However, we will continue product development activities related to OPUL®, sharing certain development costs with Teoxane related to the RHA® Pipeline Products, and other activities related to the pursuit of approval for our third party manufacturing partner site.

When we conduct additional clinical trials, such as for our biosimilar program or additional DAXXIFY® therapeutic indications, we expect our research and development expenses (before stock-based compensation and depreciation and amortization) to increase. Depending on the stage of completion and level of effort related to each development phase undertaken, we may reflect variations in our research and development expenses. We expense both internal and external research and development expenses as they are incurred.

For the three months ended June 30, 2023, research and development expenses (before stock-based compensation and depreciation and amortization) decreased compared to the same period in 2022, primarily due to the effects of capitalizing certain manufacturing related expenses for DAXXIFY® since the third quarter of 2022, offset by an increase in clinical, regulatory and other research and development activities.

For the six months ended June 30, 2023, research and development expenses (before stock-based compensation and depreciation and amortization) decreased compared to the same period in 2022, primarily due to the effects of capitalizing certain manufacturing related expenses for DAXXIFY® since the third quarter of 2022.

Stock-based compensation

For the three months ended June 30, 2023, stock-based compensation included in research and development expenses increased compared to the same periods in 2022, primarily due to stock-based compensation expense related to achievement of certain performance-based PSUs in May 2023, partially offset by the capitalized stock-based compensation in the second quarter of 2023.

For the six months ended June 30, 2023, stock-based compensation included in research and development expenses decreased compared to the same period in 2022, primarily due to (i) a stock modification accounting adjustment related to the separation of an executive officer from the Company in the first quarter of 2022; and (ii) the capitalized stock-based compensation for the first and second quarter of 2023. These decreases were partially offset by (i) the stock-based compensation recognition for the DAXXIFY® GL Approval PSUs, which vested in March 2023, and (ii) a stock modification accounting adjustment related to achievement of certain performance-based PSUs in May 2023.

Depreciation and Amortization

For the three and six months ended June 30, 2023, depreciation and amortization decreased compared to the same periods in 2022, primarily due to extension of useful life of Teoxane distribution rights, capitalization of depreciation into inventory and completion of amortization for developed technology related to HintMD in 2022, offset primarily by an increased amortization expense from a finance lease in the first quarter of 2023.

Net Non-Operating Income and Expense

(in thousands, except percentages)	Three Months Ended June 30, 2023	2022	Change	% Change	Six Months Ended June 30, 2023	2022	Change	% Change
Interest income	$ 3,148	$ 619	$ 2,529	409 %	$ 6,118	$ 695	$ 5,423	780 %
Interest expense	(4,368)	(3,874)	$ (494)	13 %	(8,865)	(5,805)	$ (3,060)	53 %
Other expense, net	(599)	(338)	$ (261)	77 %	(833)	(604)	$ (229)	38 %
Total net non-operating expense	$ (1,819)	$ (3,593)	$ 1,774	(49)%	$ (3,580)	$ (5,714)	$ 2,134	(37)%

Interest Income

Interest income primarily consists of interest income earned on our deposit, money market fund, and investment balances. We expect interest income to vary each reporting period depending on our average deposit, money market fund, and investment balances during the period and market interest rates. For the three and six months ended June 30, 2023, interest income increased compared to the same periods in 2022, primarily due to higher interest rates and higher investment balances.

Interest Expense

Interest expense includes cash and non-cash components. The cash component of the interest expense primarily consists of the contractual interest charges for our 2027 Notes and Notes Payable, as well as our finance lease liability interest expense. The non-cash component of the interest expense primarily consists of the amortization of debt issuance costs for our 2027 Notes and the amortization of debt insurance cost and debt discount for the Notes Payable.

For three and the six months ended June 30, 2023, interest expense increased compared to the same periods in 2022 due to the contractual interest on the Notes Payable, which we began to incur in late March 2022, and our finance lease liability interest expense.

Other Expense, net

Other expense, net primarily consists of miscellaneous tax and other expense items.

Liquidity and Capital Resources

Our financial condition is summarized as follows:

(in thousands)	June 30, 2023	December 31, 2022	Increase /(Decrease)
Cash, cash equivalents, and short-term investments	$ 319,723	$ 340,707	$ (20,984)
Working capital	$ 304,868	$ 299,045	$ 5,823
Stockholders' equity	$ 26,786	$ 12,600	$ 14,186

Sources and Uses of Cash

We hold our cash, cash equivalents, and short-term investments in a variety of non-interest bearing bank accounts and interest-bearing instruments subject to investment guidelines for high credit quality. Our investment portfolio is structured to provide for investment maturities and access to cash to fund our anticipated working capital needs.

As of June 30, 2023 and December 31, 2022, we had cash, cash equivalents and short-term investments of $319.7 million and $340.7 million, respectively, which reflected a decrease between these periods of $21.0 million. The decrease

was primarily due to cash used in our operating activities of $121.2 million, taxes paid related to net settlement of stock awards of $4.3 million, principal payments on a finance lease of $8.9 million, and the purchase of property and equipment of $0.6 million. The decrease was primarily offset by proceeds from the ATM of $100.0 million, net of commissions and offerings costs, and the proceeds from stock option exercises and ESPP purchases of $14.0 million.

We derived the following summary of our condensed consolidated cash flows for the periods indicated from Part I, Item 1, “Financial Information—Condensed Consolidated Financial Statements (Unaudited)” in this Report:

	Six Months Ended June 30,	
(in thousands)	**2023**	**2022**
Net cash provided by (used in):		
Operating activities	$ (122,882)	$ (105,495)
Investing activities	$ 55,784	$ (61,313)
Financing activities	$ 100,736	$ 126,478

Cash Flows from Operating Activities

Our cash used in operating activities is primarily driven by personnel costs, manufacturing and facility costs, sales and marketing activities, clinical development activities, offset by revenue generated from our Products and Services. Our cash flows from operating activities will continue to be affected principally by the revenue generated from our Products and Services, our working capital requirements and the extent to which we increase spending on personnel, commercial activities, and research and development activities as our business grows.

Cash used in operating activities for the six months ended June 30, 2023, primarily consisted of approximately $197 million in expenditures related to overall operations and other working capital adjustments of $28 million, partially offset by approximately $102 million in net cash receipts from our Products and Services sales and other non-cash adjustments. The increase in net cash used in operating activities for the six months ended June 30, 2023, compared to 2022 is primarily driven by the increase in revenue generated from our Products, partially offset by expenditures in supporting company growth.

Cash used in operating activities for the six months ended June 30, 2022 primarily consisted of approximately $143 million in expenditures related to overall operations and other working capital adjustment of $8 million, offset by approximately $46 million in net cash receipts from our product and service sales and other non-cash adjustments.

Cash Flows from Investing Activities

For the six months ended June 30, 2023 and 2022, net cash provided by or used in investing activities was primarily due to fluctuations in the timing of purchases and maturities of investments and prepayments for a finance lease.

Cash Flows from Financing Activities

For the six months ended June 30, 2023, net cash provided by financing activities was driven by the proceeds from the ATM offering program, net of commissions, and the exercise of stock options and purchases of our common stock through the ESPP. The inflows were offset by the net settlement of stock awards for employee taxes, and principal payments on finance lease obligations.

For the six months ended June 30, 2022, net cash provided by financing activities was driven by the issuance of the Notes Payable pursuant to the Note Purchase Agreement, net of debt discount, the ATM offering program, net of commissions and the exercise of stock options and purchases of our common stock through the ESPP. The inflows were offset by the net settlement of stock awards for employee taxes.

Note Purchase Agreement

In March 2022, we entered into the Note Purchase Agreement and issued the First Tranche in an aggregate principal amount for all such Notes of $100 million. On August 8, 2023, the Company, HintMD and Athyrium entered into the First Amendment. Pursuant to the First Amendment, the Second Tranche commitment was reduced from $100 million to $50 million, and the uncommitted Third Tranche was increased from $100 million to $150 million. On or before August 31, 2023, the Company expects to issue to the purchasers under the Note Purchase Agreement notes in an aggregate principal amount of $50 million, provided certain conditions are met. The uncommitted Third Tranche is available until March 31, 2024, subject to the satisfaction of certain conditions set forth in the Note Purchase Agreement, including the achievement of greater than or equal to $50 million in trailing twelve months revenue for DAXXIFY® preceding the date of the draw request for the Third Tranche, and approval by Athyrium.

Our obligations under the Note Purchase Agreement are secured by substantially all of our assets and the assets of our wholly owned domestic subsidiaries, including their respective intellectual property.

The notes issued pursuant to the First Tranche and to be issued pursuant to the Second Tranche will bear interest at an annual fixed interest rate equal to 8.50%. The First Amendment modified the variable interest rate adjustment for the Third Tranche from Adjusted Three-Month LIBOR to Adjusted Three-Month Term SOFR. If the Third Tranche of Notes Payable becomes committed, the Notes Payable will then bear interest at an annual rate equal to the sum of (a) 7.0% and (b) Adjusted Three-Month Term SOFR for such interest period (subject to a floor of 1.50% and a cap of 2.50%). We are required to make quarterly interest payments on each Notes Payable commencing on the last business day of the calendar month following the funding date thereof, and continuing until the Maturity Date. Pursuant to the First Amendment, the Company is required to repay Athyrium the outstanding principal amount of the Second Tranche notes in installments on the last business day of each March, June, September and December (commencing in September 2024), in each case, based on the following principal amortization payment schedule: 2.5% in September and December 2024; 5.0% in March and June 2025; 7.5% in September and December 2025; and 10.0% in March and June 2026; followed by repayment of the Second Tranche in full on September 18, 2026. The Maturity Date may be extended to March 18, 2028 if, as of September 18, 2026, less than $90 million principal amount of our existing 2027 Notes remain outstanding and with the consent of the Purchasers. Initially, all principal for each tranche is due and payable on the Maturity Date. If any Third Tranche notes are issued, upon the occurrence of an Amortization Trigger (as defined in the Note Purchase Agreement), we are required to repay the principal of the Third Tranche in equal monthly installments beginning on the last day of the month in which the Amortization Trigger occurred and continuing through the Maturity Date. At our option, we may prepay the outstanding principal balance of all or any portion of the principal amount of the Notes Payable, subject to a prepayment fee equal to (i) a make-whole amount if the prepayment occurs on or prior to the first anniversary of the NPA Effective Date and (ii) 2.0% of the amount prepaid if the prepayment occurs after the first anniversary of the NPA Effective Date but on or prior to the second anniversary of the NPA Effective Date. Upon prepayment or repayment of all or any portion of the principal amount of the Notes Payable (whether on the Maturity Date or otherwise), we are also required to pay an exit fee to the Purchasers.

The Note Purchase Agreement includes affirmative and negative covenants applicable to us, our current subsidiaries and any subsidiaries we create in the future. The affirmative covenants include, among others, covenants requiring us to maintain our legal existence and governmental approvals, deliver certain financial reports, maintain insurance coverage and satisfy certain requirements regarding deposit accounts. We must also (i) maintain at least $30.0 million of unrestricted cash and cash equivalents in accounts subject to a control agreement in favor of Athyrium at all times and (ii) upon the occurrence of certain specified events set forth in the Note Purchase Agreement, achieve at least $70.0 million of Consolidated Teoxane Distribution Net Product Sales on a trailing twelve-months basis. The negative covenants include, among others, restrictions on our transferring collateral, incurring additional indebtedness, engaging in mergers or acquisitions, paying dividends or making other distributions, making investments, creating liens, selling assets and undergoing a change in control, in each case subject to certain exceptions.

If we do not comply with the affirmative and negative covenants, such non-compliance may be an event of default under the Note Purchase Agreement. The Note Purchase Agreement also includes events of default, the occurrence and continuation of which could cause interest to be charged at the rate that is otherwise applicable plus 2.0% and would provide Athyrium, as administrative agent, with the right to exercise remedies against us and the collateral, including foreclosure against our property securing the obligations under the Note Purchase Agreement, including our cash. These events of default

include, among other things, our failure to pay principal or interest due under the Note Purchase Agreement, a breach of certain covenants under the Note Purchase Agreement, our insolvency, the occurrence of a circumstance which could have a material adverse effect and the occurrence of any default under certain other indebtedness.

Convertible Senior Notes

In February 2020, we issued the 2027 Notes, in the aggregate principal amount of $287.5 million, pursuant to the Indenture. The 2027 Notes are senior unsecured obligations and bear interest at a rate of 1.75% per year, payable semiannually in arrears on February 15 and August 15 of each year, began on August 15, 2020. The 2027 Notes will mature on February 15, 2027, unless earlier converted, redeemed or repurchased. In connection with issuing the 2027 Notes, we received $278.3 million in net proceeds, after deducting the initial purchasers' discount, commissions, and other issuance costs.

The 2027 Notes may be converted at any time by the holders prior to the close of business on the business day immediately preceding November 15, 2026 only under the following circumstances: (i) during any fiscal quarter commencing after the fiscal quarter ending on June 30, 2020 (and only during such fiscal quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the measurement period in which the trading price (as defined in the Indenture) per $1,000 principal amount of the 2027 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (iii) if we call any or all of the 2027 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (iv) upon the occurrence of specified corporate events. On or after November 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their 2027 Notes at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

The conversion rate will initially be 30.8804 shares of our common stock per $1,000 principal amount of the 2027 Notes (equivalent to an initial conversion price of approximately $32.38 per share of our common stock). The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 2027 Notes in connection with such a corporate event or notice of redemption, as the case may be.

Contractually, we may not redeem the 2027 Notes prior to February 20, 2024. We may redeem for cash all or any portion of the 2027 Notes, at our option, on or after February 20, 2024 if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the 2027 Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2027 Notes.

If we undergo a fundamental change (as defined in the Indenture), holders may require us to repurchase for cash all or any portion of their 2027 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2027 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

We used $28.9 million of the net proceeds from the 2027 Notes to pay the cost of the capped call transactions. The capped call transactions are expected generally to reduce the potential dilutive effect upon conversion of the 2027 Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 2027 Notes, as the case may be, with such reduction and/or offset subject to a price cap of $48.88 of our common stock per share, which represents a premium of 100% over the last reported sale price of our common stock on February 10, 2020. The capped calls have an initial strike price of $32.38 per share, subject to certain adjustments, which corresponds to the conversion option strike price

in the 2027 Notes. The capped call transactions cover, subject to anti-dilution adjustments, approximately 8.9 million shares of our common stock.

ATM Offering Programs

In November 2020, we entered into the 2020 ATM Agreement. From January 1, 2022 through May 10, 2022, we sold 1.7 million shares of common stock at a weighted average price of $18.71 per share resulting in net proceeds of $31.6 million after sales agent commissions and offering costs. We terminated the 2020 ATM Agreement on May 10, 2022.

On May 10, 2022, we entered into the 2022 ATM Agreement with Cowen. Under the 2022 ATM Agreement, we may sell up to $150.0 million of common stock. For the three months ended June 30, 2023, we sold 3.2 million shares of common stock under the 2022 ATM Agreement at a weighted average price of $31.90 per share, resulting in net proceeds of $100.0 million after sales agent commissions and offering costs. No shares of common stock had been sold under the 2022 ATM Agreement for the three months ended March 31, 2023.

Common Stock and Common Stock Equivalents

As of July 31, 2023, outstanding shares of common stock were 88.0 million, outstanding stock options were 4.3 million, unvested RSUs and PSUs were 3.3 million, unvested RSAs and PSAs were 1.6 million and shares of common stock underlying the 2027 Notes was 8.9 million, based upon the initial conversion price.

Operating and Capital Expenditure Requirements

We expect to continue to incur losses in future periods as we continue to devote our resources to the research, development, manufacturing development, regulatory approval and/or commercialization of our products and services.

Disciplined capital allocation continues to be a priority; however, we expect that we will continue to expend substantial resources for the foreseeable future to support the growth of the aesthetics portfolio in addition to preparing for the Company's potential entry into therapeutics with DAXXIFY® for the treatment of cervical dystonia and supporting our ongoing operations. In particular, we anticipate our expenses will increase in the near term as we expand our commercial sales team in the United States and invest resources in our sales and marketing strategy; the manufacturing and supply of DAXXIFY® for commercialization; and seek approval of and prepare to commercialize DAXXIFY® for the treatment of cervical dystonia. In addition, we expect to continue to make capital outlays in connection with our partnerships and Services business. In connection with the Teoxane Agreement, we must continue to make specified annual minimum purchases of the RHA® Collection of dermal fillers and meet annual minimum investments in connection with the commercialization of the RHA® Collection of dermal fillers. In addition, we have dedicated manufacturing capacity, buyback obligations, cost sharing arrangements and related minimum purchase obligations under our manufacturing and supply agreements in connection with the manufacture and supply of DAXXIFY® and any product candidate. We also anticipate expending resources to continue to support the onabotulinumtoxinA biosimilar and Fosun partnerships. Further, to grow the Services business, we plan to continue to develop OPUL® and other services that meet the needs of our customers. In the long term, in addition to the aforementioned expenditures, we anticipate our expenditures will include clinical programs for DAXXIFY® in other potential indications and international regulatory investments.

To date, we have funded our operations primarily through the sale of common stock, convertible senior notes, payments received from collaboration arrangements, sales of our Products and, in March 2022, we received proceeds from the First Tranche. On or before August 31, 2023, the Company expects to issue to the purchasers under the Note Purchase Agreement notes in an aggregate principal amount of $50.0 million, provided certain conditions are met; and, we have an established ATM program. We believe that our existing capital resources along with our ability to draw on the Second Tranche, will be sufficient to fund the operating plan through at least the next 12 months following the issuance of this Report.

However, we may need to raise substantial additional financing in the future to fund our operations. In addition, our estimates regarding the amounts necessary to accomplish our business objectives may be inaccurate, other unanticipated costs may arise and our operating plan may change as a result of many factors currently unknown to us, and we may need to seek

additional capital sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe that we have sufficient funds for our current or future operating plans.

Please read Part II, Item 1A. "Risk Factors —We will require substantial additional financing to continue to operate our business and achieve our goals, in our FY2022 10-K for additional information.

Critical Accounting Policies and Estimates

For the six months ended June 30, 2023, there have been no material changes in our critical accounting policies compared to those disclosed in Item 7 in our FY2022 10-K.

Contractual Obligations

There were no material changes outside of the ordinary course of business in our contractual obligations as of June 30, 2023, from those as of December 31, 2022 as reported in our FY2022 10-K.

Recent Accounting Pronouncements

Refer to "Recent Accounting Pronouncements" in Part I, Item 1, "Financial Information—Notes to Condensed Consolidated Financial Statements (Unaudited)—Note 1—The Company and Summary of Significant Accounting Policies" in this Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates. We do not hold or issue financial instruments for trading purposes. For the six months ended June 30, 2023, our exposure to market risk did not change materially from what was disclosed in Item 7A in our FY2022 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Report. The term "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of the end of the period covered by this Report, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

For the three months ended June 30, 2023, there were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are currently involved in litigation relating to claims arising out of our operations and may be involved in such litigation in the future. Such matters are subject to uncertainty and there can be no assurance that such legal proceedings will not have a material adverse effect on our business, results of operations, financial position or cash flows.

In October 2021, Allergan filed a complaint against us and ABPS, one of our manufacturing sources of DAXXIFY®, in the U.S. District Court for the District of Delaware, alleging infringement of the following patents assigned and/or licensed to Allergan: U.S. Patent Nos. 11,033,625; 7,354,740; 8,409,828; 11,124,786; and 7,332,567. Allergan claims that our formulation for DAXXIFY® and ABPS's manufacturing process used to produce DAXXIFY® infringes its patents. Allergan also asserted a patent with claims related to a substrate for use in a botulinum toxin detection assay. On November 3, 2021, we filed a motion to dismiss. On November 24, 2021, Allergan filed an amended complaint against us and ABPS, alleging infringement of an additional patent assigned and/or licensed to Allergan: U.S. Patent No. 11,147,878. On December 17, 2021, we filed a second motion to dismiss, and on January 14, 2022, Allergan filed an opposition to that motion. We filed a reply to Allergan's opposition on January 21, 2022, and on August 19, 2022, the court denied our second motion to dismiss. On September 2, 2022, we filed an answer and counterclaims to Allergan's amended complaint. On December 30, 2022, Allergan filed a second amended complaint against us and ABPS, alleging infringement of three additional patents assigned and/or licensed to Allergan: U.S. Patent Nos. 11,203,748; 11,326,155; and 11,285,216. On January 20, 2023, we filed an answer and counterclaims to Allergan's second amended complaint. On March 3, 2023, we filed invalidity contentions, which challenge Allergan's asserted patents. A Markman hearing was held on June 28, 2023, and we await the court's decision on claim construction.

On December 10, 2021, a putative securities class action complaint was filed against the Company and certain of its officers on behalf of a class of stockholders who acquired the Company's securities from November 25, 2019 to October 11, 2021, in the U.S. District Court for the Northern District of California. The complaint alleges that the Company and certain of its officers violated Sections 10(b) and 20(a) of Exchange Act by making false and misleading statements regarding the manufacturing of DAXXIFY® and the timing and likelihood of regulatory approval and seeks unspecified monetary damages on behalf of the putative class and an award of costs and expenses, including reasonable attorneys' fees. The court appointed the lead plaintiff and lead counsel on September 7, 2022. The lead plaintiff filed an amended complaint on November 7, 2022. On January 23, 2023, we filed a motion to dismiss. On March 8, 2023, the lead plaintiff filed an opposition to our motion to dismiss. On April 7, 2023, we filed a reply in support of our motion to dismiss. A hearing on our motion to dismiss is scheduled for August 10, 2023, but we cannot be certain of whether that motion to dismiss will be granted.

We dispute the claims in these lawsuits and intend to defend these matters vigorously. These lawsuits are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors. The outcomes of the lawsuits are necessarily uncertain. We could be forced to expend significant resources in the defense of either lawsuit, and we may not prevail. In addition, we may incur substantial legal fees and costs in connection with each lawsuit.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully read and consider the risks we describe in Part I, Item IA of our FY2022 10-K and Quarterly Report on Form 10-Q for the period ended March 31, 2023, as well as all other information included in this Report, including our consolidated financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before you decide to purchase shares of our common stock. If any of the following risks actually occurs, our business, prospects, financial condition and operating results could be materially harmed. As a result, the trading price of our common stock could decline and you could lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations and stock price.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

The adoption or termination of contracts, instructions or written plans for the purchase or sale of our securities by our Section 16 officers and directors for the three months ended June 30, 2023, each of which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act, were as follows:

Name and Title	Action	Date	Total Shares to be Sold	Expiration Date
Dwight Moxie, Senior Vice President, General Counsel and Corporate Secretary	Adopt	6/5/2023	34,853	12/5/2023

During the three months ended June 30, 2023, none of our Section 16 officers or directors terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement.

First Amendment to Note Purchase Agreement

On August 8, 2023, the Company, HintMD and Athyrium entered into the First Amendment (the "First Amendment") to the existing Note Purchase Agreement dated March 18, 2022, previously filed with the Securities and Exchange Commission as Exhibit 10.4 to a Quarterly Report on From 10-Q for the period ended March 31, 2022. Pursuant to the First Amendment, the Second Tranche commitment was reduced from $100.0 million to $50.0 million, and the uncommitted Third Tranche was increased from $100.0 million to $150.0 million. On or before August 31, 2023, the Company expects to issue to the purchasers under the Note Purchase Agreement notes in an aggregate principal amount of $50.0 million, provided certain conditions are met. The notes to be issued pursuant to the Second Tranche will bear interest at an annual fixed interest rate equal to 8.50%.

The First Amendment eliminated the applicability of the Amortization Trigger to the amortization of the Second Tranche and provided for a principal amortization payment schedule for the Second Tranche. Pursuant to the First Amendment, the Company is required to repay Athyrium the outstanding principal amount of the Second Tranche notes in installments on the last business day of each March, June, September and December (commencing in September 2024), in each case, based on the following principal amortization payment schedule: 2.5% in September and December 2024; 5.0% in March and June 2025; 7.5% in September and December 2025; and 10.0% in March and June 2026; followed by repayment of the Second Tranche in full on September 18, 2026. See "—Liquidity and Capital Resources—First Amendment to Note Purchase Agreement" for additional information. Except as explicitly amended, all of the terms and conditions of the Note Purchase Agreement remain in full force and effect. The foregoing description of the First Amendment is only a summary and does not purport to be complete and is qualified in its entirety by reference to the full text of such amendment, which will be filed as an exhibit to the Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2023.

ITEM 6. EXHIBITS

The following exhibits are included herein or incorporated herein by reference:

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filling Date	
3.1	Amended and Restated Certificate of Incorporation	8-K	001-36297	3.1	February 11, 2014	—
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation	8-K	001-36297	3.1	May 7, 2021	—
3.3	Amended and Restated Bylaws	8-K	001-36297	3.1	December 22, 2021	—
4.1	Form of Common Stock Certificate	S-1/A	333-193154	4.4	February 3, 2014	—
4.2	Indenture, dated as of February 14, 2020, by and between Revance Therapeutics, Inc. and U.S. Bank National Association, as Trustee	8-K	001-36297	4.1	February 14, 2020	—
4.3	Form of Global Note, representing Revance Therapeutics, Inc.'s 1.75% Convertible Senior Notes due 2027 (included as Exhibit A to the Indenture filed as Exhibit 4.2)	8-K	001-36297	4.2	February 14, 2020	—
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) promulgated under the Exchange Act	—	—	—	—	X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) promulgated under the Exchange Act	—	—	—	—	X
32.1†	Certification of the Principal Executive Officer pursuant to18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	X
32.2†	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	—	—	—	—	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	—	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	—	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	—	X
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document	—	—	—	—	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	—	X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibits 101)	—	—	—	—	X

† The certifications attached as Exhibit 32.1 and 32.2 that accompany this Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, and shall not be deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Exchange Act. Such certifications shall not be deemed incorporated by reference into any filing of Revance Therapeutics, Inc. under the Securities Act, or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

REVANCE THERAPEUTICS, INC.

Date: August 8, 2023

By: /s/ Mark J. Foley

Mark J. Foley
Chief Executive Officer
(Duly Authorized Principal Executive Officer)

By: /s/ Tobin C. Schilke

Tobin C. Schilke
Chief Financial Officer
(Duly Authorized Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATIONS

I, Mark J. Foley, certify that:

1. I have reviewed this Form 10-Q of Revance Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

/s/ Mark J. Foley

Mark J. Foley
Chief Executive Officer
(Duly Authorized Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Tobin C. Schilke, certify that:

1. I have reviewed this Form 10-Q of Revance Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023

/s/ Tobin C. Schilke

Tobin C. Schilke

Chief Financial Officer

(Duly Authorized Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Mark J. Foley, Chief Executive Officer of Revance Therapeutics, Inc. (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2023 (the "Periodic Report"), to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 8, 2023

In Witness Whereof, the undersigned has set his hands hereto as of the 8th day of August, 2023.

/s/ Mark J. Foley
Mark J. Foley
Chief Executive Officer
(Duly Authorized Principal Executive Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Revance Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Tobin C. Schilke, Chief Financial Officer of Revance Therapeutics, Inc. (the "Company"), hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2023 (the "Periodic Report"), to which this Certification is attached as Exhibit 32.2, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 8, 2023

In Witness Whereof, the undersigned has set his hands hereto as of the 8th day of August, 2023.

/s/ Tobin C. Schilke

Tobin C. Schilke

Chief Financial Officer

(Duly Authorized Principal Financial Officer and Principal Accounting Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Revance Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.