

**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 September 30, 2022

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

(State or other jurisdiction of
incorporation or organization)

77-0551645

(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which register</u>
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, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>		

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 provide 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 October 31, 2022: 82,273,582

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[Signatures](#)

Revance[®], the Revance logos, DAXXIFY[™], OPUL[®], and other trademarks or service marks of Revance Therapeutics, Inc. appearing in this Quarterly Report on Form 10-Q (this "Report") are the property of Revance Therapeutics, Inc. 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.

Unless expressly indicated or the context requires otherwise, the terms "Revance," "Company," "we," "us," and "our," in this document refer to Revance Therapeutics, Inc., a Delaware corporation, and, where appropriate, its wholly owned subsidiaries.

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)

	September 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 104,491	\$ 110,623
Short-term investments	274,136	114,448
Accounts receivable, net	11,732	3,348
Inventories	17,178	10,154
Prepaid expenses and other current assets	8,057	7,544
Total current assets	415,594	246,117
Property and equipment, net	22,677	24,661
Goodwill	146,964	146,964
Intangible assets, net	42,866	55,334
Operating lease right-of-use assets	40,522	44,340
Finance lease right-of-use asset	10,021	—
Restricted cash	5,921	5,046
Other non-current assets	27,026	8,701
TOTAL ASSETS	\$ 711,591	\$ 531,163
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 744	\$ 10,603
Accruals and other current liabilities	48,007	39,558
Deferred revenue, current	12,481	9,362
Finance lease liability, current	9,396	—
Operating lease liabilities, current	4,104	4,746
Derivative liability	—	3,020
Total current liabilities	74,732	67,289
Debt, non-current	378,889	280,635
Deferred revenue, non-current	75,254	74,152
Operating lease liabilities, non-current	35,518	39,131
Other non-current liabilities	1,485	1,485
TOTAL LIABILITIES	565,878	462,692
Commitments and Contingencies (Note 11)		
STOCKHOLDERS' EQUITY		
Convertible preferred stock, par value \$0.001 per share — 5,000,000 shares authorized, and no shares issued and outstanding as of September 30, 2022 and December 31, 2021	—	—
Common stock, par value \$0.001 per share — 190,000,000 shares authorized both as of September 30, 2022 and December 31, 2021; 82,286,868 and 71,584,057 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	82	72
Additional paid-in capital	1,754,513	1,466,369
Accumulated other comprehensive loss	(460)	(18)
Accumulated deficit	(1,608,422)	(1,397,952)
TOTAL STOCKHOLDERS' EQUITY	145,713	68,471
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 711,591	\$ 531,163

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue:				
Product revenue	\$ 26,081	\$ 18,296	\$ 72,401	\$ 46,982
Collaboration revenue	970	1,129	6,197	4,034
Service revenue	1,964	320	4,046	832
Total revenue	29,015	19,745	82,644	51,848
Operating expenses:				
Cost of product revenue (exclusive of amortization)	8,681	5,827	24,130	15,453
Cost of service revenue (exclusive of amortization)	2,055	59	4,022	76
Selling, general and administrative	65,775	52,782	158,697	152,385
Research and development	26,103	30,095	81,745	86,787
Amortization	3,885	3,705	11,597	10,219
Total operating expenses	106,499	92,468	280,191	264,920
Loss from operations	(77,484)	(72,723)	(197,547)	(213,072)
Interest income	1,165	84	1,860	266
Interest expense	(6,917)	(1,571)	(12,722)	(4,700)
Changes in fair value of derivative liability	(875)	(20)	(980)	(98)
Other income (expense), net	118	(146)	(381)	(608)
Loss before income taxes	(83,993)	(74,376)	(209,770)	(218,212)
Income tax provision	(700)	—	(700)	—
Net loss	(84,693)	(74,376)	(210,470)	(218,212)
Unrealized loss	(74)	(1)	(442)	(3)
Comprehensive loss	\$ (84,767)	\$ (74,377)	\$ (210,912)	\$ (218,215)
Basic and diluted net loss	\$ (84,693)	\$ (74,376)	\$ (210,470)	\$ (218,212)
Basic and diluted net loss per share	\$ (1.17)	\$ (1.10)	\$ (3.00)	\$ (3.24)
Basic and diluted weighted-average number of shares used in computing net loss per share	72,208,285	67,782,033	70,215,148	67,297,954

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

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Convertible Preferred Stock	—	\$ —	—	\$ —	—	\$ —	—	\$ —
Common Stock								
Balance — Beginning of period	73,123,363	73	71,798,624	72	71,584,057	72	69,178,666	69
Issuance of common stock in connection with follow-on offering	9,200,000	9	—	—	9,200,000	9	—	—
Issuance of common stock in connection with at-the-market offerings	—	—	—	—	1,734,853	1	761,526	1
Issuance of common stock relating to employee stock purchase plan	—	—	—	—	171,824	—	91,562	—
Issuance of common stock upon exercise of stock options	91,743	—	41,900	—	122,377	—	921,376	1
Issuance of restricted stock awards and performance stock awards, net of cancellation	(44,752)	—	99,965	—	(257,611)	—	1,136,221	1
Shares withheld related to net settlement of restricted stock awards	(83,486)	—	(101,712)	—	(268,632)	—	(250,574)	—
Balance — End of period	82,286,868	82	71,838,777	72	82,286,868	82	71,838,777	72
Additional Paid-In Capital								
Balance — Beginning of period	—	1,521,411	—	1,446,643	—	1,466,369	—	1,500,514
Issuance of common stock in connection with follow-on offering, net of underwriting discounts, commissions, and offering costs	—	215,921	—	—	—	215,921	—	—
Issuance of common stock in connection with at-the-market offerings, net of issuance costs	—	(31)	—	(70)	—	31,554	—	21,553
Issuance of common stock relating to employee stock purchase plan	—	—	—	—	—	2,018	—	2,206
Issuance of common stock upon exercise of stock options	—	512	—	314	—	621	—	12,823
Issuance of restricted stock awards and performance stock awards, net of cancellation	—	—	—	—	—	—	—	(1)
Shares withheld related to net settlement of restricted stock awards	—	(1,853)	—	(2,694)	—	(4,613)	—	(6,944)
Stock-based compensation	—	18,553	—	10,754	—	42,295	—	33,305
Other	—	—	—	—	—	348	—	—
Cumulative-effect adjustment from adoption of ASU 2020-06	—	—	—	—	—	—	—	(108,509)
Balance — End of period	—	\$ 1,754,513	—	\$ 1,454,947	—	\$ 1,754,513	—	\$ 1,454,947

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

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Other Accumulated Comprehensive Loss								
Balance — Beginning of period	—	(386)	—	(2)	—	(18)	—	—
Unrealized loss	—	(74)	—	(1)	—	(442)	—	(3)
Balance — End of period	—	(460)	—	(3)	—	(460)	—	(3)
Accumulated Deficit								
Balance — Beginning of period	—	(1,523,729)	—	(1,260,478)	—	(1,397,952)	—	(1,126,293)
Net loss	—	(84,693)	—	(74,376)	—	(210,470)	—	(218,212)
Cumulative-effect adjustment from adoption of ASU 2020-06	—	—	—	—	—	—	—	9,651
Balance — End of period	—	(1,608,422)	—	(1,334,854)	—	(1,608,422)	—	(1,334,854)
Total Stockholders' Equity	82,286,868	\$ 145,713	71,838,777	\$ 120,162	82,286,868	\$ 145,713	71,838,777	\$ 120,162

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)

	Nine Months Ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (210,470)	\$ (218,212)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	41,613	32,513
Depreciation and amortization	16,266	14,434
Amortization of finance lease right-of-use asset	4,502	—
Amortization of debt discount and debt issuance costs	1,373	935
Amortization of discount on investments	(399)	(16)
Other non-cash operating activities	1,265	140
Changes in operating assets and liabilities:		
Accounts receivable	(8,384)	171
Inventories	(6,606)	(4,316)
Prepaid expenses and other current assets	(947)	5,141
Lease right-of-use assets	(10,705)	(15,901)
Other non-current assets	(297)	(7,537)
Accounts payable	(9,711)	(4,578)
Accruals and other liabilities	3,928	5,784
Deferred revenue	4,222	(447)
Lease liabilities	10,984	13,712
Other non-current liabilities	—	1,250
Net cash used in operating activities	(163,366)	(176,927)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(321,199)	(178,588)
Finance lease prepayments	(17,820)	(7,700)
Purchases of property and equipment	(1,922)	(6,018)
Proceeds from maturities of investments	161,183	135,000
Net cash used in investing activities	(179,758)	(57,306)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock in connection with follow-on offering, net of discounts and commissions	216,200	—
Proceeds from issuance of notes payable, net of debt discount	98,150	—
Proceeds from issuance of common stock in connection with at-the-market offerings, net of commissions	31,814	21,706
Proceeds from the exercise of stock options and employee stock purchase plan	2,639	15,029
Principal payments on finance lease obligations	(5,000)	—
Taxes paid related to net settlement of restricted stock awards	(4,613)	(6,944)
Payment of debt issuance costs and offering costs	(1,671)	(327)
Other financing activities	348	—
Net cash provided by financing activities	337,867	29,464
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(5,257)	(204,769)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — Beginning of period	115,669	337,003
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH — End of period	\$ 110,412	\$ 132,234
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:		
Accrued debt issuance costs and offering costs	\$ 749	\$ —
Capitalized stock-based compensation	\$ 682	\$ 792
Property and equipment purchases included in accounts payable and accruals	\$ 342	\$ 1,206

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

The Company

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 SA ("Teoxane") and OPUL®, a relational commerce platform for aesthetic practices. Revance has also partnered with Viatris Inc. to develop a biosimilar to BOTOX®, 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.

Since inception, we have devoted substantial efforts to identifying and developing product candidates for the aesthetic and therapeutic pharmaceutical markets, recruiting personnel, raising capital, conducting preclinical and clinical development of, and manufacturing development for DAXXIFY™, DaxibotulinumtoxinA Topical, the onabotulinumtoxinA biosimilar, obtaining regulatory approval of DAXXIFY™ and the commercial launch of our products and services. As a result, we have incurred net losses and net cash outflows from operations. For the three and nine months ended September 30, 2022, we had a net loss of \$84.7 million and \$210.5 million, respectively. As of September 30, 2022, we had a working capital surplus of \$340.9 million and an accumulated deficit of \$1.6 billion. In recent years, we have funded our operations primarily through the sale of common stock, convertible senior notes, payments received from collaboration arrangements, sales of the RHA® Collection of dermal fillers and, in March 2022, we received the proceeds from notes issued in an aggregate principal amount of \$100.0 million pursuant to the Note Purchase Agreement (defined in [Note 8](#)). As of September 30, 2022, we had capital resources of \$378.6 million consisting of cash, cash equivalents, short-term investments. Since the FDA approval of DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines in September 2022, we are eligible to draw on the Second Tranche (defined in [Note 8](#)) of \$100.0 million in full under the Note Purchase Agreement provided certain conditions are met. We may also sell up to \$150.0 million of our common stock under the 2022 ATM Agreement (defined in [Note 9](#)). Based on our updated evaluation of our ability to continue as a going concern, we have concluded that the factors which previously raised substantial doubt about our ability to continue as a going concern no longer exist as of the issuance date of this Report. We believe that our existing capital resources will be sufficient to fund the operating plan through at least the next 12 months following the issuance of this Report.

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 condensed consolidated balance sheet for the year ended December 31, 2021 was derived from audited consolidated financial statements, but does not include all disclosures required by U.S. generally accepted accounting principles ("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, 2021, or any other future period. Our condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission (the "SEC"), on February 28, 2022.

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)****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.

The full extent of the impact of the COVID-19 pandemic on our future operational and financial performance will depend on future developments that are highly uncertain, including variant strains of the virus and the degree of their vaccine resistance and as a result of new information that may emerge concerning COVID-19, the actions taken to contain or treat it, and the duration and intensity of the related effects. The ongoing COVID-19 pandemic has and may continue to negatively affect global economic activity, the regulatory approval process for our product candidates, our supply chain, research and development activities, end user demand for our products and services and commercialization activities. For example, the timing of the FDA's inspection of our manufacturing facility as a part of the regulatory approval process for DAXXIFY™ was delayed due to the FDA's travel restrictions associated with the COVID-19 pandemic. We cannot be certain of the continued impact of the COVID-19 pandemic on the timing of the regulatory approval process for DAXXIFY™ in indications other than glabellar lines or on any supplemental biologics license applications (each, a "BLA") or post-approval supplements we may file.

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.

REVANCE THERAPEUTICS, INC.**Notes to Condensed Consolidated Financial Statements — (Continued)****(Unaudited)****Inventory**

Inventories consist of raw materials, work in process, and finished goods held for sale to customers. Cost is determined using the first-in-first-out (FIFO) method. Inventory costs include raw materials, labor, quality control, and overhead associated with the cost of production. Inventory valuation reserves are established based on a number of factors including, but not limited to, inventory not conforming to product specifications, product excess and obsolescence, or application of the lower of cost or net realizable value concepts. The determination of events requiring the establishment of inventory valuation reserves, together with the calculation of the amount of such reserves, may require judgment. No inventory valuation reserves have been recorded for any periods presented.

Products manufactured at a third-party contract manufacturer site prior to that site's regulatory approval may be capitalized as inventory when the future economic benefit is deemed highly probable. A number of factors are considered in determining probability, including the historical experience of achieving regulatory approvals for the manufacturing process, the progress along the approval process, the shelf life of the product, and any other impediments identified. If the criteria for capitalizing inventory are not met, the pre-approval manufacturing costs of products are recognized as research and development expense in the period incurred. No inventories from any third-party contract manufacturer have been recognized for any periods presented.

Leases

We account for a contract as a lease when it has an identified asset that is physically distinct and we have the right to control the asset for a period of time while obtaining substantially all of the asset's economic benefits. We determine if an arrangement is a lease or contains a lease at inception. For arrangements that meet the definition of a lease, we determine the initial classification and measurement of our right-of-use asset and lease liability at the lease commencement date and thereafter if modified. We do not recognize right-of-use assets or lease liabilities for those leases that qualify as a short-term lease.

The lease term includes any renewal options that we are reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, we use our estimated secured incremental borrowing rate for that lease term.

For our real estate operating leases, rent expense is recognized on a straight-line basis over the reasonably assured lease term based on the total lease payments and is included in operating expenses in the condensed consolidated statements of operations and comprehensive loss. In addition to rent, the real estate operating leases may require us to pay additional amounts for variable lease costs which includes taxes, insurance, maintenance, and other expenses, and the variable lease costs are generally referred to as non-lease components. For real estate operating leases, we account for lease and non-lease components separately.

For a finance lease for a manufacturing fill-and-finish line, interest expense from fixed payments on finance lease is recognized using the effective interest method. Finance lease right-of-use asset amortization is recorded within research and development expense on the condensed consolidated statements of operations and comprehensive loss, and finance lease liability interest expense is recorded in the interest expense on the condensed consolidated statements of operations and comprehensive loss. For our manufacturing fill-and-finish line asset group, we have elected to apply the practical expedient and account for the lease and non-lease components as a single lease component. Variable lease costs related to finance leases are expensed as research and development expense as incurred.

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.

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)
2. Revenue

Our revenue is primarily generated from U.S. customers. Our product and collaboration revenue is generated from the Product Segment, and our service revenue is generated from the Service Segment ([Note 12](#)). The following tables present our revenue disaggregated by the timing of transfer of goods or services:

(in thousands)	Three Months Ended September 30, 2022				Nine Months Ended September 30, 2022			
	Product Revenue	Collaboration Revenue	Service Revenue	Total	Product Revenue	Collaboration Revenue	Service Revenue	Total
Timing of revenue recognition:								
Transferred at a point in time	\$ 26,081	\$ —	\$ 121	\$ 26,202	\$ 72,401	\$ —	\$ 360	\$ 72,761
Transferred over time	—	970	1,843	2,813	—	6,197	3,686	9,883
Total	<u>\$ 26,081</u>	<u>\$ 970</u>	<u>\$ 1,964</u>	<u>\$ 29,015</u>	<u>\$ 72,401</u>	<u>\$ 6,197</u>	<u>\$ 4,046</u>	<u>\$ 82,644</u>

(in thousands)	Three Months Ended September 30, 2021				Nine Months Ended September, 2021			
	Product Revenue	Collaboration Revenue	Service Revenue	Total	Product Revenue	Collaboration Revenue	Service Revenue	Total
Timing of revenue recognition:								
Transferred at a point in time	\$ 18,296	\$ —	\$ 166	\$ 18,462	\$ 46,982	\$ —	\$ 379	\$ 47,361
Transferred over time	—	1,129	154	1,283	—	4,034	453	4,487
Total	<u>\$ 18,296</u>	<u>\$ 1,129</u>	<u>\$ 320</u>	<u>\$ 19,745</u>	<u>\$ 46,982</u>	<u>\$ 4,034</u>	<u>\$ 832</u>	<u>\$ 51,848</u>

Product Revenue

For the three and nine months ended September 30, 2022 and 2021, product revenue was generated from the sale of the RHA® Collection of dermal fillers.

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

(in thousands)	September 30, 2022	December 31, 2021
Receivables:		
Accounts receivable, net	\$ 5,341	\$ 3,297
Total accounts receivable, net	<u>\$ 5,341</u>	<u>\$ 3,297</u>
Contract liabilities:		
Deferred revenue, current	\$ 2,491	\$ 1,331
Total contract liabilities	<u>\$ 2,491</u>	<u>\$ 1,331</u>

Collaboration Revenue
Viatri Collaboration and License Agreement
Agreement Terms

We entered into a collaboration and license agreement with Viatri (the “Viatri Collaboration”) in February 2018, pursuant to which we are collaborating with Viatri exclusively, on a world-wide basis (excluding Japan), to develop, manufacture, and commercialize an onabotulinumtoxinA biosimilar.

REVANCE THERAPEUTICS, INC.**Notes to Condensed Consolidated Financial Statements — (Continued)****(Unaudited)**

Viartis has paid us an aggregate of \$60 million in non-refundable upfront and milestone fees as of September 30, 2022, 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, Viartis 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. Viartis 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 re-evaluate the transaction price at each reporting period. We estimated the transaction price for the Viartis Collaboration using the most likely amount method. 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 Viartis. Other than the upfront payment, all other milestones and consideration we may earn under the Viartis Collaboration are subject to uncertainties related to development achievements, Viartis' 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. 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 Viartis Collaboration. As of September 30, 2022, the transaction price allocated to the unfulfilled performance obligations was \$92.6 million.

We recognize revenue and estimate deferred revenue based on the cost of development services 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.

For the three and nine months ended September 30, 2022, we recognized revenue related to development services of \$1.0 million and \$6.2 million, respectively. For the three and nine months ended September 30, 2021, we recognized revenue related to development services of \$1.1 million and \$4.0 million, respectively.

*Fosun License Agreement**Agreement Terms*

In December 2018, we entered into a license agreement (the "Fosun License Agreement") with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd ("Fosun"), whereby we granted Fosun the exclusive rights to develop and commercialize DAXXIFY™ in mainland China, Hong Kong and Macau (the "Fosun Territory") and certain sublicense rights.

As of September 30, 2022, Fosun has paid us non-refundable upfront and other payments totaling \$31.0 million before foreign withholding taxes. In accordance with the Fosun License Agreement, we are eligible to receive a milestone payment \$7.0 million before foreign withholding taxes upon the FDA approval of the BLA of DAXXIFY™, which was approved in September 2022. We recorded this milestone payment in "accounts receivable, net" on the condensed consolidated balance sheets as of September 30, 2022, and the payment was received in November 2022. We are also eligible to receive (i) additional remaining contingent payments of up to \$222.5 million upon the achievement of certain milestones based on the first calendar year net sales, 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.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

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 September 30, 2022, the transaction price allocated to unfulfilled performance obligation was \$38.0 million.

For the three and nine months ended September 30, 2022 and 2021, no revenue was recognized from the Fosun License Agreement.

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

(in thousands)	September 30, 2022	December 31, 2021
Receivables:		
Accounts receivable, net — Fosun	\$ 6,300	\$ —
Total accounts receivable, net	<u>\$ 6,300</u>	<u>\$ —</u>
Contract liabilities:		
Deferred revenue, current — Viatris	\$ 9,930	\$ 7,927
Total contract liabilities, current	<u>\$ 9,930</u>	<u>\$ 7,927</u>
Deferred revenue, non-current — Viatris	\$ 37,259	\$ 43,157
Deferred revenue, non-current — Fosun	37,995	30,995
Total contract liabilities, non-current	<u>\$ 75,254</u>	<u>\$ 74,152</u>

Changes in our contract liabilities from contracts with our collaboration revenue customers for the nine months ended September 30, 2022 are as follows:

	(in thousands)
Balance on January 1, 2022	\$ 82,079
Revenue recognized	6,197
Billings and adjustments, net	(3,092)
Balance on September 30, 2022	<u>\$ 85,184</u>

Service Revenue

We offer customer payment processing and certain value-added services to aesthetic practices through the HintMD Platform, the legacy fintech platform, and OPUL[®], the next-generation relational commerce platform (together with the HintMD Platform, the “Fintech Platform”). Generally, revenue related to the HintMD Platform payment processing service is recognized at a point in time and revenue related to the OPUL[®] payment processing service is recognized over time. For the Fintech Platform, revenue related to the value-added services component is recognized over time.

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)

Receivables and contract liabilities from contracts with our service customers are as follows:

(in thousands)	September 30, 2022	December 31, 2021
Accounts receivable, net	\$ 91	\$ 51
Total accounts receivable, net	<u>\$ 91</u>	<u>\$ 51</u>
Contract liabilities:		
Deferred revenue, current	\$ 60	\$ 104
Total contract liabilities, current	<u>\$ 60</u>	<u>\$ 104</u>

3. Cash Equivalents and Short-Term Investments

The following table is a summary of our cash equivalents and short-term investments:

in thousands	September 30, 2022				December 31, 2021		
	Cost	Gains	Losses	Fair Value	Cost	Losses	Fair Value
U.S. treasury securities	\$ 134,772	\$ 1	\$ (187)	\$ 134,586	\$ —	\$ —	\$ —
Commercial paper	92,616	—	—	92,616	87,964	—	87,964
Corporate bonds	60,621	—	(265)	60,356	26,502	(18)	26,484
Money market funds	43,883	—	—	43,883	90,355	—	90,355
U.S. government agency obligations	29,806	—	—	29,806	—	—	—
Yankee debt securities	3,024	—	(9)	3,015	—	—	—
Total cash equivalents and available-for-sale securities	<u>\$ 364,722</u>	<u>\$ 1</u>	<u>\$ (461)</u>	<u>\$ 364,262</u>	<u>\$ 204,821</u>	<u>\$ (18)</u>	<u>\$ 204,803</u>
Classified as:							
Cash equivalents				\$ 90,126			\$ 90,355
Short-term investments				<u>274,136</u>			<u>114,448</u>
Total cash equivalents and available-for-sale securities				<u>\$ 364,262</u>			<u>\$ 204,803</u>

As of September 30, 2022 and December 31, 2021, we have no other-than-temporary impairments on our available-for-sale securities, and the contractual maturities of the available-for-sale securities are less than one-year.

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:

(in thousands, except for in years)	September 30, 2022				December 31, 2021			
	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	1.7	\$ 32,334	\$ (18,861)	\$ 13,473	2.4	\$ 32,334	\$ (12,799)	\$ 19,535
Developed technology	4.1	35,800	(11,128)	24,672	4.9	35,800	(6,653)	29,147
Customer relationships	1.8	10,300	(5,579)	4,721	2.6	10,300	(3,648)	6,652
Total intangible assets		<u>\$ 78,434</u>	<u>\$ (35,568)</u>	<u>\$ 42,866</u>		<u>\$ 78,434</u>	<u>\$ (23,100)</u>	<u>\$ 55,334</u>

Aggregate amortization expense for the intangible assets presented in the condensed consolidated statements of operations and comprehensive loss are summarized as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Amortization ⁽¹⁾	\$ 3,513	\$ 3,512	\$ 10,538	\$ 9,862
Selling, general and administrative	644	653	1,931	1,990
Total amortization expense	<u>\$ 4,157</u>	<u>\$ 4,165</u>	<u>\$ 12,469</u>	<u>\$ 11,852</u>

(1) The amortization expense related to Distribution rights and Developed technology was recorded to amortization in the condensed consolidated statement of operations and comprehensive loss.

Based on the amount of intangible assets as of September 30, 2022, the expected amortization expense for each of the next five fiscal years was as follows:

<u>Year Ending December 31,</u>	<u>(in thousands)</u>
2022 remaining three months	\$ 4,157
2023	16,625
2024	10,837
2025	5,967
2026	4,606
2027	674
Total	<u>\$ 42,866</u>

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)

5. Inventories

Inventories consist of the following:

(in thousands)	September 30, 2022	December 31, 2021
Raw materials	\$ 57	\$ —
Work in process	2,356	—
Finished goods	14,765	10,154
Total inventories	<u>\$ 17,178</u>	<u>\$ 10,154</u>

6. Balance Sheet Components**Accruals and Other Current Liabilities**

Accruals and other current liabilities consist of the following:

(in thousands)	September 30, 2022	December 31, 2021
Compensation	\$ 23,333	\$ 22,761
Selling, general and administrative	9,539	5,688
Inventories	5,653	456
Research and development	5,295	5,152
Clinical trials	1,842	2,172
Other current liabilities	1,716	1,442
Interest expense	629	1,887
Total accruals and other current liabilities	<u>\$ 48,007</u>	<u>\$ 39,558</u>

Property and Equipment, net

Property and equipment, net consists of the following:

(in thousands)	September 30, 2022	December 31, 2021
Manufacturing and other equipment	\$ 21,774	\$ 20,277
Platform and computer software	13,736	11,671
Leasehold improvements	7,533	7,481
Computer equipment	3,506	3,558
Furniture and fixtures	1,677	1,893
Other construction in progress	1,503	3,110
Total property and equipment	<u>49,729</u>	<u>47,990</u>
Less: Accumulated depreciation and amortization	<u>(27,052)</u>	<u>(23,329)</u>
Total property and equipment, net	<u>\$ 22,677</u>	<u>\$ 24,661</u>

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)
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 7 years to 14 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, and in December 2020, we amended the Technology Transfer, Validation and Commercial Fill/Finish Services Agreement with Ajinomoto Althea, Inc. dba Aji Bio-Pharma Services, a contract development and manufacturing organization (“ABPS”) (as amended, the “ABPS Agreement”). The ABPS 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 (1) 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 (2) the right to direct the use of the fill-and-finish line through our purchase orders to ABPS. Under the ABPS 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. Each party has the right to terminate the ABPS 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.

In May 2022, we amended a statement of work under the ABPS 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 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.

The operating and finance lease costs are summarized as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Finance lease:				
Amortization of finance lease right-of-use asset	\$ 3,344	\$ —	\$ 4,502	\$ —
Variable lease cost - finance lease ⁽¹⁾	1,134	—	1,375	—
Interest on finance lease liability	348	—	2,607	—
Total finance lease costs	4,826	—	8,484	—
Operating leases:				
Operating lease cost	2,223	2,224	6,669	5,802
Variable lease cost - operating leases ⁽²⁾	423	385	1,288	1,016
Total operating lease costs	2,646	2,609	7,957	6,818
Total lease cost	\$ 7,472	\$ 2,609	\$ 16,441	\$ 6,818

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

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

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)

As of September 30, 2022, maturities of our lease liabilities are as follows:

(in thousands)	Finance Lease	Operating Leases	Total
Year Ending December 31,			
2022 remaining three months	\$ 8,523	\$ 1,218	\$ 9,741
2023	990	8,468	9,458
2024	—	8,723	8,723
2025	—	8,981	8,981
2026	—	9,242	9,242
2027 and thereafter	—	17,146	17,146
Total lease payments	9,513	53,778	63,291
Less imputed interest	(117)	(14,156)	(14,273)
Present value of lease payments	\$ 9,396	\$ 39,622	\$ 49,018

Our lease contracts do not provide a readily determinable implicit rates, as such, we used the estimated incremental borrowing based on the information available at the adoption or commencement dates. As of September 30, 2022, remaining lease terms and discount rates are as follows:

	Finance Leases	Operating Leases
Weighted-average remaining lease term (years)	2.3	7.8
Weighted-average discount rate	8.5 %	9.8 %

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

(in thousands)	Nine Months Ended September 30,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 6,259	\$ 7,956
Operating cash flows from finance leases	\$ 2,541	\$ —
Financing cash flows from finance leases	\$ 5,000	\$ —
Right-of-use assets obtained in exchange for lease liabilities		
Finance lease	\$ 14,523	\$ —
Operating leases	\$ —	\$ 18,855

Leases Not Yet Commenced

LSNE Agreement

In April 2021, we and Lyophilization Services of New England, Inc. (“LSNE”), a contract development and manufacturing services organization, entered into a commercial supply agreement (the “LSNE Agreement”) pursuant to which LSNE would serve as a non-exclusive manufacturer and supplier of our products (the “Products”). The initial term of the LSNE Agreement is dependent upon the date of regulatory submission for the manufacturing of the applicable Product and may be terminated by either party in accordance with the terms of the LSNE Agreement. The term of the LSNE Agreement may also be extended for one additional three-year term upon mutual agreement of the parties.

The LSNE Agreement may contain a lease related to a dedicated fill-and-finish line and closely related assets for the manufacturing of the Products 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 (1)

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

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 (2) the right to direct the use of the fill-and-finish line.

The embedded lease had not yet commenced as of September 30, 2022. 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 LSNE 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 LSNE Agreement. As of September 30, 2022, we have made prepayments of \$25.5 million to LSNE which is recorded within “other non-current assets” in the condensed consolidated balance sheets. Based on our best estimate as of September 30, 2022, our remaining commitment under the LSNE Agreement will be \$2.0 million for 2022, \$7.7 million for 2023, \$14.4 million for 2024, \$18.3 million for 2025, \$25.3 million for 2026, and \$164.0 million for 2027 and thereafter in aggregate.

Nashville Lease Expansion Premises

In November 2020, we entered into a non-cancelable operating lease for an office space in Nashville, Tennessee (the “Nashville Lease”), which 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 an additional 30,591 square feet (the “Expansion Premises”). The lease 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. 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.

8. Debt

The following table provides information regarding our debt:

(in thousands)	September 30, 2022	December 31, 2021
Convertible senior notes (the “2027 Notes”)	\$ 287,500	\$ 287,500
Less: Unamortized debt issuance costs	(5,909)	(6,865)
Carrying amount of the 2027 Notes	281,591	280,635
Notes payable	100,000	—
Less: Unamortized debt discount	(1,434)	—
Less: Unamortized debt issuance costs	(1,268)	—
Carrying amount of notes payable	97,298	—
Debt, non-current	\$ 378,889	\$ 280,635

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Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

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

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Contractual interest expense	\$ 3,454	\$ 1,258	\$ 8,425	\$ 3,773
Amortization of debt issuance costs	441	313	1,190	935
Amortization of debt discount	98	—	183	—
Total interest expense	\$ 3,993	\$ 1,571	\$ 9,798	\$ 4,708

Notes Payable

In March 2022, we entered into a note purchase agreement with Athyrium Buffalo LP (“Athyrium”), as administrative agent and Purchaser, and Hint, Inc., as a guarantor (the “Note Purchase Agreement”), pursuant to which the Purchasers (as defined therein) agreed to purchase from us, and we agreed to issue to such Purchasers, notes payable by us (the “Notes”). On March 18, 2022, we issued to the Purchasers Notes in an aggregate principal amount for all such Notes of \$100.0 million (the “First Tranche”). Subject to satisfaction of certain conditions set forth in the Note Purchase Agreement, including the FDA approval of DAXXIFY™, \$100.0 million in additional Notes (the “Second Tranche”) remains available to us under the Note Purchase Agreement until September 18, 2023. In addition, there is an uncommitted tranche of additional Notes in an aggregate amount of up to \$100.0 million (the “Third Tranche”) 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 Capital Management, L.P.

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.

Initially, the Notes bear interest at an annual fixed interest rate equal to 8.50%. If the Third Tranche of Notes becomes committed, the Notes will then bear interest at an annual rate equal to the sum of (a) 7.0% and (b) Adjusted Three-Month LIBOR 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 the Notes, commencing on the last business day of the calendar month following the funding date thereof, and continuing until the last business day of each March, June, September and December through September 18, 2026 (the “Maturity Date”). 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. Upon the occurrence of an Amortization Trigger (as defined in the Note Purchase Agreement), we are required to repay the principal of the Second Tranche and 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, 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 Effective Date and (ii) 2.0% of the amount prepaid if the prepayment occurs after the first anniversary of the Effective Date but on or prior to the second anniversary of the Effective Date. Upon prepayment or repayment of all or any portion of the principal amount of the Notes (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 (as defined in the Note Purchase Agreement) on a trailing twelve-months basis. The negative covenants include, among others, restrictions on our transferring collateral, incurring additional indebtedness, engaging in

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

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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 \$287.5 million aggregate principal amount of convertible senior notes that are due in 2027 (the “2027 Notes”) pursuant to an indenture, dated February 14, 2020, between us and U.S. Bank National Association, as trustee (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, beginning 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. A portion of the net proceeds from the 2027 Notes were used to purchase the capped call transactions described below and the remainder will be used to fund expenses associated with commercial launch activities for both the RHA® Collection of dermal fillers and DAXXIFY™, research and development, and other corporate activities.

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: (1) 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; (2) 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; (3) 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 (4) 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

REVANCE THERAPEUTICS, INC.**Notes to Condensed Consolidated Financial Statements — (Continued)****(Unaudited)**

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 one of the initial purchasers and another financial institution (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 September 30, 2022 and December 31, 2021, we had not purchased any shares under the capped call transactions.

9. Stockholders’ Equity and Stock-Based Compensation***2014 Equity Incentive Plan (the “2014 EIP”)***

On January 1, 2022, the number of shares of common stock reserved for issuance under the 2014 EIP increased by 2,863,362 shares. For the nine months ended September 30, 2022, 505,028 stock options, 42,413 restricted stock awards, and 2,912,530 restricted stock units, including 1,518,389 performance stock units, were granted under the 2014 EIP. As of September 30, 2022, 2,850,464 shares were available for issuance under the 2014 EIP.

2014 Inducement Plan (the “2014 IN”)

For the nine months ended September 30, 2022, no stock options or awards were granted under the 2014 IN. As of September 30, 2022, 739,103 shares were available for issuance under the 2014 IN.

HintMD Plan

For the nine months ended September 30, 2022, no stock options or awards were granted under the Hint, Inc. 2017 Equity Incentive Plan (the “HintMD Plan”). As of September 30, 2022, 74,920 shares were available for issuance under the HintMD Plan.

2014 Employee Stock Purchase Plan (the “2014 ESPP”)

On January 1, 2022, the number of shares of common stock reserved for issuance under the 2014 ESPP increased by 300,000 shares. As of September 30, 2022, 1,833,972 shares were available for issuance under the 2014 ESPP.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

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, which includes the vested restricted stock awards. 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, unvested restricted stock awards/units and performance stock awards/units, and shares of common stock expected to be purchased under 2014 ESPP 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:

	September 30,	
	2022	2021
Convertible senior notes	8,878,938	8,878,938
Outstanding stock options	4,957,025	4,898,630
Unvested restricted stock awards and performance stock awards	2,339,999	3,951,037
Unvested restricted stock units and performance stock units	2,690,816	—
Shares of common stock expected to be purchased on December 31st under the 2014 ESPP	188,715	89,919

At-The-Market Offering

In November 2020, we entered into a sales agreement with Cowen and Company, LLC (“Cowen”) as sales agent (the “2020 ATM Agreement”). 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. The 2020 ATM Agreement was terminated on May 10, 2022. 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.

On May 10, 2022, we entered into a new sales agreement (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.

As of both September 30, 2022 and the filing date of this Report, no shares of common stock had been sold under the 2022 ATM Agreement.

Follow-On Public Offering

In September 2022, we completed a follow-on public offering, pursuant to which we issued 9.2 million shares of common stock at a public offering price of \$25.00 per share, which included the exercise of the underwriters’ over-allotment

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)

option to purchase 1.2 million additional shares of common stock, for net proceeds of \$215.9 million, after underwriting discounts, commission and other offering expenses.

Stock-based compensation expense was allocated as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Selling, general and administrative	\$ 13,245	\$ 6,624	\$ 27,937	\$ 21,193
Research and development	4,742	3,914	13,676	11,320
Total stock-based compensation expense	\$ 17,987	\$ 10,538	\$ 41,613	\$ 32,513

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.

(in thousands)	September 30, 2022			
	Fair Value	Level 1	Level 2	Level 3
Assets				
U.S. treasury securities	\$ 134,586	\$ 134,586	\$ —	\$ —
Money market funds	43,883	43,883	—	—
U.S. government agency obligations	29,806	29,806	—	—
Commercial paper	92,616	—	92,616	—
Corporate bonds	60,356	—	60,356	—
Yankee debt securities	3,015	—	3,015	—
Total assets measured at fair value	\$ 364,262	\$ 208,275	\$ 155,987	\$ —
December 31, 2021				
(in thousands)	Fair Value	Level 1	Level 2	Level 3
Assets				
Money market funds	\$ 90,355	\$ 90,355	\$ —	\$ —
Commercial paper	87,964	—	87,964	—
Corporate bonds	26,484	—	26,484	—
Total assets measured at fair value	\$ 204,803	\$ 90,355	\$ 114,448	\$ —
Liabilities				
Derivative liability	\$ 3,020	\$ —	\$ —	\$ 3,020
Total liabilities measured at fair value	\$ 3,020	\$ —	\$ —	\$ 3,020

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.

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)

The following table summarizes the change in the fair value of our Level 3 financial instrument:

(in thousands)	Derivative Liability
Fair value as of December 31, 2021	\$ 3,020
Change in fair value	980
Derecognition of derivative liability	(4,000)
Fair value as of September 30, 2022	\$ —

Our Level 3 financial instrument was a derivative liability related to a settlement agreement from 2012, pursuant to which we were obligated to pay \$4.0 million upon achieving regulatory approval for DAXXIFY™ or DaxibotulinumtoxinA Topical. We determined that such payment was a derivative instrument that requires fair value accounting as a liability and periodic fair value remeasurement until derecognized. The fair value of the derivative liability was determined by estimating the timing and probability of the related regulatory approval and multiplying the payment amount by this probability percentage and a discount factor based primarily on the estimated timing of the payment and a credit risk adjustment. Generally, increases or decreases in these unobservable inputs would result in a directionally similar impact to the fair value measurement of this derivative instrument. The significant unobservable inputs used in the fair value measurement of the product approval payment derivative are the expected timing and probability of the payments at the valuation date and the credit risk adjustment.

In September 2022, the derivative liability was derecognized as a result of the FDA approval of DAXXIFY™. The liability is included within accruals and other current liabilities in the condensed consolidated balance sheets as of September 30, 2022.

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 September 30, 2022, and December 31, 2021 the fair value of the 2027 Notes was \$300.5 million and \$257.1 million, respectively. As of September 30, 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 an exclusive distribution agreement (the “Teoxane Agreement”) with Teoxane SA (“Teoxane”), as amended in September and November 2020, 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® 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 (the “RHA® Collection”) and RHA® Redensity, which had been approved for the treatment of moderate to severe dynamic perioral rhytids (lip lines) (collectively, the “RHA® Collection of dermal fillers”), and (ii) future hyaluronic acid filler advancements and products by Teoxane (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 and are required to meet certain minimum expenditure requirements in connection with commercialization efforts unless prevented by certain conditions such as manufacturing delays. 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.

REVANCE THERAPEUTICS, INC.**Notes to Condensed Consolidated Financial Statements — (Continued)****(Unaudited)****Other Contingencies**

As of September 30, 2022, we are obligated to pay Botulinum Toxin Research Associates, Inc. (“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 nine months ended September 30, 2022 and 2021, no amounts associated with the indemnification agreements have been recorded.

Litigation

In October 2021, Allergan, Inc. and Allergan Pharmaceuticals Ireland (collectively, “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 our 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. We dispute Allergan’s claims and intend to defend the matter vigorously. 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 August 19, 2022, the court denied our motion to dismiss. On September 2, 2022, we filed an answer and counterclaim to Allergan’s amended complaint. A jury trial is scheduled to begin on December 2, 2024.

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 the Exchange Act by making false or 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 a lead plaintiff and lead counsel on September 7, 2022. The lead plaintiff filed an amended complaint on November 7, 2022. We dispute these claims and intend to defend the matter 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.

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

We record a provision for a liability when we believe that is both probable that a liability has incurred, and the amount can be reasonably estimated. As of both September 30, 2022 and December 31, 2021, no such provision for liabilities related to the above litigation 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 Chief Operating Decision Maker (“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.

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 include operating expense related to general and administrative expenses, depreciation and amortization, stock-based compensation, in-process research and development 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 September 30, 2022 and 2021, intersegment revenue was \$0.4 million and \$0.5 million, respectively. For the nine months ended September 30, 2022 and 2021, intersegment revenue was \$0.9 million and \$0.8 million, respectively.

Reconciliation of Segment Revenue to Consolidated Revenue

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue:				
Product Segment	\$ 27,051	\$ 19,425	\$ 78,598	\$ 51,016
Service Segment	1,964	320	4,046	832
Total revenue	<u>\$ 29,015</u>	<u>\$ 19,745</u>	<u>\$ 82,644</u>	<u>\$ 51,848</u>

REVANCE THERAPEUTICS, INC.
Notes to Condensed Consolidated Financial Statements — (Continued)
(Unaudited)

Reconciliation of Segment Loss from Operations to Condensed Consolidated Loss from Operations

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Loss from operations:				
Product Segment	\$ (32,100)	\$ (36,298)	\$ (82,020)	\$ (108,982)
Service Segment	(4,423)	(4,155)	(13,956)	(12,178)
Corporate and other expenses	(40,961)	(32,270)	(101,571)	(91,912)
Total loss from operations	<u>\$ (77,484)</u>	<u>\$ (72,723)</u>	<u>\$ (197,547)</u>	<u>\$ (213,072)</u>

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

REVANCE THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements — (Continued)

(Unaudited)

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 Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022.

This Report, including the documents incorporated by reference herein, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. 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 cash preservation plans; our ability to comply with our debt obligations; our ability to draw on the Second Tranche (as defined below); our future financing plans and strategies; our future responses to and the effects of the COVID-19 pandemic; 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 DaxibotulinumtoxinA-lanm for injection (“DAXXIFY™”) for indications other than glabellar lines and the RHA® Pipeline Products (as defined below); our expectations regarding the HintMD fintech platform (the “HintMD Platform”) and OPUL® Relational Commerce Platform (“OPUL®” and together with the HintMD Platform, the “Fintech Platform”), including their features, functionality, gross processing volume (“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; development of a biosimilar to the branded biologic product (onabotulinumtoxinA) marketed as BOTOX® (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 successfully compete in the dermal filler, neuromodulator and fintech services markets; the design of our clinical studies; the markets for our current and future products and services; our business strategy, plans and prospects, including our commercialization plans and ability to commercialize Teoxane SA’s (“Teoxane”) line of Resilient Hyaluronic Acid® dermal fillers (the “RHA® Collection of dermal fillers”) and DAXXIFY™; 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 DAXXIFY™; the extent to which our products and services are considered innovative, differentiated or premium; our ability to set a new standard in healthcare; the rate and degree of economic benefit of DAXXIFY™, the RHA® Collection of dermal fillers and the Fintech Platform; patent defensive measures; timing related to our ongoing litigation matters; our ability to defend ourselves in ongoing litigation; and our strategic collaborations 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.

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 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 clinical and commercial success of DAXXIFY™, and the commercial success of the RHA® Collection of dermal fillers. Our longer-term prospects will also depend on the successful development, regulatory approval and commercialization of an onabotulinumtoxinA biosimilar product candidate and any future product candidates. If we are unable to successfully commercialize our products, or are unable to successfully complete the development or regulatory approval process or commercialize our product candidates, we may not be able to generate sufficient revenue to continue our business.
- If we are not able to effectively and reliably manufacture DAXXIFY™, an onabotulinumtoxinA biosimilar or any future product candidates, including through any third-party manufacturers, as well as acquire supplies of the RHA® Collection of dermal fillers from Teoxane SA ("Teoxane"), our product development, regulatory approval, commercialization and sales efforts and our ability to generate revenue may be adversely affected.
- We may require substantial additional funding to 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 for the foreseeable future. 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™, future hyaluronic acid filler advancements and products by Teoxane (the "RHA® Pipeline Products") or any future product candidates, if approved, may not achieve market acceptance among physicians and patients, and may not be commercially successful, which would adversely affect our operating results and financial condition.
- DAXXIFY™ and the RHA® Collection of dermal fillers will face significant competition, including from companies that enjoy significant competitive advantages, such as substantially greater financial, research and development, manufacturing, personnel and marketing resources, greater brand recognition and more experience and expertise in obtaining marketing approvals from the U.S. Food and Drug Administration (the "FDA") and other regulatory authorities. Our failure to effectively compete may prevent us from achieving significant market penetration and expansion.
- We use third-party collaborators and partners, including Viatrix Inc. ("Viatrix"), Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., a wholly-owned subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd ("Fosun"), Ajinomoto Althea, Inc. dba Ajinomoto Bio-Pharma Services ("ABPS") and Lyophilization Services of New England, Inc. ("LSNE"), to help us develop, validate, manufacture and/or commercialize product candidates. Our ability to commercialize our products could be impaired or delayed if these collaborations are unsuccessful.
- The terms of the Note Purchase Agreement (as defined below) place restrictions on our operating and financial flexibility, and if we fail to comply with these restrictions, our business, business prospects, results of operations and financial condition may be adversely affected.
- The COVID-19 pandemic has and may continue to adversely affect our regulatory approval timeline, financial condition and our business as well as those of third parties on which we rely for significant manufacturing, clinical or other business operations. Further, the COVID-19 pandemic has adversely affected the economy and

disposable income levels, which could reduce consumer spending and lower demand for our products and services.

- Adverse events or safety concerns involving DAXXIFY™ or the RHA® Collection of dermal fillers or other product candidates could prevent us or Teoxane from maintaining regulatory approval for DAXXIFY™ and the RHA® Collection of dermal fillers, or delay or prevent us or Teoxane from obtaining additional regulatory approval for DAXXIFY™ in other indications or the RHA® Pipeline Products, as applicable. 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.
- If we do not effectively manage our expanded operations in connection with the acquisition of Hint, Inc. (“HintMD”), 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.
- 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 patient 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.
- We are currently, and in the future may be, subject to securities class action or stockholder derivative actions. If securities, product liability 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.
- Significant disruptions of information technology systems or security incidents could materially adversely affect our business, our reputation, our customer relationships, results of operations and financial condition.
- Changes in and failures to comply with U.S. and foreign privacy and data protection laws, regulations and standards may adversely affect our business, operations and financial performance.
- Servicing our debt, including the Note Purchase Agreement (as defined below) and the 2027 Notes (as defined below), 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.
- If we fail to attract and retain qualified management, clinical, scientific, technical and sales personnel, we may be unable to successfully execute our objectives.

Overview

Revance is a biotechnology company focused on 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 the company's elite practice partners and their consumers. Revance has also partnered with Viatris Inc. to develop a biosimilar to BOTOX®, 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.

Impact of the COVID-19 Pandemic on Our Operations

The full extent of the impact of the COVID-19 pandemic on our future operational and financial performance will depend on future developments that are highly uncertain, including variant strains of the virus and the degree of their vaccine resistance and as a result of new information that may emerge concerning COVID-19, the actions taken to contain or treat it, and the duration and intensity of the related effects. The ongoing COVID-19 pandemic has and may continue to negatively affect global economic activity, the regulatory approval process for our product candidates, our supply chain, research and development activities, end user demand for our products and services and commercialization activities. For example, the timing of the FDA's inspection of our manufacturing facility as a part of the regulatory approval process for DAXXIFY™ was delayed due to the FDA's travel restrictions associated with the COVID-19 pandemic. We cannot be certain of the continued impact of the COVID-19 pandemic on the timing of the regulatory approval process for DAXXIFY™ in indications other than glabellar lines or on any supplemental biologics license application ("BLAs") or post-approval supplements we may file.

Our supply of and our ability to commercialize the RHA® Collection of dermal fillers has been impacted by the ongoing COVID-19 pandemic. The product supply of the RHA® Collection of dermal fillers was delayed by our distribution partner Teoxane as they temporarily suspended production in Geneva, Switzerland as a precaution in early 2020 in response to the COVID-19 pandemic. Teoxane resumed manufacturing operations at the end of April 2020 and delivered the first shipment of the RHA® Collection of dermal fillers to us in June 2020. As a result, our initial product launch of the RHA® Collection of dermal fillers was delayed by one quarter to September 2020. We have taken steps to build sufficient levels of inventory to help mitigate potential future supply chain disruptions, but we cannot be certain of whether we will experience additional delays in the future. In addition, port closures and other restrictions resulting from the COVID-19 pandemic have and may continue to disrupt our supply chain or limit our ability to obtain sufficient materials for the production of our products and the sale of our services.

In 2021 and 2022, the global computer chip shortage impacted our third-party partners' ability to provide us with the point of sale ("POS") hardware terminals that are provided to customers as a part of the OPUL® service offering. If a similar issue occurred, resulting in our third-party partner not being able to provide enough POS terminals to meet OPUL® demand, it would affect our ability to timely board new customers or fulfill orders for additional hardware from existing customers. If such issues continue for an extended period of time, it could materially and adversely affect the Fintech Platform's business.

Our clinical trials have been and may continue to be affected by the COVID-19 pandemic. The COVID-19 pandemic has and may further delay enrollment in and the progress of clinical trials for our product candidates and the RHA® Pipeline Products. Even as some restrictions have been lifted and vaccines are widely available in the United States and certain other countries, the COVID-19 pandemic may continue to result in government imposed quarantines and consume hospital resources, especially if infection rates rise or more contagious variants develop and spread. Patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services. Site initiation and patient enrollment may be delayed due to prioritization of hospital resources toward the COVID-19 pandemic. For example, enrollment in the JUNIPER Phase 2 adult upper limb spasticity trial was paused in March 2020 due to challenges related to the COVID-19 pandemic. The trial was originally designed to include 128 subjects. Due to COVID-19 challenges related to continued subject enrollment and the scheduling of in-person study visits, in June 2020, we announced the decision to end screening and complete the JUNIPER trial with the 83 patients enrolled at that time.

The COVID-19 pandemic has caused and may continue to cause general business disruption worldwide. In response to the COVID-19 pandemic, we curtailed employee travel and implemented a corporate work-from-home policy in March 2020. Throughout the COVID-19 pandemic, certain manufacturing, quality and laboratory-based employees continued to work onsite, and certain employees with customer-facing roles have been onsite for training and interfacing in-person with customers in connection with the product launch of the RHA® Collection of dermal fillers. We have resumed essential on-site corporate operations and have begun to transition certain employees back on-site on a full or part-time basis and in accordance with local and regional restrictions. Although many of our employees have returned to working on-site, if the severity, duration or nature of the COVID-19 pandemic changes, it may have an impact on our ability to continue on-site operations, which could disrupt our manufacturing operations, clinical trials, sales activities and other operations. See “Item 1A. Risk Factors—The current COVID-19 pandemic has and may continue to, and other actual or threatened epidemics, pandemics, outbreaks, or public health crises may, adversely affect our financial condition and our business.”

The ultimate impact of the COVID-19 pandemic is highly uncertain and we do not yet know the full extent of potential delays or impacts on our the approval process for DAXXIFY™ in indications other than glabellar lines, our manufacturing operations, supply chain, end user demand for our products and services, commercialization efforts, business operations, clinical trials and other aspects of our business, the healthcare systems or the global economy as a whole. As such, it is uncertain as to the full magnitude that the COVID-19 pandemic will have on our financial condition, liquidity and results of operations.

Regulatory Update

On September 8, 2022, we announced the FDA approval of DAXXIFY™ for the temporary improvement of moderate to severe frown lines (glabellar lines) in adults. For the three months ended September 30, 2022, we have not generated revenue from DAXXIFY™ sales.

In October 2022, the FDA accepted our post approval supplement (“PAS”) submission for ABPS, our dual source, fill-finish, contract manufacturer to support the scaled production of DAXXIFY™. We anticipate the potential approval of the PAS in 2023.

In October 2022, we announced that we submitted a supplemental BLA to the FDA for DAXXIFY™ (DaxibotulinumtoxinA-lanm) for the treatment of cervical dystonia.

RHA® Collection of Dermal Fillers

We recognized \$26.1 million in product revenue and \$8.7 million in cost of product revenue (exclusive of amortization) for the three months ended September 30, 2022, and \$72.4 million in product revenue and \$24.1 million in cost of product revenue (exclusive of amortization) for the nine months ended September 30, 2022 from the sale of the RHA® Collection of dermal fillers.

The Fintech Platform

For the three months ended September 30, 2022, the Fintech Platform processed \$164 million of gross processing volume (“GPV”). GPV for the trailing-twelve months ended September 30, 2022 totaled over \$630 million. GPV measures the total dollar amount of all transactions processed in the period through the Fintech Platform, net of refunds. We also use the Fintech Platform PayFac capabilities to process credit card transactions for products purchased from us; these transactions are not included in GPV. Since the Fintech Platform predominantly 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.

Presentation of revenue generated by the Fintech Platform may be impacted by the ongoing migration of customers from the HintMD Platform to OPUL®. We have started migrating existing customers on the HintMD Platform to OPUL®. While the ongoing migration of existing customers is not expected to have a material impact to the gross margin generated by the Fintech Platform, it is expected to cause a gross-up effect to service revenue and cost of service revenue (exclusive of amortization) due to the gross vs. net presentation difference in revenue accounting between the HintMD Platform and OPUL®.

Follow-on Public Offering

In September 2022, we completed a follow-on public offering, pursuant to which we issued 9.2 million shares of common stock at a public offering price of \$25.00 per share, which included the exercise of the underwriters' over-allotment option to purchase 1.2 million additional shares of common stock, for net proceeds of \$215.9 million, after underwriting discounts, commission and other offering expenses.

Note Purchase Agreement

In March 2022, we entered into a note purchase agreement (the "Note Purchase Agreement") with Athyrium Buffalo LP (together with its affiliates, "Athyrium"), as administrative agent, the purchasers party thereto from time to time (the "Purchasers"), including Athyrium, and HintMD, as a guarantor, pursuant to which the Purchasers agreed to purchase from us, and we agreed to issue to such Purchasers, notes payable by us. In March 2022, we issued to the Purchasers notes in an aggregate principal amount for all such notes of \$100.0 million (the "Notes Payable"). Since the FDA approval of DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines in September 2022, we are eligible to draw on the Second Tranche of \$100.0 million in full under the Note Purchase Agreement provided certain conditions are met. See "[Liquidity and Capital Resources](#)" for additional information.

At-The-Market ("ATM") Offerings

In November 2020, we entered into a sales agreement with Cowen and Company, LLC ("Cowen") as sales agent (the "2020 ATM Agreement"), and the 2020 ATM Agreement was terminated on May 10, 2022. 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.

On May 10, 2022, we entered into a new sales agreement (the "2022 ATM Agreement") with Cowen. Under the 2022 ATM Agreement, we may sell up to \$150.0 million of common stock. As of both September 30, 2022 and the filing date of this Report, no shares of common stock had been sold under the 2022 ATM Agreement.

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

(in thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	Change	% Change	2022	2021	Change	% change
Product revenue	\$ 26,081	\$ 18,296	\$ 7,785	43 %	\$ 72,401	\$ 46,982	\$ 25,419	54 %
Collaboration revenue	970	1,129	\$ (159)	(14)%	6,197	4,034	\$ 2,163	54 %
Service revenue	1,964	320	\$ 1,644	514 %	4,046	832	\$ 3,214	386 %
Total revenue	<u>\$ 29,015</u>	<u>\$ 19,745</u>	\$ 9,270	47 %	<u>\$ 82,644</u>	<u>\$ 51,848</u>	\$ 30,796	59 %

Product Revenue

We have generated product revenue from the sale of the RHA® Collection of dermal fillers.

For the three and nine months ended September 30, 2022, our product revenue increased compared to the same periods in 2021 due to higher sales volumes of the RHA® Collection of dermal fillers.

Collaboration Revenue

We are actively developing an onabotulinumtoxinA biosimilar in collaboration with Viatrix. 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 cost of development services incurred over the total estimated cost of development services multiplied by the determined transactions price of the contract.

For the three months ended September 30, 2022, our collaboration revenue decreased compared to the same periods in 2021 due to timing of development activities of the onabotulinumtoxinA biosimilar program in the third quarter of 2022 comparing to 2021. For the nine months ended September 30, 2022, our collaboration revenue increased compared to the same periods in 2021 due to increased development activities of the onabotulinumtoxinA biosimilar program.

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 we maintain control of the service offerings to our customers as the PayFac. Since the fourth quarter of 2021, we have been onboarding new customers exclusively to OPUL®, and since October 2021, migrating existing customers from the HintMD Platform to OPUL®. While the ongoing migration of existing customers is not expected to have a material impact to the gross margin generated by the Fintech Platform in the near term, it is expected to cause a gross-up effect to service revenue and cost of service revenue (exclusive of amortization) due to the gross versus net presentation difference in revenue accounting between the HintMD Platform and OPUL®.

For the three and nine months ended September 30, 2022, our service revenue increased compared to the same period in 2021 primarily due to increased GPV associated with the commercial launch of OPUL® since October 2021 and the presentation difference in revenue accounting described above.

Operating Expenses

(in thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	Change	% Change	2022	2021	Change	% Change
Operating expenses:								
Cost of product revenue (exclusive of amortization)	\$ 8,681	\$ 5,827	\$ 2,854	49 %	\$ 24,130	\$ 15,453	\$ 8,677	56 %
Cost of service revenue (exclusive of amortization)	2,055	59	\$ 1,996	3,383 %	4,022	76	\$ 3,946	5,192 %
Selling, general and administrative	65,775	52,782	\$ 12,993	25 %	158,697	152,385	\$ 6,312	4 %
Research and development	26,103	30,095	\$ (3,992)	(13)%	81,745	86,787	\$ (5,042)	(6)%
Amortization	3,885	3,705	\$ 180	5 %	11,597	10,219	\$ 1,378	13 %
Total operating expenses	<u>\$ 106,499</u>	<u>\$ 92,468</u>	<u>\$ 14,031</u>	<u>15 %</u>	<u>\$ 280,191</u>	<u>\$ 264,920</u>	<u>\$ 15,271</u>	<u>6 %</u>

Our operating expenses consist of costs of product revenue (exclusive of amortization), cost of service revenue (exclusive of amortization), selling, general and administrative expenses, research and development expenses, and amortization. The largest component of our operating expenses is our personnel costs, including stock-based compensation, which is a subset of our selling, general and administrative and research and development expenses.

Cost of Product Revenue (exclusive of amortization)

Cost of product revenue (exclusive of amortization) primarily consists of the cost of inventory and distribution expenses related to the RHA® Collection of dermal fillers.

For the three and nine months ended September 30, 2022, our cost of product revenue (exclusive of amortization) increased compared to the same periods in 2021 due to higher sales volumes of the RHA® Collection of dermal fillers.

Cost of Service Revenue (exclusive of amortization)

Cost of service revenue (exclusive of amortization) primarily consists of interchanges fees, hardware costs, and various fees in the fulfillment of our financial services.

For the three and nine months ended September 30, 2022, cost of service revenue (exclusive of amortization) increased compared to the same periods in 2021 due to the increase of OPUL® GPV as well as the change to the gross accounting presentation of revenue and costs associated with OPUL® as described in the Service Revenue section above.

We expect the cost of service revenue (exclusive of amortization) to increase in the future as we expand the general availability of OPUL® for existing and new customers and due to the change to the gross accounting presentation of revenue 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 September 30,				Nine Months Ended September 30,			
	2022	2021	Change	% Change	2022	2021	Change	% Change
Selling, general and administrative	\$ 51,492	\$ 45,146	\$ 6,346	14 %	\$ 127,570	\$ 128,329	\$ (759)	(1)%
Stock-based compensation	13,245	6,624	\$ 6,621	100 %	27,937	21,193	\$ 6,744	32 %
Depreciation and amortization	1,038	1,012	\$ 26	3 %	3,190	2,863	\$ 327	11 %
Total selling, general and administrative expenses	<u>\$ 65,775</u>	<u>\$ 52,782</u>	\$ 12,993	25 %	<u>\$ 158,697</u>	<u>\$ 152,385</u>	\$ 6,312	4 %

Selling, general and administrative expenses consist primarily of the following:

- Personnel and professional service costs in our finance, information technology, commercial, investor relations, legal, human resources, and other administrative departments, including related stock-based compensation costs;
- Costs of sales and marketing activities and sales force compensation related to DAXXIFY™, the RHA® Collection of dermal fillers and the Fintech Platform;
- DAXXIFY™ pre-commercial activities such as market research and public relations; and
- Depreciation and amortization of certain assets used in selling, general and administrative activities.

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

For the three months ended September 30, 2022, selling, general and administrative expenses increased compared to the same periods in 2021, primarily due to an increase in sales and marketing expenses, of which \$4.2 million was attributed to the Product Segment.

For the nine months ended September 30, 2022, selling, general and administrative expenses decreased compared to the same periods in 2021 of which \$1.9 million was attributed to the Product Segment. The decreases in selling, general and administrative expenses were primarily related to cash preservation and expense management initiatives discussed above as well as other ongoing operating cost efficiencies realized related to travel and training costs in the Product Segment. The decrease was partially offset by additional sales and marketing expenses and business support related to the RHA® Collection of dermal fillers and investments in the Service Segment.

We expect our selling, general and administrative expenses to increase in the future due to the anticipated commercial launch of DAXXIFY™.

Stock-based compensation

For the three and nine months ended September 30, 2022, stock-based compensation included in selling, general and administrative expenses increased compared to the same periods in 2021, primarily due to the initiation of recognizing stock-based compensation expense for the performance based stock units that were granted in early 2022 and for which the performance condition was achieved in September 2022 as well as more stock award grants to employees in selling, general and administrative functions.

Research and Development Expenses

(in thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	Change	% Change	2022	2021	Change	% Change
Manufacturing and quality	\$ 10,514	\$ 11,701	\$ (1,187)	(10)%	\$ 37,022	\$ 33,296	\$ 3,726	11 %
Stock-based compensation	4,742	3,914	\$ 828	21 %	13,676	11,320	\$ 2,356	21 %
Clinical and regulatory	3,749	7,294	\$ (3,545)	(49)%	11,631	21,673	\$ (10,042)	(46)%
Other research and development expenses	3,911	2,709	\$ 1,202	44 %	9,211	9,008	\$ 203	2 %
Platform and software development	2,671	4,044	\$ (1,373)	(34)%	8,726	10,138	\$ (1,412)	(14)%
Depreciation and amortization	516	433	\$ 83	19 %	1,479	1,352	\$ 127	9 %
Total research and development expenses	<u>\$ 26,103</u>	<u>\$ 30,095</u>	<u>\$ (3,992)</u>	<u>(13)%</u>	<u>\$ 81,745</u>	<u>\$ 86,787</u>	<u>\$ (5,042)</u>	<u>(6)%</u>

In the Product Segment, we do not believe that allocation of all research and development costs by product candidate would be meaningful; therefore, we generally do not track these 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 subjected to capitalization.

Research and development expenses consist primarily of:

- salaries and related expenses for personnel in research and development functions, including stock-based compensation;
- expenses related to the initiation and completion of clinical trials and studies for DAXXIFY[™], future innovations related to the RHA[®] Collection of dermal fillers and an onabotulinumtoxinA biosimilar, including expenses related to the production of clinical supplies;
- fees paid to clinical consultants, contract research organizations (“CROs”) and other vendors, including all related fees for investigator grants, patient screening fees, laboratory work and statistical compilation and analysis;
- expenses related to medical affairs, medical information, publications and pharmacovigilance oversight;
- other consulting fees paid to third parties;
- expenses related to the establishment and maintenance of our manufacturing facilities;
- expenses related to the manufacturing of supplies for clinical activities, regulatory approvals, and pre-commercial inventory;
- 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;
- expenses related to the development of new features and functionalities of OPUL[®] and services that are not subjected to capitalization;
- depreciation and other allocated expenses; and
- charges from the RHA[®] Pipeline Products of dermal fillers asset acquisition related to in-process research and

development.

Our research and development expenses 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 runway 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 as part of our capital preservation measures. However, we will continue product development related to OPUL[®] not subjected to software capitalization, and certain shared development costs with Teoxane related to future dermal filler innovations and indications.

When we conduct additional clinical trials, we expect our research and development expenses to fluctuate as projects transition from one development phase to the next. 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.

Manufacturing and quality

Manufacturing and quality expenses include personnel and occupancy expenses, external contract manufacturing costs, and pre-approval manufacturing of drug product used in preparation for our regulatory activities and anticipated commercial launch with respect to DAXXIFY[™] and research and development activities for DAXXIFY[™]. Manufacturing and quality expenses also include raw materials, lab supplies, and storage and shipment of our products to support quality control and assurance activities. For the three months ended September 30, 2022 and 2021, manufacturing and quality expenses were 40% and 39% of the total research and development expenses for the respective periods. For the nine months ended September 30, 2022 and 2021, manufacturing and quality expenses were 45% and 38% of the total research and development expenses for the respective periods. We began capitalizing manufacturing costs related to DAXXIFY[™] commercial products at our Newark, CA facility after the FDA approval was obtained in early September 2022.

For the three months ended September 30, 2022, manufacturing and quality expenses decreased compared to the same periods in 2021, primarily due to the capitalization of inventory costs on the condensed consolidated balance sheet related to DAXXIFY[™] commercial products at our approved manufacturing facility.

For the nine months ended September 30, 2022, manufacturing and quality expenses increased compared to the same periods in 2021, primarily due to expenses related to ramp up of pre-commercial manufacturing and quality activities for DAXXIFY[™], partially offset by the capitalization of inventory costs on the condensed consolidated balance sheet related to DAXXIFY[™] commercial products at our approved manufacturing facility.

We expect that our manufacturing and quality expenses within the research and development expense will decrease going forward due to the approval of DAXXIFY[™] in early September 2022, at which point we began recognizing inventory costs associated with DAXXIFY[™] on the condensed consolidated balance sheet.

Stock-based compensation

For the three and nine months ended September 30, 2022, stock-based compensation included in research and development expenses increased compared to the same periods in 2021, primarily due to the initiation of recognizing stock-based compensation expense for the performance based stock units that were granted in early 2022 and for which the performance condition was achieved in September 2022, offset by a lower market value of stock awards granted to employees in research and development related functions.

Clinical and regulatory

Clinical and regulatory expenses include costs related to personnel, external clinical sites for clinical trials, clinical research organizations, central laboratories, data management, contractors and regulatory activities associated with DAXXIFY™ and RHA® Pipeline Products. For the three months ended September 30, 2022 and 2021, clinical and regulatory costs were 14% and 24% of the total research and development expenses for the respective periods. For the nine months ended September 30, 2022 and 2021, clinical and regulatory costs were 14% and 25% of the total research and development expenses for the respective periods.

For the three and nine months ended September 30, 2022, clinical and regulatory expenses decreased compared to the same periods in 2021, primarily due to the completion of multiple clinical trials in 2021, offset by ongoing support of the regulatory approval process for the BLA for DAXXIFY™. We expect clinical and regulatory expenses runway to be consistent in the near term primarily due to capital preservation measures still in effect which includes deferring the Phase 3 clinical program for upper limb spasticity and other therapeutics pipeline activities.

Other research and development expenses

Other research and development expenses include expenses for personnel, CROs, consultants, and supplies used to conduct preclinical research and development of DAXXIFY™ and the onabotulinumtoxinA biosimilar program. For the three months ended September 30, 2022 and 2021, other research and development expenses were 15% and 9% of the total research and development expenses for the respective periods. For the nine months ended September 30, 2022 and 2021, other research and development expenses were 11% and 10% of the total research and development expenses for the respective periods.

For the three and nine months ended September 30, 2022, other research and development expenses increased compared to the same periods in 2021, primarily due to a \$2.0 million non-recurring milestone payment upon achievement of the FDA approval of DAXXIFY™, offset by the research and development activities related to DAXXIFY™ in 2021 in preparation for the FDA inspection.

Platform and software development

Platform and software development includes expenses associated with research and development activities in the Service Segment, namely the costs of developing new functionality or features of OPUL® that are not subject to capitalization. For the three months ended September 30, 2022 and 2021, platform and software development expenses were 10% and 13% of the total research and development expenses for the respective periods. For the nine months ended September 30, 2022 and 2021, platform and software development expenses were 11% and 12% of the total research and development expenses for the respective periods.

For the three and nine months ended September 30, 2022, platform and software development expenses decreased compared to the same periods in 2021, primarily related to decreased research and development activities after the OPUL® launch in the second quarter of 2021.

Amortization

For the three and nine months ended September 30, 2022, amortization increased compared to the same periods in 2021, primarily due to the amortization related to the in-process research and development assets as well as the platform software, which were placed in service in the second quarter of 2021.

Net Non-Operating Income and Expense

(in thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	Change	% Change	2022	2021	Change	% Change
Interest income	\$ 1,165	\$ 84	\$ 1,081	1,287 %	\$ 1,860	\$ 266	\$ 1,594	599 %
Interest expense	(6,917)	(1,571)	\$ (5,346)	340 %	(12,722)	(4,700)	\$ (8,022)	171 %
Change in fair value of derivative liability	(875)	(20)	\$ (855)	4,275 %	(980)	(98)	\$ (882)	900 %
Other expense, net	118	(146)	\$ 264	(181)%	(381)	(608)	\$ 227	(37)%
Total net non-operating expense	\$ (6,509)	\$ (1,653)	\$ (4,856)	294 %	\$ (12,223)	\$ (5,140)	\$ (7,083)	138 %

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.

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 the three and nine months ended September 30, 2022, interest expense increased compared to the same periods in 2021 primarily due to the contractual interest on the Notes Payable, which we began to incur in the first quarter of 2022, and our finance lease liability interest expense in 2022.

Change in Fair Value of Derivative Liability

The derivative liability on our consolidated balance sheets is remeasured to fair value at each balance sheet date with the corresponding gain or loss recorded.

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)	September 30, 2022	December 31, 2021	Increase (Decrease)
Cash, cash equivalents, and short-term investments	\$ 378,627	\$ 225,071	\$ 153,556
Working capital	\$ 340,862	\$ 178,828	\$ 162,034
Stockholders' equity	\$ 145,713	\$ 68,471	\$ 77,242

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 allowing for certain lower-risk holdings such as, but not limited to, money market accounts, commercial paper, and corporate bonds. Our investment portfolio is structured to provide for investment maturities and access to cash to fund our anticipated working capital needs.

As of September 30, 2022 and December 31, 2021, we had cash, cash equivalents and short-term investments of \$378.6 million and \$225.1 million, respectively, which represented an increase of \$153.6 million.

The increase was primarily due to the proceeds from the issuance of common stock in connection with follow-on offering, net of commissions and discount of \$216.2 million, the proceeds from the issuance of the Notes Payable pursuant to the Note Purchase Agreement, net of debt discount of \$98.2 million, the issuance of shares of our common stock in connection with the ATM offering program, net of commissions, of \$31.8 million, and proceeds from the purchase of shares of our common stock in connection with our 2014 Employee Stock Purchase Plan of \$2.6 million. The increase was primarily offset by other operating activities of \$164.6 million, finance lease prepayments of \$17.8 million, principal payments on finance leases of \$5.0 million, net settlement of restricted stock awards for employee taxes of \$4.6 million, purchase of property and equipment of \$1.9 million, and payment of debt issuance cost and offering costs of \$1.7 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:

(in thousands)	Nine Months Ended September 30,	
	2022	2021
Net cash provided by (used in):		
Operating activities	\$ (163,366)	\$ (176,927)
Investing activities	\$ (179,758)	\$ (57,306)
Financing activities	\$ 337,867	\$ 29,464

Cash Flows from Operating Activities

Our cash used in operating activities is primarily driven by personnel, manufacturing and facility costs, clinical development, and sales and marketing activities. The changes in net cash used in operating activities are primarily related to our net loss, working capital fluctuations and changes in our non-cash expenses, all of which are highly variable. Our cash flows from operating activities will continue to be affected principally by 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.

For the nine months ended September 30, 2022, net cash used in operating activities was \$163.4 million, which was primarily due to personnel and compensation costs of approximately \$96 million; professional services and consulting fees of approximately \$67 million; rent, supplies and utilities expenses of approximately \$47 million; legal and other administrative expense of approximately \$14 million; the 2027 Notes and Notes Payable interest paid of \$10 million, clinical trials expenses of approximately \$4 million, offset by approximately \$74 million from product and service revenue.

For the nine months ended September 30, 2021, net cash used in operating activities was \$176.9 million, which was primarily due to personnel and compensation costs of approximately \$95 million; professional services and consulting fees of approximately \$72 million; rent, supplies and utilities expenses of approximately \$37 million; clinical trials expenses of approximately \$9 million; legal and other administrative expense of approximately \$11 million; and the 2027 Notes interest paid of approximately \$5 million, offset by approximately \$52 million from product and service revenue.

Cash Flows from Investing Activities

For the nine months ended September 30, 2022 and 2021, net cash provided by or used in investing activities was primarily due to fluctuations in the timing of purchases and maturities of investments, purchases of property and equipment and prepayments for a finance lease.

Cash Flows from Financing Activities

For the nine months ended September 30, 2022, net cash provided by financing activities was driven by the the proceeds from issuance of common stock in connection with follow-on offering, net of discounts and commissions, the issuance of the Notes Payable pursuant to the Note Purchase Agreement, net of debt discount, and the ATM offering program, net of commissions. The inflows were offset by the net settlement of restricted stock awards for employee taxes, principal payments on finance lease obligations, and payments of debt issuance costs and offering costs.

For the nine months ended September 30, 2021, net cash provided by financing activities was driven by the at-the-market offering program, net of commissions, and proceeds from the exercise of stock options and employee stock purchase plan. The inflows were offset by the net settlement of restricted stock awards for employee taxes and payments of offering costs.

Follow-On Public Offering

In September 2022, we completed the 2022 follow-on public offering, pursuant to which we issued 9.2 million shares of common stock at a public offering price of \$25.00 per share, including the exercise of the underwriters' over-allotment option to purchase 1.2 million additional shares of common stock, for net proceeds of \$215.9 million, after underwriting discounts, commission and other offering expenses.

Note Purchase Agreement

In March 2022, we entered into the Note Purchase Agreement and issued Notes Payable to the Purchasers in an aggregate principal amount for all such Notes of \$100.0 million (the "First Tranche"). Since the FDA approval of DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines in September 2022, we are eligible to draw on the Second Tranche of \$100.0 million in full under the Note Purchase Agreement provided certain conditions are met. In addition, there is an uncommitted tranche of additional Notes Payable in an aggregate amount of up to \$100.0 million (the "Third Tranche") 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 Capital Management, LP.

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.

Initially, the Notes Payable bear interest at an annual fixed interest rate equal to 8.50%. 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 LIBOR 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 last business day of each March, June, September and December through September 18, 2026 (the "Maturity Date"). 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. Upon the occurrence of an Amortization Trigger (as defined in the Note Purchase Agreement), we are required to repay the principal of the Second Tranche and 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 Effective Date and (ii) 2.0% of the

amount prepaid if the prepayment occurs after the first anniversary of the Effective Date but on or prior to the second anniversary of the Effective Date. Upon prepayment or repayment of all or any portion of the principal amount of the Notes (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 (as defined in the Note Purchase Agreement) 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 with an aggregate principal balance 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, beginning 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: (1) 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; (2) 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; (3) 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 (4) 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 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. As of both September 30, 2022 and the filing date of this Report, no shares of common stock had been sold under the 2022 ATM Agreement.

Common Stock and Common Stock Equivalents

As of October 31, 2022, outstanding shares of common stock were 82.3 million, outstanding stock options were 5.0 million, unvested restricted stock awards and performance stock awards were 2.2 million, unvested restricted stock units and performance stock units were 2.8 million, shares expected to be purchased on December 31, 2022 under the 2014 ESPP were 0.2 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

Since inception, we have devoted substantial efforts to identifying and developing product candidates for the aesthetic and therapeutic pharmaceutical markets, recruiting personnel, raising capital, conducting preclinical and clinical development of, and manufacturing development for DAXXIFY™, DaxibotulinumtoxinA Topical, the onabotulinumtoxinA biosimilar, obtaining regulatory approval of DAXXIFY™ and the commercial launch of our products and services. As a result, we have incurred net losses and net cash outflows from operations. Although we received the FDA approval of DAXXIFY™ in early September 2022, we expect to continue to incur losses in the foreseeable future while we ramp up commercial sales of DAXXIFY™ and our other product and services.

Beginning in October 2021, we took measures to defer or reduce costs in the near term in order to preserve capital and increase financial flexibility as a result of the delay in the approval of DAXXIFY™. Disciplined capital allocation continues to be a priority. Following the FDA's approval of DAXXIFY™ in September 2022, we began to focus our capital allocation on the preparation for the commercial launch of DAXXIFY™, the continued growth of the RHA® Collection of dermal fillers and OPUL®, and the advancement of our therapeutics program. We will continue to assess expense management and capital allocation measures as it relates to our Phase 3 clinical program for upper limb spasticity, other therapeutics pipeline activities, and international regulatory investments for DAXXIFY™.

We expect to make expenditures related to our ongoing operations consistent with our current capital allocation priorities. In connection with the Teoxane Agreement, we must make specified annual minimum purchases of the RHA® Collection of dermal fillers and meet annual minimum expenditures in connection with the commercialization of the RHA® Collection of dermal fillers. We have incurred substantial transaction expenses in order to complete the HintMD Acquisition. To grow the Fintech Platform business, we must develop features, products and services that reflect the needs of customers and the changing nature of payments processing software and continually modify and enhance the Fintech Platform to keep pace with changes in updated hardware, software, communications and database technologies and standards. 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 our product candidates. In addition, other unanticipated costs may arise from disruptions associated with the ongoing COVID-19 pandemic or for other reasons.

To date, we have funded our operations primarily through the sale of common stock, convertible senior notes, payments received from collaboration arrangements, sales of the RHA® Collection of dermal fillers and, in March 2022, we received proceeds from the First Tranche of the Note Purchase Agreement. Since the FDA approval of DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines in September 2022, we are eligible to draw on the Second Tranche of \$100.0 million in full under the Note Purchase Agreement provided certain conditions are met. We believe that our existing capital resources will be sufficient to fund our 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. 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" for additional information.

Critical Accounting Policies and Estimates

For the nine months ended September 30, 2022, there have been no material changes in our critical accounting policies compared to those disclosed in Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022.

Contractual Obligations

Except as follows, there were no material changes outside of the ordinary course of business in our contractual obligations as of September 30, 2022, from those as of December 31, 2021 as reported in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on February 28, 2022.

Note Purchase Agreement

In March 2022, we issued the First Tranche of the Notes Payable under the Note Purchase Agreement, and the Notes Payable bear interest at an annual fixed interest rate equal to 8.50%. We are required to make quarterly interest payments on each Notes Payable issued under the Note Purchase Agreement commencing on the last business day of the calendar month

following the funding date thereof, and continuing until the last business day of each March, June, September and December through September 18, 2026 (the “Maturity Date”). 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. Upon the occurrence of an Amortization Trigger (as defined in the Note Purchase Agreement), we are required to repay the principal of the Second Tranche and 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 Effective Date and (ii) 2.0% of the amount prepaid if the prepayment occurs after the first anniversary of the Effective Date but on or prior to the second anniversary of the 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.

Refer to Part I, Item 1. “Condensed Consolidated Financial Statements (Unaudited)—Notes to Condensed Consolidated Financial Statements (Unaudited) —[Note 8](#)—Debt” for details of the Notes Payable.

Finance Lease Obligation

In January 2022, we had substantively obtained the right of control for the dedicated fill-and-finish-line and the associated lease commenced as a finance lease. Refer to Part I, Item 1. “Condensed Consolidated Financial Statements (Unaudited)—Notes to Condensed Consolidated Financial Statements (Unaudited) —[Note 7](#)—Leases” for details of the finance lease obligations.

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 foreign currency exchange rates and interest rates. We do not hold or issue financial instruments for trading purposes. For the nine months ended September 30, 2022, our exposure to market risk did not change materially from what was disclosed in Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022.

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 September 30, 2022, 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

From time to time, we may be involved in litigation relating to claims arising out of our operations. 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, Inc. and Allergan Pharmaceuticals Ireland (collectively, “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 our 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. We dispute Allergan’s claims and intend to defend the matter vigorously. 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 August 19, 2022, the court denied our motion to dismiss. On September 2, 2022, we filed an answer and counterclaim to Allergan’s amended complaint. A jury trial is scheduled to begin on December 2, 2024.

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 the Exchange Act by making false or 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 a lead plaintiff and lead counsel on September 7, 2022. The lead plaintiff filed an amended complaint on November 7, 2022. We dispute these claims and intend to defend the matter 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.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, 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.

We have marked with an asterisk (*) those risks described below that reflect substantive changes from, or additions to, the risks described in our Annual Report on Form 10-K for the year ended December 31, 2021.

Risks Related to Our Business and Strategy

We are substantially dependent on the clinical and commercial success of DAXXIFY™.*

To date, we have invested substantial efforts and financial resources in the research and development of neuromodulator product candidates. Our near-term prospects, including our ability to finance our business and generate revenue, and our future growth is substantially dependent on the clinical and commercial success of DAXXIFY™.

On September 8, 2022, we announced the FDA approval of DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines in adults. However, we have not yet demonstrated that DAXXIFY™ will be commercially successful. And, we have not completed the clinical development process for DAXXIFY™ for indications other than glabellar lines.

The successful commercialization of DAXXIFY™ will depend on a number of factors, including the risks identified in this “Item 1A. Risk Factors.” These factors include, among other things:

- the timing and cost of commercialization activities;
- the rate and degree of commercial acceptance, potential market size, opportunity and growth potential of DAXXIFY™;
- our ability to effectively and reliably manufacture supplies of DAXXIFY™ to meet commercial demand, and to maintain a commercially viable manufacturing process;
- our ability to comply with the regulatory requirements regarding the sales, marketing and manufacturing for DAXXIFY™;
- whether our commercialization of DAXXIFY™ will provide the anticipated economic and other benefits, including our ability to realize anticipated synergies and successfully commercialize our services and other products;
- our ability to continue to expand our own sales and marketing capabilities, or seek collaborative partners, including distributors, to commercialize DAXXIFY™;
- reports of adverse events or safety concerns involving DAXXIFY™ (or other indications during clinical trials) and the impact of any such reports on its commercialization;
- whether the COVID-19 pandemic or public perception of the risk, could cause customers to cancel or defer aesthetic and elective procedures, cause temporary or long-term disruptions in our supply chain, manufacturing and/or delays in the delivery of inventory;
- enforce our intellectual property rights in and to DAXXIFY™; and
- avoid third-party patent interference or intellectual property infringement claims.

One or more of these factors, many of which are beyond our control, could cause significant delays or an inability to successfully commercialize DAXXIFY™. In addition, we need to complete the clinical development process and seek regulatory approval for DAXXIFY™ for indications other than glabellar lines. A number of factors identified in this “Item 1A. Risk Factors” could impact the successful development, regulatory approval and commercialization of DAXXIFY™ in those indications. Accordingly, we cannot assure you that we will be able to generate sufficient revenue through the sale of DAXXIFY™ to continue our business.

We are substantially dependent on the clinical and commercial success of the RHA® Collection of dermal fillers.

As of the date of this Report, we have not generated material revenue from the sale of any product except the RHA® Collection of dermal fillers. Our success as a company is substantially dependent on our ability to continue to generate revenue from the sales of the RHA® Collection of dermal fillers, which will depend on many factors including, but not limited to, our ability to:

- execute our sales and marketing strategies for the RHA® Collection of dermal fillers;
- maintain and manage the necessary sales, marketing and other capabilities and infrastructure that are required to continue to successfully commercialize the RHA® Collection of dermal fillers;
- achieve, maintain and grow market acceptance of, and demand for, the RHA® Collection of dermal fillers;
- establish or demonstrate in the medical community the safety and efficacy of the RHA® Collection of dermal fillers and their potential advantages over and side effects compared to existing dermal fillers and products currently in clinical development;
- offer the RHA® Collection of dermal fillers at competitive prices as compared to alternative options, and our ability to achieve a suitable profit margin on our sales of the RHA® Collection of dermal fillers;
- collaborate with Teoxane to obtain necessary approvals from the FDA and similar regulatory authorities for the RHA® Pipeline Products;
- adapt to additional changes to the label for the RHA® Collection of dermal fillers, that could place restrictions on how we market and sell the RHA® Collection of dermal fillers, including as a result of adverse events observed in these or other studies;
- obtain adequate and timely supply of the RHA® Collection of dermal fillers, which has in the past and may in the future be adversely affected by factors relating to the COVID-19 pandemic and other factors;
- comply with the terms of the Teoxane Agreement, including our obligations with respect to purchase quantities and marketing efforts;
- comply with applicable legal and regulatory requirements, including medical device compliance as the RHA® Collection of dermal fillers are Class III Premarket Approval (“PMA”) devices under the FDCA;
- maintain necessary state prescription medical device distribution permits and maintain complaint and medical device vigilance services in support of the RHA® Collection of dermal fillers;
- maintain our arrangements with third party logistics providers to distribute the RHA® Collection of dermal fillers to customers;
- enforce our intellectual property rights in and to the RHA® Collection of dermal fillers; and
- avoid third-party patent interference or intellectual property infringement claims.

If we do not achieve or maintain one or more of these factors, many of which are beyond our control, in a timely manner or at all, we may not be able to continue to generate revenue from the sales of the RHA® Collection of dermal fillers and successfully commercialize the RHA® Pipeline Products, which may materially impact the success of our business. For example, as a result of the COVID-19 pandemic, product supply of the RHA® Collection of dermal fillers was delayed by Teoxane, as they temporarily suspended production in Geneva, Switzerland in early 2020. Teoxane resumed manufacturing operations at the end of April 2020 and delivered the first shipment of the RHA® Collection of dermal fillers to us in June 2020. As a result of production delay, the initial product launch of the RHA® Collection of dermal fillers was delayed by one

quarter to September 2020. Additional delays in the product supply of the RHA® Collection of dermal fillers may have an adverse effect on our commercialization activities.

If we fail to comply with the terms of the Teoxane Agreement, including by failing to meet certain obligations in connection with purchase and marketing of the RHA® Collection of dermal fillers, Teoxane may terminate the Teoxane Agreement, and we would have no further rights to distribute the RHA® Collection of dermal fillers. In addition, the limited complementary products to be offered by sales personnel in marketing the RHA® Collection of dermal fillers may put us at a competitive disadvantage relative to companies with more extensive product lines. Accordingly, we cannot assure you that we will be able to generate sufficient revenue through the sale of the RHA® Collection of dermal fillers to continue our business.

We may require substantial additional funding to 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.*

Since our inception, most of our resources have been dedicated to the research and development of our neuromodulator product candidates. Our clinical programs for DAXXIFY™ and an onabotulinumtoxinA biosimilar will require substantial additional funds to complete. In connection with the Teoxane Agreement, we must make specified annual minimum purchases of the RHA® Collection of dermal fillers and meet annual minimum expenditures in connection with the commercialization of the RHA® Collection of dermal fillers. In addition, we will need to expend substantial resources to commercialize DAXXIFY™. We have incurred substantial transaction expenses in order to complete the HintMD Acquisition. Further, to grow the Fintech Platform business, we must develop features, products and services that reflect the needs of customers and the changing nature of payments processing software and continually modify and enhance the Fintech Platform to keep pace with changes in updated hardware, software, communications and database technologies and standards and to remain competitive. 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. In addition, other unanticipated costs may arise from disruptions associated with the COVID-19 pandemic.

As of September 30, 2022, we had a working capital surplus of \$340.9 million and an accumulated deficit of \$1.6 billion. For the three months ended September 30, 2022 and 2021, we had a net loss of \$84.7 million and \$74.4 million, respectively. We have funded our operations primarily through the sale of common stock, convertible senior notes, payments received from collaboration arrangements and sales of the RHA® Collection of dermal fillers, and in March 2022, we received proceeds from the Note Purchase Agreement. As of September 30, 2022, we had capital resources of \$378.6 million consisting of cash, cash equivalents, and short-term investments. Beginning in October 2021, we took prudent measures to defer or reduce costs in the near term in order to preserve capital and increase financial flexibility as a result of the delay in the approval of DAXXIFY™. Disciplined capital allocation continues to be a priority. Following the FDA's approval of DAXXIFY™ in September 2022, we began to focus our capital allocation on the preparation for the commercial launch of DAXXIFY™, the continued growth of the RHA® Collection of dermal fillers and OPUL®, and the initiation of our therapeutics program. We will continue to assess expense management and capital allocation measures as it relates to our Phase 3 clinical program for upper limb spasticity, other therapeutics pipeline activities, and international regulatory investments for DAXXIFY™.

Our current and/or future expenditures will include costs associated with research and development, conducting preclinical studies and clinical trials, manufacturing and supply, marketing, selling and commercialization, and product development for OPUL®. In addition, other unanticipated costs may arise from disruptions associated with the COVID-19 pandemic. We cannot reasonably estimate the actual amounts necessary to successfully commercialize DAXXIFY™ and continue to successfully commercialize the RHA® Collection of dermal fillers and, because the outcome of any clinical trial is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of DAXXIFY™ and any future product candidates. In addition, we have formed strategic collaborations, licensing and similar arrangements with third parties, such as the Teoxane Agreement and the Viatrix Collaboration. Although we believe these partnerships can complement or support our product offering strategy, we will continue to incur expense associated with these partnerships, including specified annual minimum purchases and expenditures and expense associated with purchases of the RHA® Collection of dermal fillers, research and development

pursuant to the Teoxane Agreement and cost-sharing arrangements with Viatrix in connection with the development of an onabotulinumtoxinA biosimilar.

We believe that our existing cash, cash equivalents, and short-term investments will allow us to fund our operations for at least 12 months following the filing of this Report. However, 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.

Additional capital may not be available when needed, on terms that are acceptable to us or at all. If adequate funds are not available to us on a timely basis, or at all, we may be required to take additional capital preservation measures, including to continue to further reduce operating expense and delay, reduce the scope of, discontinue or alter our research and development activities for DAXXIFY™, the RHA® Pipeline Products and our onabotulinumtoxinA biosimilar program; the development of OPUL®; our sales and marketing capabilities or other activities that may be necessary to continue to commercialize the RHA® Collection of dermal fillers, OPUL® and our product candidates, if approved, and other aspects of our business plan.

If we raise additional capital through marketing and distribution arrangements, royalty financings or other collaborations, strategic alliances or licensing arrangements with third parties, we may need to relinquish certain valuable rights to our product candidates, technologies, future revenue streams or research programs or grant licenses on terms that may not be favorable to us. If we raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted and the terms of any new equity securities may have a preference over our common stock. If we raise additional capital through debt financing, we may be subject to specified financial covenants or covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or pursuing certain transactions, any of which could restrict our ability to commercialize our product candidates or operate as a business. In addition, our ability to raise capital may be limited by restrictions under the Note Purchase Agreement, including our ability to sell or license intellectual property, and other reasons like the global economy, inflation or other macro economic factors.

We have incurred significant losses since our inception and we anticipate that we will continue to incur losses for the foreseeable future.

We are not profitable and have incurred losses in each year since we commenced operations in 2002. In addition, we have limited experience and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biotechnology industry. We have only made sales of the RHA® Collection of dermal fillers since the initial product launch in September 2020, the Fintech Platform since the HintMD Acquisition in July 2020, and limited sales of DAXXIFY™ since approval in September 2022.

We expect to continue to incur losses for the foreseeable future as we continue our development of and seek regulatory approval for DAXXIFY™ for indications other than glabellar lines, begin to commercialize DAXXIFY™, and continue to commercialize the RHA® Collection of dermal fillers and OPUL®. Our ability to achieve revenue and profitability is dependent on our ability to complete the development of our product candidates, obtain necessary regulatory approvals, manufacture and market and commercialize our products and services successfully. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. 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.

The regulatory approval process is highly uncertain and we or any collaboration partner may not obtain regulatory approval for the manufacture or commercialization of DAXXIFY™, the RHA® Pipeline Products or any future product candidates.*

The research, testing, manufacturing, labeling, approval, selling, import, export, marketing and distribution of drug and biologic products are subject to extensive regulation by the FDA and other regulatory authorities in the U.S. and other countries, which regulations differ from country to country. Until such regulatory authority approves a product for a given indication, neither we nor any collaboration partner are permitted to market such product. Obtaining regulatory approval can be a lengthy, expensive and uncertain process and delay or failure can occur at any stage of the process.

Failure to comply with FDA and other applicable U.S. and foreign regulatory requirements may subject us to administrative or judicially imposed sanctions or other actions, including:

- warning letters;
- civil and criminal penalties;
- injunctions;
- withdrawal of approved products;
- product seizure or detention;
- product recalls;
- total or partial suspension of production;
- refusal to approve pending BLAs or supplements to approved BLAs; and
- refusal to approve PMAs or supplements to PMAs by our partners.

Prior to obtaining approval to commercialize a product candidate in the U.S. or abroad, we or our collaborators must demonstrate with substantial evidence from well controlled clinical trials, and to the satisfaction of the FDA or other foreign regulatory agencies, that such product candidates are safe and effective for their intended uses. Results from preclinical studies and clinical trials can be interpreted in different ways. Even if we believe the preclinical and clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. Administering product candidates to humans may produce undesirable side effects, which could interrupt, delay or halt clinical trials and result in the FDA or other regulatory authorities denying approval of a product candidate for any or all targeted indications.

Even with positive clinical trial results, there is the risk that the FDA or other regulatory authority identifies deficiencies related to the manufacturing process of our product candidates. For example, on October 15, 2021, we announced that the FDA issued a CRL regarding the BLA for DAXXIFY™ due to deficiencies related to the FDA's onsite inspection at our manufacturing facility, which delayed the approval of DAXXIFY™. Although DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines was approved, in order to manufacture DAXXIFY™ to meet commercial demand, we will need to utilize one or more of our third-party manufacturing partners, which requires prior approval supplement filings and approvals by the FDA. Although we have submitted a PAS for ABPS, and it has been accepted, we cannot be certain of how quickly or successfully the regulatory approval process will proceed.

Regulatory approval of a BLA or PMA, BLA or PMA supplement or PAS, is not guaranteed, and the approval process is expensive and may take several years. The FDA also has substantial discretion in the approval process. Despite the time and expense expended, failure can occur at any stage, and we could encounter problems that cause us to abandon or repeat clinical trials, or perform additional preclinical studies and clinical trials. For example, we completed the Phase 2 study of DAXXIFY™ for the management of plantar fasciitis but determined in November of 2020 that we would not currently pursue the plantar fasciitis indication because neither dose used in the study met the primary efficacy endpoint of statistically significant improvement from baseline compared to placebo. In addition, we could experience issues during manufacturing inspections that could cause us or our manufacturing partners to undergo reinspections, as was the case for the inspection of

our California manufacturing facility in connection with the regulatory approval process for DAXXIFY™. The FDA can delay, limit or deny approval of a product candidate for many reasons, including the following:

- our inability to remedy FDA identified deficiencies or demonstrate a commercially viable manufacturing processes or due to facility issues identified by the FDA or by applicable foreign regulatory agencies, or the manufacturing processes or facility issues of third-party manufacturers with which we contract;
- our inability to demonstrate to the satisfaction of the FDA or applicable foreign regulatory body that the product candidate is safe and effective for the requested indication;
- our inability to demonstrate proof of concept of a product candidate or approved products in new indications;
- the FDA's or applicable foreign regulatory agency's disagreement with the trial protocol or the interpretation of data from preclinical studies or clinical trials;
- our inability to demonstrate that clinical and other benefits of the product candidate outweigh any safety or other perceived risks;
- the FDA's or applicable foreign regulatory agency's requirement for additional preclinical or clinical studies;
- the FDA's or applicable foreign regulatory agency's non-approval of the formulation, labeling or the specifications of the product candidate; or
- the approval policies or regulations of the FDA or applicable foreign regulatory agency significantly change in a manner rendering our clinical data insufficient for approval.

If DAXXIFY™ for indications other than glabellar lines or any future product candidates do not gain approval on a timely basis or at all, or if our prior approval supplement filings for our third-party manufacturing partners are not approved on a timely basis or at all, our business and results of operations could be materially and adversely harmed.

The COVID-19 pandemic has affected the business of the FDA and other health authorities. Given the continued uncertainty of the trajectory of the ongoing COVID-19 pandemic, we cannot be certain of when standard operations will resume and whether the FDA regulatory process will take longer than the process pre-COVID-19. Interruption or delays in the operations of the FDA or other applicable local or foreign regulatory agencies caused by the COVID-19 pandemic may cause delays in meetings related to planned or completed clinical trials and may affect the review and approval timelines for DAXXIFY™ for indications other than glabellar lines, an onabotulinumtoxinA biosimilar, the RHA® Pipeline Products or any future product candidate. Further, delays in the operations of the FDA or other applicable local or foreign regulatory agencies may result in delays or difficulties in obtaining required inspections of the facilities where we or third parties with whom we contract manufacture any of our product candidates or the raw materials used in the manufacture of our product candidates. If the COVID-19 pandemic and the related backlog of work, another government shutdown or other disruption to the normal functioning of government agencies occurs as a result of the COVID-19 pandemic or other reasons, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions.

The RHA® Collection of dermal fillers are Class III medical devices that require PMA approval before they may be commercialized in the U.S. Although Teoxane has received PMA approval for the RHA® Collection of dermal fillers, we and Teoxane will be subject to ongoing and pervasive regulatory requirements governing, among other things, the manufacture, marketing, advertising, medical device reporting, sale, promotion, registration, and listing of these devices. For example, periodic reports must be submitted to the FDA as a condition of PMA approval. These reports include safety and effectiveness information about the device after its approval. Failure to submit such reports, or failure to submit the reports in a timely manner, could result in enforcement action by the FDA. Following its review of the periodic reports, the FDA might ask for additional information or initiate further investigation. Any failure to comply with the conditions of approval could result in the withdrawal of PMA approval and the inability to continue to market the device. The medical device regulations to which we are subject are complex and have become more stringent over time, and we have a limited history of operating as a distributor of Class III medical devices. Our failure to comply with applicable regulatory requirements could result in

enforcement action by the FDA, state or foreign regulatory authorities, including recalls, Dear Doctor letters and negative publicity which would negatively affect our business, financial condition and results of operations.

Currently, the only products for which we have the rights to commercialize and that have been approved for sale by the applicable regulatory authorities are DAXXIFY™ and the RHA® Collection of dermal fillers. We may never obtain regulatory approval to commercialize DAXXIFY™ for indications other than glabellar lines, an onabotulinumtoxinA biosimilar or future rights to the RHA® Pipeline Products. Even if we eventually complete clinical testing and receive approval of any regulatory filing for DAXXIFY™ for indications other than glabellar lines, an onabotulinumtoxinA biosimilar, the RHA® Pipeline Products or any future product candidates, the FDA or an applicable foreign regulatory agency may grant approval contingent on the performance of costly additional post-approval clinical trials. The FDA or applicable foreign regulatory agency also may approve DAXXIFY™ for indications other than glabellar lines, an onabotulinumtoxinA biosimilar, the RHA® Pipeline Products or any future product candidates for a more limited indication or a narrower patient population than we originally requested, and the FDA or applicable foreign regulatory agency may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our product candidates. The requirement to conduct additional clinical trials or our inability to obtain the requested label or indication could increase our expenses or limit our ability to generate revenue.

The COVID-19 pandemic has and may continue to, and other actual or threatened epidemics, pandemics, outbreaks, or public health crises may, adversely affect our financial condition and our business.

Our business could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the ongoing COVID-19 pandemic. An epidemic, pandemic, outbreak or other public health crisis could cause delays in regulatory approvals needed to commercialize our product candidates or interfere with enrollment and our ability to complete ongoing clinical trials on schedule or at all. The risk of a continued pandemic, or public perception of the risk, could cause customers to cancel or defer aesthetic and elective procedures, avoid public places, including hospitals and physician offices, and cause temporary or long-term disruptions in our supply chain, manufacturing and/or delays in the delivery of our inventory. Certain of these risks have materialized in connection with the COVID-19 pandemic. The extent to which the COVID-19 pandemic will further directly or indirectly impact our business, results of operations, financial condition, liquidity and research and development costs will depend on future developments that are highly uncertain, including variant strains of the virus and the degree of their vaccine resistance and as a result of new information that may emerge concerning COVID-19, the actions taken to contain or treat it, and the duration and intensity of the related effects. For instance, the FDA was previously unable to conduct the required inspection of our manufacturing facility in Northern California, due to the FDA's travel restrictions associated with the COVID-19 pandemic. In addition, following the FDA's completion of the site inspection, the issuance of a Form 483 and our response to the Form 483, it took longer to receive an action on the BLA from the FDA when compared to pre-COVID-19 pandemic timelines. We cannot be certain of the future impact of the COVID-19 pandemic on the timing of the regulatory approval process for DAXXIFY™ for indications other than glabellar lines or on any supplemental BLAs or PASs we may file. In addition, in March 2020 we paused enrollment in the JUNIPER Phase 2 adult upper limb spasticity trial, and ultimately enrolled fewer subjects, due to challenges related to the COVID-19 environment. We are unable to predict whether similar delays will occur in other clinical trials or whether such delays will delay regulatory approvals.

Many of the Fintech Platform physician customers temporarily closed their offices and stopped performing procedures as a result of the COVID-19 pandemic, and while customers have reopened, a rise in infection rates, the development and spread of more contagious variants and other impacts of the COVID-19 pandemic may adversely affect their ability to stay open and the types of procedures performed. The spread of COVID-19 has also impacted our sales professionals' ability to travel, and medical facilities and physician offices have limited access for non-patients, including our sales professionals, which has impacted our access to customers and our ability to introduce the Fintech Platform and the RHA® Collection of dermal fillers to potential customers. We cannot be certain whether or to what extent these trends may continue, and if patients' financial circumstances or ability to or interest in receiving aesthetic procedures are materially impacted by the COVID-19 pandemic or another pandemic or public health crisis, we may be unable to generate meaningful revenue in the near term or at all.

Port closures, labor shortages and other restrictions resulting from the COVID-19 pandemic have and may continue to disrupt our supply chain or limit our ability to obtain sufficient materials for our drug products and services. If Teoxane is

unable to access the raw materials needed for the production of the RHA® Collection of dermal fillers, or if we are unable to access the raw materials needed to manufacture DAXXIFY™, we may experience delays in our commercialization plans, regulatory approval process or development programs. In addition, the global chip shortage has impacted and may in the future impact our third-party partners' ability to provide us with POS hardware terminals that are provided to customers as a part of the OPUL® service offering. If our third-party partner cannot provide enough POS terminals to meet OPUL® demand or we are unable to provide a substitute device, we may be unable to timely board new customers or fulfill orders for additional hardware from existing customers. Changes in U.S. and foreign trade policies or border closures related to the COVID-19 pandemic or otherwise could trigger retaliatory actions by affected countries, resulting in "trade wars", which may reduce customer demand for goods exported out of the U.S. if the parties having to pay those retaliatory tariffs increase their prices, or if trading partners limit their trade with the U.S. If these consequences are realized, the price to the consumer of aesthetic or therapeutic medical procedures from products exported out of the U.S. may increase, resulting in a material reduction in the demand for our future product candidates. Such a reduction may materially and adversely affect our potential sales and our business. In particular, under our Fosun License Agreement, we are responsible for manufacturing DAXXIFY™ and supplying it to Fosun, which would then develop, commercialize, market and sell it in mainland China, Hong Kong and Macau. If this arrangement is restricted in any way due to the U.S.–China trade relationship or the COVID-19 pandemic, the contingent payments we are entitled to receive under the agreement, which are based on product sales, among other things, may be adversely affected. In addition, under the Teoxane Agreement, we are responsible for the commercialization of the RHA® Collection of dermal fillers in the U.S. and rely on Teoxane for our entire supply of the RHA® Collection of dermal fillers, which was previously delayed as a result of the COVID-19 pandemic and may again be delayed in the future. Additional delays in the product supply of the RHA® Collection of dermal fillers may have an adverse effect on our commercialization strategy.

Moreover, an epidemic, pandemic, outbreak or other public health crisis, could require a complete or partial closure of one or more of our facilities, including our manufacturing facility, or cause employees to avoid our properties, which could adversely affect our ability to adequately staff and manage our businesses. For instance, "shelter-in-place" or other such orders by governmental authorities in response to the COVID-19 pandemic have disrupted our operations. We curtailed employee travel and implemented a corporate work-from-home policy in March 2020. Throughout the COVID-19 pandemic, certain manufacturing, quality and laboratory-based employees continued to work onsite, and certain employees with customer-facing roles have been onsite for training and interfacing in-person with customers in connection with the product launch of the RHA® Collection of dermal fillers. We have resumed essential on-site corporate operations and have begun to transition certain employees back on-site on a full or part-time basis and in accordance with local and regional restrictions. Although many of our employees have returned to working on-site, the trajectory of the COVID-19 pandemic is uncertain, and a rise in infection rates, the development and spread of more contagious variants or other impacts of the COVID-19 pandemic may require that we transition back to work from home policies. Certain departments, like clinical, quality, quality control, manufacturing, supply chain and sales and marketing, are dependent on working on-site. The effective operation of certain of these departments is critical to manufacturing our drug substance and drug product needed for the commercial preparation of DAXXIFY™ for any approved indication and the completion of our clinical programs. If the employees in these departments are subject to work from home policies now or in the future, our business may be adversely impacted. In addition, continued reliance on personnel working from home may negatively impact productivity and employee morale, which may harm our business. In addition, this could increase our cyber security risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business operations or delay necessary interactions with local and federal regulators, manufacturing sites, research or clinical trial sites, other important agencies and contractors, the Fintech Platform or RHA® Collection of dermal fillers physician customers and other third parties with whom we do business.

Risks related to an epidemic, pandemic or other health crisis, such as the COVID-19 pandemic, could also negatively impact the business or operations of our sourcing or manufacturing partners, CROs, customers or other third parties with whom we conduct business.

These and other potential impacts of an epidemic, pandemic or other health crisis, such as the COVID-19 pandemic, has and could in the future materially and adversely affect our business, financial condition and results of operations.

Reports of adverse events or safety concerns involving DAXXIFY™ could prevent our ability to maintain regulatory approval for and commercialize DAXXIFY™ and delay or prevent our ability to obtain additional regulatory approvals for DAXXIFY™ for indications other than glabellar lines.*

Reports of adverse events or safety concerns involving DAXXIFY™ could result in the FDA or other regulatory authorities withdrawing approval of DAXXIFY™ for any or all indications that have approval, and delay or prevent our ability to obtain additional regulatory approval for DAXXIFY™ for indications other than glabellar lines. We cannot assure you that patients receiving DAXXIFY™ will not experience serious adverse events that require submission of postmarketing safety or medical device reports to the FDA. Adverse events, including with respect to neurotoxin products generally, may also negatively impact demand for DAXXIFY™, which could result in reduced sales. We may also be required to update package inserts and patient information brochures for DAXXIFY™ based on reports of adverse events or safety concerns, which could adversely affect acceptance of DAXXIFY™ in the market, make DAXXIFY™ less competitive or make it more difficult or expensive for us to commercialize DAXXIFY™.

Reports of adverse events or safety concerns involving the RHA® Collection of dermal fillers or other Teoxane approved product candidates could prevent Teoxane from maintaining regulatory approval of the RHA® Collection of dermal fillers, delay or prevent Teoxane from obtaining additional regulatory approval for the RHA® Pipeline Products, or could negatively impact our sales of, the RHA® Collection of dermal fillers.

Reports of adverse events or safety concerns involving the RHA® Collection of dermal fillers or other Teoxane approved product candidates could result in the FDA or other regulatory authorities withdrawing approval of the RHA® Collection of dermal fillers for any or all indications that have approval, including the use of the RHA® Collection of dermal fillers for specified aesthetic indications and delay or prevent Teoxane from obtaining additional regulatory approval for the RHA® Pipeline Products. We cannot assure you that patients receiving the RHA® Collection of dermal fillers will not experience serious adverse events that require submission of postmarketing safety or medical device reports to the FDA. Adverse events, including with respect to dermal filler products generally, may also negatively impact demand for the RHA® Collection of dermal fillers and future RHA® Pipeline Products, which could result in reduced sales. Teoxane may also be required to update package inserts and patient information brochures of the RHA® Collection of dermal fillers based on reports of adverse events or safety concerns, which could adversely affect acceptance of the RHA® Collection of dermal fillers in the market, make the RHA® Collection of dermal fillers less competitive or make it more difficult or expensive for us to commercialize the RHA® Collection of dermal fillers.

We may fail to realize the benefits expected from the HintMD Acquisition or those benefits may take longer to realize than expected.

On July 23, 2020, we completed the HintMD Acquisition. The anticipated benefits we expect from the HintMD Acquisition are based on projections and assumptions about our combined businesses with HintMD, which may not materialize as expected or which may prove to be inaccurate. We may not realize the anticipated benefits within the anticipated time frame, or at all. The challenges involved in the commercial success of the Fintech Platform, which will be complex and time-consuming, include the following:

- significant issues with the acquired technology, security, product architecture and legal, regulatory and contractual compliance, among other matters that our due diligence process may have failed to identify;
- difficulties entering new markets and integrating new technologies in which we had no or limited direct experience prior to the HintMD Acquisition;
- our ability to comply with new and complex regulatory regimes and compliance standards applicable to the Fintech Platform;
- our ability to foster adoption of OPUL® at scale;
- our ability to continue to fund the development and commercialization of the Fintech Platform;

- depending on third-party partners, such as Fiserv, Inc. (“Fiserv”);
- technical or other difficulties faced by our aesthetic practice customers when using the Fintech Platform, which may negatively impact our existing or future customer relationships;
- limiting exposure to data and security breaches of consumer personal information used by the Fintech Platform;
- retaining and managing existing relationships with the Fintech Platform’s customer base;
- developing new product features for OPUL[®] and delivering the anticipated benefits to physicians and patients;
- expanding sales and marketing efforts to effectively position OPUL[®] and expand its customer base;
- the Fintech Platform’s ability to foster loyalty between physicians and their patients;
- evolving law relating to patent eligibility for patents related to computer-related inventions (e.g. software, business methods, computer security, database and data structures, computer networking, and graphical user interfaces) may be relevant to the scope of protection available for the Fintech Platform;
- entry of competitors to the market, including those with greater resources, experience and name recognition; the timing of development and release of new products, features and functionality and pricing by competitors; our ability to adapt to technological advancement in comparison to our competitors;
- changes in user preferences and growth or contraction in the addressable market;
- the increased scale and complexity of our operations resulting from the HintMD Acquisition;
- retaining our key employees and key employees of HintMD; and
- minimizing the diversion of management’s attention from other important business objectives.

Further, the HintMD Acquisition has increased the size and scope of our business beyond the previous size and scope of either our or HintMD’s previous businesses. Our future success depends, in part, upon our ability to manage our expanded and distinct business segments, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs, regulatory requirements and complexity. We have also incorporated as a part of our aesthetics commercial strategy leveraging the Fintech Platform to expand and deepen customer relationships, enhance our prestige aesthetics offering and grow our U.S. aesthetics market opportunity. If we do not successfully manage these issues and other challenges inherent in integrating and expanding an acquired business of the size and complexity of HintMD, then we may need to alter our commercial strategy, we may not achieve the anticipated benefits of the HintMD Acquisition and our revenue, expenses, operating results and financial condition could be materially adversely affected.

The Teoxane Agreement requires us to make specified annual minimum purchases of the RHA[®] Collection of dermal fillers and to meet specified expenditure levels in connection with our marketing of the RHA[®] Collection of dermal fillers in furtherance of the commercialization of the RHA[®] Collection of dermal fillers, regardless of whether our commercialization efforts are successful. Such expenditure requirements may adversely affect our cash flow and our ability to operate our business and our prospects for future growth, or may result in the termination of the Teoxane Agreement.

If we fail to meet the annual minimum purchase amount or the annual minimum marketing spending requirements specified in the Teoxane Agreement, Teoxane has the right to terminate the Teoxane Agreement.

If our commercialization efforts of DAXXIFY™ and the RHA® Collection of dermal fillers are unsuccessful, there can be no assurance that we will have sufficient cash flow to comply with such minimum purchase and expenditure requirements. Our obligation to Teoxane to meet such requirements could:

- make it more difficult for us to satisfy obligations with respect to our indebtedness, including the 2027 Notes and the Notes Payable, and any failure to comply with the obligations of any of our debt instruments, including financial and other restrictive covenants, could result in an event of default under the agreements governing such indebtedness;
- require us to dedicate a substantial portion of available cash flow to meet the minimum expenditure requirements, which will reduce the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- limit flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- limit our ability to engage in strategic transactions or implement our business strategies;
- limit our ability to borrow additional funds; and
- place us at a disadvantage compared to our competitors.

Any of the factors listed above could materially and adversely affect our business and our results of operations.

Worldwide economic and market conditions, an unstable economy, a decline in consumer-spending levels and other adverse developments, including inflation, could adversely affect our business, results of operations and liquidity.*

Many economic and other factors are outside of our control, including general economic and market conditions, consumer and commercial credit availability, inflation, unemployment, consumer debt levels, geopolitical events and other challenges affecting the global economy, including the ongoing COVID-19 pandemic and conflicts between Ukraine and Russia. These factors could lead to disruption, instability, and volatility in global markets, increase inflation, disrupt supply chains, adversely affect consumer confidence and disposable income levels and have other impacts on our business. For example, inflation has impacted the cost of supplies to manufacture our products and other aspects of our business. Lower consumer confidence and disposable incomes could lead to reduced consumer spending and lower demand for our products and services. Decreases in the number of physicians and physician offices or financial hardships for physicians may also adversely affect distribution channels of our products and services. A weak or declining economy or geopolitical events could also strain our suppliers, possibly resulting in supply disruption. In addition, historically, during economic downturns, there have been reductions in spending on information technology as well as pressure for extended billing terms and other financial concessions. The adverse impact of economic downturns may be particularly acute among small and medium-sized plastic surgery and dermatology practices offering elective aesthetic procedures, which comprise the majority of the customer base of the Fintech Platform. If economic conditions deteriorate, current and prospective customers of the Fintech Platform may elect to decrease their information technology budgets or cancel subscriptions to the Fintech Platform, which would limit our ability to grow the Fintech Platform business. The COVID-19 pandemic has resulted in an economic recession characterized by business closures and limited social interaction as well as higher levels of unemployment and reductions in working hours. Elective aesthetic procedures are discretionary and less of a priority for those patients that have lost their jobs, are furloughed, have reduced work hours or have to allocate their cash to other priorities and essential items. Even after the COVID-19 pandemic subsides, we may continue to experience negative impacts to our business and financial results due to the continued perceived risk of infection or concern of a resurgence of the COVID-19 outbreak as well as COVID-19's global economic impact, including decreases in consumer discretionary spending and any economic slowdown or recession that has occurred or may occur in the future. A severe or prolonged economic downturn could also limit our ability to raise additional capital when needed on acceptable terms, if at all. These factors could have a negative impact on our potential sales and operating results.

We are currently, and in the future may be, subject to securities class action and stockholder derivative actions. These, and potential similar or related litigation, could result in substantial damages and may divert management's time and attention from our business.

We are currently, and may in the future be, the target of securities class actions or stockholder derivative claims. 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. The complaint alleges that the Company and certain of its officers violated sections 10(b) and 20(a) of the Exchange Act by making false or 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. This and any such other actions or claims could result in substantial damages and may divert management's time and attention from our business and otherwise harm our business.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of any future products we develop.

We face an inherent risk of product liability lawsuits as a result of commercializing the RHA® Collection of dermal fillers, DAXXIFY™, and as a result of the clinical testing of DAXXIFY™, an onabotulinumtoxinA biosimilar, or any other product candidates. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, 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. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for the RHA® Collection of dermal fillers, DAXXIFY™ for any approved indications or any future product candidates or products we develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants or cancellation of clinical trials;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- regulatory investigations, product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- an increase in product liability insurance premiums or an inability to maintain product liability insurance coverage; and
- the inability to continue to commercialize our approved products or any other products we develop.

Our inability to obtain and maintain sufficient product liability insurance at an acceptable cost and scope of coverage to protect against potential product liability claims could halt or inhibit the commercialization of DAXXIFY™, the RHA® Collection of dermal fillers or any future products we develop. Although we maintain product liability insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions and deductibles, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Moreover, in the

future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses.

If we are not successful in discovering, developing, acquiring and commercializing additional product candidates other than the RHA® Collection of dermal fillers and DAXXIFY™, our ability to expand our business and achieve our strategic objectives may be impaired.

Although a substantial amount of our effort has focused on the commercialization of the RHA® Collection of dermal fillers, and the continued clinical testing, regulatory approval and commercial readiness for DAXXIFY™, our strategy also includes the discovery, development and commercialization of other neuromodulator products for both aesthetic and therapeutic indications, including the onabotulinumtoxinA biosimilar. We may seek to do so through our internal research programs, strategic collaborations and product acquisitions.

Even if we identify an appropriate collaboration or product acquisition, we may not be successful in negotiating the terms of the collaboration or acquisition, or effectively integrating the collaboration or acquired product into our existing business and operations. Moreover, we may not be able to pursue such opportunities if they fall within the non-compete provision of the Teoxane Agreement, which prohibits us from developing, manufacturing, marketing, selling, detailing or promoting any hyaluronic acid dermal filler (other than the RHA® Collection of dermal fillers) in the U.S. during the term of the Teoxane Agreement. We have limited experience in successfully acquiring and integrating products and technologies into our business and operations, and even if we are able to consummate an acquisition or other investment, we may not realize the anticipated benefits of such acquisitions or investments. We may face risks, uncertainties and disruptions, including difficulties in the integration of the operations and services of these acquisitions. If we fail to successfully integrate collaborations, assets, products or technologies that we enter into or acquire, or if we fail to successfully exploit acquired product distribution rights and maintain acquired relationships with customers, our business could be harmed. Furthermore, we may have to incur debt or issue equity securities in connection with proposed collaborations or to pay for any product acquisitions or investments, the issuance of which could be dilutive to our existing stockholders. Identifying, contemplating, negotiating or completing a collaboration or product acquisition and integrating an acquired product or technology could significantly divert management and employee time and resources.

Our onabotulinumtoxinA biosimilar program is still in the preclinical stage and our other programs are in the discovery or preclinical state. Research programs to identify product candidates require substantial technical, financial and human resources, whether or not any product candidates are ultimately identified. Our research and preclinical programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for many reasons, including the following:

- the research methodology used may not be successful in identifying potential product candidates;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- product candidates we develop may nevertheless be covered by third parties' patents or other exclusive rights;
- a product candidate may on further study be shown to have harmful side effects or other characteristics that indicate it is unlikely to be effective or otherwise does not meet applicable regulatory criteria;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all;
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors, if applicable; and
- intellectual property rights of third parties may potentially block our entry into certain geographies or make such entry economically impracticable.

If we fail to develop and successfully commercialize other product candidates other than the RHA® Collection of dermal fillers and DAXXIFY™, our future prospects may be harmed and our business will be more vulnerable to problems

that we encounter in commercializing DAXXIFY™ and the RHA® Collection of dermal fillers, and in the continuing development of DAXXIFY™.

We may use third-party collaborators to help us develop, validate or commercialize product candidates, and our ability to commercialize such product candidates could be impaired or delayed if these collaborations are unsuccessful.

We may continue to license or selectively pursue strategic collaborations for the development, validation and commercialization of DAXXIFY™, an onabotulinumtoxinA biosimilar, hyaluronic acid filler products, and any future product candidates. For instance, in February 2018, we and Viartis entered into the Viartis Collaboration, as amended in August 2019, pursuant to which we and Viartis are collaborating exclusively, on a world-wide basis (excluding Japan), to develop, manufacture and commercialize our onabotulinumtoxinA biosimilar product candidate. In December 2018, we and Fosun entered into the Fosun License Agreement pursuant to which we have granted Fosun the exclusive rights to develop and commercialize DAXXIFY™ in the Fosun Territory and certain sublicense rights. In addition, we entered into the Teoxane Agreement in January 2020, as amended in September 2020, pursuant to which Teoxane granted us the exclusive right to import, market, promote, sell and distribute the RHA® Collection of dermal fillers and the RHA® Pipeline Products in the U.S., its territories and possessions. In any third-party collaboration, we are dependent upon the success of the collaborators to perform their responsibilities with continued cooperation. Our collaborators may not cooperate with us or perform their obligations under our agreements with them. We cannot control the amount and timing of our collaborators' resources that will be devoted to performing their responsibilities under our agreements with them. Our collaborators may choose to pursue alternative technologies in preference to those being developed in collaboration with us. The development, validation and commercialization of our product candidates will be delayed if collaborators fail to conduct their responsibilities in a timely manner or in accordance with applicable regulatory requirements or if they breach or terminate their collaboration agreements with us. Disputes with our collaborators could also impair our reputation or result in development delays, decreased revenues and litigation expenses.

If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.*

In the ordinary course of our business, we may collect, receive store, process, generate, use, disclose, make accessible, protect, secure, dispose of, transmit, share or otherwise process (collectively, "process") proprietary, confidential, and sensitive data, including personal data (such as health-related data), intellectual property, and trade secrets (collectively, "sensitive information"). We may rely upon and may share or receive sensitive data with or from third party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, third-party providers of cloud-based infrastructure, encryption and authentication technology, employee email and other functions. We may also rely on third-party service providers to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties' cybersecurity practices is limited, and these third parties may not have adequate information security measures in place.

Cyberattacks, malicious internet-based activity, and online and offline fraud and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely. These threats are prevalent and continue to increase, are becoming increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation-states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations or supply chain.

We and the third parties upon which we rely may be subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing),

personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. Ransomware attacks are becoming increasingly prevalent and severe and can lead to significant interruptions in our operations, loss of data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Similarly, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties and infrastructure in our supply chain or our third-party partners' supply chains have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our information technology systems (including the Fintech Platform) or the third-party information technology systems that support us and our services. The COVID-19 pandemic and our remote workforce poses increased risks to our information technology systems and data, as more of our personnel utilize network, connections computers and devices outside our premises or network, including working at home, while in transit and in public locations. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems, including that of our Fintech Platform, could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies.

Any of the previously identified or similar threats could cause a security incident or other interruption. A security incident or other interruption could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to data. If such an event were to occur, it could result in a material disruption of our product development programs and our business operations. For example, the loss of clinical trial data from completed, ongoing or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. In addition, where cardholder data is compromised, we might be responsible for payment of network fines levied pursuant to payment network rules and regulations. Likewise, we will rely on third parties for the manufacture of our product candidates and have historically relied on third parties to conduct clinical trials, and similar events relating to their information technology systems could also harm our business. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. These threats pose a risk to the security of our systems, the confidentiality and the availability and integrity of our data, and these risks apply both to us, and to third parties on whose systems we rely for the conduct of our business.

We may expend significant resources or modify our business activities (including our clinical trial activities) in an effort to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures, industry-standard or reasonable security measures to protect our information technology systems, including that of our Fintech Platform, and data. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We may be unable to detect vulnerabilities in our information technology systems, including the Fintech Platform, because such threats and techniques change frequently, are often sophisticated in nature, and may not be detected until after a security incident has occurred. Despite our efforts to identify and remediate vulnerabilities, if any, in our information technology systems, including the Fintech Platform, our efforts may not be successful. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosures or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences. These consequences may include: government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary expenditures; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause delays in the development of our product candidates, cause customers to stop using our products or our Fintech Platform, deter new customers from using our products or our Fintech Platform, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

If we fail to attract and retain qualified management, clinical, scientific, technical and sales personnel, we may be unable to successfully execute our objectives.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical, scientific, technical and sales personnel. There is intense competition for qualified personnel in the pharmaceutical and biotechnology industries, and we cannot be sure that we will be able to continue to attract and retain the qualified personnel necessary, particularly as business prospects change. The inability to recruit or loss of the services of key employees might impede the progress of our research, development and commercialization objectives.

Leadership transitions can be inherently difficult to manage. Resignations of executive officers may cause disruption in our business, strategic and employee relationships, which may significantly delay or prevent the achievement of our business objectives. Leadership changes may also increase the likelihood of turnover of other key officers and employees and may cause declines in the productivity of existing employees. The search for a replacement officer may take time, further exacerbating these factors. Identifying and hiring an experienced and qualified executive officer are typically difficult. Periods of transition in senior management leadership are often difficult as the new executives gain detailed knowledge of our operations and may result in cultural differences and friction due to changes in strategy and style. During the transition periods, there may be uncertainty among investors, employees, creditors and others concerning our future direction and performance.

Risks Related to the Manufacturing and Supply Chain

We face certain risks associated with manufacturing DAXXIFY™ for to support commercial production for any approved indications.*

We have developed an integrated manufacturing, research and development facility located at our Newark, California office. We manufacture drug substance and drug product at this facility that we use for research and development purposes, clinical trials and commercial production. There are risks associated with commercial manufacturing including, among others, cost overruns, process reproducibility, stability issues, lot consistency and timely availability of raw materials. In addition, we do not anticipate being able to operate our manufacturing facility to support commercial demand for DAXXIFY™. In support of the commercialization of DAXXIFY™, we will need to outsource manufacturing responsibilities with third-party manufacturers, and may need to expand our manufacturing facilities and add more personnel. The upgrade and expansion of our facilities and the use of third-party manufacturer facilities will require additional regulatory approvals. In addition, it will be costly and time-consuming to expand our facilities and recruit necessary additional personnel. We entered into the ABPS Services Agreement and LSNE Agreement to provide additional sources of manufacturing for our product candidates and any approved products, however, there are no assurances that either or both sources will continue to be available to us at the required commercial scale, or at all, or that their manufacturing facilities will get approved on a timely basis, or at all. If we are unable to expand our manufacturing facilities in compliance with regulatory requirements, to hire additional necessary manufacturing personnel, or utilize our third-party manufacturers, we may encounter delays or additional costs in achieving our commercialization objectives, which could materially damage our business and financial position.

We currently make our DAXXIFY™ drug product exclusively in one internal manufacturing facility. We plan to utilize this internal and external facilities, including through one or more third-party contractors, in the future to support clinical and commercial production of DAXXIFY™ and any other product candidates. If we experience a significant disruption in our manufacturing operations or our third-party manufacturers experience a significant disruption in their operations for any reason, our ability to continue to operate our business would be materially harmed.

We currently manufacture our own drug product to support DAXXIFY™ development in one internal manufacturing facility. We plan to utilize our internal and external ABPS and LSNE facilities to provide multiple sources of clinical and commercial production of DAXXIFY™ and any other product candidates. If these or any future facility were to be damaged, destroyed or otherwise unable to operate, whether due to earthquakes, fire, floods, hurricanes, storms, tornadoes, other natural disasters, employee malfeasance, terrorist acts, power outages, actual or threatened epidemics, pandemics (including the COVID-19 pandemic), outbreaks, or public health crises, or otherwise, or if performance of such manufacturing facilities is disrupted for any other reason, such an event could make it difficult or, in certain cases, impossible for us or our third-party manufacturers to continue to manufacture our drug product for a substantial period of time. In particular, because we manufacture botulinum toxin in our facilities, we would be required to obtain further clearance and approval by state, federal or other applicable authorities to continue or resume manufacturing activities. Although we have disaster recovery and business continuity plans in place, they may not be adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business. We may also need to halt manufacturing operations, which could impact FDA inspections, halt or delay our clinical trials or, if our product candidates are approved, be unable to manufacture our product candidates to meet commercial demand. If we experience delays in achieving our development or regulatory objectives, or if we are unable to manufacture an approved product within a timeframe that meets market demands, our business, prospects, financial results and reputation could be materially harmed.

We currently contract with third-party manufacturers for certain components and services necessary to produce our product candidates and expect to continue to do so to support further clinical trials and commercial scale production. This increases the risk that we will not have sufficient quantities of our products or be able to obtain such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.*

In particular, we plan to utilize our internal and the external ABPS and LSNE manufacturing facilities, and we use other service providers for testing and the production of raw materials and excipients to support the clinical and commercial production of our products. We may never be able to rely on new and additional suppliers or service providers to support clinical development or commercialization of our products. Even where alternative sources of supply or other service providers are available, qualifying alternate suppliers and service providers and establishing reliable supplies could cost more or could result in delays and a loss of revenues. As a result, we are dependent on a limited number of suppliers and service providers for our products and the loss of one of our suppliers or service providers could have a material adverse effect on our business, results of operations and financial condition.

Reliance on third-party manufacturers entails other additional risks, including the reliance on the third party for regulatory compliance and quality assurance, the possible breach of the manufacturing agreement by the third party, and the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us. In addition, third-party manufacturers may not be able to comply with cGMP or QSR, or similar regulatory requirements outside the U.S. Our failure or the failure of our third-party manufacturers to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates or products that we may develop. Any failure or refusal to supply the components or services for our product candidates or products that we may develop could delay, prevent or impair our clinical development or commercialization efforts.

We rely on Teoxane for the manufacture and supply of the RHA® Collection of dermal fillers, and our dependence on Teoxane may impair our ability to commercialize the RHA® Collection of dermal fillers.

Pursuant to the Teoxane Agreement, we are not entitled to manufacture the RHA® Collection of dermal fillers. Instead, Teoxane is responsible for supplying all of our requirements for the RHA® Collection of dermal fillers. If Teoxane were to cease production or otherwise fail to timely supply us with an adequate supply of the RHA® Collection of dermal fillers, our ability to commercialize the RHA® Collection of dermal fillers would be adversely affected. For example, as a result of the COVID-19 pandemic, product supply of the RHA® Collection of dermal fillers was delayed by Teoxane, as they temporarily suspended production in Geneva, Switzerland. Teoxane resumed manufacturing operations at the end of April 2020 and delivered the first shipment of the RHA® Collection of dermal fillers to us in June 2020. As a result, the initial

product launch of the RHA® Collection of dermal fillers was delayed by one quarter to September 2020. Additional delays in the product supply of the RHA® Collection of dermal fillers may have an adverse effect on our commercialization strategy.

Teoxane is required to produce the RHA® Collection of dermal fillers under QSR in order to meet acceptable standards for commercial sale. If such standards change, the ability of Teoxane to produce the RHA® Collection of dermal fillers on the schedule we require to meet commercialization goals may be affected. Teoxane is subject to pre-approval inspections and periodic unannounced inspections by the FDA and corresponding state and foreign authorities to ensure strict compliance with QSR and other applicable government regulations and corresponding foreign standards. We do not have control over Teoxane's compliance with these regulations and standards. Any difficulties or delays in Teoxane's manufacturing and supply of the RHA® Collection of dermal fillers or any failure of Teoxane to maintain compliance with the applicable regulations and standards could increase our costs, cause us to lose revenue, prevent the import and/or export of the RHA® Collection of dermal fillers, or cause the RHA® Collection of dermal fillers to be the subject of field alerts, recalls or market withdrawals.

We depend on single-source suppliers for the raw materials necessary to produce DAXXIFY™, an onabotulinumtoxinA biosimilar, and any other product candidates. The loss of these suppliers, or their failure to supply us with these raw materials, could negatively affect our business.*

We and our manufacturers purchase the materials necessary to produce DAXXIFY™ from single-source third-party suppliers. There are a limited number of suppliers for the raw materials that we use to manufacture our product candidates, and we may need to assess alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce any approved product for commercial sale and produce our product candidates for clinical trials. In particular, we outsource the manufacture of bulk peptide through an agreement with a single supplier.

We do not have any control over the process or timing of the acquisition of raw materials by our manufacturers. Any significant delay in the supply of the raw material components of a product could delay or halt commercial activities, and a delay in the supply of the raw material components of our product candidates could delay completion of our clinical trials, product testing and potential regulatory approval. If we or our manufacturers are unable to purchase these raw materials on acceptable terms and at sufficient quality levels or in adequate quantities if at all, the development of DAXXIFY™ and any future product candidates, or the commercial launch of any approved products, would be delayed or there would be a shortage in supply, which would impair our ability to meet our development objectives for our product candidates or generate revenues from the sale of any approved products.

Our business involves the use of hazardous materials and we and our third-party manufacturers and suppliers must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

Our sales, marketing, research and development and manufacturing activities and our third-party manufacturers' and suppliers' activities involve the controlled storage, use and disposal of hazardous materials owned by us, including botulinum toxin type A, a key component of our product candidates, and other hazardous compounds. We and our manufacturers and suppliers are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. We are licensed with the CDC and with the California Department of Health, Food and Drug Branch for use of botulinum toxin and to manufacture both the active pharmaceutical ingredient and the finished product in topical and injectable dose forms. In some cases, these hazardous materials and various wastes resulting from their use are stored at our and our manufacturers' facilities pending their use and disposal. We cannot eliminate the risk of contamination or injury, which could cause an interruption of our commercialization efforts, research and development efforts and business operations, environmental damage resulting in costly clean-up and liabilities. Such damages and liability could exceed our resources and state or federal or other applicable authorities may curtail our use of certain materials and interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance.

Risks Related to Marketing and Commercialization

Any approved products may never achieve market acceptance or commercial success.

Any products that are approved may not achieve market acceptance among physicians and patients, and may not be commercially successful, which could harm our financial results and future prospects.

The degree and rate of market acceptance of a product for which we receive approval depends on a number of factors, including:

- the safety, efficacy and duration of the product as compared to existing and future therapies;
- the clinical indications for which the product is approved and patient demand for the treatment of those indications;
- acceptance by physicians, major operators of clinics and patients of the product as a safe and effective treatment;
- the extent to which physicians recommend the products to their patients;
- the proper training and administration of the products by physicians and medical staff such that patients do not experience excessive discomfort during treatment or adverse side effects;
- patient satisfaction with the results and administration of the product and overall treatment experience;
- the potential and perceived advantages and cost of the product over alternative treatments;
- the willingness of patients to pay for the product and other aesthetic treatments in general, relative to other discretionary items, especially during economically challenging times, including as a result of the COVID-19 pandemic;
- the willingness of third-party payors to reimburse physicians or patients for DAXXIFY™ and any future products we may commercialize for therapeutic indications;
- the revenue and profitability that the product will offer a physician as compared to alternative therapies;
- the relative convenience and ease of administration;
- the prevalence and severity of adverse events;
- the effectiveness of our sales and marketing efforts, including efforts by any third parties we engage;
- consumer sentiment about the benefits and risks of aesthetic procedures generally and our products in particular; and
- general consumer, patient and physician confidence and availability of practicing physicians, which may be impacted by general economic and political conditions, including challenges affecting the global economy resulting from the COVID-19 pandemic.

Any failure by any approved products or the RHA® Collection of dermal fillers to achieve market acceptance or commercial success would materially adversely affect our results of operations and delay, prevent or limit our ability to generate revenue and continue our business.

In addition, DAXXIFY™ has predominantly been used in clinical trials to date. Therefore, the commercial experiences may yield different outcomes or patient experiences due to variations in injection techniques, dilution approaches and dosing levels employed by different physician and nurse injectors. As a result, these market-based approaches may differ from our clinical trial design and could negatively impact efficacy, duration, safety and ultimately adoption.

Any approved product, including DAXXIFY™, and the RHA® Collection of dermal fillers will face significant competition, and our failure to effectively compete may prevent us from achieving significant market penetration and

expansion. In addition, our competitors may develop products that are safer, more effective, more convenient or less expensive than the RHA® Collection of dermal fillers and any approved product, including DAXXIFY™, which could reduce or eliminate our commercial opportunity.

Successful competitors in the pharmaceutical and medical device markets have the ability to efficiently and effectively discover therapies, obtain patents, develop, test and obtain regulatory approvals for products, and effectively commercialize, market and promote approved products, including communicating the effectiveness, safety and value of products to actual and prospective customers and medical staff. Numerous companies are engaged in developing, patenting, manufacturing and marketing healthcare products which we expect will compete with our products. Many of these competitors are large, experienced companies that enjoy significant competitive advantages, such as substantially greater financial, research and development, manufacturing, testing, personnel and marketing resources, greater brand recognition and more experience and expertise in obtaining marketing approvals from the FDA and other regulatory authorities.

Our products are currently approved for aesthetics indications. Competition in aesthetic products is significant and dynamic and is characterized by substantial technological development and product innovations, and our competitors include large, fully-integrated pharmaceutical companies and more established biotechnology and medical device companies. We anticipate that DAXXIFY™ will face significant competition from existing injectable neuromodulators as well as unapproved and off-label treatments. Further, in the future we may face competition for DAXXIFY™ from biosimilar products and products based upon botulinum toxin. In addition, the only products we are currently commercializing are DAXXIFY™ and the RHA® Collection of dermal fillers. It is possible that competitors will succeed in developing technologies that are safer, more effective, more convenient or that have a lower cost of goods and price than those used in DAXXIFY™ or the RHA® Collection of dermal fillers and in our product candidates, or that would render our technology obsolete or noncompetitive. Competition could also result in reduced profit margins and limited sales, which would harm our business, financial condition and results of operations.

For a variety of reasons, including less stringent regulatory requirements, there are significantly more aesthetic products and procedures available for use in a number of foreign countries than are approved for use in the U.S. There are also fewer limitations on the claims that our competitors in certain countries can make about the effectiveness of their products and the manner in which they can market them.

We may not be successful in executing our sales and marketing strategy for the commercialization of our products.*

We have limited prior experience in the marketing, sale and distribution of aesthetic products and no experience with the marketing, sale and distribution of therapeutic products or any products internationally. Establishing and maintaining sales, marketing, and distribution capabilities involve significant risks, including our ability to retain and incentivize qualified individuals, provide adequate training to sales and marketing personnel, generate sufficient sales leads, effectively manage a sales and marketing team, and handle any unforeseen costs and expenses.

In August 2020, we built a commercial sales and marketing organization to prepare for the commercial launch of the RHA® Collection of dermal fillers and DAXXIFY™ in the U.S. We scaled our commercial team to support the launch of the RHA® Collection of dermal fillers and will need to continue to expand that team to support the full commercial launch of DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines. Any failure to build or maintain adequate internal sales, marketing and distribution capabilities would adversely impact the commercialization of our products and services, and may result in a breach of our obligations to Teoxane under the Teoxane Agreement. We also have to compete with other pharmaceutical and life sciences companies to recruit, hire, train and retain sales and marketing personnel, and turnover in our sales force and marketing personnel could negatively affect the commercialization of our products and services. We may not be able to attract and retain quality personnel on acceptable terms, or at all.

We will also need to increase our sales force or contract with distributors and partners if we obtain regulatory approval for DAXXIFY™ for any therapeutic indications we are pursuing or to expand internationally. If we are unable to enter into such arrangements on acceptable terms or at all, we may not be able to successfully commercialize DAXXIFY™ for therapeutic indications or any future product candidates internationally.

Establishing and maintaining sales, marketing and distribution capabilities may be expensive and time consuming. Such expenses may be disproportionate compared to the revenues we may be able to generate on sales of our products, which could cause our commercialization efforts to be unprofitable or less profitable than expected.

If we are found to have improperly promoted off-label uses for our products that are approved for marketing, or if physicians misuse our products or use our products off-label, we may become subject to prohibitions on the sale or marketing of our products, significant fines, penalties, and sanctions, product liability claims, and our image and reputation within the industry and marketplace could be harmed.

The FDA and other regulatory agencies strictly regulate the marketing and promotional claims that are made about regulated products. In particular, a product may not be promoted for uses or indications that are not approved by the FDA or such other regulatory agencies as reflected in the product's approved labeling. If we are found to have promoted such off-label uses, we may receive warning letters, become subject to significant liability and be subject to FDA prohibitions on the sale or marketing of our products, which could affect our reputation within the industry and materially harm our business. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. If we become the target of such an investigation or prosecution based on our marketing and promotional practices, we could face similar sanctions, which would materially harm our business. In addition, management's attention could be diverted from our business operations, significant legal expenses could be incurred, and our reputation could be damaged. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

Physicians may, in their independent medical judgment, prescribe legally available products for off-label uses. However, physicians may also misuse our products, or use improper techniques, potentially leading to adverse results, side effects or injury, which may lead to product liability claims. If these products are misused or used with improper technique, we may become subject to costly litigation by our customers or their patients. Product liability claims could divert management's attention from our core business, be expensive to defend, and result in sizable damage awards against us that may not be covered by insurance. Furthermore, the use of these products for indications other than those cleared by the FDA may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients.

Any of these events could harm our business and results of operations and cause our stock price to decline.

We are subject to uncertainty relating to third-party reimbursement policies which, if not favorable for DAXXIFY™ or any future product candidates for therapeutic indications, could hinder or prevent their commercial success.

Our ability to commercialize DAXXIFY™ or any future product candidates for therapeutic indications such as cervical dystonia or adult upper limb spasticity will depend in part on the coverage and reimbursement levels set by governmental authorities, private health insurers and other third-party payors. Third-party payors are increasingly challenging the effectiveness of and prices charged for medical products and services. We may not obtain adequate third-party coverage or reimbursement for DAXXIFY™ or any future product candidates for therapeutic indications, or we may be required to sell them at a discount.

Reimbursement by a third-party payor may depend upon a number of factors, including, but not limited to, the third-party payor's determination that use of a product is: (i) a covered benefit under its health plan; (ii) safe, effective and medically necessary; (iii) appropriate for the specific patient; (iv) cost-effective; and (v) neither experimental nor investigational. Our business would be materially adversely affected if we do not receive coverage and adequate reimbursement of DAXXIFY™ for therapeutic indications, if approved, from private insurers on a timely or satisfactory basis. No uniform policy for coverage and reimbursement for products exists among third-party payors in the U.S.; therefore, coverage and reimbursement for products can differ significantly from payor to payor. Further, coverage under certain government programs, such as Medicare and Medicaid, may not be available for certain of our product candidates. As a result, the coverage determination process will likely be a time-consuming and costly process, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for a product for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. Our business could also be adversely affected if third-party payors limit the indications for

DAXXIFY™ for therapeutic indications, if approved, will be reimbursed to a smaller patient set than we believe they are effective in treating.

In some foreign countries, particularly Canada and European countries, the pricing of prescription pharmaceuticals is subject to strict governmental control. In these countries, pricing negotiations with governmental authorities can take six to 12 months or longer after the receipt of regulatory approval and product launch. To obtain favorable reimbursement for the indications sought or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our products, including DAXXIFY™, to other available therapies. If reimbursement for our product is unavailable in any country in which reimbursement is sought, limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

Risks Related to Research and Development

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.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Furthermore, we rely on CROs, and clinical trial sites to ensure the proper and timely conduct of our clinical trials. While we have agreements governing the committed activities of our CROs, we have limited influence over their actual performance. A failure of one or more of our clinical trials can occur at any time during the clinical trial process. The results of preclinical studies and clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. Furthermore, final results may differ from interim results.

We have and may again experience delays in our ongoing clinical trials, and we do not know whether future clinical trials, if any, will begin on time, need to be redesigned, enroll an adequate number of subjects on time or be completed on schedule, if at all. For example, enrollment in the JUNIPER Phase 2 adult upper limb spasticity trial was paused in March 2020 due to challenges related to the COVID-19 environment. In June 2020, we announced the decision to end screening and complete enrollment in the JUNIPER trial. We completed the JUNIPER trial in February of 2021 with 83 subjects enrolled. The JUNIPER Phase 2 trial achieved one co-primary endpoint, which evaluated the change in the MAS score from baseline, demonstrating a statistically significant treatment benefit in the 500 unit treatment group compared with placebo. Statistical significance was not achieved on the second co-primary endpoint, however numerical improvement compared with placebo in all three doses on the PGIC assessment was achieved. Although we believe the JUNIPER Phase 2 trial provided sufficient data to inform our dosing strategy and design for a successful Phase 3 program, we cannot guarantee that the results of the Phase 3 program will generate positive results.

Clinical trials can be delayed or aborted for a variety of reasons, including delay or failure to:

- obtain regulatory approval to commence a trial;
- reach agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtain institutional review board (“IRB”) approval at each site;
- recruit suitable subjects to participate in a trial;
- have subjects complete a trial or return for post-treatment follow-up;
- ensure clinical sites observe trial protocol or continue to participate in a trial;
- address any patient safety concerns that arise during the course of a trial;
- address any conflicts with new or existing laws or regulations;

- add a sufficient number of clinical trial sites;
- manufacture sufficient quantities of a product candidate for use in clinical trials; or
- lack of adequate funding to continue the clinical trial.

Subject enrollment is a significant factor in the timing of clinical trials and is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by the data safety monitoring board for such trial or by the FDA or other regulatory authorities. Such authorities may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, failure of inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, discovery of unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions, risks related to conducting clinical trials during the COVID-19 pandemic, or lack of adequate funding to continue the clinical trial.

Delays in the completion or termination of any clinical trial of our product candidates will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. In addition, many of the factors that cause or lead to a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates. Any of these occurrences may significantly harm our business, financial condition and prospects.

We currently rely on third parties and consultants to conduct all of our preclinical studies and clinical trials. If these third parties or consultants do not successfully carry out their contractual duties or meet expected deadlines, we may be unable to obtain regulatory approval for or commercialize DAXXIFY™ for indications other than glabellar lines or any future product candidates, on a timely basis, or at all.

We do not have the ability to independently conduct preclinical studies or clinical trials. We rely on medical institutions, clinical investigators, contract laboratories, collaborative partners and other third parties, such as CROs and clinical data management organizations, to conduct clinical trials on our product candidates. The third parties with whom we contract for execution of our clinical trials play a significant role in the conduct of these trials and the subsequent collection and analysis of data. However, these third parties are not our employees, and except for contractual duties and obligations, we have limited ability to control the amount or timing of resources that they devote to our programs. Although we rely on these third parties to conduct our preclinical studies and clinical trials, we remain responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with its investigational plan and protocol. Moreover, the FDA and foreign regulatory authorities require us to comply with GCPs and good laboratory practices for conducting, monitoring, recording and reporting the results of clinical and preclinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial subjects are adequately informed of the potential risks of participating in clinical trials. We also rely on consultants to assist in the execution, including data collection and analysis, of our clinical trials.

In addition, the execution of preclinical studies and clinical trials, and the subsequent compilation and analysis of the data produced, requires coordination among various parties. In order for these functions to be carried out effectively and efficiently, it is imperative that these parties communicate and coordinate with one another. Moreover, these third parties may also have relationships with other commercial entities, some of which may compete with us. These third parties may terminate their agreements with us upon as little as 30 days' prior written notice of a material breach by us that is not cured within 30 days. Many of these agreements may also be terminated by such third parties under certain other circumstances, including our insolvency or our failure to comply with applicable laws. In general, these agreements require such third parties to reasonably cooperate with us at our expense for an orderly winding down of services of such third parties under the

agreements. If the third parties or consultants conducting our clinical trials do not perform their contractual duties or obligations, experience work stoppages, do not meet expected deadlines, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical trial protocols or GCPs, or for any other reason, we may need to conduct additional clinical trials or enter into new arrangements, which could be difficult, costly or impossible, and our clinical trials may be extended, delayed or terminated or may need to be repeated. We may be unable to recover unused funds from these third-parties. If any of the foregoing were to occur, we may not be able to obtain, or may be delayed in obtaining, regulatory approval for, and will not be able to, or may be delayed in our efforts to, successfully commercialize the product candidate being tested in such trials.

Risks Related to Our Intellectual Property

If our efforts to protect our intellectual property related to our products or any future product candidates are not adequate, we may not be able to compete effectively.

We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to DAXXIFY™, the RHA® Collection of dermal fillers, our onabotulinumtoxinA biosimilar, and our development programs. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, thereby eroding our competitive position.

The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. This uncertainty includes changes to the patent laws through either legislative or court action that may reinterpret existing law in ways affecting the scope or validity of issued patents. The evolving law relating to patent eligibility for patents related to our business may be relevant to the scope of protection available to us. The patent applications that we own or license may fail to result in issued patents in the U.S. or foreign countries. Competitors and academic scientists in the field of cosmetics, pharmaceuticals, and neuromodulators have created a substantial amount of prior art, including scientific publications, patents and patent applications. Our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our technology and the prior art allow our technology to be patentable over the prior art. Even if the patents do successfully issue, third parties are challenging and may again challenge the validity, enforceability or scope of such issued patents or any other issued patents we own or license, which may result in such patents being narrowed, invalidated or held unenforceable. For example, on May 2, 2019 our European Patent No. EP 2 490 986 B1 for “Methods and Systems For Purifying Non-Complexed Botulinum Neurotoxin” was opposed. On June 10, 2021, we successfully defended the patent in the European Patent Office with the patent being upheld with amendments to certain claims. The opponent appealed our successful opposition defense to the Board of Appeal of the European Patent Office. We subsequently filed an appeal to preserve our ability to use all arguments throughout the appeal process. Furthermore, even if our patents and applications are unchallenged, they may not adequately protect our intellectual property or prevent others from designing around our claims.

In addition, the patent laws of the U.S. provide procedures for third parties to challenge the validity of issued patents. Patents issued from applications filed after March 15, 2013 may be challenged by third parties using the post-grant review procedure which allows challenges for a number of reasons, including prior art, sufficiency of disclosure, and subject matter eligibility. Under the inter partes review procedure, any third party may challenge the validity of any issued U.S. Patent in the U.S. Patent and Trademark Office (“USPTO”) on the basis of prior art patents or printed publications. Because of a lower evidentiary standard in the USPTO compared to district courts, third parties may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. If the breadth or strength of protection provided by the patents and patent applications we hold or pursue with respect to DAXXIFY™, an onabotulinumtoxinA biosimilar or any future product candidates is challenged, then it could threaten our ability to commercialize that product candidate, and could threaten our ability to prevent competitive products from being marketed. Further, if we encounter delays in our clinical trials, the period of time during which we could market DAXXIFY™, or any future product candidates under patent protection would be reduced.

Since patent applications in the U.S. and most other countries are confidential for a period of time after filing, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications. Furthermore, for applications filed before March 16, 2013,

or patents issuing from such applications, an interference proceeding can be provoked by a third party, or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications and patents. Under the current “first-to-file” system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention, a third party that files a patent application in the USPTO before us could therefore be awarded a patent covering an invention of ours even if we made the invention before it was made by the third party.

Even where laws provide protection, costly and time-consuming litigation could be necessary to enforce, defend and determine the scope of our proprietary rights, and the outcome of such litigation would be uncertain. Moreover, any actions we may bring to enforce our intellectual property against our competitors could provoke them to bring counterclaims against us. Some of our competitors have substantially greater intellectual property portfolios and financial resources than we have. See Item 1A. “Risk Factors—If we infringe or are alleged to infringe intellectual property rights of third parties, our business could be harmed” for more information.

We also rely on trade secret protection and confidentiality agreements to protect proprietary know-how that may not be patentable, processes for which patents may be difficult to obtain or enforce and any other elements of our product development and manufacturing processes that involve proprietary know-how, information or technology that is not covered by patents.

In an effort to protect our trade secrets and other confidential information, we require our employees, consultants, collaborators and advisers to execute confidentiality agreements upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual’s relationship with us be kept confidential and not be disclosed to third parties. These agreements, however, may not provide us with adequate protection against improper use or disclosure of confidential information, and these agreements may be breached. Adequate remedies may not exist in the event of unauthorized use or disclosure of our confidential information. A breach of confidentiality could significantly affect our competitive position. In addition, in some situations, these agreements may conflict with, or be subject to, the rights of third parties with whom our employees, consultants, collaborators or advisers have previous employment or consulting relationships. To the extent that our employees, consultants or contractors use any intellectual property owned by others in their work for us, disputes may arise as to the rights in any related or resulting know-how and inventions. Also, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and other confidential information.

If Teoxane fails to obtain and maintain patent, licensing arrangements or other protection for the proprietary intellectual property that we have exclusive distribution rights to, we could lose our rights related to the RHA® Collection of dermal fillers, which would have a material adverse effect on our potential to generate revenue, our business prospects, and our results of operations.

If Teoxane fails to obtain and maintain patent, licensing arrangements or other protection for the proprietary intellectual property that we have exclusive distribution rights to, we could lose our rights to the intellectual property or our exclusivity with respect to those rights, and our competitors could market competing products using the intellectual property. The intellectual property underlying the RHA® Collection of dermal fillers is of critical importance to our business and involves complex legal, business and scientific issues and is complicated by the rapid pace of scientific discovery in our industry. Disputes may arise regarding intellectual property subject to the Teoxane Agreement, including:

- the scope of rights granted under the Teoxane Agreement and other interpretation-related issues;
- the extent to which our technology and processes infringe on intellectual property of Teoxane that is not subject to the Teoxane Agreement;
- the sublicensing of patent and other rights under our collaborative development relationships; and
- the ownership of inventions and know-how resulting from the development of intellectual property under the Teoxane Agreement.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected products or product candidates.

If we infringe or are alleged to infringe intellectual property rights of third parties, our business could be harmed.*

Our research, development and commercialization activities may infringe or otherwise violate or be claimed to infringe or otherwise violate patents owned or controlled by other parties. Competitors in the field of cosmetics, pharmaceuticals and neuromodulators have developed large portfolios of patents and patent applications in fields relating to our business. For example, there are patents held by third parties that relate to treatment with neuromodulator products for indications we are currently developing. There may also be patent applications that have been filed but not published that, when issued as patents, could be asserted against us. These third parties could bring claims against us that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial damages and/or we could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit. Further, if a patent infringement suit were brought against us, during the pendency of the litigation, we could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit.

As a result of patent infringement claims, or to avoid potential claims, we may choose or be required to seek licenses from third parties. These licenses may not be available on acceptable terms, or at all. Even if we are able to obtain a license, the license would likely obligate us to pay license fees or royalties or both, and the rights granted to us might be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a product based on our current or future indications, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on acceptable terms.

There has been substantial litigation and other proceedings regarding patent and other intellectual property rights in the pharmaceutical industry. We have been and in the future may be subject to this type of litigation and these types of proceedings. 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. On November 3, 2021, we filed a motion to dismiss. Allergan filed an amended complaint on November 24, 2021, reasserting the patents in its original Complaint and adding U.S. Patent No. 11,147,878. We filed another motion to dismiss in December 17, 2021, and on August 19, 2022, the court denied our motion to dismiss. On September 2, 2022, we filed an answer and counterclaim to Allergan's amended complaint. A jury trial is scheduled to begin on December 2, 2024. See "Part I—Item 3. Legal Proceedings" for more information. Our ability to commercialize DAXXIFY™ may be negatively impacted as a result of Allergan's lawsuit against us, which would have a material adverse effect on our ability to generate revenue. In addition, if we are found to infringe upon these patents, other patents or other intellectual property rights, or if we fail to obtain or renew a license under a patent or other intellectual property right from Allergan or other third parties, or if a third party that we are licensing technologies from is found to infringe upon a patent or other intellectual property rights of another third party, we may be required to pay damages, halt or delay commercialization, suspend the manufacture of our products or reengineer or rebrand our products, if feasible, re-design the manufacturing process for our products, which would require FDA review and could halt or delay commercialization, or we may be unable to enter certain new product markets.

In addition to infringement claims against us, we may become a party to other patent litigation and other proceedings, including interference, derivation or post-grant proceedings declared or granted by the USPTO and similar proceedings in foreign countries, regarding intellectual property rights with respect to our current or future products. The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Patent litigation and other proceedings may also absorb significant management time, financial and other resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace and negatively impact our reputation and stock price. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition or results of operations.

We may become involved in lawsuits or administrative proceedings to protect or enforce our patents or other intellectual property or the patents of our licensors, or to challenge patent claims of third party patents which could be expensive and time-consuming.*

Competitors may infringe upon our intellectual property, including our patents or the patents of our licensors. As a result, we may in the future be required to file infringement claims to stop third-party infringement or unauthorized use of our own or licensed intellectual property. This can be expensive, particularly for a company of our size, and time-consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patent claims do not cover its technology or that the factors necessary to grant an injunction against an infringer are not satisfied. An adverse determination of any litigation or other proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not issuing.

Interference, derivation, inter partes review, post-grant review or other proceedings brought at the USPTO may be necessary to determine the priority or patentability of inventions with respect to our patents or patent applications or those of our licensors or collaborators, or those of our competitors. For example, On July 1, 2021, we filed two petitions (IPR2021-01203 and IPR2021-01204) requesting inter partes review (“IPR”) of Medy-Tox, Inc.’s (“Medy-Tox”) U.S. Patent No. 9,480,731, titled “Long Lasting Effect of New Botulinum Toxin Formulations.” In 2013, Medy-Tox had exclusively licensed its technology covered by this patent to Allergan plc, which subsequently was acquired by AbbVie. On September 8, 2021, Medy-Tox announced that its exclusive technology transfer agreement with AbbVie was terminated and rights for Medy-Tox’s technology covered by the patent would be returned to Medy-Tox. On January 19, 2022, the USPTO Trial and Appeal Board denied institution of the IPRs, and on February 18, 2022, we filed a motion for a rehearing of the decision. On August 4, 2022 our motion was denied, which concluded the IPR proceedings. Although the IPR proceedings were not successful, we continue to take appropriate measures to defend our patent position, which may include future IPR proceedings, litigation or other USPTO proceedings, any of which may fail or may be invoked against us by third parties. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other proceedings, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or proceeding. In addition, during the course of this kind of litigation or proceeding, there could be public announcements of the results of hearings, motions or other interim proceedings or developments or public access to related documents. If investors perceive these results to be negative, the market price for our common stock could be significantly harmed.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the U.S. can be less extensive than those in the U.S. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the U.S. and in some cases may even force us to grant a compulsory license to competitors or other third parties. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the U.S., or from selling or importing products made using our inventions in and into the U.S. or other jurisdictions. Competitors may use our technologies to develop their own products in jurisdictions where we have not obtained patent protection and further, may export otherwise infringing products to territories where we have patent protection, but where enforcement is not as strong as that in the U.S. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Periodically, we may review the patents and patent applications we have pending throughout the world and decide to abandon one or more of them if we determine such patents or applications would not make a strategic contribution to our business. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful.

Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

In addition, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in domestic and foreign intellectual property laws.

Use of “open source” software for the Fintech Platform could adversely affect our ability to provide the Fintech Platform and subject us to possible claims.

The Fintech Platform incorporates open source software and we expect to continue to use open source software in the future. We may face claims from others claiming ownership of open source software, or seeking to enforce the terms of, an open source license, including by demanding release of the open source software or derivative works thereof, or of our proprietary source code associated with such open source software. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change the Fintech Platform, any of which would have a negative effect on our business and operating results. In addition, if the license terms for the open source software we utilize changes, we may be forced to reengineer the Fintech Platform or incur additional costs. Although we have implemented policies to regulate the use and incorporation of open source software into the Fintech Platform, we cannot be certain that we have not incorporated open source software in the Fintech Platform in a manner that is inconsistent with such policies.

Any failure to protect intellectual property rights associated with the Fintech Platform could impair our ability to protect the proprietary technology and brand of the Fintech Platform.*

We have seven issued patents and 21 pending patent applications related to the Fintech Platform as of October 26, 2022. However, there is no guarantee that the pending patent applications will result in issued patents, or that the issued patents will ultimately be determined to be valid and enforceable. We also own one registered trademark and two pending trademark applications in the United States, one pending trademark application in Australia, and one pending trademark application in Canada related to the Fintech Platform as of October 26, 2022. We primarily rely on copyright, trade secret and trademark laws, trade secret protection and confidentiality or other protective agreements with our employees, customers, partners and others to protect the intellectual property rights associated with the Fintech Platform. However, the steps we take to protect those intellectual property rights may be inadequate to prevent others from competing with the Fintech Platform.

To protect the intellectual property rights associated with the Fintech Platform, we may be required to spend significant resources to monitor, protect and enforce these rights. Litigation brought to protect and enforce those intellectual property rights could be costly, time-consuming and distracting to management, and could result in the impairment or loss of portions of such intellectual property. Furthermore, our efforts to enforce the intellectual property rights associated with the Fintech Platform may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of those intellectual property rights. Our failure to secure, protect and enforce the intellectual property rights associated with the Fintech Platform could adversely affect the Fintech Platform brand and adversely affect our business.

Risks Related to the Fintech Platform

If we are not able to increase the use and adoption of OPUL[®] and maintain and enhance its brand, then we may not realize the anticipated benefits of the HintMD Acquisition.

In October 2021, we announced the commercial launch of OPUL[®] and its general availability. OPUL[®] is a registered PayFac. As a PayFac, OPUL[®] earns revenue by charging fees for completing payment transactions and other payment-related services based on the volume of activity processed on the platform. Although OPUL[®] has launched, it has only been installed in limited accounts and HintMD customers will need to be transitioned from the HintMD Platform to OPUL[®]. In order to increase revenue generated by the Fintech Platform, we need to expand the customer base significantly and maintain the HintMD Platform until we can transition HintMD Platform customers to OPUL[®] successfully. We have limited experience operating as a PayFac. Practices and their patient customers may experience issues as a result of performance problems associated with the transition to OPUL[®] and may not be satisfied with the OPUL[®] experience in comparison to the HintMD Platform experience. If practices and their patient customers do not continue to utilize the HintMD Platform through the

transition, OPUL[®] is not widely adopted by new customers or new customers to OPUL[®] are not satisfied with their experience, then our ability to expand and deepen aesthetic customer relationships and expectations for revenue growth through OPUL[®] will not be achieved.

We believe that maintaining and enhancing the Fintech Platform reputation as a differentiated payments processing platform serving the medical aesthetic industry is critical to our relationship with the existing customers of the Fintech Platform and our ability to attract new customers, and may also result in the generation of new aesthetic product customers for Revance. The successful promotion of the Fintech Platform's brand attributes will depend on a number of factors, including our ability to: target and have OPUL[®] adopted by premier accounts; increase loyalty between practices and patients; continue to develop high-quality software; successfully differentiate OPUL[®] from competitive products and services; fund and achieve success in sales and marketing efforts; and successfully transition practices from the HintMD Platform to OPUL[®].

The transition of practices from the HintMD Platform to OPUL[®], product enhancements, the continued development of OPUL[®] and the promotion of OPUL[®] will require us to make substantial expenditures. Further, we anticipate that the expenditures will increase as we seek to expand OPUL[®]. We may not have sufficient funds to successfully complete these product development and marketing activities. In addition, to the extent that these activities generate increased revenue, this revenue may not offset the expenses we incur. If we do not successfully maintain and enhance the Fintech Platform offerings, it could lose customers or fail to attract potential new customers. As a result, we may not generate meaningful revenue from the Fintech Platform, which could adversely affect our business, results of operations and financial condition, or we may not realize the anticipated benefits from the HintMD Acquisition.

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

Our financial results may be adversely affected by impairment charges from the recording of goodwill and intangible assets incurred in connection with the acquisition of HintMD. Although the acquisition was completed in July 2020, the amount and timing of these possible charges are not yet known. If such assets are found to be impaired, they will be written down to their estimated fair value, with a charge against earnings. Further, our failure to identify or accurately assess the magnitude of necessary technology investments we are assuming as a result of the acquisition could result in unexpected litigation or regulatory exposure, unfavorable accounting charges, a loss of anticipated tax benefits or other adverse effects on our business, operating results or financial condition.

Interruptions or performance problems associated with the Fintech Platform technology, infrastructure or service offerings may adversely affect our business and operating results.

The continued growth of the Fintech Platform depends in part on the ability of users to access the Fintech Platform at any time and within an acceptable amount of time. The Fintech Platform is proprietary, and it relies on the expertise of members of engineering, operations and software development teams for its continued performance. Disruptions to these departments and functions, some of which are outsourced, could result in product feature and enhancement delays and interruptions to or performance problems associated with the Fintech Platform. For example, the Fintech Platform contracts with engineers located in Ukraine who may be adversely impacted by the conflict between Russia and Ukraine, which in turn may delay some product development efforts and the delivery of product and feature enhancements. In addition, we depend on external data centers, such as Amazon's AWS, to host the Fintech Platform applications and have integrated third-party services that we rely upon as critical components of the Fintech Platform application. We do not control the operation of these facilities. The Fintech Platform has experienced minor disruptions, outages and performance problems in the past, and may in the future experience disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, delays in scaling of the technical infrastructure (such as if we do not maintain enough excess capacity or accurately predict the infrastructure requirements of the Fintech Platform), capacity constraints due to an overwhelming number of users accessing the Fintech Platform simultaneously, and denial-of-service or other cyber-attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve the performance of the Fintech Platform, especially during peak usage times, and as the Fintech Platform becomes more complex and its user traffic increases. As a result, the Fintech Platform may

become unavailable or users may be unable to access the Fintech Platform within a reasonable amount of time. In the event of any of the factors described above, or certain other failures of our infrastructure or that of third-parties we rely on, user data may be permanently lost. If the Fintech Platform experiences significant periods of service downtime in the future, we may be subject to claims by users of the Fintech Platform. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, continually develop our technology and network architecture to accommodate actual and anticipated changes in technology and efficiently resolve interruptions or performance problems with the Fintech Platform, existing relationships with practices would be adversely affected and the Fintech Platform brand could be harmed. In addition to technological and infrastructure problems, if customers of the Fintech Platform experience other issues or are unsatisfied with the service offerings or operations of the Fintech Platform, this could result in poor relationships with practices and reputational harm to OPUL[®] and, as a result, poor customer relations and reputational harm to Revance.

The business and growth of the Fintech Platform depend in part on the success of its strategic relationships with third parties, including payments partners, platform partners and technology partners.

We depend on, and anticipate that we will continue to depend on, various third-party relationships in order to sustain and grow the Fintech Platform. We are highly dependent upon partners for certain critical features and functionality of the Fintech Platform, including secure data centers, a sponsor bank and third-party payment processors.

We depend on hardware providers and third-party processing partners to perform payment processing services to make the Fintech Platform work. For example, we rely on Fiserv to provide the payment gateway services that enables the Fintech Platform to process payments, and if Fiserv is unable to continue to supply processing for the Fintech Platform, the performance of the Fintech Platform could be adversely affected and its growth would be limited. The Fintech Platform's processing partners and suppliers may go out of business or otherwise be unable or unwilling to continue providing such services, which could significantly and materially reduce its payments revenue and disrupt its business. In addition, users of the Fintech Platform may be subject to quality issues related to its third-party processing partners or it may become involved in contractual disputes with its processing partners, both of which could impact the Fintech Platform's and Revance's reputation and adversely impact customer relationships and the Fintech Platform's ability to generate revenue.

If we were no longer able to use our current third-party processing partners, we may be required to migrate to other third-party payment partners in the future. The initiation of these relationships and the transition from one relationship to another could require significant time and resources, and establishing these new relationships may be challenging. Further, any new third-party payment processing relationships may not be as effective, efficient or well received by users of the Fintech Platform, nor is there any assurance that we will be able to reach an agreement with such processing partners. Contracts with such processing partners may be less economically beneficial to us than existing relationships. In addition, for pricing, technological or other reasons, existing customers may not agree to migrate to a new payments provider, which may reduce the Fintech Platform customer base and decrease the profitability of the Fintech Platform.

In addition to a third-party payment processor, another payment partner required for OPUL[®] to act as a PayFac is an acquiring bank that is a member of the payment networks. The acquiring bank acquires and settles funds on behalf of its customers. The acquiring bank may change their underwriting criteria such that continued use of the acquiring bank would render OPUL[®] processing services unprofitable, the acquiring bank may itself encounter difficulties unrelated to OPUL[®] or payment network rules may be amended rendering the acquiring bank incapable of processing for OPUL[®] customers. Any of these occurrences could interfere with the ability of OPUL[®] to secure effective and profitable payment processing services for its customers, which would disrupt the OPUL[®] business, increase its expenses and impact the services it could provide to its customers.

In addition, failure of these or any of our technology providers to maintain, support or secure their technology platforms in general, and integrations in particular, or errors or defects in their technology, could materially and adversely impact customer relationships, damage the OPUL[®] reputation and brand, and harm the business of the Fintech Platform. In addition, any failure by the software provided by the Fintech Platform third party vendors may cause us to fail to comply with applicable laws and regulations and could expose us to regulatory, financial, or reputational risk. The Fintech Platform third-party partners may also suffer disruptions or weakness in their businesses, including those that require changes to their technological integration specifications or payment transaction risk management protocols, which could increase costs to the Fintech Platform to maintain compatibility, decrease sales or require us to source new partners.

Additionally, we rely on third-parties for the provision of the hardware terminal on which OPUL[®] operates. For example, in 2021 and 2022 the global chip shortage impacted our third-party partners' ability to provide us with POS hardware terminals that are provided to customers as a part of the OPUL[®] service offering. If a similar issue occurred, resulting in our third-party partner not being able to provide enough POS terminals to meet OPUL[®] demand, it would affect our ability to timely board new customers or fulfill orders for additional hardware from existing customers. If such issues continue for an extended period of time, it could materially and adversely affect the Fintech Platform's business.

Identifying, negotiating and documenting relationships with strategic third parties requires significant time and resources. In addition, integrating third-party technology is complex, costly and time-consuming. Our agreements with these partners are typically limited in duration, non-exclusive and do not prohibit them from working with the Fintech Platform's competitors or from offering competing services.

If we are unsuccessful in establishing or maintaining relationships with these strategic third parties, our ability to compete in the payments marketplace could be impaired, and as a result the Fintech Platform's business may negatively be impacted, and we may not realize the benefits of the HintMD Acquisition.

Substantial and increasingly intense competition in the payment processing industry may harm the Fintech Platform business. Further, the Fintech Platform is dependent on payment card networks and third-party payment processors, and any changes to their fee structures could harm the Fintech Platform business.

The markets in which the Fintech Platform competes are intensely competitive and characterized by rapid technological change. We compete with a wide range of companies ranging from small start-up enterprises with limited resources to very large companies which can leverage significantly larger customer bases and greater financial resources. Many of our competitors have longer operating histories, significantly greater financial, technical, and sales and marketing resources, greater brand recognition, better relationships with third-party service providers and a larger customer base than we do. We anticipate that the markets in which we compete will continue to attract new competitors and new technologies and we may not be able to compete successfully with them.

Because the Fintech Platform operates in a highly competitive marketplace, there can be significant downward pressure on the pricing we may charge our customers for the processing of credit cards in order to remain competitive in the marketplace. The Fintech Platform's competitors may be able to offer similar or lower rates to their customers alongside a more comprehensive set of financial services products that allows them to offset a reduction in processing margins.

Additionally, costs associated with the processing of credit cards are not directly under our control. The expenses related to the processing of credit cards include interchange fees, assessment fees, and other related costs payable to a third-party payment processor. From time to time, these fees have increased and may continue to do so in the future. An increase in the fee structure may adversely affect the Fintech Platform's margins and we may not realize the benefits of the HintMD Acquisition.

Risks Related to Government and Industry Regulation

Our business and products are subject to extensive government regulation.

We are subject to extensive, complex, costly and evolving regulation by federal and state governmental authorities in the U.S., principally by the FDA, the U.S. Drug Enforcement Administration, the CDC, and foreign regulatory authorities. Failure to comply with all applicable regulatory requirements, including those promulgated under FDCA, the Public Health Service Act, and Controlled Substances Act, may subject us to operating restrictions and criminal prosecution, monetary penalties and other disciplinary actions, including, sanctions, warning letters, product seizures, recalls, fines, injunctions, suspension, revocation of approvals, or exclusion from future participation in the Medicare and Medicaid programs.

After our other products receive regulatory approval, we, and our direct and indirect suppliers, will remain subject to the periodic inspection of our plants and facilities, review of production processes, and testing of our products to confirm that we are in compliance with all applicable regulations. Adverse findings during regulatory inspections may result in the implementation of Risk Evaluation and Mitigation Strategies programs, completion of government mandated clinical trials,

and government enforcement action relating to labeling, advertising, marketing and promotion, as well as regulations governing manufacturing controls noted above.

Our currently approved products, including DAXXIFY™ and the RHA® Collection, are still subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense, may limit or delay additional regulatory approvals and may subject us to penalties if we fail to comply with applicable regulatory requirements.*

Our products and any future products will be subject to continual regulatory review by the FDA and/or (if applicable) non-U.S. regulatory authorities. Any regulatory approvals that we or our collaborators receive may also be subject to limitations on the approved indications for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. In addition, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for such products will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP and GCPs for any clinical trials conducted post-approval. Later discovery of previously unknown problems with such products, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications submitted by us or our strategic collaborators, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties;

any of which could be harmful to our ability to generate revenues and our stock price.

Any failure of Teoxane to maintain compliance with the applicable regulations and standards for the RHA® Collection of dermal fillers and reports of adverse events or safety concerns could increase our costs, cause us to lose revenue, prevent the import and/or export of the RHA® Collection of dermal fillers, cause the RHA® Collection of dermal fillers to be recalled or withdrawn and prevent us from successfully commercializing the RHA® Collection of dermal fillers.

Our ongoing regulatory requirements may also change from time to time, potentially harming or making costlier our commercialization efforts. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the U.S. or other countries. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business.

All of our currently approved products, including DAXXIFY™ and the RHA® Collection, and our product candidates approved in the future, will be subject to ongoing FDA and foreign regulatory obligations and continued regulatory review with respect to manufacturing.

We and any third-party contract development and manufacturers or suppliers are required to comply with applicable cGMP regulations and other international regulatory requirements. The regulations require that our products and product candidates be manufactured and records maintained in a prescribed manner with respect to manufacturing, testing and quality control/quality assurance activities. Manufacturers and suppliers of materials must be named in a BLA submitted to the FDA

for any product candidate for which we are seeking FDA approval. The RHA® Collection of dermal fillers are subject to the FDA's QSR for medical devices. Additionally, third party manufacturers and suppliers and any manufacturing facility must undergo a pre-approval inspection before we can obtain marketing authorization for any of our products or product candidates. Even after a manufacturer has been qualified by the FDA, the manufacturer must continue to expend time, money and effort in the area of production and quality control to ensure full compliance with cGMP and QSR, as applicable. Manufacturers are subject to regular, periodic inspections by the FDA following initial approval. Further, to the extent that we contract with third parties for the supply and/or manufacture of our products (for example, Teoxane with respect to the RHA® Collection of dermal fillers and ABPS and LSNE with respect to DAXXIFY™), our ability to control third-party compliance with FDA requirements will be limited to contractual remedies and rights of inspection.

If, as a result of the FDA's inspections, it determines that the equipment, facilities, laboratories or processes do not comply with applicable FDA regulations and conditions of product approval, the FDA may not approve the product, may withdraw approval or may suspend the manufacturing operations. If the manufacturing operations of any of the suppliers for our products or product candidates are suspended, we may be unable to generate sufficient quantities of commercial or clinical supplies of such products to meet market demand or satisfy clinical trial needs, which would harm our business. In addition, if delivery of material from our suppliers were interrupted for any reason, we might be unable to ship our approved product for commercial supply or to supply our products in development for clinical trials. Significant and costly delays can occur if the qualification of a new supplier is required.

We are subject to stringent and changing obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences.*

We process personal data and other sensitive data (including health data we collect through our Fintech Platform and about trial participants in connection with clinical trials); proprietary and confidential business data; trade secrets; intellectual property; and sensitive third-party data. Our data processing activities, including our activities related to the Fintech Platform, subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations that govern the processing of personal data by us and on our behalf.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws, and other similar laws (e.g., wiretapping laws). These privacy laws include, without limitation, the following laws and regulations: Section 5 of the Federal Trade Commission Act, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Telephone Consumer Protection Act ("TCPA") and the California Consumer Privacy Act of 2018 ("CCPA"). HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. The Fintech Platform may in certain circumstances, process protected health information and thus such processing may be subject to HIPAA. The TCPA imposes various consumer consent requirements and other restrictions on certain telemarketing activity and other communications with consumers by phone, fax or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission or fines of up to \$1,500 per violation imposed through private litigation or state authorities. Class action suits are the most common method for private enforcement.

In addition, the CCPA requires businesses to provide specific disclosures in privacy notices and afford California residents certain privacy rights related to their personal data. The CCPA provides for civil penalties for noncompliance of up to \$7,500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA may increase compliance costs and potential liability with respect to other personal data we maintain about California residents. In addition, it is anticipated that the California Privacy Rights Act of 2020 ("CPRA"), which becomes operative January 1, 2023, will expand the CCPA's requirements, including applying to personal information of business representatives and employees and establishing a new California Privacy Protection Agency to implement and enforce the law, which could increase the risk of an enforcement action. Other states, like Colorado, Connecticut, Virginia and Utah, have passed comprehensive data privacy

laws which differ from the CPRA and become effective in 2023, and similar laws are being considered in several other states, as well as at the federal and local levels. These developments may further complicate compliance efforts, and may increase legal risk and compliance costs for us and the third parties upon whom we rely. If we are or become subject to these laws and/or new or amended data privacy laws, the risk of enforcement actions against us could increase because we may be subject to obligations under applicable regulatory frameworks and the number of individuals or entities that could initiate actions against us may increase (including individuals via a private right of action), in addition to further complicating our compliance efforts. Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. Our inability or failure to do so could result in adverse consequences.

Moreover, privacy advocates and industry groups have proposed, and may propose in the future, standards with which we are legally or contractually bound to comply. For example, we are also subject to the Payment Card Industry Data Security Standard (“PCI DSS”) in connection with our Fintech Platform. The PCI DSS requires companies to adopt certain measures to ensure the security of cardholder information, including using and maintaining firewalls, adopting proper password protections for certain devices and software, and restricting data access. Our operations related to the Fintech Platform are contractually required to maintain compliance with current PCI DSS as part of our information security program and to undergo periodic PCI DSS audits undertaken by third party auditors (“PCI Audits”). Noncompliance with PCI-DSS can result in penalties ranging from \$5,000 to \$100,000 per month by credit card companies, litigation, damage to our reputation, and revenue losses. We may also rely on vendors to process payment card data, and those vendors may be subject to PCI DSS, and our business may be negatively affected if our vendors are fined or suffer other consequences as a result of PCI DSS noncompliance. Further, If we cannot comply with or if we incur a violation of any of these standards or contractual requirements, or if we have findings resulting from a PCI Audit and we fail to undertake timely corrective action, we could incur significant liability through fines and penalties imposed by credit card associations or other organizations or litigation with relevant stakeholders, either of which could have an adverse effect on our reputation, business, financial condition and operating results. In addition, failure to comply with the PCI DSS obligations or the contractual obligations of the Fintech Platform, including timely and sufficient mitigation of any findings from a PCI Audit, could also result in the termination of OPUL[®]'s status as a registered PayFac, thereby dramatically impairing our ability to continue doing business in the payments industry, or we could be liable to the payment card issuing banks for their costs of issuing new cards and related expenses.

Outside the United States, an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, the European Union’s General Data Protection Regulation (“EU GDPR”) and the equivalent law in the United Kingdom (“UK GDPR”) impose strict requirements for processing the personal data of individuals, including sensitive data that we may process such as health data. Under the EU GDPR, government regulators may impose temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million euros or 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Similar processing penalties and fines exist under the UK GDPR and the uncertainty of data protection laws in the UK following Brexit has increased the complexity of compliance efforts.

In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the United Kingdom (UK) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA and UK’s standard contractual clauses, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Some European regulators have prevented companies from transferring personal data out of Europe for allegedly violating the GDPR’s cross-border data transfer limitations.

We may also be bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the GDPR and the CCPA, require our customers to impose specific contractual restrictions on their service providers. Additionally, some of our customer contracts may require us to host personal data locally. We may publish privacy policies, marketing materials and other statements, such as compliance with certain certifications or self-regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Our obligations related to data privacy and security are quickly changing, becoming increasingly stringent in fashion, and creating uncertainty as to the effective future legal framework. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or in conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources (including, without limitation, financial and time-related resources). These obligations may necessitate changes to our Fintech Platform, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model.

Although we endeavor to comply with all applicable data privacy and security obligations, we may at times fail (or be perceived to have failed) to do so. Despite our efforts, our personnel or third parties upon whom we rely may fail to comply with such obligations, which could negatively impact our business operations and compliance posture. For example, any failure by a third-party processor to comply with applicable law, regulations, or contractual obligations could result in adverse effects, including inability to operate our business and proceedings against us by governmental entities or others. Moreover, clinical trial subjects about whom we or our potential collaborators obtain information, as well as the third-party providers (such as contract research organizations) who share this information with us, may contractually limit our ability to use and disclose the information.

If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with data privacy and security obligations, we could face significant consequences, including, but not limited to, government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-related claims); additional reporting requirements and/or oversight; bans on processing personal data; and orders to destroy or not use personal data. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including our clinical trials); inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our product candidates; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or revision or restructuring of our operations.

If we fail to obtain regulatory approvals in foreign jurisdictions for DAXXIFY™, or any future product candidates including an onabotulinumtoxinA biosimilar, we will be unable to market our products outside of the U.S.

In addition to regulations in the U.S., we will be subject to a variety of foreign regulations governing manufacturing, clinical trials, commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product candidate, we must obtain approval of the product by the comparable regulatory authorities of foreign countries before commencing clinical trials or marketing in those countries. The approval procedures vary among countries and can involve additional clinical testing, or the time required to obtain approval may differ from that required to obtain FDA approval. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one or more foreign regulatory authorities does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval. We may not be able to file for regulatory approvals or to do so on a timely basis, and even if we do file, we may not receive the necessary approvals to commercialize our products in geographies outside of the U.S.

Further, interruption or delays in the operations of applicable foreign regulatory agencies caused by the COVID-19 pandemic may affect the review and approval timelines of such agencies for DAXXIFY™, an onabotulinumtoxinA

biosimilar, or any future hyaluronic acid filler products developed pursuant to the Teoxane Agreement or any future product candidates.

The RHA® Collection of dermal fillers, DAXXIFY™, an onabotulinumtoxinA biosimilar or any other products, may cause or contribute to adverse medical events that we are required to report to regulatory agencies and if we fail to do so, we could be subject to sanctions that would materially harm our business.

As we continue commercialization of the RHA® Collection of dermal fillers and initiate commercialization of DAXXIFY™, or any future approved products, including an onabotulinumtoxinA biosimilar, the FDA and foreign regulatory agency regulations require that we report certain information about adverse medical events if those products may have caused or contributed to those adverse events. The timing of our obligation to report would be triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events we become aware of within the prescribed timeframe. We may also fail to appreciate that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA or a foreign regulatory agency could take action including criminal prosecution, the imposition of civil monetary penalties, seizure of our products, or delay in approval or clearance of future products.

We may in the future be subject to various U.S. federal and state laws pertaining to healthcare fraud and abuse, including anti-kickback, self-referral, false claims and fraud laws, and any violations by us of such laws could result in fines or other penalties.

While we do not expect that DAXXIFY™ or the RHA® Collection of dermal fillers to subject us to all of the various U.S. federal and state laws intended to prevent healthcare fraud and abuse, we may be subject to, or in the future become subject to, additional laws in connection with the use of these products for treatment of therapeutic indications or any future product candidates. The federal anti-kickback statute prohibits the offer, receipt, or payment of remuneration in exchange for or to induce the referral of patients or the use of products or services that would be paid for in whole or part by Medicare, Medicaid or other federal healthcare programs. Remuneration has been broadly defined to include anything of value, including cash, improper discounts, and free or reduced price items and services. Additionally, the intent standard under the federal Anti-Kickback Statute was amended by the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the “ACA”) to a stricter standard such that a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Further, the ACA codified case law that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act (“FCA”). Many states have similar laws that apply to their state healthcare programs as well as private payors.

The federal false claims and civil monetary penalties laws, including the FCA impose liability on persons who, among other things, present or cause to be presented false or fraudulent claims for payment by a federal healthcare program. The FCA has been used to prosecute persons submitting claims for payment that are inaccurate or fraudulent, for services not provided as claimed, or for services that are not medically necessary. The FCA includes a whistleblower provision that allows individuals to bring actions on behalf of the federal government and share a portion of the recovery of successful claims.

HIPAA imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

HIPAA also imposes, among other things, certain standards and obligations on covered entities including certain healthcare providers, health plans and healthcare clearinghouses, as well as their respective business associates and subcontractors that create, receive, maintain, or transmit individually identifiable health information for or on behalf of a covered entity relating to the privacy, security, transmission and breach reporting of individually identifiable health information.

The federal Physician Payments Sunshine Act, and its implementing regulations, require certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to CMS information related to certain payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and nurse practitioners) and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members.

We may also be subject to analogous state laws and regulations, including: state anti-kickback and false claims laws, state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources, state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities, and state and local laws that require the registration of our pharmaceutical sales representatives.

State and federal authorities have aggressively targeted pharmaceutical manufacturers for alleged violations of these anti-fraud statutes for a range of activities, such as those based on improper research or consulting contracts with physicians and other healthcare professionals, certain marketing arrangements that rely on volume-based pricing, off-label marketing schemes, inappropriate billing and other improper promotional practices. Companies targeted in such prosecutions have paid substantial fines in the hundreds of millions of dollars or more, have been forced to implement extensive corrective action plans, and have often become subject to consent decrees severely restricting the manner in which they conduct business. Further, defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. If we become the target of such an investigation or prosecution based on our activities such as contractual relationships with providers or institutions, or our marketing and promotional practices, including any Fintech Platform rewards programs, we could be subject to significant civil, criminal, and administrative sanctions, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid, and other federal healthcare programs, imprisonment, additional reporting requirements, and/or oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

Also, the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. We cannot assure you that our internal control policies and procedures will protect us from reckless or negligent acts committed by our employees, future distributors, partners, collaborators or agents. Violations of these laws, or allegations of such violations, could result in fines, penalties or prosecution and have a negative impact on our business, results of operations and reputation.

Legislative or regulatory healthcare reforms in the U.S. may make it more difficult and costly for us to maintain or obtain regulatory clearance or approval of DAXXIFY™, an onabotulinumtoxinA biosimilar, or any future product candidates and to produce, market, and distribute such products if clearance or approval is obtained.*

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulatory clearance or approval, manufacture, and marketing of regulated products or the reimbursement thereof. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. For example, the ACA was passed in March 2010, and substantially changed the way healthcare is financed by both governmental and private insurers, and continues to significantly impact the U.S. biotechnology industry. There have been executive, judicial and Congressional challenges to certain aspects of the ACA. Since January 2017, the former U.S. presidential administration signed several Executive Orders and other directives designed to delay the implementation of certain provisions of the ACA. Concurrently, Congress considered legislation to repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, it has enacted laws that modify certain provisions of the ACA such as removing penalties, starting January 1, 2019, for not complying with the ACA's individual mandate to carry health insurance. On June 17, 2021, the U.S. Supreme Court

dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the “individual mandate” was repealed by Congress. Further, prior to the U.S. Supreme Court ruling on January 28, 2021, President Biden issued an executive order that initiated a special enrollment period that began in February 2021, which has been extended through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the “IRA”) into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the “donut hole” under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost through a newly established manufacturer discount program. It is possible that the ACA will be subject to judicial or Congressional challenges in the future. It is unclear how other future challenges and the healthcare reform measures of the Biden administration will impact the ACA and our business.

In addition, there have been several recent U.S. congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. At the federal level, the former U.S. presidential administration used several means to propose or implement drug pricing reform, including through federal budget proposals, executive orders and policy initiatives. For example, on July 24, 2020 and September 13, 2020, the former presidential administration announced several executive orders related to prescription drug pricing that seek to implement several of the administration’s proposals, which have resulted in additional regulations from the FDA, CMS and the U.S. Department of Health and Human Services (“HHS”). In July 2021, the Biden administration released an executive order, “Promoting Competition in the American Economy,” with multiple provisions aimed at prescription drugs. In response to Biden’s executive order, on September 9, 2021, HHS released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. In addition, the IRA, among other things, (1) directs HHS to negotiate the price of certain single-source drugs and biologics covered under Medicare and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions will take effect progressively starting in fiscal year 2023, although they may be subject to legal challenges. It is currently unclear how the IRA will be implemented but is likely to have a significant impact on the pharmaceutical industry. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of, or affect the price that we may charge for, DAXXIFY™, or any future product candidates including an onabotulinumtoxinA biosimilar. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs on our commercialization efforts for the RHA® Collection of dermal fillers and DAXXIFY™. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could require, among other things:

- changes to manufacturing methods;
- recall, replacement, or discontinuance of one or more of our products; and
- additional recordkeeping.

Each of these would likely entail substantial time and cost and could materially harm our business and our financial results. In addition, delays in receipt of or failure to receive regulatory clearances or approvals for any future products would harm our business, financial condition, and results of operations.

Our failure to maintain licenses and other authorizations to enable us to act as a distributor of Teoxane’s RHA® Collection of dermal fillers or comply with such licensing requirements could result in fines or other penalties.

As the distributor of Teoxane's RHA® Collection of dermal fillers, we are required to maintain certain licenses, registrations, permits, authorizations, approvals or other types of state and local permissions in order to comply with various regulations regarding the distribution of medical devices, and must cooperate with Teoxane in the event of any medical device reports (adverse events) or product recalls. Satisfaction of regulatory requirements may take many months, and may require the expenditure of substantial resources. Failure to comply with such regulatory requirements can result in enforcement actions, including the revocation or suspension of licenses, registrations or accreditations, and can also subject us to plans of correction, monitoring, civil monetary penalties, civil injunctive relief and/or criminal penalties. Failure to maintain state regulatory approval will also prevent distribution of products where such approval is necessary and will limit our ability to generate revenue. As we have limited prior experience in the distribution of medical devices, we cannot be certain that the compliance infrastructure we have built will be sufficient to continue to support these activities.

Changes in funding for the FDA, the SEC and other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, the ability to hire and retain key personnel and accept payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

The Fintech Platform is subject to extensive regulation and industry compliance requirements associated with operating as a PayFac, and its failure to comply with such regulation and requirements could negatively impact our business.

The financial services offered by the Fintech Platform are subject to legal, regulatory, and card brand requirements, including those regarding anti-money laundering, sanctions, fraud, and consumer financial protection. All Fintech Platform operations are conducted by certain Revance employees, and, as a result, those employees and the operations of Revance as it relates to the Fintech Platform will be subject to these regulations and requirements. Noncompliance with applicable laws and regulations could result in: civil or criminal penalties that could increase our expenses and adversely impact our business operations; the termination of the Fintech Platform's key supplier agreements, such as its Payment Facilitator Agreement; assessment of significant fines or monetary penalties; damage to our brand and reputation; loss of Fintech Platform customers, and poor financial performance. In addition, changes in applicable laws and regulations or changes in interpretations and enforcement practices may in turn require increased operating costs or capital expenditures to implement operational changes. Unforeseen regulatory changes may also limit our ability to offer certain products or services, or impact the competitiveness of products or services offered by the Fintech Platform. If we are no longer able to offer the full suite of Fintech Platform services or expand its services to appeal to a larger consumer base, the Fintech Platform brand and reputation may be harmed, customer retention and procurement may be negatively impacted, we may not achieve the anticipated benefits of the HintMD Acquisition.

Risks Related to Our Indebtedness

Our level of indebtedness and debt service obligations could adversely affect our financial condition, and may make it more difficult for us to fund our operations.

Under the Note Purchase Agreement, drawdowns are available in three tranches, subject to certain terms and conditions, including, with respect to the Second Tranche, the FDA approval of DAXXIFY™ for glabellar lines and, with respect to the Third Tranche, 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 prior approval from Athyrium. Concurrently with the closing of the Note Purchase Agreement, we borrowed the full \$100.0 million of the First Tranche. If we do not achieve the specified conditions and milestones, we will not be eligible to draw funds under the Second Tranche and the Third Tranche of the Note Purchase Agreement, and we may need to obtain additional or alternative financing to advance our research and development efforts, our regulatory approvals, our commercialization efforts and other aspects of our business plan. Such

additional or alternative financing may not be available on attractive terms, if at all, and could be more costly for us to obtain. The Note Purchase Agreement may also limit our ability to raise capital, including our ability to sell or license intellectual property. In addition, before we would consider drawing down the Second Tranche and the Third Tranche of the Note Purchase Agreement, if available, we must first satisfy ourselves that we will have access to sufficient cash flow from operations and/or future alternate sources of capital, in order to repay any additional principal borrowed, which we may be unable to do, in which case, our liquidity and ability to fund our operations may be substantially impaired.

All obligations under the Note Purchase Agreement are secured by substantially all of our existing property and assets. This indebtedness may create additional financing risk for us, particularly if our business or prevailing financial market conditions are not conducive to paying off or refinancing the outstanding debt obligations at maturity. If we are able to drawdown any of the Second Tranche and the Third Tranche, our indebtedness will increase, which would further increase our risk of being unable to pay off or refinance our outstanding debt obligations at maturity. Our indebtedness could also have important negative consequences, including:

- we will need to repay the indebtedness by making payments of interest and principal, which will reduce the amount of cash available to finance our operations, our research and development efforts, our regulatory approvals, our commercialization efforts and other aspects of our business plan;
- our failure to comply with the obligations of our affirmative and restrictive covenants in the Note Purchase Agreement could result in an event of default that, if not cured or waived, would accelerate our obligation to repay this indebtedness, and Athyrium could seek to enforce its security interest in the assets securing such indebtedness;
- limit our flexibility to plan for, or react to, changes in our business and industry, or our ability to take specified actions to take advantage of certain business opportunities that may be presented to us;
- expose us to the risk of increased interest rates, as our obligations under the Note Purchase Agreement are at variable rates of interest;
- place us at a competitive disadvantage; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

To the extent additional debt is added to our current debt levels, the risks described above could increase.

The terms of the Note Purchase Agreement place restrictions on our operating and financial flexibility, and if we fail to comply with these restrictions, our business, business prospects, results of operations and financial condition may be adversely affected.

The Note Purchase Agreement imposes operating and other restrictions on us. Such restrictions will affect, and in many respects limit or prohibit, our ability and the ability of any future subsidiaries to, among other things:

- dispose of certain assets;
- sell, transfer or exclusively license certain assets, including material intellectual property and capital stock of certain subsidiaries;
- change our line of business;
- engage in mergers, acquisitions or consolidations;
- incur additional indebtedness;
- prepay, redeem or repurchase certain debt;

- create liens on assets;
- engage in certain transactions with affiliates;
- pay dividends and make contributions or repurchase our capital stock; and
- make certain loans and investments.

The Note Purchase Agreement also contains financial covenants requiring us to (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 (as defined in the Note Purchase Agreement) on a trailing twelve months basis.

As a result of these restrictions, we may be limited in how we conduct our business; unable to raise additional debt or equity financing to operate as needed; or unable to compete effectively, take advantage of new business opportunities or grow in accordance with our plans.

The breach of any of these restrictive covenants or any other terms of the Note Purchase Agreement could result in a default under the Note Purchase Agreement, which would allow Athyrium to accelerate our obligation to repay our indebtedness under the Note Purchase Agreement, and result in a cross-acceleration or cross-default with our convertible notes or other indebtedness. In addition, an event of default may prevent us from drawing funds under the Second Tranche and the Third Tranche of the Note Purchase Agreement and may result in an increased interest rate for all amounts outstanding under the Note Purchase Agreement.

Furthermore, if we are unable to repay the amounts due and payable under the Note Purchase Agreement, Athyrium could also exercise its rights to take possession and dispose of the collateral securing the Note Purchase Agreement, which collateral includes substantially all of our property. The occurrence of any of the aforementioned events could have a material adverse effect on our business, business prospects, results of operations and financial condition.

We may not have cash available in an amount sufficient to enable us to make interest or principal payments on our indebtedness when due.

All principal under the Note Purchase Agreement is repayable upon the Maturity Date set forth in the Note Purchase Agreement. Upon the occurrence of an Amortization Trigger (as defined in the Note Purchase Agreement), we are required to repay the principal of the Second Tranche and 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. Our ability to make scheduled payments on or to refinance our indebtedness depends on our future performance and ability to raise additional sources of cash, which is subject to economic, financial, market, competitive, regulatory and other factors beyond our control. If we are unable to generate sufficient cash to service our debt, we may be required to adopt one or more alternatives, such as selling assets, restructuring our debt or obtaining additional equity capital on terms that may be onerous or highly dilutive, to the extent permitted by the Note Purchase Agreement. If we desire to refinance our indebtedness, our ability to do so will depend on the capital and lending markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Failure to satisfy our current and future obligations under the Note Purchase Agreement could result in an event of default. In addition, the Note Purchase Agreement includes customary affirmative and negative covenants and other events of default, the occurrence and continuance of which provide Athyrium with the right to demand immediate repayment of all principal and unpaid interest under the Note Purchase Agreement, and to exercise remedies against us and the collateral securing the Note Purchase Agreement. These events of default include, among other things:

- insolvency, liquidation, bankruptcy or similar events;

- failure to observe any covenant or secured obligation under the Note Purchase Agreement, subject to a cure period for some covenants and obligations;
- occurrence of an event that could reasonably be expected to have a material adverse effect;
- material misrepresentations;
- occurrence of any default under any other agreement involving indebtedness in excess of specified amounts, or the occurrence of a default under any agreement that could reasonably be expected to have a material adverse effect on us;
- certain judgments being entered against us or any portion of our assets are attached or seized; and
- certain governmental and regulatory actions.

In the event of default, Athyrium could accelerate all of the amounts due under the Note Purchase Agreement. Under such circumstances, we may not have enough available cash or be able to raise additional funds through equity or debt financings or other strategic transactions to repay such indebtedness at the time of such acceleration, which would adversely affect the market price of our common stock and our ability to continue operations. Athyrium could also exercise other rights as discussed above in “—We may not have cash available in an amount sufficient to enable us to make interest or principal payments on our indebtedness when due.” Our business, business prospects, results of operations and financial condition could be materially adversely affected as a result of any of these events.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the 2027 Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control, including global macroeconomic effects of the COVID-19 pandemic. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. 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. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

We may not have the ability to raise the funds necessary to settle conversions of the 2027 Notes in cash or to repurchase the 2027 Notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the 2027 Notes.

Holders of the 2027 Notes will have the right to require us to repurchase all or a portion of their 2027 Notes upon the occurrence of a fundamental change (as defined in the indenture for the 2027 Notes) at a fundamental change repurchase price equal to 100% of the principal amount of the 2027 Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, upon conversion of the 2027 Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the 2027 Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the 2027 Notes surrendered therefor or notes being converted. In addition, our ability to repurchase the 2027 Notes or to pay cash upon conversions of the 2027 Notes may be limited by law, by regulatory authority, by the Note Purchase Agreement or by agreements governing our future indebtedness. Our failure to repurchase the 2027 Notes at a time when the repurchase is required by the indenture or to pay any cash payable on future conversions of the 2027 Notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods,

we may not have sufficient funds to repay the indebtedness and repurchase the 2027 Notes or make cash payments upon conversions thereof.

The conditional conversion feature of the 2027 Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the 2027 Notes is triggered, holders of 2027 Notes will be entitled to convert the 2027 Notes at any time during specified periods at their option. If one or more holders elect to convert their 2027 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2027 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2027 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

Conversion of the 2027 Notes may dilute the ownership interest of our stockholders or may otherwise depress the price of our common stock.

The conversion of some or all of the 2027 Notes may dilute the ownership interests of our stockholders. Upon conversion of the 2027 Notes, we have the option to 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. If we elect to settle our conversion obligation in shares of our common stock or a combination of cash and shares of our common stock, any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the 2027 Notes may encourage short selling by market participants because the conversion of the 2027 Notes could be used to satisfy short positions, or anticipated conversion of the 2027 Notes into shares of our common stock could depress the price of our common stock.

General Risk Factors

The trading price of our common stock is volatile, and purchasers of our common stock could incur substantial losses.*

The trading price of our common stock is highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. For example, the closing price of our common stock from January 1, 2021 to September 30, 2022 has ranged from a low of \$11.52 to a high of \$33.21. The stock markets in general and the markets for pharmaceutical biopharmaceutical and biotechnology stocks in particular have experienced extreme volatility that may have been for reasons that are related or unrelated to the operating performance of the issuer. The market price for our common stock may be influenced by many factors, including:

- announcements of regulatory approval or disapproval of DAXXIFY™ in indications other than glabellar lines, the RHA® Pipeline Products or any future product candidates;
- regulatory or legal actions, developments and guidance in the U.S. and foreign countries, such as the receipt of the CRL related to the BLA for DAXXIFY™ for the temporary improvement of moderate to severe glabellar lines;
- our ability to continue as a going concern;
- our success or lack of success in commercializing DAXXIFY™ and the RHA® Collection of dermal fillers;
- results from or delays in clinical trials of our product candidates;
- introductions and announcements of new products by us, any commercialization partners or our competitors, and the timing of these introductions and announcements;

- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- announcements by us or our competitors of significant acquisitions, licenses, strategic partnerships, joint ventures or capital commitments;
- the occurrence of adverse consequences pursuant to our financing arrangements;
- market conditions in the pharmaceutical and biotechnology sectors and issuance of securities analysts' reports or recommendations;
- quarterly variations in our results of operations or those of our future competitors;
- changes in financial estimates or guidance, including our ability to meet our future revenue and operating profit or loss estimates or guidance;
- sales of substantial amounts of our stock by insiders and large stockholders, or the expectation that such sales might occur;
- general economic, industry and market conditions;
- adverse tax laws or regulations enacted or existing laws applied to us or our customers;
- additions or departures of key personnel;
- intellectual property, product liability or other litigation against us;
- expiration or termination of our potential relationships with customers and strategic partners;
- the occurrence of trade wars or barriers, or the perception that trade wars or barriers will occur;
- any buying or selling of shares of our common stock or other hedging transactions in our common stock in connection with the 2027 Notes or the capped call transactions;
- widespread public health crises such as the COVID-19 pandemic; and
- other factors described in this "Risk Factors" section.

These broad market fluctuations may adversely affect the trading price or liquidity of our common stock, regardless of our actual operating performance. In addition, in the past, stockholders have initiated class actions against pharmaceutical companies, including us, following periods of volatility in their stock prices. Such litigation instituted against us could cause us to incur substantial costs and divert management's attention and resources.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends, in part, on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts may cease to publish research on our company at any time in their discretion. A lack of research coverage may adversely affect the liquidity and market price of our common stock. We will not have any control of the equity research analysts or the content and opinions included in their reports. The price of our stock could decline if one or more equity research analysts downgrade our stock or issue other unfavorable commentary or research. If one or more equity research analysts ceases coverage of our company, or fails to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline.

Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could cause the market price of our common stock to drop significantly, even if our business is doing well.*

Sales of a substantial number of shares of our common stock in the public market could occur at any time. As of September 30, 2022, we sold 5.1 million shares of common stock under the 2020 ATM Agreement resulting in net proceeds of \$121.9 million after sales agent commissions. Under the 2022 ATM Agreement, we may sell up to \$150.0 million of our common stock. As of both September 30, 2022 and the filing date of this Report, no shares of common stock have been sold under the 2022 ATM Agreement.

On September 15, 2022, we completed an underwritten public offering, pursuant to which we issued 9.2 million shares of common stock at a public offering price of \$25.00 per share, including the exercise of the underwriters' over-allotment option to purchase 1.2 million additional shares of common stock, for aggregate net proceeds of \$215.9 million, after deducting underwriting discounts, commissions and other offering expenses.

If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly. For instance, shares of our common stock that were issued to HintMD stockholders as consideration for the HintMD Acquisition, including those shares issued upon the exercise of outstanding stock options, are freely tradable without restrictions or further registration under the Securities Act, in some cases following the expiration of lock-up agreements entered into between Revance and HintMD directors and members of management and certain HintMD stockholders (the "Lock-Up Agreements"). If former HintMD stockholders sell substantial amounts of our common stock in the public market, including following the expiration of the Lock-Up Agreements, the market price per share of our common stock may decline. Any sales of securities by stockholders could have a material adverse effect on the trading price of our common stock.

Provisions in our corporate charter documents and under Delaware law could discourage takeover attempts and lead to management entrenchment, and the market price of our common stock may be lower as a result.

Certain provisions in our amended and restated certificate of incorporation and amended and restated bylaws may make it difficult for a third party to acquire, or attempt to acquire, control of the Company, even if a change in control was considered favorable by you and other stockholders. For example, our board of directors has the authority to issue up to 5,000,000 shares of preferred stock. Our board of directors can fix the price, rights, preferences, privileges, and restrictions of the preferred stock without any further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change in control transaction. As a result, the market price of our common stock and the voting and other rights of our stockholders may be adversely affected. An issuance of shares of preferred stock may result in the loss of voting control to other stockholders.

Our charter documents also contain other provisions that could have an anti-takeover effect, including:

- only one of our three classes of directors will be elected each year;
- no cumulative voting in the election of directors;
- the ability of our board of directors to issue shares of preferred stock and determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval;
- the exclusive right of our board of directors to elect a director to fill a vacancy or newly created directorship;
- stockholders will not be permitted to take actions by written consent;
- stockholders cannot call a special meeting of stockholders;
- stockholders must give advance notice to nominate directors or submit proposals for consideration at stockholder meetings;

- the ability of our board of directors, by a majority vote, to amend the bylaws; and
- the requirement for the affirmative vote of at least 66 2/3 percent or more of the outstanding common stock to amend many of the provisions described above.

In addition, we are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law (the “DGCL”), which regulates corporate acquisitions. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control transaction. They could also have the effect of discouraging others from making tender offers for our common stock, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that certain investors are willing to pay for our stock.

Our amended and restated bylaws and amended and restated certificate of incorporation also provide that the Delaware Court of Chancery (or, if the Delaware Court of Chancery does not have jurisdiction, any state court located in Delaware or if all the state courts lack jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action, suit or proceeding brought on behalf of the Company;
- any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Company to the Company or the Company’s stockholders or any action asserting a claim for aiding and abetting any such breach of fiduciary duty;
- any action, suit or proceeding asserting a claim against the Company or any current or former director, officer, or other employee of the Company arising out of or pursuant to, or seeking to enforce any right, obligation or remedy under, or to interpret, apply, or determine the validity of, any provision of the DGCL, the amended and restated certificate of incorporation, or the amended and restated bylaws (as each may be amended from time to time);
- any action, suit, or proceeding as to which the DGCL confers jurisdiction on the Delaware Court of Chancery, and
- any action, suit or proceeding asserting a claim against the Company or any current or former director, officer, or other employee of the Company governed by the internal-affairs doctrine.

This provision would not apply to actions, suits or proceedings brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction. In addition, our amended and restated bylaws provide that, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any claims arising under the Securities Act of 1933, as amended. The exclusive forum provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find the exclusive-forum provision in our amended and restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our business.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the DGCL, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- We will indemnify our directors and officers for serving us in those capacities, or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- We are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- We will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification.
- The rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons.
- We may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, will be your sole source of gains.

We have not declared or paid cash dividends on our common stock to date. We currently intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, the terms of the Note Purchase Agreement and any future debt agreements may contain similar restrictions. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

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

None.

ITEM 6. EXHIBITS

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

Exhibit Number	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed Herewith
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	—
10.1+	Second Amendment to Exclusive Distribution Agreement, dated November 18, 2020, by and between Revance Therapeutics, Inc. and Teoxane SA	—	—	—	—	X
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 to 18 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	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	XBRL Taxonomy Extension Schema Document	—	—	—	—	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	—	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	—	X
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document	—	—	—	—	X
101.PRE	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 Quarterly Report on Form 10-Q 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 of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

+ Portions of this exhibit (indicated by asterisks) have been omitted as the registrant has determined that (i) the omitted information is not material and (ii) the omitted information is of the type that the registrant treats as private or confidential.

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.

Date: November 8, 2022

REVANCE THERAPEUTICS, INC.

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)

Second Amendment to the Exclusive Distribution Agreement dated January 10, 2020

dated November 18, 2020

by and among

Teoxane SA (the Supplier)

Rue de Lyon 105, CH-1203 Geneva, Switzerland

and

Revance Therapeutics Inc. (the Distributor)

7555 Gateway Boulevard Newark, California, USA

(the Supplier and the Distributor, together the **Parties**, and each a **Party**)

Preamble

- A. On January 10, 2020, the Parties entered into an Exclusive Distribution Agreement (the **Original Exclusive Distribution Agreement**) to distribute certain products in the Territory.
- B. On September 1, 2020, the Parties entered into a First Amendment Agreement to postpone the Launch Date (the **First Amendment Agreement**).
- C. The Original Exclusive Distribution Agreement and the First Amendment Agreement together are referred to as the **Exclusive Distribution Agreement**. Unless otherwise defined herein, capitalized terms used in this preamble and in this second amendment agreement to the exclusive distribution agreement dated January 10, 2020 (this **Second Amendment Agreement**) shall have the meaning assigned to them in the Exclusive Distribution Agreement.
- D. Under the Exclusive Distribution Agreement, the Parties agreed to a certain Innovation Plan.
- E. The Parties wish to update the Innovation Plan relating to New Products which consist in Agreed New Fillers and Agreed New Indications, in each case intended to receive Regulatory Approvals, if applicable.
- F. The purpose of this Second Amendment Agreement is to formally amend the Exclusive Distribution Agreement in accordance with its Section 19.7 in order to reflect the Parties new agreement on the Innovation Plan.

CERTAIN CONFIDENTIAL INFORMATION

CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE REVANCE THERAPEUTICS, INC., HAS DETERMINED THE INFORMATION (I) IS NOT MATERIAL AND (II) IS THE TYPE THAT REVANCE THERAPEUTICS, INC. TREATS AS PRIVATE AND CONFIDENTIAL.

Now therefore the Parties agree to modify the Exclusive Distribution Agreement as follows:

1. Amendments

The Parties hereby agree that the Exclusive Distribution Agreement shall be amended as set out in this Section 1.

1.1 Amendment to Annex 5.1 – Innovation Plan

A new line is added to the Innovation Plan in Annex 5.1 of the Exclusive Distribution Agreement as follows:

[*]

1.2 Amendment to Annex 5.3 – Clinical Trial Costs

A new line is added to Annex 5.3 of the Exclusive Distribution Agreement with respect to (i) the Clinical Trial Costs for the first Contract Year and (ii) the forecasted Clinical Trial Costs for the years 2020 to 2022 as follows:

[*]

2. No Other Amendments

Other than as set for in this Second Amendment Agreement, the Exclusive Distribution Agreement and its Annexes shall not be amended, changed, modified or varied any way.

3. Effective Date

The amendments set forth in this Second Amendment Agreement shall become effective upon its execution by both Parties, with effect as from October 1, 2020.

4. One Agreement

This Second Amendment Agreement and the Exclusive Distribution Agreement including its Annexes, taken together, shall constitute one and the same agreement for all purposes to be designated as the Exclusive Distribution Agreement.

5. Expenses

Each Party shall bear its own taxes, costs and expenses related to the preparation, execution and performance of this Second Amendment Agreement.

6. Applicable Law and Dispute Resolution

CERTAIN CONFIDENTIAL INFORMATION

CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE REVANCE THERAPEUTICS, INC., HAS DETERMINED THE INFORMATION (I) IS NOT MATERIAL AND (II) IS THE TYPE THAT REVANCE THERAPEUTICS, INC. TREATS AS PRIVATE AND CONFIDENTIAL.

(a) This Second Amendment Agreement shall for all purposes be governed by and interpreted in accordance with the laws of [*], without giving effect to conflicts of laws principles. The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Second Amendment Agreement.

(b) Any dispute arising from or relating to this Second Amendment Agreement shall be submitted to final and binding arbitration in accordance with Clause 19.10(b) to Clause 19.10(e) of the Exclusive Distribution Agreement.

7. Counterparts

This Second Amendment Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Second Amendment Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement, including counterparts transmitted via facsimile or by PDF file (portable document format file).

[SIGNATURES ON NEXT PAGE]

CERTAIN CONFIDENTIAL INFORMATION

CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE REVANCE THERAPEUTICS, INC., HAS DETERMINED THE INFORMATION (I) IS NOT MATERIAL AND (II) IS THE TYPE THAT REVANCE THERAPEUTICS, INC. TREATS AS PRIVATE AND CONFIDENTIAL.

Signatures – Second Amendment Exclusive Distribution Agreement

The Supplier Teoxane SA

Paris, 01/11/2021 /s/Valerie Taupin

Place, date By: Valérie Taupin

Title: Founder, CEO and Chairwoman of the Board of directors

The Distributor Revance Therapeutics Inc.

Newark, CA, USA 12/22/2020 /s/ Mark Foley

Place, date By: Mark Foley

Title: Chief Executive Officer

Newark, CA 12/22/2020 /s/ Tobin Schilke

Place, date By: Tobin Schilke

Title: Chief Financial Officer

CERTAIN CONFIDENTIAL INFORMATION

CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE REVANCE THERAPEUTICS, INC., HAS DETERMINED THE INFORMATION (I) IS NOT MATERIAL AND (II) IS THE TYPE THAT REVANCE THERAPEUTICS, INC. TREATS AS PRIVATE AND CONFIDENTIAL.

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: November 8, 2022

/s/ Mark J. Foley

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

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: November 8, 2022

/s/ Tobin C. Schilke

Tobin C. Schilke

Chief Financial Officer

(Duly Authorized Principal Financial Officer and Principal Accounting Officer)

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 September 30, 2022 (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: November 8, 2022

IN WITNESS WHEREOF, the undersigned has set his hands hereto as of the 8th day of November, 2022.

/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.

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 September 30, 2022 (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: November 8, 2022

IN WITNESS WHEREOF, the undersigned has set his hands hereto as of the 8th day of November, 2022.

/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.